



MEMORANDUM  
EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: EWEB Commissioners  
FROM: Kira Hutchens, HR Manager  
DATE: March 27, 2024  
SUBJECT: Board Consideration of a Merit Award for General Manager, Frank Lawson

---

**Situation**

As a term of General Manager Lawson's Amended Employment Agreement, executed in December 2019, the Board is required to evaluate the General Manager annually and may consider a merit award following the General Manager's annual performance review, which occurred in executive session on March 19<sup>th</sup>.

The subject citation from the Amended Agreement specifically regarding the merit award follows:  
Paragraph B.4

*The Board has discretion to approve or not approve a merit award based upon the General Manager's prior calendar year's performance assessment and upon the average merit award issued to non-represented EWEB employees. The Board may implement any such award by increase to base salary or lump sum payment. The timing of merit award under this provision shall coincide with the timing of non-represented EWEB employee merit process. The effective date of any earned merit will be applied on the first pay period following Board authorization or as otherwise established by the Board.*

**Background**

The following background information is intended only as context to support the Board in its decision-making.

**EWEB Compensation Practices and GM Compensation Package Against Comparators**

Per the Amended Employment Agreement, "...It is intended that the General Manager's salary shall be kept competitive with the public utility industry and comparative northwest power and water utilities with similar revenue and customer classes." The Agreement does not stipulate any interval at which GM Lawson's compensation should be evaluated to ensure this requirement is being satisfied. In the absence governing language, the GM compensation package was evaluated in Q3 2022, as part of a detailed job-by-job compensation study for all non-represented (MAPT) positions, which is conducted every three years.

Most comparators do not provide pre-determined additional compensation, annual "bonuses", or other incentives. However, some contracts include similar merit options to those outlined in GM Lawson's

contract – some defined as percentages, some vague. Beyond the Board’s consideration of an annual merit award, there is no “bonus” component in GM Lawson’s agreement. Other GM compensation packages vary widely, with some receiving additional deferred compensation, vehicle allowances, additional life insurance, and/or increased leave packages.

GM Lawson’s agreement does not stipulate any specific range or degree to which his compensation shall be “competitive” among regional utilities, leaving this to the discretion of the Board.

Data Source and Comparator Group

Published survey data pertaining to GM salaries and compensation practices in the northwest is somewhat incomplete, and therefore not fully reliable. To appropriately evaluate GM Lawson’s compensation package, EWEB relied on comparator utility responses to public records requests for GM employment agreements and other detailed compensation information, which was in effect as of July 2022.

The comparator group, used since 2009, included:

Central Lincoln PUD	EPUD
Chelan County PUD	Grant County PUD
City of Tacoma Utilities	Snohomish County PUD
Clark Public Utilities	SUB

Salary History

Most comparator agreements require the annual evaluation of GM compensation to ensure competitiveness, whereas GM Lawson’s agreement requires an escalation adjustment, a minimum of 2% with a maximum of 4%, each January based on indices applied to the MAPT salary structure. The 2024 salary structure adjustment was 4%, increasing GM Lawson’s salary to \$385,014.42.

In 2023, the Board opted to provide a 2.18% award (mirroring the average merit of MAPT employees for 2022 performance) in the form of a one-time payment or paid time off.

The average merit (base increase) award issued to non-represented EWEB employees for the 2023 performance year was 1.96%. In addition to his base salary, GM Lawson’s agreement includes an executive tax-deferred 401(a) savings plan, requiring an employer “pick-up” contribution of \$10,000 per year.

The following table illustrates GM Lawson’s salary history since 2019.

Year	Salary	Notes
2019	\$292,285.00	
2020	\$319,373.00	January 2020: Contractual Adjustment 2.42%
2021	\$335,533.49	January 2021: Contractual Adjustment 2% May 2021: Performance increase 3%
2022	\$355,967.47	January 2022: Contractual Adjustment 3% May 2022: Performance increase 3%
2023	\$370,206.17	January 2023: Contractual Adjustment 4% May 2023: One-Time Performance Award 2.18% (\$8,070.50)

2024	\$385,014.42	January 2024: Contractual Adjustment 4%
------	--------------	---

Board Action

In accordance with the terms of GM Lawson's Amended Employment Agreement, it is requested that the Board engage in public deliberation in consideration of any merit award. In as much as the decision pertaining to an award is entirely at the Board's discretion, there is no associated recommendation.