

October 27, 2023

The Honorable City Council
c/o Office of the City Clerk
Room 395, City Hall
Mail Stop 160

Honorable Members:

Subject: Approval of Salary Adjustments and Salary Setting for Water Services
Manager and Water Utility Superintendent for the Los Angeles Department of
Water and Power

This letter recommends the City Council approve the proposed salary adjustments for the following Los Angeles Department of Water and Power (LADWP) classifications in the LADWP Management Employees Unit: Water Services Manager (WSM), Class Code 9602, Duties Description Record (DDR) No. 95-96021; and Water Utility Superintendent (WUS), Class Code 3980, DDR Nos. 95-39803 and 95-39801. Additionally, LADWP also requests salary setting for four (4) proposed new WSM DDRs, Class Code 9602. This approval is consistent with the bargaining instructions approved by the Executive Employee Relations Committee (EERC) at its meeting on October 13, 2023.

The WSM and WUS classifications are currently represented by the LADWP Management Employees Association (MEA). LADWP and MEA (the Parties) have discussed the proposed salaries and MEA agrees.

Background

LADWP's Water Distribution Division (WDD) is experiencing ongoing challenges recruiting and retaining senior management-level employees in the WSM classification. This is now a critical matter as LADWP, like many organizations, has a 40 to 50 percent retirement eligibility rate across its organization. That vulnerability is particularly concerning in management level ranks, with fewer employees and senior supervisors expressing a reluctance to replace them.

LADWP has seen a reduction of candidates for both the management-level WUS and the senior management-level WSM positions within the Water System. Due to an

increased number of retirements and potential retirements, the current promotional structure, and other contributing factors, potential candidates are choosing not to apply for the WSM or WUS positions. The current structure discourages WUS incumbents from applying for the WSM exam because many do not want to take an additional Civil Service exam late in their careers in order to promote into the senior managerial ranks. Furthermore, many potential candidates decide that the added responsibility, loss of International Brotherhood of Electrical Workers medical plan options, and the loss of significant overtime as a Water Services Supervisor (WSS), which can quite often result in a reduction in pay, are ultimately disincentives to promotion to WUS or WSM.

By establishing lower paygrades in the WSM classification, equalizing salaries with other similar LADWP management classes, such as Electrical Services Manager (ESM), and providing modest pay increases through the transition, LADWP will address a longstanding attraction and retention issue by drawing more employees into management-level positions. Without substantive measures to entice supervisors to cross into management, LADWP will see managers in field classes such as WSM retire and take years of knowledge and expertise with them, leaving operational shops and field crews in a very tenuous position as the LADWP works to safely meet expanding service level demands from our customers across the City service area.

The WSM classification is responsible for the planning, directing, and administering through field superintendents, the constructions, maintenance, installation, inspection, and system activities of a major area within the Water System. These similar levels of responsibilities and duties are conducted by ESMs within the Power System. In addition, the required skills, knowledge, and abilities are also comparable, therefore, the salary of WSM should be commensurate with the level of responsibilities and requirements of ESM.

Currently, LADWP employs the WSM job classification which only has two (2) DDR levels. The existing DDRs are responsible for the planning, directing, and administering through field superintendents, the construction, maintenance, installation, inspection, and system activities of a major area within the Water System. WSMs must apply sound supervisory and managerial principles and techniques in building and maintaining an effective workforce. These same responsibilities and duties are conducted by ESMs within the Power System. In addition, the required skills, knowledge, and abilities are also comparable, therefore, the salary of WSM should be commensurate with the level of responsibilities and requirements of ESM. The ESM classification currently has six (6) DDR levels; LADWP is requesting four (4) lower WSM DDR levels be added to be equal with the ESM structure.

The feeder classes for the proposed WSM levels will be the same as the current ones for WUS. Below is a listing of the feeder classifications and the current monthly salaries as of October 1, 2023:

- Water Utility Supervisor, Monthly Salary: \$12,162.60
- Water Services Supervisor, Monthly Salary: \$12,802.92
- Water Utility Operator Supervisor, Monthly Salary: \$12,802.92
- Water Treatment Supervisor, Monthly Salary: \$12,971.70
- Waterworks Mechanic Supervisor, Monthly Salary: \$13,636.38

With the exception of WUS "C" DDR No. 95-39801, the existing WSM and WUS levels are salaried positions and are therefore not entitled to overtime pay. The average annual amount of overtime pay received by WUS "C" incumbents over the last three (3) years is approximately \$26,579.

