Commission Staff Report

COMMISSION MEETING DATE:

SUBJECT: Reclassify Engineer V, Supervising Plant, Hydroelectric Facilities to Supervisor III

AGENDA CATEGORY: Discussion/Action

FROM:	Michael DeBortoli	**METHOD OF SELECTION:**	
	AGM II, Generations Services	*N/A*	
Division:	Generation Services	*If other, please describe:*	
Department:	Generation Services		

IMPACTED MEMBERS:

All Members	☒	**City of Lodi**	☐	**City of Shasta Lake**	☐
Alameda Municipal Power	☐	**City of Lompoc**	☐	**City of Ukiah**	☐
San Francisco Bay Area Rapid Transit	☐	**City of Palo Alto**	☐	**Plumas-Sierra REC**	☐
City of Biggs	☐	**City of Redding**	☐	**Port of Oakland**	☐
City of Gridley	☐	**City of Roseville**	☐	**Truckee Donner PUD**	☐
City of Healdsburg	☐	**City of Santa Clara**	☐	**Other**	☐

If other, please specify _____

_____

RECOMMENDATION:

Approve Resolution 23-XX authorizing the Agency to reclassify the Hydroelectric Engineer V, Supervising Plant (Chief Dam Safety Engineer) classification to the Supervisor III, Engineer classification.

BACKGROUND:

In accordance with Agency **Policy 402 Compensation**, *Changes in Classification of Existing Positions*: when any change is made within a department which significantly affects the duties and responsibilities of any position, the Manager will report these facts in writing to the Human Resources Manager. The appropriate Assistant General Manager shall approve the request for a study before it is reviewed by the General Manager.

The Human Resources Manager upon direction and approval of the Assistant General Manager, Generation Services, conducted a study of the Engineer V, Supervising Plant classification for the Hydroelectric Facilities. The primary purpose of the study was to conduct an internal and external job evaluation for this position. Early in the evaluation, it was recognized that there was a distinct difference between the Dam Safety Engineer role at Hydro and the plant engineers at CT and Geo. This study and recommendation apply only to the Dam Safety Engineer at Hydro.

The job evaluation methodology developed for this study used both internal and external job evaluation methods. The methodology included (1) a review and analysis of the existing Engineer V, job descriptions; (2) Meeting(s) with the Hydro Plant Manager to discuss and review the job duties, responsibilities and minimum qualifications for the level V Hydro Engineer, (3) review and analysis of market data provided by a third-party recruiter (JPowers).

Justification for Reclassification

The Chief Dam Safety Engineer (CDSE) is the critical hydro position for dam safety, hydroelectric engineering, construction management, regulatory compliance, and relicensing. Additionally, the CDSE is also the only position that is required by the Federal Energy Regulatory Commission (FERC) for Hydroelectric Projects. FERC is so concerned about the CDSE position that they require that all Licensees submit, for FERC approval, the individual resume of the CDSE to ensure they have the proper degree of education and experience to responsibly perform their critical duties.

The CDSE position has been under very active recruitment since April 2022 and, even with the help of a professional recruiting team (initial $60,000 fee), NCPA has not been able to find a qualified engineer interested in accepting the position. Recruitment has expanded to out-of-state candidates with little change of interest, as well as a lower probability of a successful and stable recruitment. The primary factor in the lack of recruitment success appears to be compensation.

Attractiveness of the position:

- In the recruiter's contacts with over 900 candidates; 273 provided feedback as to why they were not interested. Reasons cited were: making more than the top of the NCPA range, no hybrid work from home option, own company provides housing, will not get vaccinated.

- The recruiter indicated that demand for engineering remains very high and that the hydroelectric engineering market has experienced very significant raises (Department of Water Resources have recently given raises up to 25% to be more competitive), since the last time NCPA successfully recruited for the CDSE position in 2015.
- The single candidate, that was interested enough to be interviewed in the past year, rejected NCPA's offer of employment. The candidate was making more than NCPA's salary range.
    - It should be noted that this candidate had significant experience gaps which would have required extensive training and experience to rectify and it was not certain that they would have been approved by FERC due to lack of FERC dam safety experience (they only had experience is CA dam safety regulations).
- Feedback from recruited candidates has been positive in regards to NCPA Hydro work environment, its responsibilities, and perceived opportunities for professional challenge.
- The overall NCPA compensation package appears to be the last remaining aspect, within the Agency's control, to make the position attractive.

The CDSE supervises the Hydro Compliance Engineer, Civil Engineer (part time), Summer Engineering Intern, and reports to the Hydro Manager. One possible compensation solution would be recruiting the position as a Supervisor III which is class 27 (annual salary at control point $229,757) versus the Plant Engineer V (CDSE) which is currently class 24 (annual salary at control point $184,933).

Market Data Third Party Recruitment Firm (JPowers)

Outreach Start Date: 12/12/2022
Total contacts made to date: 1323
Total candidates on recruitment list: 703
Total Emails Sent: 815
Total Calls Made: 1323
Total Responses to Postings:15 not qualified.
Number interested in hearing more about the opportunity: 0
Number who have submitted their resumes: 9, including 5 from posting not qualified

Search Parameters:	1) Bachelor's Degree– Civil Engineering 2) An active Professional Civil Engineering License 3) Minimum seven years of hydroelectric civil engineering work experience 4) Strong Project Management dam field experience 5) Knowledge of Hydroelectric operations, maintenance, testing, troubleshooting, per-forming modifications, and equipment re-pair of hydroelectric generating facilities; Knowledge of safety work practices and principles associated in working around generating facilities.

