

***CANBY UTILITY
REGULAR BOARD MEETING
SEPTEMBER 23, 2014
7:00 P.M.***

AGENDA

- I. CALL TO ORDER
- II. AGENDA
 - Additions, Deletions or Corrections to the Meeting Agenda
- III. CONSENT AGENDA
 - Approval of September 23, 2014 Agenda
 - Approval of Regular Board Meeting Minutes of September 9, 2014
- IV. CITIZEN INPUT ON NON-AGENDA ITEMS
- V. GENERAL MANAGER REPLACEMENT WORKSHOP (pg. 1)
- VI. STAFF REPORTS

Operations Superintendent:

 - Water Taste and Odor Issues

Finance Manager:

 - Bond Closing
 - Quarterly Financial Update (pp. 2-5)
- VII. EXECUTIVE SESSION The Canby Utility Board will adjourn its regular meeting to go into executive session pursuant to ORS 192.660(2)(n), (f) to discuss labor negotiations and information or records exempt from public inspection. Upon completion of the executive session the Board will return to its regular meeting.
- VIII. RECOMMENDATION Authorize Administration/Human Resources Manager to Sign Collective Bargaining Agreement with the International Brotherhood of Electrical Workers for the Office and Water Workers – Barbara Benson, Administration/Human Resources Manager (pp. 6-22)
- IX. ADJOURN

CANBY UTILITY
REGULAR BOARD MEETING MINUTES
SEPTEMBER 9, 2014

PRESENT: Chairman Cornelius; Members Wagner, Maxwell and Daniels; Matt Michel, General Manager; and Barbara Benson, Board Secretary

ABSENT: Member Potter

ALSO PRESENT: Carol Sullivan, Finance Manager; Sue Arthur, Purchasing Agent; Larry Hepler, Operations Superintendent; Dee Anne Wunder, Customer Service Supervisor; David Doughman, Board Attorney; Tim Dale, City Liaison; and Bob Westcott

Chairman Cornelius called the Regular Board Meeting to order at 7:01 p.m.

Chairman Cornelius presented the meeting agenda for consideration. He asked for any additions, deletions or corrections to the meeting agenda and Matt Michel, General Manager stated that there was no business for executive session.

Chairman Cornelius presented the consent agenda for approval. Member Wagner made the *MOTION to Approve the Consent Agenda, Consisting of the Amended Meeting Agenda, Regular and Executive Meeting Minutes of August 26, 2014, Write-Offs in the Amount of \$219.93, Payment of the Electric and Water Department Bills in the Amount of \$429,763.28, with Carry-Ins in the Amount of \$622,110.72, for a Total of \$1,051,874. Member Maxwell seconded, and the motion passed unanimously.

Chairman Cornelius asked for citizen input on non-agenda items and there was none.

Carol Sullivan, Finance Manager, presented a recommendation and proposed resolution to authorize refunding the 2004 water revenue bonds. The refunding amount is \$1,951,000 with a fixed interest rate of 2.3%. This will result in a net present value savings of \$156,069. Carol stated that she will sign documents on September 15, the City Council will approve a resolution on September 17, and then the bond will be funded and close on September 18. Member Wagner asked about the annual savings amounts. Carol explained that the annual amount varies from year to year with the majority of the savings being up front due to how the financing was done. Member Daniels made the *MOTION to Adopt Resolution No. 275, a Resolution Approving the Issuance of Water Revenue Refunding Bonds and Authorizing Related Actions. Member Wagner seconded the motion and the roll call ballot was as follows: Member Daniels, aye; Member Wagner, aye; Member Maxwell, aye; and Chairman Cornelius, aye. The motion passed 4 to 0. Matt thanked Carol for her efforts to refund the water revenue bonds.

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Matt Michel, General Manager, presented a recommendation for appointing Carol Sullivan, Finance Manager, as plan administrator and trustee of the Board's 401(k) profit sharing plan. This is an interim appointment due to his resignation. The Board's plan states that the general manager shall serve in these two roles and explained the associated responsibilities. The Board gave consensus to have Carol proceed as interim plan administrator and trustee.

Matt Michel, General Manager, presented a recommendation for appointing Larry Hepler, Operations Superintendent, as the Canby Utility interim representative to the Oregon Municipal Electric Utilities (OMEU) board of directors. Larry has worked with OMEU's executive director through the operations and engineering committee. Matt explained Larry's responsibilities in this role. The Board gave consensus to have Larry serve as the interim representative for OMEU.

Matt Michel, General Manager, stated the Department of Parks and Recreation was ordered by the Governor to locate waterways that needed protection. The Department selected the Molalla River as one option. Matt stated that the proposed designated area encompasses 13 miles of the river. Next Monday, a public meeting will be held to hear why the river deserves the State's Scenic designation. Matt shared that there is a survey Board members can fill out that will help support the designation.

Matt Michel, General Manager, gave an overview of the compensation plan and employee performance development. Chairman Cornelius requested he focus his report on the Board's policy since his procedure could change with a new general manager. Matt stated that the upcoming salary survey for management staff will be timely for the Board to review its compensation policy. When the survey is completed in a few months, they will be presented with options for pay range spread and steps within each range. The procedure also includes a performance component tied to steps in the range. Chairman Cornelius stated that the Board would review the procedures prior to survey results being presented.

Matt Michel, General Manager, reported that he has moved up Larry Hepler's, Operations Superintendent, annual job performance evaluation a month so that it will be complete prior to Matt's departure from Canby Utility. He is finalizing the evaluation and Larry will progress to the next step in the salary range.

