



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

GPA RESOLUTION 2023-32

**RELATIVE TO THE ADOPTION OF A BUDGET FOR THE
GUAM POWER AUTHORITY FOR FISCAL YEAR 2024 AND 2025**

WHEREAS, the Guam Power Authority (GPA) is a Public Corporation of the Government of Guam; and

WHEREAS, Section 8117 of Chapter 8 of Title 12 of Guam Code Annotated authorizes the Consolidated Commission on Utilities (CCU) to adopt an annual budget for the Authority; and

WHEREAS, Section 6.11 of the GPA Bond Indenture Agreement requires the Authority to provide a copy of an approved budget to the Bond Trustee prior to the beginning of each fiscal year; and

WHEREAS, the General Manager of the Guam Power Authority has reviewed and proposes the budget for Fiscal Year 2024 and 2025 totaling \$555,607,000 and \$576,098,000, respectively; and

WHEREAS, the General Manager has reviewed and proposes a Revenue Funded Capital Improvement Project (CIP) budget totaling \$36,931,099 and \$39,160,498; and

WHEREAS, the General Manager has reviewed the budget to ensure that all budget expenditures are consistent with the strategic goals of the Authority; and

NOW, THEREFORE BE IT RESOLVED BY THE CONSOLIDATED COMMISSION ON UTILITIES AS THE GOVERNING BODY OF THE GUAM POWER AUTHORITY, AS FOLLOWS:


1. The Fiscal Year 2024 and 2025 proposed budget of \$555,607,000 and \$576,098,000, respectively, of operating revenues, and operating expenses in addition to other cash flow

- 33 requirements such as debt services, working capital and conforming to obligatory debt
 34 coverage ratio of 1.59 for FY2024 and 1.57 for FY2025 are hereby approved (Exhibit A).
 35 2. The authorized level of positions within the Authority shall be 490 FTEs for FY2024 and
 36 FY2025.
 37 3. The General Manager is authorized to implement annual structural pay adjustments to the next
 38 incremental percentile in Fiscal Years 2024 and 2025 based on the 2022 Market Data and
 39 updated pay scale, subject to availability of funds.
 40 4. GPA shall not transfer into the personnel account from other non-labor accounts.

41 **RESOLVED**, that the Chairman of the Commission certifies and the Board Secretary of this
 42 Resolution.

43
 44 **DULY and REGULARY ADOPTED AND APPROVED THIS this 27th DAY**
 45 **of SEPTEMBER 2023**

46 Certified by:



 JOSEPH T. DUENAS
 Chairman
 Consolidated Commission on Utilities

Attested by:



 PEDRO ROY MARTINEZ
 Secretary
 Consolidated Commission on Utilities

47
 48 **I, Pedro Roy Martinez**, Secretary for the Consolidated Commission on Utilities (CCU), as
 49 evidenced by my signature above do certify as follows:

50
 51 The foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting
 52 of the members of Guam Consolidated Commission on Utilities, duly and legally held at the meeting
 53 place properly noticed and advertised at which meeting a quorum was present and the members who were
 54 present voted as follows:

