



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown  
FROM: Frank Lawson, General Manager  
DATE: August 28, 2019  
SUBJECT: General Manager Contract Amendment Request  
OBJECTIVE: Board Action

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## **Issue**

The General Manager is requesting the Board authorize the Chief Workforce Officer, Lena Kostopulos, to work with EWEB Legal Counsel on potential amendments to the General Manager Employment Agreement, consistent with conditions to be specified, for potential future approval by the Board.

## **Background**

On June 26, 2016, EWEB and Frank Jay Lawson entered into an employment agreement, which covers aspects of the General Manager's employment including agreement term, compensation, benefits, termination, and dispute resolution.

## **Discussion**

On April 2, 2019, during discussions of the General Manager's salary, the Board President directed the Chief Workforce Officer to continue to monitor and gather updated comparable compensation data for the General Manager position. Presently, the contract states the following:

*The General Manager's base salary shall be reviewed annually in accordance with EWEB pay survey and compensation practices. It is intended that the General Manager's salary will be kept competitive with the public utility industry and comparative northwest power and water utilities as determined by the Board using data derived from a custom survey and/or as reported by published third-party survey(s) indicating the most recent salary and other compensation information of comparative northwest power utilities and taking into consideration utilities with similar revenue and customer classes.*

Since April, the Chief Workforce Officer has gathered information from other utilities, and expects an updated industry salary report in September. This information typically forms the basis for "competitive with the public utility sector", but does not account for performance. It is the goal of the General Manager that compensation shall be consistent with Board Policy EL-4, Compensation and Benefits, with the goal of remaining competitive with provisions that account for both market position within the public utility industry and personal performance.

The General Manager has also identified other opportunities to adjust the present contract, including the following:

1. Aligns Leave accruals and procedures with those for all employees, as provided under EWEB Policy 400.05, Employee Leaves Policy.

2. Develops a methodology for ongoing *market-based* compensation adjustments, providing for adjustments covering the entire contract period.
3. Provides for regular *performance-based* compensation awards and/or adjustments, as determined by the Board, which are distinct from market adjustments.
4. Modifies termination and severance clauses for without-cause termination intended to foster continuity, while aligning with regional comparators.

**Action**

The Board is requested to approve a motion “*authorizing EWEB’s Chief Workforce Officer to work with legal counsel on amendments to the General Manager Employment Agreement for potential future approval by the Board*”.