Barbara Benson, Board Secretary, gave an update on the general manager recruitment process. She noted that any decisions on interim appointments and recruitment options will be postponed due to Member Potter being absent. She addressed a few items of interest. A farewell reception is scheduled for Friday, September 19 for Matt. Recently, Member Potter and Member Wagner met to review and propose updates to the existing job description, which was distributed to the Board for consideration. The key responsibilities and job functions were the only changes proposed. Member Wagner talked about their approach to updating the job description. Larry Hepler, Operations Superintendent, suggested the verbiage in the job description referencing manipulate tools, equipment and controls be removed and the Board agreed. Chairman Cornelius asked if the Board felt it was appropriate to identify residency requirements in the job description

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or if it should be addressed in a contract and discussion ensued. The Board decided that residency requirements should not be included in the job description. Barbara reported that she has engaged HR Answers to conduct the salary survey for the management team. Although they will collect the salary data for all management positions at the same time, they will focus only on the general manager's position to provide the Board with a market salary as soon as possible to be used for the recruitment process. She also shared information on interim general manager options; however, the Board was not planning to make any decisions until the next meeting. Chairman Cornelius noted that during the September 23 Board meeting there will be a workshop to discuss the recruitment ideas and options. Barbara also mentioned options for hiring, including completely outsourcing the process, partially outsourcing the process or doing it in house. Chairman Cornelius stated that he attended the recent Chamber of Commerce meeting and shared some positive comments made about Matt's involvement with the Chamber. Chairman Cornelius will attend the Chamber lunches until a new general manager is hired. Chairman Cornelius also mentioned that the Board may need to address staff evaluations during the interim period between managers. Having Matt complete Larry's prior to his leaving is helpful and the next evaluation is due in late January. Chairman Cornelius briefly talked about decision making at the upcoming workshop.

Chairman Cornelius thanked Larry Hepler, Operations Superintendent, for hosting a summer barbeque at his home.

Chairman Cornelius thanked Matt for his positive contributions to Canby Utility and the community. This meeting was his last meeting as General Manager.

Member Wagner made the *MOTION to Adjourn the Meeting. Member Maxwell seconded, and the motion passed unanimously.

There being no further business, the meeting was adjourned at 7:48 p.m.

Bob Cornelius, Chairman

Robert Maxwell, Member

Gary Potter, Member

Walt Daniels, Member

Todd Wagner, Member

Barbara Benson, Board Secretary

General Manager Replacement Workshop

September 23, 2014

Agenda

1. Interim General Manager.
 - a. Wait to see if needed?
 - b. Hire Interim?
 - c. As desired, discuss an item with a Board member as a non-decision conversation?
2. Barb – Overview of Progress to Date (include salary review).
3. Recruitment Plan.
 - a. Draft Job Announcement.
 - i. Review and approve.
 - b. Establish recruitment plan.
 - i. Determine scope of recruitment – local, regional, or national?
 - ii. What outside assistance required for recruitment?
 - iii. Establish a tentative timeline.
4. Interview Questions.
 - a. Each Board member bring 5 General Manager candidate interview questions for the Board to consider using.
5. Contract.
 - a. Our attorney does contract?
 - i. Does negotiations working with Board Chairman on specific points within limits set by Board?
 - ii. Any restriction on where live?
 - iii. Other provisions to be considered?
 - iv. Draft for Board review with specific negotiated items to be determined highlighted.
6. Other.
 - a. Organizational affiliations? (Example: PPC, OMEU, etc...)



Memorandum

September 18, 2014

To: Chairperson Cornelius, Member Wagner, Member Maxwell, Member Potter and Member Daniels

From: Carol Sullivan, Finance Manager

Subject: Quarterly Financial Update as of June 30, 2014 Fiscal Year End

Please find attached the Executive Financial Summary through June 30, 2014, the Utility's fiscal year end. The report is cumulative numbers to date and gives a quick overview of profit and loss resulting from operations and capital contributions, a comparison to budget with some notes, and cash reserves compared to the budget target and minimum. For monthly information refer to the financial packet sent via e-mail.

I will present these at the next board meeting and will be available for comments or to answer any questions.

Canby Utility Executive Financial Summary
Profit (Loss) Resulting From Operations and Capital Contributions***
 June 2014

Legend	
	= Electric
	=Water

Electric

Profit (Loss) From Operations

	Revenue	Expense	Operating Profit (Loss)
\$	10,644,846	\$ 10,025,419	\$ 619,427

Operations And Capital Contributions***

	Operating Profit (Loss)	Capital Contributions	Total Income (Loss)
\$	619,427	\$ 266,244	\$ 885,671

Water

Profit (Loss) From Operations

	Revenue	Expense	Operating Profit (Loss)
\$	2,424,328	\$ 2,561,639	\$ (137,311)

Operations And Capital Contributions ***

	Operating Profit (Loss)	Capital Contributions	Total Income (Loss)
\$	(137,311)	\$ 177,537	\$ 40,226

*****Capital Contributions** are contributions of capital, in the form of money or assets/infrastructure to Canby Utility from a customer or a vendor.

Canby Utility Executive Financial Summary
Profit (Loss) Resulting From Operations With Capital Contributions Compared To Budget
June 2014

Electric

Total Income (Loss)	Budget	Over (Under) Budget
\$ 885,671	\$ 1,181,169	\$ (295,498)

Notes : We are under budget because even though income came in above budget, the expenses were over budget and there was a reduction in capital contributions.

Income is above budget due to an unbudgeted rate increase that was effective October 1, 2013 mainly to cover additional BPA costs and increase reserves for the future office building. Also our BPA conservation program reimbursements payments have come in over budget.

Operating expenses are over budget due to the unbudgeted BPA rate increase for power and transmission. This increase is covered by the additional revenues from the October 1, 2013 rate increase and is offset by labor being capitalized and less legal expenses.

Capital contributions are under budget due to a project scope reduction and prepayments on jobs needed to be moved to a deferred liability.

