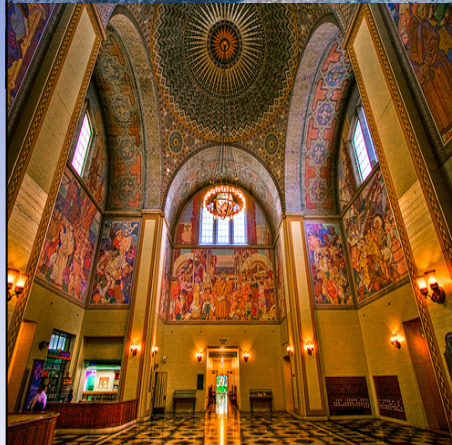




OPA Comments: LADWP Compensation

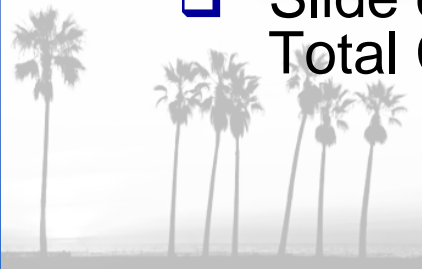
**Office of Public
Accountability/
Ratepayer Advocate
City of Los Angeles
opa@LAcity.org
tel. 213-978-0220
<http://opa.LAcity.org>**

October 25, 2022



OPA Comments on LADWP Total Compensation Study

- ❑ In a rate review, a customary rate review process includes a total compensation study to assess the reasonableness of the utility's overall labor costs.
- ❑ OPA commissioned “Total Compensation” studies in 2015 and 2020 to assess LADWP's labor costs in comparison to public and investor-owned utilities.
 - The reports were issued in 2016 and 2021, based on standard methodologies and data for 2014/2015 and 2019 data, respectively.
- ❑ OPA also looked at LADWP's overall costs in “Total Functional Cost” benchmarking study completed in 2020.
- ❑ Slide citations refer to the OPA Oliver Wyman/Mercer Total Compensation report version of November 6, 2021.



What is a Typical Total Compensation Study?

- ❑ The purpose of a Total Compensation (TC) study is to assess reasonableness, it is not comprehensive.
 - It is not a “comp and class” study comprehensively reviewing class levels and career ladders.
- ❑ A good Total Compensation (TC) study covers classes that include 40% to 50% of the employees.
 - The LADWP TC analysis, based on 2019 data, included “a review of 202 Duties Description Records (DDR) covering 113 common classifications for 5,444 LADWP employees representing 51.5% of all LADWP employees.” (Slide 12)
- ❑ Each selected class is compared to the US market for the given class, looking at the market median as well as the market 25th and 75th percentiles.



What's the Bottom Line for LADWP?

- ❑ “After including bonus/incentive pay in the market data, LADWP has position-weighted compensation that falls in the 2nd quartile, just below median among peers.” (Slide 20)
 - The utility industry market median is 8.8% higher than LADWP cash compensation for all classes studied.
 - An estimated 60% of utilities and 30% of POU's offer bonus incentive plans. (Slides 20 and 57)
 - This discussion only covers cash compensation including bonus/incentive pay. The OPA TC studies also included pension and benefits.
 - Note that all values are 2019, adjusted to 1/1/2020, for Southern California cost of living.



What's the Bottom Line for Key Management and Technical Employees?

- ❑ For the LADWP classes that have peer market compensation, including bonus/incentive pay, above \$175k (38 classes, 392 employees), the industry peer median is 17.8% higher than the LADWP classes. (Slide 28)
- ❑ The 25 MEA positions evaluated had peer compensation 21.2% higher than LADWP. (Slide 57)
- ❑ The 15 IT classes (306 employees) had peer compensation 41.3% higher. (Slides 51-52)
- ❑ The 7 member LADWP executive team had peer compensation 65.3% higher. (Slide 22)



Summary of LADWP 2019 Total Compensation Compared to Utility Peers, Including Incentives

Group	Classes	Employees	Peer Median Comp over LADWP
Full group	113 (202 DDRs)	5,444 (51.5% of all)	8.8%
Market classes over \$175k	38	393	17.8%
MEA classes studied	25		21.2%
IT classes studied	15	306	41.3%
LADWP Exec Team	3	7	65.3%



Management: Linkages between Current Total Compensation and 2020 Total Functional Cost

The update suggests LADWP lags the market in compensation for senior and middle management employees by a wide margin

Conclusions and recommendations from Total Functional Cost Study (2020)

- Historic GM turnover; siloed organization; not enough effort to build and strengthen middle and lower-level management
- Unclear roles, responsibilities, & expectations of mid- and first line managers; diminished incentives to become and develop as a manager
- Growing use of incentive reward structure among POU peers (~30% have some incentives)
- **Better align and develop LADWP's managers:** Evolve senior and middle management staff more to manage a complex and very large utility business. Encourage increased collaboration and shared goals among executives to drive the modernization. Better develop LADWP's managers by addressing leadership, roles and responsibilities, teaming across organization, and managing using metrics (Recommendation C.1)
- **Refresh the management value proposition at LADWP:** Develop and implement a new value proposition for executives and all levels of management – address roles and responsibilities, career progression, and total compensation ((including base compensation, appropriate incentives, and benefits). Develop an equitable incentive system for management and staff (Recommendation C.3)



Additional information provided by Update of Total Compensation Study

- LADWP's seven-member executive team ranks below the 25th percentile after considering bonus/incentives offered by peers.
- For 25 MEA positions evaluated, LADWP's median base salary plus bonus/ incentive is \$171.1K vs peers at \$207.4K. This results in 1st quartile total compensation relative to the peer set.



The Update of Total Compensation supports moving ahead with the recommendations included in the Total Functional Cost Study and supported by LADWP's management team and its Board

Staffing and overtime: Linkages between Total Compensation and Total Functional Cost

The update highlights further the hiring and staffing issues facing LADWP

Conclusions and recommendations from Total Functional Cost Study (2020)

- **LADWP uses an internal-labor intensive model:** relative to peers, LADWP uses far more internal labor than non-labor resources for both capital and O&M. Significant additional hiring will be needed under LADWP's labor-intensive business model to meet goals
- **Understaffed Areas:** Perform deep dive examining staffing issues in specific functions across the organization, including Power Distribution and IT (Recommendation B.3)
- **Key HR Processes:** Review and redesign key HR processes including hiring, staffing, advancement and training employees; address internal LADWP issues as well as interface with City Personnel (Recommendation B.2)
- **Integrated Human Resources Plan:** Hire and staff to meet LADWP's goals. Develop a comprehensive, realistic, and utility-wide Integrated Human Resources Plan (IHRP) to support appropriate levels of increased hiring (Recommendation B.3)
- **Labor-related Resources:** No apparent mechanism exists to translate high overtime use at LADWP into analysis and actions that increase staffing in those functions. Begin to address difficult questions on optimizing spending on internal labor, additional hiring, and the use of third-party resources (Recommendation C.4)

Additional information provided by Update of Total Compensation Study

- Based on the comparison of employee Census information, OT represents a growing portion of total compensation at LADWP
- OT pay is concentrated in Power and Water operational functions resulting in ~10% of the company earning 38% of total OT pay
- Presentations to the Board in 2021 have further highlighted understaffing issues in both Power Distribution and IT
- Board presentations have also highlighted the need to evaluate short-run LADWP internal initiatives for effectuating change to better support hiring and staffing, as well as creating better partnerships with City Personnel to address hiring challenges that are controlled by the civil service process



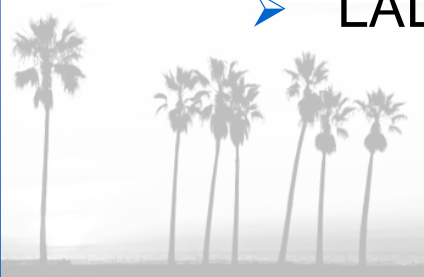
The Update of the Total Compensation Study provides more support to the conclusion that **providing talent for LADWP's internal labor-focused business model may represent the most important strategic issue facing LADWP**

APPENDIX



Selected Slides from Total Comp Report version of 11/6/2021

- ❑ Slides cited: 12, 20, 57, 28, 51-52, 22
- ❑ Additional support:
 - 46 – size
 - 53 – most important strategic issue
 - 12-13 – exec summary
 - 59 – procurement and environment
 - 77-79 – class by class results
 - JOLT report
 - Inflation 2019 to mid-2022
 - LADWP labor budgets, rate case budgets, and actuals



Executive summary: **Key findings of Update of Total Compensation Study**

- ➔ • **Employee base salary compensation costs:** Comparisons were performed relative to both (1) base salary and (2) base salary plus bonus/incentive pay at IOUs and POUs:
 - Including bonus/incentive pay in the market data, LADWP has position-weighted compensation that falls in the 2nd quartile, just below median among peers. Many peer utilities offer bonus/incentive pay programs, while LADWP does not. LADWP's results are similar to the 2016 Study.
 - The analysis included a review of 202 Duties Description Records (DDRs) covering 113 common classifications for 5,444 LADWP employees representing 51.5% of all LADWP employees. (Industry standards suggest a study covering between 40-50% of employees provides a very good overall representative sample for benchmarking purposes.)
 - Industry standard benchmarking surveys report annual salaries by job classification
 - Of the job classifications analyzed in this study, 86 out of 113 or roughly 76% fell within the 1st, 2nd, or 3rd quartiles for the period benchmarked (calendar 2019).
- ➔ • **Compensation costs by pay band; salary plus bonus/incentive pay:**
 - For those market job classes less than \$100,000, LADWP employees fall in the 4th quartile. LADWP's cost position increased versus the market since the 2016 Study.
 - LADWP employees are positioned in the 1st quartile for job classes between \$100,000 and \$175,000. LADWP has become somewhat less competitive against the market in the middle band (see p. 21)
 - For those job classes greater than \$175,000, LADWP is positioned in the 1st quartile of the market. LADWP has lost ground against the median among higher paid employees (see p. 22)
- ➔ • **Retirement benefits costs:** Overall retirement benefits costs blended between Tier 1 and Tier 2 are within the 4th quartile relative to both panels of peer utilities. However, costs are much lower (lower 1st quartile) for employees that participate in Tier 2. Since 2016, LADWP's blended retirement benefits costs have increased from the 2nd to 4th quartile in the IOU panel and 3rd to 4th in the POU panel.
- ➔ • **Medical and other benefits costs:** LADWP's costs fall within the 4th quartile when compared to both panels of peer utilities driven by higher active and retiree medical plan costs, due to a higher subsidy level than peers. LADWP's positioning is similar to results in 2016.
- ➔ • **Total compensation costs:** LADWP's costs fall slightly above the 2nd quartile when compared to both panels of peer utilities.

