



RESOLUTION NO. _____

BOARD LETTER APPROVAL

A blue ink signature of Ann M. Santilli.

ANN M. SANTILLI
Chief Financial Officer

A blue ink signature of Reiko A. Kerr.

REIKO A. KERR
Senior Assistant General Manager - Power System
Engineering, Planning, and Technical Services

A blue ink signature of Martin L. Adams.

MARTIN L. ADAMS
General Manager and Chief Engineer

DATE: April 7, 2022

SUBJECT: Fiscal Year 2022-2023 LADWP Final Budget – Power Revenue Fund
Receipts and Appropriations and Associated Schedules,
Fiscal Year 2022-2023 Annual Personnel Resolution

SUMMARY

Submitted for the Board of Water and Power Commissioners' (Board) consideration and approval is a Resolution to adopt and transmit to the Los Angeles City Council (Council) the LADWP Proposed Fiscal Year (FY) 2022-2023 Power Revenue Fund Receipts and Appropriations final budget and associated schedules totaling \$5.19 billion. Approval of this Resolution also provides authority for the FY 2022-2023 Annual Personnel Resolution (APR) for the Power Revenue Fund totaling 9,099 positions.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board adopt the attached Resolution authorizing:

1. Approval and transmittal of the FY 2022-2023 LADWP Power Revenue Fund Final Receipts and Appropriations budget and associated schedules to the Council; and,
2. Approval and execution of the FY 2022-2023 APR.

FINANCIAL INFORMATION

The Power Revenue Fund Proposed Final Budget incorporates expenditures for the Power System, including the share of expenditures associated with the Joint System and Water Revenue Fund that support Power System functions. Estimated appropriations for the Power Revenue Fund for FY 2022-2023, total \$6.06 billion. Net of receipts from the Water System, contributions in aid of construction, individuals, and companies and other miscellaneous sources, appropriations total \$5.19 billion.

BACKGROUND

On March 8, 2022, in accordance with City Charter Section 684 (as amended by Measure J adopted in March 2011), the Board reviewed and approved the transmittal of the FY 2022-2023 Preliminary Budget to the Council and the Mayor. By May 31, 2022, LADWP must update the preliminary budget based on additional information received after March 31, 2022, including without limitation, additional information about revenue and expense projections.

Since the development of the preliminary budget, LADWP Management has thoroughly reviewed the budget, prioritized, and adjusted the FY 2022-2023 spending proposals to support infrastructure investment, comply with regulatory mandates, and provide exemplary customer service, with continued cost control, to mitigate impact on customer rate.

Upon approval from the Board, the FY 2022-2023 Power Revenue Fund Receipts and Appropriations final budget and associated schedules will be transmitted to the Council in accordance with the City Charter. The FY 2022-2023 proposed final budget and associated financial plans have been provided to the Ratepayer Advocate for review.

FY 2022-2023 POWER REVENUE FUND BUDGET

Changes between the FY 2022-2023 Power Revenue Fund preliminary budget and this proposed final budget include the following highlighted items:

- Power Revenue Fund Capital is \$1,746 million reflecting an increase of \$30 million (a 1.8 percent increase from the \$1,716 million preliminary budget) primarily attributed to increases in Power Infrastructure (\$11 million), Power System Reliability Program (\$9 million), Operating Support (\$4 million), Energy Efficiency (\$3 million), and Renewable Portfolio Standard (\$3 million).
- Power Revenue Fund Operation and Maintenance (O&M) is \$1,483 million reflecting an increase of \$7 million (a .5 percent increase from the \$1,476 million preliminary budget) primarily attributed to increases in the Power Infrastructure (\$3 million), Power System Reliability Program (\$2 million), and Operating Support (\$2 million).

- Fuel, Purchased Power, and Other Expense is \$1,518 million, reflecting an increase of \$20 million due to Intermountain Power Project and natural gas costs.
- Retail revenue is \$4,289 million, reflecting an increase of \$73 million mainly due to increases in the incremental energy and reliability cost adjustment revenues.

