

Chairman said he asked both PSA's to document the current salary levels and the most recent pay adjustments for the 5 CCU employees noted above.

In addition, he clarified that the pay for performance for all non-CCU employees which is 2%, 3%, 4% based on their respective ratings. Both PSA Charfauros and Aguigui introduced themselves for the record. Ms. Charfauros based on the current GPA/GWA pay for performance that was adopted in 2017 the board approved the revised Pay for Performance [PPF] policy via resolution. The process is based on the raw scores with range of 234-300 / satisfactory would qualify for a 2% salary adjustment; 10% of division's population, with justification by supervisor / evaluator, would be eligible for 3% adjustment and 10% of those eligible for the 3% would be eligible for a 4% salary adjustment, with justification by evaluator and approved by the General Manager.

The Chairman said in the past the CCU has not standardized this section of the evaluation process and his thought was to investigate what the current policy is for the rank and file and implement the same for the executive management team hired by the CCU. Comm. Limticao asked confirmation that this PFP policy does not apply to those positions hired by the CCU and the Ms. Charfauros confirmed no it does not. Ms. Charfauros the policy can be applied to unclassified employees based on the percentage and the current pay schedule.

There was discussion on the setting of PFP, for the Asst. General Manager positions, relative to CCU and it was clarified that while the board may set the policy for CTP market percentile migrations, they do not have the responsibility of adjusting the annual salary adjustments for the Asst. General Manager's and that this responsibility sits with the General Manager.

Comm. Sanchez said that the CCU only oversees the evaluation of the 7 CCU-hired employees and gave some background information on the CCU's history with the Alan Searle market survey and what led GPA to the CTP policy relative to loss of employees due to disparity in salaries. It was confirmed that since 2008, on average the market percentile level for CTP has migrated from the 5th percentile in 2008 to the 20th percentile in 2022.

The Chairman added that all GPWA employees are included in the CTP, to include clerical staff, with exception of the CCU 7 employees. Comm. Limticao said PFP is applicable yearly based on their evaluations, the market percentile will also continue to increase based on the market percentile levels for that particular position.

The CCU continued the meeting with review/discussion of all positions above beginning with the GPA Chief Financial Officer

2. NEW BUSINESS

2.1 Pay Adjustments Following Evaluations of GPA Chief Financial Officer

The Chairman stated for the record that the GPA CFO is currently between the 5th-10th market percentile level and the rest of GPA employees are in the 20th percentile range. Mr. Kim's current pay is at \$135,000, between the 5th – 10th market percentile based on the 2017 study.

Comm. Santos motioned to discuss GPA CFO, John Kim's pay adjustment, second by Comm. Sanchez.

At this point, Comm. Sanchez reiterated [for the record] the CCU rating scale based on performance; he said this was important because the CCU rating scale is not like other; it is a higher standard/criteria.: A rating of 5 means that performance significantly exceeds expectations / outstanding; 4 means exceeds expectations / above satisfactory; 3 means meets expectations / satisfactory. He said all of CCU employees that were evaluated are well above 3. Mr. Kim's overall rating is 3.8 or – above satisfactory.

Comm. Limtiaco mentioned the categories that Mr. Kim was graded on. He said there are two sections - Section A of his evaluation dealt with key performance indicators relative to managing operations, managing finance, managing people and managing information. Section B of his evaluation had to do with personal competencies in areas related to strategic perspective, building teams, communication, information search, achievement focus and judgment.

The discussion then moved to the various adjustments related to both pay for performance and market percentile measures. The Chairman asked Acting GPA HR Administrator Jon-Rey Aguigui to give the Commission the salary ranges based on both and on Mr. Kim's current salary of \$135,000.

Pay for performance increase at 1% is \$136,382; 2% is \$137,745, 3% is \$139,123, 4% \$145,140

Market percentile range - 5th / \$131,060 – \$136,382; 10th / \$135,031 – \$145,140

Comm. Santos amended his main motion to bring Mr. Kim's salary up to the minimum of the 20th percentile, second by Comm. Limtiaco. The vote for this motion was 4 ayes, 1 no; the motion carried.

