

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE CITY OF LOS ANGELES
DEPARTMENT OF WATER AND POWER**

AND

**LOS ANGELES DEPARTMENT OF WATER AND POWER
MANAGEMENT EMPLOYEES ASSOCIATION**

Management Employees Unit

January 1, 2017

Through

December 31, 2021

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ARTICLE 1 PREAMBLE

The Los Angeles Department of Water and Power (LADWP or Department) of the City of Los Angeles (City) is engaged in public services requiring continuous operations that are necessary to maintain the public health and safety of the Department's customers. The obligation to maintain these public services is imposed upon LADWP and the Management Employees Association (Association) during the term of this Memorandum of Understanding (MOU).

It is the purpose of this MOU to promote and ensure harmonious relations, cooperation and understanding between LADWP and the Association (Parties). Inherent in the relationship between the Parties is the obligation of LADWP to deal justly and fairly with its employees, and of employees to cooperate with their fellow employees and the Department in the performance of their public service obligations.

The Association recognizes its responsibilities for ensuring that the members of the Association continue to provide, in an uninterrupted manner, public services during the term of the MOU. The Department recognizes its responsibility to establish and maintain fair salaries, hours and other conditions of employment during the term of this MOU.

ARTICLE 2 RECOGNITION

LADWP recognizes the Los Angeles Department of Water and Power Management Employees Association (MEA) as the exclusive representative of the managers in the LADWP Management Employees Unit (Unit), for which the Association was certified as the majority representative by the Employee Relations Board on August 4, 1976. The Association shall be the exclusive representative of managers in the Unit, subject to the right of the manager to represent himself.

ARTICLE 3 LANGUAGE MEMORANDUM OF UNDERSTANDING

The term "Management" shall be understood to refer to the General Manager of the LADWP as the management representative on matters for which the Board of Water and Power Commissioners (Board) is the determining body.

It is understood and agreed that this MOU is subject to applicable Federal and State laws, City ordinances and regulations, the Charter of the City of Los Angeles, the Los Angeles Administrative Code, and any lawful rules and regulations enacted by the City's Civil Service Commission, Employee Relations Board, or similar independent Commissions or Boards of the City unless the Parties have specifically negotiated a provision to separately address the subject. However, if any Article, part or provision of this MOU is in conflict or inconsistent with such applicable provisions of Federal, State, or local law or regulations, or is otherwise held to be invalid or unenforceable by any court of competent jurisdiction, such Article, part or provision shall be suspended and superseded by such applicable laws or regulations and the remainder of this MOU shall not be affected thereby.

Throughout this MOU, the use of a masculine pronoun shall be understood to include both masculine and feminine gender, plural and singular as appropriate.

The term "manager" shall be understood to refer to an employee in the Unit, plus any additions to and less any deletions from the Unit heretofore or hereafter made by the Employee Relations Board.

ARTICLE 4 NON-DISCRIMINATION

The Parties mutually recognize and agree to protect those employee rights granted in the Employee Relations Ordinance of the City of Los Angeles and applicable State and Federal laws.

The Parties mutually recognize and agree that the provisions of this MOU shall be applied equally to all managers in the Unit without regard to degree of physical or mental handicap, race, color, sex, age, religious creed, national origin, ancestry, political belief, sexual orientation, or LGTBQ identity.

ARTICLE 5 RESOLUTION OF DISPUTES

5.1 Purpose

The Parties agree to attempt to resolve any dispute arising as a matter of interpretation or application of Department policy, its rules and procedures, either incorporated within this MOU or existing as a matter of past practice, and whether applied to or by members of the Unit. In no case shall the procedure contained herein be applicable to the resolution of an impasse which occurs in meeting and conferring upon the terms of a proposed MOU.

5.2 Scope

This procedure shall be applicable to those employee relations matters which affect members of the Unit either because the manager must directly administer a policy, procedure or practice or because the application of the policy, procedure or practice directly results in an injury to a manager. No manager shall have standing to initiate an action under this procedure unless he or she is actually involved in the controversy. However, the Association may utilize this dispute procedure regardless of whether or not a manager elects to initiate action.

5.3 Responsibilities and Rights

- a. Nothing in this procedure shall be construed to apply to matters for which an administrative remedy is provided before the Civil Service Commission.

Where a matter within the scope of this procedure could also be brought as an unfair labor practice under the jurisdiction of the Employee Relations Board, the manager may elect to pursue the matter under either the procedure herein provided or by action before the Employee Relations Board. The manager's

election of either procedure shall constitute a binding election of the remedy chosen and a waiver of the alternative remedy.

- b. The affected manager has the responsibility to discuss with his or her superior the nature of the dispute in sufficient detail to allow for resolution. In the event that agreement is not or cannot be reached, then the dispute shall be considered under the formal provisions of this Article.
- c. An affected manager may be represented by an individual of his or her choice at any step of the review process; provided, however, that such an individual, if an employee of the City of Los Angeles, must be a member of the Unit.
- d. The time limits in the procedure provided herein may be extended only by mutual agreement.
- e. By mutual agreement of the Parties, one level of review may be waived from this procedure.
- f. The Department shall notify the Association of any complaint which has become subject to the formal provisions of the procedure contained herein. An Association representative shall have the right to be present at any formal meeting which pertains to a matter within the scope of this Article. The Association shall be notified of the resolution of all formal disputes.

5.4 Procedure for Resolution of Dispute

The Parties shall attempt to resolve informally any dispute, claim or complaint within the scope of this Article.

If the matter cannot be satisfactorily resolved informally, then, within fifteen (15) calendar days of the occurrence giving rise to the dispute, claim or complaint, the manager shall submit in writing to the Labor Relations Office a statement setting forth:

- a. The activities alleged that gave rise to the dispute, claim, or complaint, and
- b. The specific policy, practice or procedure which is alleged to have directly caused injury to the manager, or which has been inappropriately applied, and
- c. The relief sought.

Labor Relations will forward the grievance to the appropriate Assistant General Manager. The Assistant General Manager or his designated representative shall issue a written decision setting forth pertinent findings or fact, conclusions and supporting reasons within fifteen (15) calendar days following submission of the grievance to Labor Relations.

If a grievance is not resolved at the Assistant General Manager level, the manager may file a written appeal to the General Manager. Such an appeal must be submitted to the

Labor Relations Office within ten (10) calendar days of the receipt of the Assistant General Manager response.

Labor Relations will forward the appeal to the General Manager. The General Manager or a designated representative shall issue a written decision setting forth pertinent findings of fact, conclusions and supporting reasons within twenty (20) calendar days following receipt of the appeal by Labor Relations.

If the General Manager's decision does not satisfactorily resolve the matter, the manager may elect to appeal in writing to the Board within fifteen (15) calendar days of receipt of the General Manager's decision. The Board or their designated representative(s) may provide for a hearing at any time within thirty (30) calendar days following receipt of the appeal and shall render a written decision thereon within thirty (30) calendar days following such a hearing.

The Association, and only the Association, may, if they elect not to appeal to the Board, request that the issue(s) be submitted to arbitration in accordance with the rules set forth by the Employee Relations Board. The decision of the arbitrator shall be binding on the Parties. The arbitrator's fee and all other costs of such proceeding shall be shared equally by both Parties.

Matters relating to disciplinary action for which there is a remedy set forth in the City Charter shall not be subject to this procedure. Additionally, any matter which may also be pursued before an administrative agency, and is so pursued, shall not be subject to the procedure set forth herein.

The manager lodging the dispute, claim or complaint may proceed, at all levels of this procedure, personally, or through counsel, or other representative of his or her choice, except that the manager may not proceed through any employee organization other than the Association, nor be represented by another employee of the Department who is not a member of the Unit.

If a decision is not rendered at any level within the prescribed time, the manager may proceed immediately to the next level of the procedure and must proceed within the prescribed time limit assuming that a decision would have been rendered on the last possible day.

5.5 Representation by the Association

The Association shall designate a reasonable number of representatives, and shall provide a written list of such representatives to the General Manager through the Director of Labor Relations. Substitutions to the list may be made at reasonable intervals. Any representative, so designated and requested by a manager, may represent the manager at all levels of this procedure.

Time spent on the dispute outside of the normal working hours of the manager and/or the representative shall not be credited as time worked for any purpose.

When a dispute is presented during normal working hours, only the amount of time necessary to dispose of the dispute will be allowed.

