

**MEMORANDUM
OF
UNDERSTANDING**

MOU No. 55

Between

THE CITY OF LOS ANGELES,

THE LOS ANGELES DEPARTMENT OF WATER AND POWER

and

**THE LOS ANGELES DEPARTMENT OF WATER AND POWER
ASSOCIATION OF CONFIDENTIAL EMPLOYEES**

LADWP CONFIDENTIAL MANAGEMENT REPRESENTATIVES UNIT

Bargaining Unit "E"

October 1, 2012

through

December 31, 2016

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ARTICLE 1

PREAMBLE

The Los Angeles Department of Water and Power (LADWP) 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 the Parties 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 among the Parties. Inherent in the relationship between the Parties is the obligation of the employer to deal justly and fairly with the Confidential Employees, and of the Confidential Employees to cooperate with their fellow employees and the Department in the performance of their public service obligation.

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

ARTICLE 2

RECOGNITION

The Employer hereby recognizes the LADWP Association of Confidential Employees (ACE) as the exclusive representative of the employees in the LADWP Confidential Management Representatives Unit, for which the Association was certified as the majority representative by the Employee Relations Board on October 7, 1991. The Association shall be the exclusive representative of employees in the LADWP Confidential Management Representatives Unit, subject to the right of a Member to represent himself or herself.

ARTICLE 3

LANGUAGE-MEMORANDUM OF UNDERSTANDING

The terms "Management" or "Employer" shall be understood to refer to the General Manager of the Los Angeles Department of Water and Power (LADWP or Department). The term "Board" shall be understood to refer to the Board of Water and Power Commissioners, and the term "Association" shall be understood to refer to the Association of Confidential Employees (ACE).

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

The term "Member" shall be understood to refer to an employee in the LADWP Confidential Management Representatives Unit, hereinafter referred to as "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 employees in the Unit without regard to degree of physical or mental disability, race, color, sex, age, religious creed, national origin, ancestry, political belief, genetic characteristic, military obligations or sexual orientation.

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 Member 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 Member. No Member 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 Member 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 Member may elect to pursue the matter under either the procedure herein provided or by action before the Employee Relations Board. The Member's election of either procedure shall constitute a binding election of the remedy chosen and a waiver of the alternative remedy.

- b. The affected Member 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 Member 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 Confidential Management Representatives 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) working days of the occurrence giving rise to the dispute, claim or complaint, the Member 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 Member, or which has been inappropriately applied, and
- c. The relief sought.

The Labor Relations Office will forward the grievance to the appropriate Assistant General Manager.

Step 1 - First Level of Formal Review

The Assistant General Manager or a designated representative shall meet with the grievant and seek to resolve the grievance. This process shall use the mutual gains method of problem solving and shall be heard by a Committee which is comprised of two Association members selected jointly by the Grievant and the Association and two members selected by management. The Committee shall then issue a written decision setting forth pertinent findings of fact, conclusions and supporting reasons within fifteen (15) working days following submission of the grievance to the Labor Relations Office.

Step 2 - Second Level of Formal Review (Member-Represented or Association-Represented)

If the grievance is not resolved at the Assistant General Manager level, the Member may file a written appeal to the General Manager. Such an appeal must be submitted to the Labor Relations Office within ten (10) working days of the receipt of the Assistant General Manager's response.

Labor Relations will forward the appeal to the General Manager. The General Manager or a designated representative shall meet with the Association President or a designee to discuss and attempt to resolve the grievance. For Member-represented grievances, the affected Member or designee will meet with the General Manager or the designee. The General Manager, or a person designated by the General Manager, shall issue a written decision setting forth pertinent findings of fact, conclusions and supporting reasons within twenty (20) working days following receipt of the appeal by Labor Relations.

Step 3 - Third Level of Formal Review (Member-Represented or Association-Represented)

If the General Manager's decision does not satisfactorily resolve the matter, the Member may elect to appeal in writing to the Board of Water and Power Commissioners (Board) within fifteen (15) working 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) working days following receipt of the appeal and shall render a written decision thereon within thirty (30) working days following such a hearing.

The Association, at the time of this appeal, shall either elect to appeal to the Board or request that the issue(s) be submitted to arbitration. The arbitrator's decision shall be binding on the parties. The arbitrator's fee and all other costs of such proceedings 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 Member 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 Member 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 Confidential Management Representatives Unit.

If a decision is not rendered at any level within the prescribed time, the Member 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 Labor Relations Manager. Substitutions to the list may be made at reasonable intervals. Any representative, so designated and requested by a Member, may represent the Member at all levels of this procedure.

Time spent on the dispute outside of the normal working hours of the Member and/or the representative shall not be credited as time worked for any purpose. When a dispute is presented during normal working hours only that 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 of Water and Power Commissioners 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 Members or their unit from consulting or raising grievances about the practical consequences these decisions have had on salaries, hours, and other terms and conditions of employment.

The Association is the exclusive group representative of all its Members, as set forth in the Recognition provision of this Agreement, 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 Members shall exercise a reasonable standard of care and a duty of loyalty toward the Department.

Furthermore, Members are charged with the responsibility, both individually and collectively, of adopting and supporting policy positions taken by the Board and the General Manager in the exercise of their respective responsibilities for directing the activities of 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 its Members, the employer 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 Member 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 employer and the Member registering the dispute.

ARTICLE 7

SALARIED (OVERTIME EXEMPT) STATUS

Pursuant to the Fair Labor Standards Act (FLSA) all salaried (overtime exempt) employees 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.

Employees assigned to the Duties Description Record (DDR) No. 95-91058, and compensated at the fourth or fifth step of the pay range established for Utility Administrator IV in this Unit, shall be treated as salaried (overtime exempt) employees in accordance with the provisions of the FLSA. Notwithstanding any Los Angeles Administrative Code provision or any MOU provision [except Article 8.2(d)], to the contrary, these employees shall not be required to record specific hours of work for compensation purposes, although hours may be recorded for other purposes. These employees will be paid the predetermined salary for each biweekly pay period as indicated in Appendix A, and shall not receive overtime compensation. The Department may grant time off for hours worked due to unusual situations as determined by the General Manager or his or her designee.

