

7. Water Pollution Control Division's Personnel and Maintenance Management

- Although the Water Pollution Control Division was transferred from the Department of Public Works to the Public Utilities Commission in 1996, and the Division's Policies and Procedures Manual was last revised as recently as October of 2003, the manual continues to cite the Director of the Department of Public Works and the Department of Public Works Employee Reference Guide as policy authorities in several instances. Other Policies and Procedures Manuals, such as the Maintenance Management and Materials Management Manuals, which have been minimally revised since the Water Pollution Control Division's transfer to the Public Utilities Commission, also contain Department of Public Works references. It is clear, therefore, that critical documents that are supposed to communicate policies and procedures from management to all employees have not been comprehensively reviewed or updated in at least eight years.
- The Policies and Procedures Manual requires that Water Pollution Control Division employees receive an annual performance evaluation. Although Division management is currently making a significant effort to have all performance evaluations completed for the period ended June 30, 2004, our review of the performance evaluation files revealed that numerous Division employees did not receive an annual performance evaluation for previous periods.
- The administrative Policies and Procedures Manual contains (a) an *Entrance – Exit Policy* that is designed to track and control equipment and tools assigned to employees, and to track and control information, such as computer access codes, provided during each employee's tenure, and (b) a provision requiring that the Water Pollution Control Division conduct an exit interview of employees who are separating from the Division and that an Exit Interview Form is completed. Although a total of 66 Water Pollution Control Division employees have separated from the Public Utilities Commission since January of 2003, the Bureau of Human Resources had received a total of only 19 Equipment Processing and Exit Interview Forms for all years.
- The Water Pollution Control Division does not currently exclude pre-scheduled overtime hours from its calculation of overtime usage.

- **The Bureau of Human Resources processed a total of 40 Equal Employment Opportunity complaints from Water Pollution Control Division employees between February of 2000 and August of 2004. The results of the 40 complaint investigations are as follows: (1) 16 complaints were dismissed after an investigation showed insufficient evidence of discrimination; (2) seven complaints were closed after mediation or other mutual agreement among the parties; (3) eight complaints were closed after an investigation disclosed no factual evidence to identify a responsible person or other inconclusive outcome; (4) two complaints resulted in disciplinary actions; and (5) seven complaints were closed due to there not being sufficient evidence to support that the issue was concerned with equal employment opportunity.**
- **The former General Manager of the Public Utilities Commission met with a group of approximately 20 African-American female employees of the Water Pollution Control Division in February of 2004 to hear complaints of alleged unfair treatment. According to reports from some of those in attendance at the meeting, follow up actions have not been taken.**
- **According to the Section Chief who has been assigned responsibility for maintaining tools and equipment not issued to individual crews, there has not been an inventory of the tools and equipment in the tool rooms or storage containers since sometime in 2001. Using an inventory list provided by the Section Chief, we located some of the tools and equipment in the tool rooms but could not locate many other of the items. Tool and equipment accountability is weak within the Maintenance Division.**

Water Pollution Control Administration

Administration Policy and Procedures Manual

Although the Water Pollution Control Division was transferred to the Public Utilities Commission in 1996 and the Policies and Procedures Manual was revised in October of 2003, the Manual continues to cite the Director of the Department of Public Works and the Department of Public Works Employee Reference Guide as policy authorities in several instances. Other Policies and Procedures Manuals, such as the Maintenance Management and Materials Management Policies and Procedures Manuals, which have been minimally revised since the Water Pollution Control Division's transfer to the Public Utilities Commission, also contain references to the Department of Public Works. By revising the administrative Policies and Procedures Manual, on a high priority basis, to reflect current Public Utilities Commission policy direction, and by revising other Policies and Procedures Manuals on a priority basis as resources allow, the Division can implement policies that reflect the direction of the Public Utilities Commission and also remove vestiges of the Division's former attachment to the Department of Public Works,

which many staff members view as a hindrance to full integration into the Public Utilities Commission.

Administration Section

The Administration Section of the Water Pollution Control Division is responsible for performing normal administrative functions such as developing the Division's budget, processing personnel and payroll actions, and overseeing contracts. As shown in the Division's organizational chart, 14 positions, two of which are currently vacant, have been allocated to the Administration Section. Many of the Administration Section's responsibilities are prescribed in the Division's Policies and Procedures Manual, 2003 Edition. The Budget Analyst selected three administrative processes to evaluate the Water Pollution Control Division's compliance with the City's, the Public Utilities Commission's, and the Division's administrative regulations:

- Personnel evaluations.
- The Entrance – Exit Policy.
- Control of overtime.

