

## WATER DIVISION'S OVERTIME HOURS AND EXPENDITURES UPDATE

Board of Public Utilities  
February 11, 2019

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## BACKGROUND

1. May 2017 - Transparent California publishes 2016 report
  - a. RPU Dispatcher in top 10 overtime earners
2. Internal reviews/external audit
3. Policy and procedure review

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## BACKGROUND

### Overtime Factors

1. Level of Service
2. Business Decisions, (i.e. OT is lower cost alternative)
3. Effective Managerial Oversight
4. Regulatory and/or Safety Requirements
5. Labor Contracts
6. Aging Infrastructure

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## DISCUSSION

1. Level of Service (LOS)
  - a. Immediate response to emergencies
    - i. Major leaks
    - ii. Response to production and distribution system alarms
  - b. Perform maintenance work on water services after hours
    - i. Commercial / Industrial /Institutional customers

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## DISCUSSION



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## DISCUSSION



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## DISCUSSION



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## DISCUSSION

### 2. Business Decisions

#### a. Staffing levels

- i. Salary + Benefits > OT costs
  - a) OT is not subject to PERS
- ii. Practical limit to OT
  - a) Worker fatigue – lower productivity
  - b) Paid rest time – less completed during normal shift
- iii. Staff turnover
  - i. Newer staff unable to work independently

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## DISCUSSION

### 2. Business Decisions (continued)

#### b. Limited Shifts

- i. Normal shift is most productive
  - a) Daylight hours
  - b) Managerial oversight
- ii. Swing/graveyard – less productive
  - a) Standby staff reduces response time

## DISCUSSION

### 3. Effective Managerial Oversight

- a. Set appropriate expectations
- b. Ratify operational decisions
- c. Review of overtime hours

## DISCUSSION

For Illustration Purposes Only

Employee Name	Salary Hours	Salary Pay	Leave Hours	Leave Pay	Total Pay	Overtime Hours	Overtime Pay	% Overtime vs. Total Pay
Sally Smith	1460.50	\$69,766.42	299.50	\$14,306.89	\$84,073.31	525.10	\$47,396.45	56.38%
John Doe	1446.20	\$54,962.23	313.80	\$13,099.28	\$68,061.51	461.65	\$33,925.62	49.85%
Jim Johnson	607.00	\$32,704.95	31.50	\$1,697.19	\$34,402.14	368.30	\$35,539.24	103.31%

Between 40.01% and 50%	Blue
Between 50.01% and 100%	Orange
Over 100%	Red

Individual overtime levels may depend upon:

1. Type of work needed
2. Size of workgroup
3. Propensity to volunteer for overtime



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## DISCUSSION

### 4. Regulatory and/or Safety Requirements

- a. Construction work on busy streets normally done at night
  - i. PW requirement
  - ii. Minimize traffic impacts
  - iii. Increases construction mobility
- b. Maintenance at busy intersections done at night
  - i. Valves/hydrants
- c. Inspection of nighttime contractor work



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## DISCUSSION



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## DISCUSSION



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## DISCUSSION



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## DISCUSSION

### 5. Labor Contracts

- a. SEIU
- b. IBEW
  - i. Double-time
  - ii. Rest-time
  - iii. Meals
  - iv. Standby

