



State of California
Employment Training Panel

Training Proposal for:
California American Water
Agreement Number: ET09-0185

Panel Meeting of: **July 25, 2008**

ETP Regional Office: **San Diego**

Analyst: K. Campion

PROJECT PROFILE

Contract Type: SET Frontline - Retrainee

Industry Sector(s): Services

Counties Served: San Diego, Sacramento, Sonoma, Los Angeles, Ventura, Monterey

Repeat Contractor: Yes No

Union(s): Yes No
 Utility Workers of America, AFL-CIO, Region V; and International Union of Operating Engineers, Local 39

Priority Industry: Yes No

No. Employees in CA: 280

No. Employees Worldwide: 7,000

Turnover Rate %	Manager/Supervisor %
6%	0%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding	In-Kind Contribution
\$210,540	\$0	\$210,540	\$482,344

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	SET Frontline – Retrainee	Business Skills Computer Skills Continuous Improvement Commercial Skills	242	24 - 200	0	\$870	\$23.36
				Weighted Avg: 58			

Minimum Wage by County: \$23.36 – SET Frontline wage for all counties.

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No

\$5.40 per hour may be used to meet the Post-Retention Wage.

Other Benefits: 401(k), Pension, Paid Sick leave, Paid Vacation, Paid Holidays

Wage Range by Occupation	
Occupation Title	Wage Range
Administrative/Clerical Staff	
Customer Service Staff	
Operator/Utility Workers	
Landscape/Water Conservation Staff	
Maintenance Service Worker	
Engineer	
Technician	
Professional Staff	

INTRODUCTION

In this proposal, California American Water (AM Water) seeks funding for retraining as outlined below:

AM Water provides water and waste-water services to approximately 630,000 Californians in 50 communities across Northern, Central and Southern parts of the state. Its customers include residential, businesses, and some municipalities. AM Water is a subsidiary of American Water, headquartered in New Jersey that provides these services to approximately 15.6 million people in 32 states and Canada.

AM Water seeks ETP funding under the Special Employment Training (SET) project provisions whereby the Panel may fund up to 10% of the annual available training funds for SET projects to improve the skills and employment security of frontline workers who earn at least the state average hourly wage of \$23.36 per hour at the end of the employment retention period. Under SET the employer is not required to demonstrate out-of-state competition and the trainees are not required to meet eligibility standards (Unemployment Insurance Code Section 10214.5, Title 22, California Code of Regulations (CCR) Section 4409(a)). This proposal has been identified for SET funds because this industry sector does not face out-of-state competition.

In AM Water's first ETP project that ended in 2005, the company needed training for its frontline workers in the latest technologies such as remote meter reading and sophisticated computer monitoring systems to remain competitive. New state and federal laws in the wake of the September 11, 2001 incident required AM Water to provide training in continuous monitoring and maintenance of valuable water resources to assure that safe and clean water was available to a growing California population.

Company representatives report that its biggest challenges today are a critical shortage of qualified workers and the loss of these workers to other water districts. AM Water is faced with increased conservation and environmental requirements that require its workforce to be trained in the most updated water and wastewater conservation techniques. Specifically, the company has a number of capital improvement projects planned over the next two years including new or replacement wells, new distribution water storage tanks in Northern California, an upgrade to the Oak Hills wastewater pumping station, installing significant wastewater treatment improvements at the Las Palmas treatment plant, and equipment enhancements across all wastewater treatment facilities.

To meet these challenges, AM Water, the Utility Workers Union of America and the International Operating Engineers, worked collaboratively to create a plan to address these issues. Following an employee assessment and evaluating its competitive position in the marketplace, company representatives recognized that the company must improve frontline workers skills through formalized systematic training that would improve productivity and increase knowledge. Thus, AM Water requests ETP funds to train approximately 242 frontline workers in Business Skills, Computer Skills, Continuous Improvement, and Commercial Skills designed to upgrade the skills of frontline workers.

Green Business Operations

Company representatives state that AM Water participates in clean technology through rigorous business practices that promote a clean and healthy environment in water and wastewater management by participating in several environmental projects for the protection of rivers, creek beds, and in assisting with litter and hazardous waste from banks, trails and waterways. Additionally, AM Water's goals for water conservation include helping its customers find ways to create zero water landscaping and conserve water.

PROJECT DETAILS

Business Skills training is designed to help workers increase their business writing skills and learn how to effectively manage projects. Additionally, Customer Service Skills for the Internal Customer is projected to increase communication across departments, thereby improving workplace efficiencies.

Computer Skills training will provide a greater understanding of Accounting Software, Advanced Spreadsheet, and Advanced Microsoft WORD. Employees will be provided with the requisite skills that will effectively improve their skills to become more productive in the workplace.

Continuous Improvement training is designed to create better time management, improve communication, and promote critical thinking skills. These classes will enable employees to interact more effectively and productively while on the job so that they have the skills to respond more quickly to customer requests and solve customer problems more quickly. This training is projected to improve customer satisfaction.

Commercial Skills training will be provided to those employees who utilize equipment to improve job skills and effectiveness. Training topics include Instrumentation & Control, Valves & Hydrants, Water Distribution, Water Conservation, Pumps and Pumping Station maintenance, Electrical Fundamentals – Internal, Maintenance Services and Small Water Systems. Frontline workers will be trained in a variety of commercial skills that will assist them in operating and maintaining pumping stations and water treatment plant more effectively while meeting narrow profit margins and minimizing operational costs. This training is projected to improve the jobs skills of production staff so that they can effectively address the company's new capital improvements, while understanding the latest conservation and environmental guidelines. The company projects that, as a result of this training, production workers will have new knowledge in how to prevent pollution, promote sustainability and how to enhance the natural environment.