The Budget Analyst also examined discipline and Equal Employment Opportunity issues.

Personnel Evaluations

As stated in Policy No. 4.2 of the Policies and Procedures Manual, *Performance Appraisals*, the purpose of performance appraisals is to ensure that employees understand their job functions and are evaluated fairly. The Policies and Procedures Manual requires that non-supervisory employees be evaluated once every year, based on their employment anniversary date.

The appraisal period for managers and supervisors is one year, coinciding with the fiscal year. According to the Policies and Procedures Manual, managers and supervisors are evaluated, based on goals and objectives that are established between the employee and the evaluator. The employee is evaluated on how well those goals and objectives were accomplished.

According to the Water Pollution Control Division, Water Pollution Control Division managers are currently making an effort to complete all performance evaluations due for the period ending June 30, 2004. However, our review of the performance evaluation files showed that for the period ending June 30, 2003, and for other previous reporting periods, numerous Division employees did not receive an annual performance evaluation. Our review of the performance evaluation files found that, although the written procedures specify that non-supervisory employees are evaluated once each year, based on their employment anniversary date, the Water Pollution Control Division has

established the end of the fiscal year as the one-year period for evaluating all non-supervisory and supervisory or management employees. According to the Director of Human Resources, a former General Manager, Public Utilities Commission, implemented the policy to evaluate all employees prior to the end of the fiscal year a few years ago to ensure that the performance evaluations were actually completed.

By ensuring that each Division employee is provided with an annual performance evaluation, Division management would be complying with an important City regulation and, combined with appropriate management actions, would also demonstrate to Division employees that the professional development of its staff members, of which sound performance evaluations are a necessary part, is a high priority task.

Entrance – Exit Policy

Policy No. 1.5 of the Policies and Procedures Manual, *Entrance – Exit Policy*, prescribes controls for issuing tools and equipment to Water Pollution Control Division employees. The Processing Unit of the Public Utilities Commission's Bureau of Human Resources initiates the entrance – exit process by creating an Equipment Processing Form for each new employee assigned to the Water Pollution Control Division and forwards the Equipment Processing Form to the Water Pollution Control Division. Subsequently, whenever equipment or tools are assigned, the employee's supervisor is responsible for recording such use on the Equipment Processing Form. In addition to tools and equipment, the Equipment Processing Form is also used for issuing keys, access codes, and any other information-enabling devices.

Policy No. 1.5 also requires that the Water Pollution Control Division conduct an exit interview with employees separating from employment at the Division and that an Exit Interview Form be completed. As a part of the prescribed separation process, the Water Pollution Control Division forwards the completed Equipment Processing Form and the Exit Interview Form to the Human Resources Division of the Public Utilities Commission.

In order to test whether the Equipment Processing Forms and the Exit Interview Forms are being completed and retained as required by Policy No. 1.5, the Budget Analyst selected ten names from a list of 66 employees who had separated from the Water Pollution Control Division since January of 2003. Of the ten files reviewed, the Bureau of Human Resources had received only four of the files. Further, the Bureau of Human Resources had received a total of only 19 Equipment Processing and Exit Interview Forms for all years, even though the separation list provided to the Budget Analyst by the Administrative Section of the Water Pollution Control Division contained a total of 66 employees separated since January of 2003.

The Budget Analyst reviewed the existing 19 Equipment Processing Forms and found that only five of the 19 Equipment Processing Forms had been adequately completed.

Control of Overtime

Policy 3.9, *Time Policies*, of the Water Pollution Control Division's Policies and Procedures Manual enumerates the following overtime policies:

- All overtime worked must have the advance approval of management.
- Annually, no Water Pollution Control Division employee may work overtime hours in excess of 16 percent of his or her regularly scheduled hours without the prior approval of the Appointing Officer.
- Compensatory time off may be taken only upon mutual agreement of the employee and supervisor. Compensatory time must be reported to the nearest 15 minutes and expended in minimum increments of one hour.
- Z-class employees may carry over a maximum balance of 80 compensatory hours to the next year. Amounts above 80 hours are lost at year's end. Non-Z employees receive pay for any excess compensatory time remaining at the end of the year with the exception of Operations staff working the 12-hour schedule, who must carry over 16 hours.

The Budget Analyst reviewed an overtime usage report provided by the Administration Section titled *Employee Overtime By Descending Amount* that shows overtime hours used for Water Pollution Control Division employees for all of fiscal year 2003-04. One column in the document, named *Over 16 %*, displays the comment "Over" for those employees who have exceeded the 16 percent usage level and "Warning" for those employees nearing the 16 percent level. Nineteen employees had worked overtime hours in excess of 16 percent of their regularly scheduled hours.

