



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagåtña, Guam 96932 | (671) 648-3002 | guamccu.org

GPA RESOLUTION NO. FY2024-07

RELATIVE TO THE APPROVAL OF A UNIFIED STRATEGIC PAY SCALE AND ADOPTION OF 2022 MARKET UPDATE AND IMPLEMENTATION PLAN FOR GUAM POWER AUTHORITY

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

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

WHEREAS, Public Law 28-159 authorizes the Guam Consolidated Commission on Utilities (CCU) to adopt rules and regulations governing the compensation of the Authority's Certified, Technical, and Professional (CTP) employees; as well as to approve, disapprove, or amend, the unified pay scale at any regularly scheduled meeting; and

WHEREAS, in 2022, Alan Searle and Associates conducted comprehensive market study of U.S. power utility salaries and pay scale in comparison to the Authority's current 2017 strategic pay scale. (See Exhibit A & Appendix A.) The study concluded that the Authority's current position at the 25th percentile of the 2017 market regressed to the 5th percentile of the 2022 market; and

WHEREAS, the 2022 market study recommends an adjustment and update of the existing pay scale to address obsolete pay grades and new grades to coincide with 2022 Market Data; and

WHEREAS, the Authority's competitive market position has eroded, evidenced by the difficulties attracting and retaining CTP employees, specifically for high-demand positions. The Authority's 5-year employment statistics show the second leading reason for employee attrition is similar positions with higher salaries. Competing on-island federal employment compensation

1 packages offer entry-level salaries and benefits considerably higher than the Authority's current
2 pay scale; and

3
4 **WHEREAS**, the Authority has expanded its overall recruitment efforts, including high
5 school outreach, internships and training programs to ensure a responsible succession plan in
6 anticipation of the retirement of 32% of its current employees within the next five (5) years; and

7
8 **WHEREAS**, the adoption and implementation of the 2022 strategic pay scale will bolster
9 GPA's ability to reduce attrition, retain its top-performing employees, attract employees with the
10 necessary knowledge, skills, and abilities to effectively plan, manage, and maintain the Island-
11 Wide Power System and safeguard its assets and customers (see Exhibit B, Appendix B12-B15);
12 and

13
14 **WHEREAS**, GPA requests approval of the 2022 market study and unified strategic pay
15 scale to restore the Authority's competitive market position. Upon implementation, GPA intends
16 to migrate to the 30th market percentile in Fiscal Year 2024 and to the next incremental percentile,
17 annually, through Fiscal Year 2028, based on the 2022 market data. GPA is committed to
18 maintaining the goal of being competitive and achieving a market position at the 50th market
19 percentile (2022 Market Data) by Fiscal Year 2028.
20

21 **NOW, THEREFORE, BE IT RESOLVED**, the Consolidated Commission on Utilities
22 do hereby approve the following:

- 23
- 24 1. The recitals set forth above hereby constitute the findings of the CCU.
 - 25 2. To accept and approve the results and recommendations of the 2022 market review
26 update conducted by Alan Searle and Associates, including implementation of a
27 new and adjusted Strategic Pay Scale for all Certified, Technical, and Professional
28 (CTP) positions. (See Exhibit B, Appendix B12 - B15).
 - 29 3. The GPA General Manager to implement incremental structural pay adjustments
30 using the 2022 pay scale and market data to the 30th market percentile in FY2024,
31 and incrementally thereafter to reach the 50th market percentile by FY2028. The
32 General Manager may determine the breadth and application of sub-steps to
determine the implementation ranges.

1 4. The GPA General Manager may transfer monies from non-labor account to the
2 labor account for the implantation of structural pay adjustment up to the 50th
3 market percentile, within approved Fiscal Year Operations and Maintenance
4 budgets, as necessary.
5

6 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the
7 Commission attests to the adoption of this Resolution.
8

9 **DULY AND REGULARLY ADOPTED**, this 28th day of May, 2024.
10

11 Certified by:

12 
13

14 **JOSEPH T. DUENAS**
15 Chairperson

Attested by:

16 
17

18 **PEDRO ROY MARTINEZ**
19 Secretary

20 **SECRETARY'S CERTIFICATE**

21 I, **Pedro Roy Martinez**, Secretary of the Consolidated Commission on Utilities as
22 evidenced by my signature above do hereby certify as follows:
23

24 The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular
25 meeting by the members of the Guam Consolidated Commission on Utilities, duly and
26 legally held at a place properly noticed and advertised at which meeting a quorum was
27 present and the members who were present voted as follows:
28

29 AYES:

5

30 NAYS:

0

31 ABSTAIN:

0

32 ABSENT:

0





GUAM POWER AUTHORITY

ATURIDĀT ILEKTRESEDĀT GUĀHAN
P.O.BOX 2977 • HAGĀTŃA, GUAM U.S.A. 96932-2977

NOTICE OF PETITION

The Guam Power Authority hereby petitions the Consolidated Commission on Utility the following:

PETITION TO APPROVE UNIFIED PAY SCALE AND TO ADOPT 2022 COMPENSATION STUDY AND IMPLEMENTATION PLAN

This petition is in compliance with Public Law 28-159 and GPA Personnel Rules and Regulations, Rule 15.17. The petition also publicized in accordance with 5 GCA, Chapter 10, Art. 1 (Sunshine Law).

For more information, please visit the Guam Power Authority's website at <https://www.guampowerauthority.com/corporate/human-resources/petitions>. You may also contact Guam Power Authority's Human Resources Office at 671-648-3130.



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUÅHAN
P.O.BOX 2977 • HAGÁTÑA, GUAM U.S.A. 96932-2977

PETITION TO APPROVE UNIFIED PAY SCALE AND TO ADOPT 2022 COMPENSATION STUDY AND IMPLEMENTATION PLAN

I. REQUEST:

The General Manager of the Guam Power Authority (GPA) petitions the Consolidated Commission on Utilities (CCU) to approve Alan Searle & Associates 2022 Compensation Study and adopt the Unified Pay Scale and the Implementation Plan for all Certified, Technical and Professional positions for the Guam Power Authority.

II. AUTHORITY:

12 GCA CHAPTER 8

§8103. Continuation of Existence.

Guam Power Authority is continued in existence as a public corporation.

§8107. Governance of Authority.

All powers vested in the Authority, except as provided herein, shall be exercised by the Consolidated Commission on Utilities, as established in Chapter 79 of Title 12 of the Guam Code Annotated.

4 GCA CHAPTER 6

§6303 (d). Creation of Positions in the Autonomous Agencies and Public Corporations.

PUBLIC LAW 28-159

GPA Personnel Rules & Regulations. Section 7.00, Rule 7.03(c): Amendment of Certified, Technical, and Professional Positions.

GPA Personnel Rules & Regulations. Section 15.17, Compensation for Certified, Technical and Professional Employees.

III. SUMMARY

Established in 1968, the Guam Power Authority (GPA) operates as a public corporation and an autonomous instrumentality of the Government of Guam. Operating independently without government subsidies, GPA relies solely on revenues generated from rates as a publicly owned electric utility. GPA is the exclusive provider of electric generation, transmission, and distribution services throughout Guam.

Key physical attributes of the Authority include:

- 464 MW Gross Generation Capacity
- 1,821 Miles of combined Transmission and Distribution Lines
- 29 Substations

These distinctive features form an integral part of the island-wide power system (IWPS), ensuring the provision of electrical services to nearly 53,000 customers. The operation and maintenance

**PETITION TO APPROVE UNIFIED PAY SCALE AND TO
ADOPT 2022 COMPENSATION STUDY AND IMPLEMENTATION PLAN**

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of this system involve the certified, technical and professional efforts of approximately 424 employees.

GPA is rapidly transitioning from a conventional utility to a more technologically advanced and modern utility. The entire organization bears the responsibility of ensuring the safety and preparedness of its employees whenever safety and security are compromised at any level. Furthermore, the Authority is actively incorporating both established and emerging technologies into all its service offerings.

GPA has made significant strides to align with current industry standards by integrating renewable energy generation assets, implementing a smart grid, incorporating a customer information system (CIS), and initiating energy storage projects. The digital transformation of the utility, while increasing the efficiency and reliability of utility services, also creates unique cyber and physical security threats faced by the Authority. The transformation requires enhanced, continuous employee training across all utility business units to ensure the necessary level of technical skills and knowledge.

As GPA works towards enhancing business processes and optimizing assets, the roles of all employees have become increasingly critical to the organization's operations. Therefore, the criticalness to attract, recruit, and retain highly certified, technical and professional employees is important to staff and operate the organization.

IV. COMPENSATION METHODOLOGY & BACKGROUND:

With the passing of Public Law 28-159, GPA was given the mandate to implement a new market based compensation model that would aid the attraction and retention of "Certified Technical and Professional" or CTP personnel. The law was a result of concerns that the Authority was losing highly skilled personnel due to the fact that then current salaries and compensation were not sufficient to attract and retain such personnel.

Through the RFP process, GPA in 2005 engaged the consulting services of Alan Searle & Associates to undertake the above compensation study. This was an extensive project involving three stages as follows:

The first stage of the study focused on job evaluation which involved applying a structured methodology of twelve (12) individual factors to assess all CTP positions. Each factor derived a point value with their sum representing the "total point" value of the position. The process was important as it re-established the internal equity of all positions based on job size. An exponential regression analysis was then undertaken to determine GPA's base salary pay line. This step was also important in that the resulting base salary pay line could eventually be compared to the market percentiles identified in Stage Two.

The second stage involved gathering external pay data on all CTP positions. The target market was the U.S. power industry and extensive data was gathered from a number of sources, including the APPA (American Public Power Association), U.S. Bureau of Labor Statistics (BLS), U.S. Department of Labor (DOL), U.S. Federal Government/Civil Service, U.S. military, web based compensation companies, U.S. utility recruitment companies and U.S. utility company websites. The resulting

**PETITION TO APPROVE UNIFIED PAY SCALE AND TO
ADOPT 2022 COMPENSATION STUDY AND IMPLEMENTATION PLAN**

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data was analyzed and presented as market percentiles (5th through to the 95th) with the 50th market percentile being the market average. A second exponential regression analysis was then undertaken to compare GPA's base salary pay line against the market percentiles as gathered in 2008.

The results validated GPA's market vulnerability as the base salary pay line (for a large number of CTP positions) was clearly below the 5th market percentile. This was an exceptionally low position and validated the ongoing difficulties GPA had been experiencing in being able to attract and retain CTP employees. The situation at the time was further exacerbated by Government Guam policy (Hay methodology) that stipulated that employees on Step 10 and above receive a 3.5% increment (based on satisfactory performance) once every two (2) years. On an annualized basis this was clearly below the CPI (Consumer Price Index).

With the passing of Resolution 01-FY2008 the CCU approved a transition period (beginning in fiscal year 2008) to migrate all CTP positions to a more competitive position in the market. The CCU resolution approved a five-year compensation transition plan using the 5th, 15th, 25th, 35th and 50th market percentiles as targets for FY2008 through FY2012.

The third stage of the review focused on implementation and the transition of all CTP employees into the new compensation model. The new salary schedule has twenty-six (26) alphabetical grades each with twenty (20) numeric steps. An additional feature was the introduction of four (4) sub-steps per step which amounts to eighty sub-steps in total. Each sub-step increases base salary by 1% and was introduced to allow a performance range for GPA to ultimately pay for performance.

In 2017, GPA again engaged with compensation consultant Alan Searle and Associates for another compensation study to obtain updated market data. The market study revealed that while the CCU addressed the compensation transition plan beginning in 2008, GPA's compensation continued to lag behind the market. The 2017 market study found that GPA compensation was at the 15th percentile, clearly not at or near the 50th market percentile, the stated goal of CCU Resolution 01-FY2008. The CCU thus adopted GPA Resolutions 2017-038 & 2021-23, approving a transition up to the 25th percentile and a new corresponding pay scale. The planned migration to the 50th market percentile was to ensure that GPA's compensation model remains externally competitive thus continuing to attract, recruit, and retain highly certified, technical and professional employees. GPA transitioned to the 20th percentile in January 2018 and progressed to the 25th percentile in June 2023 without an impact to the base rate or jeopardizing the utility's financial solvency.

