

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: NOVEMBER 8, 2022

TO: BOARD OF DIRECTORS
Lake Arrowhead Community Services District

FROM: CATHERINE CERRI, General Manager

SUBJECT: CONSIDER APPROVAL OF SIDE LETTER NO. 1
BETWEEN LAKE ARROWHEAD COMMUNITY
SERVICES DISTRICT AND THE UTILITY WORKERS
UNION OF AMERICA, LOCAL 557

A. RECOMMENDATION

Approve Side Letter #1 amending the current Memorandum of Understanding (MOU) between the Lake Arrowhead Community Services District (District) and the Utility Workers Union of America, Local 557 (UWUA).

B. REASON FOR RECOMMENDATION

The water industry is experiencing challenges with employee retainment and increasing retirements. High rates of inflation have prompted many water agencies to make adjustments to wages in an effort to retain employees. A comparative analysis of the District's wage rates compared to other water agencies was conducted. This analysis indicated that the District's existing wage rates are below the market and have not kept up with inflation. The UWUA's wages specifically are 12% behind inflation. For these reasons, it is recommended to increase the UWUA's wages by 10% to bridge the gap in an effort to retain key employees.

C. BACKGROUND INFORMATION

In the last two years, the District has lost 30% of its workforce. Most of those employees had more than 5 years of experience at the District and had developed enough knowledge to be independent contributors during day-to-day operations as well as during emergencies. The District has invested time and money into training and certifying these employees which are highly sought after in the industry due to their dual certifications in water and wastewater and their experience with multiple sources of water supply. Currently, 50% of

the District's Field Operations workers have been with the District for less than one year. The District's starting wage rate has been a barrier for some qualified candidates to accept an entry level position. 29% of the District's employees are eligible to retire in the next five years.

A recent poll of water industry Human Resources professionals indicated rising concerns about succession planning across the water industry. In this poll, more than 50% cited succession planning, talent acquisition and retention as their highest priority topics of concern.

D. FISCAL IMPACT

It is expected this item will increase wages by \$280,000 in the first year. Other related payroll expenses could cost approximately \$40,000. The 2022/2023 Budget included an increase of 5%. This item will create personnel expenses that are approximately \$200,000 higher than budget.

During the prior fiscal year, District staff successfully reduced controllable operating expenses by \$1.4M below budget during a time with extremely high inflation rates. Due to these favorable results, this increase in wages will not affect customer water rates.

E. ENVIRONMENTAL IMPACT

There will be no environmental impact associated with this administrative item.

F. ATTACHMENTS

- Side Letter #1
- Revised Salary Schedules



SIDE LETTER NO. 1

Date: **November 8, 2022**

Subject to approval by the Board of Directors of the Lake Arrowhead Community Services District (District), the District and the Utility Workers Union of America, Local 557 (UWUA) have met and hereby agree to amend the 2020-2023 Memorandum of Understanding (MOU) between the District and UWUA as per this Side Letter No. 1 as follows:

The District and the UWUA recognize the addition of Section 13.2.4.1 as stated below.

13.2.4.1 On October 1, 2022, there will be a COLA adjustment of 10%.

Acknowledged:

Catherine Cerri
General Manager
Lake Arrowhead Community Services District

Robert Martinez
President
Utility Workers of America, Local 557

Lake Arrowhead Community Services District
 Local 557 Union Salary Schedule
 Effective October 1, 2022
 10% COLA ~ 5% Step Increments

