

CANBY UTILITY
REGULAR BOARD MEETING
NOVEMBER 12, 2024
7:00 P.M.

AGENDA

- I. CALL TO ORDER
- II. AGENDA
 - Additions, Deletions or Corrections to the Meeting Agenda
- III. CONSENT AGENDA
 - Approval of Agenda
 - Approval of Regular Board Meeting Minutes of October 8, 2024 (pp. 1-4)
 - Approval of Payment of Water and Electric Bills
- IV. CITIZEN INPUT ON NON-AGENDA ITEMS *Citizen's wanting to speak virtually, please email or call the Board Secretary-Clerk by 4:30 p.m. on November 12, 2024 with your name, the topic you would like to speak on, and contact information: bbenson@canbyutility.org or 503-263-4312.*
- V. RECOMMENDATION Authorize Sole Source Procurement Method to Hire GSI Water Solutions – Carol Sullivan, General Manager (pp. 5-10)
- VI. RESOLUTION NO. 325 Exempt Employee Compensation Plan, Procedure 405 – Barbara Benson, Human Resources / Administration Manager (pp. 11-18)
- VII. BOARD REPORT
 - Chair Comments
 - Board Member Comments
- VIII. STAFF REPORTS

Customer Service Supervisor:

 - Red Flag Rules (pg. 19)

Board Secretary:

 - Employee Recognition Event

General Manager Updates
- IX. ADJOURN

***CANBY UTILITY
REGULAR BOARD MEETING MINUTES
OCTOBER 8, 2024***

Board Present: Chair Thompson; Members Horrax, Molamphy, Pendleton, and Hill

Staff Present: Carol Sullivan, General Manager; Barbara Benson, Board Secretary; Jason Berning, Operations Manager; Mike Schelske, Finance Manager; and Cindy Dittmar, Customer Service Supervisor

Others Present: Brian Hutchins, Laurie Grenya, Corianne Burnett, Joe Brennan, and Patty Travis

Chair Thompson called the Regular Board Meeting to order at 7:00 p.m.

Chair Thompson presented the meeting agenda for consideration, noting that it had been amended to include a recommendation related to feasibility studies. She asked for any additions, deletions, or corrections to the agenda items, and there were none.

Chair Thompson presented the consent agenda for approval. Member Molamphy made the *MOTION to approve the consent agenda, consisting of the amended meeting agenda, regular meeting minutes of September 10, 2024, and payment of the electric and water department bills in the amount of \$1,387,964.56. Member Hill seconded, and the motion passed 5-0.

Chair Thompson asked for citizen input on non-agenda items, and there was none.

Chair Thompson introduced Laurie Grenya from HR Answers, who presented the market salary study results for the exempt management positions. Grenya began her presentation by stating that HR Answers was hired to perform the compensation study, specifically making certain they were using appropriate comparable organizations and published salary surveys. She also discussed considerations of Procedure 405, which is currently the standard for managing the compensation plan and pay progression for the organization.

Grenya explained their approach to the market study. They reached out to fourteen organizations, and nine of them submitted data. The methodology followed best compensation practices, ensuring that the data used was at least a 70% match between Canby Utility's position descriptions and the job content across participating organizations and the surveys used. They applied a standard deviation test to all of the data received. The survey results found that four positions lagged the market between 3.5% and 8.7%. Grenya noted that the General Manager's compensation has a range but is not on a step schedule based on an exclusion in Procedure 405. Grenya said that two positions have a positive relationship with the market, within 5% of the

median, and therefore they do not recommend changes. The role of the Purchasing Agent significantly leads the market, and they recommend a reduction in this range to meet the market.

Grenya reviewed their recommendations to adjust the pay ranges to align with the market and then place the employee at the next higher step within the new range. Grenya stated that since the General Manager does not have step increases, they recommend increasing the current rate by 4%, based on the overall average of what the others are getting when their salary lagged the market. She also recommended red-circling the Purchasing Agent position salary with no additional increases until the market catches up to the employee's salary. Grenya noted that the total base salary annual increase impact is \$20,440.36 as a result of the study.