The Water Pollution Control Division's Operations Manager has informed the Budget Analyst that with one exception, all of the nineteen names listed as "Over" on the report are Operations Division employees who work a five-week rotating shift that includes 16 hours of pre-scheduled overtime every five weeks, as described in the cost-neutral rotating schedule provisions of the Memorandum of Understanding between the City and the International Union of Operating Engineers, Local 39. According to the Operations Manager, approximately 160 overtime hours should be deducted from the overtime usage totals of the subject Operations staff employees and that by so doing, none of the subject employees exceeded the 16 percent hurdle.

Subsequently, the Manager, Water Pollution Control Division, informed the Budget Analyst that although he thought that the Division had obtained a waiver excluding the pre-scheduled overtime hours from the 16 percent overtime hurdle calculation, he could not locate such a document. Therefore, the Budget Analyst recommends that all Water Pollution Control Division employees obtain the approval of the Appointing Officer prior to working overtime hours in excess of 16 percent of his or her regularly scheduled hours, or that the Water Pollution Control Division obtain a waiver from the Appointing Officer excluding pre-scheduled overtime hours from the 16 percent hurdle calculation.

Concerning the provision limiting a maximum balance of 80 compensatory hours to be carried forward, the Budget Analyst has been informed and has verified that the 80-hour provision was increased to 120 hours for Local 21, Z-Class employees in 2002. The Budget Analyst has reviewed the list of Z-class employees assigned to the Water Pollution Control Division showing the number of compensatory hours carried forward for each., and noted no irregularities.

Discipline

The Disciplinary Section of the Policies and Procedures Manual covers complaints, grievances, and the Employee Assistance Program. Based on information provided by the Administration Section of the Water Pollution Control Division, a total of 57 disciplinary actions were processed between November 14, 2002, and August 11, 2004, a period of approximately 21 months. The disciplinary actions ranged from Letters of Instruction to suspensions to a dismissal. In the opinion of the Budget Analyst, 57 disciplinary actions during a 21 month period appear reasonable, especially because some of the disciplinary actions were Letters of Instruction that were issued for administrative infractions. In at least one case, one repeat offender had multiple disciplinary actions, including five separate periods of suspension in a six-month period.

Equal Employment Opportunity Complaints

Based on information provided by the Public Utilities Commission's Bureau of Human Resources, the Bureau processed a total of 40 Equal Employment Opportunity (EEO) complaints between February of 2000 and August of 2004, distributed by calendar year as follows:

Table 7.1
Employee Complaints

Calendar Year	Number of EEO Complaints
2000	4
2001	16
2002	6
2003	10
2004 through August	4
Total	40

Source: Public Utilities Commission's Bureau of Human Resources

The complaints cover a wide range of issues; however, the majority of the complaints are concerned with racially-based harassment and retaliation. Thirteen of the sixteen complaints filed in calendar year 2001 were filed in July, August, and September of that year, five of which involved racially offensive symbols discovered in Water Pollution

Control Division work locations. The results of the complaint investigations are as follows: (1) 16 complaints were dismissed after an investigation showed insufficient evidence of discrimination; (2) seven complaints were closed after mediation or other mutual agreement among the parties; (3) eight complaints were closed after an investigation disclosed no factual evidence to identify a responsible person or other inconclusive outcome; (4) two complaints resulted in disciplinary actions; and (5) seven complaints were closed due to there not being sufficient evidence to support that the issue was concerned with equal employment opportunity.

Additionally, three lawsuits alleging discrimination or harassment, which were filed by Water Pollution Control Division employees, are pending.

The reduced numbers of EEO complaints filed since calendar year 2001 suggest that working conditions at the Water Pollution Control Division may have improved since that time. However, the former General Manager of the Public Utilities Commission met with a group of approximately 20 African-American female employees of the Water Pollution Control Division in February of 2004 to hear complaints of alleged unfair treatment, including disparate treatment in promotional opportunities and the administration of discipline. According to reports from some of those in attendance at the meeting, the Public Utilities Commission has not taken follow up actions. The former General Manager departed the Public Utilities Commission in May of 2004.

Accordingly, the Budget Analyst recommends that the General Manager, Public Utilities Commission, assess the February of 2004 concerns of Water Pollution Control Division employees regarding unfair treatment, including disparate treatment in promotional opportunities and the administration of discipline, and propose appropriate follow-up actions as needed.