Comm. Limtiaco added that is it necessary to move Mr. Kim to the 20th percentile to meet CCU goal of moving everyone to the 20th market percentile.

The Commission asked Mr. Aguigui to restate the varying salaries for the 20th percentile range. He stated accordingly: \$141,919 / \$68.23 p/h; \$143,339 / \$ 68.91 p/h; \$144,772 / \$69.60 p/h, \$146,220 / \$70.30 p/h, \$147,682 / \$71.00 p/h

Comm. Limtiaco said with all due respect to the previous CCU, this process was handled poorly in the past and the current CCU worked very hard to improve the process by implementing the rules of engagement by establishing the CCU rules and regulations and the implementation of the correct annual reviews. The latter included a meet and greet where employees were provided expectations with discussion re Key Performance Indicators [KPI's] and their corresponding weight per category with explanation of ratings values. Fixing this issue takes time and we need to be sure to be good stewards. We must continue to streamline the process and be consistent. He said he is confident moving Mr. Kim's salary to the 20th market percentile.

Comm. Limtiaco motioned to increase the salary for Mr. John Kim, GPA CFO, to \$141,919, the minimum level of the 20th market percentile, second by Comm. Santos. On the motion the vote was 4 ayes, 1 no; the motion carried.

The Chairman highlighted that one achievement of importance by Mr. Kim was his successful negotiations relative to merchant service rates for credit cards avoiding the need to charge ratepayers a convenience fees for credit card use. Business are also now able to use their credit cards to make power payments.

GWA Chief Financial Officer

PSA Charfauros confirmed that the GWA Chief Financial Officer, Taling Taitano, is currently between the 20th - 25th percentile or \$137,745. She said this level is right between the 24-25th market percentile. Comm. Sanchez said that Ms. Taitano's overall rating is 3.7 which in lay person's term is an A-. She has agreed to release her summary to the public and her details can be found at the CCU and GWA websites.

PSA Charfauros stated the varying market percentile levels relative to GWA CFO at 1% it is \$138,000; 2% - \$140,514 and 3% - \$141,919. Comm. Limtiaco said if the goal is to move the GWA CFO to the 20th percentile she is already between the 24-25th market percentile. Any consideration to apply any percentage will increase her to above the 25th percentile.

Comm. Santos motioned that based on the GWA CFO's overall rating of 3.7, to increase her salary by 2% or \$140,514 which takes her above the 25th market percentile.

In discussion, Comm. Limtiaco said recruiting for positions is also a difficult task because it is difficult to find qualified and experienced persons.

On the motion, the Chairman asked for a second; there was none; the motion failed.

In further discussion Comm. Limtiaco said if the CCU is going to consider any increase do we want to discuss parity being the scale for GPA is different from GWA. Comm. Santos said the question of parity today is a slippery slope especially since the CCU is composed of 5 males. Comm. Limtiaco made it clear that the parity he referenced is about the Chief Financial Officer position.

Comm. Sanchez said both CFO's overall rating is 3.7 and 3.8. If there was a differential between the GPA CFO and the GWA CFO, it is longevity. The GPA CFO has been with GPA for 6 years, whereas the GWA CFO only 2 years; this is another variable.

Comm. Duenas mentioned that the Commission did try to increase the GPA CFO's salary in the past but was rescinded because of an error that was made. In his opinion to do 2% would keep the GWA CFO on similar level with the GPA CFO.

There was a discussion on whether or not the Chairman can make or second a motion.

Comm. Limtiaco said he does not think the chairman is restricted to participate in motions that his position as Chairman does not limit him from participating in the business of the board. There was discussion on a 2-pronged question, can the Chairman make a motion and secondly, if he cannot, can he second a motion. The Commission asked GWA's Legal Counsel opinion; she opined she thinks there is no problem. Comm. Sanchez recommended that Counsel take a moment to make

sure to avoid any errors. Legal Counsel Rojas said she needs a minute to research the issue. She took a moment to research the CCU Standing Rules.

