

Los Angeles  Department of Water & Power

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General Manager

January 28, 2014

The Honorable City Council
Office of the City Clerk
200 North Spring Street, Room 395
Los Angeles, California 90012

Honorable Members:

Subject: Approval of Amendment No. 1 to the 2009-2013 Memorandum of Understanding for the Load Dispatcher Unit, represented by the Los Angeles Water and Power Dispatchers Association

In accordance with bargaining instructions authorized by the Executive Employee Relations Committee (EERC), the attached Memorandum of Understanding (MOU) Amendment, approved as to form and legality by the City Attorney, codifies the agreements reached by the Los Angeles Department of Water and Power (LADWP) with the Los Angeles Water and Power Dispatchers Association (LAWPDA) for the term of January 1, 2014, through December 31, 2016, for the Load Dispatchers Bargaining Unit.

Discussion

The following is a summary of the terms and conditions of the accompanying MOU Amendments.

Summary

1. Three-year term from January 1, 2014, through December 31, 2016, to allow time to more comprehensively assess the retention issues (33% turnover in new recruits) inherent with the class series.
2. Elimination of the MOU provision that allowed an employee to cash out his or her accumulated overtime bank, at a rate higher than that at which it was earned.
3. Elimination of the MOU provision that provided for a five percent (5%) Retention Wage premium for employees eligible to retire that temporarily addressed the staffing issues caused by the turnover in new recruits.

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111 N. Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles, CA 90051-5700
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4. Effective January 1, 2014, Cost-of-Living-Adjustment (COLA) of two percent (2%) to attract new recruits and temporarily improve retention within the class series.
5. Effective July 1, 2014, five percent (5%) employee contribution to health insurance plan premium up to seventy-five dollars (\$75) per employee, per month to share the burden of the rapidly escalating health care costs.
6. Effective January 1, 2015, zero percent (0%) COLA.
7. Effective January 1, 2015, a lump sum supplemental payment (non-pensionable) of one percent (1%) of the employee's annual base wage salary rate, paid to the employee by LADWP, to offset health-related expenses not covered by LADWP-sponsored health care insurance plans.
8. Effective July 1, 2015, five percent (5%) employee contribution to health insurance plan premium up to ninety-dollars (\$90) per employee, per month to share the burden of the rapidly escalating health care costs.
9. Effective January 1, 2016, zero percent (0%) COLA.
10. Effective January 1, 2016, lump sum supplemental payment (non-pensionable) of one percent (1%) of the employee's annual base wage salary rate, paid to the employee by LADWP, to offset health-related expenses not covered by LADWP-sponsored health care insurance plans.
11. Effective July 1, 2016, five percent (5%) employee contribution to health insurance plan premium up to one hundred (\$100) per employee, per month to share the burden of the rapidly escalating health care costs.
12. Requirement for submission of medical certification for absences due to illness or injury of three (3) or more consecutive workdays to curb any abuses of the sick leave/disability provision.
13. Acceptance of the retirement plan benefits for Tier 2 retirees consistent with the plan as approved by the Board of Water and Power Commissioners, effective January 1, 2014, which raises the eligibility age to retire and limits the medical and dental subsidies to single party coverage.

The employee healthcare premium contributions outlined in Nos. 5, 8, and 11, which LADWP shall withhold from employees represented by LAWPPDA, shall be received by the recently established Water and Power Active Employee Healthcare Benefits fund and will be used to pay for healthcare plan premiums, subsidies, and expenses directly related to active healthcare benefits as established by the fund.

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All other terms and conditions of the MOUs remain the same.

Recommendations

That the City Council:

1. Approve and set the salaries agreed to herein;
2. Adopt the MOU amendments; and
3. Authorize the City Controller and the General Manager of LADWP to make any necessary technical or clerical corrections.

Fiscal Impact

It is anticipated that this three-year MOU amendment will save LADWP approximately \$1.8 million over the next three (3) years, which includes savings for the deferral of the COLA, previously assumed at 2.9 percent, cost-of-living increases and other savings from the elimination of the retention premium, accumulated overtime cash-out provision and consistent monitoring of sick time medical certification.

There is no fiscal impact on the City of Los Angeles General Fund.

If you have any questions or require further information, please contact the Director of Labor Relations, Ms. Rose M. Garcia, at (213) 367-1373.

Sincerely,



Ronald O. Nichols
General Manager

RMG:DOF:jjja

Enclosure

c:/enc: Mr. Mel Levine, LAWPPA President
Mr. Miguel A. Santana, City Administrative Officer
Ms. Maritta H. Aspen, Chief Administrative Analyst
Ms. Rose M. Garcia, Director of Labor Relations