Employees in this Unit who are assigned to the DDR Nos. 95-91055, 95-91056, 95-91057, and 95-91058 (first, second, and third steps in the pay range), and compensated, respectively, at the levels of Utility Administrator I, II, III, or IV (first through third steps), are not considered as salaried for purposes of this Memorandum of Understanding.

Salaried (overtime exempt) employees shall not be subject to any deductions from salary or any sick 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 management (e.g., intermittent leave or reduced work schedule for purposes of the Family Medical Leave Act). Salaried (overtime exempt) employees 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)).

ARTICLE 8

EXTRAORDINARY WORKING CONDITIONS

The Department agrees to provide all support necessary to protect ACE employees while working under the extraordinary conditions herein described in this Article. The Department and ACE 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 Members 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 membership and in reliance on the authority vested in the General Manager under Charter Section 509, agrees to insure, to the best of its ability, that individuals it represents:

8.1(a)

Will not take part in a work stoppage proclaimed by any employee organization;
and

8.1(b)

Will participate to the fullest extent in the employer's plans to maintain service during extraordinary emergency conditions.

8.2 - Obligations of the Employer

8.2(a) - Personal Injury and Liability Insurance

The employer 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 Members while performing tasks under extraordinary working conditions.

8.2(b) - Right to Refuse

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

8.2(c) - Loss Indemnification

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

8.2(d) - Compensation

Whenever a Member is directed by the General Manager to work overtime during a designated emergency or to prepare for the possibility of a work stoppage or whenever a Member 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, the Member will be considered to be on duty during all such hours and shall be paid at the rate of time and one-half.

8.2(e) - Overtime Meals

When the Department requires an employee, to whom an annual salary rate is applicable, to work during extraordinary working conditions as provided for in Article 8, it shall pay the employee a meal allowance of \$10.00 for each designated meal period, as provided under the Confidential Management Representatives Unit MOU.

8.3 - Out-of-Class Protection

The Parties agree that any Member 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 - 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 ACE employees 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 ACE employees as stated above.

ARTICLE 9 **BENEFITS**

9.1 - New Benefits

[Deleted 2001-2004 MOU]

9.2 - Death Benefit for Members who Retire

[Moved to Article 10.8]

9.3 - Vacations

9.3(a)

Notwithstanding Section 4.245 of the Los Angeles Administrative Code, employees in this Unit shall be entitled to the following vacation benefits, subject to applicable provisions of Article 1, Division 4, Chapter 6 of the Los Angeles Administrative Code.

9.3(b)

On October 1, 1996, each Member of the Unit who has completed 1 to 4 years of service shall be credited with 1 additional vacation day; each Member of the Unit who has completed 5 to 24 years of service shall be credited with 2 additional vacation days; each Member of the Unit who has completed 25 to 29 years of service shall be credited with 3 additional vacation days; and each Member of the Unit who has completed 30 or more years of service shall be credited with 2 additional vacation days.

9.3(c)

Additionally, Management and the Association agree that, after the addition of vacation days as provided in 9.3(b), the following chart accurately reflects the vacation entitlement and accrual rates to be effective October 1, 1996:

Years of Service Completed	Total Number of Vacation Days Effective 10/1/96	Monthly Accrual Rate In Hours/Minutes Effective 10/1/96
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

9.4 - Personal Liability

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

9.5 - Family Leave

9.5(a)

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 employee's home of an adopted or foster child. This leave shall supplement pregnancy-related disability leave, 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 or foster child and, after the first four consecutive weeks, runs concurrently with the California Family Rights Act (CFRA) and the Family and Medical Leave Act

(FMLA), if either or both are applicable to the time off. Upon return from such leave, the employee shall be returned to the same classification and pay step occupied prior to taking the leave. This subsection shall be limited to natural parents, adoptive parents or legal guardians and shall apply only to annual-rated, full-time employees.

9.5(b)

Each Unit member 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 Water and Power Employees' Retirement Plan] to attend to the illness of his or her child, parent, spouse, or domestic partner. Said time may be taken in full hourly increments.

In addition to the above sick time bank, any recurring partial day absences under an approved FMLA to attend to the illness of a child, parent, spouse, or domestic partner for any Unit member may be compensated using hourly deductions from the member's available compensatory banks including vacation or accumulated overtime. The use of hourly vacation time is permitted for this purpose only. Moreover, the use of ACE time for the purpose of FMLA in full day or partial day absences is not allowed.

Such use shall not extend the maximum period of leave to which an employee is entitled under the CFRA or under the FMLA.

Such use will not initiate temporary disability benefits provided in accordance with Article 10 of the MOU and Section VD(1) of the Water and Power Employees' Retirement Plan.

All conditions and restrictions, such as medical certification, placed upon employees 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 DWP Administrative Manual.

9.5(c)

Salaried (overtime exempt) employees are not subject to any deductions from salary or any sick leave banks for any absence from work for less than a full work day. As stated in Article 7, this does not apply to long-term or recurring partial day absences that are authorized by the appropriate supervisor designated by management (e.g., intermittent leave or reduced work schedule for purposes of the FMLA). Therefore, for absences due to the personal illness of the Unit member under the FMLA, all Unit members shall be permitted to use their available sick time bank or other compensatory banks in accordance with Article 10.2.

In addition, any recurring partial day absences under an approved FMLA (*i.e.*, personal illness) for any Unit member may be compensated using hourly deductions from the member's available compensatory banks including sick leave, vacation, or accumulated overtime.

9.6 - 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. Supplemental to that section, 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-Anaheim-Riverside Area (1982-84=100).

9.7 - Mileage Allowances

9.7(a)

When an employee uses his or her personal automobile to conduct Department business as authorized by the General Manager (or his or her designee), he or she shall be compensated for such use during each calendar month for:

1. All miles driven – at the standard mileage rate as affixed by the Internal Revenue Service (IRS);
2. Necessary parking fees or charges, exclusive of the LADWP facilities.
3. The parties agree that when the standard mileage rate (as issued by the IRS for computing the deductible cost of operating a vehicle for business purposes) changes, the rate shall be changed to the same amount.
4. Appropriate changes, if required, will become effective in the payroll period following January 1, April 1, July 1, and October 1, of each contract year.

