



Special Board of Directors Meeting

# Report on Department Head 2023 Salary Survey

Item 5-2

September 26, 2023

## Overview

# Department Head Salary Survey

- Review of process
- Market survey information
- Compensation options
- Board discussion and potential action

# Background

## Review of Process

- Determine job matches on the basis of:
  - Comparable work responsibilities and scope
  - Direct reporting relationship
  - Education and Experience requirements
  - Organization structure
- Valid comparison requires at least (3) matches

## Background

# Market Survey Information

- Annual Direct Report salary survey
  - General Manager
  - General Counsel
  - General Auditor
  - Ethics Officer
- Compares actual base salaries of incumbents
  - Bargaining unit comparisons measure salary range maximums
- Salaries measured against 75<sup>th</sup> percentile (+/-10%)

## Background

# MWD Uses Nine Comparator Agencies

Per Administrative Code, Section 6208(h)(2) and in use since 2004:

- County of Los Angeles
- East Bay Municipal Utility District
- Los Angeles Department of Water and Power
- Los Angeles Metropolitan Transportation Authority
- Orange County Water District
- San Diego County Water Authority
- San Francisco Public Utilities Commission
- Sanitation Districts of Los Angeles County
- State Department of Water Resources

# Market Data

## General Manager

Rank	Agency	Classification Title	Agency Actual Annual Salary	Percentage Differential
1	County of Los Angeles	Chief Executive Officer	\$559,115	-19.99%
2	<b>Metropolitan Water District of Southern California</b>	<b>General Manager</b>	<b>\$465,962</b>	
3	San Francisco Public Utilities Commission	General Manager	\$428,272	8.09%
4	Los Angeles Metropolitan Transportation Authority	Chief Executive Officer	\$424,362	8.93%
5	Sanitation Districts of Los Angeles County	Chief Engineer & General Manager	\$412,260	11.52%
6	Los Angeles Department of Water and Power	General Manager	\$400,019	14.15%
7	East Bay Municipal Utility District	General Manager	\$376,164	19.27%
8	San Diego County Water Authority	General Manager	\$336,810	27.72%
9	Orange County Water District	General Manager	\$320,320	31.26%
10	State Department of Water Resources	Director	\$224,473	51.83%

# General Manager

## Market Data

	Comparator Agency Actual Salary	MWD Actual Salary	Differential as Dollar Amount	Percentage Differential
25th Percentile	\$336,810	\$465,962	\$129,152	27.72%
50th Percentile/ Median	\$400,019	\$465,962	\$65,943	14.15%
<b>75th Percentile</b>	<b>\$424,362</b>	<b>\$465,962</b>	<b>\$41,600</b>	<b>8.93%</b>
99th Percentile	\$559,115	\$465,962	-\$93,153	-19.99%

# Market Data

## General Counsel

Rank	Agency	Classification Title	Agency Actual Annual Salary	Percentage Differential
1	County of Los Angeles	County Counsel	\$440,000	-19.20%
2	<b>Metropolitan Water District of Southern California</b>	<b>General Counsel</b>	<b>\$369,117</b>	
3	San Diego County Water Authority	General Counsel	\$295,000	20.08%
4	Los Angeles Department of Water and Power	General Counsel	\$285,554	22.64%
5	East Bay Municipal Utility District	General Counsel	\$281,784	23.66%
6	State Department of Water Resources	Chief Counsel	\$213,648	42.12%
	Los Angeles Metropolitan Transportation Authority	No Comparable Match		
	Orange County Water District	No Comparable Match		
	San Francisco Public Utilities Commission	No Comparable Match		
	Sanitation Districts of Los Angeles County	No Comparable Match		



