

M.2



BOARD LETTER APPROVAL

RESOLUTION NO. 023 058 **OCT 11 2022**

<input type="checkbox"/> POWER SYSTEM	<input type="checkbox"/> WATER SYSTEM
<input type="checkbox"/> CAO	<input type="checkbox"/> CFO
<input type="checkbox"/> LEGAL	<input type="checkbox"/> COO
<input type="checkbox"/> SUSTAINABILITY	<input checked="" type="checkbox"/> <u>CS</u>

RELEASE DATE: \_\_\_\_\_

**ANDREW C. KENDALL**  
Senior Assistant General Manager –  
Corporate Services

**MARTIN L. ADAMS**  
General Manager and Chief Engineer

**DATE:** October 3, 2022

**SUBJECT:** Approval of the Memorandum of Understanding for the Management Employees Unit Represented by the Management Employees Association, for the Contract Term of January 1, 2022 through December 31, 2025

**SUMMARY**

LADWP and the Management Employees Association (MEA) have reached an agreement on the terms of the attached Memorandum of Understanding (MOU) for the period January 1, 2022 through December 31, 2025.

Los Angeles City Council (City Council) approval is required in accordance with City Charter Sections 219 and 373.

**RECOMMENDATION**

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution approving the benefits and recommending City Council approval of the salaries agreed to in the MEA MOU for the period of January 1, 2022 through December 31, 2025.

**FINANCIAL INFORMATION**

The average year over year financial impact associated with the proposed contract ranges from approximately \$3.7 million to \$6.7 million. Assumptions are based on Cost-of-Living Adjustments (COLA) floor of 2.5 percent (2.5%) and ceiling of 5.5 percent (5.5%), which are based on Consumer Price Index (CPI), salary adjustments, and other identified miscellaneous new MOU provisions.

## **BACKGROUND**

The following is a summary of the MOU Amendments recommended for approval:

- 1) Four-year term from January 1, 2022 through December 31, 2025
- 2) Effective October 1, 2022, COLA based on CPI\*
- 3) Effective October 1, 2023, COLA based on CPI\*
- 4) Effective October 1, 2024, COLA based on CPI\*
- 5) Effective October 1, 2025, COLA based on CPI\*

\*Salary ranges shall be increased by a percentage equal to the percentage increase in the CPI for Urban Wage Earners and Clerical Workers as measured from August of the prior year to August of the current year for United States City Average (1982-84=100); provided, however, that if the CPI increases less than or equal to two and one-half percent (2.5%), the salary ranges shall be increased by two and one-half percent (2.5%), and if the CPI increases by five and one-half percent (5.5%) or more, the salary ranges shall be increased by five and one-half percent (5.5%).

- 6) Effective January 1, 2022, a salary adjustment of 5 percent (5.0%) for certain management classifications in the Joint System to address disparity between Systems consistent with the recent Rate Payer Advocate compensation study. (See Attachment 1)
- 7) Effective January 1, 2022, salary adjustments for certain management classifications or pay levels to address additional duties, pay inequities, and/or compression issues. (See Attachment 2)
- 8) Arborist Certification – Adjust base compensation of the Utility Line Clearance Tree Trimmer Superintendent/Street Tree Superintendent by 2.75 percent (2.75%) for an Arborist Certification from the International Society of Arboriculture. The certification will be required as a condition of employment at LADWP.
- 9) New Footnote – Authorized Department License Holders

Up to two (2) managers, per type of License, who are authorized and required by Executive Management to obtain and possess a valid California General Contractor's License "B", California Occupational Safety Health Administration Crane Certifier's Licensee (Mobile or Gantry), or a C10 Electrical License issued by the State of California shall be compensated a two (2) premium level bonus to be used by the Department to ensure continuity of operations. Only one (1) license premium shall be applied per manager regardless of the number of licenses they possess. The Department shall

reimburse the manager for the cost to obtain such license(s) upon presentation of valid proof of payment of such costs.

- 10) New Footnote – Principal Public Relations Representative (Public Affairs Director)

One (1) Principal Public Relations Representative (Class Code 1786), who acts as Public Affairs Director of the Communications and Public Affairs Division, shall be compensated at two (2) premium levels above the Salary Range for that position.