Other recommendations identified in the study included: 1) a review and update job descriptions to ensure compliance with Fair Labor Standards Act guidelines and wage standards, noting this is not a deficiency but a standard recommendation in all of their compensation studies; 2) updating Procedure 405 to use the 2080 standardizing wage calculations instead of the current 2088 hours that accounts for leap year; 3) regular market studies conducted every 18 months to ensure salaries do not lag the market or sooner if there is a significant change in a position; and 4) significant changes to a job description or the creating of new positions should undergo thorough review for FLSA compliance and wage alignment. Chair Thompson suggested incorporating the job description reviews for FLSA, salary study frequency of 18 to 24 months or as recommended by staff, and the standardized wage calculation of 2080 into Procedure 405. Member Molamphy asked that action on this recommendation be carried over to the next meeting so that the Board could adopt the study results and an updated Procedure 405 together. The Board had a consensus in support of adopting the recommended salary range and salary adjustments. A brief discussion ensued regarding the provisions of Procedure 405 and the recommendation to be presented at the November board meeting.

General Manager Carol Sullivan reported that during the August board meeting, Operations Manager Jason Berning reported on feasibility studies that Bonneville Power Administration (BPA) and Portland General Electric (PGE) require to help better understand and plan for new transmission loads that are on the horizon.

Sullivan said that multiple large loads, greater than one megawatt, are projected to come into our service area and have been submitted to BPA for the study. Due to the potential constraints on PGE's transmission system lines feeding Canby Utility's substations, PGE now requires feasibility studies to ensure we can bring on the new loads. BPA will initially pay the two \$50,000 deposits, one for each substation. Canby Utility is then required to reimburse BPA according to the reimbursement agreement. These studies will give us a snapshot of the amount of load we can safely and reliably bring to Canby over the next ten years.

Sullivan added that additional studies may be necessary should the initial Feasibility Study find that the existing system configuration is unable to accommodate the growth. The study is required before we can bring in new loads. Operations Manager Jason Berning explained the challenges we face with several developments, such as waiting in the queue to complete the

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studies before they know if they can build in Canby due to this requirement. A discussion ensued regarding the Feasibility Study deposit costing \$50k, the System Impact Study deposit costing \$50k, and the Facilities Study deposit costing \$75k for each substation, and the overall cost of deposits alone could be as high as \$350k. The Board expressed significant concerns about these study requirements and the potential for substantial costs to Canby Utility. The board asked several questions, such as options for cost recovery and study deliverables, that staff would take back to BPA to answer. Sullivan said that the board attorney's office reviewed the reimbursement agreement. Following a lengthy discussion, Member Horrax made the *MOTION to authorize the General Manager to reimburse the Bonneville Power Administration per the reimbursement agreement for two feasibility studies, requiring an initial study deposit. Member Hill seconded, and the motion passed 5-0.

Operations Manager Jason Berning presented the quarterly reliability report. He explained that Canby Utility's SAIDI and SAIFI indices are very favorable. In February and March, we saw an increase in momentary and total interruptions due to transmission outages. Animals caused the power outages this past quarter.

General Manager Carol Sullivan reported that the last bond payment for the 2004 water review bonds was made on October 1. This bond was refunded in 2014, and the annual payments were approximately \$220,000. The 2007 water revenue bonds, which were refunded in 2017, will be paid off in 2027 and has an annual payment of \$207,000.

Sullivan reported that the preproposal meeting for Conceptual Engineering & Owner's Representative Services for the Canby Drinking Water Supply System was held on September 23. There were 14 interested parties in attendance representing 8 firms. Sullivan provided the board with a copy of the presentation materials from the meeting, Mark Knudson's monthly report for September 2024 for the Consultant Procurement Support project, and an updated Gantt chart. Sullivan reviewed the progress for September. Sullivan noted that the procurement support project is on schedule and within budget; however, a budget adjustment in the future may be necessary due to a greater level of support than initially anticipated. Sullivan also reviewed the work planned for this month, noting that proposals are due on October 24.

Sullivan reported that Canby Utility submitted an entry for the scarecrow contest. The entry can be viewed at NW 2nd Avenue and Grant Street.

Member Molamphy made the *MOTION to adjourn the meeting. Member Horrax seconded, and the motion passed 5-0.

The meeting adjourned at 8:23 p.m.