Executive summary: Link to Functional Total Cost Study (2020)

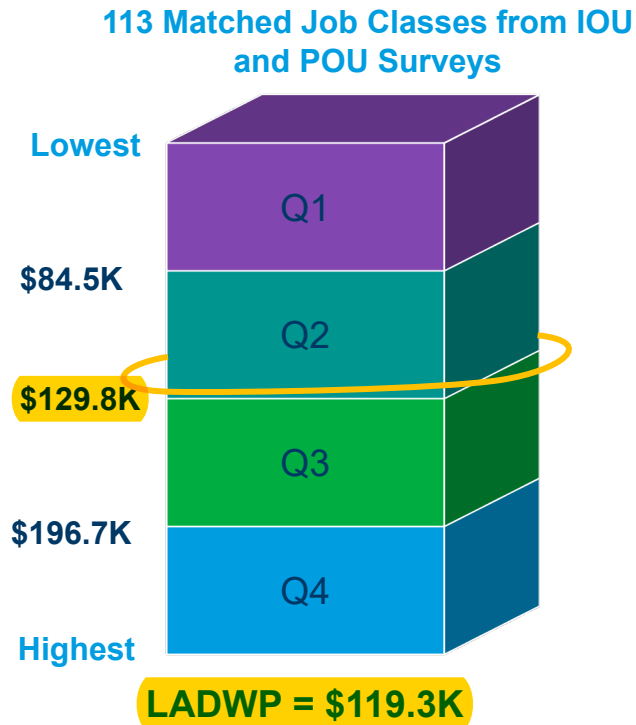
- This Update of LADWP Total Compensation provides further insight and support of recommendations included in the Functional Total Cost Study conducted jointly by OPA and LADWP, which was released in 2020
- ➔ • **ITS improvement:** The update suggests LADWP significantly lags the market in both compensation and potentially in skill development
 - LADWP's salaries for IT-related positions lag the market; LADWP falls in the 1st quartile overall. For 15 IT positions evaluated, LADWP falls in the 1st quartile for 14 positions
 - Furthermore, the market data suggests that key IT positions have specialized skills and experience (e.g., testing). LADWP fills these specialized roles using jobs that describe more general IT skillsets
- ➔ • **Staffing and overtime usage:** The update highlights further the hiring and under-staffing issues facing LADWP
 - Based on the employee Census information, overtime represents a growing portion of total compensation at LADWP
 - Overtime pay is concentrated in Power and Water operational functions resulting in ~10% of the company earning 38% of total overtime pay. The Functional Total Cost Study concluded that no apparent mechanism exists to translate high overtime use at LADWP into analysis and actions that increase staffing in those functions
- ➔ • **LADWP management-related issues:** The update suggests LADWP lags the market in compensation for senior and middle management employees by a wide margin
 - LADWP's seven-member executive team ranks in the 1st quartile after considering bonus/incentives offered by peers
 - For 25 MEA positions evaluated, LADWP also falls in the 1st quartile after considering bonus/incentives
- ➔ • **Power Distribution improvement:** The update suggests multiple issues may need to be addressed
 - One of the critical positions in Power Distribution is Electric Mechanics. LADWP's pay for this position is at median relative to peers; the ranking may not be high enough to attract the numbers of staff required to complete work
 - Overtime in key areas within Power Distribution has grown further from already high levels. For the Electric Mechanic classification, OT has grown from 20.7% of compensation in the 2016 Study to 28.5% in the latest Census. Moreover, for the broader functional category of Distribution Line Crews and Management, OT has grown from 27.7% to 37.3% of compensation. This continued high level and growth of OT most likely reflects understaffing.

This Update provides support for the five recommendations identified for initial focus and supported by the LADWP Executive Team and OPA, Recommendations were to focus improvement initiatives on (1) Management Value Proposition, (2) Management Alignment and Development, (3) Support of the ITS Program, (4) Key HR Processes, and (5) Power Distribution

Base salaries plus bonus/incentive pay: Overall findings

After including bonus/incentive pay in the market data, LADWP has position-weighted compensation that falls in the 2nd quartile, just below median among peers.

Position-weighted median annual employee base salary plus bonus/incentive pay
Calendar 2019, LADWP vs peer organizations, IOU and POU



Commentary

- LADWP's pay structure does not have a bonus/incentive component while many utilities offer such programs.
- Industry surveys suggest that roughly 60% of all utilities offer bonus/incentive programs.
- Overall, LADWP's position-weighted median is just below the median of the utility peers.
- The median bonus/incentive paid by peers is about \$13,600, which includes both job classes that both pay and do not pay bonuses/incentives.
- Based on industry standards, LADWP's cash compensation falls just below the median.

Source: LADWP; Mercer analysis of compensation for matched job classes from IOU and POU salary surveys

Base salaries plus bonus/incentive pay: By pay band

LADWP's salaries rank lower relative to peers when bonus/incentives are included in the market data.

Pay by market salary plus bonus/incentive pay band
Calendar 2019



Commentary

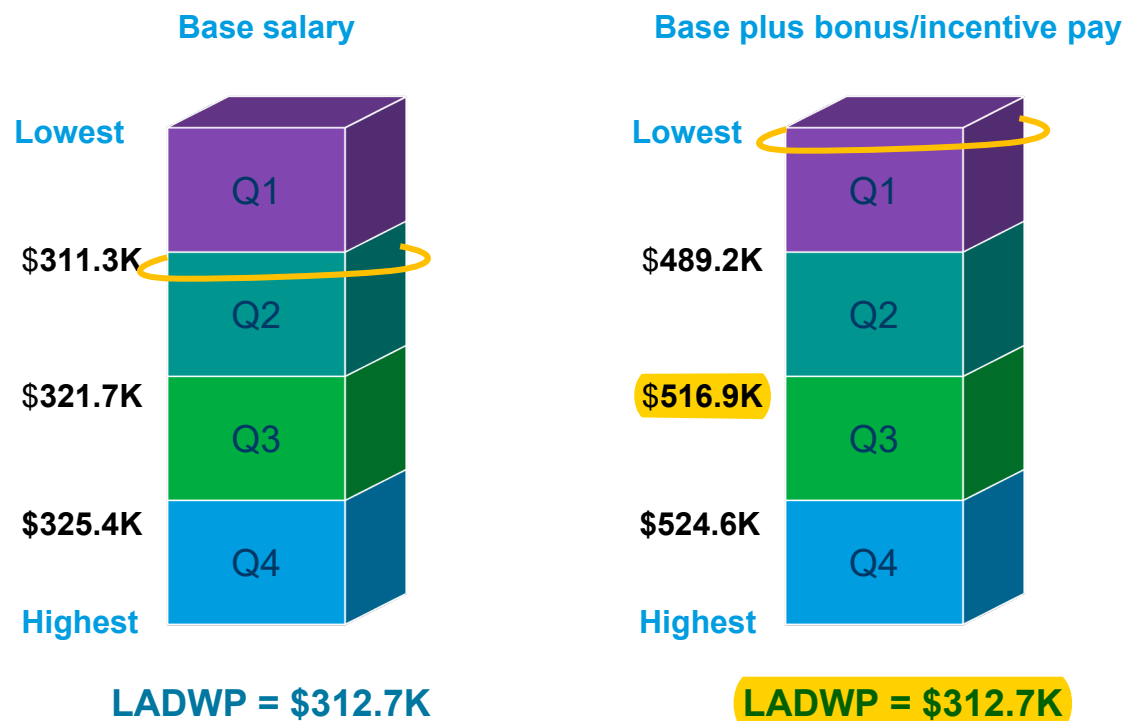
- For those market job classes with salary plus bonus/incentive pay less than \$100,000, LADWP employees are above the market 75th percentile.
- LADWP employees are positioned at the 25th percentile for job classes with salaries between \$100,000 and \$175,000 (the lowest end of the market).
- For those job classes greater than \$175,000, LADWP is positioned at the 25th percentile of the market.

Total cash compensation for GM and Direct Reports

LADWP's seven-member executive team ranks below the 25th percentile after considering bonus/incentives offered by peers.