V. CURRENT REVIEW (2022)

GPA enlisted the services of compensation consultant Alan Searle and Associates for a comprehensive compensation review to furnish updated market data for 2022. The timing of this review proved to be opportune for the Authority, considering several internal and external factors that influence our competitive position in the local and nationwide market. These factors include:

1. Compensation position within the local community:
 - a. Government of Guam implementation of 22% pay increase: On January 31, 2023, the Governor of Guam sanctioned the update to the General Pay Plan, resulting in a uniform twenty-two percent pay increase for all general pay plan employees,

**PETITION TO APPROVE UNIFIED PAY SCALE AND TO
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- regardless of their years of service or performance. Certain positions ended up with base pay close to or higher than that of GPA positions.
- b. Federal positions and benefit packages: The recent military build-up on Guam has altered the Authority's market position, particularly in the demand for highly skilled positions. The Authority has witnessed attrition, including the departure of crucial roles within Engineering, Information Technology, and Generation to the Federal Government. Employees contemplating separation are taking into account various added incentives, including comprehensive compensation packages that feature Cost of Living Allowance (COLA), competitive retirement and health insurance offerings, military shopping privileges, and more.
2. Evolution of GPA CTP positions and the internal/external demand.
 - a. The majority of Certified, Technical, and Professional Position job standards were established in the 1980s to the early 2000's, presenting challenges for the Authority in maintaining and updating utility-centric specifications. As the industry and the organization evolve, there is a growing need for additional knowledge, skills, and abilities specific to a modern utility organization. The existing specifications do not adequately address contemporary duties and responsibilities, nor do they reflect the skill sets and standards required to provide services to ratepayers. These evolving duties and responsibilities play a crucial role in the ongoing job evaluation of critical positions, considering both internal and external demand. The Authority is actively engaged in an ongoing project to review and address these issues.
 - b. Meeting the internal and external demand for critical utility-centric positions has proven to be a challenge for the Authority, particularly in sourcing certified, technical, and professional workers within a constrained applicant pool. This challenge is most pronounced in areas such as power generation, transmission and distribution personnel, electric power dispatchers, engineers, and information technology specialists. The modernization of technology and the corresponding skill sets required have resulted in a shortage of qualified applicants to fill these skilled positions.

VI. INDUSTRY CONSULTANT OBSERVATIONS & RECOMMENDATIONS

On October 24, 2023, Alan Searle & Associates presented the compensation study findings to the CCU at a special public meeting. The consultant emphasized that GPA's target compensation model must beat the most competitive percentile of the current market within GPA's financial ability. Whilst any increase in market position obviously comes at a cost this must be weighed against the Authority's ability to attract and retain competent employees. (See Appendix A.)

GPA's market position in 2017 was vulnerable with a large number of employees who were around the 15th market percentile. Even with efforts for GPA's compensation model to remain externally competitive, the market has unfortunately continued to move upward over the period through 2022. Market results validated GPA's market vulnerability as the base salary pay line (for a large number of CTP positions) was clearly below the 5th market percentile. (See Appendix B.) This was an exceptionally low position and validated the ongoing difficulties GPA had been

**PETITION TO APPROVE UNIFIED PAY SCALE AND TO
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experiencing in being able to attract and retain CTP employees.

Having determined GPA's current market position (relative to the 2022 market data), Alan Searle & Associates has prepared cost options aimed at migrating GPA to a more competitive market position. The migrating options are for the 20th, 25th, and 30th percentiles, cost permitting.

In undertaking the above cost analysis, it was also recommended to adopt an updated pay schedule. With the current pay schedule now 5 years old, an updated pay schedule is needed to address employees who are approaching or have exceeded step 20, sub-step D. (See Appendix C & D.)

VII. RECOMMENDATION:

1. Accept and approve the results and recommendations of the 2022 market review update conducted by Alan Searle and Associates, including implementation of a new and adjusted Strategic Pay Scale for all Certified, Technical, and Professional (CTP) positions.
2. Authorize the GPA General Manager to implement structural pay adjustments, incrementally, to the 30th market percentile, and to the next incremental percentile in Fiscal Year 2025, based on the 2022 market data. The General Manager may determine the breadth and application of sub-steps to determine the implementation range for positions based on affordability, with the eventual target being the 50th market percentile of the current market.
3. The General Manager is authorized to transfer \$2.3 million from non-labor account to the personnel account to implement the migration to the 30th percentile based on the 2022 market data. The overall FY24 Operations and Maintenance budget will remain the same.



1/3/2024

JON-REY P. AGUIGUI

Personnel Services Administrator



1/3/2024

BEATRICE P. LIMTIACO

Assistant General Manager, Administration

for:



1/3/2024

JOHN M. BENAVENTE, P.E.
General Manager

//Attachments



CONSOLIDATED COMMISSION ON UTILITIES

Presentation to CCU - 24th October, 2023





ALAN SEARLE & ASSOCIATES

GPA - Guam Power Authority

GWA - Guam Waterworks Authority

GIAA - Guam International Airport Authority

PAG - Port Authority of Guam *

GCC - Guam Community College

UOG - University of Guam

GVB - Guam Visitors Bureau



COMPENSATION MODEL

What are the critical components ?





COMPENSATION MODEL

What are the critical components ?

- A. Internal Equity
- B. External Equity



COMPENSATION MODEL

What are the critical components ?

- A. Internal Equity - *internally equitable*
- B. External Equity - *externally competitive*



COMPENSATION MODEL

What are the critical components ?

A. Internal Equity	80%	} Gov. Guam
B. External Equity	20%	



COMPENSATION MODEL

What are the critical components ?

A. Internal Equity	20%	} A.S & Assoc
B. External Equity	80%	



COMPENSATION MODEL

What are the critical components ?

- A. Internal Equity 20%
 - B. External Equity 80%
 - C. Pay Schedule / Implementation Ranges
- Regression Analysis
-
- A light blue curved arrow originates from the 20% and 80% values and points towards the text "Regression Analysis".

STRUCTURED & TRANSPARENT



COMPENSATION MODEL

A. Internal Equity





JOB EVALUATION

Criteria - 12 Factors

1	Education	7	Work Environment
2	Experience	8	Physical Demands
3	Complexity	9	Discretionary Decisions
4	Scope of Work	10	Contacts
5	Problem Solving	11	Authority Exercised
6	Supervision Received	12	Supervisory Responsibility



JOB EVALUATION

Results

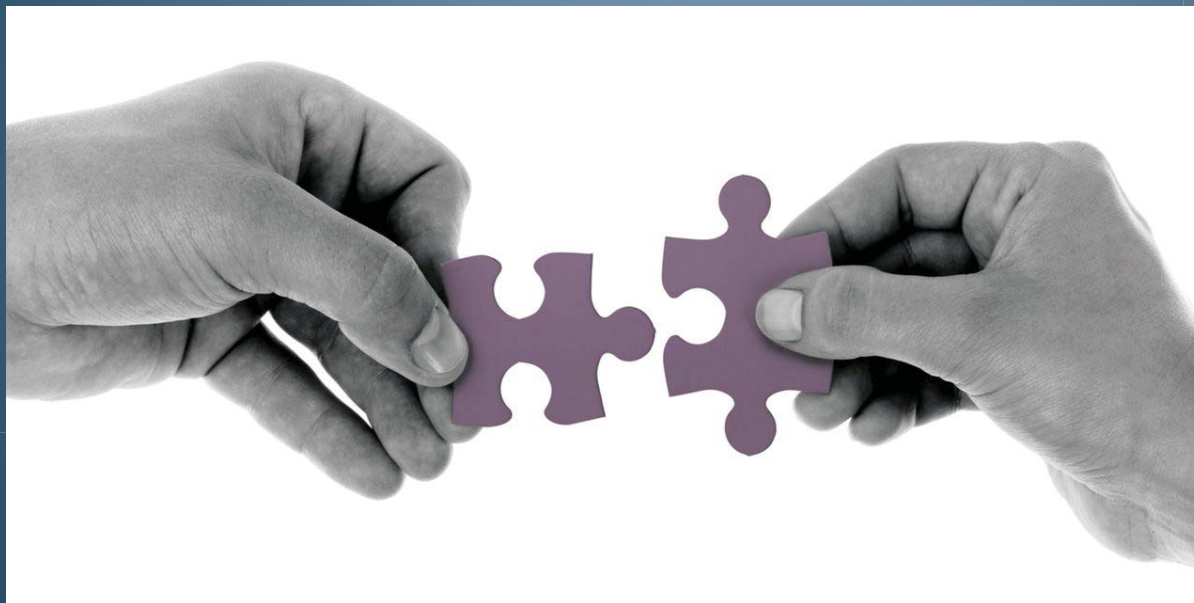
GPA - 260 positions
- Range 225 to 1854 points (Av. 758)

GWA - 216 positions
- Range 223 to 1854 points (Av. 768)