# General Counsel

## Market Data

	Comparator Agency Actual Salary	MWD Actual Salary	Differential as Dollar Amount	Percentage Differential
25th Percentile	\$281,784	\$369,117	\$87,333	23.66%
50th Percentile/ Median	\$285,554	\$369,117	\$83,563	22.64%
<b>75th Percentile</b>	<b>\$295,000</b>	<b>\$369,117</b>	<b>\$74,117</b>	<b>20.08%</b>
99th Percentile	\$440,000	\$369,117	-\$70,883	-19.20%

# Market Data

## General Auditor

Rank	Agency	Classification Title	Agency Actual Annual Salary	Percentage Differential
1	County of Los Angeles	Auditor-Controller	\$329,390	-17.64%
2	Los Angeles Department of Water and Power	Principal Utility Accountant "A"	\$305,433	-9.08%
3	<b>Metropolitan Water District of Southern California</b>	<b>General Auditor</b>	<b>\$280,010</b>	
4	Los Angeles Metropolitan Transportation Authority	Executive Officer, Administration	\$222,872	20.41%
5	East Bay Municipal Utility District	Internal Auditor Supervisor	\$205,620	26.57%
6	Sanitation Districts of Los Angeles County	Supervising Internal Auditor	\$155,136	44.60%
7	State Department of Water Resources	Supervising Management Auditor	\$110,352	53.02%
8	Orange County Water District	No Comparable Match		
9	San Diego County Water Authority	No Comparable Match		
10	San Francisco Public Utilities Commission	No Comparable Match		

# General Auditor

## Market Data

	Comparator Agency Actual Salary	MWD Actual Salary	Differential as Dollar Amount	Percentage Differential
25th Percentile	\$167,757	\$280,010	\$112,253	40.09%
50th Percentile/ Median	\$214,246	\$280,010	\$65,764	23.49%
<b>75th Percentile</b>	<b>\$284,792</b>	<b>\$280,010</b>	<b>-\$4,782</b>	<b>-1.71%</b>
99th Percentile	\$329,390	\$280,010	-\$49,380	-17.64%

# Market Data

## Ethics Officer

Rank	Agency	Classification Title	Agency Actual Annual Salary	Percentage Differential
1	Metropolitan Water District of Southern California	Ethics Officer	\$290,014	
2	Los Angeles Metropolitan Transportation Authority	Chief Ethics Officer	\$262,891	9.35%
3	County of Los Angeles	Executive Director, Countywide Equity Oversight Panel	\$229,572	20.84%
	East Bay Municipal Utility District	No Comparable Match		
	Los Angeles Department of Water and Power	No Comparable Match		
	Orange County Water District	No Comparable Match		
	San Diego County Water Authority	No Comparable Match		
	San Francisco Public Utilities Commission	No Comparable Match		
	Sanitation Districts of Los Angeles County	No Comparable Match		
	State Department of Water Resources	No Comparable Match		

# Salary History

## Department Head Salary History

- Department Heads historically receive same COLA as bargaining unit employees

Classification Title	2019 Increase	2020 Increase	2021 Increase	2022 Increase
General Manager			Hired in 2021	3% + 8.75% adjustment
General Counsel	3%	0%	3%	3%
General Auditor				Hired 2023
Ethics Officer	Hired in 2019	0%	3%	3% + 14% adjustment
Bargaining Unit Employees	3%	3%	3%	3%

- At times, Department Heads have received merit increases and/or lump sum payments in addition to cost-of-living adjustment

## Salary History

# Department Head Merit Increase History

Classification Title	2019 Increase	2020 Increase	2021 Increase	2022 Increase
General Manager			Hired 2021	4%
General Counsel	3.5%	0%	7%	0%
General Auditor				Hired 2023
Ethics Officer	Hired 2019	0%	10%	0%

# Options

## Compensation Options

- Board has the authority to provide:
  - Cost of living adjustment
  - % Merit increase based on performance
  - Lump sum based on performance
- Bargaining unit employees compensated per negotiated MOUs:
  - Cost of living adjustment
  - Merit step increase based on performance, up to salary range maximum (2.75% to 11%)

Discussion

# Board Discussion and Potential Action