Water

Total Income (Loss)	Budget	Over (Under) Budget
\$ 40,226	\$ (200,195)	\$ 240,421

Notes : Income is above budget due to more water used than budgeted. Also there was a valve settlement for \$12,000 and a customer back billing for prior years of \$21,700.

Operating expenses are under budget mainly due to the water distribution crew working on a capital project and the cumulative effect of the administrative budget coming in under budget on every item.

Capital contributions are over budget due to a few unexpected projects coming in.

Canby Utility Executive Financial Summary
Cash Reserves
June 2014

Electric

<u>Budget Target 6/15/14</u>	Cash Reserves	Year End Target	Over (Under) Target
\$	7,579,992	\$	6,655,410
		\$	924,582

<u>MINIMUM</u>	Cash Reserves	Minimum	Over (Under) Minimum
\$	7,579,992	\$	4,000,000
		\$	3,579,992

Water

<u>Budget Target 6/15/14</u>	Cash Reserves	Year End Target	Over (Under) Target
\$	2,176,249	\$	1,986,547
		\$	189,702

<u>MINIMUM</u>	Cash Reserves	Minimum	Over (Under) Minimum
\$	2,176,249	\$	2,000,000
		\$	176,249

AGREEMENT

BY AND BETWEEN

UTILITY BOARD OF THE
CITY OF CANBY, OREGON

AND

INTERNATIONAL BROTHERHOOD
OF
ELECTRICAL WORKERS,
LOCAL UNION 125

OFFICE AND WATER WORKERS

JULY 1, 2014 – JUNE 30, 2017

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AGREEMENT

The **UTILITY BOARD OF THE CITY OF CANBY, OREGON**, hereinafter referred to as the “Board”, and **LOCAL UNION No. 125, OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**, hereinafter referred to as the “Union”, agree to be bound by the following terms and conditions relating to wages, hours, and working conditions for all employees hereinafter classified and identified in this Agreement.

ARTICLE I RECOGNITION

1.1 The Board recognizes the Union as the sole collective bargaining agent for all employees classified and identified in Article 24 of this Agreement, hereinafter referred to as the Office and Water Department Employees.

ARTICLE II UNION SECURITY

2.1 All employees currently members of the Union shall maintain their Union membership as a condition of continued employment. Membership or non-membership in the Union shall be the individual choice of employees covered by this Agreement. Employees who are not members of the Union shall make payment in lieu of dues to the Union. Such payment shall be in the same amount as provided for regular Union dues and assessments. New hires who elect to become members of the Union shall do so within thirty-one (31) days of their date of hire.

2.2 Upon written authorization signed by an employee in the Bargaining Unit, the Board will, during the term of this Agreement, deduct and remit monthly to the Business Manager of IBEW Local 125 the normal and usual dues uniformly required of its members. The Union agrees to notify the Board in writing of the monthly dues amount to be withheld. Such authorization for monthly dues deduction may be revoked by the employee in writing at any time.

2.3 The Union will indemnify, defend and hold the Board harmless against any claims made and against any suit instituted against the Board as a result of any action taken pursuant to the provisions of this article.

ARTICLE III EMPLOYEE RIGHTS

3.1 The Board and the Union agree that each will fully comply with applicable laws and regulations prohibiting discrimination with regard to the hiring or tenure of the employees because of such person’s protected class status. Use of the male or female gender in this Agreement shall include the other gender. The Board and Union agree further that there will be no discrimination against any employee due to membership or non-membership in the Union or because of activity in which employees may engage on

behalf of the Union, provided such activity does not interfere with an employee's performance of work assignment.

3.2 Nothing in this Agreement shall be interpreted in such manner as to prevent the Board from making such reasonable accommodations as may be required under applicable legislation (i.e., ADA, Title VII, etc.).

ARTICLE IV MANAGEMENTS RIGHTS

4.1 The Union recognizes the sole right of the Board to manage the affairs of the Board and its property, to direct the assignments of the work force and equipment, employ, promote, demote, layoff, discipline and discharge employees, contract and subcontract labor, as well as to generally do all things necessary to operate the Utility on sound business principles, except to the extent expressly prohibited by a provision of this Agreement. However, prior to making a decision to subcontract out bargaining unit work, the Board will provide the Union written notification of the matter under consideration. If the Union, within fourteen (14) calendar days of receipt of said notification, provides the Board with a written request to bargain, the Board will enter into negotiations with the Union on the matter, as provided by ORS 243.698 The Board will not implement any such decision until either agreement with the Union has been reached or a state of impasse in the bargaining exists.

4.2 Any changes to the Board's Personnel Handbook that results in changes in items which are mandatory subjects of bargaining shall be subject to negotiations with the Union.

ARTICLE V STRIKE AND LOCKOUT

5.1 The Union agrees that during the term of this Agreement its membership will not engage in any strike, work stoppage, slowdown, or interruption of services, and the Board agrees not to engage in any lockout.

ARTICLE VI DISCHARGE - SUSPENSION - WARNING

6.1 Employees may be terminated within the six (6) month probationary period with or without cause as per Article 14 of this Agreement. If it should be found that an employee is guilty of dishonesty, drunkenness, illegal use of drugs, willful damage to Board property or equipment, willful neglect of duty or gross insubordination, such employee may be subject to discharge from employment.

6.2 If it should be found that an employee is guilty of a lesser offense such as but not limited to: habitual tardiness for work, use of foul or inappropriate language, or the inability to get along with fellow employees, such employee may be given a written

warning with a copy to the Union. Repeated offenses may be cause for suspension or termination of employment.

6.3 The employer may take corrective actions, such as, but not limited to counseling or verbal warnings reduced to writing, and is not considered formal discipline. Such corrective action will not be directly placed in the personnel file, but may be used for progressive discipline.