Below is a summary of the WSM and WUS occupancy history and projected attrition:

Class /DDR	Budgeted Positions	Positions Filled 2020-22	No. of Retirees 2020-22	Current Vacancies	Currently Occupied	Incumbents Eligible to Retire	Promotions into DDR 2020-22
WSM "A" 95-96021	1	0	0	0	1	1	0
WSM "B" 95-96022	1	1	2	0	1	1	1
WUS "A" 95-39803*	13	8	6	1	12	8	8
WUS "C" 95-39801	14	7	2	4	10	3	7

Additionally, the Parties conducted a parallel review of the WUS classification and determined the duties, responsibilities and requirements of the class are equivalent to that of Transmission Distribution District Supervisor (TDDS), Class Code 3875, therefore, the salary of WUS should be commensurate with the level of responsibilities and requirements of TDDS.

The Parties initially held discussions pertaining to the WSM and WUS classifications during negotiations for the successor Memorandum of Understanding (MOU), effective January 1, 2022. The negotiations resulted in a Tentative Agreement between the Parties to increase the salaries of the WSM and WUS classifications, and establish the four (4) proposed new WSM DDR levels; however, the proposal was deferred for additional consideration of the classifications. The Parties have now agreed to proceed with the original intent of the salary increases, retroactive to January 1, 2022, the effective date of the MOU, and the DDR creation.

Salary Proposal

LADWP requests approval to increase the salary of WSM, Class Code 9602, DDR No. 95-96021, to be in parity with ESM, Class Code 5265, DDR No. 95-52656. Additionally, the LADWP requests approval to increase the salaries of WUS, Class Code 3980, DDR Nos. 95-39803 and 95-39801 to be in parity with TDDS, Class Code 3875, DDR Nos. 95-38754 and 95-38753, respectively. The salary proposals reflect that the duties for the WSM and WUS are commensurate with the duties of ESM and TDDS.

Listed below is a summary of the current and proposed salaries at the top salary steps:

Effective January 1, 2022:

Classification/ DDR	Current		Proposed		Salary Range
	Monthly Salary*	Annual Salary*	Monthly Salary*	Annual Salary*	
Water Services Manager 95-96021	\$26,583.72	\$319,004.64	\$26,856.90	\$322,282.80	12424
Water Utility Superintendent 95-39803**	\$19,559.34	\$234,712.08	\$22,839.24	\$274,070.88	10565
Water Utility Superintendent 95-39803	\$17,579.22	\$210,950.64	\$20,519.82	\$246,237.84	9492
Water Utility Superintendent 95-39801	\$14,685.60	\$176,227.20	\$18,844.20	\$226,130.40	8717

Note: 01/01/2022 reflects effective date of the MOU.

*Salaries are depicted at the top salary step (Step 5) of the MEA MOU for the Salary Adjustments effective January 1, 2022.

**MEA MOU Footnote No. 9 allows two (2) WUSs to act as General Superintendent of the Water Distribution Division and be compensated commensurate with Construction & Maintenance Superintendent "A". The proposed salary increase to ESM III (DDR No. 95-52658) salary level is required to maintain the historical salary differential.

Effective October 1, 2022:

Classification/ DDR	Current		Proposed		Salary Range
	Monthly Salary*	Annual Salary*	Monthly Salary*	Annual Salary*	
Water Services Manager 95-96021	\$28,045.32	\$336,543.84	\$28,335.90	\$340,030.80	13107
Water Utility Superintendent 95-39803**	\$20,634.66	\$247,615.92	\$24,097.26	\$289,167.12	11147
Water Utility Superintendent 95-39803	\$18,546.66	\$222,559.92	\$21,649.08	\$259,788.96	10015
Water Utility Superintendent 95-39801	\$15,492.96	\$185,915.52	\$19,881.24	\$238,574.88	9197

Note: This table reflects a Cost of Living Adjustment of 5.5 percent, but is exclusive of the 15 percent salary adjustments (pursuant to maintaining historical salary differentials under MEA MOU Article 13.1) to the ESM and TDDS classifications, effective 10/01/2022.