9.7(b)

When an employee is required to have his or her personal automobile available for use to conduct Department business, he or she shall be paid compensation for such availability or use during each calendar month as authorized by the General Manager (or his or her designee) in accordance with the following schedule:

1. For each day during which the automobile is required to be available and is available but not actually driven on Department business - \$9.24;
2. For each day driven on Department business - \$9.24;

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

The automotive per diem referenced above in Article 9.7 (b) 1. and 2. shall be based on 80 percent of average ownership costs, as calculated by the Automobile Club of Southern California, and as specified in the November 6, 2003 Letter of Intent executed by Department Management and the Management Employees Association.

9.8 Transportation on Ordered Trips

Employees who are directed or ordered to travel in connection with Department business shall be provided transportation as follows:

9.8(a)

Transportation on public carrier, including sleeping accommodations, where available, for overnight travel.

9.8(b)

Transportation in a Department-owned passenger vehicle when the use of such transportation is authorized by the General Manager.

9.8(c)

Transportation by taxi, streetcar, bus, and other local facilities.

9.8(d)

At the request of a Member and when authorized in advance by the General Manager, such a Member may use his or her personal car for part or all of an official trip in lieu of the transportation provided in paragraphs (9.8a) and (9.8b) of this subsection, and the Department shall pay such a Member therefore the amount it would be required to pay if transportation were provided under Article 9.8(a) of this subsection using the fastest and most direct travel accommodations available, except that where such a trip is to a point within a radius of 300 miles of the Department's John Ferraro Building at 111 North Hope Street, Los Angeles, it shall pay such a Member therefor at the mileage rate specified in Article 9.7(a).

9.8(e)

If the nature of the work on an official trip will require the use of a car to best serve the Department's interest, arrangements may be made with such employee to use his or her personal car upon the same terms and conditions as those from time to

time prescribed by resolution for the use of personal cars on Department business in lieu of the transportation allowances provided in paragraphs (a), (b) and (c) of Article 9.8.

9.9 - Holidays Declared

The following days, together with such additional days as are designated by special action of the Board are hereby declared to be holidays:

1. New Year's Day - January 1st
2. Martin Luther King's Birthday - 3rd Monday in January
3. Washington's Birthday - 3rd Monday in February
4. Memorial Day - last Monday in May
5. Independence Day - July 4th
6. Labor Day - first Monday in September
7. Columbus Day - second Monday in October
8. Veterans Day - November 11th
9. Thanksgiving Day - fourth Thursday in November
10. Day after Thanksgiving Day
11. Christmas Day - December 25th
12. Two unspecified holidays may be observed on any scheduled workday within the calendar year, provided that requests for said holidays are approved by the employee's supervisor, subject to the operating needs of the Department. Management Bulletin No. 620 dated August 12, 1974, as amended, is automatically incorporated herein and made a part of this MOU.

9.10 - 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 employee 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 compensated at the employee's regular rate of pay less an amount equal to the per diem to which the employee is entitled by law for such attendance or for such attendance and service.

9.11 - Personal Business Time

9.11(a)

The provisions regarding personal business time shall be administered in accordance with Board Resolution No. 366, adopted December 28, 1978.

ACE Members shall be allowed a reasonable amount of absence from duty with pay for personal business reasons 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 employee's duties without undue interference with the normal routine of work.

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

9.11(b)

A Unit Member shall also be allowed personal business time off for a maximum of three (3) work days for each occurrence of a death in the Unit Member's immediate family. For the purposes of this section, the definition of an immediate family member, shall include the father, father-in-law, mother, mother-in-law, brother, sister, spouse, child, grandparents, grandchildren, step-parents, step-children, great-grandparents, foster parents, foster children, a domestic partner, any relative who resided in the employee's household, and the following relatives of an employee's domestic partner: child, grandchild, mother, father. For purposes of this section, simultaneous, multiple family deaths will be considered as one occurrence. Employees requesting the use of personal business time off for bereavement purposes shall furnish satisfactory proof of the qualifying occurrence, if requested, to the supervisor.

In addition, any Unit Member shall be allowed personal business time off per the above paragraph for an additional two (2) working days per occurrence for the purpose of a death in the Unit Member's immediate family if it is necessary for the employee to travel a minimum of 1,500 miles one way, as calculated by the Automobile Association of America (AAA). Employees requesting the use of personal business time off under this provision shall furnish satisfactory proof, if requested, to the Department of the distance traveled.

9.12 - Meal Provisions During Extraordinary Working Conditions

Provisions regarding overtime meals, except the amount of the meal payment, shall be administered in accordance with Board Resolution No. 86-143, adopted December 19, 1985.

9.13 - Use of Accumulated Overtime

The parties agree that the following procedures relative to the use of accumulated overtime will be applicable to all employees in the Confidential Management Representatives bargaining unit who are eligible to earn and use accumulated overtime:

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

Employees in this Unit 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 sub-parts (a) through (d) below:

(a)

For personal reasons, in any amount, with the approval of supervision.

(b)(1)

During the time that employees are absent on account of illness or injury, the employees may be paid the difference between their net salary and the disability benefit to which the employees may be entitled under the Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plan, or under Workers' Compensation Laws; and there 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;

(b)(2)

For recuperation or rest;

(b)(3)

For any purpose which the Board may approve upon recommendation of the General Manager in each individual case;

(c)

Immediately prior to retirement, employees 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, employees in this Unit 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)

Management 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.

9.14 – Physical Examination

Each salaried employee (as defined in Article 7) 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.

9.15 – Option “D” Allowance (Offset)

Effective upon the approval of this MOU, each ACE-represented salaried employees (as defined in Article 7) who retire and receive a formula pension and elect to provide a survivorship annuity for a spouse, domestic partner, court-mandated beneficiary, or a self-imposed care for a disabled child is 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 approved by the Board for salaried employees. This benefit shall be administered as follows:

1. A monthly payment for life equal to the difference between the Full Allowance and the Option D Allowance as defined in the Water and Power Employees' Retirement Plan (PLAN), including a three percent annual cost of living increase, shall be paid to the retired salaried employee. The Full Allowance provides for only up to a 50 percent continuance payable for life to a surviving

Eligible Spouse/Domestic Partner upon the death of the retiree. The Option D Allowance provides for a 100 percent continuance to the surviving Eligible Spouse/Domestic Partner.