Prior to any economic discipline, such as a suspension, the employee will be given the offer to provide a rebuttal.

ARTICLE VII HOURS OF WORK

7.1 The normal hours of work for the Water Department employees shall consist of eight (8) hours per day, worked between the hours of 8:00 a.m. and 4:30 p.m. with a thirty (30) minute lunch period midway in the shift. The normal hours of work for the Office Department employees shall consist of eight (8) consecutive hours per day, worked between the hours of 7:00 a.m. and 6:00 p.m. with a one (1) hour lunch period midway in the shift. The employee shall not receive pay for the lunch period. Temporary arrangements other than those stated above may be made by mutual consent of the supervisor and the employee(s). Schedule changes for the purpose of trainings can also be adjusted by the agency outside the normal schedules herein, with at least 5 days notice to the employee.

7.2 Each employee shall be allowed a break, not to exceed fifteen (15) minutes, approximately midway in each half shift, the time for which shall count as time worked, at a place that may be specified by the supervisor.

7.3 The normal workweek for employees shall consist of five (5) consecutive eight (8) hour days worked Monday through Friday.

7.4 Unplanned Overtime and/or Call-outs. Any employee required to work overtime at the conclusion of their regular shift shall have the option of a meal period of at least thirty (30) minutes but not to exceed one (1) hour upon having completed the first two (2) hours of overtime worked. Employees who use this option shall be reimbursed for reasonable costs of the meal taken at that time, upon the presentation of their receipts. Receipts for a meal period purchased immediately following being relieved from duty or up to a lunch the day after will be accepted. Reimbursed meals are not compensable time. (example: Call-out or extended shift ends at 10:00 pm, then the employee's breakfast or lunch would be eligible for reimbursement.) All travel expenses will be reimbursed equal to those allowed by the State of Oregon. Under no circumstances will an employee be required to work longer than six (6) consecutive hours without the option of a meal break.

7.5 Scheduled and Planned Overtime. Employees required to work overtime that were notified at least one day in advance of the work period shall not be subject to paid meal.

7.6 Emergency Overtime: Emergencies are defined by a call-out and/or unplanned overtime when an employee is required to work two or more consecutive meal periods and have no opportunity to return to their homes at regular meal times. In this situation, the Board shall provide meals.

7.7 All employees required in the course of duty to travel from one headquarters to another, or to the site of the job, or from station to station, or from shop to shop, shall do so on the Board's time.

ARTICLE VIII CALL-BACK TIME

8.1 Employees required to report back to work after having left the premises at the completion of their regular shift shall be entitled to a minimum of two (2) hours work or pay thereof, in the amount of two (2) times their regular hourly rate of pay.

8.2 Employees required to work at home after having left the premises at the completion of their regular shift shall be entitled to a minimum of one (1) hour work, or pay thereof, in the amount of two (2) times their regular hourly rate of pay.

8.3 Employee shall be compensated a minimum of one (1) hour at the overtime rate of pay if they are contacted during their non-scheduled days or non-scheduled hours of work for more than an administrative de minimis purpose and for business related purposes, regardless of the number of contacts within a 60 minute time period beginning with the first contact.

8.4 Call out list: In the event of call-outs, the call-out list for assigned employees will be rotated top to bottom (person on top moves to the bottom of the list on a quarterly basis.)

ARTICLE IX PAY PROVISIONS

9.1 All hours worked in excess of eight (8) hours per day or forty (40) hours per week shall be paid at the overtime rate of pay, but hours of work for which daily overtime is allowed shall not be included in computing weekly overtime. Employees shall be paid at the overtime rate for all time worked on other than their regular shift or day, including work during meal periods when such time is not a part of the employee's regular shift, and for all time worked on holidays in addition to their holiday pay. Overtime work for Office employees will be approved by Management prior to work being done.

9.2 Overtime shall be compensated for at two (2) times the regular rate of pay for a minimum of two (2) hours, except that work contiguous to the regular shift will be compensated at two (2) times the regular rate of pay for the time actually worked. Employees shall be paid at the overtime rate for all time worked on other than their regular shift or day, including work during meal periods when such time is not a part of their regular shift, and for all time worked on holidays, in addition to their holiday pay.

9.3 When an employee works six (6) hours or more outside their regular shift hours, they shall receive a minimum of eight (8) hours rest before their regular shift begins or the regular shift hours will be worked at the overtime rate. After eight (8) hours rest, any remaining portion of the regular shift, if worked, shall be paid at the straight-time rate of pay.

9.4 Pay periods shall be twice monthly ending on the 15th and the last working day of the month. Payroll checks will be issued on or before the 5th and 20th of each month. Employees shall be paid at the established rate of pay for the classification in which they are employed. Job classification and their respective wage scales may be found in Article 24. For employees who voluntarily elect to participate in direct payroll deposit, employees acknowledge that they are subject to banking requirements and timelines.

9.5 Employees shall be paid the established rate for the classification in which employed, except in cases of an employee being employed in two (2) classifications in the same day. In the event an employee is assigned to perform work in a higher classification for a period of time of four (4) hours or less during a shift, they shall receive the rate of pay for that higher classification for four (4) hours. In the event an employee is assigned to perform work in a higher classification for more than four (4) hours in a shift, they shall receive the rate of pay for the higher classification for the entire eight (8) hour shift. Assignments are not based upon seniority. Employees shall be compensated at the regular rate of pay for sick leave or vacation taken during an upgraded assignment.

9.6 In cases other than those mentioned in Section 9.5, the General Manager will determine if a sufficient increase in responsibility exists to warrant an upgrade.