GM and Direct Reports compensation against IOU peers

7 executives, Calendar 2019



Commentary

- Base salaries for LADWP's Executive Management job classes rank just above the 25th percentile - - note the tight distribution between 1st and 3rd quartiles with only \$14,000 separating the two.
- LADWP's competitive position in terms of compensation declines (to 40% below the market median, on average) when incentives are considered (e.g., bonus incentives are often used by peers).
- The median bonus at peers was \$195.2K or about 61% of base salary.

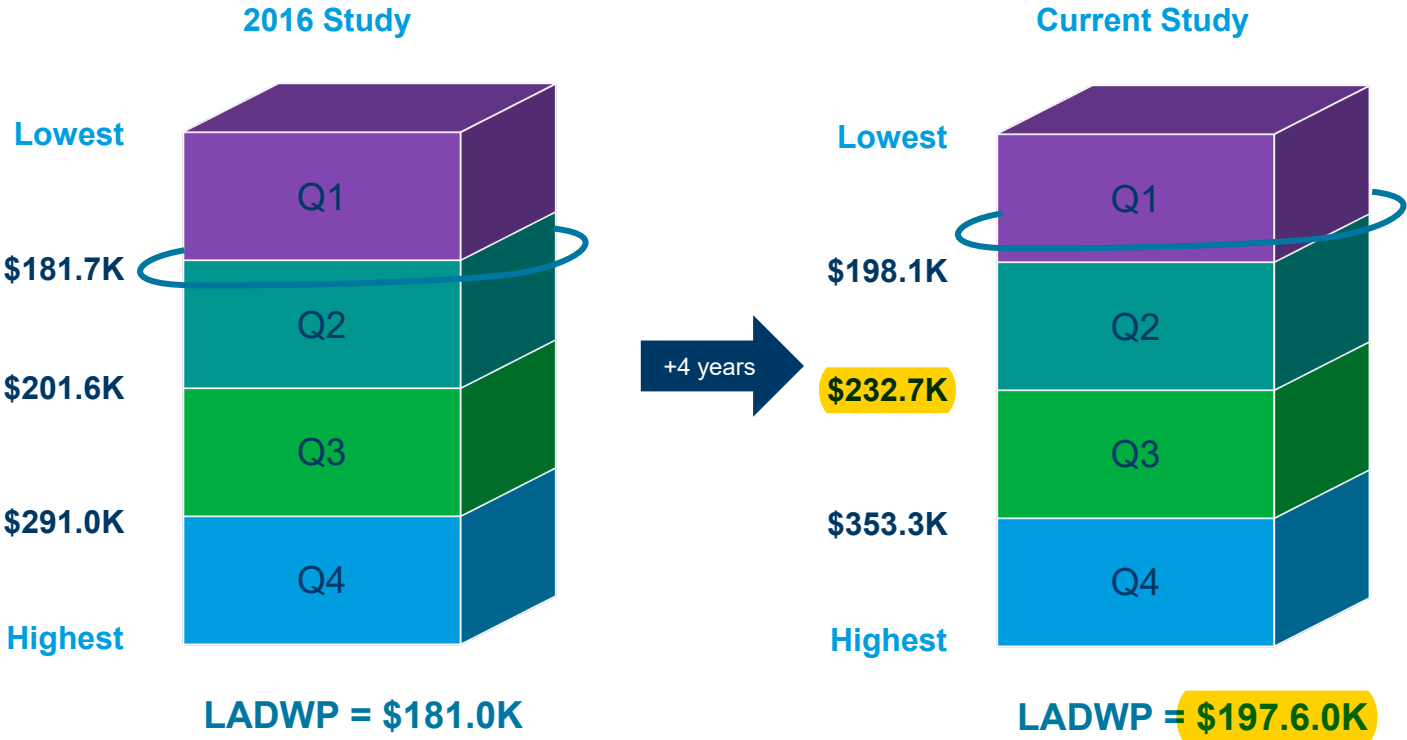
Note: GM and direct reports position-weighted median based on 7 incumbents in three job classes at LADWP (151, 9759 and 9998)
Source: LADWP, utility industry salary surveys from Mercer; Mercer analysis

>\$175k pay band for base salaries plus bonus/incentive pay; comparison to 2016 study

The highest band of salaries remains low compared to peers (1st quartile). LADWP has lost ground against the median among higher paid employees.

Position-weighted median annual employee base salary plus bonus/incentive pay for >\$175k band
2016 vs current study

LADWP vs peer organizations, IOU and POU



Commentary

- LADWP median base salary plus bonus/incentive increased from \$181.0K to \$197.6K.
- Relative to peers, LADWP’s quartile position is unchanged from previous study.
- In 2016, LADWP was 10% below median while it is now 15% below median.



Source: LADWP; Mercer analysis of compensation for matched job classes from IOU and POU salary surveys

Sum of compensation: IOU-related

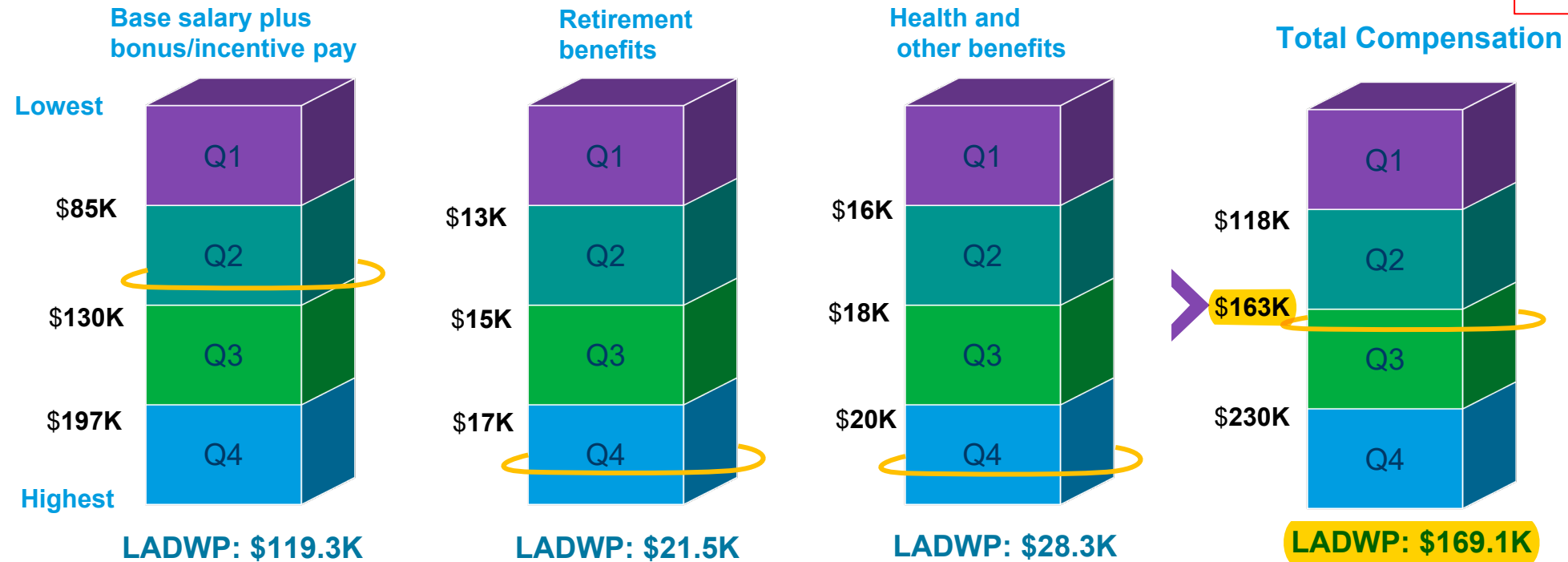
Base salaries plus bonus/incentive pay, retirement benefits, and health & other benefits

Companies have focused on managing broadly across all forms of compensation. LADWP falls around the median when all forms of compensation analyzed in this study are used to arrive at a Total Compensation figure.

Benchmarking results

LADWP vs peer organizations

Illustrative
and
Directional



113 matched Job Classes
using data from 4 compensation surveys
having over 400 utility participants

13 peer investor-owned utilities

Source: Joint Study of LADWP Total Compensation; Mercer analysis

Note: median retirement and health/other benefit costs added to compensation quartiles