JPowers has spoken with 407 candidates that fall into some variation of the Dam Safety/Hydroelectric industry. Candidates are not interested and they have found that NCPA is looking for someone that often falls into two positions with other utilities (Dam Safety Project Management and Dam Safety Compliance/Regulatory Engineer). Candidates are either more comfortable in the field in a construction manager role or in the office handling all compliance/regulatory related issues and overseeing all annual report writing.

Below is a list of utilities where at least one employee has indicated that they perform one of the functions and would not be interested in fulfilling both for the salary range given:

- Army Corps of Engineers
- Avista Utilities
- Bureau of Reclamation
- California Department of Water Resources
- Chelan County PUD
- Seattle City Light
- EBMUD
- Eugene Water and Electric Board
- Grant County PUD
- Idaho Power
- Los Angeles Department of Water and Power
- Merced Irrigation District
- PacifiCorp
- PG&E
- Puget Sound Energy
- SMUD
- Southern California Edison
- Tacoma Power

NCPA has historically, and currently, combines the field and office/regulatory responsibilities into a single position and is not proposing to add another engineering position at this time to improve recruitment.

Comparison of Job Duties, Responsibilities and Minimum Qualifications

The Engineer V, Hydro is distinguished from the Engineer V, Lodi Energy Center and Geothermal Facilities in the following ways:

Job Duties/Responsibilities: Acts as liaison to regulatory officials of FERC, DSOD, USFS, USGS and others. Working knowledge of federal, state, and local regulations relating to safety evaluations, permitting and licensing. Manages project flow gaging data collection and USGS reporting program in coordination with the Operations Supervisor. Monitors operation and maintenance activities for compliance with regulatory agency requirements.

Minimum Qualifications: Thirteen (13) years of responsible hydroelectric civil engineering supervisory work experience in: planning, design, permitting, O&M, project and construction management for large-sized projects, budgeting for capital improvement projects and operations/maintenance, direct supervision over professional staff, and currently designated as a CDSE.

Special Requirements: Supervises the Hydro Compliance Engineer, Civil Engineer (part time), Summer Engineering Intern. Registration as a licensed Civil Engineer is required. Certification from FERC is required for the Chief Dam Safety Engineer.

Findings

The Level V, Engineer (Hydro) Job Classification reflects key differences in job scope and duties as it relates to scope of responsibilities and minimum requirements. Specifically, supervisory duties, experience and education, and regulatory oversight and management as it pertains to FERC licensing (the prime Hydro regulatory body FERC, requires that licensees have an experienced and qualified CDSE).

In reviewing external factors, based on JPowers outreach over the past year they have found that the Hydroelectric/Dam Safety industry as a whole has shrunk drastically and will continue to shrink over the next five years as a predominantly older work force retires. This has increased compensation packages significantly at other utilities/owners/consulting firms. Candidates are moving up faster than they have in the past. What once took 15 years for a candidate to reach the Chief Dam Safety compensation level now takes half the amount of time.

Lastly, most candidates are interested in a hybrid or completely remote opportunity. Moving near or commuting to Murphys is not appealing with the salary given. It is their professional recommendation that we increase the salary to potentially be able to attract and retain candidates in the Dam Safety/Hydroelectric industry. Market data and job evaluation results provide the necessary basis to re-classify the Engineer V Supervising Plant (Hydro) to the Supervisor III, Engineer.

Successful grants and FEMA claims are directly related to having competent in-house CDSE/Plant engineering dedicated to all aspects of engineering project management responsibilities, specifically producing: assessments, FERC/DSOD submittals, Agency plans, project descriptions, permit applications, resource agency petitions, engineering/contractor scheduling guidance necessary to keep projects moving forward in a responsible, timely, and cost-effective fashion.

With the CDSE vacancy, Hydro is attempting to out-source a portion of the CDSE engineering responsibilities to engineers ($300/hour equating to $600,000/year) who will then need to be trained by the Hydro Plant Manager.

Outsourcing ~20% of the Hydro Plant Engineering responsibilities will result in additional direct costs to NCPA of over $200,000 this coming year, as well as potentially missing opportunities to mitigate emergency engineering/reliability needs as well as for certain grants/FEMA reimbursements. From a succession planning standpoint, outsourcing 20% of the Hydro Plant Engineering responsibilities will prevent the transfer of knowledge to the next generation of NCPA Plant Engineering staff.

FISCAL IMPACT:

Total cost of the revised compensation package (salary and benefits) is projected to be $323,198.96 per year. If the Agency began recruiting immediately after approval of this change, it is not likely the position would be filled before the beginning of February. This change would only impact 5 months of the fiscal year. The net effect of this change (fully loaded salary of Engineer V for full year minus new person fully loaded salary for 5 months including the $116k consulting fee) will result in a cost savings of $52,316.30 for FY24. The overall impact is positive this fiscal year. The change will be budgeted appropriately in coming fiscal years.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore, not a “project” for purposes of Section 21065 of the California Environmental Quality Act. No environmental review is necessary.

AFTER EXECUTIVE APPROVAL: On October 26, 2023, the Executive Committee reviewed and approved the recommendation above for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments:
- Resolution 23-XX
- Position Evaluation Report, Engineer V, Supervising Plant
- Supervisor III, Job Description