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Melody Thompson, Chair

David Horrax, Member

John Molamphy, Member

Jack Pendleton, Member

Jake Hill, Member

Barbara Benson, Board Secretary



MEMORANDUM

To: Chair Thompson, Member Horrax, Member Molamphy, Member Pendleton, and Member Hill

From: Carol Sullivan, General Manager

Date: October 23, 2024

Subject: Recommendation for Sole Source Procurement

Recommended Motion: Motion to authorize Canby Utility to use the sole source procurement method to hire GSI Water Solutions to provide water right point of diversion and water supply strategic planning and permitting for the Canby Drinking Water Supply System project.

Background: GSI Water Solution (GSI) has been a trusted technical resource for Canby Utility's (CU) source water related projects including the recent water rights analysis, the Water Management and Conservation Plan, Molalla and Willamette Rivers water rights, and the Ground Water Supply Feasibility study. We would like to continue utilizing the expert services GSI offers for the Canby Drinking Water Supply System project and have estimated a not-to-exceed cost for their services to be \$84,228. This cost estimate falls within an Intermediate Procurement level threshold for personal services (\$25,000 to \$250,000). Per CU's local contracting rules regarding personal services, for intermediate procurements, CU would typically require a minimum of three prospective contractors be contacted to obtain quotes for the work to be completed. (Section 1.10.020(3) of CU's local contracting rules). However, CU's local contracting rules also permit, and we are recommending, that we proceed with a sole source procurement method for our upcoming project with GSI. Section 1.10.020(5) permits a sole source procurement without this informal selection process if CU has previously worked with the contractor. In this case, staff recommends contracting directly with GSI based on our established relationship with this vendor and their unique capability to meet our requirements effectively, aligning with both CU procurement policy and the guidelines for procurement in the State of Oregon.

Justification:

1. **Prior Working Relationship:** We have successfully collaborated with GSI in the past, and they have demonstrated their ability to deliver high-quality results.
2. **Specialized Expertise:** GSI has specific expertise in the complexities of water rights rules and regulations and CU's source water options and limitations, which is essential for the successful execution of the project. Engaging a new vendor would likely require additional time and resources to reach the same level of understanding and efficiency.
3. **CU's Procurement Policy:** According to our procurement policy, sole source procurement can be justified when prior relationships, specialized services, and the vendor's familiarity with the utility's needs can create cost and time efficiencies. GSI meets these criteria, making them a strategic choice for this project.
4. **Cost Savings:** The sole source procurement will provide cost savings with employee resources by not having to advertise, evaluate multiple bids, check references, and negotiate with various vendors.

Conclusion:

In light of these factors, we recommend we move forward with GSI Water Solutions using the sole source procurement method. This will ensure the project proceeds smoothly and efficiently.

Please let me know if you require any further information or have any questions regarding this recommendation.



Scope of Work and Fee Estimate

To: Carol R. Sullivan. General Manger
Canby Utility
PO. Box 1070
Canby, OR 97013
503-266-1156; csullivan@canbyutility.org

From: Adam Sussman - GSI Water Solutions, Inc.
Kim Grigsby – GSI Water Solutions, Inc.

Date: November 6, 2024

RE: Water Right Consulting Services – Canby Drinking Water Supply System Project

Dear Carol:

GSI Water Solutions, Inc. (GSI) has enjoyed its relationship with Canby Utility (CU) over the last decade and we appreciate the opportunity to support CU's Drinking Water Supply System project. Based on our conversations we understand CU is seeking water rights-related support from GSI, specifically to support the selected Owner's Representative Team with water supply planning and permitting and to implement previously identified water rights transactions. GSI will execute this work by building off its years of experience working with CU, particularly GSI's recent *Water Supply for Willamette River Water System* Technical Memorandum (March 18, 2024).

At your request, GSI has developed this scope of work and fee estimate.

Scope of Work

Task 1 – Support Owner's Representative Team

Overall, the objective of this task is for GSI to support the engineering firm that is selected to provide conceptual engineering and Owner's Representative Services. More specifically, to provide support for the items listed in the September 12, 2024, Request for Proposal and associated scope of work for Project Definition Services. GSI's activities to provide this support are anticipated to include but are not limited to:

- Participation in Identification of Service Level Goals, including confirming the availability of water rights and water supply at the anticipated point of diversion to meet projected demands.
- Participation in Intake Planning and the associated water rights requirements and limitations.
- Participation in Permitting Strategy, including identifying the needed water rights permits/approvals and associated budget-level costs and timelines and providing support for the federal permitting strategy and associated implementation.
- As requested, evaluate additional/alternative water supply options for the Willamette River intake.