Sum of compensation: **POU-related**

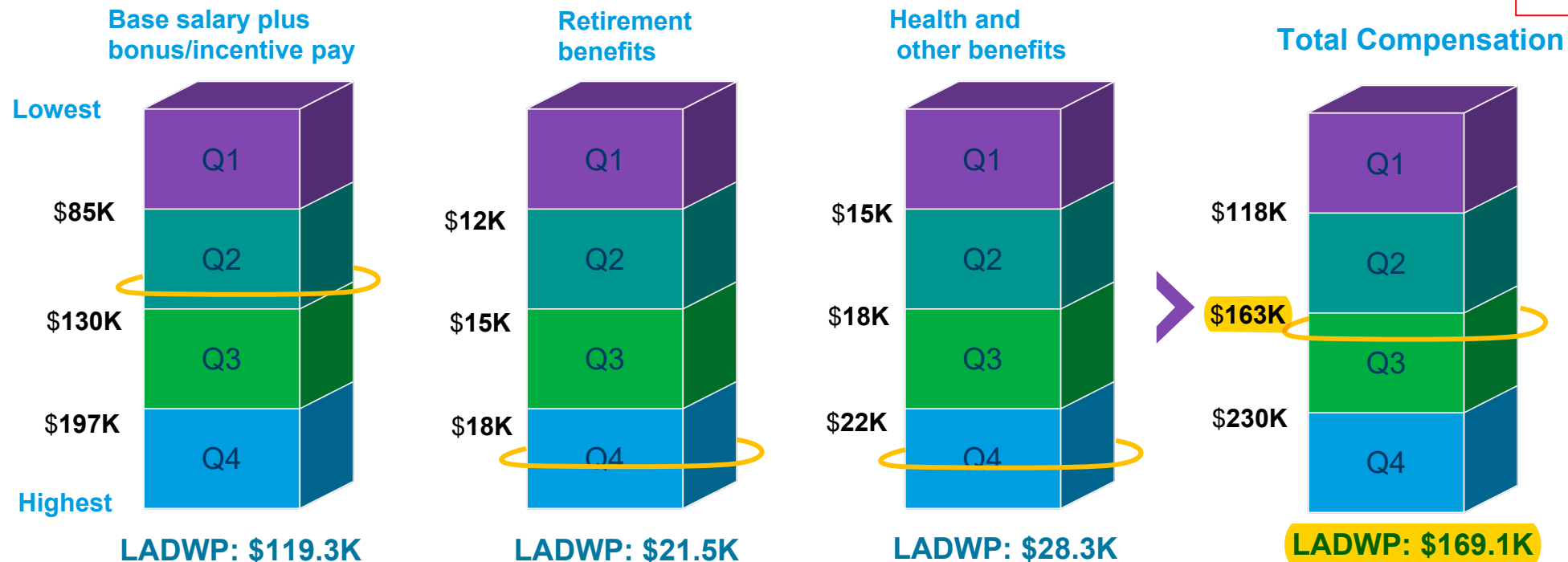
Base salaries plus bonus/incentive pay, retirement benefits, and health & other benefits

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Benchmarking results

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Illustrative
and
Directional



113 matched Job Classes
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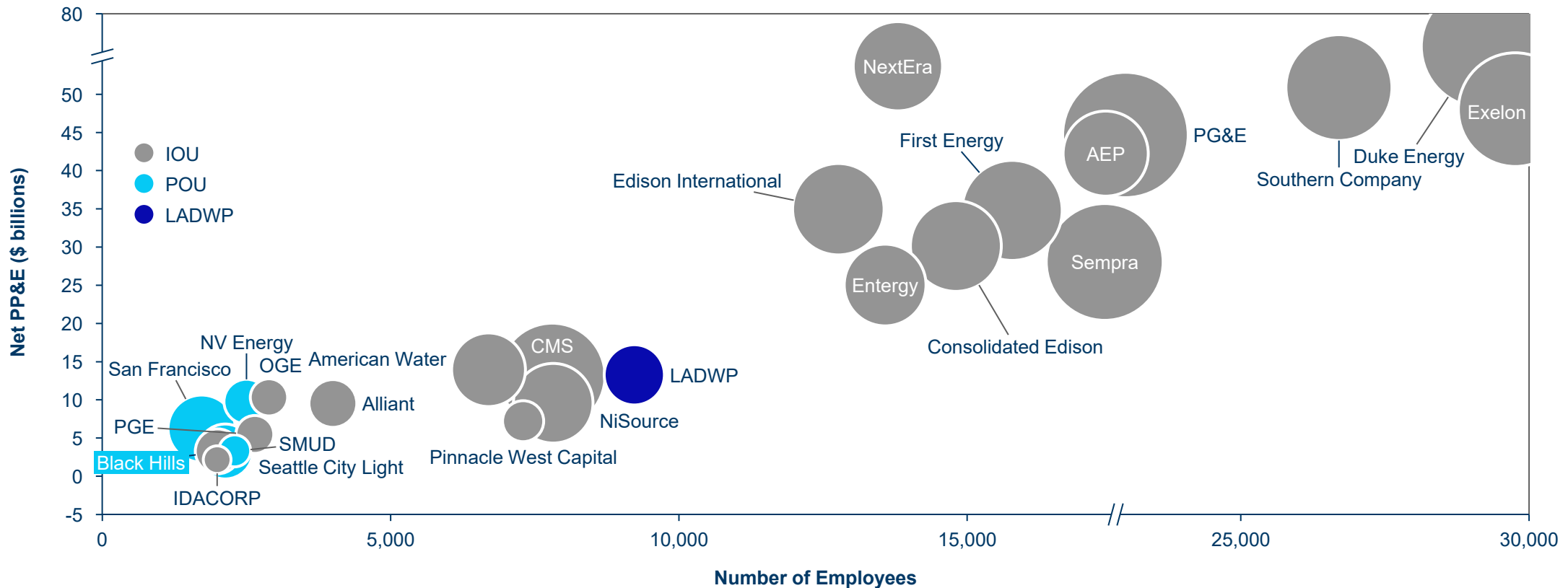
Note: median retirement and health/other benefit costs added to compensation quartiles

Employees and net Property, Plant and Equipment (PP&E)

Although not as large as the biggest electric IOUs in the country, **LADWP is significantly larger than many peer IOUs and most, if not all, POUs**

Employees, PP&E (net of depreciation) and customer count

2015, IOUs and POUs (bubble size represents customer count)

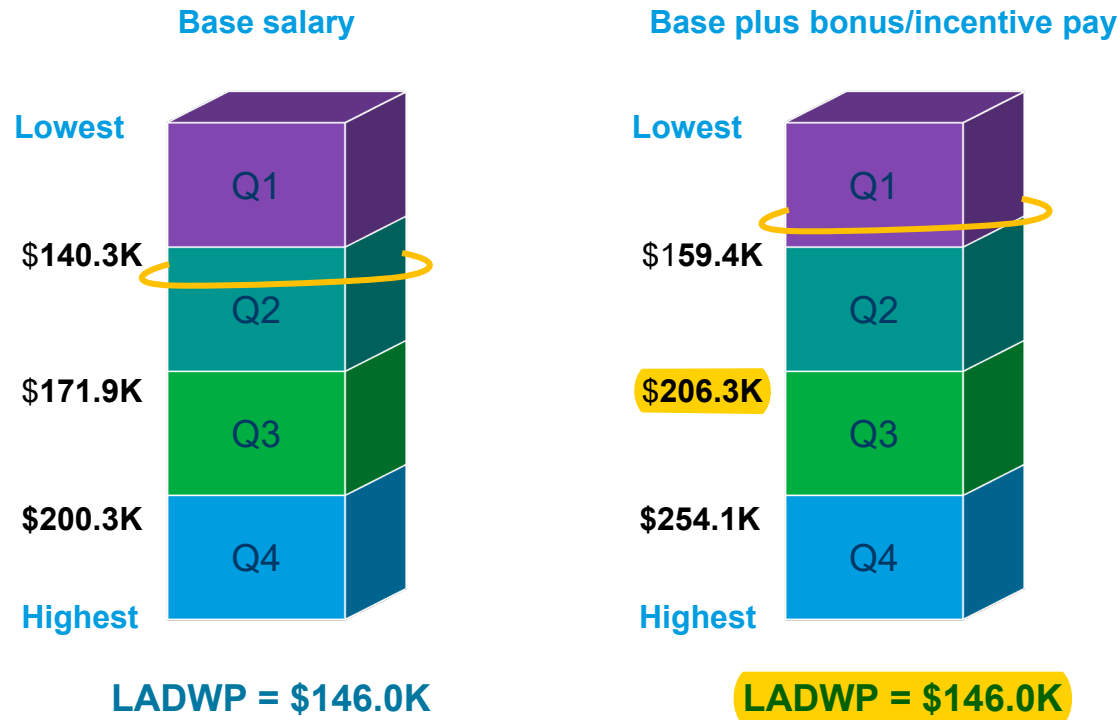


Large utility peers of LADWP have focused significantly on management related issues, technology staff, and staffing and overtime usage highlighted in the findings and conclusions in this study

Total cash compensation for IT Positions

LADWP's IT team ranks roughly 30% below the median after considering bonus/incentives offered by IOU peers.