Water Pollution Control Maintenance Division Operations

Maintenance Management Policies and Procedures

Most sections of the Maintenance Management Policies and Procedures Manual were created or last revised in calendar year 1987. Since that time, the Water Pollution Control Division was transferred from the Department of Public Works to the Public Utilities Commission, and the Water Pollution Control Division implemented use of the Maximo Computer Maintenance Management System approximately four years ago. Maximo automated many of the manual processes described in the Policies and Procedures Manual. The Maintenance Management Policies and Procedures Manual should be updated on a priority basis.

The Maintenance Management Policies and Procedures Manual and Materials Management Policies and Procedures Manual, discussed below, cover a wide range of maintenance and material handling functions and appear to be comprehensive in scope.

Aside from being outdated and in need of major revision, the Budget Analyst's review of the Maintenance Management Policies and Procedures Manual identified the following items:

- Section 1.5 of the Maintenance Management Policies and Procedures Manual describes the development and use of the Weekly Maintenance Plan which is intended to provide an effective means to schedule work for the following week so that maintenance personnel have adequate time for job preparation and moving materials to the job site.

Although the Maintenance Division does develop and use the Daily Work Schedule, described in Section 1.4 of the Maintenance Management Policies and Procedures Manual, it does not develop the Weekly Work Schedule, thus not providing the means of assisting maintenance crews in job preparation for a full week. Accordingly, we recommend that the Maintenance Division develop and use a Weekly Work Schedule.

- Section 1.6 of the Maintenance Management Policies and Procedures Manual describes the development and use of job cards, which is a bar chart schedule prepared by the Planner and used to coordinate the different phases and/or crews in a complex or extended job. The manual tasks described in Section 1.6 of the Maintenance Management Policies and Procedures Manual have been automated in Maximo. However, Maximo, as used by the Maintenance Division, does not produce a bar chart that shows task duration and sequencing, a major feature of the manual system. Accordingly, we recommend that the Maintenance Division investigate the feasibility and suitability of obtaining the charting capability through Maximo, Microsoft Project, or other means.
- Section 1.9 of the Maintenance Management Policies and Procedures Manual covers warranty tracking procedures and is designed to provide means of tracking equipment, parts, and material under warranty. Such a tracking capability is necessary for efficiently providing a means of obtaining warranty consideration and recovering costs in cases of warranted defective goods.

According to the Maintenance Manager, the warranty module in Maximo is not used, although the Water Pollution Control Division does have equipment that is under warranty. The Budget Analyst recommends that the Maintenance Division initiate warranty tracking on all new warranty items and bring existing warranty items under tracking control as resources permit. Since warranty provisions often require that preventive maintenance be performed as a condition of maintaining the warranty, the Water Pollution Control Division needs to ensure the preventive maintenance tracking of warranty items.

The Water Pollution Control Maintenance Division's Performance Standards

The mission of the Water Pollution Control Maintenance Division – to provide service, repairs, and improvements to Division equipment and facilities so that permit standards can be met efficiently and economically – is critical to the mission of the entire Water Pollution Control Division. The Division's performance standards, as enumerated in the FY 2003-04 Clean Water Enterprise – Final Budget document published by the Public Utilities Commission, are as follows:

- Number of major National Pollution Discharge Elimination System (NPDES) Permit violations.
- Number of critical equipment failures that cause permit violations.
- Respond in person to 95 percent of all sewer complaints within eight hours.

Only the third performance standard, “respond in person to 95 percent of all sewer complaints within eight hours,” provides an actual standard that can be measured. The other two statements are performance indicators that require qualitative or quantitative statements that can be measured. For example, “Zero NPDES Permit violations during the reporting period” would be a performance standard.

According to the Manager, Water Pollution Control Division, the Division's actual performance against the performance standards is shown in Table 7.2, below.

Table 7.2

Actual Performance

Fiscal Year	Number of NPDES Permit Violations	No. Of Critical Equipment Failures Causing Failures	Respond to 95% of all sewer complaints within 8 hours
1999-00	3	1	98%
2000-01	2	1	95%
2001-02	1	1	98%
2002-03	0	0	98%
2003-04	0	0	98%

Source: Water Pollution Control Division

The Water Pollution Control Division should use a structured approach to setting objectives. Performance measures could be effectively developed by enumerating the organization's Key Results Areas, defined as those areas of the organization's operations

in which important results will occur. For an organization as large as the Water Pollution Control Division, one Key Results Area should always concern personnel as that area pertains to staff development, training, safety, or other personnel-related issue.

