

RESOLUTION NO. 734

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY (“DISTRICT”) AMENDING THE EMPLOYEE COMPENSATION POLICY FOR PURPOSES OF UPDATING ANNUAL SALARY RANGES, VACATION BENEFITS AND SEPARATION TERMS FOR NON-BARGAINING UNIT EMPLOYEES

WHEREAS, RCW 54.12.090 authorizes the Board of Commissioners of the District (the “Commission”) to create positions and fix salaries; and

WHEREAS, the Commission finds it in the best interest of the District to annually review the policy for administrating a compensation program for the non-bargaining unit employees of the District; and

WHEREAS, RCW 54.16.100 authorizes the General Manager to recommend to the Commission compensation of the non-bargaining unit employees, including salaries; and

WHEREAS, the General Manager has reviewed the organization of the District and the positions and salary ranges required to efficiently manage and achieve the goals of the District; and

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Whatcom County as follows:

I

The Employee Compensation Policy of the Commission of the Public Utility District No.1 of Whatcom County is amended for the purpose of updating the annual salary ranges for the non-bargaining unit employees of the District; and

II

The titles of all positions have been established and all position titles added to a list of Position Titles and Yearly Salary Ranges for District non-bargaining unit employees, attached hereto as Exhibit “A” (the “Salary Ranges List”); and

III

The salary ranges for positions set forth in the attached Salary Ranges List have been reviewed and established in accordance with the “Policy for Employee Compensation of Administrative Employees” attached hereto as Exhibit “A”; and

IV

Effective January 1, 2018, the position titles shown on the attached Salary Ranges List for District non-bargaining unit employees are hereby authorized and classified in the salary range shown and supersede any previous lists; and,

V

Effective January 1, 2018, the District’s Vacation Benefits for all non-bargaining unit employees have been reviewed and established in accordance with the “Policy for Employee Compensation of Administrative Employees” attached hereto as Exhibit “B”, are hereby authorized and supersede any previous lists; and,

VI

Effective January 1, 2018, the District’s Separation of Employment Terms for all non-bargaining unit employees have been reviewed and updated to include certain benefits upon death of an employee as established in the “Policy for Employee Compensation of Administrative Employees” attached hereto as Exhibit “B” is hereby authorized; and,

VII

Effective January 1, 2018, the District’s Contribution to Retirement for all non-bargaining unit employees is set at 7.8%.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Whatcom County at a regular meeting thereof, held this 12th day of December, 2017.

**Public Utility District No. 1 of
Whatcom County**

Paul D. Kenner, President/Commissioner

Jeffrey L. McClure, Commissioner

Attest: Michael J. Murphy, Secretary/Commissioner

POSITION TITLES and YEARLY SALARY RANGES LIST
for
DISTRICT NON-REPRESENTED UNIT EMPLOYEES

EXHIBIT A: RESOLUTION No. 734 | December 12, 2017

| | Position | 2017 Range (A) | | 2018 Range Proposed | |
|------|--|----------------|-----------|---------------------|-----------|
| | | Low | High | Low | High |
| | 1 Assistant General Manager | \$121,000 | \$130,000 | \$121,000 | \$135,000 |
| | 2 Director of Utility Ops | \$105,000 | \$120,000 | No Change | |
| | 3 Director of Finance | \$90,000 | \$105,000 | No Change | |
| | 4 Electric System Supervisor** | \$90,000 | \$101,000 | No Change | |
| Open | 5 Manager - Construction & Facilities | \$85,000 | \$105,000 | No Change | |
| | 6 Water System Supervisor | \$85,000 | \$95,000 | No Change | |
| | 7 Manager - Automation & Technology | \$72,000 | \$95,000 | \$75,000 | \$98,000 |
| | 8 Substation Technician II* | \$75,000 | \$89,000 | \$75,000 | \$92,000 |
| | 9 Substation Technician I* | \$72,000 | \$85,000 | \$72,000 | \$88,000 |
| | 10 Manager - Contracts & Regulatory Compl. | \$66,000 | \$82,000 | \$66,000 | \$85,000 |
| | 11 Project Manager | \$60,000 | \$75,000 | \$63,000 | \$79,000 |
| Open | 12 Assistant Finance Director | \$57,000 | \$72,000 | No Change | |
| Open | 13 Process and Control Engineer | \$60,000 | \$72,000 | No Change | |
| | 14 IT/SCADA Tech | \$60,000 | \$70,000 | No Change | |
| | 15 IT/SCADA Tech | \$60,000 | \$70,000 | No Change | |
| | 16 Assistant to GM | \$48,000 | \$65,000 | No Change | |
| | 17 Accountant I | \$44,000 | \$56,000 | No Change | |

*Substation Technician (I and II) are hourly paid positions. Salary range is stated in annualized hours (2,080) rate without overtime or special pay.