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## DISCUSSION

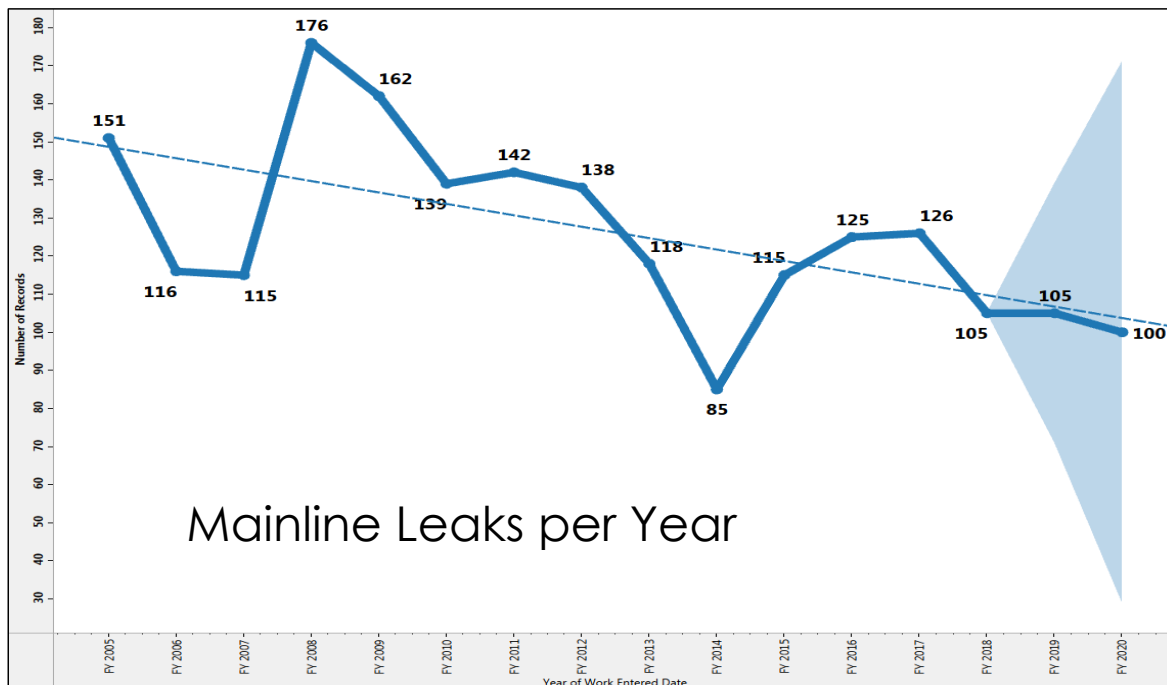
### 6. Aging Infrastructure

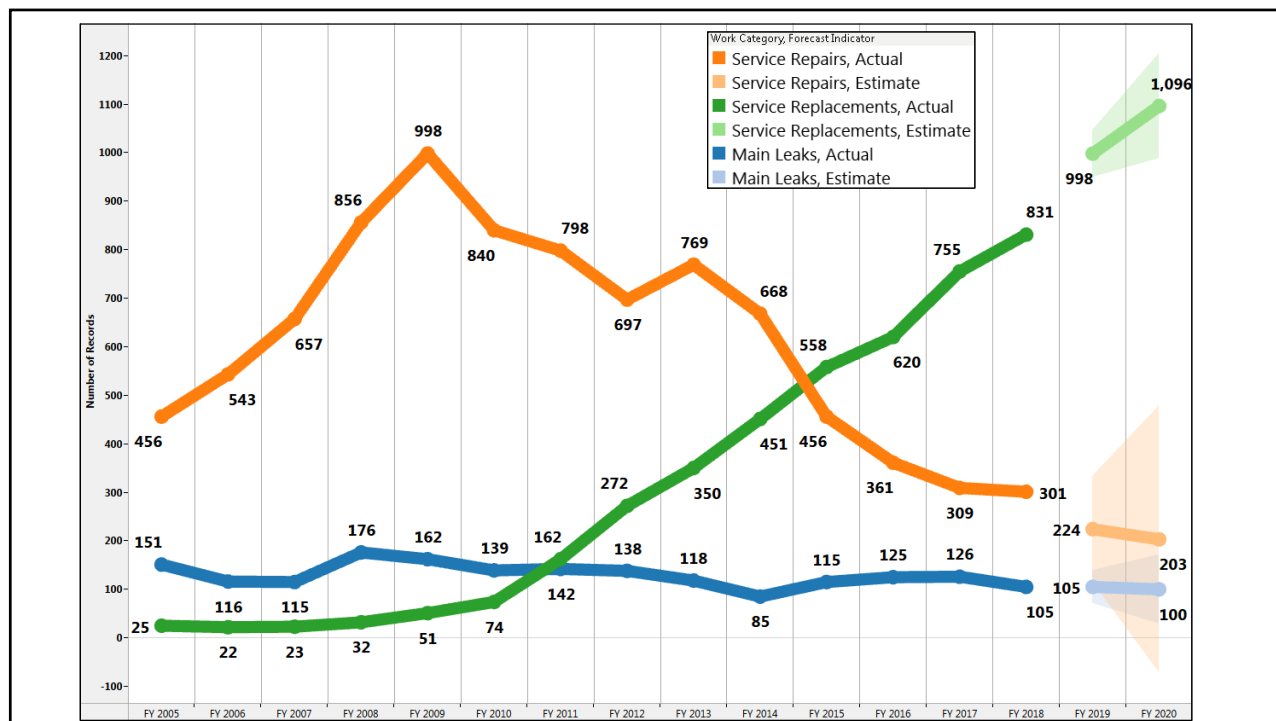
- a. Older infrastructure more prone to failure
- b. Scheduled replacement costs less
  - i. Safe WATER Plan - \$250M (10 years)
  - ii. Utility 2.0 - \$129M (5 years)
- c. Asset Management System (UWAM)
  - a. Identify best return on investment