ARTICLE 6 RESPONSIBILITIES OF THE PARTIES

Responsibility for management of the Department and direction of its work force is vested in the Board and the General Manager whose powers and duties are specified by law. In order to fulfill this responsibility, it is the exclusive right of the Board to determine the Department's mission, to set standards of service to be offered to the public and to exercise control and discretion over the Department's organization, staffing, assignment of work and workload, scheduling requirements and operations. It is also the exclusive right of the Department to take disciplinary action for proper cause, to relieve Department employees from duty because of lack of work or other legitimate reasons, to determine the methods, means and personnel by which the Department's operations are to be conducted and to take all necessary actions to maintain uninterrupted service to its customers and carry out its mission in emergencies; provided, however, that the exercise of these rights does not preclude managers or their representatives from consulting or raising complaints about the practical consequences these decisions have on salaries, hours, and other terms and conditions of employment.

The Association is the exclusive group representative of all managers, as set forth in the Recognition provision of this MOU, in matters concerning salaries, hours, or other terms and conditions of employment.

It is the responsibility of the members of the Unit, both individually and collectively, to defend, preserve and make productive, the assets of the Department. In carrying out the managerial duties and responsibilities inherent in their positions, all managers shall exercise a reasonable standard of care and a duty of loyalty towards the Department.

In recognition and consideration of the mutual responsibility for managing the affairs of the Department, and the exclusive rights of the Association to represent the interest of managers, the Department agrees that, as a matter of right, the Association:

- a. Shall be notified and permitted to attend any meeting between the Department and any individual or group of individuals in which there is a determination of the terms and conditions of this MOU; and
- b. Shall be notified of any dispute in which a manager elects to represent him or herself, and the Association shall also be entitled to any written material submitted as part of the dispute and shall be permitted to attend all meetings between the Department and the manager registering the dispute.

ARTICLE 7 OVERTIME

7.1 Salaried Managers

Pursuant to the Fair Labor Standards Act (FLSA) all salaried managers shall have a fixed workweek that consists of a regular recurring period of 168 consecutive hours

(seven 24-hour periods), which can begin and end on any day of the week and at any time of the day, and shall be recorded in accordance with established procedures.

Managers in this Unit whose regular biweekly rate, without bonuses, is at or above the 5th step regular biweekly rate, without bonuses, for Senior Survey Supervisor, Class Code No. 7288, shall be treated as salaried managers, except for positions identified in Footnote 7 of this MOU, in accordance with the provisions of the FLSA.

Notwithstanding any Los Angeles Administrative Code (LAAC) provision, or other City department rules and regulations, or any MOU provision, except Article 8.2(d), to the contrary, salaried managers shall not be required to record specific hours of work for compensation purposes, although hours may be recorded for other purposes. These managers will be paid the predetermined salary for each biweekly pay period as indicated in the Appendices, and shall not receive overtime compensation.

Salaried managers shall not be subject to any deductions from salary or any leave banks for any absence from work for less than a full work day. This provision does not apply to long-term or recurring partial day absences that are authorized by the appropriate supervisor designated by the Department (e.g., intermittent leave or reduced work schedule for purposes of the Family Medical Leave Act). Salaried managers shall not be subject to a disciplinary suspension of less than a designated workweek (half of the biweekly pay period) unless the discipline is based on violations of a safety rule of major significance or misconduct per FLSA regulations (Section 541;602(b)(5)).

The Department may grant full-days of time off for salaried managers under Article 9.11 for hours worked due to unusual situations as determined by the General Manager or his or her designee.

7.2 Overtime Compensation for Non-Salaried Managers

Managers in this Unit whose regular biweekly rate, without bonuses, is below the 5th step regular biweekly rate, without bonuses, for Senior Survey Supervisor (Class Code No. 7288), and managers in classifications listed in Footnote 7 of this MOU, shall be compensated, at the manager's option, in time off at the rate of one and one-half hours for each hour of overtime worked, or shall be paid at the rate of one and one-half times the manager's regular rate of compensation.

Notwithstanding LAAC Section 4.908 to the contrary, certain managers, in accordance with Article 7.2, shall have the right to accumulate overtime credits at the rate of one and one-half (1-1/2) hour credit for each hour of overtime worked; additionally, any manager may, with the approval of the Division Director or the equivalent, take a reasonable amount of equivalent time off with pay for such overtime credits, subject to the operating needs of the Department.

7.3 Authorization of Overtime

It is the intent of the Parties that overtime for all non-salaried managers will be authorized in cases of emergency; or authorized, recorded, and reported in accordance with Working Rule 5.4(b)(1) which states that, "Any overtime work shall be approved in accordance with such procedures as shall be prescribed by the General Manager; but in no event shall an employee be deprived of pay for overtime work actually performed under direction of his superior. The authorization of any overtime shall be predicated entirely upon the operating needs of the Department, and the procedure prescribed by the General Manager shall be designed to eliminate excessive or unnecessary overtime."

7.4 Call Out

A call out is a communication to a manager who is off duty directing the manager to report for overtime work. Managers whose positions are compensated in accordance with Subsection 7.2 above, who are called out, shall receive a minimum of two (2) hours pay at the time and one-half rate.

Managers who are called out and directed to immediately report for overtime work shall receive paid time from the time the call is received. Additional calls received within the two-hour minimum period shall not establish an additional minimum period of overtime. Hours worked after the two-hour minimum shall continue to be paid at the overtime rate until the start of the manager's regularly scheduled work hours; the straight-time pay for the regularly scheduled hours shall commence after the close of the two-hour minimum period. The provisions of Article 7.4 shall not apply to cumulative-hour managers.

A communication received by a manager who is off duty to report for overtime work twenty-four (24) hours or more from the time the communication is received, shall not be considered a "call out."

7.5 Overtime Meals

When the Department requires a manager, to whom an annual salary rate is applicable, to work overtime, it shall pay the manager an overtime meal allowance of \$10.00 for each designated meal period.

7.6 Use of Accrual of Accumulated Overtime

Managers may elect, at the time overtime work is performed, to be compensated in accumulated overtime credits for such work. A manager so electing shall be compensated for each hour of authorized overtime worked at the time and one-half rate. A manager who does not so elect shall automatically be compensated in money for authorized overtime.

Managers who accrue accumulated overtime shall be entitled to accrue no more than 240 hours of overtime. All overtime approved and worked in excess of 240 accrued hours shall be paid in cash. It is the understanding of the Parties that such accrued

hours include both hours accrued under the provisions of the MOU and under the provisions of the Fair Labor Standards Act.

Unused accumulated overtime credits, whether earned pursuant hereto or previously earned under the Working Rules may, with supervisory approval, be compensated in cash or by time off with pay only as provided in paragraphs (a) through (d) below:

- a. For personal reasons, in any amount, with the approval of supervision.
- b. During the time that managers are absent on account of illness or injury, the managers may be paid the difference between their net salary and the disability benefit to which the managers may be entitled under the Water and Power Employees' Retirement, Disability and Death Benefit Plan (Retirement Plan), or under Workers' Compensation Laws; and they shall be charged against their overtime credit the number of hours calculated to the nearest one-tenth (1/10) of an hour, required to account for the payment of such difference;
 - (1) For recuperation or rest; or
 - (2) For any purpose which the Board may approve upon recommendation of the General Manager in each individual case.
- c. Immediately prior to retirement, managers may elect to be compensated in paid time off or cash or any combination thereof for all unused accrued overtime hours.
- d. At the time of their separation from the Department for any reason, e.g., death, transfer, resignation, retirement, or termination, managers shall be paid promptly for all unused accumulated overtime hours at the hourly rate of their then-current salary.

In cases of separation due to death, the payment shall be paid to the heirs, in accordance with successive preference as provided in Division 6 of the California Probate Court.

- e. The Department shall not unreasonably withhold permission in granting requests for the use of accumulated overtime, and should deny or modify such requests only when undue hardship to the Department can be shown.

7.7 Stand-by Pay

Managers in the classifications of Transmission and Distribution Supervisor and Chief Electric Plant Operator who are assigned to stand by on their off-duty hours shall receive, in addition to any other compensation provided herein, the following:

- a. Two (2) hours of regular base hourly pay per day of such assignment on a weekday.

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

Effective at the beginning of the first pay period following City Council approval of the 2017 – 2021 MOU, the above provision shall also apply to the classification of Utilities Service Investigator.