-
- Participation in other water rights and water supply-related activities needed for Project Definition and as requested by CU.

Deliverables: To be defined as project proceeds.

Assumptions: Up to 10 meetings; 2 in person and 8 via an on-line video platform.

Task 2 – Initiate Water Rights Transactions

Overall, the objective of this task is for GSI to initiate water rights transactions needed for the successful implementation of the Drinking Water Supply System project. Getting a final decision from Oregon Water Resources Department (OWRD) on submitted water rights transactions can take several years, and GSI can develop the transaction applications so that CU's water rights are not put at risk if the Drinking Water Supply project does not proceed forward. This effort will be closely coordinated with the selected Owner's Representative Team and will include gaining specific feedback from OWRD to reduce risk. GSI's activities to provide this support are anticipated to include but are not limited to:

- After coordination and confirmation with CU and the selected Owner's Representative Team, develop and submit three water rights transactions to OWRD identified in GSI's March 18, 2024, Technical Memorandum:
 - a permit amendment application to change the location of the point of diversion for Willamette River Permit S-54691
 - a transfer application for Molalla River water right certificate 86087 to add a point of diversion at the Willamette River intake location
 - a permit amendment application for Molalla River Permit S-46199 to add a point of diversion at the Willamette River intake location
- Compile needed information, develop required applications and maps and land use information forms.
- After review by CU and the Owner's Representative Team finalize, compile signatures and submit to OWRD.
- Facilitate OWRD review and respond to application information questions.
- Review OWRD processing documents and communications with OWRD, CU and the Owner's Representative Team.

Deliverables: Draft and final applications (2 permit amendments and 1 transfer)

Assumptions: Up to 3 meetings via an on-line video platform to review draft applications; one in person meeting with the CU Board to describe activities.

Task 3 – On Call Support

Overall, the objective of this task is for GSI to provide water rights support to CU related to the Drinking Water Supply System project but not captured in tasks 1 and 2 above. Activities could include but are not limited to evaluating water rights purchase opportunities, updates to the CU Board, and other requests made by CU.

Fee Estimate

GSI will conduct this work on a time and materials basis. Based on our current understanding of the project, we estimate a not-to-exceed budget of \$84,228 for Tasks 1-3. A table showing estimated budget by activity is below. The effort by activity may vary but the overall budget will not be exceeded without approval from CU. This budget estimate includes estimates of direct expenses (travel). The estimated budget does not include the required water right transaction fees (OWRD and local government review), GSI has assumed CU will pay these fees directly.

Description	Labor Hours	Labor Cost	Direct Expenses	Total
Task 1 - Support Owner's Representative Team	235	\$48,767	\$188	\$48,955
Task 2 - Initiate Water Rights Transactions -	135	\$25,221	\$94	\$25,315
Task 3 - On Call Support	43	\$9,865	\$94	\$9,959
Project Totals	413	\$83,853	\$375	\$84,228

GSI is not required to perform activities in excess of this stated not-to-exceed budget. GSI's 2024 labor rates are attached.

Schedule

GSI anticipates the activities under Tasks 1-3 will be ongoing for 3 years from notice to proceed.

Please do not hesitate to give me a call with questions at 541-602-5188. If this scope of work meets your needs, I understand that Canby Utility will develop a professional services contract for review by GSI.

Sincerely,
GSI Water Solutions, Inc.



Adam Sussman
Principal Water Resources Consultant

Enclosures:
GSI's 2024 labor rates



2024 GSI Fee Schedule

Labor Category	Hourly Rate
Technical Professionals	
Principal	\$200 – \$280
Supervising	\$190 – \$235
Managing	\$170 – \$200
Consulting	\$150 – \$185
Project	\$135 – \$165
Staff	\$110 – \$150
Other Services	
GIS/Graphics/Database	\$120 – \$175
Editor/Documents	\$120 – \$145
Administration	\$85 – \$120

The hourly rate for trial preparation and expert witness testimony is 1.5 times the standard billing rate shown above.