55
 56 Ayes: 5
 57 Nays: 0
 58 Absent: 0
 59 Abstain: 0
 60
 61
 62



**GPA Revenue Requirement
Fiscal Year 2024-2025 (CCU Approval 9/27/23)**

Exhibit A

<u>Proforma Income Statement</u> (In '000)		FY2024 Approved	FY2025 Approved
1	REVENUES		
2	Existing Base Rate Revenues	\$ 157,800	\$ 162,534
3	Fuel Revenues	391,228	406,877
4	Miscellaneous Revenues	6,579	6,687
5	Total Revenues	555,607	576,098
6	Bad Debt Expense	(1,246)	(1,295)
7	Net Operating Revenues	554,362	574,802
8			
9	Production Fuel	391,228	406,877
10			
11	MEC	14,040	14,631
12	IPP	14,040	14,631
13			
14	O&M EXPENSES		
15	Yigo Diesel Units (Aggreko)	\$ 2,059	\$ 2,267
16	Operating Supplies	2,981	3,299
17	Utilities - Water & Communications	2,859	3,025
18			
19	WORK FORCE		
20	Salaries	38,454	39,708
21	Employee Benefits	13,386	14,197
22	Retiree & Health Care	5,365	5,947
23	Labor, Benefits & Retirees	57,204	59,853
24	Less Capitalized Labor	(6,793)	(6,973)
25	Personnel	50,411	52,880
26			
27	Apprentice labor	2,247	2,527
28	Workforce Interns	1,420	1,477
29	Workforce contracts	3,667	4,004
30	Total Work Force	54,078	56,884
31			
32	Fixed Management Fees (PMC)	3,487	3,644
33	Apprentice supplies & others	41	54
34	Security Guard/Armored Car Services	908	940
35	Software & Network Maintenance	1,906	1,978
36	Environmental protection	671	701
37	Other Contracts	8,370	8,952
38	Contractual	15,383	16,270
39			

**GPA Revenue Requirement
Fiscal Year 2024-2025 (CCU Approval 9/27/23)**

Exhibit A

**Proforma Income Statement
(In '000)**

	FY2024 Approved	FY2025 Approved
40 Insurance	8,971	9,391
41 Miscellaneous	3,086	3,102
42 Off Island Training	150	150
43 Training	113	113
44 Office Supplies	111	151
45 Other Administrative	101	107
46 Administrative & General	12,532	13,014
47		
48 Total O&M Expenses	89,893	94,758
49		
50 Depreciation	38,567	40,110
51 Accounting Adj		
52 Total Operating Expenses	\$ 533,728	\$ 556,376
53		
54 Earnings From Operations	20,633	18,426
55		
56 Other Revenues (Expenses):		
57 Investment Income	1,000	1,000
58 Interest expense (2012 Revenue Bond)	-	-
59 Interest expense (2014 Revenue Bond)	(3,240)	(3,148)
60 Interest expense (2017 Refunding Bond)	(7,200)	(6,987)
61 Interest expense (2022 Refunding Bond)	(11,648)	(11,160)
62 Other Expense/Income	-	-
63 Amortization of Issuance Costs	(121)	475
64		
65 Net Earnings(Loss) Before Capital Contribution	(575)	(1,393)
66 Capital Contributions	-	-
67		
68 Increase (Decrease) in Net Assets	\$ (575)	\$ (1,393)
69		
70 <u>Debt Service Coverage Calculation</u>		
71 Earnings From Operations	\$ 20,633	\$ 18,426
72 Add Interest Income	1,000	1,000
73 Add: Depreciation	38,567	40,110
74 Balance Available for Debt Service	60,201	59,536
75 IPP Debt Service + Aggreko lease	-	-
76 Balance After IPP Debt Service	60,201	59,536
77 Debt Service		
78 Bond Interest Expense	22,087	21,294

GPA Revenue Requirement
Fiscal Year 2024-2025 (CCU Approval 9/27/23)

Exhibit A

Proforma Income Statement
(In '000)

	FY2024 Approved	FY2025 Approved
79 Bond Principal	15,855	16,650
80 Total Debt Service	37,942	37,944
81		
82 Debt Service Coverage (Bond Method)	1.59	1.57
83 Debt Service Coverage (S&P Method)	1.59	1.57
84		
85 <u>Cashflow Statement</u>		
86 Net Income	\$ (575)	\$ (1,393)
87 Depreciation & amortization	38,688	39,635
88 (Unrecovered)/recovered fuel cost	-	-
89 CIP's-Internally Funded	(36,931)	(39,160)
90 Principal Payment (2012 Revenue Bond)	-	-
91 Principal Payment (2014 Revenue Bond)	(1,845)	(1,935)
92 Principal Payment (2017 Refunding Bond)	(4,245)	(4,460)
93 Principal Payment (2022 Refunding Bond)	(9,765)	(10,255)
94 Principal Payment (IPP)	-	-
95 MEC Recapitalization	(1,764)	(2,000)
96 Cash Carry Over-Surplus/(Deficit)	(16,436)	(19,569)
97 Beginning Balance	59,974	43,538
98 Ending Balance	43,538	23,969