ARTICLE 8 EXTRAORDINARY WORKING CONDITIONS

The Department agrees to provide all support necessary to protect managers while working under the extraordinary conditions herein described in this Article. The Department and MEA will mutually develop the Department's plan(s) necessary to respond to extraordinary conditions described in this Article.

The Parties recognize that extraordinary working conditions may arise as the result of a work stoppage or emergency as designated by the General Manager and that it may be necessary for managers to perform duties other than those normally performed in an effort to maintain the continuous supply of water and electricity, including activities necessary to prepare in advance for the possibility of such a disruption of the Department's services.

8.1 Obligations of the Association

The Association, on behalf of its managers and in reliance on the authority vested in the General Manager under Charter Section 509, acknowledges that those positions and managers represented by the Association, and the functions they perform, are critical to the operations of the Department and to the health and safety of the customers served by the Department. The Association agrees to ensure, to the best of its ability that the individuals it represents:

- a. Will not take part in a work stoppage proclaimed by any employee organization; and
- b. Will participate to the fullest extent in the Department's plans to maintain service during extraordinary emergency conditions.

8.2 Obligations of the Department

- a. **Personal Injury and Liability Insurance**
The Department agrees that the provisions of Section 8.5 of the Department's Working Rules relating to self-insurance for its officers and employees who may incur personal injury and/or liability while acting within the course and scope of their employment, hereby specifically include full indemnification of managers while performing tasks under extraordinary working conditions.

b. Right to Refuse

The Department shall permit managers who reasonably believe that the performance of duties assigned during extraordinary working conditions would unreasonably endanger the health and safety of himself, fellow employees, or members of the general public to refuse to undertake the assignment of such duties, and shall hold harmless such managers for said refusal.

c. Loss Indemnification

The Department agrees to indemnify managers for any loss of personal property or damage to real property resulting from acts which occur during the time of or after, and/or considered to be related to, a work stoppage.

d. Compensation

Notwithstanding Article 7 to the contrary, whenever a manager is directed by the General Manager to work overtime during a designated emergency or to prepare for the possibility of a work stoppage by subordinate employees, or whenever a manager is required to remain on duty or on the Department's premises in order to maintain Department operations during a designated emergency or a work stoppage by subordinate employees, the manager will be considered to be on duty during all such hours and:

- (1) Shall be paid at the rate of time and one-half. If any other provision in this MOU provides greater overtime compensation, that provision shall prevail.
- (2) Shall be paid an overtime meal allowance of \$10.00 for each designated meal period.

8.3 Out-of-Class Protection

The Parties agree that any manager performing any and all duties as may be required during extraordinary working conditions shall be considered by the Parties to be working within his or her regular Civil Service Class.

8.4 Modification Reopener

If it becomes mutually desirable to modify the provisions of this Article 8, the Parties shall at the soonest time practicable meet and confer in good faith to determine the modifications.

8.5 Legal Support

The Department agrees to use its best efforts, including resources support, to have the appropriate authority agree to prosecute criminal matters on behalf of managers as a result of activities during extraordinary working conditions described under Article 8. The Department also agrees to provide legal support for civil and criminal defense matters on behalf of managers as stated above.

8.6 Mutual Assistance

Managers who are assigned by executive management to provide mutual assistance to other organizations in response to an emergency situation may receive compensation at the straight time rate for non-working hours.

ARTICLE 9 BENEFITS

9.1 Vacations

- a. The vacation rights of Department employees are governed by ordinance adopted by the Los Angeles City Council and are described in LAAC Division 4, Chapter 6, Article 1.
- b. The following chart reflects the vacation entitlement and accrual rates for this Unit:

Years of Service Completed	Total Number of Vacation Days	Monthly Accrual Rate In Hours/Minutes
1 to 4	11	7.20
5 to 12	17	11.20
13	18	11.20
14	19	11.20
15	20	11.20
16	21	11.20
17	22	14.40
18	23	14.40
19 to 24	24	16.00
25+	25	16.40

9.2 Personal Liability

The Department agrees to indemnify and provide legal assistance to managers who are prosecuted for actions or omissions while acting in their capacity as managers, in their regular positions as well as during work stoppage, for the Department in accordance with the provisions of Division 3.6, Part 2, Chapter 1, Article 4, Indemnification of Public Employees, Sections 825-825.6, and Part 7, Defense of Public Employees, Section 995-996.6 of the Government Code of the State of California.

9.3 Family Medical Leave

A family leave without pay shall be allowed for a period of up to four consecutive months following either the birth of a child or the placement in the manager's home of an adopted child or foster child. This leave shall supplement pregnancy-related disability leave (PDL), if any. However, a family leave under this provision shall terminate no later than six months after the birth of a child or the placement in the home of an adopted child or foster child. Moreover, where the time off under this provision also qualifies for family leave under the California Family Rights Act (CFRA) and/or the Family and Medical Leave Act (FMLA), consistent with the LADWP Family Leave policy (Section 60-11 of the LADWP Administrative Manual), after the first four consecutive weeks of leave under this provision, continued consecutive time off runs concurrently with the CFRA/FMLA. Upon return from such leave, the manager shall be returned to the same classification and pay step occupied prior to taking the leave. This provision shall be limited to natural parents, adoptive parents or legal guardians and shall apply only to annual-rated, full time managers.

Detailed information on coordination of this family leave with PDL and the CFRA/FMLA, as well as the substitution of paid leave benefits, such as sick time, vacation or accumulated overtime, with the otherwise unpaid family leave under the CFRA and FMLA, is explained in Section 60-11 of the LADWP Administrative Manual. However, time off available to managers under Article 9.11 (Personal Business Time) shall not apply to long-term or recurring partial day absences, including those authorized by the CFRA and/or FMLA. Nevertheless, for intermittent family leave purposes only, both salaried and non-salaried managers shall be allowed to use vacation time in one-hour increments for this purpose only.

Additionally, each manager shall be permitted to use, in any calendar year, up to forty (40) hours of his or her available annually accrued forty (40) hour sick time bank [provided in accordance with Article 10 of the MOU and Section V D (1)(b)(ii) of the Retirement Plan] to attend to the illness of his or her child, parent, spouse, or domestic partner, regardless of whether such time off qualifies as family leave under the CFRA and/or FMLA. Where such time off qualifies as family leave under the CFRA/FMLA, the use of the sick time bank shall not extend the maximum period of leave to which a manager is entitled under the CFRA and/or FMLA.

Additionally, use of the sick time bank to attend to the illness of a child, parent, spouse or domestic partner will not initiate temporary disability benefits provided in accordance with Article 10 of the MOU and Section V 0(1) of the Retirement Plan.

All conditions and restrictions, such as medical certification, placed upon managers relative to their use of sick leave shall also apply to the use of sick leave for the purpose of attending to the illness of his or her child, parent, spouse or domestic partner in accordance with Section 100-10 of the LADWP Administrative Manual when the time off does not qualify as family leave under the CFRA/FMLA. Where the time off under this provision also qualifies as family leave under the CFRA/FMLA, the conditions and restrictions specified in Section 60-11 of the LADWP Administrative Manual shall apply.

9.4 Meals Away From Home

The rules pertaining to compensation for meals away from home are set forth in Section 5.9(c) of the Working Rules.

Effective July 1 of each year, the rate for "on-system" meals away from home shall be modified by a percent equal to the April to April movement in the food-away-from-home component of the Consumer Price Index (CPI) Urban Consumers Los Angeles-Riverside-Orange County Area (1982-84=100) and shall be posted on LADWP's intranet <http://dwphome/bulletins/bulletins.htm> each year.

9.5 Jury Duty

The rules pertaining to absences with pay, including jury duty, are set forth in Section 5.7(b) of the Working Rules and shall remain in full force and effect except that:

Every manager to whom an annual salary rate is applicable, who is required to attend, or to attend and serve, as a juror in any state where they are employed by the Department shall be allowed to be absent from duty for the period of time necessary for such attendance or for such attendance and service. Each such absence shall be with pay less an amount equal to the per diem to which the manager is entitled by law for such attendance or for such attendance and service.

9.6 Additional Death Benefit

Death benefits are provided for by the Retirement Plan.

Managers shall receive an additional death benefit of thirteen (13) times the manager's monthly salary which will be provided by the Department or by an insurance carrier through an agreement executed by the Department and said carrier.

Salaried managers shall receive the above death benefits and an additional death benefit of three (3) times the manager's monthly salary which will be provided by the Department or by an insurance carrier through an agreement executed between the Department and said carrier.