Expenses

- **Mileage:** IRS authorized rate/mile plus 10 percent markup
- **Direct expenses and outside services:** Cost plus 10 percent markup
- **Enterprise GIS:** \$100 per month for the duration of use



MEMORANDUM

To: Chair Thompson, Member Horrax, Member Molamphy, Member Pendleton, and Member Hill

From: Barbara Benson, Human Resources/Administration Manager

Date: November 6, 2024

Subject: Revised Exempt Employee Compensation Plan and Salary Study

Recommended Motion: Move to Adopt Resolution No. 325, Updating Canby Utility's Exempt Employee Compensation Plan and Salary Ranges, Repealing Resolution No. 306.

Background:

At the October board meeting, Laurie Grenya of HR Answers, Inc., presented the results of their 2024 Exempt Employee Compensation Study. During her presentation, recommendations were discussed that the Board wanted incorporated into the Canby Utility Exempt Employee Compensation Plan (Procedure 405). In addition to HR Answer's recommended changes, additional updates were made to improve procedural clarity.

Key Changes:

1. Standardizing Wage Calculations

Changes CU's current practice of calculating wages based on 2088 annual hours (accounting for leap years) to the standard 2080-hour calculation method.

2. Red-Circle Salary Policy

Clarified conditions for "red-circling" salaries when an employee's pay exceeds the set maximum, limiting further increases until alignment with market adjustments, and for when an employee's salary may be reduced due to substantial changes in the job duties.

3. Market Study Frequency

Establishes a range of time for when compensation studies are to be conducted by an independent consultant - every 18 to 24 months - to keep CU salaries competitive. This includes benchmarking against similar organizations in the industry and region.

4. Compliance with Fair Labor Standards Act Standards (FLSA)

Establishes expectations for regular reviews of job descriptions. It also sets a trigger for when a thorough review of job duties is completed to ensure that employee classifications align with regulatory requirements.

In addition to the procedural updates, the Board had consensus to approve HR Answer's employee salary adjustments and salary range recommendations that were identified in their Executive Summary report. The new salary ranges are reflected in the attached Procedure 405.

RESOLUTION NO. 325

A RESOLUTION ADOPTING REVISIONS TO PROCEDURE 405 AND UPDATED SALARY RANGES FOR EXEMPT EMPLOYEES

WHEREAS, Procedure 405 relates to compensation for Canby Utility’s exempt employees;

WHEREAS, the Canby Utility Board of Directors (“Board”) originally adopted Procedure 405 in 2012 and was revised in 2021; and

WHEREAS, HR Answers, Inc., recently conducted a compensation study of Canby Utility’s exempt positions and made recommendations to update compensation related practices; and

WHEREAS, the Board desired to incorporate their recommendations into the procedures.

NOW, THEREFORE, THE CANBY UTILITY BOARD RESOLVES AS FOLLOWS:

1. The Board adopts a new version of Procedure 405, attached as Exhibit A and incorporated into this resolution by reference. The version in Exhibit A replaces the existing version of Procedure 405.
2. Attached and incorporated into the new version of Procedure 405 is a list of the salary ranges for exempt employees, updated based on the recommendations made by the compensation study consultant. Cost of living adjustments to these ranges will be made pursuant to the terms of Procedure 405. The Board may also periodically adjust these ranges in its discretion.
3. Identified positions in the study whose salaries lag the market will be adjusted as recommended by the compensation consultant.
3. This resolution takes effect on November 16, 2024.
4. Resolution No. 306 is hereby repealed.

Approved on November 12, 2024

Melody Thompson, Chair

David Horrax, Member

John Molamphy, Member

Jack Pendleton, Member

Jake Hill, Member

Barbara Benson, Board Secretary

CANBY UTILITY

PROCEDURE 405

Revised November 2024

Exempt Employee Compensation Plan

I. Purpose

Well-qualified and dedicated employees are key to Canby Utility (CU) meeting its mission. The Compensation Plan (Plan) has been developed to maintain an internally and externally equitable salary program.

II. Scope

This procedure applies to CU's exempt, full-time employees whose compensation is not determined by a collective bargaining agreement. This includes the General Manager, except as an employment contract or this procedure expressly states otherwise.

III. Policy

CU strives to pay its employees a total compensation package that is competitive with those in the region and industry, recognizing individual effort and contribution to CU's success. The Plan focuses on being competitive, rewarding knowledge, skills, tenure, performance, and being centered on values. The Board of Directors (Board) is responsible for establishing policy for the Plan, with the General Manager being generally responsible for executing the Plan and the HR Administration Manager responsible for maintaining the Plan's procedure. The General Manager is not responsible for executing the Plan relative to the General Manager's compensation. The Board will be solely responsible for executing the Plan relative to the General Manager's compensation. The Plan will be executed in line with the employee's overall performance.

