

Amendment to  
Memorandum of Understanding  
for  
2001 - 2004  
Salaries and Benefits

Between

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

and

THE MANAGEMENT EMPLOYEES ASSOCIATION

Management Employees Unit

1) **Contents of Amendment**

This Amendment, which provides salaries and benefits for employees whose classifications are represented by the Management Employees Association, amends the 1996 – 1999 Memorandum of Understanding, as amended (herein "MOU"), entered into between the Los Angeles Department of Water and Power Management Representative (herein "City") and the Management Employees Association (herein "MEA") for the Department of Water and Power Management Employees Unit.

This amendment also deletes obsolete footnote language and obsolete job classifications from the MOU.

The salaries contained herein require approval of the City Council.

Unless noted otherwise, all modifications provided herein shall be effective October 1, 2002.

When these modifications are incorporated into the 1996 – 1999 MOU, the result will be the 2001 – 2004 Management Employees Unit MOU.

2) **Article 13.8: Salaries Applicable During the Term of this MOU**

**(The salary ranges provided below for the period from October 1, 2001 to September 30, 2002 only have already been approved, and are provided here for reference purposes only)**

a. The salary ranges in Appendix A-1, effective October 1, 2001 shall be established as follows:

(a) Effective October 1, 2001, the salary ranges established April 1, 2001 shall be increased by a percentage equal to the percentage increase in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers as measured from August 2000 to August 2001 for U.S. City Average (1982-84 = 100) except as modified below.

If the CPI as identified in this Item 1(a) decreases, or increases less than 2.5%, the salary ranges established April 1, 2001 shall be increased by 2.5%. If the CPI as identified in this Item 1(a) increases by more than 6%, the salary ranges established April 1, 2001 shall be increased by 6%.

b. The salary ranges in Appendix A-2, effective April 1, 2002, shall be established as follows:

(b) In the event the CPI in Item 1(a) results in a salary percent increase of less than 4%, an adjustment equal to the difference between the salary increase provided in Item 1(a) and 4% shall be applied on April 1, 2002.

**The salaries provided below shall not take effect unless and until the Council of the City of Los Angeles has taken action approving and setting such salaries.**

- c. The salary ranges in Appendix A-3, effective October 1, 2002, shall be established as follows:

Effective October 1, 2002, 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 2001 to August 2002 for U.S. City Average (1982-84=100); provided however, that if the CPI increases less than or equal to 4% the salary ranges shall be increased by 4%, and if the CPI increased by 6% or more, the salary ranges shall be increased by 6%.

- d. The salary ranges in Appendix A-4, effective October 1, 2003, shall be established as follows:

Effective October 1, 2003, 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 2002 to August 2003 for U.S. City Average (1982-84=100); provided however, that if the CPI increases less than or equal to 5% the salary ranges shall be increased by 5%, and if the CPI increased by 6% or more, the salary ranges shall be increased by 6%.

3) **Article 16.2: Dental Plans**

The Department will provide an indemnity type dental plan, and a group type dental plan open to all eligible employees in this Unit. The Department's maximum contribution for the period from October 1, 2002 to June 30, 2003 will not exceed \$118.56 per month for family coverage.

Effective July 1, 2003, the Department's maximum contribution will be set to match the rate for family coverage by Delta Dental.

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.

...

4) **Article 17: Term**

**17.1 Term of this Agreement**

The term of this MOU shall commence at 12:01 a.m. on October 1, 2001 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.

17.2 Calendar for Successor MOU

Unless either Party shall serve upon the other during the period June 15 through September 1, 2004 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, 2004, the terms and conditions contained in the current MOU as amended shall remain in effect.

...

5) Article 18: Scope of Implementation

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

- The Management Employees Association has notified the Board of Water and Power Commissioners (herein "Board") that this Amendment was ratified in its entirety by the Association's membership, as evidenced by the Management Employees Association's authorized representative affixing his or her signature hereto; and
- The Board has by adoption of an appropriate Resolution notified the Management Employees Association that this Amendment 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 and 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 of Water and Power Commissioners.

Upon Council approval the 1996 -1999 Management Employees Unit Memorandum of Understanding, as amended, together with these current Amendments shall constitute the 2001-2004 Management Employees Unit Memorandum of Understanding.

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 Amendment.