**GPA Revenue Requirement
Fiscal Year 2024-2025 (CCU Approval 9/27/23)**

Exhibit A

**Proforma Income Statement
(In '000)**

**FY2024
Approved**

**FY2025
Approved**

	FY24	FY25
APPROVED FTE	490	490
ACTUALS FTE (at year-end)		
Number of Employees	490	490
WORK FORCE		
Salaries & Wages		
Regular Pay	\$ 35,923,852	\$ 36,958,385
Overtime Pay	\$ 2,300,000	\$ 2,500,000
Night Differential Pay	\$ 230,000	\$ 250,000
Sub-Total Employee Salaries	\$ 38,453,852	\$ 39,708,385
Employee Benefits		
Medical/Dental/Life	\$ 3,249,685	\$ 3,574,654
Retirement Contribution	\$ 10,135,979	\$ 10,622,404
Sub-Total Employee Benefits	\$ 13,385,664	\$ 14,197,058
Retiree Benefits	\$ 5,364,675	\$ 5,947,322
Total Labor & Benefits	\$ 57,204,191	\$ 59,852,765
Less Capitalized Labor	\$ (6,792,968)	\$ (6,972,579)
Total Personnel	\$ 50,411,223	\$ 52,880,186
Apprentice labor	\$ 2,246,562	\$ 2,526,811
Workforce Interns	\$ 1,420,494	\$ 1,477,188
Workforce contracts	\$ 3,667,056	\$ 4,003,999
Total Work Force	\$ 54,078,279	\$ 56,884,184

**GPA Revenue Requirement
Fiscal Year 2024-2025 (CCU Approval 9/27/23)**

Exhibit A

**Proforma Income Statement
(In '000)**

	FY2024 Approved	FY2025 Approved
Contracts		
Apprentice	\$ 40,700	\$ 53,768
-Supplies & others	\$ 40,700	\$ 53,768
Environmental protection	\$ 671,061	\$ 701,061
-Compliance-Emission and water	\$ 470,000	\$ 470,000
-Used oil, catalyst and others	\$ 201,061	\$ 231,061
Fixed Management Fees (PMC)	\$ 3,486,994	\$ 3,644,427
- Cabras 1 & 2	\$ 2,641,162	\$ 2,773,220
- CT	\$ 845,832	\$ 871,207
Software & Network Maintenance	\$ 1,906,147	\$ 1,978,001
-Advance Grid Analysis (AGA)	\$ 67,679	\$ 71,062
-JDE license	\$ 448,760	\$ 473,665
-MDMS SW License Renewal & Software Maintenance	\$ 106,972	\$ 110,000
-Oracle DB license renewal for CC&B Database	\$ 80,896	\$ 88,292
-Oracle DB license renewal for CC&B Database-DR	\$ 51,756	\$ 53,309
-Universal Credits of CHATBot	\$ -	\$ -
-CC&B SW Maintenance License fee renewal	\$ 126,400	\$ 131,456
-Other licenses	\$ 1,023,684	\$ 1,050,217
Security Guard/Armored Car Services	\$ 908,216	\$ 939,859
-Security Guard Services	\$ 875,000	\$ 900,000
-Armored Car Services	\$ 33,216	\$ 39,859
Audit Fee Financial	\$ 142,000	\$ 145,000
Building maintenance	\$ 521,196	\$ 841,396
Engineering Consultants	\$ 150,000	\$ 150,000
Grounds Maintenance	\$ 511,771	\$ 522,771
Heavy Equipment Maintenance	\$ 33,462	\$ 34,800
Heavy Equipment Rental	\$ 92,494	\$ 112,531
Land Lease	\$ 108,240	\$ 108,240
Legal Consultants	\$ 16,500	\$ 16,500
Light Vehicle Maintenance	\$ 27,976	\$ 29,095
Office Equipment Rental	\$ 100,000	\$ 100,000
Other Contractual Services		