Meanwhile, Comm. Duenas said we have a responsibility to serve our ratepayers but we also have a responsibility to hire and retain experienced, qualified employees to be able to serve our ratepayers well.

Comm. Limtiaco said to do it right the CCU needs to revisit the market percentile issue, this must be revisited or provide justification if the current threshold of 20% market percentile is exceeded.

Comm. Sanchez said there are incidences where the CCU may exercise an option to make exceptions based on skillsets or lack thereof. In order to attract capable people with specific skillsets, there may be instances where the CCU may need to exercise the discretion to hire above established market percentile/s.

Legal Counsel said the CCU Standing Rules references the Robert Rules of Order and she is researching there for a firm opinion on whether or not the Chairman can either make a motion or second a motion. Robert Rules, section 5 governing seconding motions and based on her read she does not think there is a problem with the Chairman seconding a motion. She further opined, based on her read that the Chairman may initiate the body to initiate the motion and can also bypass the body and proceed without waiting for someone to second a motion. The Commission asked Counsel to put her opinion in writing.

Comm. Martinez asked what about a tie vote. Comm. Limtiaco said there are 5 CCU so there will never been a tie.

Comm. Santos reinstated his motion to adjust the salary for the GWA CFO by 2% or \$140,514, second by Comm. Duenas.

Comm. Limtiaco clarified if this would put her above the 25th percentile and the response was yes.

Comm. Santos asked the Chair to call for the vote.

Chairman Duenas asked for the vote by raising of hands; the vote was 2 ayes 3 nays. The motion failed.

Comm. Santos motioned for a 5-minute recess.

Comm. Santos said he had to leave.

GPA General Counsel

Comm. Sanchez said that the GPA General Counsel is the only one who did not agree to release his scores adding he wrestles with how the CCU can justify any pay increase if his evaluation cannot be released.

Comm. Limtiaco said for the record he would like to review his current salary and market percentile.

PSA Aguigui said GPA Counsel is currently at \$135,000 which is between the 30-35th percentile.

Comm. Sanchez asked if everyone at GPA/GWA is at the 20% percentile both PSA Charfauros and Aguigui confirmed yes.

Comm. Limtiaco said we need to make sure that the market surveys are current to determine the percentile ranges to follow the market. He recommended including an inflationary factor in

Comm. Duenas recommends to work on a resolution to direct management to update the pay scale and include an escalation clause to implement between market surveys just to keep escalations fair until the next market survey is released. The Chairman asked GWA Counsel to prepare a draft resolution for consideration at perhaps the March CCU meeting

Comm. Sanchez there is a CTP law for everyone except our 7 employees. On a personal level it is good to reserve the right of the Commission to review our 7 employees and do whatever the CCU wants.

Comm. Sanchez used the example of the CCU Board Secretary where she is handling 2 boards. Her salary is way below what it would be if the Commission had a separate board secretary for GPA and GWA. When setting her salary, the Commission saved ratepayer some money.

There was no motion to adjust the salary for the GPA General Counsel

It was mentioned that there is no discussion on the GWA General Counsel because she is a new hire and is not up for annual review until November 2022.

CCU Board Secretary

PSA Aguigui said currently Ms. Sablan is currently at \$72,012 between 80-85th market percentile.

Chairman Duenas said that when the Commission does these movements, the salary is usually slotted in with an established step or paygrade. The Chairman said when this number was decided on is not slotted correctly i.e. paygrade [step on a specific pay scale] and added that in the future when the CCU picks a number it should correlate to a specific pay scale.

Comm. Limtiaco asked clarification relative to the Chairman's comment "not slotted correctly". PSA Aguigui said that GPA has an established pay scale and in this instance \$72,012 is not on the GPA established pay scale. How this is handled this figure is configured on an hourly basis.