2. In lieu of the monthly payment for life, the salaried employee may elect to receive a lump sum amount at the time of retirement which is equal to the present value of the monthly payment described above. The salaried employee may elect to have the lump sum payment made in up to 3 payments over a period of up to three calendar years.

If the salaried employee elects at the time of retirement to receive a lump sum amount equal to the present value of the benefit, such lump sum amount shall not exceed the limit for which the Department's General Manager has signature authority.

3. Employees faced with court mandates or a need to provide survivorship benefits to a person other than an Eligible Spouse/Domestic Partner, such as a handicapped child, must elect a compatible option provided by the Plan. However, any monthly or lump sum payable shall not exceed the difference between a Full Allowance and an Option D Allowance calculated for an actual Eligible Spouse/Domestic Partner as intended by this benefit or in cases where applicable, calculated for an Eligible Spouse/Domestic Partner assumed to be the same age as the retiree.
4. Under no circumstances shall the sum of the monthly payment, or the proposed monthly payments on which the lump sum payment is predicated, when added to the actual retirement allowance exceed the value of a Full Allowance.

ARTICLE 10

ILLNESS, DISABILITY, AND DEATH BENEFITS

10.1 - Compensation for Sick Time

10.1(a) – ACE Members

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

Bank 1

Members 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 80 hours in the bank as of the first day of the first payroll period in the subsequent year.

Bank 2

Members 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 ACE Members

10.2(a) - Salaried ACE Members

For any absence from work resulting from illness or disability totaling less than fifteen (15) continuous calendar days, a salaried employee (as defined in Article 7) shall be considered as having been constructively present and on the payroll. The sick time provisions which otherwise apply to other employees of LADWP shall not apply to salaried employees for illness and disability.

(1) For the first and second full day of absence from work for each illness, a salaried employee's time shall be posted (SK/ACE1 and SK/ACE2) for recordkeeping purposes consistent with the Disability, Section D, of the PLAN.

(2) If a single illness extends beyond two days, salaried employees shall be placed on LADWP's disability plan for the third through the tenth workdays of illness. A salaried employee's time shall be posted for record keeping purposes consistent with the Disability, Section D, of the PLAN. Should the illness extend beyond ten workdays, the salaried employee shall be entered into the PLAN's disability program on the eleventh workday and for all subsequent days until the salaried employee returns to work.

10.2(b) - Non-Salaried ACE Members

For any full-day absence from work resulting from illness or disability, a non-salaried employee 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 employees shall indicate to their immediate supervisors as to 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 Disability section of the 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 Disability section of the PLAN.

(3) If a single illness extends beyond two days, non-salaried employee, after having used one of the above options, shall be placed on the disability as described in the PLAN for the third through the tenth workdays of illness. Should the illness extend beyond ten workdays, the non-salaried employee shall be entered into the PLAN's disability program on the eleventh workday and for all subsequent days until the non-salaried employee returns to work.

10.2(c) - Use of Accumulated Overtime While on Disability

During the time that a Member is absent on account of illness or injury, the Member may elect to be paid all or any portion of the difference between his or her gross salary and the disability benefit under the Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plan, or under Workers' Compensation laws; and there shall be charged against the Member's overtime credit, if any, the number of hours, calculated to the nearest one-tenth (1/10th) of an hour, required to account for the payment of such difference.

10.3 - Domestic Partner

Any employee claiming a domestic partner 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. By extending to a domestic partner employee the specific benefits provided for in this MOU the Department does not intend to confer or imply any other unspecified benefits to such employee, or to any other person who may hold the status of domestic partner.

10.4 - Disability and Death Benefit Contribution

The employee's total contribution to the Disability and Death Benefit portions of the Department of Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plan shall be fixed at the following levels:

Temporary Disability Benefits -----	\$1.00 per pay period
Permanent and Total Disability Benefits-----	\$1.00 per pay period
Death Benefits-----	\$1.00 per pay period

10.5 - Death Benefit

10.5(a) – ACE Members

Death benefits are provided for by the Water and Power Employees' Retirement, Disability, and Death Benefit Insurance Plan. ACE Members shall receive an additional death benefit of thirteen (13) times the Member'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.

10.5(b) – Salaried Members

Salaried employees shall receive the above death benefits and an additional death benefit of three (3) times the Member'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.

10.6 - Family Death Benefits

The present monthly level of family death benefits (\$416.00 per survivor, \$1,170.00 family maximum) shall remain in the Plan as currently provided. A higher amount shall also be available to any Member who enrolls for such benefit, provided said Member makes a contribution of \$2.25 per pay period for as long as he/she desires such coverage. Additionally, the benefit shall not be effective until the Member has made contributions for thirty-nine (39) continuous payroll periods after enrollment or re-enrollment for this coverage.

The increased monthly benefit level for those who enroll shall be \$936.00 per survivor and \$2,236.00 family maximum.

10.7 – Supplemental Insurance While on Disability for Salaried Employees

Salaried employees 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.

10.8 – Death Benefit After Retirement

Consistent with the Water and Power Employees' Retirement, Disability, and Death Benefit Insurance Plan, the maximum death benefit after retirement will be \$20,000 for all

Members who retire after October 1, 1992, or such higher amount as may be adopted by the Board of Water and Power Commissioners.

10.9 – Medical Certification Requirement

In order to receive paid temporary disability benefits as described in Article 10, all Unit Members shall be required to submit medical certification (e.g., doctor's note) for 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 Employer, nor any of their authorized representatives, shall appear before said Board, the Mayor, the City Council or individual Members of said Board or 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:

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

- a. In accordance with the 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: i) in the Cost of Living Adjustment (COLA) for the entire unit; ii) in the salaries of specific job classifications or individuals; and iii) in other non-salary related benefits.
- b. If adjustments are required under this Article, the Parties agree to submit appropriate MOU amendments to the Board of Water and Power Commissioners and the City Council for approval.
- c. The effective date of MOU salary amendments shall correspond to the effective date of the adjustments made for other bargaining unit(s).