GPA Revenue Requirement
Fiscal Year 2024-2025 (CCU Approval 9/27/23)

Exhibit A

Proforma Income Statement
(In '000)

	FY2024 Approved	FY2025 Approved
- Regulatory consultant	\$ 200,000	\$ 200,000
-ESS	\$ 233,000	\$ 250,000
-Disposal of soot and used oil	\$ 400,000	\$ 400,000
-USDA snake control	\$ 211,000	\$ 214,000
-Fire suppression system inspection	\$ 51,820	\$ 51,820
-EMS Maintenance & Support	\$ 170,000	\$ 175,000
-Others contractual services	\$ 915,798	\$ 949,437
Other Maintenance		
-Maintenance/Repair Fire Alarms & gas suppression systems	\$ 76,000	\$ 80,000
-Vegetation Management	\$ 200,000	\$ 200,000
-Surveillance camera	\$ 15,000	\$ 15,000
-Other maintenance	\$ 153,304	\$ 182,284
Other Professional Services		
-Consulting Services on Training and Assessment for Piti 7	\$ 100,000	\$ 100,000
-Milsoft Texting System-Outage reporting	\$ 87,760	\$ 104,760
-Smart grid network system support	\$ 208,800	\$ 203,800
-ESS and Renewables Consultant	\$ 100,000	\$ 100,000
-Consent decree legal services	\$ 450,000	\$ 550,000
-CC&B technical support	\$ 350,000	\$ 350,000
-ERP Phase II technical support (E1)	\$ 100,000	\$ 100,000
-Bill Print & news letters	\$ 380,000	\$ 400,000
-Insurance Risk Engineer	\$ 70,000	\$ 71,500
-Other professional services	\$ 1,388,907	\$ 1,314,142
Other Rental	\$ 232,238	\$ 234,526
Power Plant Accessory Equipment Maintenance	\$ 176,449	\$ 178,549
Radio Maintenance & Repair	\$ 82,500	\$ 82,500
Rental of Building	\$ 113,360	\$ 133,360
Technical Fees	\$ 200,787	\$ 251,447
Total - Other Contracts	\$ 8,370,362	\$ 8,952,458
Total Contract	\$ 15,383,480	\$ 16,269,575
Yigo Diesel Units	\$ 2,058,712	\$ 2,267,240
Operating Supplies		
Accessory Equipment	\$ 230,320	\$ 245,320
Boiler & Associated Eqpt Parts	\$ 180,000	\$ 230,000
Chemicals	\$ 170,638	\$ 181,497
Conductors, Poles & Line HW	\$ 342,478	\$ 385,215