6) **Article 21: Employee Retirement Plan**

**21.1 - Early Retirement Option**

**21.1(a)**

Water and Power Employees' Retirement Plan (PLAN) members who have reached age 50 and who have at least 30 years of service (50/30) shall be eligible for an unreduced formula retirement, calculated at 2.1% of the member's highest year's salary for each year of retirement service credit.

**21.1(b)**

This option will continue until September 30, 2005.

**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 individuals covered by this MOU, the more favorable benefits shall, with the Union's concurrence, be incorporated into this MOU, as if set forth fully herein.

**21.6 - 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 City and the Management Employees Association, and shall not become binding in whole or in part, unless and until finally adopted by the Retirement Plan's Board of Administration.

**7) Deletion of Obsolete Footnotes**

The following obsolete footnotes shall be deleted from the MOU and the remaining footnotes shall be renumbered accordingly.

- 6 (Michael Boire)
- 7 (Thomas P. Diskin)
- 8 (Clark T. Ung)
- 9 (Byron E. Glenn)
- 10 (Daniel M. Leitner)

12(a) Employees who occupied DDR No. 95-37543 (Utility Conservation Manager) are to be H-rated at 4<sup>th</sup> step of DDR No. 95-94504 (Senior Power Engineer).

12(b) Employees assigned to DDR No. 95-37544 (Utility Conservation Manager) shall be compensated at the 2<sup>nd</sup> premium level above highest paid subordinate occupying DDR No. 95-37543 (Utility Conservation Manager).

13(a) One Transmission and Distribution Superintendent acting as Director in charge of Power Transmission and Distribution BU shall be compensated at the "B" level salary range of DDR No. 95-94524 (Principal Power Engineer).

13(b) One Transmission and Distribution Superintendent acting as Assistant Director in charge of Power Transmission and Distribution BU shall be compensated at the "C" level salary range of DDR No. 95-94523 (Principal Power Engineer).

14(a) One Chief Load Dispatcher acting as the Director in charge of the Bulk Power BU shall be compensated at the "B" level salary range of DDR No. 95-94524 (Principal Power Engineer).

14(b) One Chief Load Dispatcher acting as the Manager in charge of the Energy Control Business Group shall be compensated at the "A" level salary range of DDR No. 95-94504 (Senior Power Engineer).

19 One Principal Utility Management Assistant acting as Director in charge of the Customer Service BU shall be compensated at Salary Range 5717.

- 21(b) One Principal Waterworks Engineer acting as the Director of Human Resources and Executive Advisor to the General Manager shall be compensated at the salary range of DDR No. 95-05125 (Asst. GM I Water and Power).
- 22 One General Electrical Mechanic Supervisor acting as the Manager in charge of the Electrical Substations Business Group shall be compensated at the "A" level salary range of DDR No. 95-38745 (Transmission and Distribution Superintendent).

8) **Deletion of Obsolete Job Classifications**

This amendment deletes obsolete job classifications which were consolidated into new job classifications or are no longer used at the Department. The job classifications shall be deleted from the MOU as follows:

Commercial Executive (9156)  
Commercial Manager (1259)  
Director of Purchasing Services (1857)  
Electric Plant Superintendent (5264)  
General Electrical Mechanic Supervisor (3838)  
Principal Power Engineer (9452)  
Principal Utility Management Assistant (9102)  
Principal Waterworks Engineer (9409)  
Purchasing Agent (9679)  
Senior Power Engineer (9450)  
Senior Utility Management Assistant (9101)  
Senior Waterworks Engineer (9405)  
Steam Plant Superintendent (5650)  
Stores Superintendent (1850)  
Superintendent Electric Station Maintenance (3790)  
Transmission and Distribution Superintendent (3874)  
Utility Conservation Manager (3754)

9) **Agreement to Discuss Salary Differential Compression Effects**

The Parties agree to discuss, through the Transformation Review and Action Council, salary differential compression effects upon managers resulting from salaries approved in other bargaining units.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Amendment to the Management Employees Unit Memorandum of Understanding on the dates shown, which shall become effective as provided in Article 17 herein.

The Los Angeles Department of  
Water and Power Management  
Employees Association  
Authorized Representative

Jerald A. Pfefferman  
President

City of Los Angeles  
Representative

Frank L. Schaefer for  
General Manager  
Of the Department of Water and Power

Date: 10-10-02

Date: 10/10/02

APPROVED AS TO FORM AND LEGALITY  
ROCKARD, J. DEL GADILLO, CITY ATTORNEY

OCT 10 2002  
Cecil Marr  
BY  
CECIL MARR  
Senior Assistant City Attorney