COMPENSATION MODEL

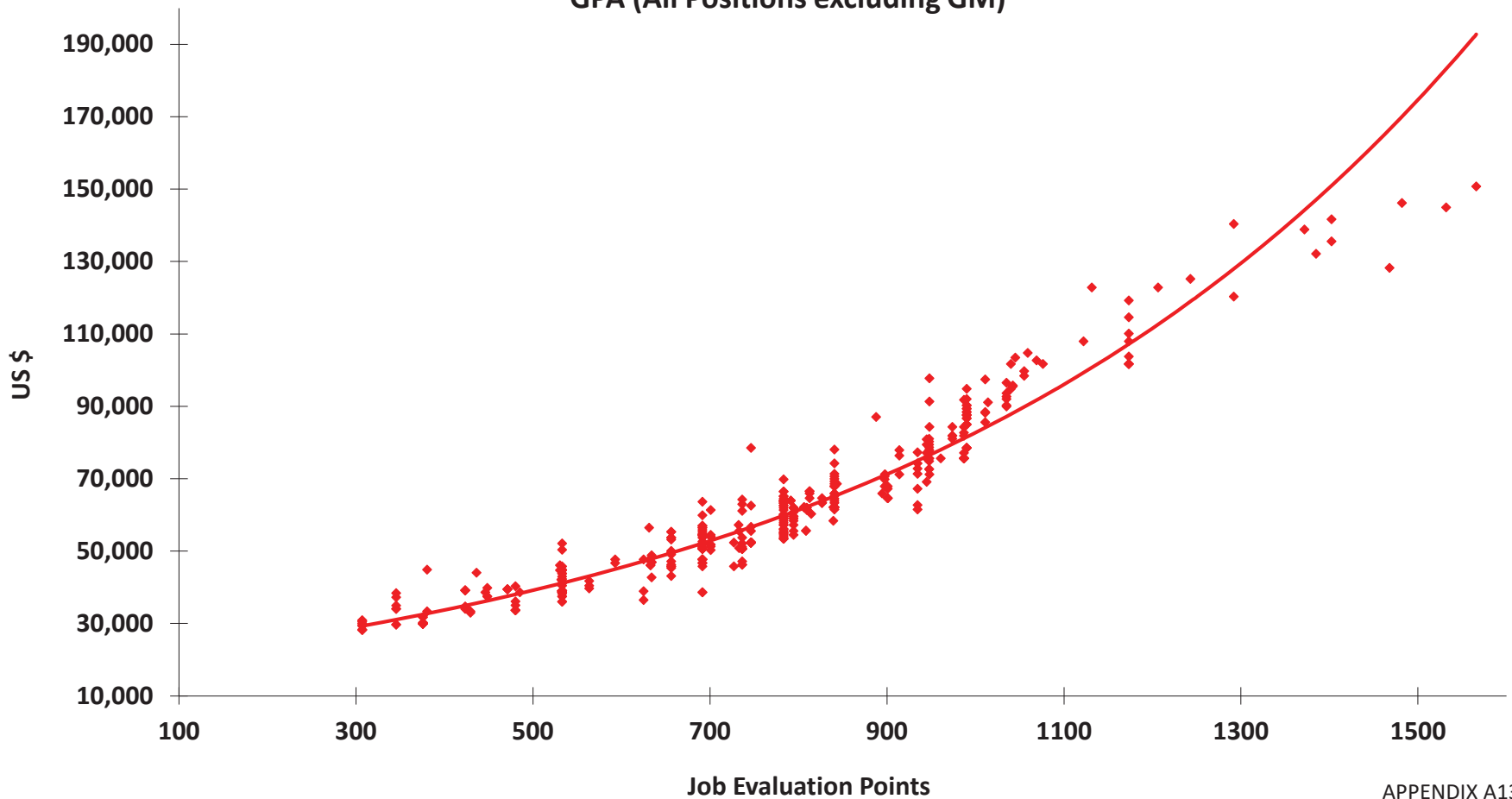
Regression Analysis - Internal





REGRESSION ANALYSIS - GPA

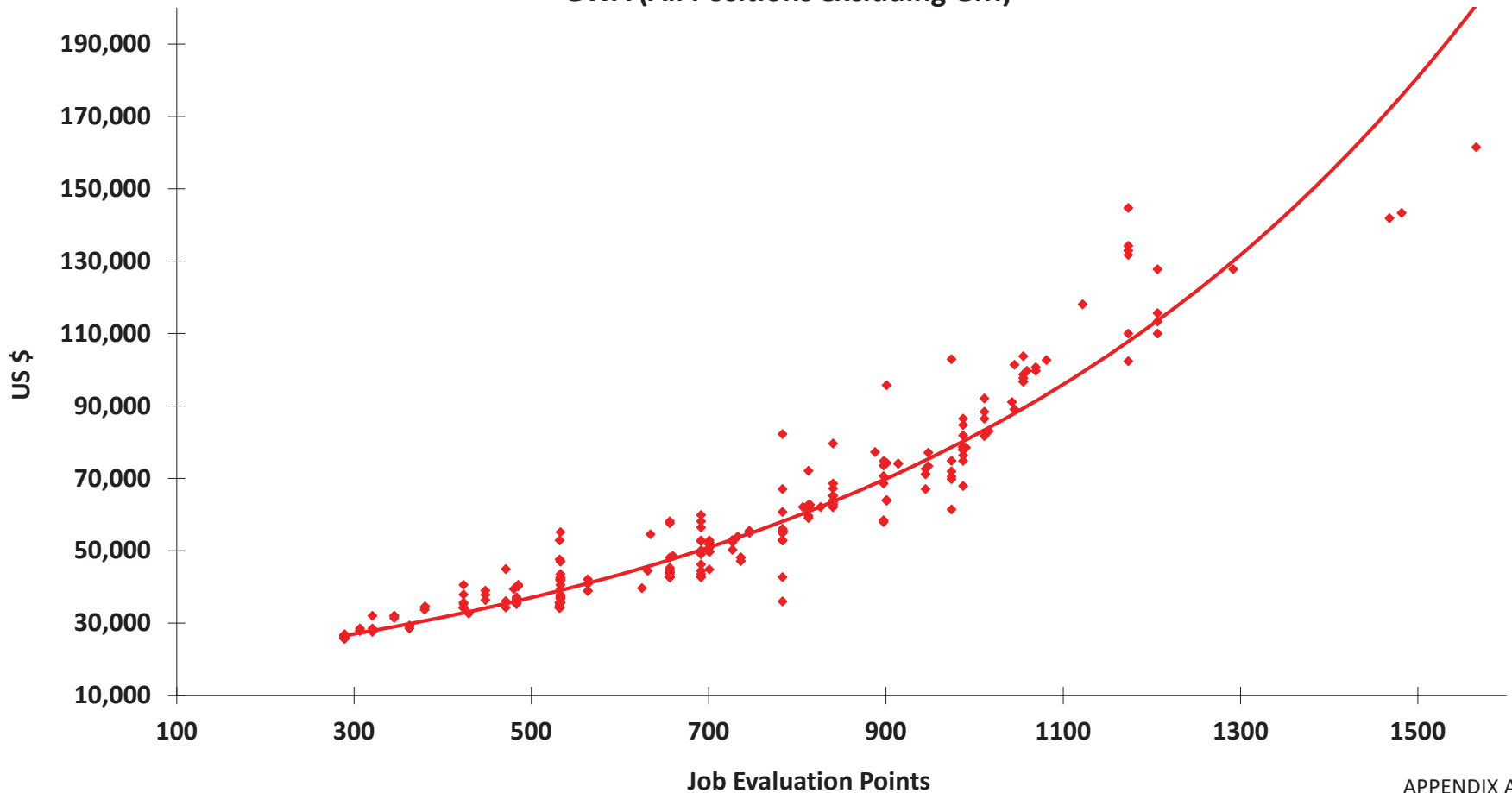
**Base Salary Regression
GPA (All Positions excluding GM)**





REGRESSION ANALYSIS - GWA

**Base Salary Regression
GWA (All Positions excluding GM)**





COMPENSATION MODEL

B. External Equity





MARKET DATA SOURCES

U.S. Mainland

1. American Public Power Association
2. American Water Works Association
3. U.S. Bureau of Labor Statistics
4. U.S. Department of Labor



MARKET DATA SOURCES

U.S. Mainland

5. U.S. Federal Government
6. Web Based Compensation Data
7. U.S. Utility Recruitment Companies
8. U.S. Utility Company Websites



MARKET DATA - Results

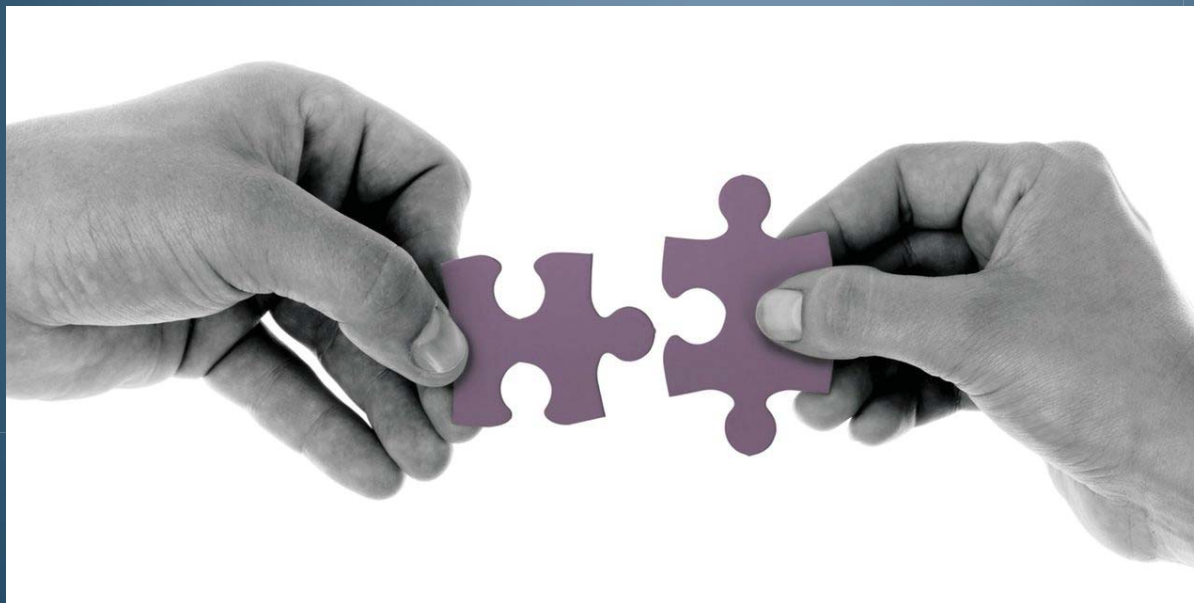
Appendix A : Pages 1 - 10 (Handout)

- Market Percentiles (5th - 95th)
- GPA - 260 positions
- GWA - 216 positions
- Data Includes Unclassified Positions



COMPENSATION MODEL

Regression Analysis - Int. + Ext.





REGRESSION ANALYSIS

Appendix B : Page 11 (Handout)

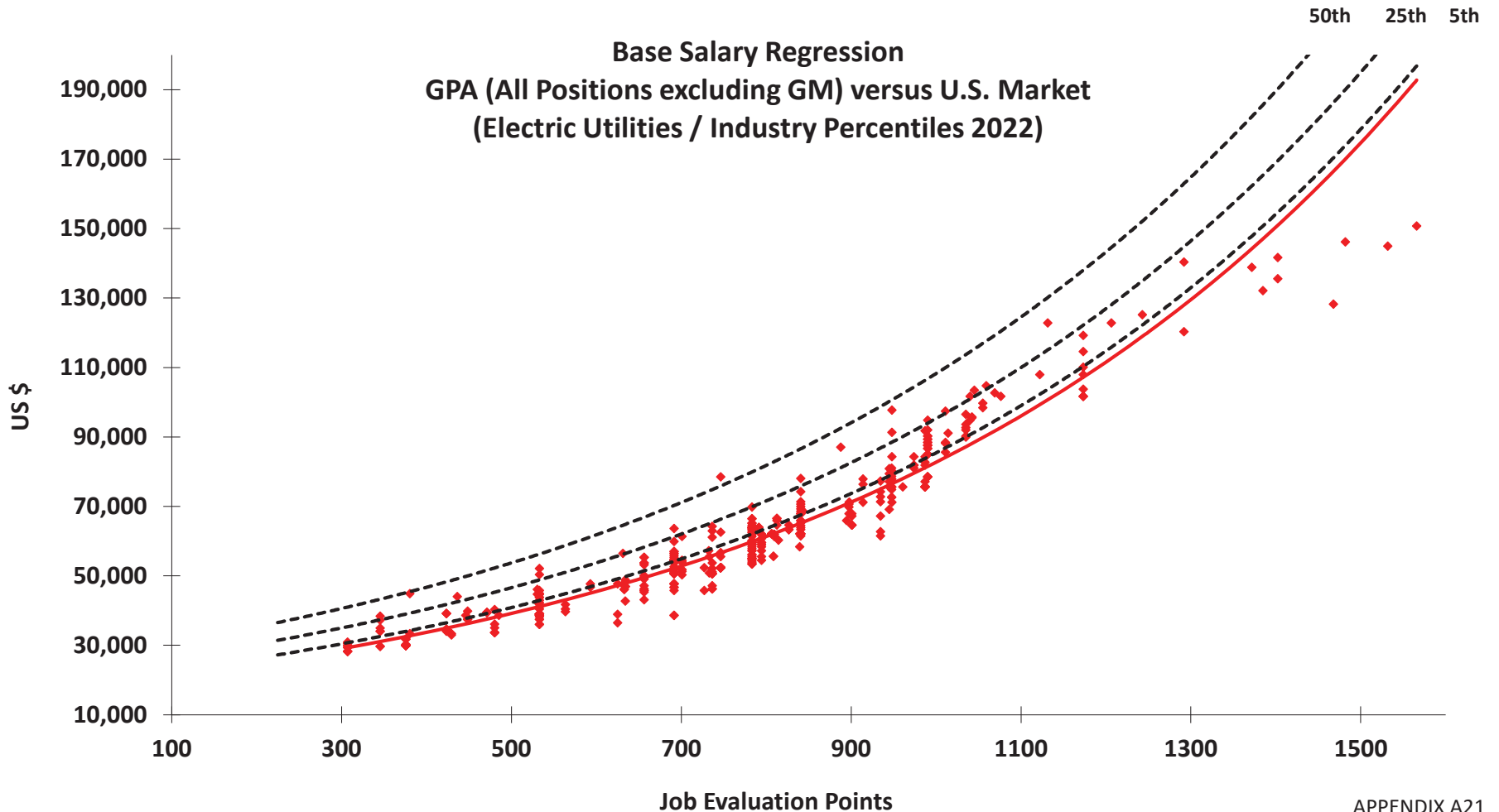
- All positions (excluding GM's)
- Both utilities approximate the 5th market percentile (2022 market data)
- Exponential regression line (average)