Effective upon adoption by the Board, the maximum death benefit after retirement will be \$20,000 for all managers who retire after October 1, 1992, or such higher amount as may be adopted by the Board.

9.7 Supplemental Payment

- a. A one-time cash payment will be provided to managers on active payroll on July 1, 2017. Payment shall be made on the first pay period following approval of the MOU by the City Council as a post-tax lump sum calculated at one percent (1%) of the manager's annual base wage salary rate (excluding all non-base wage rate premiums) in effect as of June 30, 2017.

- b. A one-time cash payment will be provided to managers on active payroll on July 1, 2018. Payment shall be made on the first pay period following July 1, 2018, as a post-tax lump sum calculated at one percent (1%) of the manager's annual base wage salary rate (excluding all non-base wage rate premiums) in effect as of June 30, 2018.
- c. A one-time cash payment will be provided to managers on active payroll on July 1, 2019. Payment shall be made on the first pay period following July 1, 2019, as a post-tax lump sum calculated at one percent (1%) of the manager's annual base wage salary rate (excluding all non-base wage rate premiums) in effect as of June 30, 2019.
- d. A one-time cash payment will be provided to managers on active payroll on July 1, 2020. Payment shall be made on the first pay period following July 1, 2020, as a post-tax lump sum calculated at one percent (1%) of the manager's annual base wage salary rate (excluding all non-base wage rate premiums) in effect as of June 30, 2020.
- e. A one-time cash payment will be provided to managers on active payroll on July 1, 2021. Payment shall be made on the first pay period following July 1, 2021, as a post-tax lump sum calculated at one percent (1%) of the manager's annual base wage salary rate (excluding all non-base wage rate premiums) in effect as of June 30, 2021.

9.8 Personal Business Time

Managers are not entitled to the time applicable to most other employees known as Working Rule 5.7(a) and 5.7(b) time.

Rather, managers shall be allowed a reasonable amount of absence from duty with pay for personal business reasons, consistent with the guidelines established by the Parties dated April 26, 2012, provided that: adequate notification is provided to the appropriate manager through prescribed procedures; operational needs are met; and adequate arrangements can be made to take care of the manager's duties without undue interference with the normal routine of work. Personal business time is commonly referred to as "*MEA time*."

The use of MEA time is not allowed for the purpose of leaves that are long-term or recurring partial day absences authorized by the Family Medical Leave Act (FMLA). Managers shall be allowed the use of vacation time in one hour increments for the purpose of FMLA as defined under Article 9.6.

A non-salaried manager may be required to provide three-calendar days advance notice to the supervising manager for all time required, and all time used (partial and full days) by managers shall be properly documented and recorded in accordance with the Fair Labor Standards Act.

9.9 Physical Examination

Salaried managers shall be eligible to receive an annual physical examination by an outside medical organization. The Department will contract with an appropriate medical organization to provide this service.

9.10 Option "D" Allowance (Offset)

Salaried managers who retire and receive a formula pension and elect to provide a survivorship annuity for a spouse, domestic partner, court-mandated beneficiary, or self-imposed care for a disabled child are eligible to recover the cost of providing a survivorship annuity that allows a retiree to continue his or her pension allowance after his or her death for the life of that beneficiary. This is not a retirement plan benefit, rather it is an existing Department administered annuity option funded and administered by the Department's active payroll system and approved by the Board of Salaried Managers as revised on August 22, 2001 addendum to the August 10, 1999 Letter of Agreement between MEA and LADWP. (See Resolution No. 005-056 dated August 2004).

ARTICLE 10 DISABILITY AND ILLNESS COMPENSATION

10.1 Compensation for Sick Time

10.1(a) MEA Managers

Managers shall be paid for unused sick time up to 80 hours per year to be calculated as follows:

Bank 1

Managers shall be paid for unused sick time up to 40 hours per year. Each January, they shall be credited with 40 hours for this purpose and shall be reimbursed for 100% of those unused hours over 40 hours in the bank as of the first day of the first payroll period in the subsequent year.

Bank 2

Managers who are eligible for reimbursement from Bank 1, in addition, shall be paid for unused sick time up to 40 hours per year from Bank 2. Each January, they shall be credited with 40 hours for this purpose and shall be reimbursed for 100% of those unused hours in Bank 2 as of the first day of the first payroll period in that year.

During each calendar year, for each hour taken sick, one hour shall be deducted from each bank.

10.2 Sick time Use for MEA Managers

10.2(a) Salaried Managers

The sick time provisions which otherwise apply to other employees of LADWP shall not apply to salaried managers for illness and disability.

- (1) For the first and second full day of absence from work for each illness, a salaried manager's time shall be posted (SK/MEA1 and SK/MEA2) for recordkeeping purposes consistent with the Retirement Plan, Section D.
- (2) If a single illness extends beyond two days, salaried managers shall be placed on LADWP's disability program for the third through the tenth workdays of illness. A salaried manager's time shall be posted for recordkeeping purposes consistent with the Retirement Plan, Section D. Should the illness extend beyond ten workdays, the eleventh workday and for all subsequent days until the salaried manager returns to work.

10.2(b) Non-salaried Managers

For any full-day absence from work resulting from illness or disability, a non-salaried manager shall have the choice of one of four options for the posting of their time for the first and second full sick days.

- (1) Affected managers shall indicate to their immediate supervisor how the time shall be charged at the time they report their illness. The four options for charging the first two full days of sick time for each illness not certified as a continuation of the previous illness as described in the Retirement Plan, shall be:

Sick SK/N1 and SK/N2	Time deducted from both sick banks
Vacation SK/VA1 and SK/VA2	Time deducted only from vacation time
Floating Holiday SK/HF1 and SK/HF2	Time deducted only from floating holiday bank
Accumulated Overtime SK/AU1 and SK/AU2	Time deducted only from accumulated overtime bank

- (2) The first two days of a single illness shall be counted as sick days for purposes of allowed sick time in a single calendar year as described in the Retirement Plan.
- (3) If a single illness extends beyond two days, non-salaried managers, after having used one of the above options, shall be placed on the LADWP's disability program for the third through the tenth workdays of illness. Should the illness extend beyond ten workdays, the non-salaried manager

shall be entered into the disability program on the eleventh workday and for all subsequent days until the non-salaried manager returns to work.

10.2(c) Use of Accumulated Overtime While on Disability

During the time that a manager is absent on account of illness or injury, the manager may elect to be paid all or any portion of the difference between his or her gross salary and the disability benefits under the Retirement Plan, or under Workers' Compensation laws; and there shall be charged against the manager's overtime credit the number of hours, calculated to the nearest one-tenth ($1/10^{\text{th}}$) of an hour, required to account for the payment of such difference.

10.3 Supplemental Insurance While on Disability for Salaried Managers

Salaried managers who are on disability, shall, for a maximum of two (2) years, be provided sufficient supplemental pay so that total payments received will be equal to their regular salary. This supplemental pay will be provided by the Department or by an insurance carrier through an agreement executed between the Department and said carrier.

10.4 Medical Certification Requirement

In order to receive paid temporary disability benefits, all managers shall be required to submit medical certification (e.g., doctor's note) for all absences due to illness or injury of three (3) or more consecutive workdays.

ARTICLE 11 OBLIGATION TO SUPPORT

The Parties agree that prior to the implementation of this MOU and during the period of time it is being considered by the City Council, the Mayor, and the Board, neither the Association nor the Department, nor any of their authorized representatives, shall appear before said Board, the Mayor, the City Council or individual members of said Board and Council to advocate any addition to or deletion from the terms and conditions of this MOU. However, this Article shall not preclude the Parties from appearing before the Board, the Mayor or any other elected official to advocate or urge the adoption and approval of this MOU.

ARTICLE 12 SAVINGS CLAUSE

If any term or provision of this MOU is found to be in conflict with any City, State or Federal law, the Parties agree to meet promptly, and as often as necessary, to expeditiously arrive at mutually agreeable substitute language. All other terms and provisions of this MOU shall remain in full force and effect during the period of such renegotiations and thereafter until their normal expiration date.

ARTICLE 13 SALARIES

13.1 Maintenance of Salaries and Benefits

Notwithstanding any other provision of this MOU to the contrary:

- a. It is the intent of the Parties that during the term of this MOU, appropriate differentials in salaries be maintained between the managers and their subordinates and that managers receive a level of benefits at least equal with those granted to other bargaining units in the Department.