IT compensation against IOU peers
15 IT jobs, Calendar 2019



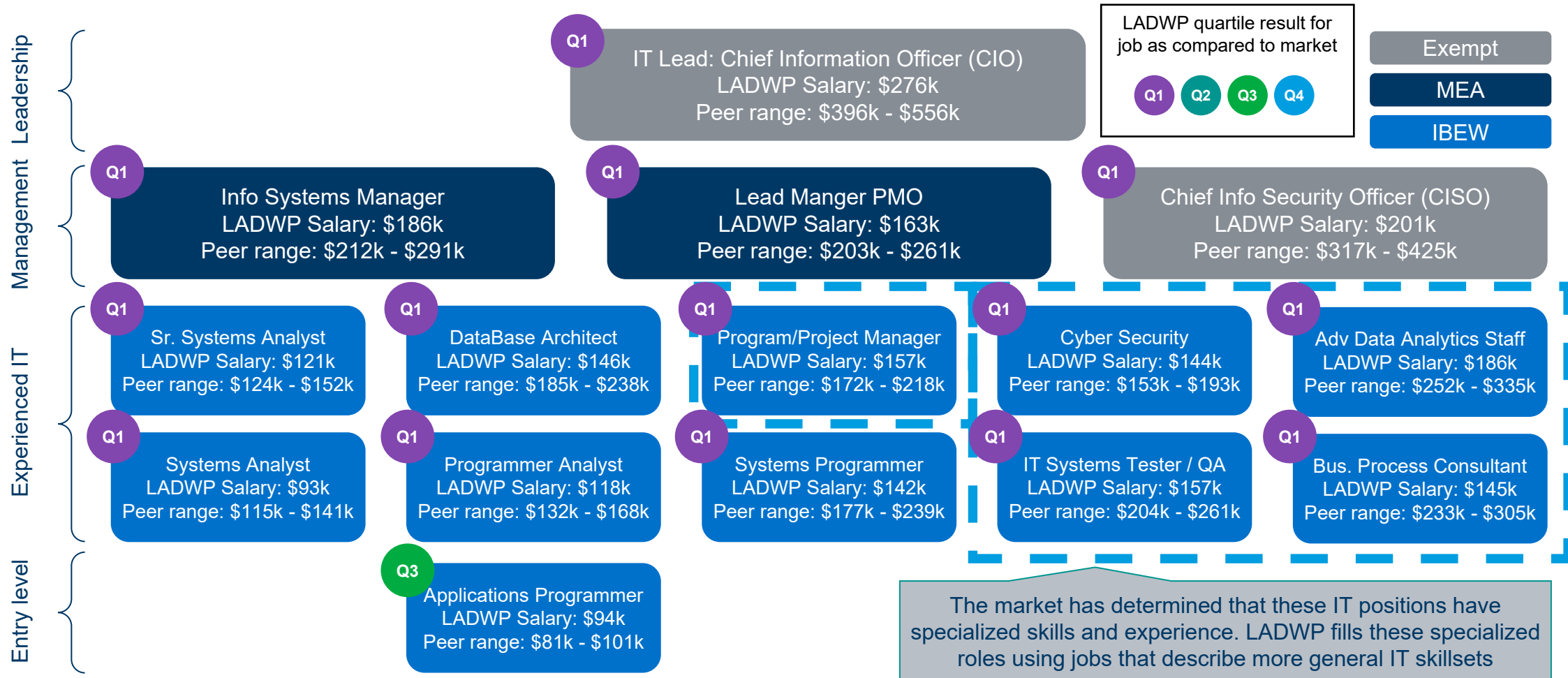
Commentary

- Base salaries for LADWP's IT job classes rank near the 1st / 2nd quartile border.
- LADWP's competitive position declines (to 29% below the market median) as incentives are considered (e.g., bonus incentives are often used by peers).

Note: IT position-weighted median based on 15 positions covering 306 employees at LADWP; CIO peer set from salary survey unlike memo provided to OPA in January 2021 which was using 15 top IOUs
Source: LADWP, utility industry salary surveys from Mercer; Mercer analysis

IT: base salaries plus bonus/incentive pay for key IT positions

All but one matched job – an entry level role – for LADWP positions are in the 1st quartile relative to peers



Staffing and overtime: Linkages between Total Compensation and Total Functional Cost

The update highlights further the hiring and staffing issues facing LADWP

Conclusions and recommendations from Total Functional Cost Study (2020)

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The Update of the Total Compensation Study provides more support to the conclusion that **providing talent for LADWP's internal labor-focused business model may represent the most important strategic issue facing LADWP**

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The update suggests LADWP lags the market in compensation for senior and middle management employees by a wide margin

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- Historic GM turnover; siloed organization; not enough effort to build and strengthen middle and lower-level management
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The Update of Total Compensation supports moving ahead with the recommendations included in the Total Functional Cost Study and supported by LADWP's management team and its Board

Operations Support: Linkages between Current Total Compensation and 2020 Total Functional Cost

The Update suggests skill and cost issues that LADWP may have to address to evolve these support organizations

Conclusions and recommendations from Total Functional Cost Study (2020)

- Operations Support functions (e.g., Facilities, Fleet, Purchasing, Safety, Security, and Environmental) are driven by the needs of the Power and Water Systems. Nearly all provide service at a relatively high total cost relative to utility peers
- **Operations Support Functions:** Improve internal customer service and cost effectiveness (Recommendation B.5)
 - Immediate focus on effectiveness of Purchasing and Materials Management (long cycle time; high cost)
 - Secondary focus on Fleet, Facilities, and Security due to service improvement potential and high cost.
 - Investigate opportunities in Environment and Safety (cost, compliance and reportables)

Additional information provided by Update of Total Compensation

- Some lower paid positions at LADWP are much higher paid than peers driving higher total functional costs
 - In Facilities, pay for custodians and their supervisors is 4th quartile
 - In Fleet Services, pay for regular and heavy equipment mechanics is 4th quartile
 - In Purchasing and Materials Management, pay for storekeepers and warehouse workers is in the 4th quartile
- Some more strategic positions at LADWP, where other utilities have invested to strengthen capabilities, lag the market
 - In Purchasing, pay for buyers is in the 1st quartile
 - In Environmental, compensation for matched jobs (primarily specialists) are all in the 1st quartile
- Security positions at LADWP are paid at the median. The high cost of the function appears to be driven by higher staffing levels and OT cost. OT cost increased from 28% to 47% of total cash compensation in the Census used for this update
- Paying higher than market for lower paid classifications promotes a flatter pay structure at LADWP (see p. 17)

In the future, LADWP will most likely need to transition Operations Support functions from “service providers” to “service managers” to balance service levels and cost. Most utilities periodically address performance and cost issues with operations and shared services.

Market benchmarks: Sorted by quartile and difference from 3rd quartile (1 of 3)

