

AUG 15 2023



RESOLUTION NO. 024021

BOARD LETTER APPROVAL

A handwritten signature in black ink, appearing to read 'M. Adams', is written over a horizontal line.

MARTIN L. ADAMS
General Manager and Chief Engineer

DATE: July 24, 2023

SUBJECT: Approval of the Memorandum of Understanding for the Confidential Management Representatives Unit Represented by the Los Angeles Water and Power Association of Confidential Employees, for the Contract Term of January 1, 2022, through December 31, 2025

SUMMARY

The accompanying Resolution is in accordance with bargaining instructions authorized by the Executive Employee Relations Committee on June 23, 2023. The LADWP and the Los Angeles Water and Power Association of Confidential Employees (ACE) have reached an agreement on the terms and conditions 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 ACE MOU for the period of January 1, 2022, through December 31, 2025.

The MOU will not take effect unless and until the City Council has approved it.

FINANCIAL INFORMATION

The estimated average year over year financial impact associated with the proposed contract ranges from approximately \$417,170 to \$471,335. Assumptions are based on the Cost-of-Living Adjustments (COLA) floor of two and one half percent (2.5%) and

ceiling of five and one half 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, five and one-half percent (5.5%) COLA.
- 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, the Department will provide a five percent (5.0%) salary adjustment to align with the common class of Utility Administrator (UA) for the Management Employees Association that received a five percent (5.0%) salary adjustment.
- 7) Supplemental Payments (Article 15.1(b)) – Revised the current supplemental payment from one percent (1.0%) of the annual base wage salary to a one-time, taxable lump sum cash payment of \$2,500, payable in the month of July of each contract year. This excludes employees who choose the United Healthcare Owens Valley Non-Differential PPO Plan.
- 8) Labor Relations Premium (Article 29) – All unit members employed at the levels of UA II (DDR No. 95-91056), UA III (DDR No. 95-91057), or UA IV (DDR No. 95-91058), while performing Labor Relations duties and responsibilities in the Labor Relations Office, shall receive a Labor Relations pensionable premium. The premium shall be equivalent to the salary differential between the pay grade of the occupied UA level and the next highest UA level pay grade (same salary step). Employees hired off the civil service UA eligible list, directly into a UA II or UA III position, shall not be eligible to receive the premium until successful completion of the probationary period.

- 9) Professional Certification Bonus (Article 28) – Increase the existing premium from one (1) to two (2) premium levels.
- 10) Supervisory Differential (Article 13.1) – Revised to include a supervisory differential of two (2) premium levels higher than the base wage rate of the highest paid subordinate, regularly assigned to report to the member.
- 11) Health Plans (Article 15.1) – Eliminate the five percent (5.0%) offset to health care contributions for unit members.
- 12) Overtime Meals (Article 8.2(e)) – Overtime meals are increased from \$10 to \$25.
- 13) Holidays (Article 9.7) – Codify Juneteenth (June 19th) into the MOU as an LADWP holiday to be observed annually. Unless June 19th falls on a Saturday or Sunday, in which case, it shall be observed in accordance with the Los Angeles Administrative Code Sections 4.119(b) or 4.119(c) respectively.
- 14) Retirement "Me Too" Tier 2 Department Contributions (Article 21.7) – If another LADWP bargaining unit beyond IBEW, Local 18 receives a Department contribution towards Tier 2 members, then the same Department contribution shall apply to ACE Tier 2 members.

MOU Provisions

- 15) Union Activity (Article 6) – Permit reasonable amount of time and access to LADWP meeting spaces during normal business hours to conduct ACE-related business.
- 16) Physical Examinations (Article 9.12) – Incorporate the terms of an existing Letter of Agreement that includes all members in the Unit. Salaried managers are eligible for a comprehensive executive physical exam every two years, and non-salaried managers are eligible for a comprehensive executive physical exam every three years.
- 17) Teleworking (Article 30) – ACE members shall be permitted to work remotely while teleworking conditions are negotiated through the meet and confer process.
- 18) Appointment and Advancement Criteria (Article 23) – Incorporate the terms of an existing Letter of Agreement. Unit members employed in the level of UA I (DDR No. 95-91055) automatically upgrade to UA II (DDR No. 95-91056) the pay period after completion of one (1) full year of active service in the position. In addition, formalizes the long-standing practice of allowing internal, lateral transfer opportunities within ACE first, prior to department-wide advertisement or certifications to fill vacancies.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 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 Confidential Management Representatives Unit represented by the ACE 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
- Agreement – ACE MOU 2022-2025