REGRESSION ANALYSIS - GPA

APPENDIX B

Base Salary Regression
GPA (All Positions excluding GM) versus U.S. Market
(Electric Utilities / Industry Percentiles 2022)

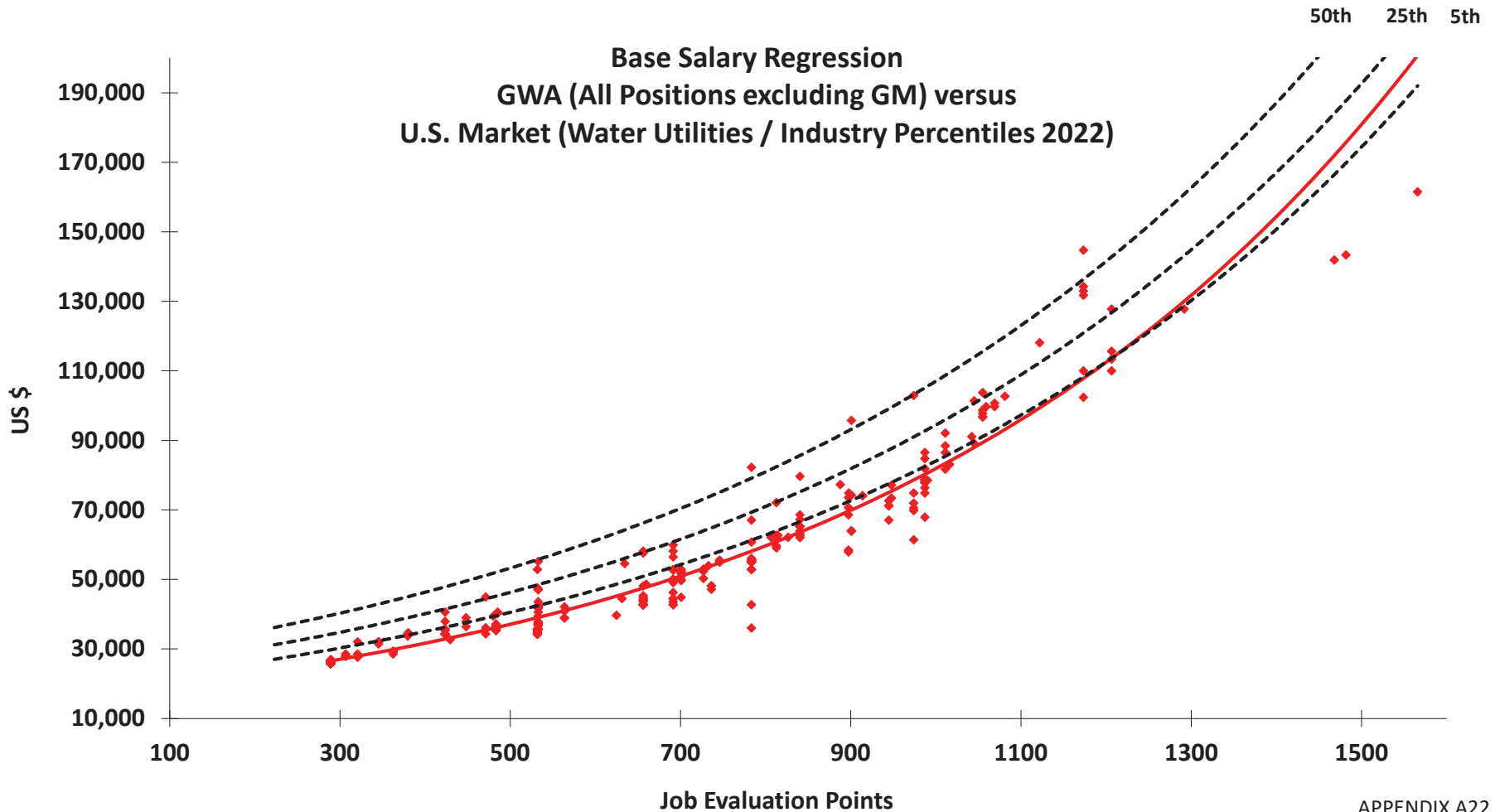




REGRESSION ANALYSIS - GWA

APPENDIX B

Base Salary Regression
GWA (All Positions excluding GM) versus
U.S. Market (Water Utilities / Industry Percentiles 2022)





**Before examining the cost
results the following are
seven factors impacting
GPA & GWA's
current market position
(5th market percentile / 2022)**



1. MARKET REVIEWS

I cannot over emphasize the importance of conducting regular market reviews in order to confirm and monitor market Position

Appendix A : Pages 1 - 10 (Handout)



The Basic Premise :

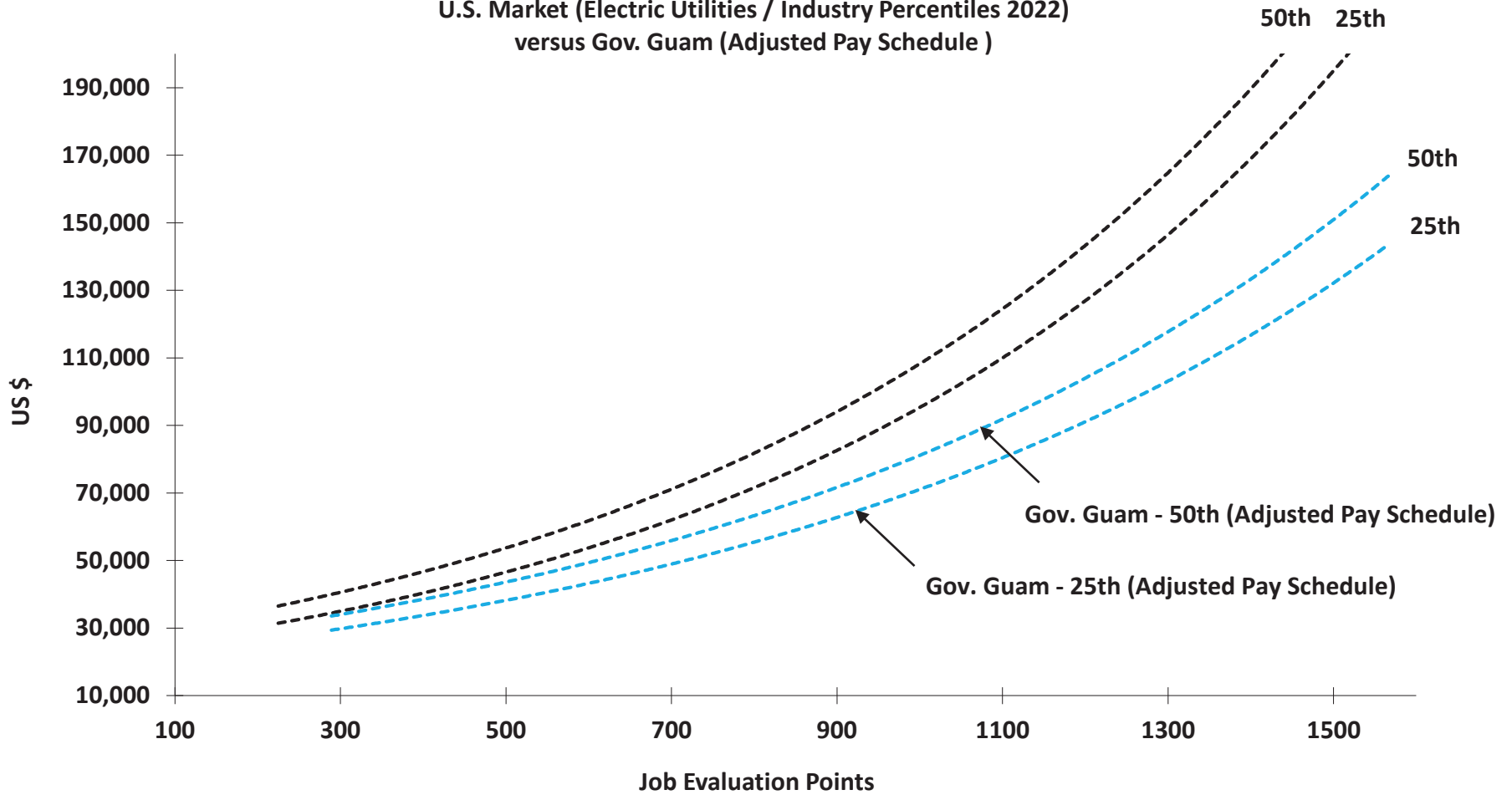
“you cannot make strategic decisions on pay unless you know your true market position”

c.f. Gov. Guam - 22% increase



REG. - Utilities v's Gov. Guam

Base Salary Regression
U.S. Market (Electric Utilities / Industry Percentiles 2022)
versus Gov. Guam (Adjusted Pay Schedule)





2. U.S. INFLATION

The current rate of inflation in the U.S. (the highest in 40 years) is exceeding salary growth



U.S. Inflation Rates : 2008 - 2022

September 2023 - 3.7%





3. INDUSTRY SALARY TRENDS

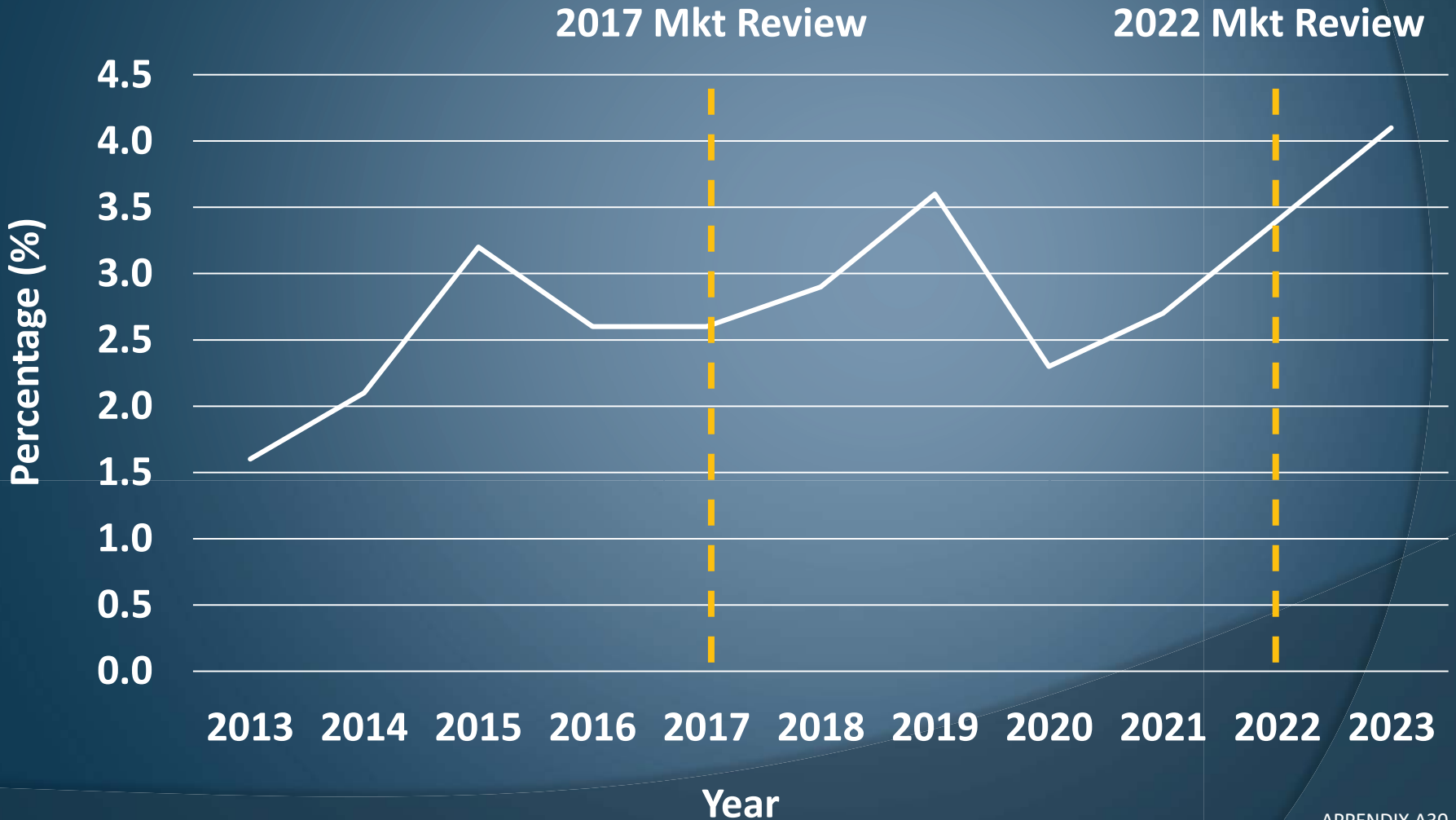
National salary growth within the U.S. is approximately 3% annually (average)

Salary growth within the utilities industry is currently trending in excess of 3% annually



BLS - Change in Total Compensation

Utilities : 2013 - 2023





4. METHODOLOGY (Imp. Range Comparator)

For each cost option an implementation range is generated for every position.