13.2 - Modification of the Interim Salary Adjustment

[Deleted 2001-2004 MOU]

13.3 - Reassignment or Reevaluation of Duties

Notwithstanding any other provision to the contrary, if a Member is assigned into 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 Member shall be entitled to receive credit for any service in positions for which equal or higher compensation is fixed above that of the new position. Upon reassignment to a position with a lesser salary rate for any other reason, the Member 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 Member to a higher salary.

13.4 - Salary Step Progression

Members occupying positions in classes in Appendices A-1 through A-2 shall be placed on salary steps and advance through their salary ranges in accordance with the Los Angeles Administrative Code Sections 4.901, 4.902, 4.903 and 4.904.

13.5 – Cost-of-living Adjustments

- a. Effective October 1, 2012, the Department will provide a two percent (2%) cost-of-living adjustment, as reflected in Appendix A-1.
- b. Effective October 1, 2013, the Department will provide a zero percent (0%) cost-of-living adjustment
- c. Effective October 1, 2014, the Department will provide a zero percent (0%) cost-of-living adjustment.

- d. Effective October 1, 2015, the Department will provide a zero percent (0%) cost-of-living adjustment.
- e. Effective October 1, 2016, the Department will provide a two percent (2 %) cost-of-living adjustment, as reflected in Appendix A-2.

ARTICLE 14

MAINTENANCE OF EXISTING CONDITIONS

All written rules, including the Department's Working Rules, and all established practices, and the Employer's and Members' rights, privileges and benefits in effect on October 1, 1992, including the Water and Power Employees' Retirement, Disability, and Death Benefit Insurance Plan, shall remain in full effect unless specifically altered by the provisions of this MOU.

ARTICLE 15

HEALTH AND DENTAL PLANS

15.1 - Health Plans

15.1(a) - LADWP Contribution

Effective July 1, of each year for each employee in the Unit, the Department will contribute a monthly healthcare subsidy equal to the cost of any one of the following health insurance programs, not to exceed the monthly rate of the Kaiser Health Family Plan rate ("maximum monthly healthcare subsidy"):

- a. Kaiser Health Plan
- b. United Healthcare Plan
- c. Any other Department-sponsored healthcare plan adopted by the LADWP Board of Administration

The maximum monthly healthcare subsidy shall be adjusted in accordance with the increase or decrease in the Kaiser Health Family Plan effective at the beginning of the pay period in which any Kaiser premium rate change is implemented.

Said maximum monthly healthcare subsidy will be applied and limited by the employee's election, if any, to coverage under one of the Department-sponsored health insurance plans listed in (a), (b) and (c) above. In the event an eligible employee elects to cover his or her eligible dependents as provided for in these plans, the unused portion of said maximum monthly subsidy, if any, will be applied toward such dependent coverage under the same plan up to the Kaiser Health Family Plan rate.

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 DWP 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.

15.1(b) - Employee Contribution

The Parties acknowledge that rapidly escalating health care costs are a mutual concern. Containing the escalation of these costs is essential to both Parties. As an offset to the rising health care costs, during the term of this MOU, ACE bargaining unit employees shall contribute on a bi-weekly basis (up to 24 pay periods per year), for the plan in which the employee is enrolled, the following amounts, which the Department will withhold applicable contributions from employee paychecks on a bi-weekly and pre-tax basis:

- a. Effective whichever occurs later, July 1, 2014 or the payroll period after Council adoption of this MOU: Five percent (5%) of the monthly health insurance plan premium, not to exceed a maximum monthly contribution rate of seventy-five dollars (\$75).
- b. Effective July 1, 2015: Five percent (5%) of the monthly health insurance plan premium, not to exceed a maximum monthly contribution rate of ninety dollars (\$90).
- c. Effective July 1, 2016: Five percent (5%) of the monthly health insurance plan premium, not to exceed a maximum monthly contribution rate of one hundred dollars (\$100).

In the event that the employee is enrolled in a health insurance plan that has a monthly premium that exceeds the Department's maximum monthly subsidy, then said employee shall pay the total of the difference between the cost of his or her monthly health insurance plan premium and the Department's maximum monthly subsidy, plus the monthly contribution as specified in Article 15.1(b), of the monthly health insurance plan premium, on a biweekly basis, for the plan in which the employee is enrolled.

15.1(c) - Cash-in-Lieu of Coverage

Effective July 1, 2014, if an ACE Member provides sufficient proof of medical coverage through his or her spouse's or Domestic Partner's health insurance plan (including a Department-sponsored plan, but excluding a Department IBEW-sponsored plan), the employee may opt for cash-in-lieu of coverage at the rate of \$50 per pay period (up to 24 pay periods per year) to be added to his or her bi-weekly check as a supplemental payment for a total not to exceed \$1,200 per year.

15.1(d) - Supplemental Payment

A one-time cash payment will be provided in July 2014, as a post-tax lump sum, calculated at one percent (1 %) of the employee's annual base wage salary rate in effect as of June 30, 2014. At the employee's option, this cash payment may be used for health-related expenses that are not covered by the employee's health care coverage such as orthodontia, chiropractic or acupuncture services, vision care etc.

A one-time cash payment will be provided in July 2015, as a post-tax lump sum, calculated at one percent (1 %) of the employee's annual base wage salary rate in effect as of June 30, 2015. At the employee's option, this cash payment may be used for health-related expenses that are not covered by the employee's health care coverage such as orthodontia, chiropractic or acupuncture services, vision care etc.

A one-time cash payment will be provided in July 2016, as a post-tax lump sum, calculated at one percent (1 %) of the employee's annual base wage salary rate in effect as of June 30, 2016. At the employee's option, this cash payment may be used for health-related expenses that are not covered by the employee's health care coverage such as orthodontia, chiropractic or acupuncture services, vision care etc.