9.7 Effective July 1, 2006, water department field employees and meter readers dispersed, will receive an annual boot/equipment allowance of two hundred dollars (\$200.00).

ARTICLE X **HOLIDAYS**

10.1 The following shall be recognized as holidays for which there will be no reduction in pay when not worked.

NEW YEAR'S DAY	THANKSGIVING DAY, AND
PRESIDENT'S DAY	DAY AFTER THANKSGIVING
MEMORIAL DAY	(for one-half of the employees)
FOURTH OF JULY	CHRISTMAS DAY, AND
LABOR DAY	DAY AFTER CHRISTMAS
VETERAN'S DAY	(for the remaining one-half of the employees)
PERSONAL DAY (1.5)	

10.2 To qualify for holiday pay, an employee shall have been employed for at least thirty (30) days prior to the holiday and shall have been available for work or on an

approved leave on their last scheduled workday prior to the holiday and their next scheduled workday following the holiday.

10.3 Whenever one of the holidays set forth above falls during an employee's vacation, such employee shall be entitled to one additional day of vacation or the pay thereof. In the event a holiday should fall on a Saturday, the preceding Friday shall be observed as the holiday and should a holiday fall on a Sunday, then the following Monday shall be observed as the holiday. In the event Christmas falls on a Friday, the day after Christmas holiday will be recognized on the following Monday.

10.4 PERSONAL DAY – Each employee will receive one (1) day and one-half (½) day of personal leave to be taken or forfeited each fiscal year. The day or half-day must be taken in full increments.

ARTICLE XI
VACATIONS

11.1 All regular employees who have been in the employ of the Board for one (1) year or more shall be entitled to vacation in accordance with the following schedule, effective the employee's service anniversary date:

<u>Years of Service</u>	<u>Days per Year</u>
1-4 (twelve months on)	10 (80 hours)
5- 9 (49 months on)	15 (120 hours)
10-14 (109 months on)	20 (160 hours)
15 and more (169 months on)	25 (200 hours)

Upon successful completion of the first year of hire, employees will receive 80 hours vacation. Thereafter, vacation hours accrue monthly at 1/12th the annual accrual rate.

Employees who have successfully completed their probationary period may borrow and use in advance up to 40 hours vacation. There is no payment of vacation hours prior to completion of the first year of hire.

11.2 Employees, who leave the employ of the Board after having been employed for one (1) year or more, shall be entitled to prorated vacation allowance of 1/12th of their earned vacation for each full month of service.

11.3 All time off for vacations shall be by mutual agreement between the General Manager and the employee, with due consideration given the necessity of maintaining continuity of service. In the event of conflict between the employees regarding time of vacation, the principle of seniority shall prevail.

11.4 Employees may not carry over more than 80 vacation hours above their yearly accrual rate of unused vacation from one fiscal year to the next.

EXAMPLE: An employee at 12 years of service accrues 160 hours per year. Employee may not carry over more than 160 + 80 = 240 hours.

ARTICLE XII
SICK LEAVE

12.1 Any regular employee employed by the Board for six (6) months or more shall be entitled to sick leave credit of one (1) day for each month of service.

12.2 Subject to Chapter 654 Oregon Laws 1995, the Board agrees to provide unlimited sick leave benefit accumulation. Upon retirement, all sick leave accumulation will be converted to the Public Employee's Retirement System as per Oregon Law.

12.3 The Board may require a doctor's certificate to substantiate the employee's loss of time due to illness or off-the-job accidents for any sickness or injury over three (3) working days. Where the General Manager of the Board determines that a pattern of usage, or evidence of possible misuse exists, the employee may be required to provide a doctor's certificate to substantiate the illness or injury of the employee before sick leave would be granted for absences of three (3) days or less. Any employee found to have abused sick leave benefits by falsification or misrepresentation shall thereupon be subject to disciplinary action, reduction or elimination of sick leave credits including accumulated sick leave or may be discharged by the Board for such falsification or misrepresentation, and shall restore to the Board amounts paid to such employee for a period of such absence, Employees taking time off for medical or dental appointments shall have such time deducted from their sick leave credits.

12.4 In the event of an on-the-job accident or an injury to an employee covered by the Worker's Compensation Insurance, the following rule shall apply: For the first three (3) months the Board shall pay to such disabled employee the difference between the amounts paid to the employee by Workers' Compensation Insurance at their regular straight-time wages. After three (3) months and for a period of six (6) additional months, the Board shall pay to such disabled employee the difference between the amount paid to the employee by Workers' Compensation Insurance and eighty percent (80%) of his regular straight-time hourly wages.

12.5 The Board agrees to extend the number of cumulative sick leave days allowable from 120 days at the present time to an indefinite number of days. Employees earning sick leave days in excess of 120 days shall be allowed the option of continuing their sick leave days or exchanging any and/or all days earned over 120 days for vacation time. Employees electing the vacation time option shall be free to take one (1) additional day of vacation for each four (4) sick leave days accrued over and above 120 days. Time off for such vacation option shall be by mutual agreement between the Board and the employee.

12.6 In the event of an eligible dependent, as defined by the Internal Revenue Service, has an illness or injury that requires the employee to be absent from work to attend to such dependent, the Board shall allow up to twenty-four (24) hours of the employee's sick leave credits to be used to care for the dependent per fiscal year. The twenty-four (24) hours is non-accumulative and cannot be carried over from one fiscal

year to the next. Employee's may be asked to provide a doctor's certification to substantiate the dependent's illness or injury in the same manner as described in Section 12.3 if a pattern of usage, or evidence of possible misuse exists.

ARTICLE XIII
SAFETY PRECAUTIONS

13.1 The Board and the Union agree to cooperate in the exercise of all proper precautions and for the protection of employees in the performance of their duties, and in the observance of safety rules of the State of Oregon.