A managers regularly appointed to his or her position shall be compensated at a rate of not less than two (2) premium levels higher than the rate of the highest paid subordinate regularly assigned to report to the manager. The subordinate referred to in this Article may occupy a regular or temporary position. The rate referred to in this Article shall be the base wage rate of the affected subordinate/manager exclusive of any premiums. The effect of such "add on" shall commence from the first day of the manager's regular assignment and be proportionately decreased as the manager advances through his or her step advancement, ensuring a differential of not less than two (2) premium levels. [Arbitration No. 3242 (2014)].

- b. In accordance with said intent, on or before May 1 of each year during the term of this MOU, the Parties shall meet and confer to compare the total economic packages provided to other (subordinate) employee bargaining units and determine the amount of modification required.

- (1) In the Cost of Living Adjustment (COLA) for the entire Unit;
- (2) In the salaries of specific job classifications or individuals; and
- (3) In other non-salary related benefits.

- c. If adjustments are required under this Article, the Parties agree to submit the appropriate MOU amendments to the Board and the City Council for approval.
- d. The effective date of MOU salary amendments shall correspond to the effective date of the adjustments made for the other bargaining unit(s).

13.2 Resolution of Individual Inequities

The Association shall provide to the Department, not later than August 1, of the last year of the term of this MOU, a listing of each position, identified by DDR number, Civil Service class title and incumbent's name, where a salary inequity is alleged to exist.

The Parties shall consider any and all inequities presented in accordance with this Article in conjunction with the meet-and-confer process of the successor MOU.

13.3 Supervisory Differential for Classes of Construction Maintenance Superintendent

If the salary differential between the top salary step of managers in the classes of Construction Maintenance Superintendent, Class Code No. 3129, and the daily rate of subordinate supervisors is reduced below 5%, the Parties shall meet and consult over a temporary bonus amount to be paid to managers in those classes to re-establish a 5% differential. The effect of such bonus on other positions in those classes will also be reviewed. Such bonus will be paid during the period of time that the subordinate daily rated position(s) is (are) occupied and the differential is less than 5%.

13.4 Reassignment or Reevaluation of Duties

Notwithstanding any other provision to the contrary, if a manager is assigned to a lesser salary grade as a result of inability to perform the position duties, disciplinary action, failing of a probationary period, voluntary request, layoff or displacement, the manager shall be entitled to receive credit for any service in positions for which equal or higher compensation is fixed than that of a new position. Upon reassignment to a position with a lesser salary rate for any other reason, the manager shall receive the previous salary rate until and unless salary schedule increases or salary step advancement credits at the same or higher salary schedules entitle the manager to a higher salary.

13.5 Salary Step Placement and Progression

Managers shall be placed on salary steps and advance through their salary ranges in accordance with LAAC Sections 4.901, 4.902, 4.903 and 4.904.

13.6 Salaries Applicable During the Term of this MOU

- a. Effective October 1, 2017, salary ranges shall be increased by three percent (3%).
- b. Effective December 1, 2017, salary ranges shall be increased by one and one-half percent (1.5%).
- c. Effective October 1, 2018, 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 2017 to August 2018 for U.S. City Average (1982-84=100); provided however, that if the CPI increases less than or equal to two percent (2%), the salary ranges shall be increased by two percent (2%), and if the CPI increases by four percent (4%) or more, the salary ranges shall be increased by four percent (4%).
- d. Effective October 1, 2019, 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 2018 to August 2019 for U.S. City Average (1982-84=100); provided however, that if the CPI increases less than or equal to two percent (2%), the salary ranges shall be increased by two percent (2%), and

if the CPI increases by four percent (4%) or more, the salary ranges shall be increased by four percent (4%).

- e. Effective October 1, 2020, 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 2019 to August 2020 for U.S. City Average (1982-84=100); provided however, that if the CPI increases less than or equal to two percent (2%), the salary ranges shall be increased by two percent (2%), and if the CPI increases by four percent (4%) or more, the salary ranges shall be increased by four percent (4%).
- f. Effective October 1, 2021, 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 2020 to August 2021 for U.S. City Average (1982-84=100); provided however, that if the CPI increases less than or equal to two percent (2%), the salary ranges shall be increased by two percent (2%), and if the CPI increases by four percent (4%) or more, the salary ranges shall be increased by four percent (4%).

13.7 Changes in Salaries during the Term of this MOU

Effective January 1, 2017, the following classifications shall be adjusted to the below listed salary ranges.

Classification	Salary Range
Power Engineering Manager A	11267
Power Engineering Manager B	10673
Power Engineering Manager C	10109
Power Engineering Manager D	9574
Power Engineering Manager E	7888
Power Engineering Manager F	7471
Managing Water Utility Engineer A	10673
Managing Water Utility Engineer B	10109
Managing Water Utility Engineer C	9574
Managing Water Utility Engineer D	7888
Managing Water Utility Engineer E	7471
General Services Manager B	10108
Water Services Manager B	10108
Fleet Service Manager A	7773
Fleet Service Manager B	6071
Fleet Service Manager C	5424

ARTICLE 14 WORK SCHEDULES

14.1 Shift Differentials

Each manager who is regularly scheduled to start a normal shift at or after 2:00 p.m. but before 9:00 p.m., shall receive, in addition to other compensation, a pay differential of four percent (4%) of the applicable rate for each hour worked during any such normal shift.

Each manager who is regularly scheduled to start a normal shift at or after 9:00 p.m. but before 4:00 a.m., shall receive, in addition to other compensation, a pay differential of seven (7%) of the applicable rate for each hour worked during any such normal shift.

Each manager who is regularly scheduled to start a normal shift at or after 2:00 p.m. but before 4:00 a.m. shall not be entitled to receive a pay differential during any absences from work.

Each manager who works all or part of the normal shift of another manager shall receive the pay differential (either 4% or 7%) which would have been applicable to the other manager's shift. The dollar value of any such pay differential shall be calculated on the applicable rate of the manager who actually performs the work.

Each manager who is regularly scheduled to start a normal shift at or after 2:00 p.m. but before 9:00 p.m., and who performs overtime work in continuation of his/her normal shift, but who is not working all or part of the normal shift of another manager shall continue to receive a pay differential of four percent (4%) of the applicable rate for each hour of such overtime worked.

Each manager who is regularly scheduled to start a normal shift at or after 9:00 p.m. but before 4:00 a.m., and who performs overtime work in continuation of his/her normal shift, but who is not working all or part of the normal shift of another manager shall continue to receive a pay differential of seven percent (7%) of the applicable rate for each hour of such overtime worked.

14.2 9/80 and 4/10 Alternate Work Schedules

This Article supersedes any previous agreement between the Parties regarding Alternate Work Schedules.

Alternate Work Schedules should be revenue neutral. There should not be a loss in wages, benefits, or any other compensation for the affected managers. Alternate Work Schedules should not result in a reduction in safety, productivity, efficiency, or customer service for the LADWP.

Alternate Work Schedules can be effective when the agreed upon schedule is implemented jointly and cooperatively. The 9/80 and 4/10 work schedules will be addressed here, but other types of schedules can be discussed jointly if there is a mutual agreement to do so.

Alternative work schedules for salaried managers may be authorized on a case by case basis when operationally feasible.

A. Rules governing the 9/80 and 4/10 work schedules are as follows:

1. Managers on 9/80 will work eight (8) nine-hour days, one eight-hour day, and have one weekend off during each two-week pay period.
2. Managers on 4/10 will work four (4) ten-hour days and have one weekday off during each workweek.
3. Each manager on 9/80 or 4/10 shall be provided with a mutually agreed work schedule which includes the normal distribution of workdays and days off within the pay period.
4. Manager requests to change their work schedule must be approved if there is no interference with the manager's work.
5. Vacation/Sick Time shall be allocated as follows:
 - a. When a vacation/sick day falls on a manager's scheduled eight-hour day, the manager will be charged for eight hours of vacation/sick time.
 - b. When a vacation/sick day falls on a manager's scheduled nine-hour day, the manager will be charged for nine hours of vacation/sick time.
 - c. When a vacation/sick day falls on a manager's scheduled ten-hour day, the manager will be charged for ten hours of vacation/sick time.
 - d. When a non-salaried manager on any schedule is off work for a partial day, the manager will be charged vacation/sick time only for the number of hours they were off work.
6. Holidays shall be allocated as follows:
 - a. When a designated or floating holiday occurs on a manager's scheduled eight-hour workday, the manager shall be credited with eight hours of paid time off.
 - b. When a designated or floating holiday occurs on a manager's scheduled nine-hour workday, the manager shall be credited with nine hours of paid time off.

