



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guemccu.org

GWA RESOLUTION NO. 43-FY2023

**RELATIVE TO THE ADOPTION OF THE GUAM WATERWORKS
AUTHORITY FISCAL YEAR 2024 INTERIM OPERATING BUDGET**

WHEREAS, Section 8104 (c), Chapter 8 and Section 14104 (c) Chapter 14 of Title 12 of the Guam Code Annotated authorizes the Guam Waterworks Authority to establish its internal organization and management and adopt regulations for the administration of its operations and

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities (“CCU”) has plenary authority over financial, contractual, and policy matters relative to the Guam Waterworks Authority (“GWA”); and

WHEREAS, the Guam Waterworks Authority (“GWA”) is a Guam Public Corporation established and existing under the laws of Guam and

WHEREAS, the CCU approved GWA’s Five-Year Financial Plan for filing with the Public Utilities Commission on June 5, 2019, and GWA submitted the approved plan to the Public Utilities Commission (PUC) on July 6, 2019; and

WHEREAS, the Financial Plan addresses the five-year period of FY2020-FY2024: (1) estimated annual budgets for operations, maintenance, and repair of GWA’s water and wastewater system, including capital improvement projects; and (2) a descriptive plan for raising sufficient revenue to meet the projected costs set forth in the budgets; and

WHEREAS, the Public Utilities Commission (PUC) issued its first decision under Docket 19-08 in February 2020 agreeing to conditional rate increases for Fiscal Years 2022, 2023 and 2024 to be updated upon the results of analytical studies submitted on March 31,

1 2021, and a Comprehensive Review and Update (CRU) submitted on May 1, 2021, comparing
2 forecast to actual performance of revenues and expense categories, among other provisions.
3 GWA's updated CRU requested rate increases of 10% for FY2022 and FY2023 and 7% for
4 FY2024 to include increases to the Legislative Surcharge of 3.7% in FY2022, 3.5% in FY2023
5 and 3.4% in FY2024; and

6
7 **WHEREAS**, after lengthy reviews, discussions, public hearings, an evidentiary hearing,
8 and modifications to the financial plan that continued through September 2022, the PUC
9 consultants recommended rejection of any rate increases for FY2022, FY2023 and FY2024; and

10
11 **WHEREAS**, in September 2022, the PUC issued Rate Decision Docket 19-08
12 approving an across-the-board 5.5% rate increase for FY2023 effective October 1, 2022, and for
13 FY2024 an across-the-board increase of 5.5% effective October 1, 2023. There shall be no
14 change in Lifeline rates for both fiscal periods. Due to the delay in PUC action, there was no
15 rate increase in FY2022; and

16
17 **WHEREAS**, the PUC also approved GWA to implement rates for the Legislative
18 Surcharge at 3.5% in FY2023 and 3.4% for FY2024 and a debt service coverage ratio of no less
19 than 1.3x.; and

20
21 **WHEREAS**, no rate case filing for FY2024 was required; however, a True-Up
22 projection for FY2024 was ordered and provided to the PUC on June 1, 2023, in which GWA
23 detailed actual financial performance in FY2023 as compared to prior projections, including
24 inflationary impacts to needed materials and supplies, as well as greater than projected power
25 costs, and requested an additional rate increase of 21.5% (added to the pre-approved 5.5%) for a
26 total FY2024 rate increase of 27%; and

27
28 **WHEREAS**, the CCU approved the Fiscal Year 2024 Budget and True-Up projection in
29 GWA Resolution 33-FY2023 based on the assumptions provided in the True Up projection; and

30
31 **WHEREAS**, the FY2024 True Up projection filed as Docket 19-08 on June 1, 2023, has
32 yet to be acted on by the PUC, is not on the PUC meeting agenda for August 31, 2023, and the

1 September meeting is scheduled for September 29, 2023, two days before the beginning of
2 FY2024; and

3
4 **WHEREAS**, out of an abundance of caution and to avoid interruptions in operational
5 activities at the start of the new fiscal year on October 1, 2023, management seeks CCU
6 approval to roll-over its FY2023 approved budget as amended for a lump sum total of \$20.3
7 million (net of depreciation) for the first quarter of FY2024 as outlined in Exhibit A; and

8
9 **WHEREAS**, management notes that FY2023 supplemental ARPA funding and RSF
10 reserves are not available in FY2024 and confirms that the roll-over budget amount is
11 insufficient for projected FY2024 operations, and will therefore provide budgetary revisions to
12 the CCU as necessary immediately following action from the PUC on GWA's True-Up
13 submission.

14
15 **NOW BE IT THEREFORE RESOLVED**; the Consolidated Commission on Utilities
16 does hereby approve the following:

- 17
18 1. The CCU authorizes the GWA FY2024 Interim Operating Budget for the first
19 quarter of FY2024 to be a lump sum budget of \$20.3 million, net of depreciation.
20 2. The authorized level of positions for FY2024 shall be 400 full-time employees.
21 3. The General Manager is authorized to transfer up to 10% between and among O&M
22 budget expenses, excluding salaries and benefits. Any transfers exceeding 10%
23 require CCU approval.
24 4. The General Manager's delegated contract approval is authorized at \$1,000,000.00.
25 The General Manager shall seek CCU approval for expenditures in excess of
26 \$1,000,000.00.
27 5. Management will provide a revised budget to the CCU once the PUC acts on the
28 GWA's True-Up submission submitted on June 1, 2023, in Docket 19-08.

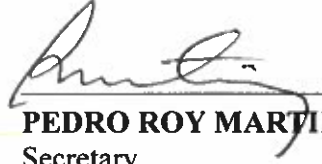
29
30 **RESOLVED**, that the Chairman certified, and the Board Secretary attests to the
31 adoption of this Resolution.

1 **DULY AND REGULARLY ADOPTED**, this 29th day of August 2023.

2
3 Certified by:

Attested by:

4
5 



6 **JOSEPH T. DUENAS**
7 Chairperson

PEDRO ROY MARTINEZ
Secretary

8
9 **SECRETARY'S CERTIFICATE**

10
11 I, Pedro Roy Martinez, Board Secretary of the Consolidated Commission on Utilities as
12 evidenced by my signature above do hereby certify as follows:

13 The foregoing is a full, true, and accurate copy of the resolution duly adopted at a
14 regular meeting by the members of the Guam Consolidated Commission on Utilities,
15 duly and legally held at a place properly noticed and advertised at which meeting a
16 quorum was present and the members who were present voted as follows:

17
18 AYES:

5

19
20 NAYS:

0

21
22 ABSTENTIONS:

0

23
24 ABSENT:

0



25
26
27 ///

28
29 ///

30
31
32 ///

EXHIBIT A
TO RESOLUTION 43-FY2023

GUAM WATERWORKS AUTHORITY
INTERIM FISCAL YEAR 2024 BUDGET

COST CATEGORY

Water Purchases- Navy	1,594,763.68
Power Purchases	6,967,777.25
Salaries and Wages & Benefits	6,468,648.84
Administrative & General	
Administrative & General Expenses	2,860,361.26
Contractual	
Contractual charges	1,475,317.85
Retiree Benefits	938,904.25
	<hr/>
Total Operating & Maint. Expense	<u><u>20,305,773</u></u>

¹ Gross totals