The point of the foregoing discussion is not to criticize the Water Pollution Control Division's performance standards – we have audited organizations that have none – but to show that the performance standards identified by the Water Pollution Control Division can and should be improved upon.¹

Maintenance Division Staffing

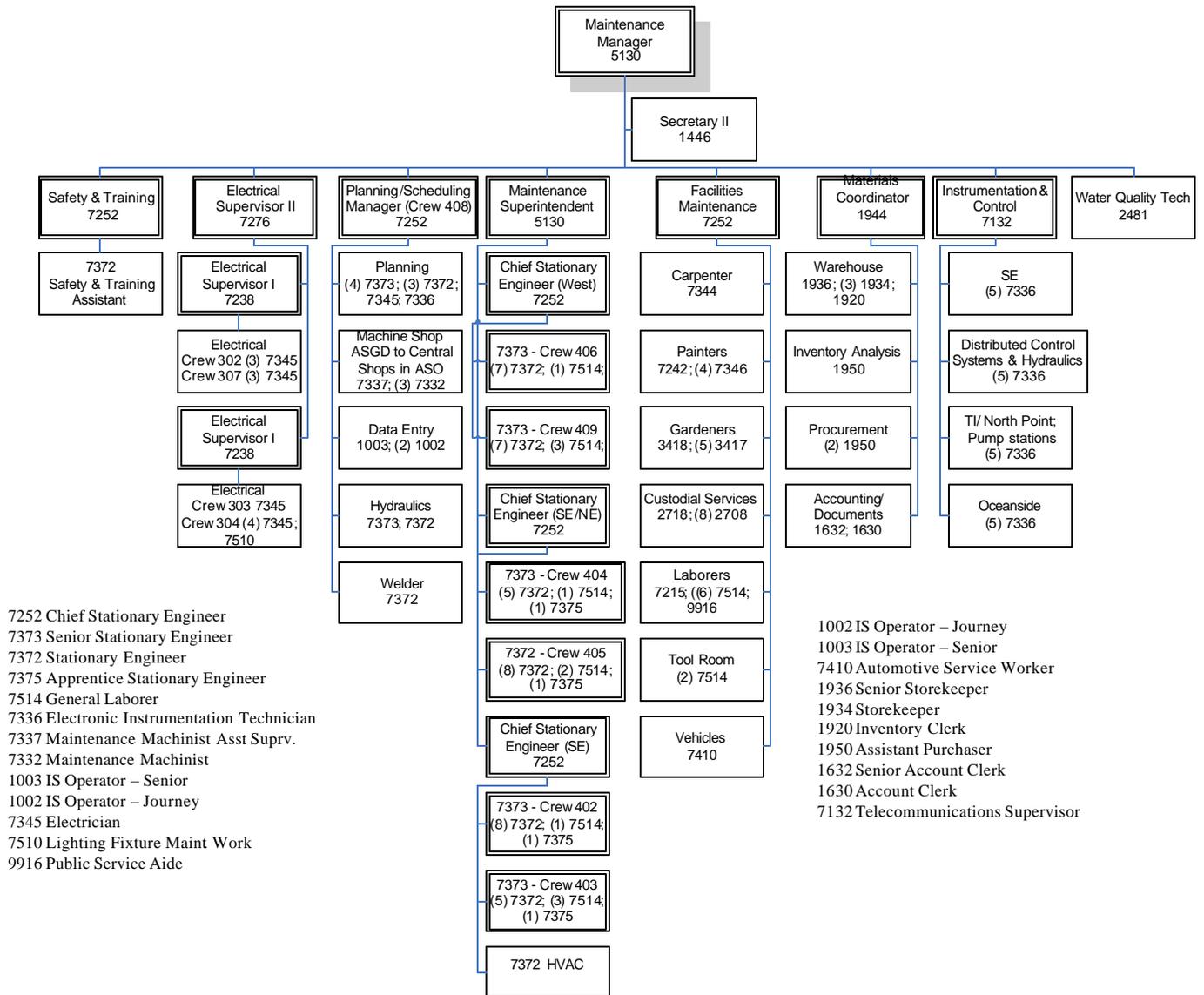
The Maintenance Division consists of 140 positions, most of which are in the Stationary Engineer classification. In general, stationary engineers are responsible for operating and maintaining a wide variety of complex machinery and equipment. The Water Pollution Control Operations Division operates and the Maintenance Division maintains the wastewater treatment plants.

The current organizational structure of the Maintenance Division is shown in Exhibit 7.1 below. Most of the work is performed by the stationary engineer classifications under the Maintenance Superintendent. The Maintenance Division also includes the Planning/Scheduling Section, which plans and schedules the work of the maintenance crews, and the Facilities Section, which plans and schedules their own work.

¹ An excellent text for guiding an organization through the process of developing sound objectives is *Management By Objectives and Results In the Public Sector* by George Morrissey.