In comparing salaries we have historically used the range minimum value as the comparator.



e.g. Line Electrician II

Grade I (15th Market Percentile)

	6				7	
D	A	B	C	D	A	B
44,483	44,927	45,377	45,830	46,289	46,752	47,219



e.g. Line Electrician II

Grade I (15th Market Percentile)

	6				7	
D	A	B	C	D	A	B
44,483	44,927	45,377	45,830	46,289	46,752	47,219



Range Minimum



Range Maximum



e.g. Line Electrician II

Grade I (15th Market Percentile)

	6				7	
D	A	B	C	D	A	B
44,483	44,927	45,377	45,830	46,289	46,752	47,219

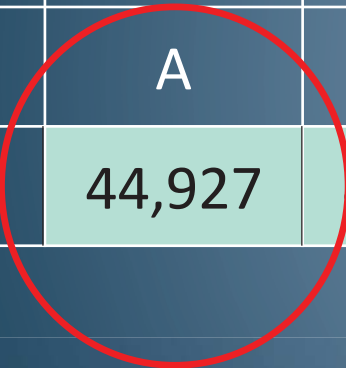
Comparator Value (Costings Historically)



e.g. Line Electrician II

Grade I (15th Market Percentile)

	6				7	
D	A	B	C	D	A	B
44,483	44,927	45,377	45,830	46,289	46,752	47,219



True 15th Market
Percentile Value



Recent History :

Market review conducted in 2017

2017 - migrated to 15th mkt percentile

2020 - migrated to 20th mkt percentile



Recent History :

Market review conducted in 2017

2017 - migrated to ~~15th~~ (10th) mkt percentile

2020 - migrated to ~~20th~~ (15th) mkt percentile



Current Costing / Moving Forward



	7				8	
D	A	B	C	D	A	B
46,289	46,752	47,219	47,691	48,168	48,650	49,136



Range Minimum

True Market
Percentile Value



Range Maximum



5. COMPETITIVE RECRUITMENT

Recruitment (for selected positions) is becoming increasingly competitive e.g. Engineering, IT, Scada, technical position etc



NAVFAC - Guam

Base Salary (hires from U.S. mainland)

12.62 % - COLA (tax free)

15.95% - Locality Pay (taxable)

12.38% - Non Foreign Post Diff. (taxable)

"Show me the Money"



How do we counter this ?

One option is migrating to a higher market percentile (which is what this review is about) but there are also other options worth exploring :



How do we counter this ?

One option is migrating to a higher market percentile (which is what this review is about) but there are also other options worth exploring :

1. Above Step Recruitment
2. Migrating selected positional groups



1. Above Step Recruitment

We may need to re-examine the wording of this policy, but the tool nonetheless, is there to be used by each General Manager re : hard to fill positions

Note : Use Appendix B to explore options



2. Migrating selected positional groups

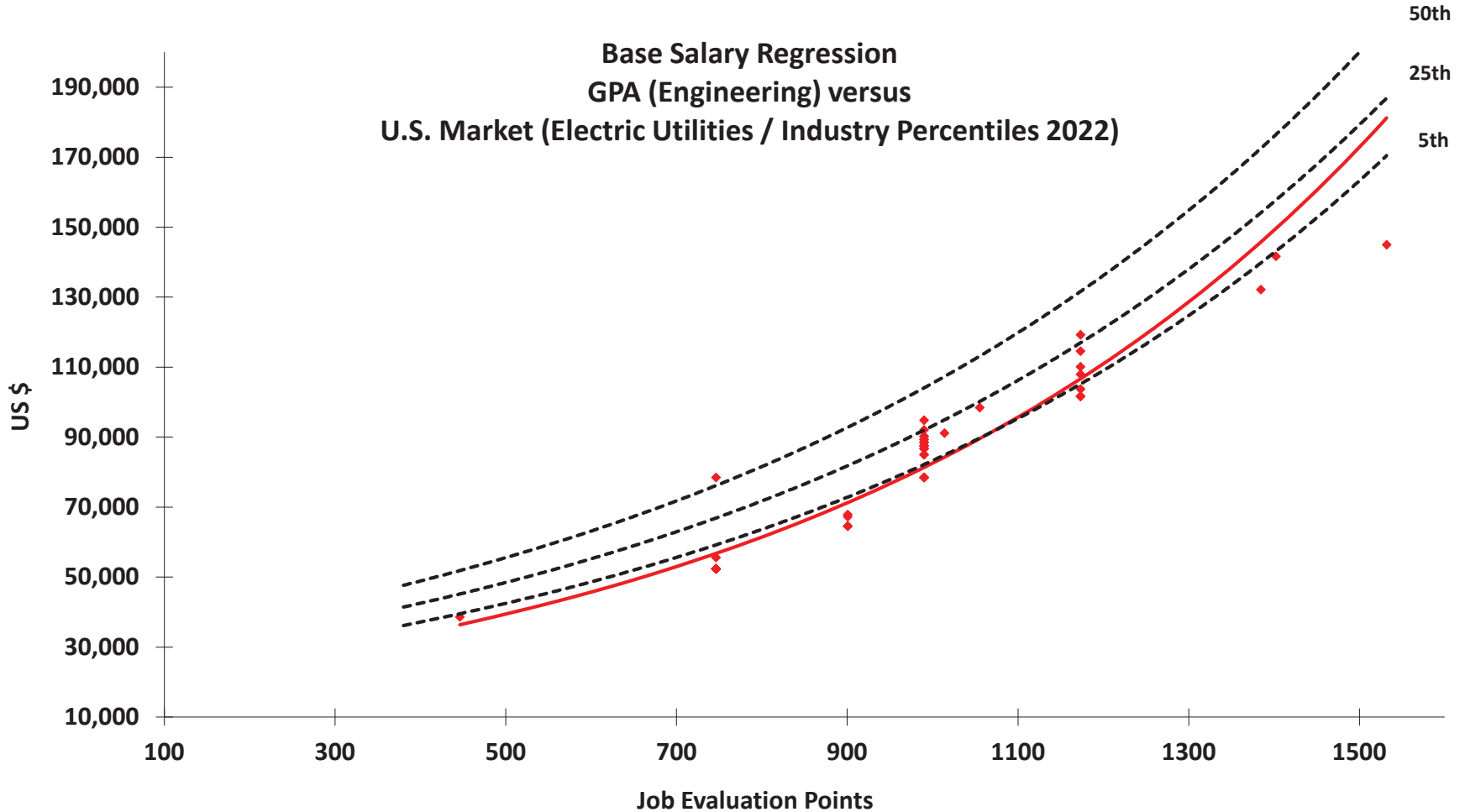
Where a selected positional group is under pressure re : attraction & retention the option is there for that group to be positioned at a higher market percentile



REGRESSION - GPA Engineering

APPENDIX C

**Base Salary Regression
GPA (Engineering) versus
U.S. Market (Electric Utilities / Industry Percentiles 2022)**

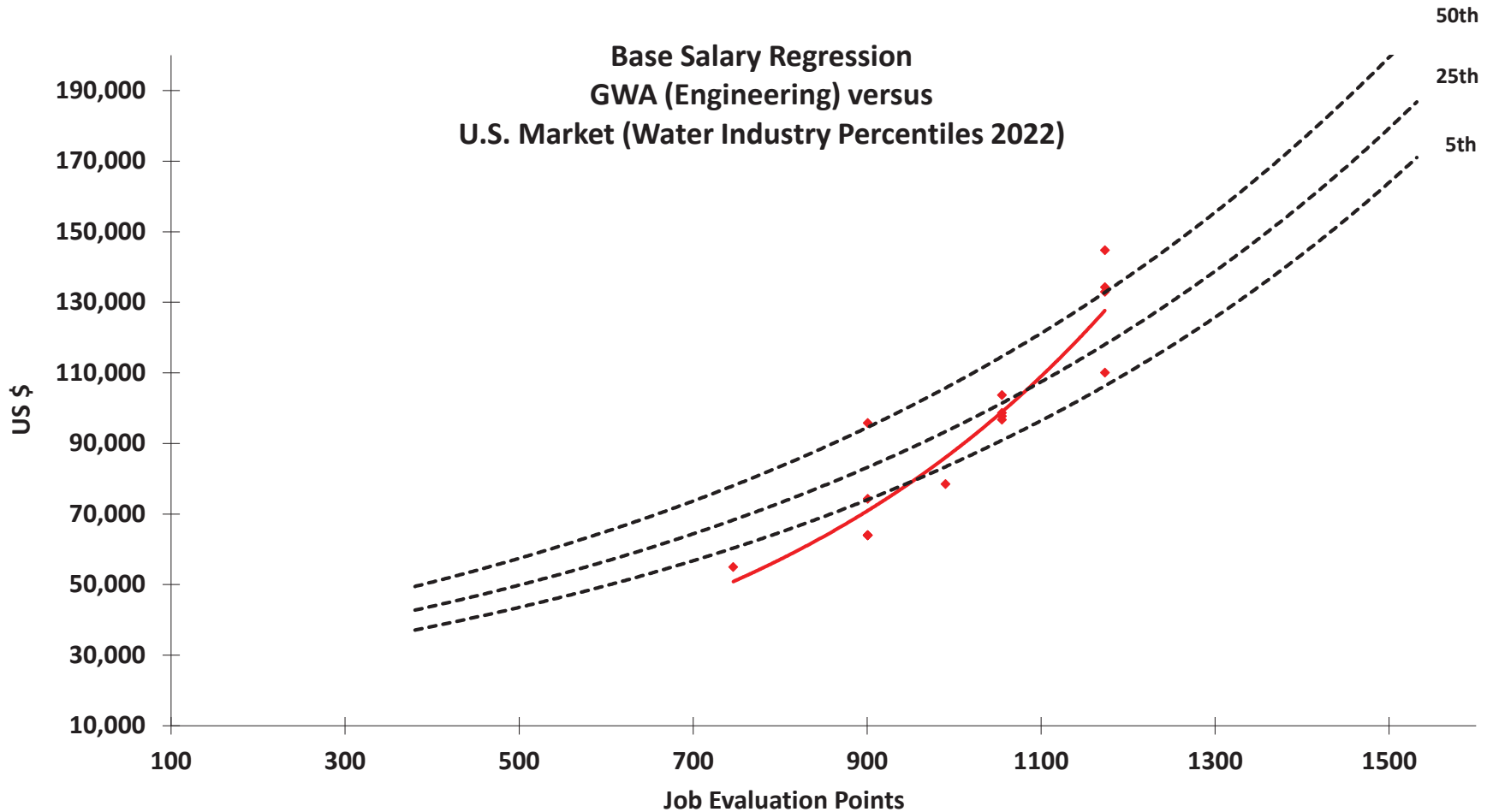




REGRESSION - GWA Engineering

APPENDIX C

Base Salary Regression
GWA (Engineering) versus
U.S. Market (Water Industry Percentiles 2022)





