

**From:** juan ovalle [mailto:jeovallec@gmail.com]

**Sent:** Tuesday, June 14, 2022 2:11 PM

**To:** CityClerk <CityClerk@longbeach.gov>; Mayor <Mayor@longbeach.gov>; Council District 1 <District1@longbeach.gov>; Council District 2 <District2@longbeach.gov>; Council District 3 <District3@longbeach.gov>; City Auditor's Office <Auditor@longbeach.gov>; Council District 4 <District4@longbeach.gov>; Council District 5 <District5@longbeach.gov>; Council District 6 <District6@longbeach.gov>; Council District 7 <District7@longbeach.gov>; Council District 8 <District8@longbeach.gov>; Council District 9 <District9@longbeach.gov>

**Subject:** Charter Amendment Committee - Water & Gas Merger Agenda Item #3

**-EXTERNAL-**

Honorable Members of the Charter Amendment Committee,

Please see attached letter concerning subject matter.

Best,

Juan E. Ovalle

June 14, 2022

Long Beach Charter Amendment Committee  
City of Long Beach, CA

Dear Charter Amendment Committee Members,

I strongly oppose the **The Placement of a Charter Amendment to merge Long Beach Water Department and Gas Department – 061422-CAC-CC.Item #3.**

The premises of the proposed charter amendment are misleading, full of omissions. The amendment will lead to more illegal utility fund transfers, lawsuits and legal expenses. Instead of increasing efficiency, it will create increased costs. See below.

1. As proposed, the charter amendment will reduce government transparency and create conditions for illegal utility fund transfers to the general fund. It does not address how the revenue will be prevented from transfer to the General Fund, and is silent about possible illegal transfers from the combined Departments to the General Fund. It does not mention if the proposed New Charter or even the Existing Charter language for LBWD and Gas Department will be modified to eliminate any sort of mention of transfers to the City General Fund. **This alone is reason to oppose this charter amendment.**

Because the City ignored this requirement previously, the City is now required to return all illegally gotten monies to rate payers, nearly \$40 M dollars, because it was an “unseen tax” that effectively raised the prices of one of the most essential resources: our water. Not only that, the City campaigned and defended the illicit action with tax payer funds. The same could certainly happen with the consolidation of the utilities.

Consider that under the incorrect guidance of the current City Attorney, the City violated the law multiple times and lost multiple lawsuits defending itself. Pre-Measure M, the City Violated the law, was found guilty; Pre-Measure M, Citizens advised the Council and City not to proceed with such a Measure. However, this City Council body with the advice of the current City Attorney proceeded to not only place such a measure on the 2018 ballot but to act in violation of the law, knowing darn well that it was a secret tax. Post-Measure M, the courts found the City of Long Beach of violating the California Constitution, Prop 218. Not just once but during two additional City of Long Beach appeals, one of them by the California Supreme Court. Stop the cover up for incompetence by City leadership.

This proposed Charter Amendment does not even include a requirement for an Independent Watchdog to assure that illegal transfers are not occurring. We cannot rely on a City Auditor that has essentially prostituted the position to become a political pond of powerful City Hall interests.

After all of this violation of the law and bad legal advice, can you explain why you are even remotely considering and amendment to allow for more illegal action by the City.

2. Furthermore, proposed Charter Amendment will undoubtedly add the ability of the City to add any other City-operated utilities to the new combined utilities department (that could potentially include such utilities as Storm Drains, Street Pavement, Trash Collection & Recycling to name a few) further adding to resident's tax burden.

3. This amendment opens up another potentially costly issue for LBWD, which is the taking of added liabilities associated with the extraction and handling of hydrocarbon substances.

4. To expect that an "independent" Board will manage the combined agencies as stands now is ludicrous. This proposal has nothing to do with good governance, this is developing another behemoth of a bureaucracy, and we pay for it with higher secret taxes disguised as even higher utility fees. Who suffers? The poor, the small businesses, the quality of service, and all of the residents of our City.

Running a government ethically and responsibly for the service of the People is not easy, it takes courage and sacrifice. Attempting to take shortcuts will lead all of us to places we do not or should not leave our children and the next generations attempting to fix.

Sincerely,

Juan E. Ovalle  
Long Beach Resident and Water Department Rate Payer