Exhibit 7.1

Maintenance Division Organizational Chart



Time constraints did not allow the auditors to administer a survey to obtain information on the concerns of the maintenance staff. However, according to informal interviews with managers, supervisors, and maintenance workers, the quality of maintenance work and pay equity are two major concerns of the Maintenance Division staff.

- Quality of maintenance work: Maintenance Division staff perceive a wide range in the abilities and motivation of maintenance workers and supervisors. Most

Maintenance Division personnel whom we interviewed think that high standards should be set and enforced.

- Lack of pay equity with the Operations Division Chief Stationary Engineers, Senior Stationary Engineers, and Stationary Engineers: The Operations Division, in general, operates on a rotating, 5-week, 12-hour work shift, work schedule, with built-in overtime, and blocks of consecutive days off.

Maintenance Management Reporting – Management by Objectives

The Maintenance Division reports on its maintenance performance quarterly for the months ending in March, June, September, and December by publishing a Management by Objectives (MBO) Report. The MBO Report uses efficiency and effectiveness ratios and other metrics that show the performance of most of the maintenance crews and related disciplines assigned to the Maintenance Division. The primary metrics developed are shown below:

Report Section Name	Type Measure	Numerator	Denominator
Productivity	Efficiency	Estimated Hours Required to Complete the Job	Actual Hours Expended to Complete the Job
Compliance	Effectiveness	Hours of Priority 1 Work Planned	Hours of All Work Performed
Backlog	Combination Efficiency and Effectiveness	Work Planned, In Progress, and Awaiting Completion	None

The MBO Report is a useful management tool. The Maintenance Division could add to the usefulness of the tool by setting standards for each of the MBOs, adjusted for seasonal variations. The Manager, Maintenance Division should continue to develop the usefulness of the MBO Report, such as the recently initiated report on the numbers of preventive maintenance jobs planned and completed.

Materials Management

The Materials Management section provides required materials to the correct location, at an economical cost, and in a timely manner. The three operating segments within the Materials Management Section are as follows:

- Buyers: The function of the buyers is to procure materials, equipment, and spare parts at an economical price and in a timely manner.
- Inventory Control: The function of inventory control is to ensure that the storeroom is stocked with critical items and items whose usage warrants stocking.

- **Storeroom Operation:** The function of the storeroom is to receive, store, issue or deliver material to users in the most efficient means available.

Materials Management Policies and Procedures Manual

Most sections of the Materials Management Policies and Procedures Manual were created or last revised in 1988, prior to the transfer of the Water Pollution Control Division from the Department of Public Works to the Public Utilities Commission and the implementation of Maximo. Inventory and purchasing procedures have changed since 1988, including automation of procedures through Maximo, and decentralization of purchasing functions to the City departments. The Materials Management Policies and Procedures Manual should be updated on a priority basis.

Materials Management Operations

We reviewed the operations and facilities of the Materials Management Section and found the Section personnel knowledgeable in their work subjects and eager to support the users of their processes in an effective manner. The Materials Coordinator has served many years with the City, and is actively seeking means of improving the Section's capabilities and performance.

Discussions with the Materials Coordinator on how the Materials Management Section orders material revealed potential opportunities to improve material management support within the Water Pollution Control Division. Those possible opportunities are as follows:

- In order to reduce turnaround time from receipt of a purchase requisition to issuance of a purchase order, the Public Utilities Commission Administration should consider granting authority to the Water Pollution Control Division to approve their own Departmental (Proposition Q) purchase orders. The Materials Management Section would be required to approve the Departmental purchase orders following rules and regulations established by the City's Office of Contract Administration, the Controller's Office, and the Finance Bureau of the Public Utilities Commission.
- In order to reduce turnaround time for providing Material Receiving Reports (MRR) to the storeroom, the Public Utilities Commission Administration should consider granting authority to the Water Pollution Control Division to create MRRs in-house.
- In order to reduce the time from receipt of material to paying the vendor, and thus being able to take advantage of payment discounts, the Public Utilities Commission Administration should consider granting authority to the Water Pollution Control Division to generate vouchers for submission to Public Utilities Commission Administration. The Water Pollution Control Division would enter vouchers in the Advanced Purchasing and Inventory Control System (ADPICS).

Because decentralization of the purchasing, receiving, and payment functions affects all three enterprises of the Public Utilities Commission, the Budget Analyst will address

decentralization of the Public Utilities Commission-wide functions as a whole during the course of the management audit.

Storeroom Operations

The Water Pollution Control Division storeroom is clean and well organized. Storeroom staff are well versed in their duties and appear to execute their tasks in a safe manner. The auditors tested bin locations for item and number correspondence with inventory records and noted no discrepancies.