The following documents are included in the FY 2022-2023 Power Revenue Fund Budget:

- LADWP Goals and Objectives
- Final Power Revenue Fund Receipts and Appropriations
- Power Revenue Fund Capital Improvement Program
- Power Revenue Fund Salaries and Authorized Number of Positions
- Retirement, Disability, and Death Benefit Insurance Plan
- Federal and State Grant Funding Estimates

FY 2022-2023 ANNUAL PERSONNEL RESOLUTION

The attached Resolution, approved as to form and legality by the City Attorney, establishes the maximum allowable number of positions for the LADWP for FY 2022-2023. Positions in the APR Schedule are listed by System (Joint, Power, and Water), Civil Service classification, and duties description record. Establishing positions for each System will provide flexibility and allow positions to be reassigned between the Divisions within each System in a manner that is most advantageous to the LADWP and that meets critical operational needs as they arise.

See attached Power Revenue Fund Salaries and Authorized Number of Positions as of July 2022, which reflects a total of 9,099 budgeted positions. The 5,191 positions represent the total staffing that the Power System has identified as necessary for continued and planned critical operations, with 3,908 Joint System positions in support. Employment of persons in positions authorized by this Resolution is subject to availability of authorized funding in the expenditure programs for the FY 2022-2023.

ENVIRONMENTAL DETERMINATION

Determined item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(2). In accordance with this section, an activity is not subject to CEQA if it will not result in a direct or reasonably foreseeable indirect physical change in the environment. Transmitting budget information to the Los Angeles City Council is not an action subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

ATTACHMENTS

- Resolution
- LADWP Goals and Objectives
- Final Power Revenue Fund Receipts and Appropriations
- Power Revenue Fund Capital Improvement Program
- Power Revenue Fund Salaries and Authorized Number of Positions
- Retirement, Disability, and Death Benefit Insurance Plan
- Federal and State Grant Funding Estimates
- FY 2022-2023 APR Schedule by System (one green bar report for the Board Office)

Resolution No. 022 190

(Amendment No. 327- ~~4365~~)

(Amendment No. 328- ~~3588~~)

FISCAL YEAR 2022-2023 POWER REVENUE FUND BUDGET

WHEREAS, Section 511(b) of the Los Angeles City Charter requires that the Board of Water and Power Commissioners (Board) shall, prior to the beginning of each Fiscal Year (FY), adopt an annual Department Budget for the Power Revenue Fund and make an annual appropriation covering its anticipated revenues and expenditures; and

WHEREAS, in March 2011, Los Angeles voters approved Measure J that requires the Los Angeles Department of Water and Power (LADWP) submit a Preliminary Budget to the Los Angeles City Council (Council) by March 31, 2022, and shall by May 31, 2022, update the preliminary budget based on additional information received after March 31, 2022, including without limitation, additional information about revenue and expense projections; and

WHEREAS, the Board approved the transmittal of the preliminary budget to the Council for informational purposes on March 8, 2022; and

WHEREAS, upon approval from the Board, the FY 2022-2023 Power Revenue Fund Receipts and Appropriations Final Budget and Associated Schedules will be transmitted to the Council in accordance with the City Charter; and

WHEREAS, Since the development of the preliminary budget, LADWP Management has thoroughly reviewed the budget, prioritized, and adjusted the FY 2022-2023 spending proposals to support infrastructure investment, comply with regulatory mandates, and provide exemplary customer service, with continued cost control to mitigate impact on customer rates.

WHEREAS, estimated appropriations for FY 2022-2023 total \$6.06 billion; and

WHEREAS, Net of receipts from the Water System, contributions in aid of construction, individuals, and companies and other miscellaneous sources, appropriations are \$5.19 billion; and

FISCAL YEAR 2022-2023 ANNUAL PERSONNEL RESOLUTION

WHEREAS, Resolution Nos. 327 and 328, adopted October 9, 1947, pertaining to the creation of positions and fixing of duties, responsibilities and other terms and conditions of employment have from time to time have been amended by the Board; and

WHEREAS, it is the desire of said Board to fix annually the number of positions authorized for LADWP employment; and

WHEREAS, it is the desire of said Board to reaffirm its commitment to equal employment opportunity.