Position	Class Code	DDRs	Employees Covered	LADWP Base Salary	25th %	Media	75th %	Diff. to P	DWP Base vs. Mkt Base %ile Position	25th %	Media	75th %	Diff. to P	DWP Base vs. Mkt Base %ile Position
WATERWORKS MECHANIC	3984	9339100 9339101	34	\$107,775	\$62,919	\$73,038	\$85,042	27%	> 75th %ile	\$62,919	\$73,038	\$85,042	27%	> 75th %ile
PAINTR	3423	8234002 9334002	30	\$95,129	\$56,976	\$65,593	\$75,164	27%	> 75th %ile	\$56,976	\$65,593	\$75,164	27%	> 75th %ile
CUSTODIAN	3156	9331022	122	\$80,094	\$35,701	\$41,521	\$48,597	24%	> 75th %ile	\$35,701	\$41,521	\$48,597	24%	> 75th %ile
STORES SUPERVISOR	1866	9518660	5	\$135,987	\$87,075	\$100,203	\$114,883	18%	> 75th %ile	\$87,075	\$100,203	\$114,883	18%	> 75th %ile
APPR MCHT	3764	9383704	6	\$98,832	\$61,655	\$71,440	\$83,553	18%	> 75th %ile	\$61,655	\$71,440	\$83,553	18%	> 75th %ile
LN MTNC ASST	3882	8238115 8238026	29	\$93,216	\$60,766	\$69,124	\$79,253	18%	> 75th %ile	\$60,766	\$69,124	\$79,253	18%	> 75th %ile
ELTL RPRR	3853	9338005	33	\$109,818	\$70,164	\$79,245	\$91,843	20%	> 75th %ile	\$77,653	\$84,510	\$93,819	17%	> 75th %ile
ELTL MCHC	3841	9338107 8238302	201	\$109,818	\$70,857	\$82,038	\$95,794	15%	> 75th %ile	\$70,857	\$82,038	\$95,794	15%	> 75th %ile
WTR SRVC WKR	3931	9339119 9339120	57	\$90,277	\$59,369	\$68,340	\$79,170	14%	> 75th %ile	\$59,369	\$68,340	\$79,170	14%	> 75th %ile
MTR RDR	1611	9116043	149	\$72,787	\$47,653	\$55,328	\$64,789	12%	> 75th %ile	\$47,653	\$55,328	\$64,789	12%	> 75th %ile
CUSTODIAN SUPV	3176	9331000	7	\$82,621	\$55,310	\$63,458	\$73,886	12%	> 75th %ile	\$55,310	\$63,458	\$73,886	12%	> 75th %ile
EQUIPMENT OPERATOR	3525	9335125 9335124	81	\$101,569	\$70,015	\$79,795	\$91,847	11%	> 75th %ile	\$70,015	\$79,795	\$91,847	11%	> 75th %ile
UTLTY SRVCS SPECIALIST	3755	9537551 9537552 9537553	109	\$117,039	\$79,961	\$91,720	\$106,853	10%	> 75th %ile	\$79,961	\$91,720	\$106,853	10%	> 75th %ile
WLDR	3796	9337008 9337138	35	\$105,686	\$72,564	\$83,708	\$96,519	9%	> 75th %ile	\$72,564	\$83,708	\$96,519	9%	> 75th %ile
WTR UTLTY OPR	5854	9358128	4	\$94,999	\$65,784	\$75,652	\$87,756	8%	> 75th %ile	\$65,784	\$75,652	\$87,756	8%	> 75th %ile
EQPT MCHC	3711	9337116	51	\$94,492	\$62,307	\$75,051	\$87,532	8%	> 75th %ile	\$62,307	\$75,051	\$87,532	8%	> 75th %ile
STM PLT MTNC MCHC	5630	9437118	51	\$106,980	\$75,220	\$86,739	\$99,631	7%	> 75th %ile	\$75,220	\$86,739	\$99,631	7%	> 75th %ile
HVY DTY TRK OPR	3584	9335144 9335145	99	\$83,547	\$59,050	\$68,744	\$80,174	4%	> 75th %ile	\$59,050	\$68,744	\$80,174	4%	> 75th %ile
WTR TRTMT OPR	5885	9358108 9358137	27	\$99,306	\$72,088	\$82,276	\$95,329	4%	> 75th %ile	\$72,088	\$82,276	\$95,329	4%	> 75th %ile
WHSE & TLRM WKR	1832	9418127 9418128 9518321 9318307	110	\$78,836	\$56,786	\$65,669	\$76,133	4%	> 75th %ile	\$56,786	\$65,669	\$76,133	4%	> 75th %ile
ELTC MTR SETR	3822	9438082 9438081	36	\$96,261	\$70,809	\$80,469	\$93,322	3%	> 75th %ile	\$70,809	\$80,469	\$93,322	3%	> 75th %ile
WTR UTLTY WKR	3912	9339002 9339130	157	\$86,427	\$61,515	\$70,994	\$83,793	3%	> 75th %ile	\$61,515	\$70,994	\$83,793	3%	> 75th %ile
MCHT	3763	9337141 9337146	31	\$109,095	\$80,223	\$92,539	\$106,682	2%	> 75th %ile	\$80,223	\$92,539	\$106,682	2%	> 75th %ile
PWR SHVL OPR	3558	9335139	19	\$105,107	\$78,232	\$89,244	\$102,844	2%	> 75th %ile	\$78,232	\$89,244	\$102,844	2%	> 75th %ile
UTILITY EXEC SECRETARY	1336	213111 9113005 9413110 2013006 9313013	33	\$96,117	\$70,546	\$81,765	\$94,781	1%	> 75th %ile	\$70,546	\$81,765	\$94,781	1%	> 75th %ile
PL CLK UTLTY	1202	9311144 9312107 9312114 9312135	28	\$95,695	\$69,512	\$81,183	\$95,082	1%	> 75th %ile	\$69,512	\$81,183	\$95,082	1%	> 75th %ile
HVY DTY EQPT MCHC	3743	9337134	91	\$97,536	\$72,599	\$84,325	\$97,349	0%	> 75th %ile	\$72,599	\$84,325	\$97,349	0%	> 75th %ile
WATER UTILITY SUPERINTENDENT	3980	9539803 9539801	21	\$166,497	\$125,317	\$143,190	\$167,033	0%	74%	\$125,317	\$143,190	\$167,033	0%	74%
WTR UTLTY SUPV	3976	9339129 9339131	66	\$112,770	\$85,890	\$99,002	\$115,541	-2%	71%	\$85,890	\$99,002	\$115,541	-2%	71%
ELECTRICAL SERVICES MANAGER	5285	9552652	16	\$228,853	\$152,431	\$173,218	\$201,425	14%	> 75th %ile	\$180,343	\$207,435	\$234,500	-2%	70%
SR CLK TYP	1368	9113640 9313639 9413640 9113641 9313641 9113639 9413639 9313640	389	\$77,601	\$59,762	\$68,620	\$80,862	-4%	68%	\$59,762	\$68,620	\$80,862	-4%	68%
RATES MANAGER	5601	9556011	4	\$169,727	\$114,959	\$134,171	\$156,740	8%	> 75th %ile	\$137,563	\$154,296	\$175,585	-3%	68%
ELTC DISTRBN MCHC SUPV	3873	9438190 9438010 9438118	105	\$148,935	\$106,705	\$120,208	\$139,525	7%	> 75th %ile	\$121,049	\$134,885	\$155,097	-4%	67%
INSTRMT MCHC	3843	9438007	38	\$109,448	\$84,838	\$98,449	\$115,370	-5%	66%	\$84,838	\$98,449	\$115,370	-5%	66%
CLK TYP	1358	9113637 9413637 9313637 9513581	60	\$63,634	\$50,519	\$58,382	\$67,729	-6%	64%	\$50,519	\$58,382	\$67,729	-6%	64%
COML SRVC REPTV	1230	9112068 9112069	647	\$77,601	\$58,815	\$68,329	\$79,931	-3%	70%	\$66,623	\$73,112	\$81,839	-5%	63%
SENIOR SURVEY SUPERVISOR	7288	9572880	1	\$170,241	\$125,467	\$144,362	\$168,846	1%	> 75th %ile	\$143,779	\$158,559	\$181,651	-6%	63%
STM PLT ASST	5622	8238096	92	\$90,233	\$67,858	\$78,268	\$90,790	-1%	74%	\$77,256	\$84,725	\$95,756	-6%	62%



Market benchmarks: Sorted by quartile and difference from 3rd quartile (2 of 3)

Position	Class Code	DDRs	Employees Covered	LADWP Base Salary	25th %	Media	75th %	Diff. to P	%ile Position	25th %	Media	75th %	Diff. to P	%ile Position
APPLTNS PRGMR	1429	9411021 9415018 9115017 9411032 9411026 9411029	107	\$93,607	\$73,603	\$84,673	\$99,036	-5%	66%	\$81,147	\$88,906	\$101,245	-8%	60%
TRANSMISSION & DISTRIB DIST SU	3875	9538753 9538754	36	\$207,983	\$140,077	\$162,561	\$187,762	11%	> 75th %ile	\$171,747	\$196,699	\$228,130	-9%	59%
SR HVY DTY EQPT MCHC	3745	9337108	14	\$103,862	\$86,137	\$98,298	\$113,922	-9%	59%	\$86,137	\$98,298	\$113,922	-9%	59%
ELTC STN OPR	5224	9452150 9452155 8252128 8252051 9452052 9452053 9452153	188	\$104,325	\$87,350	\$99,491	\$115,228	-9%	58%	\$87,350	\$99,491	\$115,228	-9%	58%
SUPPLY SERVICES MANAGER	1865	9518651 9518652	7	\$164,542	\$126,072	\$136,426	\$172,651	-5%	69%	\$142,502	\$155,340	\$186,929	-12%	57%
MGT ASST	1539	9515390	20	\$67,778	\$55,726	\$64,687	\$75,644	-10%	57%	\$55,726	\$64,687	\$75,644	-10%	57%
SECTY OFCR	3181	9331001 9331002 9131001 9531811	216	\$66,991	\$57,525	\$65,765	\$75,975	-12%	53%	\$57,525	\$65,765	\$75,975	-12%	53%
ELECTRIC DISTRIBUTION MECHANIC	3879	9438020 9438117 9438200	280	\$125,865	\$94,812	\$109,453	\$126,889	-1%	74%	\$109,052	\$124,229	\$141,474	-11%	52%
AQ & RESV KPR	5813	9358111	31	\$78,259	\$67,082	\$77,144	\$89,488	-13%	52%	\$67,082	\$77,144	\$89,488	-13%	52%
STMPLT OPRG SUPV	5625	9456129	26	\$138,758	\$104,535	\$120,216	\$139,450	0%	74%	\$120,194	\$137,797	\$157,009	-12%	51%
WTR UTILITY OPR SUPV	5857	9358130	12	\$112,209	\$97,469	\$112,089	\$131,324	-15%	50%	\$97,469	\$112,089	\$131,324	-15%	50%
WTRWKS ENGR	7248	3472120 3472181 3872022 4272117	36	\$159,934	\$116,739	\$134,828	\$155,178	3%	> 75th %ile	\$140,877	\$161,793	\$184,153	-13%	48%
WTR TRMT SUPV	5887	9358115 9358107	8	\$117,620	\$105,622	\$119,558	\$138,882	-15%	47%	\$105,622	\$119,558	\$138,882	-15%	47%
UTILITY ACCT	1511	9515110	44	\$104,668	\$81,306	\$95,297	\$113,282	-8%	63%	\$95,365	\$106,732	\$120,558	-13%	45%
FLEET SERVICES MANAGER	9103	9591033	5	\$218,011	\$158,867	\$182,267	\$212,132	3%	> 75th %ile	\$196,152	\$223,277	\$252,415	-14%	45%
CVL ENGG DRFTG TCHN	7232	4272107	17	\$89,472	\$82,210	\$93,527	\$107,880	-17%	41%	\$82,210	\$93,527	\$107,880	-17%	41%
COML FLD SUPV	1603	2516058 2516051	18	\$117,862	\$95,120	\$110,093	\$127,873	-8%	61%	\$109,789	\$124,625	\$144,683	-19%	39%
STMPLT OPR	5624	9456105	41	\$113,196	\$94,780	\$108,605	\$126,941	-11%	56%	\$106,409	\$119,193	\$139,685	-19%	38%
DIRECTOR OF HUMAN RESOURCES	9558	9595582	1	\$221,674	\$161,454	\$186,035	\$218,107	2%	> 75th %ile	\$208,522	\$236,264	\$269,422	-18%	37%
WATER SERVICES MANAGER	9602	9596021	1	\$296,291	\$213,789	\$246,540	\$284,239	4%	> 75th %ile	\$278,499	\$320,502	\$371,545	-20%	36%
UG DISTRBN CONSTR SUPV	3814	9438312 9438313	4	\$120,386	\$100,066	\$114,671	\$133,410	-10%	58%	\$113,202	\$131,044	\$146,499	-18%	35%
MCHL ENGG ASSOC	7554	9575542	74	\$119,282	\$101,374	\$115,850	\$132,491	-10%	55%	\$116,758	\$128,593	\$145,280	-18%	30%
ELTL ENGR ASSOC	7525	9575252	272	\$119,282	\$100,469	\$116,851	\$134,295	-11%	53%	\$116,673	\$128,971	\$143,991	-17%	30%
UTILITY ADMINISTRATOR	9105	9591057 9591051 9591052 9591053 9591055 9591054 9591058	107	\$148,760	\$123,668	\$139,457	\$162,038	-8%	60%	\$146,363	\$160,549	\$181,123	-18%	29%
SR UTILITY BUYR	1862	9318007 9318008	15	\$130,000	\$107,992	\$124,916	\$146,846	-11%	56%	\$128,099	\$144,872	\$164,416	-21%	28%
RISK MANAGER	1530	9515302	2	\$163,218	\$131,468	\$154,789	\$183,556	-11%	57%	\$161,377	\$182,651	\$210,112	-22%	27%
MNGG WTR UTILITY ENGR	9406	9594061 9594062 9594063 9594064 9594065	28	\$247,667	\$183,696	\$213,440	\$246,534	0%	> 75th %ile	\$246,225	\$281,741	\$321,982	-23%	26%
ASST UTILITY BUYR	1860	9318113	11	\$80,564	\$70,426	\$82,634	\$94,339	-15%	46%	\$82,269	\$91,269	\$100,875	-20%	< 25th %ile
SR SYS ANLST	1597	9115024	19	\$121,298	\$107,714	\$125,164	\$142,075	-15%	44%	\$123,650	\$138,275	\$152,480	-20%	< 25th %ile
LBY TCHN	7854	9378145 9478105	17	\$89,472	\$81,780	\$95,000	\$109,765	-18%	40%	\$91,042	\$102,125	\$112,621	-21%	< 25th %ile
PWR ENGR MGR	9453	9594531	1	\$171,136	\$139,153	\$163,194	\$188,183	-9%	58%	\$172,992	\$195,721	\$219,487	-22%	< 25th %ile
UTILITY BUYR	1861	9318105	27	\$96,096	\$87,033	\$100,123	\$114,967	-16%	42%	\$100,743	\$112,638	\$123,937	-22%	< 25th %ile
COML SRVC SUPV	1213	9112031 9112029 9112021	84	\$90,788	\$81,932	\$93,467	\$107,105	-15%	44%	\$93,838	\$104,683	\$117,886	-23%	< 25th %ile
ELTL ENGR	7539	9475131	6	\$167,114	\$142,311	\$162,952	\$186,841	-11%	54%	\$169,421	\$189,839	\$219,495	-24%	< 25th %ile
CONSTRUCTION & MAINTENANCE SUP	3129	9531294	1	\$195,587	\$161,852	\$183,868	\$213,593	-8%	60%	\$201,814	\$223,400	\$257,729	-24%	< 25th %ile
CHIEF ELECTRIC PLANT OPERATOR	5237	9552372 9552371	20	\$147,483	\$158,535	\$149,508	\$175,470	-16%	< 25th %ile	\$171,021	\$173,256	\$195,038	-24%	< 25th %ile
CYBER SECURITY/BUSINESS RECOVERY ARCHITECTS/ANALYSTS	1431,1409,7525,1455,1431,1597,1455,1597	9411020 9514091 9575254 9411031 9111019 9415023 9411030 9115024	142	\$144,332	\$129,338	\$148,771	\$172,215	-16%	44%	\$152,960	\$171,087	\$192,592	-25%	< 25th %ile
SENIOR UNDERGROUND DISTRBN CON	3815	9538152	8	\$157,278	\$139,449	\$161,165	\$187,795	-16%	46%	\$165,054	\$185,272	\$210,513	-25%	< 25th %ile