15.2 - Dental Plans

The Department will provide an indemnity type dental plan, and/or a group type dental plan open to all eligible employees in this Unit. Effective July 1, of each year for each employee in the Unit, the Department will contribute a monthly dental subsidy equal to the cost of anyone of the dental insurance programs sponsored by the Department. The Department's maximum monthly contribution shall not exceed the Delta Dental Plan rates for employee only, employee and one dependent, and family coverage. If during the term of this MOU, the rates for the current level of benefits are increased or decreased by Delta Dental, the Department's maximum contribution will be adjusted to equal Delta Dental rates for each category.

ARTICLE 16

TERM

16.1 - Term of this Agreement

The term of this MOU is from October 1, 2012 through December 31, 2016 and shall commence when the terms of Article 17 have been met with the exception of any provision which sets forth a specific date for compliance and all provisions of this MOU as amended 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.

16.2 - Calendar for Successor MOU

Unless either Party shall serve upon the other during the period June 15 through September 1, 2016, inclusive, written proposals for a successor MOU, or written proposals for amendments to this MOU, with the exception of salary proposals which shall be presented no later than October 1, 2016, the terms and conditions contained in the current MOU as amended shall remain in effect.

Either party, by a notice in writing sixty (60) days prior to December 31, 2016, may reopen this Memorandum of Understanding.

16.3 - Effective Dates of Amendments

Amendments to this MOU shall be effective when the terms of Article 17 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 17 **SCOPE OF IMPLEMENTATION**

This MOU constitutes a jointly drafted recommendation of the City of Los Angeles, Los Angeles Department of Water and Power (LADWP) and the Association of Confidential Employees (ACE). It shall not be binding in whole or part unless and until all of the following have occurred:

- 1) ACE has notified the Board of Water and Power Commissioners (Board) that this MOU was ratified in its entirety by the Association's membership, as evidenced by ACE's authorized representative(s) affixing his or her signature(s) hereto; and,
- 2) The Board has by adoption of an appropriate Resolution, notified ACE that it has approved this MOU for implementation, as evidenced by the General Manager affixing his signature hereto; and
- 3) The Los Angeles City Council has taken appropriate action approving and setting salaries as outlined in Article 13.5.

Notwithstanding the above, Article 8, with the exception of Section 8.2(d), shall be binding upon adoption of an appropriate Resolution by the Board of Water and Power Commissioners.

Correction

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

ARTICLE 18

JOB SECURITY

No regular annual-rated, Civil Service bargaining unit employee within the classification and major division affected by the contracting out of bargaining unit work will be laid off or placed on a lower level DDR.

ARTICLE 19

FAIR LABOR STANDARDS ACT

Members of this Unit assigned to the fourth or fifth step of the pay range for DDR No. 95-91058, Utility Administrator IV, who are executive, administrative and professional exempt employees shall continue to retain their "white-collar" exempt status under the provisions of the Fair Labor Standards Act (Title 29 Part 541 of the Code of Federal Regulations). Such exempt employees shall not be subject to salary reductions for absences of less than one work day, notwithstanding any other MOU, Los Angeles Administrative Code Section or working rule to the contrary.

Any available form of compensated time shall be utilized to cover partial day absences; however, if no compensated time is available, no salary deduction shall be made.

Pursuant to the Fair Labor Standards Act (FLSA), employees 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. The designated workweek for an employee may be changed only if the change is intended to be permanent and not designed to evade overtime requirements of the FLSA. Management may assign employees to work a five/forty, four/ten, nine/eighty, or other work schedule. Management shall have the right to refuse an employee's request to work a four/ten, nine/eighty, or other modified work schedule, providing that the exercise of such right is not arbitrary, capricious or discriminatory. The Parties further agree that management may require employees to change their work schedules (change days off, except the split day, or working hours) within the same FLSA workweek.

Employees on a nine/eighty modified work schedule shall have designated a regular day off (also known as 9/80 day off) which shall remain fixed. Temporary changes to the designated 9/80 day off at the request of management or the employee are prohibited unless the changes are intended for the employee to work additional hours (overtime).

ARTICLE 20
JOINT LABOR/MANAGEMENT
RECONCILIATION PROCESS COMMITTEE

(1) SCOPE

- A Joint Labor/Management Reconciliation Process Committee(RPC) shall be established to deal with issues as mutually agreed to by the Association of Confidential Employees (ACE) and Management.

The RPC and the Labor/Management Committees are not intended to subordinate or abrogate in any way the collective bargaining rights and obligations of either party.

(2) MEMBERSHIP

- The RPC shall be comprised of equal numbers of Association and Management participants.

(3) PROCESS

- Mutual Gains Bargaining is the process to be used to resolve issues brought to the RPC. An impartial facilitator will be used as deemed necessary by the parties.

(4) TRAINING

- Any person appointed to the RPC, or any other joint labor/management committee, shall be provided training in the mutual gains bargaining process prior to participating in the process.

(5) COMMUNICATION

- The scope of the RPC and the process it uses will be communicated to all members, as will the resolution, results, reasons, and the plan for implementation. The RPC will regularly keep the General Manager of Water and Power and the President of ACE informed of its progress.
- The Association and Management will work in cooperation to jointly inform the political leadership (i.e., Mayor, Executive Employee Relations Committee and members of the City Council) of the process being used to jointly resolve disputes. There will be a joint recommendation to the political leadership when their approval is needed for implementation of a resolution.

(6) RULES OF THE RPC

- The RPC shall set its own ground rules.
- The RPC will meet quarterly on an Ad Hoc basis, if necessary.
- Mutual Gains Bargaining shall be utilized to resolve issues.
- All members are to be considered to have the same level of authority and responsibility.
- The RPC may establish subcommittees or utilize existing committees as necessary.
- The RPC may bring in experts on particular subject matters or issues.
- The RPC may recommend remedies for disputes relative to issues that have been submitted.
- The RPC will recommend resolutions that are within its scope.
- The RPC shall set time limits for resolutions and their implementation.
- The RPC has the authority to make recommendations that will be submitted simultaneously to the General Manager of Water and Power and the President of ACE for their joint consideration and response.

(7) COMMITTEES

- Joint Labor/Management committees may be established locally upon mutual agreement for the purpose of resolving local issues not addressed by the MOU. They may also be utilized for informal screening and/or researching of issues prior to submission to the RPC.