- 11) New Footnote – Principal Public Relations Representative (Communications Director)

One (1) Principal Public Relations Representative (Class Code 1786), who acts as Communications Director of the Communications and Public Affairs Division, shall be compensated at two (2) premium levels above the Salary Range for that position.

- 12) Chief of Drafting Operations – Class Code 7271, create additional lower pay level, Salary Range 7137. The effective date will be upon establishment and approval of DDR.

- 13) Utility Administrator – Create higher pay level (UA-V), one (1) position per System (Power, Water, and Joint systems), Salary Range 8536; create new additional higher pay level (UA-VI), one (1) position Department- wide, Salary Range 9654. The effective date will be upon establishment and approval of DDRs.

- 14) Revise Article 9.7 – Supplemental Payment

Revised current supplemental payment of one percent (1%) of the manager's annual base wage salary rate to a one-time taxable cash payment of \$2,500 as a lump sum. The supplemental payment shall be distributed every July of each year during the term of this contract.

Any manager, whose work location is other than within the Owens Valley, and selects the United Healthcare Owens Valley Non-Differential PPO Plan will forfeit the one-time cash supplemental payment provided to MEA managers on active payroll distributed during the month of July.

Managers whose work location resides within the Owens Valley shall receive the one-time cash supplemental payment.



15) Revise Article 16.1 – Health Plans

Eliminate the five percent (5%) offset to health care contributions.

16) New Article – Disturbance Calls

Managers in the class of Claims Agent required to conduct Department business initiated or authorized by higher supervision at any time outside their normal working hours, Monday through Friday, and who are not required to report to a work location shall be compensated one (1) hour at the appropriate overtime rate for each instance for such work performed. More than one instance in the same period for which compensation is provided shall not be considered as separate instances. Compensation provided under this provision shall not be in addition to compensation provided under any call-out provision. Employees who receive disturbance calls and elect to be compensated in accumulated time off, shall do so in accordance with Article 7.6.

17) Revise Article 7.7 – Expand Stand-by Pay

Managers in the classification of Claims Agent who are assigned to stand by on their off-duty hours shall receive, in addition to any other compensation provided herein, the following:

Three (3) hours of regular base hourly pay per day of such assignment on Saturday, Sunday, holiday observed, or the manager's Alternate Schedule Day Off (ASDO).

Stand-by pay for Claims Agent shall only be applied Saturday, Sunday, holiday observed or the manager's ASDO. Compensation under this provision shall not be in addition to compensation provided under any Disturbance Call provision.

18) Revise Article 13.1 – Maintenance of Salaries and Benefits

- a. Modify provision to include "Training" and "Specialist" pay as part of the base wage rate for purposes of maintaining a two (2) premium level supervisor differential.
- b. Maintain historical salary differentials between the managers and their subordinates for any subsequently negotiated salary adjustments implemented after the final approval of this MOU.

19) New Article - Juneteenth Holiday

Add Juneteenth (June 19th) as an LADWP holiday to be observed annually. Unless June 19th falls on a Sunday or Saturday, in which case, it shall be observed in accordance with the Los Angeles Administrative Code Sections 4.119(b) or 4.119(c), respectively.

20) Equity Resolution Committee (ERC)

The Department and the Association agree that a Joint Labor/Management ERC shall be established to identify and discuss manager compensation inequities, whereby the EERC makes the recommendation to the City Council on the resolution of the identified inequity.

21) Add Article 6.1 – Access of Union Staff Representatives

Provide Union with usage of LADWP facilities with prior approval, subject to the provisions of this Article.

22) Revise Article 13.3 – Supervisory Differential for Classes of Construction and Maintenance Superintendent

Deletion of supervisory differential once the Construction and Maintenance Superintendent is consolidated to the classification of General Services Manager, Class Code 9601.

23) Revise Article 17.2 – Calendar for Successor MOU

Add language for a Senior Assistant General Manager to serve as co-chair in the meet and confer process of successor MOUs.

### **ENVIRONMENTAL DETERMINATION**

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guideline 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, approval of the MOU for the Management Employees Unit, represented by the MEA, is not an action subject to CEQA.

### **CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

### **ATTACHMENTS**

- Resolution
- Salary Adjustment (5%) Attachment 1
- Salary Adjustment (Various) Attachment 2