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## DISCUSSION

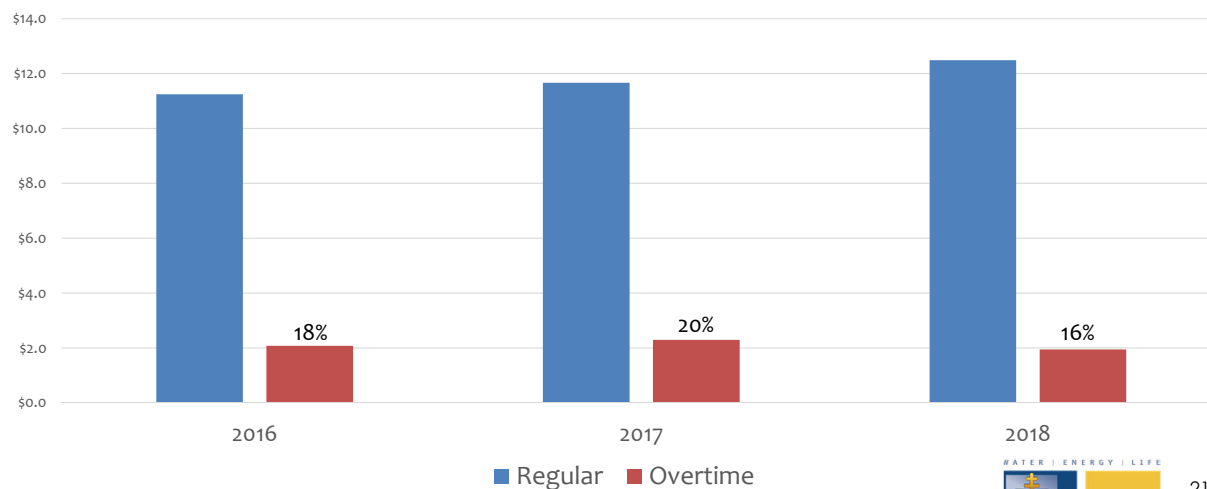
### Analysis

#### 1. Overtime Expenditures

- a. 70%-75% Planned and unplanned construction work
  - a. Spike in 2017 due to nighttime capital work
- b. 20%-25% Troubleshooters and standby time

## DISCUSSION

Water Division Regular and Overtime Pay (\$M)