The storeroom operates a storage yard located on the North side of the Southeast Water Pollution Control Plant called Lot A. The items in Lot A are recorded in inventory and appear to be stored in accordance with storm water regulations.

However, adjacent to Lot A, separated only by a fence, is a larger storage yard called Lot B, or the "bone yard." All manner of items are stored in Lot B, including compressors, heat exchangers, pumps, fittings, valves, scrap metal, and pipe. Some of the items such as contractor left-over parts have never used, and some items reportedly date from the 1930s.

The items in Lot B are not in the inventory and the Water Pollution Control Division Maintenance Manager and Materials Coordinator disclaim ownership. However, the assets in Lot B should be brought under control. The Budget Analyst recommends that selected staff members of the Engineering, Maintenance, and Operations Divisions of the Water Pollution Control Division assess the usefulness of the items in Lot B, that the Maintenance Manager bring items selected for retention under inventory control, and that surplus items be reported as such or otherwise disposed of.

Control of Tools and Equipment

The tools and equipment maintained in the Southeast Water Pollution Control Plant tool room have not been inventoried since 2001. In a review of the most recent tool room inventory list, which contained 1,677 line items, we were able to identify the location of many of the tools and equipment items but could not locate many other of the items. Water Pollution Control Division management advise that staff have been doing partial inventories on a revolving basis so that they will not have to shut down the tool room for two or three days as would be required to perform a "wall to wall" inventory. Water Pollution Control Division management is reviewing records to determine the adequacy of those partial inventories.

Water Pollution Control Division Rules and Regulations require an annual inventory of tools and equipment and marking tools and equipment with "BWPC." Many but not all of the tools have been marked in accordance with the required designation.

Water Pollution Control Maintenance staff responsible for controlling tools and equipment are able to locate most tools and equipment and assist maintenance crews in

performing their work. However, the Water Pollution Control Maintenance Division does not have a method to hold staff accountable for missing tools and equipment.

The Manager, Maintenance Division, should initiate an inventory of all tools and equipment and establish a system of accountability.

Sewer Operations

The City's sewer system collects and treats up to 90 million gallons of sewage per day during the dry season and up to 465 million gallons each day during the rainy season. There are 898 miles of sewer pipes that are maintained by the Sewer Operations Division of the Water Pollution Control Division in conjunction with the Bureau of Street and Sewer Repair of the Department of Public Works. The Division is physically located at the City's Operations Yard on Cesar Chavez Street.

The Sewer Operations Division does no digging. The Bureau of Street and Sewer Repair performs street digging that is required to perform spot repairs of sewers. The Sewer Operations Division is authorized approximately 40 positions and is organized with two sections: (a) the Service Section responds to calls for assistance to clear blocked catch basins and other service malfunctions, and (b) the Inspection Section runs cameras into sewer lines to locate the cause of malfunctions.

Service Section crews are dispatched to problem areas from the Sewer Operations Cesar Chavez Street headquarters during regular duty hours of 6:30 a.m. to 3:00 p.m. The Water Pollution Control Division has work ordered funds to the Department of Telecommunications and Information Services to provide call-taking services between the hours of 3:00 p.m. and 6:30 a.m. Calls for service during the latter period come into the City's Emergency Communications Center at 1011 Turk Street and are radio relayed to a Sewer Operations unit in the field until 11:00 p.m. For other than emergencies, service calls coming in after 11:00 p.m. are handled the next day.

The work order to the Department of Telecommunications and Information Services from the Water Pollution Control Division for FY 2004-2005 is in the amount of \$128,195. The Water Pollution Control Division estimates that the Department of Telecommunications and Information Services transfers approximately 5,000 calls annually; thus, the cost per transferred call to the Water Pollution Control Division is approximately \$25.64.

The Water Pollution Control Division has attempted, unsuccessfully, to reduce its costs for call transfer services by either (1) having the Department of Telecommunications and Information Services reduce its rates, or (2) by contracting with another City agency to provide the service at a lower cost.

According to the Water Pollution Control Division's Manager, Collection Systems, there are now two options for obtaining the call taking services other than the Department of Telecommunications and Information Services. In addition to the Public Utilities

Commission's City Distribution Division, the Department of Public Works has very recently initiated a 24-hour per day, seven-day per week, dispatch for their "28-CLEAN" telephone line service and could provide the service. The Budget Analyst recommends that the Public Utilities Commission General Manager initiate action to obtain a reasonable cost for the service of taking calls for assistance concerning sewer services during the hours previously stated.

Conclusion

The Water Pollution Control Division is not in compliance with important provisions of its Policies and Procedures Manual and the Policies and Procedures Manual needs to be revised to reflect current Public Utilities Commission policy direction. The Maintenance Management Policies and Procedures Manual and the Materials Management Policies and Procedures Manual are both outdated and in need of revision.