Market benchmarks: Sorted by quartile and difference from 3rd quartile (3 of 3)

Position	Class Code	DDRs	Employees Covered	LADWP Base Salary	25th %	Media	75th %	Diff. to P	%ile Position	25th %	Media	75th %	Diff. to P	%ile Position
ENVRNMTL ENGRG ASSOCIATE	7871	9578712	8	\$116,232	\$108,036	\$125,158	\$146,485	-21%	37%	\$124,409	\$138,081	\$155,640	-25%	< 25th %ile
SR UTILITY ACCT	1521	9115137	26	\$132,572	\$114,697	\$132,837	\$156,307	-15%	50%	\$138,619	\$155,419	\$177,535	-25%	< 25th %ile
CRPNTR SUPV	3346	9333103	20	\$110,305	\$96,743	\$111,510	\$128,426	-14%	48%	\$112,162	\$127,908	\$147,727	-25%	< 25th %ile
MTNC CONSTR HLP	3115	9331127	41	\$69,969	\$71,509	\$81,391	\$94,187	-26%	< 25th %ile	\$71,509	\$81,391	\$94,187	-26%	< 25th %ile
CHEMST	7833	9378100 9478113	20	\$101,197	\$93,348	\$108,401	\$126,332	-20%	38%	\$110,709	\$121,951	\$139,373	-27%	< 25th %ile
SENIOR INDUSTRIAL HYGIENIST	2331	9523310	2	\$149,781	\$135,623	\$156,144	\$182,217	-18%	42%	\$161,192	\$181,955	\$207,131	-28%	< 25th %ile
AQ & RESV SUPV	5816	9358110	5	\$108,766	\$111,438	\$129,782	\$150,688	-28%	< 25th %ile	\$111,438	\$129,782	\$150,688	-28%	< 25th %ile
PROGRAM/PROJECT MANAGERS	1597,1431,1455,1411,1409	9415023 9111019 9411031 9414142 9514091	61	\$156,807	\$138,077	\$158,102	\$185,649	-16%	48%	\$171,673	\$191,698	\$218,281	-28%	< 25th %ile
SAFETY ADMINISTRATOR	1728	9517281	1	\$162,423	\$139,686	\$160,686	\$188,740	-14%	52%	\$173,840	\$193,225	\$227,127	-28%	< 25th %ile
PRGMR ANLST	1431	9411025	32	\$118,274	\$114,936	\$131,879	\$153,076	-23%	30%	\$132,096	\$147,705	\$168,024	-30%	< 25th %ile
CVL ENGG ASSO	7246	9572462	188	\$125,565	\$117,164	\$136,099	\$159,727	-21%	36%	\$140,224	\$155,971	\$180,160	-30%	< 25th %ile
GENERAL SERVICES MANAGER	9601	9596011	2	\$268,960	\$220,670	\$254,232	\$297,279	-10%	59%	\$293,193	\$328,595	\$386,058	-30%	< 25th %ile
PRINCIPAL PUBLIC RELATIONS REP	1786	9517862	1	\$146,828	\$141,528	\$162,432	\$186,984	-21%	31%	\$164,923	\$188,421	\$212,997	-31%	< 25th %ile
ASST AIR POLUTN SPLST	7310	9373003 9473003	19	\$118,521	\$112,083	\$130,197	\$149,727	-21%	34%	\$135,677	\$152,331	\$174,533	-32%	< 25th %ile
UTILITY SERVICES MANAGER	9106	9591062 9591063	28	\$159,708	\$152,857	\$175,743	\$205,487	-22%	32%	\$186,481	\$210,892	\$238,269	-33%	< 25th %ile
SYS ANLST	1596	9415018	52	\$92,825	\$102,769	\$116,663	\$134,657	-31%	< 25th %ile	\$115,114	\$125,412	\$140,788	-34%	< 25th %ile
STRL ENGR	7956	9479007	1	\$157,742	\$146,875	\$171,515	\$200,259	-21%	36%	\$179,890	\$207,533	\$241,653	-35%	< 25th %ile
CHIEF REAL ESTATE OFFICER	1949	9519493	1	\$234,984	\$204,504	\$235,998	\$273,044	-14%	49%	\$269,807	\$306,797	\$361,420	-35%	< 25th %ile
DIRECTOR OF SECURITY SERVICES	3208	9532080	1	\$136,501	\$140,849	\$160,113	\$185,810	-27%	< 25th %ile	\$170,660	\$188,132	\$212,310	-36%	< 25th %ile
INFORMATION SYSTEMS MANAGER	1409	9514092	9	\$186,185	\$169,091	\$194,511	\$227,431	-18%	42%	\$211,798	\$246,251	\$291,140	-36%	< 25th %ile
LEAD MANAGER; PROGRAM MANAGER OFFICE	1409	9514091	1	\$163,077	\$156,124	\$181,703	\$212,412	-23%	32%	\$202,697	\$227,129	\$261,101	-38%	< 25th %ile
PRINCIPAL UTILITY ACCOUNTANT	1589	9515894	6	\$199,558	\$186,452	\$213,153	\$252,124	-21%	37%	\$243,560	\$274,435	\$325,147	-39%	< 25th %ile
DATA BASE ARCHT	1470	9514700	16	\$146,047	\$150,075	\$171,889	\$199,285	-27%	< 25th %ile	\$185,129	\$206,267	\$238,479	-39%	< 25th %ile
IT SYSTEMS TESTER/QUALITY ASSURANCE STAFF (EXPERIENCED)	1455,1431,1597	9411031 9111019 9415023	56	\$156,807	\$160,744	\$184,856	\$216,281	-27%	< 25th %ile	\$203,904	\$229,221	\$260,739	-40%	< 25th %ile
SYS PRGMR	1455	9411030	43	\$141,809	\$144,528	\$165,711	\$192,224	-26%	< 25th %ile	\$177,302	\$202,167	\$239,100	-41%	< 25th %ile
ADVANCED DATA ANALYTICS STAFF	1409	9514092	9	\$186,185	\$194,100	\$221,662	\$258,435	-28%	< 25th %ile	\$252,160	\$288,161	\$334,532	-44%	< 25th %ile
CAO	151	9101904	1	\$299,043	\$254,451	\$300,894	\$351,233	-15%	49%	\$389,491	\$461,383	\$549,855	-46%	< 25th %ile
AGM EXTERNAL & REGULATORY AFFAIRS	151	9101904	1	\$254,130	\$234,909	\$274,790	\$323,346	-21%	37%	\$332,833	\$406,414	\$474,022	-46%	< 25th %ile
AGM POWER CONSTRUCTION, MAINTENANCE & OPERATIONS	151	9501905	1	\$312,843	\$277,497	\$321,739	\$373,358	-16%	45%	\$442,033	\$516,939	\$607,552	-49%	< 25th %ile
AGM POWER ENGINEERING & TECHNICAL SERVICES	151	9501905	1	\$312,720	\$277,497	\$321,739	\$373,358	-16%	45%	\$442,033	\$516,939	\$607,552	-49%	< 25th %ile
AGM WATER	151	9501905	1	\$312,720	\$277,497	\$321,739	\$373,358	-16%	45%	\$442,033	\$516,939	\$607,552	-49%	< 25th %ile
CIO	151	9105125	1	\$276,472	\$267,326	\$309,698	\$365,091	-24%	30%	\$396,343	\$462,998	\$555,646	-50%	< 25th %ile
EXEC ASST TO THE GM	360	9103300	6	\$229,795	\$235,821	\$273,765	\$319,834	-28%	< 25th %ile	\$339,257	\$396,959	\$474,285	-52%	< 25th %ile
BUSINESS PROCESS CONSULTANT	1431,1597	9111019 9415023	34	\$145,266	\$177,745	\$206,184	\$241,235	-40%	< 25th %ile	\$233,429	\$261,854	\$304,804	-52%	< 25th %ile
CHIEF INFORMATION SECURITY OFFICER	360	9103300	1	\$200,573	\$239,972	\$272,821	\$323,118	-38%	< 25th %ile	\$316,650	\$361,488	\$424,607	-53%	< 25th %ile
AUDTR WP	9759	9101503	1	\$299,043	\$280,121	\$329,073	\$389,951	-23%	35%	\$449,890	\$532,275	\$656,352	-54%	< 25th %ile
GNL MGR & CHF ENGR WP	9998	9199002	1	\$400,019	\$400,255	\$470,330	\$566,076	-28%	< 25th %ile	\$722,586	\$842,832	\$1,006,494	-60%	< 25th %ile