NOW, THEREFORE, BE IT RESOLVED by the Board, as follows:

- (1) The "FY 2022-2023 Proposed Departmental Budget – Power Revenue Fund," submitted by the General Manager to this Board for adoption, and now on file with the Secretary of this Board, be and the same is hereby adopted as the "Annual Departmental Budget of the Los Angeles Department of Water and Power, FY 2022-2023, Power Revenue Fund" and that the appropriation shown therein be, and is hereby, made;
- (2) The amounts shown under the "Estimated Amounts for the FY 2021-2022" submitted as part of the "FY 2022-2023 Proposed Departmental Budget – Power Revenue Fund" by the General Manager to this Board for adoption, and now on file with the Secretary of this Board, be and the same are hereby adopted as the updated "Annual Budget of the Los Angeles Department of Water and Power, FY 2021-2022, Power Revenue Fund" and that the appropriation shown therein be, and is hereby, made;
- (3) The adopted "Annual Departmental Budget of the Los Angeles Department of Water and Power, FY 2022-2023, Power Revenue Fund" shall be transmitted to the Council as required by Los Angeles City Charter Section 684.
- (4) For the FY 2022-2023, employment of persons in positions heretofore created by the Board, as set forth in the LADWP Personnel Resolution, Resolution No. 328, and in Schedule "A" of the Position Evaluation and Compensation Plan, Resolution No. 327, as amended, shall not exceed the number of positions hereby fixed for each System by Civil Service Classification, and for each Duties Description Record (DDR), as set forth in the schedule now in the hands of the Secretary of the Board which schedule identifies said positions.
- (5) Employment of persons in positions authorized by this resolution shall be subject to availability of funds appropriated in the budget for the payment of salaries and wages, and shall not exceed the number of positions hereby fixed for each System by Civil Service Classification and DDR, as set forth in the schedule identified in Paragraph (4) above.
- (6) Appointment of persons to positions authorized by this resolution shall be subject to the conditions and constraints established in the Rules of the Board of Civil Service Commissioners of the City of Los Angeles.

- (7) If a substitute position is used to make a regular appointment, the General Manager may require that a budgeted position be held vacant in the same System; provided, however, that at no time shall the total number of persons employed within a System exceed the total number of budgeted positions authorized for that System.
- (8) Substitute positions may be used without holding a budgeted position vacant for the following purposes:
- a) To provide replacements for persons on extended sick leave or disability.
 - b) To provide temporary employment authority to meet emergency workloads that can be financed with funds accumulated due to position vacancies.
 - c) To provide succession planning to help ensure that institutional knowledge is captured, transferred, and understood by designated recipients.
 - d) To provide additional employment authority in training classifications for which the dropout rate is high and/or for which recruitment of positions is difficult or limited to specific periods of the year.
 - e) To fill Civil Service daily-rated, and Exempt daily-rated positions for which funding is provided in the expenditure program.
 - f) To fill part-time exempt positions to give students or recent graduates practical work experience which will assist them in qualifying for entry level Civil Service positions, provided the positions can be financed with funds accumulated due to position vacancies. Part-time exempt positions shall not be used to replace regular full-time positions.
- (9) The General Manager may approve the use of a substitute position in a Civil Service Classification and DDR not specifically listed in the schedule identified in Paragraph (8) above, to meet an emergency which involves or immediately threatens a substantial interruption or impairment of the LADWP's business. The use of a substitute position shall be subject to the provisions and limitations specified in Paragraphs (7) and (8) above.
- (10) It is the policy of this Board that when filling positions, express consideration be given to equal employment opportunity requirements prohibiting discrimination based on gender, race, color, national origin, age, disability, and all other protected classes, in the decisions and actions of the LADWP.
- (11) This resolution shall continue in effect until modified or until such time as the Board adopts the next subsequent annual resolution, setting forth the number of positions authorized by the Board.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held **MAY 10 2022**

Shanti L. Mitchell
Secretary

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

APR 07 2022

BY *[Signature]*
DIRK BROERSMA
DEPUTY CITY ATTORNEY