| Grade | Step 1 Per Pay Period | | | | Step 2 Per Pay Period | | | | Step 3 Per Pay Period | | | | Step 4 Per Pay Period | | | |
|--|-----------------------------|----------|-------------------|-----------|-----------------------------|----------|-------------------|-----------|-----------------------------|----------|-------------------|-----------|-----------------------------|----------|-------------------|-----------|
| | Hourly | Monthly | Per Pay Period | Annual | Hourly | Monthly | Per Pay Period | Annual | Hourly | Monthly | Per Pay Period | Annual | Hourly | Monthly | Per Pay Period | Annual |
| 1000 Customer Service Rep I/II Field Operations Worker I Physical Plant Worker 1* | 22.15 | 3,839.33 | 1,772.00 | 46,072.00 | 23.27 | 4,033.47 | 1,861.60 | 48,401.60 | 24.42 | 4,232.80 | 1,953.60 | 50,793.60 | 25.64 | 4,444.27 | 2,051.20 | 53,331.20 |
| 1050 Customer Service Rep I/II Field Operations Worker I | 23.27 | 4,033.47 | 1,861.60 | 48,401.60 | 24.42 | 4,232.80 | 1,953.60 | 50,793.60 | 25.64 | 4,444.27 | 2,051.20 | 53,331.20 | 26.92 | 4,666.13 | 2,153.60 | 55,993.60 |
| 1100 Customer Service Rep I/II Field Operations Worker I | 24.42 | 4,232.80 | 1,953.60 | 50,793.60 | 25.64 | 4,444.27 | 2,051.20 | 53,331.20 | 26.92 | 4,666.13 | 2,153.60 | 55,993.60 | 28.27 | 4,900.13 | 2,261.60 | 58,801.60 |
| 1150 Customer Service Rep I/II | 25.64 | 4,444.27 | 2,051.20 | 53,331.20 | 26.92 | 4,666.13 | 2,153.60 | 55,993.60 | 28.27 | 4,900.13 | 2,261.60 | 58,801.60 | 29.70 | 5,148.00 | 2,376.00 | 61,776.00 |
| 1200 WW Treatment Plant Operator I/II Water Treatment Plant Operator I/II | 26.92 | 4,666.13 | 2,153.60 | 55,993.60 | 28.27 | 4,900.13 | 2,261.60 | 58,801.60 | 29.70 | 5,148.00 | 2,376.00 | 61,776.00 | 31.19 | 5,406.27 | 2,495.20 | 64,875.20 |
| 1250 Administrative Assistant Field Operations Worker II WW Treatment Plant Operator I/II Water Treatment Plant Operator I/II | 28.27 | 4,900.13 | 2,261.60 | 58,801.60 | 29.70 | 5,148.00 | 2,376.00 | 61,776.00 | 31.19 | 5,406.27 | 2,495.20 | 64,875.20 | 32.73 | 5,673.20 | 2,618.40 | 68,078.40 |
| 1300 WW Treatment Plant Operator I/II Water Treatment Plant Operator I/II | 29.70 | 5,148.00 | 2,376.00 | 61,776.00 | 31.19 | 5,406.27 | 2,495.20 | 64,875.20 | 32.73 | 5,673.20 | 2,618.40 | 68,078.40 | 34.35 | 5,954.00 | 2,748.00 | 71,448.00 |
| 1350 Accounting Technician Electrical/Instrumentation Technician I Equipment Mechanic I Engineering Technician I/II Field Representative / Meter Reader Senior Field Operations Worker Water Treatment Plant Operator I/II WW Treatment Plan Operator I/II Water Efficiency Field Rep | 31.19 | 5,406.27 | 2,495.20 | 64,875.20 | 32.73 | 5,673.20 | 2,618.40 | 68,078.40 | 34.35 | 5,954.00 | 2,748.00 | 71,448.00 | 36.08 | 6,253.87 | 2,886.40 | 75,046.40 |
| 1400 Engineering Technician I/II | 32.73 | 5,673.20 | 2,618.40 | 68,078.40 | 34.35 | 5,954.00 | 2,748.00 | 71,448.00 | 36.08 | 6,253.87 | 2,886.40 | 75,046.40 | 37.88 | 6,565.87 | 3,030.40 | 78,790.40 |
| 1450 Laboratory Analyst Technician Engineering Technician I/II | 34.35 | 5,954.00 | 2,748.00 | 71,448.00 | 36.08 | 6,253.87 | 2,886.40 | 75,046.40 | 37.88 | 6,565.87 | 3,030.40 | 78,790.40 | 39.78 | 6,895.20 | 3,182.40 | 82,742.40 |
| 1500 Electrical/Instrumentation Technician II Equipment Mechanic II Engineering Technician I/II Sr. Treatment Plan Operator W / WW Sr. Accountant Sr. Field Rep / Meter Reader | 36.08 | 6,253.87 | 2,886.40 | 75,046.40 | 37.88 | 6,565.87 | 3,030.40 | 78,790.40 | 39.78 | 6,895.20 | 3,182.40 | 82,742.40 | 41.78 | 7,241.87 | 3,342.40 | 86,902.40 |
| 1550 Engineering Technician I/II Laboratory Analyst | 37.88 | 6,565.87 | 3,030.40 | 78,790.40 | 39.78 | 6,895.20 | 3,182.40 | 82,742.40 | 41.78 | 7,241.87 | 3,342.40 | 86,902.40 | 43.86 | 7,602.40 | 3,508.80 | 91,228.80 |
| 1600 Engineering Technician I/II | 39.78 | 6,895.20 | 3,182.40 | 82,742.40 | 41.78 | 7,241.87 | 3,342.40 | 86,902.40 | 43.86 | 7,602.40 | 3,508.80 | 91,228.80 | 46.07 | 7,985.47 | 3,685.60 | 95,825.60 |