- c. When a designated or floating holiday occurs on a manager's scheduled ten-hour workday, the manager shall be credited with ten hours of paid time off.
- d. If a holiday occurs on a manager's scheduled day off, the manager shall be scheduled to take the workday preceding or following the holiday off in place of the scheduled day off, or any other workday mutually agreed in the pay period.

B. Provisions for implementing the 9/80 or 4/10 Alternate Work Schedule Agreements:

- 1. The Transformation Review and Action Council (TRAC) shall discuss and resolve issues regarding Alternate Work Schedules. Such discussion would include whether the Alternate Work Schedule program would be voluntary or mandatory. If mandatory, there will be a vote of the affected managers if requested by either Party.
- 2. Jury Duty and other potential issues will be dealt with in a cooperative and mutually agreed upon way by the parties in the TRAC using mutual gain techniques.
- 3. Consideration will be given to managers in addressing issues such as family care, etc.
- 4. Either Party may propose to end an Alternate Work Schedule in whole or in part at a given work location by mutual agreement, but no less than 45 days from the date of proposal, by providing written notification to the other Party of such proposal.
- 5. Both Parties shall encourage full cooperation from all MEA managers and LADWP management.

ARTICLE 15 MAINTENANCE OF EXISTING CONDITIONS

All written rules, including the Department's Working Rules, and all established practices, and the Department's and managers' rights, privileges and benefits in effect on June 30, 1980, including the Retirement Plan, shall remain in full effect unless specifically altered by the provisions of this MOU.

ARTICLE 16 HEALTH AND DENTAL PLANS

16.1 Health Plans

The Department will contribute on behalf of an eligible manager to whom an annual salary is applicable, and who is a member of the Retirement Plan, and on behalf of his or her eligible dependents, if any, a fixed amount determined each July 1st not to exceed

the dollar value of the Kaiser Family Plan rate, toward the cost of any one of the following health insurance programs during the term of this MOU:

- a. Blue Shield of Owens Valley
- b. Kaiser Health Plan, Inc.
- c. DWP Health Plan of Nevada
- d. United Healthcare Plan

Said amount will be applied and limited by the manager's election, if any, to coverage under one of the health insurance programs listed in (a), (b), (c), and (d) above. In the event an eligible manager elects to cover his eligible dependents as provided for in these programs, the unused portion of said sum will be applied toward such dependent coverage under the same plan.

The Parties hereto agree to the following formula for arriving at the Department's maximum contribution, based on the present level of benefits, to these health insurance programs for each eligible manager:

In order to obtain employee input regarding health plan benefits, and to stabilize health insurance costs at or near their present levels, the Department will meet with the Joint Health Care Committee prior to negotiating new agreements with health insurance carriers. In conformance with LADWP Board Resolution No. 985 of June 29, 1972, as amended, any increases in cost due to negotiated improvements in benefits shall be borne solely by the employees.

The Parties acknowledge that rapidly escalating health care costs are a mutual concern. Containing the escalation of these costs is essential to both Parties. Therefore, the Parties agree to develop health care proposals that achieve control over and limit escalating health care costs which may include financial participation by both Parties.

As an offset to the rising health care costs, during the term of this MOU, managers shall contribute on a bi-weekly basis, for the plan in which the manager is enrolled, five percent (5%) of the monthly health insurance plan premium not to exceed a maximum monthly contribution rate of \$100.00.

In the event that the manager is enrolled in a health insurance plan that has a monthly premium that exceeds the Department's maximum monthly subsidy, then said manager shall pay the total difference between the cost of his/her monthly health insurance plan premium and the Department's maximum monthly subsidy plus the monthly contribution as specified above.

16.2 Dental Plans

The Department will provide an indemnity type dental plan, and a group type dental plan, open to all eligible managers. The Department's maximum contribution is a fixed amount determined each July 1st not to exceed the dollar value of the Delta Dental family plan rate toward one of the department-sponsored dental plans during the term of this MOU:

Thereafter, if the cost of family dental coverage for the implemented level of benefits is increased or decreased by Delta Dental during the term of this MOU, the Department's maximum contribution will increase or decrease by the same amount. If the cost of employee only dental coverage for the implemented level of benefits is increased during the term of this MOU, the Department agrees to continue to fund the full cost of employee only coverage.

A manager must be a member of the Retirement Plan to be eligible to receive the Department's dental plan contribution.

The Association agrees to indemnify and hold harmless the Department for any loss or damages including costs of suits and reasonable attorney fees arising from the operation of this Article.

ARTICLE 17 TERM

17.1 Term of this Agreement

The term of this MOU shall commence on the date when the terms and conditions for its effectiveness, as set forth in Article 18, Scope of Implementation, are fully met, but in no event shall the MOU become effective prior to January 1, 2017. This MOU shall expire at 11:59 p.m. on December 31, 2021; however, all provisions of this MOU shall remain in full force and effect until the adoption of a successor MOU. The Parties, during the time this MOU is in effect, may mutually agree to consider other specific proposals.

17.2 Calendar for Successor MOU

A written request to commence meet and confer sessions for a successor MOU shall be submitted by the requesting Party during the period from September 1, 2021 through December 31, 2021. Meet and confer sessions shall begin by mutual agreement of both Parties.

17.3 Effective dates of Amendments

Amendments to this MOU shall be effective when the terms of Article 18 have been met with the exception of any provision which sets forth a specific date for compliance, and shall continue in effect until adoption of a successor MOU.

ARTICLE 18 SCOPE OF IMPLEMENTATION

This MOU constitutes a jointly drafted recommendation of the City and the Association, and shall not become binding in whole or in part, unless and until all of the following have occurred:

The Association has notified the Board that this MOU was ratified in its entirety by the Association's membership, as evidenced by the Association's authorized representative affixing his or her signature hereto; and

The Board has by adoption of an appropriate Resolution notified the Association that this MOU is approved in its entirety by the Department, as evidenced by the General Manager affixing his signature hereto; and

The City Council has taken appropriate action approving the setting the salaries agreed to herein.

Notwithstanding the above, Article 8, with the exception of Section 8.2d, shall be binding upon adoption of an appropriate Resolution by the Board.

Upon Council approval of this agreement, it shall constitute the 2017-2021 Management Employee Unit MOU.

Correction

The City Controller and the General Manager of the LADWP are hereby authorized to correct any technical or clerical errors in this MOU.

ARTICLE 19 JOB SECURITY

Should any regular annual-rated, Civil Service Unit manager within the classification and major division affected by the contracting out of bargaining unit work be laid off or placed on a lower-level DDR, such dispute(s) shall be resolved in accordance with the provisions in Article 5 of this MOU. The Department shall notify the Association of their intent prior to a layoff or placement on a lower-level DDR.

ARTICLE 20 TRANSFORMATION REVIEW AND ACTION COUNCIL

A Transformation Review and Action Council (TRAC) has been established to address long-term issues facing the Department and its managers. The Executive Committee of TRAC will have permanent members for continuity and will be composed of equal numbers of LADWP and Association participants. Ad hoc members will be added to TRAC as necessary.

The TRAC shall deal with items typically brought up in the meet-and-confer process and other issues mutually agreed to by the Department and the Association.

The TRAC is not intended to subordinate or abrogate in any way the collective bargaining rights and obligations of either party.

TRAC will establish its own procedures and set its own agenda. However, the procedures adopted shall include, but not be limited to, the following:

1. Mutual Gains Bargaining (MGB) principles shall be used.
2. A mutually agreed-upon facilitator shall be used for selected issues.
3. Subcommittees will be established as necessary.

4. TRAC will meet no less than monthly. The first TRAC meeting will be held within two weeks of the date of City Council approval of this MOU.
5. Decisions of TRAC will be codified in Letters of Agreement, signed by the General Manager of the Department and the President of MEA.

ARTICLE 21 EMPLOYEE RETIREMENT PLAN

Retirement plan benefits for employees hired by LADWP on or before December 31, 2013, shall be consistent with the Retirement Plan for Tier 1 members.