Commitment to Training

AM Water represents that ETP funds will not displace the existing financial commitment to training. The company anticipates that the opportunity for enhanced training made possible by ETP funds, will encourage an ongoing financial commitment in this area.

AM Water projects to spend approximately \$150,000 on training for its California workforce, above and beyond the proposed ETP training, in the following areas:

- New-hire orientation;
- Technical training in operations and wastewater to prepare operators for certification testing;
- Technical training for certified operators required to maintain their certifications;
- Basic supervisory skills for supervisors;
- Performance management skills; and
- Required safety training.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this project.

PRIOR PROJECTS

The following table summarizes performance by the company under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
ET04 – 0541	Statewide	12/30/03 – 12/29/05	\$235,040	\$131,508

AM Water reports that it went through a re-organization shortly after approval of the Agreement, which significantly delayed the start of training. Additionally, other staff changes also impacted the training plan. As a result, the company was unable to complete training as planned.

DEVELOPMENT SERVICES

The company retained Jami's Ink Inc. in Los Angeles to assist with development of this proposal for a flat fee of \$15,000.

ADMINISTRATIVE SERVICES

The company also retained Jami's Ink Inc. to perform administrative services in connection with this proposal for an amount not to exceed 13% of payment earned.

TRAINING VENDORS

Joan Zeglarski in Sacramento has been retained to provide training for a fee of \$50,000. Other trainers will be identified for ETP record-keeping purposes as they are retained by Am Water.

Exhibit B: Menu Curriculum

Class/Lab Hours

24 – 200

Trainees will receive any of the following:

BUSINESS SKILLS

- Business Writing Skills
- Project Management Skills
- Customer Service Skills for the Internal Customer

COMPUTER SKILLS

- Lotus Notes
- JD Edwards Accounting Software
- Advanced Spreadsheet
- Access
- Advanced Word

CONTINUOUS IMPROVEMENT

- Change Management
- Managing Multiple Priorities & Deadlines
- Communication & Conflict Resolution Skills
- Critical Thinking & Decision Making Skills

COMMERCIAL SKILLS

INSTRUMENTATION AND CONTROL SKILLS

- System Controls
- System Monitoring
- Systems Functions

VALVES AND HYDRANTS SKILLS

- Types of Valves and Hydrants
- Valve Connections and Installation
- Flow and Backflow
- Maintenance and Repair

WATER DISTRIBUTION SKILLS

- Source Water Distribution and Management
- Applied Water Hydraulics
- System operating equipment
- Disinfection methods
- Microbiology

WATER CONSERVATION SKILLS

- Water Resources Planning
- Demand Forecasting
- Evaluation of Potential New Source Waters
- Hydrologic Modeling
- Environmental Impact Analysis

PUMPS AND PUMPING STATION MAINTENANCE SKILLS

- Single and Double Suction
- Axial Flow and Mixed-Flow
- Installation and Inspection
- Maintenance and Recordkeeping

ELECTRICAL FUNDAMENTALS – INTERNAL SKILLS

- Principles of Electricity
- Electricity for Water Utility
- Inspection

MAINTENANCE SERVICES SKILLS

- Test, Disassemble, Clean, Repair Commercial and Residential Water Meters
- Maintain Well Sites
- Operate Well Chlorination Pumps

SMALL WATER SYSTEMS SKILLS

- Operations and Maintenance
- Testing and Sampling
- Installation of Pipelines

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June 10, 2008

Mr. Brian McMahon, Executive Director
Employment Training Panel
1100 J Street, 4th Floor
Sacramento, CA

Dear Mr. McMahon:

The Utility Workers of America, AFL-CIO, Region V along with Locals 508, 508-A and 511 representing employees of California American Water, support the Employment Training Panel Application of California American Water Company. We concur with the training that will be offered through this application and understand it will assist our workers in remaining competitive, knowledgeable and work with greater efficiency within the water industry.

If you have any questions or wish to discuss this matter, please don't hesitate to contact me at your convenience (949) 369-9936.

Sincerely,

Bernardo R. Garcia
Region 5 Director

CC: D. Grindeland
T. Haynes
J. Roldan
S. Weinstein



Stationary Engineers, Local 39

INTERNATIONAL UNION OF OPERATING ENGINEERS AFL-CIO

JERRY KALMAR

BUSINESS MANAGER-SECRETARY

June 23, 2008

ET09-0185

Mr. Brian McMahon, Executive Director
Employment Training Panel
1100 J Street, 4th Floor
Sacramento, CA 95814

Dear Mr. McMahon:

The International Union of Operating Engineers, Stationary Engineers, Local 39 supports the Employment Training Panel Application of California American Water Company. We concur with the training that will be offered through this application and understand it will assist our members in remaining competitive and knowledgeable, with the ability to work with greater efficiency within the water industry.

If you have any questions, please don't hesitate to call me at (916) 928-0399.

Sincerely,

Steve Thomas
Business Representative

cc: Jami Simon, CA American Water

ST:vp:IUOE#39/afi-cio