High-level retirement plan prevalence information

Plan Structure	Percentage of IOUs Providing Plan Structure	Percentage of POUs Providing Plan Structure
Defined Benefit (DB) Only	0%	62%
Defined Contribution (DC) Only	62%	0%
DB and DC	38%	38%

Plan Formula	Percentage of IOUs Providing Plan Formula	Percentage of POUs Providing Plan Formula
Final Average Pay Formula (DB)	15%	85%
Cash Balance Formula (DB)	23%	15%
Employer-paid DC Contributions	100%	38%

Note: Comparisons were made against separate, agreed upon by stakeholders, panels of 13 investor-owned utilities (IOUs) and 13 publicly-owned utilities (POUs).

Hires and Separations Monthly (SA) from Job Openings and Labor Turnover Survey (JOLTS), Source: BLS

Quits Layoffs, Discharges and Other Hires Job openings

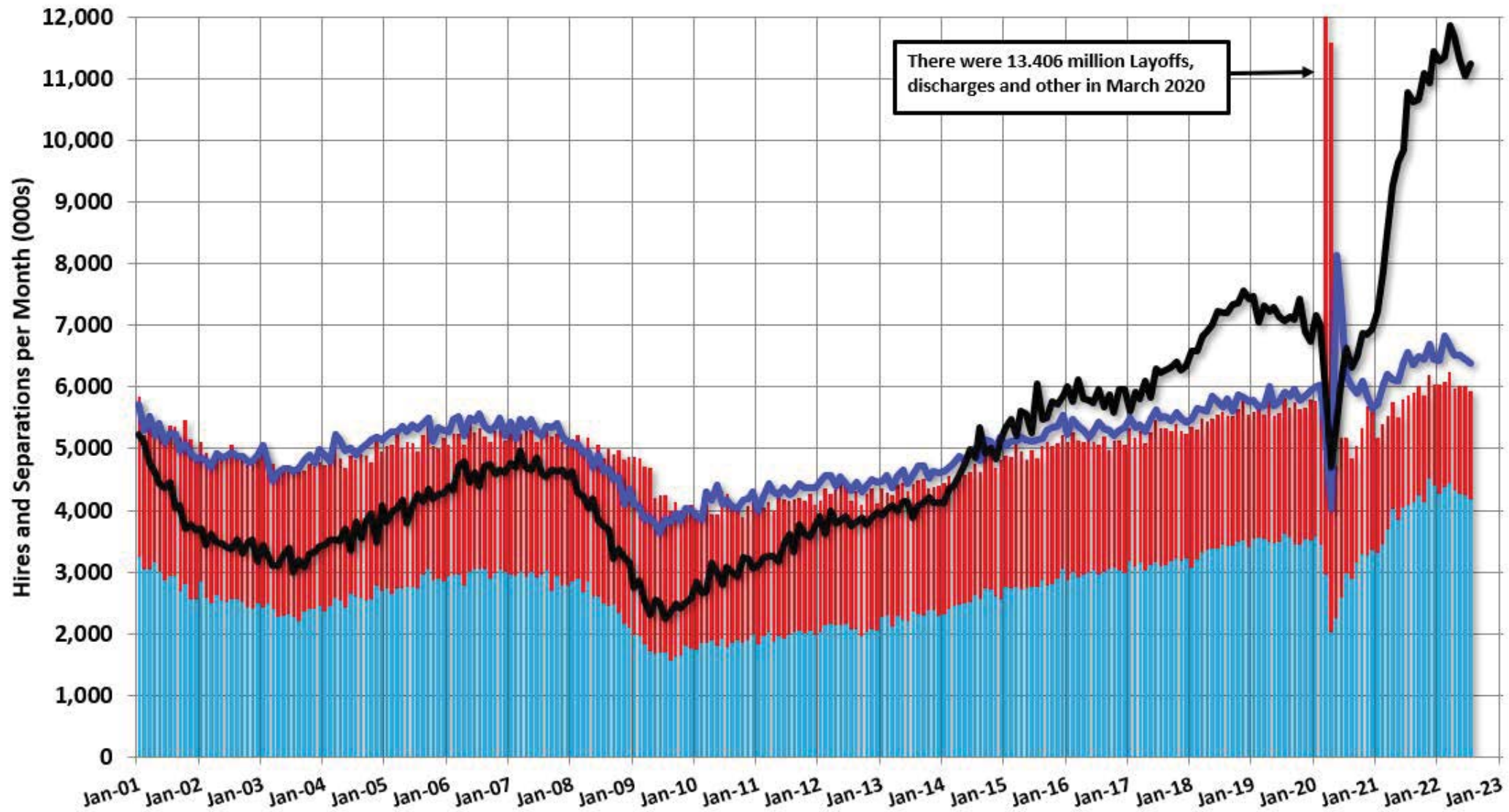
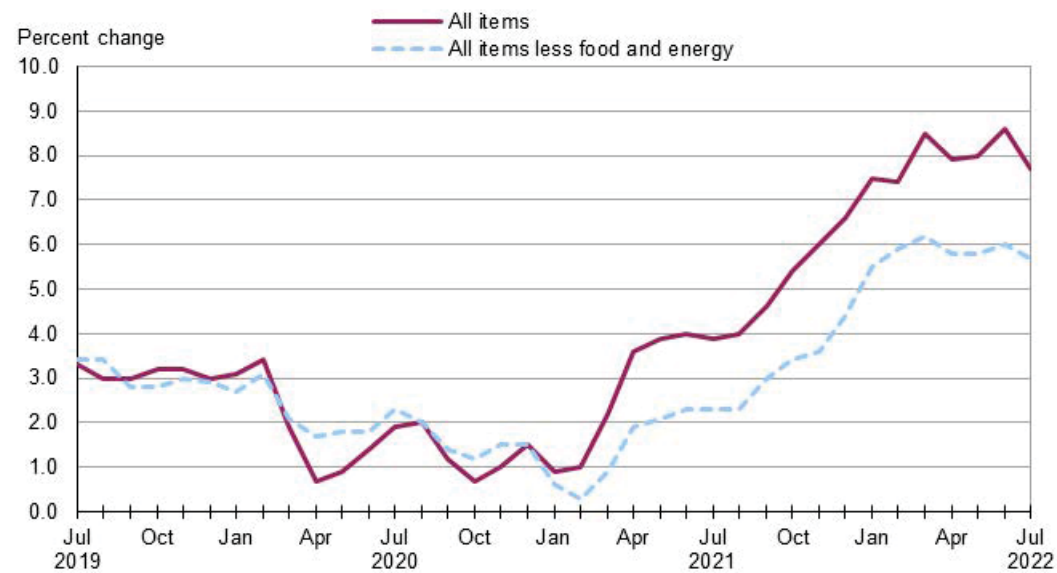


Chart 1. Over-the-year percent change in CPI-U, Los Angeles-Long Beach-Anaheim, CA, July 2019–July 2022



Source: U.S. Bureau of Labor Statistics.

**Figure 1: Salary & Wages, Health, Retirement
Nominal Budgets, Rates, Actual**