IV. Compensation Program Elements

A. Salary Ranges

CU sets minimum and maximum salary values for each pay range under the plan, calculated using the standard 2,080 annual work hours. The HR Administration Manager maintains these salary ranges with progression steps being established in accordance with Sections IV.A.2 and IV.A.3 below.

1. Minimum Range

The minimum of the appropriate salary range is the rate of pay for newly hired employees and the minimum rate of pay at any time. New employees will be hired at the minimum salary. New employees with experience and/or education significantly exceeding the job description may be hired at a rate of pay within the salary range.

2. Maximum Range

The maximum of a salary range provides an upper limit of pay for employees and the maximum to be paid at any time unless: (i) the Board authorizes an employee to be paid above the maximum on a case-by-case basis, or (ii) pursuant to the condition described in Section IV.A.6.

3. Range Spread

The salary range for each position consists of a thirty percent (30%) spread from minimum to maximum salary, with the market average as the mid-point. The Board-approved market-average will be placed in "Step 3". Calculations for determining salary ranges are subject to change based on the recommendations of compensation consultants.

4. Salary Range Approach

CU applies a salary range for each exempt position that has been approved by the Board. Except as the Board may determine otherwise in its discretion, salary ranges are established through a recommendation from the independent compensation consultant and the General Manager. The range is used to calculate salary steps. Salary steps are created by using an equal spread in dollars between steps, with the exception of the probationary step being set at 50% of the equal spread in dollars.

5. Cost of Living Adjustment

Exempt employee's salaries and salary ranges will be adjusted every year based on the Consumer Price Index (CPI-U) for West B/C published each August. The inflationary adjustment is retroactively applied to the salaries and salary ranges at the beginning of the fiscal year, July 1. A negative index will not impact employee salaries or ranges. In that scenario, salaries and ranges will reflect a 0% increase for that year. On an annual basis, staff will report to the Board on the status of CPI-U adjustments.

6. "Red-Circle" Salary

When changes to the compensation structure or grade occur and an employee's current pay at the time of the change is above the maximum, or if the position is re-evaluated and reclassified to a lower range, the

salary may be “red-circled.” The employee will be considered ineligible for an increase in pay until an adjustment in the salary range brings the rate within the established range for the position. However, if the employee’s job duties have substantially changed since the previous market study, the Board may reduce the salary to align with the updated market.

B. Salary Steps

Salary steps are how employees progress through a salary range throughout their CU career. CU uses a five (5) step plan plus a probationary half-step. Salary steps do not apply to the General Manager, and the terms of the General Manager’s employment agreement govern pay.

1. Step Progression

A covered employee will progress to the next step by:

- Successfully meeting job performance expectations as a condition of their newly appointed position, new hire, or promotion, referred to as completing the six (6) month probationary period. Employees in this situation will be eligible for a half-step progression.
 - The probationary period for all covered employees, other than the General Manager, may be extended at the discretion of the General Manager. .
- Successfully meeting job performance expectations on the employee’s service anniversary for each step.
 - The General Manager will annually review the job performance of subordinate employees and will authorize step increases for subordinate employees who successfully meet job performance expectations.
- Once an employee is on the maximum step of their range, they will only progress through Cost-of-Living adjustments.

2. Oversight

For covered employees other than the General Manager, completion of the exempt employee’s evaluation and General Manager-approved step increase results will be reported to the Board. The Board will participate in the Board Secretary-Clerk’s performance reviews, as that position also directly reports to the Board, which may impact their salary steps. Under the Canby City Charter, the Board has final approval of the Board Secretary-Clerk’s compensation. Upon recommendation and justification from the General Manager, the Board may authorize an employee to be

compensated at a rate above their next scheduled step increase if exemplary performance justifies the action.

C. Salary Review Frequency

The first salary review after employment will occur at the end of six months of service or when the employee successfully completes their probationary period. Subsequent salary reviews will be held on or about the employee's annual employment anniversary thereafter.

D. Promotion

A promotion is a change in status for an employee to a higher range position. Employees changing from one position to another will be subject to a new probationary period with the eligibility for a half-step salary adjustment upon successfully completing the probationary period. In this scenario, benefits will not be affected.