13.2 The Board agrees to furnish personal protective equipment (PPE), for the safety of workers while engaged in any work where protective equipment is required by law and/or regulation.

ARTICLE XIV
PROBATIONARY PERIOD

14.1 All employees shall be considered as being on a probationary basis for the first six (6) months of employment and may be subject to termination by the Board during such period with or without cause and without recourse to the arbitration provisions of this Agreement.

14.2 The same six (6) month period shall apply to all new hires as to their coverage under the various fringe benefits of the Agreement, except where specifically specified otherwise in the Agreement.

14.3 Employees retained beyond the probationary period shall be considered regular employees and shall be entitled to seniority status and sick leave credits commencing with their original date of hire.

ARTICLE XV
SENIORITY

15.1 The principle of seniority shall be observed with regard to all layoffs and rehiring of regular employees who have completed their probationary period of employment with the Board, provided that the employee to be retained or recalled is competent to perform the work assigned. As opportunities for advancement occur, the employee with seniority shall be given a fair opportunity to prove their fitness for the advanced position. As used in the preceding sentence, a "fair opportunity" does not necessarily mean a trial period. All other factors being equal, the senior employee will be given preference over others of less service.

15.2 Employees off work for six (6) months or more shall not accrue any more time towards seniority but will maintain the time they have with the exception of those off due to industrial accident or military service.

ARTICLE XVI
OUTSIDE EMPLOYMENT

16.1 In accordance with the Personnel Handbook, no employee will be permitted to engage in off-duty employment with another employer that will interfere with their work performance, unless they have first secured written approval for such activity from the immediate supervisor and the General Manager.

ARTICLE XVII
FUNERAL LEAVE

17.1 Funeral leave will be granted in accordance with Procedure 496. Bereavement leave provided by policy will be concurrent to eligible leaves provided by OFLA.

ARTICLE XVIII
HEALTH AND WELFARE

18.1 All regular full-time employees covered by this Agreement (and their eligible dependents) shall be entitled to be covered by the Board sponsored Health and Welfare Plans.

18.2 The Board reserves the right to select the carrier of such plans with the understanding that benefits would remain substantially equal to or better than the Employee Benefits Service Trust Regence Blue Cross Blue Shield Plan V-A PPP or at the employee's option, Kaiser Permanente, during applicable enrollment periods.

18.3 All regular full-time employees covered by this Agreement shall become eligible for such coverage under this plan commencing with the first day of the next month following the employee's date of hire.

18.4 DENTAL PLAN – All eligible full-time employees (and their eligible dependents) covered by this Agreement shall be entitled to coverage under ODS Plan II or Willamette Dental.

18.5 VISION PLAN – All eligible full-time employees (and their eligible dependents) covered by this Agreement shall be entitled to coverage under the VSP Vision Plan as provided or the equivalent.

18.6 WELLNESS PROGRAMS – The parties recognize the importance of wellness programs and preventative healthcare. The parties agree in good faith to participate voluntarily in wellness presentations and programs offered by the carrier.

18.7 Effective July 1, 2013, the total premiums for medical-hospital, dental and vision insurance shall be shared on a basis of ninety-three percent (93%) paid by the Board and seven percent (7%) paid by the employees. The cost share applies to all employees in the bargaining unit.

Parties acknowledge that changes in health and welfare benefits that are a result of new requirements under the Affordable Care Act are not subject to additional bargaining.

In the event the Board receives notice from the insurance carrier that confirmed yearly premium rates increase will exceed 10% for the next year, the parties agree to a reopener on Article 18, subject to the bargaining process of ORS 243.698.

In the event an insurance carrier moves to a calendar year plan or changes tier ratings, the parties agree that such changes are outside the control of the parties, however, the parties agree to the duty of bargaining the impact.

18.8 VEBA Account – The parties acknowledge that managing healthcare costs is an important consideration for both employees and the employer. Savings for healthcare expenses, in addition to proactive medical care and wellness programs, are beneficial to prepare for future potential plan designs. In efforts to establish healthcare savings, the employer will contribute to a VEBA account for each employee.

Effective July 1, 2013, the employer will contribute a total of \$25.00 per month to each employee into the VEBA account.

The amounts contributed are not cumulative.

18.9 LIFE INSURANCE – The Board will continue to provide eligible employees with the present level of life insurance at no cost to the employees.

The formula will consist of one times (1X) the employee's salary with a cap of \$50,000.

18.10 If the insurance carrier informs the Board of plans to terminate a plan currently in effect, the Board shall notify the Union in writing and the parties shall negotiate over termination of the plan.

The Union has fourteen (14) calendar days to demand to bargain in writing after receiving notice from the Board. If such notice is not provided by the Union, the Union waives its right to bargain over the change or the impact of the change identified in the notice.

The parties may mutually agree in writing to a bargaining period other than the ninety (90) days as specified in Oregon Law. However, if the insurance carrier has not provided the requisite notice for the parties to comply with the statute, the Board shall first seek to extend the current coverage to cover the negotiations and the implementation of an alternate plan.

If the insurance carrier fails to provide such extension for coverage, then the Board may implement without penalty an available plan that has similar benefits. The Board and the Union shall jointly make a good faith effort to find a plan acceptable to the Union.

The replacement insurance plan benefits are not required to be equal to the terminated plan nor will the Board be obligated to provide a plan that provides the same benefit at the same level as the terminated plan if none is available.

If no other agreement is negotiated between the Union and the Board, and if the replacement plan carries a higher deductible than the terminated plan enrolled in by the affected employee, the Board shall reimburse the employee the dollar value difference between the deductibles on the old and new plans times the number of employee/dependents enrolled, up to three (3).