**GPA Revenue Requirement
Fiscal Year 2024-2025 (CCU Approval 9/27/23)**

Exhibit A

**Proforma Income Statement
(In '000)**

	FY2024 Approved	FY2025 Approved
Copier Supplies	\$ 33,942	\$ 34,174
Coveralls/Uniforms	\$ 43,027	\$ 60,798
Diesel Fuel	\$ 124,000	\$ 130,000
Diesel Plant Parts	\$ 61,050	\$ 75,150
EPA & Others	\$ 69,197	\$ 69,246
Gases	\$ 151,211	\$ 158,828
Gasoline fuel	\$ 144,800	\$ 150,000
Janitorial Supplies	\$ 31,200	\$ 31,200
Lead Seals	\$ 5,000	\$ 5,000
Lubrication	\$ 252,942	\$ 258,694
Meter Test Parts, Etc.	\$ 11,500	\$ 11,500
Other Materials	\$ 302,939	\$ 361,095
Other Parts	\$ 257,010	\$ 285,883
Other Supplies	\$ 20,286	\$ 20,286
Printed Forms	\$ 19,507	\$ 23,356
Safety Supplies	\$ 117,310	\$ 127,282
SCADA Parts & Accessory	\$ 75,000	\$ 80,000
Station Equipment Repair Parts	\$ 16,000	\$ 16,000
Tires	\$ 41,600	\$ 43,264
Tools	\$ 82,368	\$ 121,092
Transformer Repair Parts	\$ 47,450	\$ 43,100
Turbine & Associated Eqpt parts	\$ 40,000	\$ 40,000
Vehicle & Heavy Equipment Parts	\$ 110,200	\$ 110,608
Total - Operating Supplies	\$ 2,980,975	\$ 3,298,587
Utilities - Water & Communications		
Courier Services	\$ 76,500	\$ 79,140
Postage	\$ 323,407	\$ 371,077
Telephone (Local)	\$ 195,000	\$ 210,000
Telephone (Overseas)	\$ 10,500	\$ 10,500
Utilities - Water	\$ 2,254,000	\$ 2,354,055
Total - Utilities - Water & Communications	\$ 2,859,407	\$ 3,024,772
Miscellaneous		
Ads & Radio Announcements	\$ 124,840	\$ 138,570
Board Fees	\$ 31,500	\$ 31,500
Collection Fees	\$ 2,500,000	\$ 2,500,000
Dues & Subscription	\$ 120,000	\$ 122,000
P.U.C.	\$ 215,000	\$ 215,000

**GPA Revenue Requirement
Fiscal Year 2024-2025 (CCU Approval 9/27/23)**

Exhibit A

**Proforma Income Statement
(In '000)**

	FY2024 Approved	FY2025 Approved
Trustee / Bank Commission Fees	\$ 95,000	\$ 95,000
Total - Miscellaneous	\$ 3,086,340	\$ 3,102,070
Insurance		
Property	\$ 8,004,529	\$ 8,454,755
General Liability	\$ 80,000	\$ 80,000
Auto Liability	\$ 110,000	\$ 110,000
Pollution	\$ 150,000	\$ 150,000
Professional Liability	\$ 110,000	\$ 110,000
Excess General Liability	\$ 215,000	\$ 215,000
Excess Workmen's Compensation	\$ 15,500	\$ 15,500
Crime	\$ 36,000	\$ 36,000
Directors & Officers	\$ 110,000	\$ 110,000
Sub-Total: Property & Liability	\$ 8,831,029	\$ 9,281,255
Damage Claims	\$ 65,000	\$ 40,000
Workmen's Compensation (Safety)	\$ 75,000	\$ 70,000
Total - Insurance	\$ 8,971,029	\$ 9,391,255
Off-Island Training	\$ 150,000	\$ 150,000
Training & Materials	\$ 113,030	\$ 113,030
Office Supplies	\$ 110,518	\$ 150,556
Other Admin	\$ 100,900	\$ 107,000
Total Non-Labor	\$ 35,814,391	\$ 37,874,086

**GPA Revenue Requirement
Fiscal Year 2024-2025 (CCU Approval 9/27/23)**

Exhibit A

**Proforma Income Statement
(In '000)**

	FY2024 Approved	FY2025 Approved
FY2024-2025 CAPITAL IMPROVEMENT PROJECTS (CIP) - REVENUE FUNDED		
Overhaul	\$ 13,412,052	\$ 9,576,500
Network - SCADA, Advanced Meter Infrastructure, E1 Enhancement and Disaster Recovery	\$ 3,077,861	\$ 1,906,400
Substation and Transmission Improvements	\$ 2,256,364	\$ 1,522,700
Water Well System Improvements	\$ 606,000	\$ 2,300,000
Heavy Equipment - Bucket trucks, Diggers	\$ 747,792	\$ 4,849,998
Other General	\$ 2,034,923	\$ 1,704,900
General Plant	22,134,992	21,860,498
Engineering Projects	\$ 10,796,107	\$ 13,100,000
Line Extensions	\$ 4,000,000	\$ 4,200,000
Total - CIP (Revenue Funded)	<u>\$ 36,931,099</u>	<u>\$ 39,160,498</u>