**Electric System Supervisor is an hourly paid position. Salary range is stated in annualized hours (2,080) rate without overtime or special pay.

(A) Current Ranges - Approved Resolution No. 720 – March 1, 2017)

Public Utility District Number 1 of Whatcom County

Policy for Employee Compensation of Administrative Employees

Purpose: This policy provides guidelines, responsibilities and authorities for the administration of the compensation for District administrative (non-bargaining unit) employees. This policy is subject to change, from time to time, by the Commission. This program is designed to promote, attract, and maintain a skilled workforce for the District.

The administration of this policy, where practicable, is to encourage career and professional development within the workforce. One of the goals of this policy is to reward increasing levels of responsibility and overall knowledge of the utility business. Demonstrated ability to incorporate the knowledge and experience to the benefit of the District will be a consideration in addressing compensation. To accomplish this, the District's compensation program is designed to strive for the following:

- 1. Encourage the recruitment, retention and motivation of qualified employees.** *The District seeks to compensate employees consistent with industry wages and the local economy.*
- 2. Comply with Federal and State Laws and Equal Employment Opportunity standards.** *The District compensates its employees in accordance with all applicable local, state and federal laws regarding race; color, religion; gender; marital status; national origin; citizenship status; age; sensory, mental or physical disability; disable or Vietnam-era veteran, or any other status protected by law.*
- 3. Identify other employment/compensation benefits for non-bargaining unit employees.** *The total measure of compensation will normally take into consideration all benefits enjoyed by employees inclusive of, but not limited to, salary, health insurance and benefits, personal leave, deferred compensation and retirement plans.*

Requirements

This policy shall apply to District non-bargaining unit employees under the direction and supervision of the General Manager. The General Manager is charged with the administration of this policy, but is not covered by this policy. The terms and conditions of employment for the General Manager are determined by Contract with the Board of Commissioners.

At Will Employment

Public Utility District No. 1 of Whatcom County retains the *at will* status for all non-bargained employees. As such, the employment relationship can be terminated at any time, with or without cause, by the District or the employee. No District representative has the authority to enter into any agreement for employment for a specified period of time or make any representations or agreement contrary to *at will* employment unless specifically authorized in writing by the Board of Commissioners.

Salary Administration

The compensation of the District's employees is subject to availability of budgeted funds. As part of the annual budgeting process, the Commission will review and approve, at the Commission's discretion, funds to be allocated for total compensation, which includes salaries, all other compensation related expenses, and all benefit plans (medical, dental, vacation, retirement, and personal leave).

Salary Range

The Commission will establish a salary range for each non-bargaining unit position in accordance with this policy. Each salary level will list the yearly salary range within which the salary paid must fall, except as otherwise provided herein.

Industry Salary Comparison:

The salary range will be reviewed annually and may be adjusted by the Commission utilizing as a guide both the most applicable Consumer Price Index, the Washington Public Utility Districts Association Salary, Wage and Benefit Survey, and the District's Collective Bargaining Agreement wage schedule as reference. Internal equity is a factor to be considered by the District when assessing comparable levels of responsibility while addressing variations in local and Regional labor markets.

The General Manager or his designee shall procure annually or at least every two years, salary schedules of equivalent jobs in utilities and other comparable industries to determine the appropriateness of the District's salaries. Based on this review, and/or other factors such as cost of living and/or inflation, the General Manager will submit for approval a revised schedule of salary ranges to the Commissioners.

Salary Level

Each administrative job is placed in an existing salary level by evaluation of the job description. Normally, the level of salary compensation falls within a range for each position at the District. Placement within the range is subject to case by case analysis of the individual and factors including, but not limited to, level of experience, education, knowledge of job, knowledge of utility business, ability to efficiently perform duties and level of responsibility.

Each non-bargaining unit employee's salary will be determined by the General Manager in conjunction with District lead managers/supervisors using the salary ranges set by the Commission.

Salary Adjustments

Changes within a range will normally occur on January 1 of each year or at other times deemed appropriate by the supervisor and approved by the General Manager. Salary increases of any nature are at the discretion of the District and no employee is entitled to any adjustment until approved by the General Manager.

Individual salary adjustments may occur throughout the year as appropriate for

- Cost of living adjustments;
- Increases for employees in new positions or entry level of the ranges;
- Change in responsibility or demonstrated competencies within the position;
- Change of position;
- Performance; or
- Other special circumstances as may occur.

Voluntary Transfer/Demotion

Voluntary transfers to a job with a lower salary level or demotions because of inadequate performance or other valid reasons may result in a salary reduction to a point within the new salary ranges.