ARTICLE XIX RETIREMENT

19.1 Subject to the Oregon Administrative rules pursuant to PERS statutes, the Board will enroll eligible employees in the Oregon Public Employee's Retirement System or its equivalent and will continue to pay the employee's six percent (6%) contribution to the Individual Account Program (IAP) according to the Administrative rules pursuant to PERS statutes.

19.2 The Board will provide local secretarial and bookkeeping services for the Plan.

19.3 The Board will continue to make available for its eligible employees, the existing 401(k) qualified retirement plan of the Canby Utility Board.

ARTICLE XX WORKING RULES

20.1 When an employee is transferred to any position in which they have had no previous experience, the employee shall be given a reasonable break-in period.

ARTICLE XXI GRIEVANCE AND ARBITRATION

21.1 A grievance is hereby defined as an alleged violation of the contract governing the relationship between the Board and the employee, or an alleged violation of the terms of this Agreement, or any type of supervisory conduct which unjustly or unlawfully causes an employee to lose his job or any benefits arising out of his job.

INTERPRETATION: The parties signatory to this Agreement in reference to this Section 21.1 have mutually agreed grievances filed under the "contract governing the relationship between employer and employee" clause shall exclude permissive subjects of bargaining. Absent a mutual agreement of the parties regarding the status of the section(s) being grieved, the parties shall not give authority to any arbitrator to determine the mandatory/permissive status of the disputed language. The parties understand and agree that the Employment Relations Board has the sole authority to resolve the dispute over mandatory/permissive status and the Union waives any right to file a grievance to resolve the status of the disputed language. Grievances filed in accordance with these provisions will be held in abeyance while the Employment Relations Board considers the issue. (Letter of Understanding signed by the Board and the Union in September 2000. Refer to IBEW Electrical Workers Agreement.)

STEP 1: INFORMAL GRIEVANCE RESOLUTION – The parties will attempt to resolve grievances informally and may, in writing, extend timelines under this article.

Whenever any dispute shall arise between the Board and the Union over the interpretation of, or adherence to, or the application of the terms and conditions of this Agreement which cannot be settled between the Board's General Manager and the employee, the matter shall be reduced to writing and presented to the Representative of the Union and the Representative of the Board within fourteen (14) calendar days of the date the employees first became aware of the problem which led to the filing of the grievance, or the grievance shall be void.

The written grievance shall contain:

- (a) The nature of the grievance and the circumstances from which it arose;
- (b) The remedy or correction the Board or the Union is requested to make; and
- (c) The Section or Sections of the Agreement, if any, relied upon or claimed to have been violated.

STEP 2: Should the Board and Union representatives be unable to settle the dispute within fourteen (14) calendar days after receiving the written notice, the matter shall be presented by the moving party to the other party for mediation. Upon notice to the other party, the parties may mutually agree to a mediator or the moving party may request a mediator from the Employment Relations Board (ERB). The parties will make best efforts to schedule a mediation date within sixty (60) days of the notice to mediate. The parties agree to meet at least two times in mediation. Mediation costs are shared. In the event of an employee termination, the parties may mediate or the moving party may proceed directly to arbitration.

STEP 3: In the event the parties are unable to mediate a resolution, and two (2) sessions have occurred, the moving party may give notice of intent to arbitrate by notice to the other party. Notice of intent to arbitrate must occur within fifteen (15) days of the second mediation session or any scheduled session thereafter.

Should the Board and the Union be unable to agree on an arbitrator, they shall ask the Employment Relations Board to submit a list of five (5) names of Oregon or Washington arbitrators from which a selection shall be made through the process of elimination. The parties agree to set arbitration dates without unreasonable delay.

21.2 The arbitrator shall have the right to call witnesses or to accept the dispute in written form. The arbitrator shall have sixty (60) days in which to hear the dispute and to render a decision. Any decision rendered shall be within the scope of this Agreement and shall not change any of its terms and conditions. The decision of the arbitrator shall be final and binding upon the Board and the Union. The fee of the arbitrator shall be borne by the losing party.

21.3 There shall be no work stoppage in the interim.

21.4 Time limits specified in this Article may be extended only by written mutual consent of the Board and the Union.

ARTICLE XXII
SAVINGS CLAUSE

22.1 Should any provision of this Agreement be found to be in conflict with any Federal or State law or final decision of any court of competent jurisdiction or applicable administrative agency, said provision shall be modified to comply with said law or decision, but all other provisions of the Agreement shall remain in full force and effect.

ARTICLE XXIII
TERM OF AGREEMENT

23.1 This Agreement shall become effective upon execution, and shall remain in effect through June 30, 2017. It shall remain in full force and effect from year-to-year thereafter, unless either the Board or the Union shall serve written notice upon the other, at least sixty (60) days prior to the expiration date of the Agreement or any anniversary date, requesting that the Agreement be opened for modifications and/or termination.

MEMORANDUMS OF UNDERSTANDING:

- 1) Interpretation of 9.6, dated 5/11/10, continues (elect and water)
- 2) Water Foreman Position, dated 1/7/2011 self expires.
- 3) VEBA dated 9/19/13
- 4) Boot/Equipment for probationary employees dated 9/9/13
- 5) Safety Glasses 9/19/13

ARTICLE XXIV
WAGES

24.1 The classification of employees and their corresponding rates of pay are as found in Schedule A, Wage Scale (see attached).

Effective and retroactive to July 1, 2014, the wage scale, "Schedule A", shall be adjusted across the board by 2% (two percent).

Effective July 1, 2015, the wage scale shall be adjusted across the board by 2.0% (two percent).

Effective July 1, 2016, the wage scale shall be adjusted across the board by 2.0% (two percent).