The Water Pollution Control Division should make every effort to ensure fairness in promotional opportunities and other personnel-related processes. Management should particularly be attuned to what some employees see as a lack of respect and obtain training for Division personnel on gender and cultural sensitivities.

The MBO Report is a useful management tool that should be continually reviewed for improvement. Performance standards should be set at the appropriate levels within the Maintenance Division, adjust for seasonality.

The Water Pollution Control Division appears to have a very competent Materials Management Section. The Division's procurement needs could be improved by the Public Utilities Commission Administration granting the Division greater purchasing authority, with appropriate controls installed

Accountability for tools and equipment is problematic. The Maintenance Division has not complied with its inventory requirements for tools and equipment.

The items in Lot B of the Southeast Water Pollution Control Plant, should be brought under inventory control or disposed of.

Based on our analysis of reports provided by the Water Pollution Control Division, the Division is paying too much for its after-hour, call-taking services.

Recommendations

The Public Utilities Commission General Manager should:

- 7.1 Assess the February of 2004 concerns of Water Pollution Control Division employees regarding unfair treatment, including disparate treatment in promotional opportunities and the administration of discipline, and propose appropriate follow-up actions as needed.

- 7.2 Direct the Director of Financial Services to evaluate the availability and the cost effectiveness of alternative providers for the after-hour, call-taking service required for Sewer Operations services.

The Water Pollution Control Division Manager should:

- 7.3 Revise the administrative Policies and Procedures Manual to include all current Public Utilities Commission policies as a priority.
- 7.4 Revise the Materials Management Policies and Procedures Manual to include all current Public Utilities Commission policies as a priority.
- 7.5 Revise the Maintenance Management Policies and Procedures Manuals as necessary to include all current Public Utilities Commission policies and to reflect current Maintenance Division practices.
- 7.6 Require compliance with the Maintenance Management Policies and Procedures including:
- (a) Developing and implementing the “Weekly Work Schedule”;
 - (b) Investigating the feasibility of implementing “job cards” or other bar chart procedures in Maximo, Microsoft Project, or other systems;
 - (c) Implementing the “warranty” module in Maximo, including a system to track preventive maintenance on equipment under warranty.
- 7.7 Require all Water Pollution Control Division managers and supervisors to complete performance evaluations for all staff annually.
- 7.8 Include completion of staff performance evaluations annually as a goal and objective in the Water Pollution Control Division managers’ and supervisors’ performance evaluations.
- 7.9 Establish policies and practices, in conjunction with the Director of Human Resources, to improve morale within the Maintenance Division, including setting acceptable work standards, recognizing good work performance, and taking appropriate action when performance standards are not met.
- 7.10 Establish procedures for and monitor compliance with the “Entrance-Exit Form”, including ensuring the correct use of the form and forwarding the forms to the Bureau of Human Resources.
- 7.11 Comply with Policy 3.9 of the Water Pollution Control Division’s Policies and Procedures Manual, which requires that annually no Water Pollution Control Division employee may work overtime hours in excess of 16 percent of his or her regularly scheduled hours without the prior approval of the Appointing Officer, or

- obtain a waiver from the Appointing Officer excluding pre-scheduled overtime hours from the 16 percent hurdle calculation.
- 7.12 Direct the Maintenance Manager to continue developing the “Management by Objectives” report as a management tool to monitor the performance of the maintenance crews.
 - 7.13 Direct the Maintenance Manager and Materials Coordinator to inventory all items in Lot B, assess the usefulness of each item, bring the items selected for retention under inventory control, and dispose of surplus items in accordance with Public Utilities Commission policy.
 - 7.14 Direct the Maintenance Manager to establish procedures to inventory all tools and equipment in the Southeast Water Pollution Control Plant tool room annually and to ensure that all items are marked.
 - 7.15 Direct the Maintenance Manager to establish written policies and procedures regarding inventory and accountability of all tools and equipment, including identification of staff members responsible for location of tools and equipment at all times and sign-out procedures for tools and equipment.
 - 7.16 Develop performance objectives that are stated in measurable terms for each of the Division’s Key Results Areas.

Costs and Benefits

The Water Pollution Control Division could achieve approximately \$100,000 in cost savings from obtaining more economical call-taking services for Sewer Operations. The Budget Analyst’s other recommendations can be accomplished with existing staff in-house. The benefits of the recommendations would include a more efficient water pollution control operation, with personnel better supported by the administrative staff, and the Operations Division better supported by the Maintenance Division.