Fair Labor Standards Act

It is the intent of the District to fully comply with applicable laws, including the Fair Labor Standards Act. Each administrative position will be classified as exempt or non-exempt from overtime. Job descriptions will reflect the classification.

Personal Leave

Accrual rates and beginning balances for personal leave may be adjusted as determined by the General Manager within the limitations described below.

Adjustments outside the following limitations require Commission review and prior approval. Adjustments within the following limitations are determined by the General Manager.

- 1) The base pay for the individual must remain within the salary range;
- 2) The adjustment for any individual in the budget year will be limited to 10%;
- 3) The total adjustments for all subject employees within a budget year shall be limited to the annual budget approved by the Commission;
- 4) Personal leave accrual rate up to the standard accrual rate based on years of relevant experience.

As new positions are created or substantively changed, salary ranges will be determined by the Commission. Job descriptions may be reviewed every two years or whenever significant changes occur to the duties or responsibilities of the position. New or updated job descriptions may be addressed when filling vacancies or promoting staff members.

Additional Benefits and Other Compensation:

Health Care

Exempt and Non-exempt employees will be provided with health care coverage consisting of medical, dental, vision and employee assistance programs. Specifics of these benefits may change from year to year. See the HR Administrator for additional information.

Vacation Benefits

Employees begin to accrue vacation benefits upon the date of hire. Once employees successfully complete their 90 day introductory period they are eligible to begin to use accrued vacation time based on prorated benefit eligibility.

Vacation Schedule for Non-Bargaining Unit Employees

| <i>Year</i> | <i>Annual Accrual</i> | <i>Monthly Accrual</i> |
|-------------|-----------------------|------------------------|
| 1 | 88 hours | 7.33 hours |
| 2 | 88 hours | 7.33 hours |
| 3 | 96 hours | 8.00 hours |
| 4 | 112 hours | 9.33 hours |
| 5 | 128 hours | 10.66 hours |
| 6 | 128 hours | 10.66 hours |
| 7 | 136 hours | 11.33 hours |
| 8 | 144 hours | 12.00 hours |
| 9 | 152 hours | 12.66 hours |
| 10 | 168 hours | 14.00 hours |
| 11 | 176 hours | 14.66 hours |
| 12 | 192 hours | 16.00 hours |
| 13 | 208 hours | 17.33 hours |
| 14 | 224 hours | 18.66 hours |
| 15 | 240 hours | 20.00 hours |
| 16 | 248 hours | 20.66 hours |
| 17 | 256 hours | 21.33 hours |
| 18 | 264 hours | 22.00 hours |
| 19 | 272 hours | 22.66 hours |
| 20 | 280 hours | 23.33 hours |

For additional information, please see "Time Off and Benefits" in the Employee Handbook.

Sick Leave Benefits

Employees shall receive a maximum of 12 days (96 hours) of paid sick leave per calendar year accrued at a rate of 8 hours per month. Sick leave benefits are based on prorated benefit eligibility. For additional information, please see "Time Off and Benefits" in the Employee Handbook.

Floater (in lieu of Holidays)

Employees shall receive a maximum of 12 days (96 hours) "floating" paid holidays per calendar year accrued at a rate of 8 hours per month based on prorated benefit eligibility. For additional information, please see "Time Off and Benefits" in the Employee Handbook.

Deferred Compensation Program

Employees covered by this policy may be eligible to participate in 401a or 457k deferred compensation programs consistent with all state and federal regulations and receives District contribution in lieu of the District's contribution to the Washington Public Employees Retirement System (PERS). Such benefit shall be set annually by the Commission and is currently set at 7.8% of the employee's base salary.

Separation of Employment

Non-Bargaining Employees: Since employment with the District is "at will", both the employee and the District have the right to terminate employment at any time, with or without cause or advance notice, and without compensation except for time actually worked and accrued benefits, if any. Whether termination is voluntary or involuntary, employees will receive their final pay on the next regularly schedule payroll date following the employee's last day worked.

1. Vacation and Floating Holidays: All accrued vacation and floating holiday leave benefits will be paid at 100% at time of termination.
2. Sick Leave Benefits: Any accrued sick leave benefits will be cashed out at twenty-five percent (25%) of the unused balance at time of termination.
3. Death: If the employee dies, the employment is terminated immediately. Upon such termination, the employee's spouse (or designated beneficiary) will receive his/her final paycheck, plus all accrued but unused benefits as noted above in items 1 and 2.

EFFECTIVE: January 1, 2018
Adopted Resolution No. 734; December 19, 2017
Former Resolution Nos. 720, 716, 702, 695, 687, 675, 663, 550,
560.