(8) PROCESS FOR SUBMISSION OF ISSUES TO THE RPC

- The general criteria for screening and prioritizing issues will be established by the RPC.
- The Association and Management will have their own internal processes to determine which issue(s) will be submitted to the RPC.
- Any Association or Management RPC member may bring an issue to the RPC.

ARTICLE 21 **EMPLOYEE RETIREMENT PLAN**

Unit Members who become members of the Water and Power Employees' Retirement, Disability, and Death Benefit Insurance Plan (Retirement Plan) on or before December 31, 2013, shall be entitled to the benefits and conditions of entitlement as a Tier 1 member of the Retirement Plan.

Unit Members who become members of the Retirement Plan on or after January 1, 2014, shall be entitled to the benefits and conditions of entitlement as a Tier 2 member of the Retirement Plan.

All members 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, members may contact the Retirement Office at 213-367-1712.

21.1 – Early Retirement Option

[Deleted 7/1/2014]

21.2 – Enhancement of Employees' Retirement Plan Pension Formula Rate

21.2 (a)

PLAN members who have reached age 55 and who have at least 30 years of service (55/30) shall be eligible for an unreduced formula retirement calculated at 2.3% of the member's highest year's salary for each year of retirement service credit.

21.2(b)

This enhanced formula pension rate (2.3%) does not apply to those who retire under the terms of any other early retirement option, including the 50/30 early retirement option.

21.3 – Retirement Formula Pension Cap

Eligible PLAN members may retire with a formula pension allowance not to exceed 100% of their highest year's salary.

21.4 - Spouse/Domestic Partner Optional Death Benefit Allowance

Spouses or Domestic Partners of those PLAN members who are eligible to retire with a formula pension but who die while still actively employed, shall be entitled to receive an Optional Death Benefit Allowance commensurate with the Option D Retirement Benefit.

21.5 - Favored Nations Clause for Retirement Benefits in DWP Plan or in Los Angeles City Employees' Retirement Plan

The Parties hereby agree that during the term of this MOU, should other bargaining units receive (under the Department of Water and Power Employees' Retirement Plan or the Los Angeles City Employees' Retirement System) benefit(s) that would be more favorable to the Members 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.

21.6 – Deferred Retirement Option Program (DROP)

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 22 **EVALUATIONS**

During the term of this MOU, the Parties agree to meet and confer for the purpose of establishing a Performance Review/Evaluation Process (PR/E) for managers represented by the Association. Such PR/E process will not be established for ACE employees until such a process has been implemented for at least 50% of Department employees.

ARTICLE 23 **APPOINTMENT AND ADVANCEMENT CRITERIA**

When filling a permanent vacancy, for a position at the Utility Administrator III-pay level (DDR No. 95-91057), in the Labor Relations Office (LRO), the LRO management shall advertise and consider qualified incumbents currently occupying positions in this classification at the Department through an internal transfer/reassignment opportunity.

LRO management may also consider filling this position through a civil service process including, but not limited to, certification process, emergency appointment, or transfer (Charter Section 1014) together with the internal transfer/reassignment candidates.

A candidate selected through either an internal transfer/reassignment or the civil service process must possess the relevant labor relations experience, education, and/or training to perform the full duties of the position at the UA III-pay level position. Candidates requiring additional training and/or experience to perform the full duties may be appointed at a lower pay level (UA I-pay level or UA II-pay level), based on the candidate's prior advocacy experience, education, and/or training, until such training, education, and/or experience is obtained. After completion of up to six calendar months of training and performance of the duties, the selected candidate shall be moved to the UA III-pay level and perform the full range of duties of the position.

ARTICLE 24

TEMPORARY ASSIGNMENT

Employees who are directed by Management to temporarily perform the duties of a higher paid position in the same classification, shall be placed on the lowest step rate, within the appropriate salary range, which would result in a salary increase of at least two premium levels, effective the first day those duties are performed. There shall be no change in the anniversary date to the employee so assigned.

ARTICLE 25

PARKING SUBSIDIES

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

1. Employees paying a parking fee who report to an AQMD location as their permanent reporting location shall receive a \$25 per month parking (transportation) subsidy.
2. Rotating shift employees are excluded from this agreement.
3. Facility parking administrators shall set local rules for parking.
4. Department Management shall set the rates for the DWP Van Pools.
5. Any employee 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 employees will have an in-and-out privilege for any said paid parking day.
6. Employees 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.
7. 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. Employees 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.
8. At AQMD qualifying locations where adequate on-site parking is available for employees, DWP management may take appropriate action to require

employees 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
Carpool	\$30	N/A	\$20	\$25 per person
DWP Vanpools	\$50	N/A	\$40	\$25 per rider
Take-Home Vehicles	\$50	N/A	\$40	\$25
Employees on Mileage & Per Diem	\$25	\$85	\$25	\$25
Employees on Mileage Only	\$50	\$85	\$40	\$25

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

ARTICLE 26

CONTRACTING OUT

The Department and the Association agree that the following procedure will be used when the Department contemplates contracting out bargaining unit work.

The Department may contract out bargaining unit work without meeting and conferring, subject to Charter Sections 1022 and/or 370, et seq., and the provisions of this agreement.

- Management will inform the Association of all contracts which will involve bargaining unit work.
- If requested by the Association, a meeting will be held for informational purposes to discuss the proposed contract(s).
- The above meetings will be held prior to such contract(s) being either 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 Appendix are subject only to advisory arbitration with the exception of grievances raised under Article 18, Job Security, of this MOU.

ARTICLE 27

RETIREE HEALTH BENEFITS FUND

During the term of this MOU, the Los Angeles Department of Water and Power 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:

1. Effective October 1, 2013 through September 30, 2014, LADWP shall contribute an amount equal to two percent (2%) of each Unit member's bi-weekly base wage rate (salary range) to the *Retiree Health Benefits Fund* on behalf of the employee to fund Retiree Health benefits.
2. Effective October 1, 2013 through September 30, 2014, 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.
3. Effective October 1, 2014 through September 30, 2015, LADWP shall contribute an amount equal to two percent (2%) of each Unit member's bi-weekly base wage rate (salary range) to the *Retiree Health Benefits Fund* on behalf of the employee to fund Retiree Health benefits.
4. Effective October 1, 2014 through September 30, 2015, 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.

