

PERSONNEL, AUDITS, AND HIRING COMMITTEE REPORT relative to approval of salary adjustments and salary setting for Water Services Manager (Class Code 9602) and Water Utility Superintendent (Class Code 3980).

Recommendation for Council action:

APPROVE the salary adjustments and salary setting for Water Services Manager (Class Code 9602) and Water Utility Superintendent (Class Code 3980) as detailed in the October 27, 2023 Los Angeles Department of Water and Power (LADWP) report, attached to the Council File.

Fiscal Impact Statement: The LADWP reports that 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.

Community Impact Statement: None submitted.

Summary:

On November 7, 2023, your Committee considered an October 27, 2023 LADWP report relative to approval of salary adjustments and salary setting for Water Services Manager (Class Code 9602) and Water Utility Superintendent (Class Code 3980). According to the LADWP, it is recommending the approval of the proposed salary adjustments for the following LADWP classifications in the LADWP Management Employees Unit:

- Water Services Manager (WSM), Class Code 9602, Duties Description Record (DDR) No. 95-96021
- Water Utility Superintendent (WUS), Class Code 3980, DDR Nos. 95-39803 and 95-39801

Additionally, the LADWP is also requesting salary setting for four proposed new WSM DDRs for 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. The 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 lower WSM DDR levels be added to be equal with the ESM structure. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendation contained in the LADWP report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Personnel, Audits, and Hiring Committee

COUNCILMEMBER VOTE

McOSKER: YES

PADILLA: YES

SOTO-MARTINEZ: YES

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11/7/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-