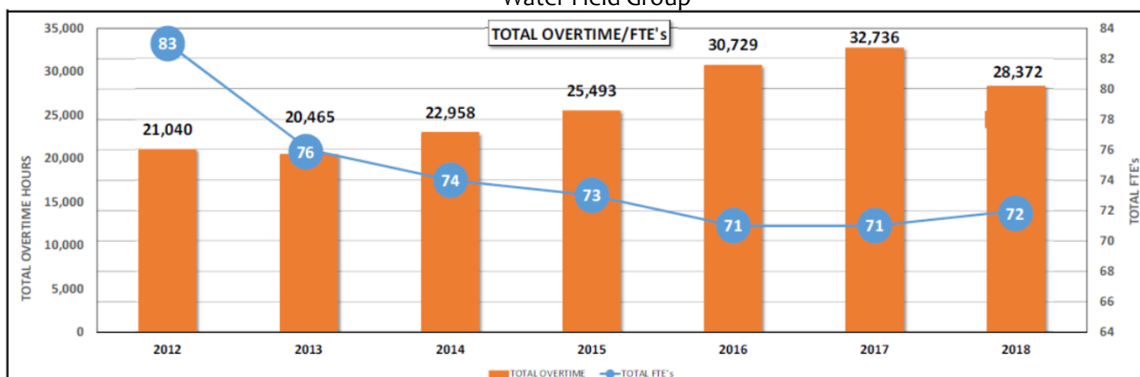


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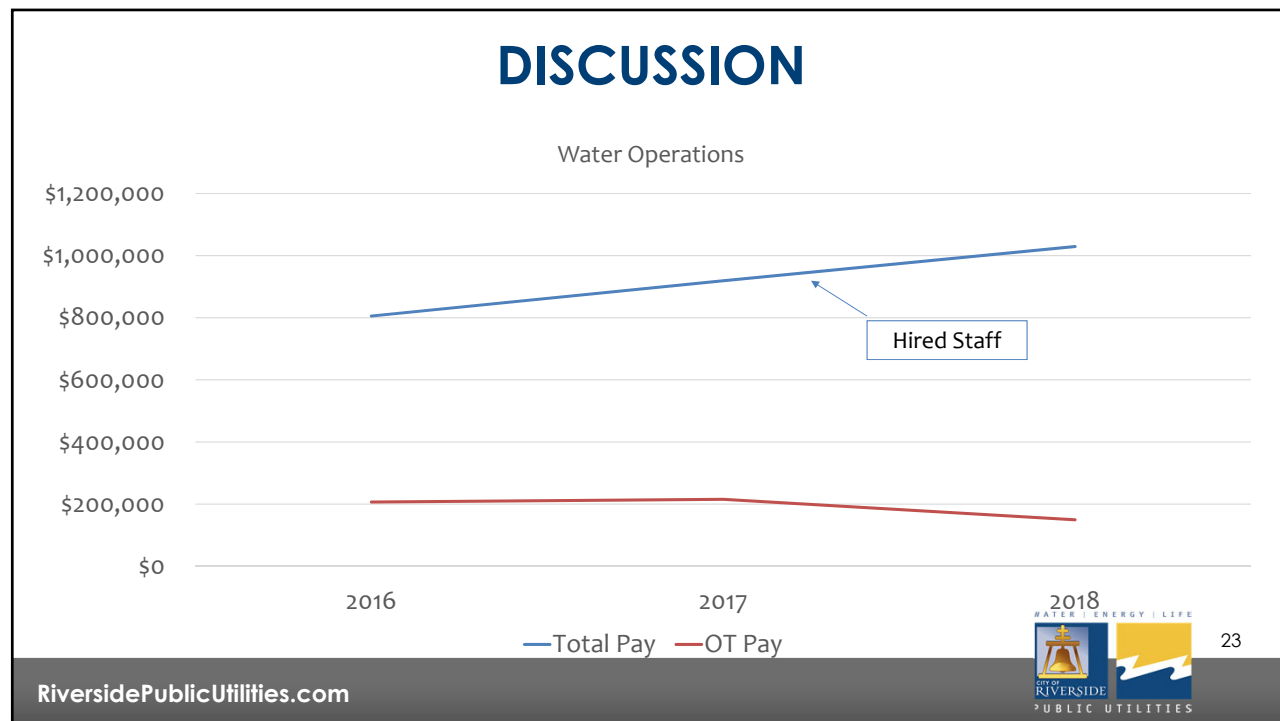
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Water Field Group



YEARLY OVERTIME HOURS BREAKDOWN

	2012	% OF TOTAL	2013	% OF TOTAL	2014	% OF TOTAL	2015	% OF TOTAL	2016	% OF TOTAL	2017	% OF TOTAL	2018	% OF TOTAL
EMERGENCY MAINT (LEAKS)	8,456	40%	11,408	56%	12,007	52%	13,838	54%	14,546	47%	15,097	46%	16,183	57%
CAPITAL PROJECTS	4,518	21%	1,459	7%	2,406	10%	2,642	10%	5,562	18%	5,989	18%	1,354	5%
TROUBLESHOOTERS	2,404	11%	2,600	13%	2,840	12%	2,997	12%	3,272	11%	3,272	10%	3,389	12%
STANDBY (1X PAY)	2,766	13%	2,832	14%	3,018	13%	2,835	11%	2,808	9%	2,783	9%	2,807	10%
DEVELOPMENT	1,228	6%	580	3%	1,021	4%	964	4%	1,587	5%	3,053	9%	1,509	5%
MISC WORK	411	2%	787	4%	458	2%	228	1%	555	2%	505	2%	763	3%
VALVE/HYDRANT MAINT	51	0%	249	1%	105	0%	589	2%	355	1%	300	1%	103	0%
CANAL	88	0%	173	1%	141	1%	132	1%	279	1%	202	1%	45	0%
METER SHOP WORK	67	0%	97	0%	14	0%	43	0%	35	0%	339	1%	976	3%
OTHER DEPT	732	3%	0	0%	250	1%	203	1%	180	1%	180	1%	352	1%
FLEX HOLIDAY (1X PAY)	320	2%	280	1%	544	2%	512	2%	976	3%	472	1%	272	1%
RESPONSE TRAVEL	0	0%	0	0%	153	1%	513	2%	576	2%	546	2%	621	2%
<b>GRAND TOTAL</b>	<b>21,040</b>		<b>20,465</b>		<b>22,958</b>		<b>25,493</b>		<b>30,729</b>		<b>32,736</b>		<b>28,372</b>	<b>YTD TOTAL</b>



OT Reduction Measure	Potential Consequences
Increase staffing and shifts	Staffing levels are always under review. However, at this time, increasing staffing levels or increasing shifts will likely increase costs without a commensurate increase in level of service
Reduced emergency response Including Standby	Lower responsiveness to customers. Could increase risk exposure.
Modify Labor Contracts	Current contract in place for three years.
Shift capital and maintenance work on major roads to daytime	Requires cooperation of permitting agency. May increase safety concerns. Where possible, night time capital work will be completed by contractors
Disrupt CII customers during working hours	Reduced Level of Service for commercial, industrial and institutional customers
Cross-training staff	May reduce individual overtime levels
Targeted CIP expenditures	If effective, then reduces emergency responses

## DISCUSSION

### 1. Action Items

- a. Continue to review staffing levels
- b. Increase cross-training
  - i. Supplement smaller groups
  - ii. Reduce impacts of staff turnover
- c. Target CIP expenditures on “at-risk” service laterals
- d. Where possible, use contractors for nighttime capital work

## RECOMMENDATION

That the Board of Public Utilities receive and file the Water Division's overtime hours and expenditures update.