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DWP salary plan irks unions

By Beth Barrett
Staff Writer

Tuesday, August 02, 2005 - To the chagrin of the city unions, the Department of Water and Power has agreed to give its 8,000 union workers a minimum 16.25 percent pay hike worth nearly \$69 million over the next five years but the increases could balloon to 30 percent if inflation rises.

The proposed amendment to the existing memorandum of understanding with the International Brotherhood of Electrical Workers (IBEW), Local 18, goes to DWP commissioners for consideration today. It would require City Council approval.

The deal would automatically bump DWP employees' salaries up at least 3.25 percent each year on Oct. 1, and more if inflation is higher, to a maximum of 6 percent a year. The agreement could be reopened if both parties agree in either of the last two years of the deal.

The DWP's union is the only one in the city that for about a decade has negotiated contracts whose salary increases are tied to the consumer price index, said City Administrative Officer Bill Fujioka.

The city's civilian work force is in the midst of a three-year contract with a total of 6.25 percent in salary increases.

Julie Butcher, general manager of Service Employees International Union, Local 347, accused city officials of falsely claiming there wasn't more money for raises and vowed to take whatever action is necessary -- including calling a strike -- to get equitable treatment for her members.

"This is the worst kind of switch the city can pull on the workers who make this city run," she said in a statement to her members. "Do they expect less service, less dedication from Local 347 members than others?"

"I think the city needs to act like it's all one city," Butcher said Monday.

The proposed IBEW union salary hikes at the DWP would come on the heels of a 11 percent water-rate hike last year, with another water-rate increase proposed at 17.9 percent over the next five years. A recent court ruling also could raise consumers' water bills.

Water and power revenues are separate, so water-rate increases could only contribute to water-side employees' salaries.

Mayor Antonio Villaraigosa is unhappy with the contract, but city officials have told him that at this point he is powerless to stop it, said Joe Ramallo, the mayor's press secretary.

"He made it clear to the managers that this is not a precedent and is no indication of how he will conduct labor negotiations," Ramallo said. "He would not have negotiated this deal."

DWP General Manager Ron Deaton and the city administrative officer told the mayor in a July 4 briefing that the contract had already been sent to IBEW members and so any new action would be an unfair labor practice, Ramallo said.

While Villaraigosa "did not interfere with this process after it had begun," his spokesman said, "he believes throughout the city that we need to have a new approach to negotiating our labor agreements and that we can't sustain these labor costs in the long term."

Neighborhood council representatives, who forced the City Council last year to block an additional 7 percent water hike and then signed an agreement with the DWP intended to include them in the financial loop, expressed deep concern Monday over the proposed salary increase, saying they hadn't been told of their magnitude.

"How much can the consumer stand?" asked Michael N. Cohen, a Reseda Neighborhood Council board member. "DWP has some of the highest salary rates of any municipalities in the country. It's frankly run amok."

Jim Alger, president of the Northridge West Neighborhood Council, said he's deeply concerned about "the lack of transparency on this issue."

"While it is not the place of the neighborhood councils to micromanage the DWP ... what you have is an ongoing battle of special-interest groups versus the ratepayers, and something has to give."

The DWP's Deaton could not be reached for comment.

Robert Rozanski, the utility's chief administrative officer, said the proposed salary hikes keep pace with inflation, and are intended to keep the utility competitive in attracting workers. Linemen on the power side, for example, are in short supply.

"Clearly we're on the side of the ratepayers," Rozanski said. "It's really our responsibility and part of our mission to keep our rates as low as possible, but we also have reliability (issues) and regulations to comply with. A lot of what happens is driven by those regulations and there is some inflation."

IBEW's business manager, Brian D'Arcy, and other union representatives could not be reached for comment.

Councilman Tony Cardenas, who as chairman of the Commerce, Energy & Natural Resources Committee helped force the DWP to scale back its proposed water-rate hike last year, said the deal raises new questions about the utility.

"In the midst of water-rate increases, lawsuits lost by DWP, and environmental mitigation, we need to thoroughly look at the current financial capacity and stability of this department," Cardenas said in a statement.

The contract also includes about a \$1.3 million annual contribution to the Joint Safety Institute, and additional contributions to the Joint Training Institute, which deal with safety and training issues for DWP employees. Both are overseen by representatives of the union and the utility.

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