E. Promotion Increases

An employee shall be moved into the step for the new position that has the least impact on their existing salary. The date of promotion establishes a new anniversary date for salary review.

F. General Salary Adjustment

General salary adjustments may be given to all or selected pay ranges when the local and/or regional economic factors indicate the pay ranges are falling below competitive marketplace salaries for equal or comparable job positions. If the General Manager determines such adjustments are appropriate, they will submit the request for adjustment to the Board for its consideration and approval.

G. Maintaining Competitive Salaries

To maintain competitive salaries that contribute to attraction, retention, and motivation of committed and hard-working employees who support CU's mission and values, it is essential to conduct regular market studies every 18 to 24 months. Due to budget limitations and other considerations, staff may recommend extending the study timeline beyond the initial 18- to 24-month period. These studies analyze current compensation trends within our industry and geographical area, helping us benchmark our pay practices against similar organizations. Assessing salary data and adjusting as needed will ensure that CU's compensation remains aligned with market standards and reflects the value of each role within the organization. Unless the Board decides otherwise, CU will engage an independent consultant to conduct an objective and impartial study. Working in collaboration with the HR Administration Manager and under the General Manager's oversight, the consultant will develop a list of appropriate comparator organizations. Beyond evaluating salaries, the study may also

assess benefits to provide a comprehensive view of total compensation. Once completed, the consultant's findings will be presented to the Board for review and consideration.

When a market study is adopted by the Board, the employee's wage will be adjusted up to the nearest step within the newly established step range. This adjustment ensures that employee compensation aligns with updated market standards. Following the initial adjustment, employees will continue to advance to the next step in accordance with Section IV.B.1.

H. Compliance with the Fair Labor Standards Act

CU will review its job descriptions regularly, and significant changes or the creation of new roles will be thoroughly reviewed to ensure compliance with the Fair Labor Standards Act (FLSA), which establishes standards for wages, overtime pay, and other employment practices. This review will assess the position's classification as either exempt or non-exempt based on FLSA criteria, including duties performed, salary level, and salary basis.

V. Salary Ranges

The salary ranges adopted by the Board are attached and incorporated into this procedure by reference. The attached ranges are adjusted annually, in accordance with Section IV.A.5 above, and do not affect the Plan procedures.

This procedure was adopted by the Board of Directors on ___ day of _____, 2024.

Barbara Benson, Board Secretary

Date

**PROCEDURE 405
ATTACHMENT**

CANBY UTILITY MANAGEMENT TEAM					
SALARY RANGES November 16, 2024					
30% Spread					
POSITION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
General Manager	Board determines compensation through employment contract. No steps within salary range. Range is \$212,705 - 278,189. Current Salary \$214,379				
Operations Manager	\$ 154,913	\$ 164,801	\$ 175,320	\$ 188,469	\$ 202,604
Finance Manager	\$ 140,936	\$ 149,932	\$ 159,502	\$ 171,465	\$ 184,324
Customer Service Supervisor	\$ 94,542	\$ 100,576	\$ 106,996	\$ 115,021	\$ 123,647
HR Administration Manager Board Secretary-Clerk	\$ 96,081	\$ 102,214	\$ 108,738	\$ 116,893	\$ 125,660
Purchasing Agent	\$ 65,337	\$ 69,507	\$ 73,944	\$ 79,490	\$ 85,452
Operations Field Supervisor	\$ 140,830	\$ 149,819	\$ 159,382	\$ 171,336	\$ 184,186

Note: Newly hired employees will be eligible for a 1/2 step increase upon successful completion of their probationary period. The employee will then be eligible for the next published step upon their anniversary.



MEMORANDUM

November 4, 2024

TO: Chairperson Thompson, Member Horrax, Member Molamphy,
Member Pendleton, and Member Hill

FROM: Cindy Dittmar, Customer Service Supervisor

SUBJECT: Annual Red Flag Rules Update

Overview: The Federal Trade Commission requires every creditor to establish an “Identity Theft Prevention Program” that is defined by the Red Flag Rules. Canby Utility established this program in November 2008.

Based on our review, we are in compliance with the Red Flag Rules and the Canby Utility Board Identity Theft Prevention Program.

I will be available to answer any questions the Board may have.