Retirement plan benefits for employees hired by LADWP on or after January 1, 2014, who did not have funds on deposit prior to January 1, 2014, shall be consistent with the Retirement Plan for Tier 2 members.

All managers may view the provisions of the Retirement plan at <http://retirement.ladwp.com> or view the Tier 1 and Tier 2 benefits at <http://retirement.ladwp.com/Tier2.html>. If there are any questions, managers may contact the Retirement Office at 213-367-1712.

21.1 Favored Nations Clause for Retirement Benefits in LADWP Plan or in Los Angeles City Employees' Retirement Plan

The Parties hereby agree that during the term of this MOU, should other bargaining unit(s) receive (under the Retirement Plan or the Los Angeles City Employees' Retirement System) benefit(s) that would be more favorable to the individuals covered by this MOU, the more favorable benefits shall, with the Association's concurrence, be incorporated into this MOU, as if set forth fully herein.

21.2 Deferred Retirement Option Program

The Parties agree to establish a Deferred Retirement Option Program (DROP) generally consistent with the principles and structure of the existing program for Fire and Police personnel. The proposed DROP is anticipated to contain the following minimum features: cost neutrality; eligibility for all members of the Retirement Plan who qualify for an unreduced retirement formula; five-year eligibility window; and re-evaluation after three (3) years.

Article 21 constitutes a jointly drafted recommendation of the LADWP and the Association, and shall not become binding in whole or in part, unless and until finally adopted by the Retirement Plan's Board of Administration and the City Council.

ARTICLE 22 PERFORMANCE EVALUATIONS

All managers covered under this MOU shall be reviewed on an annual basis to ensure continuous growth, effectiveness, efficiency and to provide valuable feedback. The form used shall be the Supervisory Evaluation Report as updated and published by the

Personnel Department of the City of Los Angeles and the review period shall be based on the anniversary date of the manager.

ARTICLE 23 PARKING FEES AND SUBSIDIES

The Parties agree that the following terms and conditions shall be applicable to managers who report to an AQMD qualifying location.

- a. Managers paying a parking fee who report to an AQMD location as their permanent reporting location shall receive a \$25 per month parking (transportation) subsidy.
- b. Rotating shift managers are excluded from this agreement.
- c. Facility parking administrators shall set local rules for parking.
- d. Department Management shall set the rates for the DWP Van Pools.
- e. Any manager who drives his/her personal vehicle and occasionally parks at the JFB or other central locations shall be charged \$5 per day to park, subject to applicable parking regulations. The rate will be \$4 at non-central locations. Such managers will have an in-and-out privilege for any said paid parking day.
- f. Managers who pay monthly parking fees as members of a DWP vanpool or carpool will not be charged a daily parking fee when they drive their personal vehicle to work to accommodate scheduled overtime, unless this overtime condition exceeds five (5) days per month after which No. 5 applies.
- g. A \$50 subsidy will be provided to any monthly transit rider who shows evidence upon demand of a monthly transit pass and who provides an affidavit to the John Ferraro Building parking coordinator of such transit use in commuting to work. Managers who normally commute by bicycle and who provide an affidavit of their daily bicycle riding and certification of this riding from their supervisor will receive this subsidy also.
- h. At AQMD qualifying locations where adequate on-site parking is available for employees, the Department may take appropriate action to require managers to park in DWP facilities when there are complaints from residents and neighbors about employees parking in their neighborhoods.

The Parties agree that the following chart correctly states the current parking fees and subsidies.

	JFB Scramble Other Central Locations	JFB Assign Space	Non-Central Locations	Subsidy
Parking Fee	\$50	\$85	\$40	\$25
Car Pool	\$30	N/A	\$20	\$25 per person
DWP Van Pools	\$50	N/A	\$40	\$25 per rider
Take-Home Vehicles	\$50	N/A	\$40	\$25
Employees on Mileage & Per Diem	\$25	\$65	\$25	\$25
Employees on Mileage Only	\$50	\$85	\$40	\$25

Note: This proposal includes only managers who start between 5:00 a.m. and 2:00 p.m. and report to an AQMD qualifying location.

ARTICLE 24 MILEAGE ALLOWANCES

The following provisions will be applicable for employees utilizing personal automobiles in the conduct of Department business:

Mileage Allowances

- a. When a manager uses his personal vehicle to conduct Department business as authorized by the General Manager (or his or her designee), he shall be paid compensation for such use during each calendar month for:
 - (1) All miles driven paid at the standard mileage rate as affixed by the Internal Revenue Service (IRS) and posted on LADWP's intranet at <http://dwphome/bulletins/bulletins.htm>.
 - (2) Necessary parking fees or charges, exclusive of LADWP facilities.
- b. When a manager is required to have his personal vehicle available for use to conduct Department business, he shall be paid compensation for such availability or use during the calendar month as authorized by the General Manager in accordance with the following schedule:
 - (1) For each day during which the vehicle is required to be available and is available but not actually driven on Department business;
 - (2) For each day driven on Department business;

- (3) All miles driven paid at the standard mileage rate as affixed by the IRS; and
- (4) Necessary parking fees or charges exclusive of LADWP facilities.

The vehicle per diem referenced above shall be calculated based on 80 percent of the "Ownership Costs – Equivalent per day" as published by the American Automobile Association (AAA) in the pamphlet entitled, "Your Driving Costs in Southern California." The vehicle per diem shall be adjusted with each subsequent publication of the AAA pamphlet.

If AAA ceases to publish the "Your Driving Costs in Southern California" pamphlet for a particular calendar year, the information published in the AAA pamphlet entitled, "Your Driving Costs" shall be utilized to calculate the per diem. Should this occur, the per diem shall be calculated based on 85 percent of the "Ownership Costs – cost per day" for a medium sedan.

The Department retains the right to review the mileage allowance program and may assign transportation in lieu of compensation under such circumstances as it deems necessary.

ARTICLE 25 DOMESTIC PARTNER

The following language shall amend the application of Working Rule 5 for managers who request leave for occurrence of serious illness or death in the manager's immediate family:

"Occurrence of serious illness or death in the immediate family and of funerals for Department associates.

"For the purpose of granting leave under this Article, immediate family shall include spouse, child, stepchild, parent, stepparent, parent-in-law, brother, sister, grandparents, grandchildren, any relative not previously listed living in the same household as the employee and in addition, a domestic partner of the employee and children of the domestic partner.

"Any employee claiming a domestic partner for purposes of this Article shall complete a confidential affidavit to be filed in the Personnel Records Office, which shall be signed by the employee only, declaring the existence of a domestic partnership with a named domestic partner. "

ARTICLE 26 CONTRACTING OUT

The Department and the Association agree that the following procedure will be used when the Department contemplates contracting out work that would involve Civil Service employees reporting to contractors.

- Management will inform the Association of all contracts which will involve Civil Service employees reporting to or being supervised by contractors.
- If requested by the Association, a meeting(s) will be held for informational purposes to discuss the proposed contract(s).
- The above meeting(s) will be held prior to such contract(s) either being issued or presented to the Board of Water and Power Commissioners for their approval.
- Notwithstanding any provisions of this MOU to the contrary, the provisions of this Article are subject only to advisory arbitration with the exception of grievances raised under Article 19, Job Security, of this MOU.

ARTICLE 27 TEMPORARY ASSIGNMENT – SAME CIVIL SERVICE CLASSIFICATION

Whenever the Department assigns a manager to temporarily perform all the duties of a higher paid position in the same civil service classification due to the temporary absence of the regularly assigned employee, or due to a position vacancy, such manager shall be compensated from the first day of such assignment at the lowest pay step in the pay range for the assigned position that will result in a minimum of a five percent increase. There shall be no change in the anniversary date for the manager so assigned.

ARTICLE 28 MANAGERIAL TRANSPORTATION

Department vehicles are working tools required by managers to perform the duties of their job assignment and are not a part of compensation, an inducement to employment, or a means of transportation from home to the work place. Managers are not required to use their own personal vehicles to execute their assigned duties.

Only managers whose positions or duties are described in this Article will be authorized by Assistant General Manager and Executive Assistants to the General Manager, with the concurrence of the General Manager, to use Department vehicles for Department business regularly during other than normal working hours:

- a. Heads of major organizational units who are required to be available to respond to matters involving the Department at any hour of the day or night, seven (7) days a week;
- b. Positions regularly subject to call-out for field supervision in Electric or Water System restoration or emergency situations;
- c. Positions that may be required to start or end a shift in an alternate reporting location, an average of two days per week, resulting in cost savings to the Department; or

- d. The need to carry special equipment (maps, tools, safety items) or special communications equipment, i.e. high band, low band radios (other than Nextel or cellular phones).