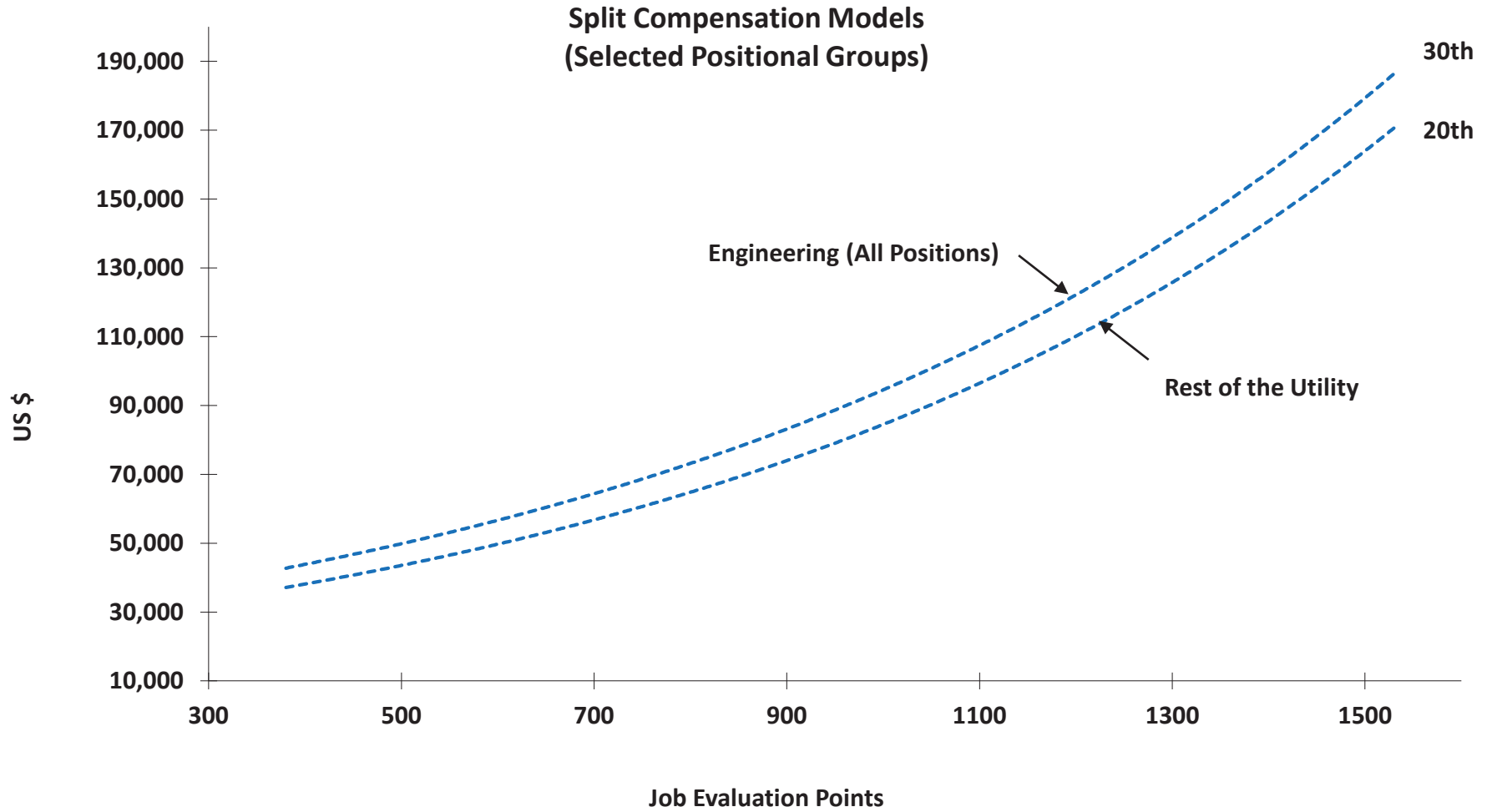
Action :

As an option we could migrate e.g. Engineering (and/or any other vulnerable positional group) to a higher market percentile

Note : Use Appendix B to explore options



Split Compensation Models





6. REWARDING QUALIFICATIONS

Recognition and reward for certified, technical and professional qualifications

Both GPA / GWA are vulnerable to the dynamics of a changing workforce

i.e. older / retiring staff perhaps unwilling to learn / acquire new skills etc



Example :

The first challenge is to identify the key qualifications of all CTP positions

Once completed the CTP position could have both a range minimum value plus a differential sub-step value in recognition of the qualification



e.g. Engineer Supervisor

	3				4	
D	A	B	C	D	A	B
118,330	119,513	120,709	121,916	123,135	124,366	125,610



Range Min



Range Min

		5				6
C	D	A	B	C	D	A
126,866	128,135	129,416	130,710	132,017	133,337	134,671



PE Qualification



7. TARGET MARKET PERCENTILE

It makes sense that the base salary target (for all positions) should be the 50th market percentile c.f. U.S. Utilities Market

Note : the 50th market percentile represents the market average



Strategy (Prevailing Market) :

For employees < 50th increments would continue to added to base salary

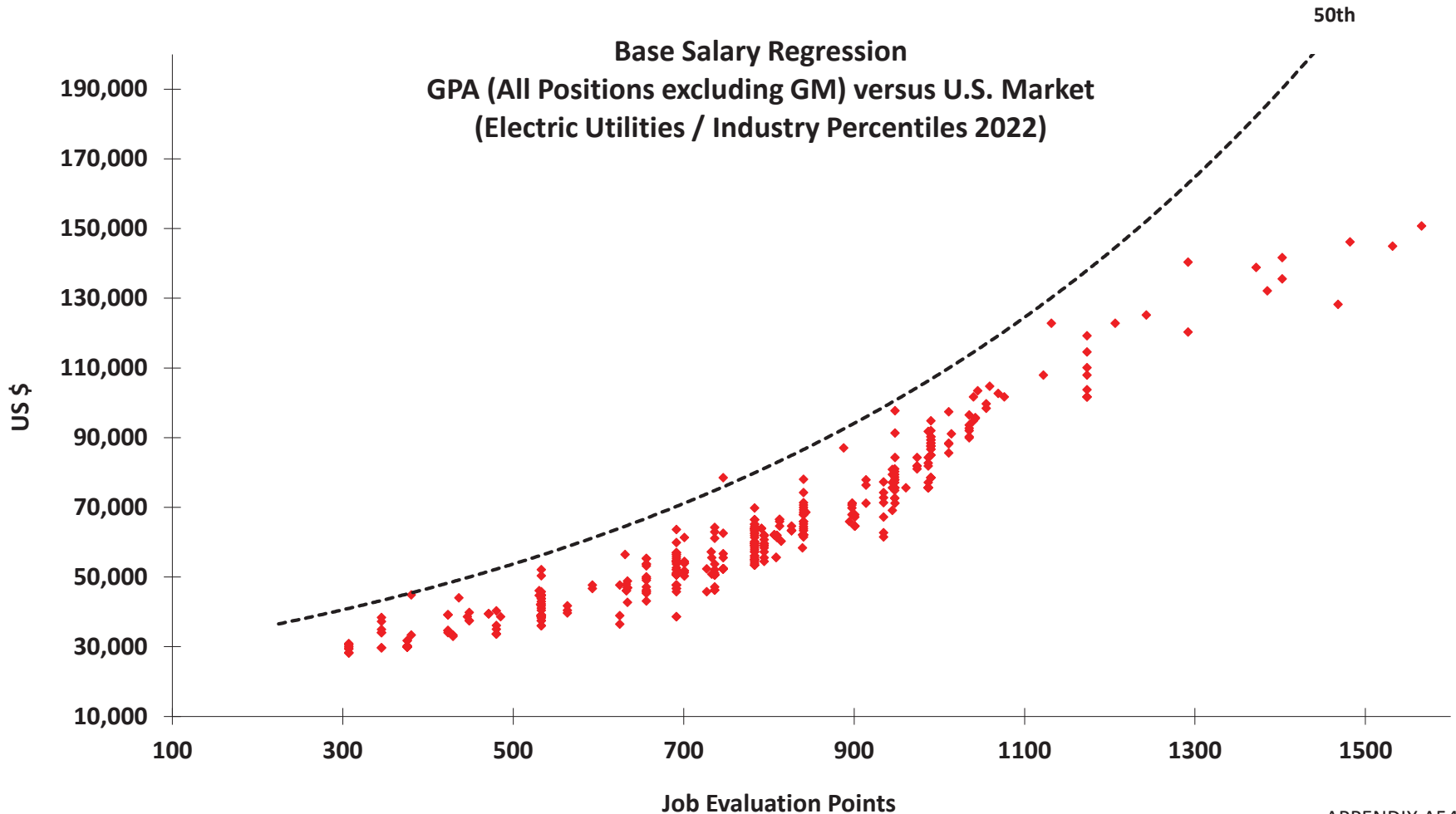
For employees > 50th increments could be paid out as a lump sum payment as opposed to the amount being added to base salary
(Note : until market catches up)



REGRESSION ANALYSIS - GPA

APPENDIX B

Base Salary Regression
GPA (All Positions excluding GM) versus U.S. Market
(Electric Utilities / Industry Percentiles 2022)