Lake Arrowhead Community Services District
 Local 557 Union Salary Schedule
 Effective October 1, 2022
 10% COLA ~ 5% Step Increments

| Grade | Step 5 Per Pay Period | | | | Step 6 Per Pay Period | | | | Step 7 Per Pay Period | | | |
|--|-----------------------------|----------|----------|------------|-----------------------------|----------|----------|------------|-----------------------------|----------|----------|------------|
| | Hourly | Monthly | Annual | Annual | Hourly | Monthly | Annual | Annual | Hourly | Monthly | Annual | Annual |
| 1000 Customer Service Rep I/II Field Operations Worker I Physical Plant Worker 1* | 26.92 | 4,666.13 | 2,153.60 | 55,993.60 | 28.27 | 4,900.13 | 2,261.60 | 58,801.60 | 29.70 | 5,148.00 | 2,376.00 | 61,776.00 |
| 1050 Customer Service Rep I/II Field Operations Worker I | 28.27 | 4,900.13 | 2,261.60 | 58,801.60 | 29.70 | 5,148.00 | 2,376.00 | 61,776.00 | 31.19 | 5,406.27 | 2,495.20 | 64,875.20 |
| 1100 Customer Service Rep I/II Field Operations Worker I | 29.70 | 5,148.00 | 2,376.00 | 61,776.00 | 31.19 | 5,406.27 | 2,495.20 | 64,875.20 | 32.73 | 5,673.20 | 2,618.40 | 68,078.40 |
| 1150 Customer Service Rep 1/II | 31.19 | 5,406.27 | 2,495.20 | 64,875.20 | 32.73 | 5,673.20 | 2,618.40 | 68,078.40 | 34.35 | 5,954.00 | 2,748.00 | 71,448.00 |
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| 1250 Administrative Assistant Field Operations Worker II WW Treatment Plant Operator I/II Water Treatment Plant Operator I/II | 34.35 | 5,954.00 | 2,748.00 | 71,448.00 | 36.08 | 6,253.87 | 2,886.40 | 75,046.40 | 37.88 | 6,565.87 | 3,030.40 | 78,790.40 |
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| 1350 Accounting Technician Electrical/Instrumentation Technician I Equipment Mechanic I Engineering Technician I/II Field Representative / Meter Reader Senior Field Operations Worker Water Treatment Plant Operator I/II WW Treatment Plan Operator I/II Water Efficiency Field Rep | 37.88 | 6,565.87 | 3,030.40 | 78,790.40 | 39.78 | 6,895.20 | 3,182.40 | 82,742.40 | 41.78 | 7,241.87 | 3,342.40 | 86,902.40 |
| 1400 Engineering Technician I/II | 39.78 | 6,895.20 | 3,182.40 | 82,742.40 | 41.78 | 7,241.87 | 3,342.40 | 86,902.40 | 43.86 | 7,602.40 | 3,508.80 | 91,228.80 |
| 1450 Laboratory Analyst Technician Engineering Technician I/II | 41.78 | 7,241.87 | 3,342.40 | 86,902.40 | 43.86 | 7,602.40 | 3,508.80 | 91,228.80 | 46.07 | 7,985.47 | 3,685.60 | 95,825.60 |
| 1500 Electrical/Instrumentation Technician II Equipment Mechanic II Engineering Technician I/II Sr. Treatment Plan Operator W / WW Sr. Accountant Sr. Field Rep / Meter Reader | 43.86 | 7,602.40 | 3,508.80 | 91,228.80 | 46.07 | 7,985.47 | 3,685.60 | 95,825.60 | 48.38 | 8,385.87 | 3,870.40 | 100,630.40 |
| 1550 Engineering Technician I/II Laboratory Analyst | 46.07 | 7,985.47 | 3,685.60 | 95,825.60 | 48.38 | 8,385.87 | 3,870.40 | 100,630.40 | 50.77 | 8,800.13 | 4,061.60 | 105,601.60 |
| 1600 Engineering Technician I/II | 48.38 | 8,385.87 | 3,870.40 | 100,630.40 | 50.77 | 8,800.13 | 4,061.60 | 105,601.60 | 53.34 | 9,245.60 | 4,267.20 | 110,947.20 |