* Salaries are depicted at the top salary step (Step 5) of the MEA MOU for the Cost of Living Adjustments, effective October 1, 2022.

**MEA MOU Footnote No. 9 allows two (2) WUSs to act as General Superintendent of the Water Distribution Division and be compensated commensurate with Construction & Maintenance Superintendent "A". The proposed salary increase to ESM III (DDR No. 95-52658) salary level is required to maintain the historical salary differential.

LADWP requests approval to set the salary of WSM "A", Class Code 9602, DDR No. 95-96021, to be in parity with ESM "A", Class Code 5265, DDR No. 95-52656. Additionally, LADWP requests approval to set the salaries of the newly created WSM DDR Nos. "C" 95-96023, "D" 95-96024, and "E" 95-96025 to be in parity with ESM DDR Nos. "D" 95-52653, "E" 95-52652, and "F" 95-52651, respectively. Lastly, LADWP requests the salary for WSM DDR No. "F" 95-96026 be in parity with TDDS "B" level, DDR No. 95-38753.

Listed on the following page is a summary of the current and proposed salaries at the top salary for the existing WSM and WUS DDRs, and the new WSM levels:

Effective October 1, 2023:

Classification/ DDR	Current		Proposed		Salary Range
	Monthly Salary*	Annual Salary*	Monthly Salary*	Annual Salary*	
Water Services Manager "A" 95-96021	\$28,998.84	\$347,986.08	\$29,299.86	\$351,598.32	13554
Water Services Manager "B" 95-96022	\$27,751.26	\$333,015.12	\$27,751.26	\$333,015.12	12837
Water Services Manager "C" 95-96023	N/A	N/A	\$24,918.54	\$299,022.48	11527
Water Services Manager "D" 95-96024	N/A	N/A	\$23,615.28	\$283,383.36	10924
Water Services Manager "E" 95-96025	N/A	N/A	\$22,385.10	\$268,621.20	10356
Water Services Manager "F" 95-96026	N/A	N/A	\$20,556.36	\$246,676.32	9509
Water Utility Superintendent 95-39803**	\$21,335.88	\$256,030.56	\$24,918.54	\$299,022.48	11527
Water Utility Superintendent 95-39803	\$19,176.54	\$230,118.48	\$22,385.10	\$268,621.20	10356
Water Utility Superintendent 95-39801	\$16,020.18	\$192,242.16	\$20,556.36	\$246,676.32	9509

Note: This table reflects a Cost of Living Adjustment of 3.4 percent, but is exclusive of the 15 percent and 5 percent salary adjustments (pursuant to maintaining historical salary differentials under MEA MOU Article 13.1) to ESM, effective 10/01/2022 and 10/01/2023.

*Salaries are depicted at the top salary step (Step 5) of the MEA MOU for the Cost of Living Adjustments, effective October 1, 2023.

**MEA MOU Footnote No. 9 allows two (2) WUSs to act as General Superintendent of the Water Distribution Division and be compensated commensurate with Construction & Maintenance Superintendent "A". The proposed salary increase to ESM III (DDR No. 95-52658) salary level is required to maintain the historical salary differential.

Fiscal Impact

The fiscal impact of the proposed retro payments for the period of January 1, 2022, through September 30, 2023 (21 months), is a one-time amount of approximately \$2,200,026. The ongoing annual fiscal impact associated with the proposed salary adjustments range from approximately \$1,336,471 to \$1,398,592. Assumptions are based on a Cost-of-Living Adjustment (COLA) floor of 2.5 percent and ceiling of 5.5 percent, which are based on the Consumer Price Index (CPI). There is no fiscal impact to the City's General Fund.

Recommendation

LADWP respectfully requests approval from the City Council relative to the proposed salaries summarized above.

If you have any questions or require additional information, please contact Mr. Thomas T. Simonovski, Director of Labor Relations, at (213) 367-1951.

Sincerely,



Martin L. Adams
General Manager and Chief Engineer

MLA:tts/mc

c: Mr. Matthew W. Szabo, City Administrative Officer
Mr. Paul A. Girard, Employee Relations Chief
Ms. Deitra O. Barnett
Mr. Thomas T. Simonovski