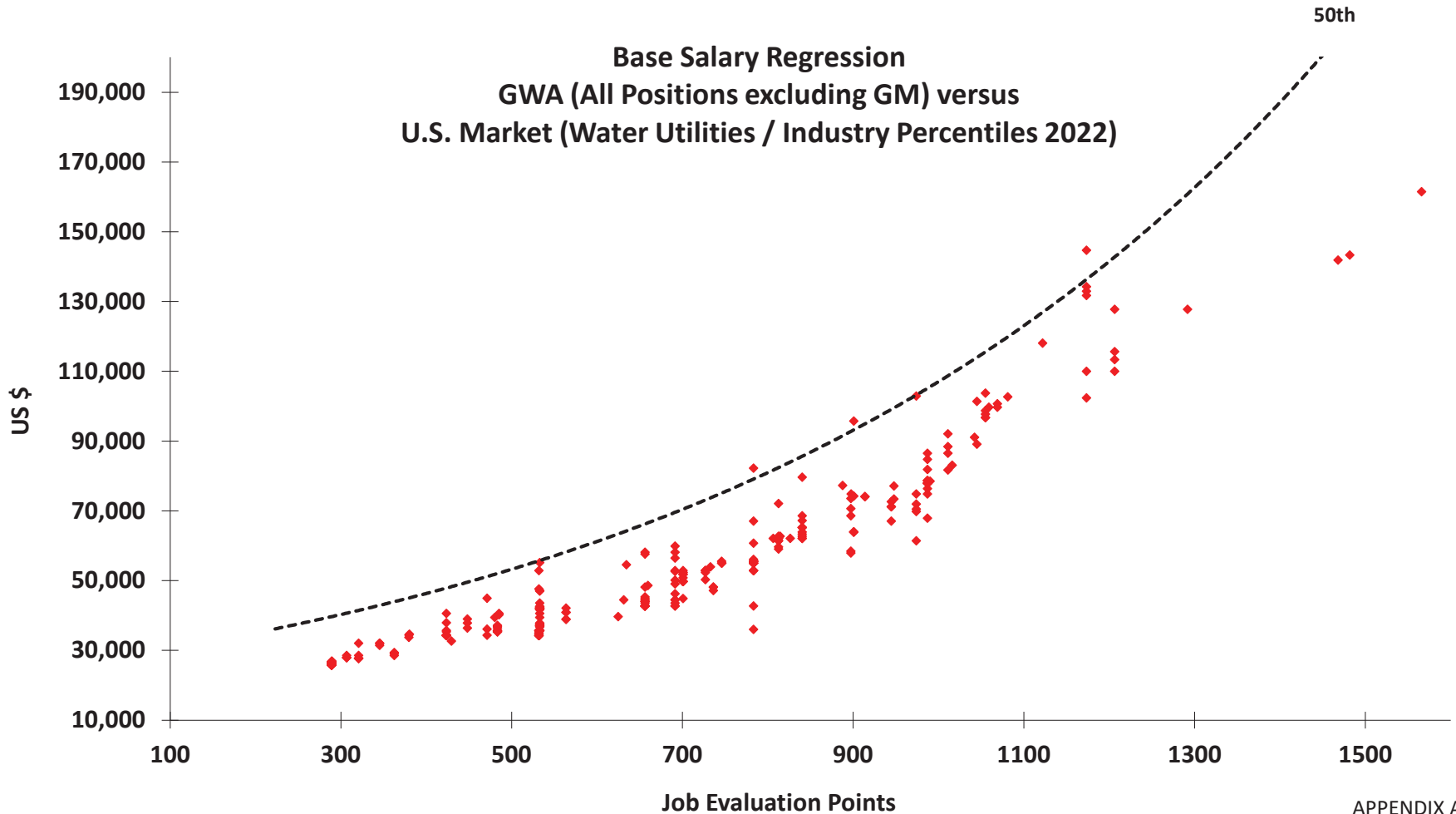




REGRESSION ANALYSIS - GWA

APPENDIX B

**Base Salary Regression
GWA (All Positions excluding GM) versus
U.S. Market (Water Utilities / Industry Percentiles 2022)**



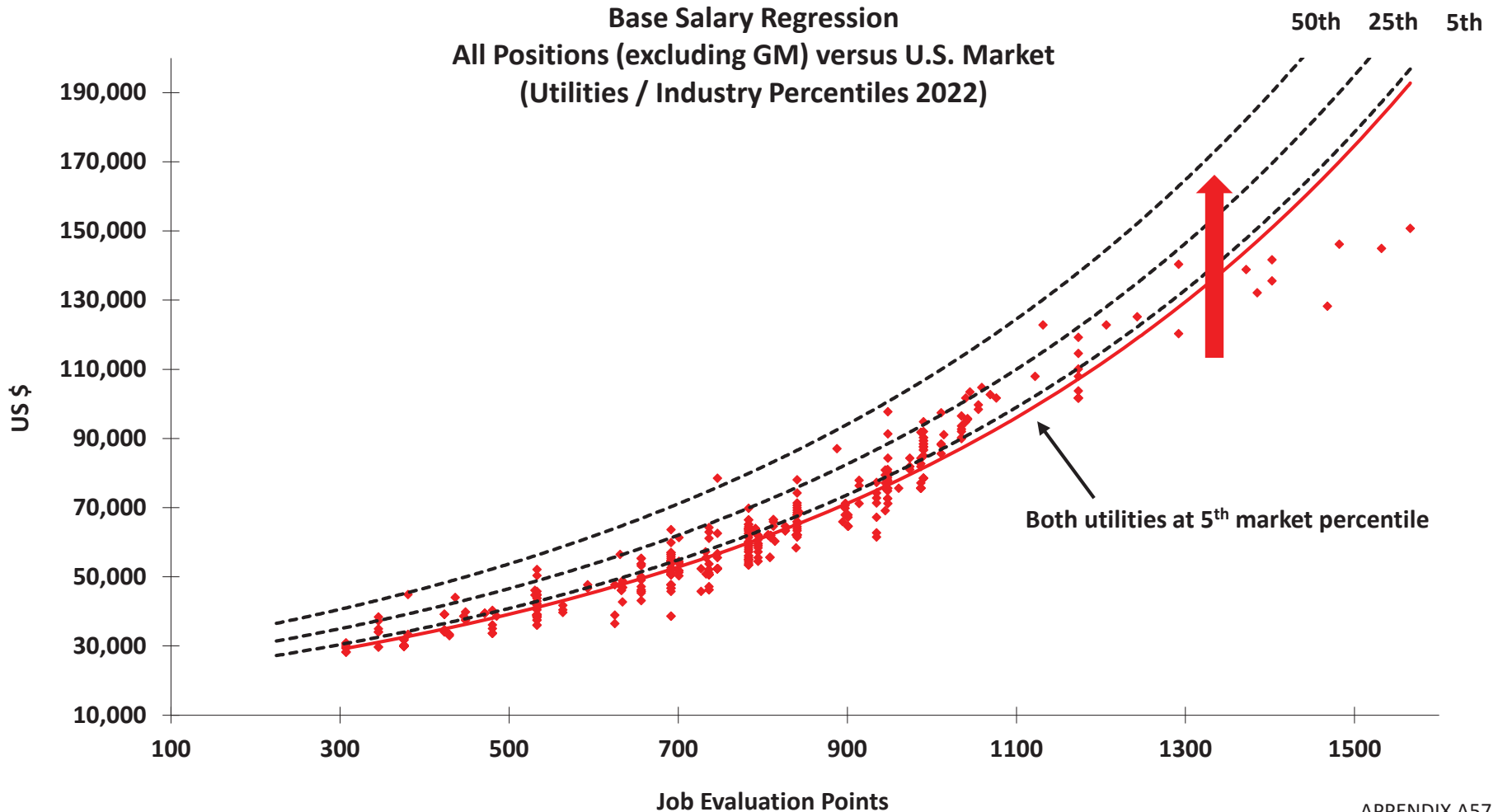


GPA / GWA - COST RESULTS





STRUCTURAL ADJUSTMENT





GPA / GWA - COST RESULTS

- We examined five (5) cost options : migrating both utilities to the : 10th, 15th, 20th, 25th & 30th market percentiles
- Results based on 2022 market data
- We understand both utilities are on a two (2) year budget cycle with \$2m per annum being set aside for structural adjustments in base salary



GPA / GWA - COST RESULTS

- Each cost result (in the handout) is based on migrating the utility from the current staffing pattern
- Additional cost results are presented in the following slides but are contingent on PFP being paid annually



GPA Cost Results - Two Options





GPA - Cost Summary

Option 1	F/Y24	1,797,804	20 th
	F/Y25	949,818	30 th
	TOTAL	\$ 2,747,622	

Option 2	F/Y24	2,525,622	25 th
	F/Y25	212,411	30 th
	TOTAL	\$ 2,738,033	



GPA Implementation - Option 1

F/Y24 - Migrate to 20th after F/Y23 PFP is paid (Jan 2024)

	No Emp.	% Emp.	Cost (\$)
Current Emp. < 20th	331	80.3	1,764,480
Current Emp. > 20th	81	19.7	33,324
	412	100.0	1,797,804

F/Y25 - Migrate to 30th after F/Y24 PFP is paid (Jan 2025)

	No Emp.	% Emp.	Cost (\$)
Current Emp. < 30th	365	88.6	949,818
Current Emp. > 30th	47	11.4	N/A
	412	100.0	949,818



GPA Implementation - Option 2

F/Y24 - Migrate to 25th after F/Y23 PFP is paid (Jan 2024)

	No Emp.	% Emp.	Cost (\$)
Current Emp. < 25th	360	87.4	2,504,423
Current Emp. > 25th	52	12.6	21,199
	412	100.0	2,525,622

F/Y25 - Migrate to 30th after F/Y24 PFP is paid (Jan 2025)

	No Emp.	% Emp.	Cost (\$)
Current Emp. < 30th	331	80.3	212,411
Current Emp. > 30th	81	19.7	N/A
	412	100.0	212,411



GPA - Cost Summary

Option 1	F/Y24	1,797,804	20 th
	F/Y25	949,818	30 th
	TOTAL	\$ 2,747,622	

Option 2	F/Y24	2,525,622	25 th
	F/Y25	212,411	30 th
	TOTAL	\$ 2,738,033	



GWA Cost Results - Two Options





GWA - Cost Summary

Option 1	F/Y24	2,353,776	20 th
	F/Y25	779,429	30 th
	TOTAL	\$ 3,133,205	

Option 2	F/Y24	2,946,431	25 th
	F/Y25	179,417	30 th
	TOTAL	\$ 3,125,848	



GWA Implementation - Option 1

F/Y24 - Migrate to 20th after F/Y23 PFP is paid (Sep 2024)

	No Emp.	% Emp.	Cost (\$)
Current Emp. < 20th	325	88.6	2,335,970
Current Emp. > 20th	42	11.4	17,806
	367	100.0	2,353,776

F/Y25 - Migrate to 30th after F/Y24 PFP is paid (Sep 2025)

	No Emp.	% Emp.	Cost (\$)
Current Emp. < 30th	336	91.6	779,429
Current Emp. > 30th	31	8.4	N/A
	367	100.0	779,429



GWA Implementation - Option 2

F/Y24 - Migrate to 25th after F/Y23 PFP is paid (Sep 2024)

	No Emp.	% Emp.	Cost (\$)
Current Emp. < 25th	336	91.6	2,932,368
Current Emp. > 25th	31	8.4	14,063
	367	100.0	2,946,431

F/Y25 - Migrate to 30th after F/Y24 PFP is paid (Sep 2025)

	No Emp.	% Emp.	Cost (\$)
Current Emp. < 30th	301	82.0	179,417
Current Emp. > 30th	66	18.0	N/A
	367	100.0	179,417



GWA - Cost Summary

Option 1	F/Y24	2,353,776	20 th
	F/Y25	779,429	30 th
	TOTAL	\$ 3,133,205	

Option 2	F/Y24	2,946,431	25 th
	F/Y25	179,417	30 th
	TOTAL	\$ 3,125,848	

Thank You





GPA - Cost Summary

Option 1	F/Y24	1,797,804	20 th
	F/Y25	949,818	30 th
	TOTAL	\$ 2,747,622	

Option 2	F/Y24	2,525,622	25 th
	F/Y25	212,411	30 th
	TOTAL	\$ 2,738,033	



GWA - Cost Summary

Option 1

F/Y24	2,353,776	20 th
F/Y25	779,429	30 th
TOTAL	<u>\$ 3,133,205</u>	

Option 2

F/Y24	2,946,431	25 th
F/Y25	179,417	30 th
TOTAL	<u>\$ 3,125,848</u>	



GUAM POWER AUTHORITY

ATURIDĀT ILEKTRESEDĀT GUĀHAN
P.O.BOX 2977 • HAGĀTŊA, GUAM U.S.A. 96932-2977

NOTICE OF PETITION - AMENDMENT #1

The Guam Power Authority hereby petitions the Consolidated Commission on Utility the following:

PETITION TO APPROVE UNIFIED PAY SCALE AND TO ADOPT 2022 COMPENSATION STUDY AND IMPLEMENTATION PLAN

This petition is in compliance with Public Law 28-159 and GPA Personnel Rules and Regulations, Rule 15.17. The petition also publicized in accordance with 5 GCA, Chapter 10, Art. 1 (Sunshine Law).

For more information, please visit the Guam Power Authority's website at <https://www.guampowerauthority.com/corporate/human-resources/petitions>. You may also contact Guam Power Authority's Human Resources Office at 671-648-3130.