ARTICLE 29 LICENSE REIMBURSEMENT

A manager who is required by LADWP to apply for, secure, and maintain a valid professional license or certification to perform specific duties shall be reimbursed by LADWP for the cost of such license or certification upon acceptable evidence of license or certification and presentation of valid proof of payment of such costs. Reimbursement shall be obtained as follows:

- a. The manager shall provide acceptable evidence of such license or certification. Acceptable evidence is a copy of the actual license or certification from the official licensing agency or a copy of the state official letter acknowledging valid registration.
- b.. The manager shall submit valid proof of payment of such costs in the form of a receipt or other acceptable proof in accordance with the City Controller policies to obtain reimbursement.
- c. The Division shall submit evidence of the LADWP requirement in the form of a class specification, examination bulletin, signed and approved position description (Form PDES 3) or an approved Duties Description Record.

A manager shall no longer be entitled to reimbursement for the cost of maintaining such license or certification when, due to changes in the class specification, examination bulletin, position description, or Duties Description Record, said license or certification is not a requirement for the position or classification.

APPENDIX A RETIREE HEALTH BENEFITS FUND

During the term of this MOU, LADWP shall provide to the Department's *Retiree Health Benefits Fund* a yearly amount not to exceed the Annual Required Contribution as identified in the yearly actuarial valuation. The funding shall be provided in accordance with the following:

- a. LADWP shall contribute an amount equal to four percent (4%) of each manager's bi-weekly base wage rate to the *Retiree Health Benefits Fund* on behalf of the manager to fund retiree health benefits.
- b. LADWP shall also contribute the remainder of the funds necessary to meet the Annual Required Contribution to the *Retiree Health Benefits Fund* as determined by the yearly actuarial valuation.

The amount of contributions indicated above to be paid on behalf of the manager is not taxable under current, applicable law, but will nonetheless be notated on the manager's bi-weekly pay stub to reflect a "healthcare contribution on employee's behalf." Notwithstanding the above, it is mutually understood and agreed by LADWP and the Association that the contributions specified in this Appendix B shall not result in any obligation by LADWP to pay any additional contribution to retiree health care above and beyond what LADWP currently contributes to the *Retiree Health Benefits Fund* pursuant to Board Resolution No. 007-048 as amended.

MANAGEMENT EMPLOYEES UNIT FOOTNOTES

Note 1: Notwithstanding Article 13.7 to the contrary, whenever a manager who has occupied an Assistant level DDR designated by a (B) is advanced in the same classification to a Manager-in-Charge DDR designated by an (A), the manager will retain the same step and anniversary date from the Assistant (B) DDR assignment.

Note 2: Any incumbent occupying the position identified by DDR No. 95-15891 in the Class of Principal Utility Accountant (Class Code No. 1589) who has been granted the authority by the State of California to use the term of Certified Public Accountant shall be compensated two salary levels above the assigned range for that position.

Note 3: One incumbent in the class of Rates Manager (Class Code No. 5601) who occupies a position identified by DDR No. 95-56011, and is regularly assigned to supervise another filled position identified by the same DDR number, shall be compensated at the second (2nd) premium level above the salary range for that position. If a position identified by DDR No. 95-56012 in the same classification is filled, the provisions of this Note shall cease to be operative.

Note 4: Two (2) persons employed in the class of Principal Utility Accountant (Class Code No. 1589) who are regularly assigned to assist the Auditor in negotiating bond sales, developing financial policies and programs, and administering accounting, internal auditing, and risk management activities shall be compensated at the second (2nd) premium level rate above the appropriate step rate in the salary range prescribed for the class.

Note 5: One Senior Architect (Class Code No. 7927) who supervises one or more Architects (Class Code No. 7925), shall receive compensation at the appropriate step of the range for Senior Architect, or at the second premium level above the step of the range for Architect at which his/her highest paid subordinate in the class of Architect is compensated, whichever provides the higher salary.

Note 6: One Director of Security Services (Class Code No. 3208), while supervising the A-level Utilities Service Investigator, shall be compensated at the "B" level Salary Range (DDR No. 95-91053) prescribed for the class of Utility Administrator (Class Code No. 9105).

Note 7: The following classifications and pay levels, which are considered critical for maintaining, on a day-to-day basis, an uninterrupted supply of water and electricity to the City of Los Angeles, are to be treated as non-salaried positions:

- Chief Load Dispatcher B (Class Code 5238)
- Construction and Maintenance Superintendent D (Class Code 3129)
- General Automotive Supervisor (Class Code 3718)
- Senior Communications Electrician Supervisor (Class Code 3691)
- Senior Underground Distribution Construction Supervisor (Class Code 3815)
- Transmission and Distribution District Supervisor (Class Code 3875)

Note 8: One Senior Underground Distribution Construction Supervisor (Class Code No. 3815), who acts as the Manager in Charge of the Underground Distribution Construction Business Group, shall be compensated at the "A" level Salary Range (DDR No. 95-38754) prescribed for the class of Transmission and Distribution District Supervisor (Class Code No. 3875).

Note 9: One Water Utility Superintendent (Class Code No. 3980), who acts as the Manager of the Construction Business Group of the Water Distribution Division, shall be compensated at the "A" level Salary Range (DDR No. 95-31295) prescribed for the class of Construction and Maintenance Superintendent (Class Code No. 3129).

Note 10: One person, when designated to represent the Department as the Administrator to the Joint Training Institute (JTI), shall, while assigned to perform such JTI Administrator duties, be compensated at the fifth (5th) step of the "III" level Salary Range (DDR No. 95-52653) established for the class of Electrical Services Manager (Class Code No. 5265).

Note 11: One person, when designated to represent the Department as the Administrator to the Joint Safety Institute (JSI), shall, while assigned to perform such JSI Administrator duties, be compensated at the fifth (5th) step of the "III" level Salary Range (DDR No. 95-52653) established for the class of Electrical Services Manager (Class Code No. 5265).

In the event that JSI and JTI are combined into one entity, only one manager will be eligible for the additional compensation specified in Notes 10 and 11 above.

Note 12: Annual-rated managers, when assigned to Castaic Power Plant as a permanent reporting location, shall receive an amount not to exceed \$7.50 per day worked as a travel allowance. This travel allowance shall not apply to any manager so assigned who, for operating reasons, drives a Department vehicle to and from work.

Note 13: Effective October 1, 2017, one employee in the classification of Principal Utility Accountant (Class Code No. 1589) shall receive a one premium level bonus when serving as the Qualified Independent Representative in accordance with the Dodd-Frank Act.

Note 14: Effective October 1, 2017, any manager assigned to the Human Resources Division who has earned and possesses a senior-level certification from the International Public Management Association for Human Resources (IPMA-HR) or the Society for Human Resources Management (SHRM); a professional certification from the California Public Employers Labor Relations Association (CALPELRA); a Certified Labor Relations Professional (CLRP) certification offered by the National Public Employees Labor Relations Association (NPELRA); or a Senior Professional Human Resources (SPHR) certification offered by the Human Resources Certification Institute (HRCI) shall be eligible to receive a pensionable one-premium level bonus. The additional pay shall be effective at the beginning of the first pay period following presentation of certification to management by the manager.

This additional pay shall continue through the expiration date of the certification, as applicable. The employee bears the full responsibility of providing proof of certification and recertification to management in order to receive this additional pay.

Employees who fail to gain recertification from the certifying agency shall cease being eligible for the additional pay described in this note.

Note 15: Effective October 1, 2017, any employee in the class of Chief Helicopter Pilot (Class Code No. 3562) will receive a daily rate bonus of 15% when assigned to a Human External Cargo Crew.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Management Employees Unit Memorandum of Understanding on this ____ day of _____ to be effective as provided in Article 17 herein.

FOR THE ASSOCIATION:



Thomas Anderbery, President

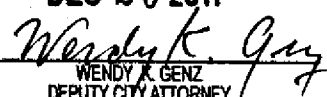
Date: 12-19-17

FOR THE CITY OF LOS ANGELES:

David H. Wright, General Manager
Department of Water and Power

Date: _____

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER CITY ATTORNEY

DEC 20 2017
BY 
WENDY K. GENZ
DEPUTY CITY ATTORNEY