PSA Aguigui said the next salary scale up from \$72,012 is at 1% - 73,158; 2% 73,889 and 3% - 74,628

Comm. Sanchez reiterated the history of how Ms. Sablan came to be the Board Secretary

Comm. Sanchez asked both PSA Charfauros and Aguigui if they are able to give pay scale for board secretary at the 20-25 percentile. Ms. Charfauros said GWA does not have a Board Secretary position. Mr. Aguigui said GPA's Board Secretary position at the 20-25th percentile is \$ 45,000. So if GPA and GWA each hired their own board secretary they would be paying \$80-90,000 combined. Ms. Sablan is being paid \$72,000 saving ratepayers about \$20,000.

Comm. Sanchez said in fairness to Ms. Sablan it appears that she is at the 80% percentile but this is not the case. She is responsible for 2 boards not only one. If her current salary is divided in 2 that would be \$36,000 per agency, way below the current \$45,000 or 20-25th percentile.

Comm. Limtiaco said Ms. Sablan's overall rating is 4.2 and exceeds expectation. Comm. Sanchez added she was the only one that rated a 4.

Comm. Martinez commented on discussion on dual role that Ms. Sablan performs and asked if the \$45,000 mentioned is 20 percentile for 1 board secretary.

Chairman asked for further discussion – there was none.

Chairman asked for any motion – there was none.

GPA General Manager

Comm. Michael said he did not participate at the evaluation of Mr. Benavente or Mr. Bordallo because of the relationship he has with both. His wife Tricee Limtiaco, Asst. General Manager of Administration for GPA reports to Mr. Benavente and Mr. Miguel Bordallo is his first cousin. He asked to be excused for both the discussion of GPA General Manager and GWA General Manager.

The Chairman said no objection and excused Mr. Limtiaco.

The Chairman said Mr. Benavente's overall ranking is 3.7

GWA General Manager

The Chairman said Mr. Bordallo's overall ranking is 3.9 and asked if there was any discussion. There was none. He asked if there was any motion – there was none.

Comm. Sanchez said all throughout the night he has not voted in favor for any pay adjustments but his actions were not based on poor performance by the executive team but because of the current environment in the community at this time. He said his action is not because the team has not done an excellent job or to devalue their work. Many businesses are still suffering and have spoken to many who have given input that this is not the time for pay adjustments. He said all the CCU employees deserve raises but asked them to please continue to sacrifice that we are in this together.

Comm. Duenas said the service that GPA and GWA provide the community is vital. If there is no power and subsequently there is no water. He said water and power are critical and essential and he would have voted for any pay raise tonight. He said that both agencies have come a very long way from the GPA and GWA of the past – both agencies have improved services tremendously. He said we made a commitment to our employees that if they do a good job they will be rewarded. The Chairman cited all the achievements that both General Manager's have accomplished.

Comm. Martinez said that all 6 employees deserve pay raises. He said he has been here a year and they are all professionals and do a great job. He added that sometimes you need to take a look at the big picture and do what is right. He thanked the employees for their dedication and hard work

asked them to continue their good work and hopefully next year the economic environment will be better.

Comm. Martinez asked the Legal Counsel and the Personnel Administrators to restate the action items requested by the Commission. The Legal Counsel said she is to review who determines the compensation for the Asst. GM's. It is very clear on the GPA side but is silent on the GWA side so Counsel will review the policies and submit her report in writing. The HR administrator for water said she will research and find the salary structure and percentile for the board secretary position. The HR administrator for power said he will review the scope of work for the GPA board secretary to confirm if it includes scope of work for GWA. The Chairman also reminded them to look into whether or not GWA pays for half of the board secretary's salary.

3. OTHER DISCUSSION

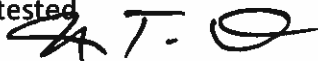
4. ADJOURNMENT

There being no other business to bring before the Commission the meeting adjourned at 10:41 a.m.

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Attested



JOSEPH T. DUENAS, Chairman



MICHAEL T. LIMTIACO, Secretary