5. Effective October 1, 2015 through September 30, 2016, LADWP shall contribute an amount equal to four percent (4%) of each Unit member's bi-weekly base wage rate (salary range) to the *Retiree Health Benefits Fund* on behalf of the employee to fund Retiree Health Benefits.
6. Effective October 1, 2015 through September 30, 2016, 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.
7. Effective October 1, 2016 through September 30, 2017, LADWP shall contribute an amount equal to four percent (4%) of each Unit member's bi-weekly base wage rate (salary range) to the *Retiree Health Benefits Fund* on behalf of the employee to fund Retiree Health benefits.
8. Effective October 1, 2016 through September 30, 2017, 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.

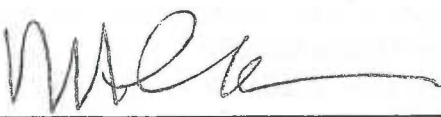
The amount of contributions indicated above to be paid on behalf of the employee is not taxable under current, applicable law, but will nonetheless be notated on the Unit member's bi-weekly pay stub to reflect a "healthcare contribution on employee's behalf." Notwithstanding the above, it is mutually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

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Confidential Management Representatives Unit Memorandum of Understanding on this 24 day of Sept. 2014, to be effective as provided in Article 16 herein.

The Los Angeles Department of
Water and Power Association of
Confidential Employees
Authorized Representatives

City of Los Angeles
Representatives


Thomas Simonovski
President

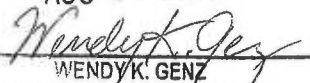

Marcie L. Edwards
General Manager
Department of Water and Power


Raul M. Gonzalez
Vice President


Gabriela Kennedy
Secretary/Treasurer

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

AUG 27 2014

BY 
WENDY K. GENZ
DEPUTY CITY ATTORNEY

APPENDIX A-1
LISTING OF CLASSES AND SALARY RANGES

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CLASS	DDRNO	PAY RATE	STEP-1	STEP-2	STEP-3	STEP-4	STEP-5	STEP-6	STEP-7	STEP-8	STEP-9	STEP-10
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
SENIOR PERSONNEL	ANALYST	-- 9167	*	*	*	*	*	*	*	*	*	*
A												
91-17116	NEW HOURLY	56.25	59.39	62.70	66.20	69.89						
	BIWEEKLY	4,500.00	4,751.20	5,016.00	5,296.00	5,591.20						
	MONTHLY	9,787.50	10,333.86	10,909.80	11,518.80	12,160.86						
UTILITY ADMINISTRATOR		-- 9105	*	*	*	*	*	*	*	*	*	*
A												
95-91058	NEW HOURLY	64.85	68.47	72.29	76.32	80.58						
	BIWEEKLY	5,188.00	5,477.60	5,783.20	6,105.60	6,446.40						
	MONTHLY	11,283.90	11,913.78	12,578.46	13,279.68	14,020.92						
**												
B												
95-91057	NEW HOURLY	56.25	59.39	62.70	66.20	69.89						
	BIWEEKLY	4,500.00	4,751.20	5,016.00	5,296.00	5,591.20						
	MONTHLY	9,787.50	10,333.86	10,909.80	11,518.80	12,160.86						
**												
C												
95-91056	NEW HOURLY	52.07	54.97	58.03	61.27	64.69						
	BIWEEKLY	4,165.60	4,397.60	4,642.40	4,901.60	5,175.20						
	MONTHLY	9,060.18	9,564.78	10,097.22	10,660.98	11,256.06						
**												
D												
95-91055	NEW HOURLY	45.71	48.26	50.95	53.79	56.79						
	BIWEEKLY	3,656.80	3,860.80	4,076.00	4,303.20	4,543.20						
	MONTHLY	7,953.54	8,397.24	8,865.30	9,359.46	9,881.46						

ADOPT CODE: A=ADOPTED ONLY D=DELETE
 B=ADOPTED AND ALLOCATED ONLY E=CHANGE CLASS
 C=ADOPTED AND SALARY SET ONLY F=CHANGE BARGAINING UNIT

End of Report

APPENDIX B-1
LISTING OF CLASSES AND SALARY RANGES

CLASS	DDRNO	PAY RATE	STEP-1	STEP-2	STEP-3	STEP-4	STEP-5	STEP-6	STEP-7	STEP-8	STEP-9	STEP-10
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
SENIOR PERSONNEL ANALYST			-- 9167	* *	* *	* *	* *	* *	* *	* *	* *	* *
A												
91-17116	NEW HOURLY	57.38	60.58	63.96	67.53	71.30						
	BIWEEKLY	4,590.40	4,846.40	5,116.80	5,402.40	5,704.00						
	MONTHLY	9,984.12	10,540.92	11,129.04	11,750.22	12,406.20						
UTILITY ADMINISTRATOR			-- 9105	* *	* *	* *	* *	* *	* *	* *	* *	* *
A												
95-91058	NEW HOURLY	66.16	69.85	73.74	77.85	82.19						
	BIWEEKLY	5,292.80	5,588.00	5,899.20	6,228.00	6,575.20						
	MONTHLY	11,511.84	12,153.90	12,830.76	13,545.90	14,301.06						
**												
B												
95-91057	NEW HOURLY	57.38	60.58	63.96	67.53	71.30						
	BIWEEKLY	4,590.40	4,846.40	5,116.80	5,402.40	5,704.00						
	MONTHLY	9,984.12	10,540.92	11,129.04	11,750.22	12,406.20						
**												
C												
95-91056	NEW HOURLY	53.11	56.07	59.20	62.50	65.98						
	BIWEEKLY	4,248.80	4,485.60	4,736.00	5,000.00	5,278.40						
	MONTHLY	9,241.14	9,756.18	10,300.80	10,875.00	11,480.52						
**												
D												
95-91055	NEW HOURLY	46.63	49.23	51.97	54.87	57.93						
	BIWEEKLY	3,730.40	3,938.40	4,157.60	4,389.60	4,634.40						
	MONTHLY	8,113.62	8,566.02	9,042.78	9,547.38	10,079.82						

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End of Report