WATER DISTRIBUTION LEVEL 3 CERTIFICATION PAY: Utility Worker II employees who receive and maintain Water Distribution Level 3 certification for the State of Oregon shall receive an incentive pay of 1% base wage per pay period. This incentive does not

apply for Utility Worker III and Water Foreman classifications because it is a job requirement for the positions.

Agency will only provide accommodation and payment for testing for Utility Worker I testing for Water Distribution I and II and Utility Worker II testing for Water Distribution III. Payment for testing is limited to 2 attempts.

New hires will be placed within the appropriate range at the General Manager's discretion. Employees are provided job positions based on budgetary constraints and management discretion. Employees do not self-promote based on job qualifications.

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, LOCAL UNION 125**

UTILITY BOARD OF THE CITY OF CANBY

Travis Eri,
Business Manager

Matt Michel,
General Manager

Date _____

Date _____

Schedule A - Wage Scale

This scale represents COLAs of 2% effective
Annually on the dates indicated below

The Classification of employees and their corresponding rates of pay are as follows:

		New Hire	6 Months	Step 1	Step 2	Step 3
Office						
Accounting Clerk	<i>Prior to COLA</i>	\$ 20.91	\$ 21.69	\$ 22.48	\$ 24.17	\$ 25.99
	7/1/2014	\$ 21.32	\$ 22.13	\$ 22.93	\$ 24.65	\$ 26.51
	7/1/2015	\$ 21.75	\$ 22.57	\$ 23.39	\$ 25.15	\$ 27.04
	7/1/2016	\$ 22.18	\$ 23.02	\$ 23.85	\$ 25.65	\$ 27.58
Lead Customer Service Representative	<i>Prior to COLA</i>	\$ 19.98	\$ 20.73	\$ 21.48	\$ 23.10	\$ 24.84
	7/1/2014	\$ 20.38	\$ 21.15	\$ 21.91	\$ 23.56	\$ 25.34
	7/1/2015	\$ 20.79	\$ 21.57	\$ 22.35	\$ 24.03	\$ 25.84
	7/1/2016	\$ 21.20	\$ 22.00	\$ 22.80	\$ 24.52	\$ 26.36
Customer Service Representative	<i>Prior to COLA</i>	\$ 17.96	\$ 18.64	\$ 19.31	\$ 20.77	\$ 22.33
	7/1/2014	\$ 18.32	\$ 19.01	\$ 19.70	\$ 21.18	\$ 22.78
	7/1/2015	\$ 18.69	\$ 19.39	\$ 20.09	\$ 21.61	\$ 23.23
	7/1/2016	\$ 19.06	\$ 19.78	\$ 20.50	\$ 22.04	\$ 23.70
Customer Service Rep./Office Specialist	<i>Prior to COLA</i>	\$ 17.96	\$ 18.64	\$ 19.31	\$ 20.77	\$ 22.33
	7/1/2014	\$ 18.32	\$ 19.01	\$ 19.70	\$ 21.18	\$ 22.78
	7/1/2015	\$ 18.69	\$ 19.39	\$ 20.09	\$ 21.61	\$ 23.23
	7/1/2016	\$ 19.06	\$ 19.78	\$ 20.50	\$ 22.04	\$ 23.70
Water						
Water Foreman	<i>Prior to COLA</i>	\$ 26.05	\$ 27.03	\$ 28.01	\$ 30.11	\$ 32.38
	7/1/2014	\$ 26.57	\$ 27.57	\$ 28.57	\$ 30.72	\$ 33.03
	7/1/2015	\$ 27.10	\$ 28.12	\$ 29.14	\$ 31.33	\$ 33.69
	7/1/2016	\$ 27.64	\$ 28.68	\$ 29.72	\$ 31.96	\$ 34.36
Utility Worker III	<i>Prior to COLA</i>	\$ 22.67	\$ 23.53	\$ 24.38	\$ 26.22	\$ 28.19
	7/1/2014	\$ 23.13	\$ 24.00	\$ 24.87	\$ 26.74	\$ 28.75
	7/1/2015	\$ 23.59	\$ 24.48	\$ 25.37	\$ 27.28	\$ 29.33
	7/1/2016	\$ 24.06	\$ 24.97	\$ 25.87	\$ 27.82	\$ 29.92
Utility Worker II	<i>Prior to COLA</i>	\$ 20.60	\$ 21.37	\$ 22.15	\$ 23.82	\$ 25.61
	7/1/2014	\$ 21.01	\$ 21.80	\$ 22.59	\$ 24.29	\$ 26.12
	7/1/2015	\$ 21.43	\$ 22.24	\$ 23.04	\$ 24.78	\$ 26.64
	7/1/2016	\$ 21.86	\$ 22.68	\$ 23.51	\$ 25.28	\$ 27.18
Utility Worker I	<i>Prior to COLA</i>	\$ 19.26	\$ 19.99	\$ 20.71	\$ 22.27	\$ 23.95
	7/1/2014	\$ 19.65	\$ 20.39	\$ 21.13	\$ 22.72	\$ 24.43
	7/1/2015	\$ 20.04	\$ 20.80	\$ 21.55	\$ 23.17	\$ 24.92
	7/1/2016	\$ 20.44	\$ 21.21	\$ 21.98	\$ 23.64	\$ 25.42
Meter Reader	<i>Prior to COLA</i>	\$ 18.01	\$ 18.69	\$ 19.37	\$ 20.82	\$ 22.39
	7/1/2014	\$ 18.37	\$ 19.06	\$ 19.75	\$ 21.24	\$ 22.84
	7/1/2015	\$ 18.74	\$ 19.44	\$ 20.15	\$ 21.66	\$ 23.29
	7/1/2016	\$ 19.11	\$ 19.83	\$ 20.55	\$ 22.10	\$ 23.76
<i>Steps are yearly based on anniversary</i>						
2014-2017						