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Petition to Approve Unified Pay Scale and to Adopt 2022 Compensation Study and Implementation Plan Amendment #1

I. REQUEST:

This amendment is supplement to Guam Power Authority Petition, issued on January 10, 2024, to the Consolidated Commission on Utilities (CCU) to approve Alan Searle & Associates 2022 Compensation Study and adopt the Unified Pay Scale and the Implementation Plan for all Certified, Technical and Professional positions for the Guam Power Authority. Amendment to include:

- GPA's Compensation Strategy and Goals
- Strategic Pay Scale (2022) – Amendment #1

II. AUTHORITY:

12 GCA CHAPTER 8

§8103. Continuation of Existence.

Guam Power Authority is continued in existence as a public corporation.

§8107. Governance of Authority.

All powers vested in the Authority, except as provided herein, shall be exercised by the Consolidated Commission on Utilities, as established in Chapter 79 of Title 12 of the Guam Code Annotated.

4 GCA CHAPTER 6 §6303 (d).

Creation of Positions in the Autonomous Agencies and Public Corporations.

PUBLIC LAW 28-159

GPA Personnel Rules & Regulations. Section 7.00, Rule 7.03(c): Amendment of Certified, Technical, and Professional Positions.

GPA Personnel Rules & Regulations. Section 15.17, Compensation for Certified, Technical and Professional Employees.

III. Compensation Strategy & Goals

The Guam Power Authority is seeking approval for its strategic pay plan, aimed at gradually adjusting salaries over the next 5 years to reach up to the 50th market percentile (2022 Market Data). This adjustment is crucial to attract and retain certified, technical and professional employees required for the efficient operation of the island-wide power system. The proposed implementation schedule for GPA's annual structural pay adjustments is as follows:

FY 2024 – 30th Market Percentile

FY 2025 – 35th Market Percentile

FY 2026 – 40th Market Percentile

FY 2027 – 45th Market Percentile

FY 2028 – 50th Market Percentile

How much will it cost:

Estimated cost for salary and benefits:

Fiscal Year	Market Percentile	Estimated Cost
FY 24	30th	\$ 2,506,636
FY 25	35th	\$ 1,330,908
FY 26	40th	\$ 1,382,425
FY 27	45th	\$ 1,428,679
FY 28	50th	\$ 1,332,835
Total Estimated Cost		\$ 7,981,484

*Benefits calculated at 38%

**Estimated costing projected at current FTE of 427, utilizing proposed 2022 Job Evaluation (JE) Points¹.

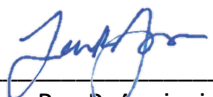
Funding Source:

Structural pay adjustments will be Revenue Funded.

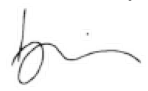
IV. RECOMMENDATION:

1. Accept and approve the results and recommendations of the 2022 market review update conducted by Alan Searle and Associates, including implementation of a new and adjusted Strategic Pay Scale for all Certified, Technical, and Professional (CTP) positions.
2. Authorize the GPA General Manager to implement structural pay adjustments, incrementally, to the 30th market percentile in 2024, and to the next incremental percentile, annually, through Fiscal Year 2029, based on the 2022 market data. The General Manager may determine the breadth and application of sub-steps to determine the implementation range for positions based on affordability, with the eventual target being the 50th market percentile of the 2022 market.
3. Authorize the GPA General Manager to transfer monies from non-labor account to the labor account for the implementation of structural pay adjustments up to 50th market percentile, within approved Fiscal Year Operations and Maintenance budgets, as required.

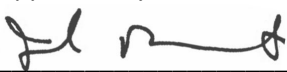
Prepared by:


04/09/2024
Jon-Rey P. Aguigui
Personnel Services Administrator

Concurred by:


Beatrice P. Limtiaco
Assistant General Manager, Administration

Approved by:


4/9/2024
John M. Benavente, P.E.
General Manager

¹ A comprehensive review of JE points utilizing established strategic pay measurement factors is ongoing and shall be adopted by GPA General Manager prior to implementation of the 2022 Unified Pay Scale.

CTP POSITION LISTING (GPA) - Amendment #1

Authority	POSITION	GRADE
GPA	Accountant I	J
GPA	Accountant II	K
GPA	Accountant III	M
GPA	Administrative Officer	J
GPA	AGM Administration	T
GPA	AGM Engineering & Technical Services	T
GPA	AGM Operations	T
GPA	AMI Supervisor	M
GPA	AMI Technician	H
GPA	AMI Technician Leader	K
GPA	Assistant Chief Financial Officer	O
GPA	Assistant Customer Services Manager	N
GPA	Assistant Generation Manager	Q
GPA	Assistant Plant Superintendent (Cabras 1&2)	O
GPA	Assistant Plant Superintendent (Cabras 3&4)	O
GPA	Assistant Plant Superintendent (CT / Diesel Systems)	O
GPA	Assistant Plant Superintendent (Diesel)	O
GPA	Assistant Plant Superintendent (Tanguisson)	O
GPA	Assistant T&D Manager	O
GPA	Auditor I	J
GPA	Auditor II	K
GPA	Auditor III	M
GPA	Board Secretary	J
GPA	Budget Analyst	K
GPA	Building Maintenance Supervisor	L

CTP POSITION LISTING (GPA) - Amendment #1

Authority	POSITION	GRADE
GPA	Buyer I	E
GPA	Buyer II	G
GPA	Buyer Supervisor I	J
GPA	Buyer Supervisor II	L
GPA	Carpenter I	F
GPA	Carpenter II	H
GPA	Carpenter Leader	J
GPA	Carpenter Supervisor	L
GPA	Chief Budget Officer	O
GPA	Chief Electric Power Systems Dispatcher	O
GPA	Chief Financial Officer (GPA)	T
GPA	Chief Information Technology Officer	T
GPA	Collection Agent	F
GPA	Collection Supervisor	K
GPA	Communication / Electronic Technician Leader	K
GPA	Communication / Electronic Technician I	I
GPA	Communication / Electronic Technician II	J
GPA	Communication / Electronic Technician Supervisor	M
GPA	Communications Manager	O
GPA	Computer Operations Supervisor	L
GPA	Computer Operator I	E
GPA	Computer Operator II	G
GPA	Computer Operator III	I
GPA	Computer Systems Analyst I	J
GPA	Computer Systems Analyst II	L
GPA	Computer Technician I	F

CTP POSITION LISTING (GPA) - Amendment #1

Authority	POSITION	GRADE
GPA	Computer Technician II	H
GPA	Computer Technician Leader	J
GPA	Computer Technician Supervisor	L
GPA	Construction Inspector I	I
GPA	Construction Inspector II	J
GPA	Construction Inspector III	L
GPA	Contracts Administrator	K
GPA	Control Operator	L
GPA	Controller	O
GPA	Customer Service Representative	G
GPA	Customer Service Representative Supervisor	K
GPA	Database Administrator	K
GPA	Electric Operation Trainee	D
GPA	Electric Power Laboratory Chief	N
GPA	Electric Power Systems Dispatcher I	K
GPA	Electric Power Systems Dispatcher II	M
GPA	Electric Power Systems Dispatcher Technician	J
GPA	Electric Relay Technician I	G
GPA	Electric Relay Technician II	I
GPA	Electric Relay Technician Leader	J
GPA	Electric Relay Technician Supervisor	M
GPA	Electrician Troubleshooter	J
GPA	Employee Development Specialist I	H
GPA	Employee Development Specialist II	J
GPA	Employee Development Specialist III	K
GPA	Engineer I	J

CTP POSITION LISTING (GPA) - Amendment #1

Authority	POSITION	GRADE
GPA	Engineer II	L
GPA	Engineer III	N
GPA	Engineer Supervisor	Q
GPA	Engineering Technician I	H
GPA	Engineering Technician II	I
GPA	Environmental Manager	O
GPA	Equipment Operator I	D
GPA	Equipment Operator II	F
GPA	Equipment Operator III	G
GPA	Equipment Operator IV	H
GPA	Equipment Operator Leader I	I
GPA	Equipment Operator Leader II	J
GPA	Equipment Operator Superintendent	M
GPA	Equipment Operator Supervisor	K
GPA	Facilities Manager	O
GPA	Fleet Support Services Manager	O
GPA	General Manager (GPA)	V
GPA	GIS Analyst I	H
GPA	GIS Analyst II	J
GPA	GIS Analyst III	K
GPA	GIS Supervisor	M
GPA	Heavy Equipment Mechanic I	F
GPA	Heavy Equipment Mechanic II	I
GPA	Heavy Equipment Mechanic Leader	J
GPA	Heavy Equipment Mechanic Supervisor	M
GPA	Help Desk Support Supervisor	J

CTP POSITION LISTING (GPA) - Amendment #1

Authority	POSITION	GRADE
GPA	Help Desk Technician	H
GPA	HVCS / Electrician I	G
GPA	HVCS / Electrician II	I
GPA	HVCS / Electrician Leader	J
GPA	HVCS / Electrician Supervisor	M
GPA	Information Security Administrator	L
GPA	Information Technology Manager	O
GPA	Internal Auditor	M
GPA	Inventory Management Officer	K
GPA	Land Agent I	F
GPA	Land Agent II	G
GPA	Land Agent III	I
GPA	Line Electrician I	G
GPA	Line Electrician II	I
GPA	Line Electrician Leader	J
GPA	Line Electrician Supervisor	M
GPA	Line Inspector	J
GPA	Machinist I	F
GPA	Machinist II	I
GPA	Machinist Leader	J
GPA	Maintenance Planner	K
GPA	Management Analyst I	H
GPA	Management Analyst II	J
GPA	Management Analyst III	K
GPA	Management Analyst IV	M
GPA	Manager, Engineering	S

CTP POSITION LISTING (GPA) - Amendment #1

Authority	POSITION	GRADE
GPA	Manager, Generation	S
GPA	Manager, Power System Control	R
GPA	Manager, T&D	R
GPA	Meter / Relay Superintendent	N
GPA	Meter Electrician I	G
GPA	Meter Electrician II	I
GPA	Meter Electrician Leader	J
GPA	Meter Electrician Supervisor	M
GPA	Network Systems Administrator	L
GPA	Payroll Supervisor	L
GPA	Personnel Assistant I	D
GPA	Personnel Assistant II	E
GPA	Personnel Services Administrator	O
GPA	Personnel Specialist I	H
GPA	Personnel Specialist II	J
GPA	Personnel Specialist III	K
GPA	Personnel Specialist IV	M
GPA	Planner Work Co-Ordinator (Transportation)	H
GPA	Plant Electrician / Instrumentation Maintenance Supervisor	M
GPA	Plant Electrician I	G
GPA	Plant Electrician II	I
GPA	Plant Electrician Leader	J
GPA	Plant Instrument Technician I	G
GPA	Plant Instrument Technician II	I
GPA	Plant Instrument Technician Leader	J
GPA	Plant Maintenance Mechanic I	F

CTP POSITION LISTING (GPA) - Amendment #1

Authority	POSITION	GRADE
GPA	Plant Maintenance Mechanic II	I
GPA	Plant Maintenance Mechanic Leader	J
GPA	Plant Maintenance Supervisor	M
GPA	Plant Maintenance Welder I	F
GPA	Plant Maintenance Welder II	I
GPA	Plant Maintenance Welder III	J
GPA	Plant Operator / Maintenance Leader	K
GPA	Plant Operator / Maintenance Supervisor	M
GPA	Plant Operator / Maintenance Worker I	G
GPA	Plant Operator / Maintenance Worker II	I
GPA	Plant Operator I	G
GPA	Plant Operator II	I
GPA	Plant Operator III	J
GPA	Plant Results Supervisor	M
GPA	Plant Shift Supervisor	M
GPA	Plant Utility Worker	B
GPA	Plant Water Technician I	F
GPA	Plant Water Technician II	I
GPA	Plant Water Technician Leader	J
GPA	Power Plant Maintenance Superintendent (CMWS)	O
GPA	Power Systems Superintendent (Overhead)	N
GPA	Power Systems Superintendent (Substation)	N
GPA	Power Systems Superintendent (Underground)	N
GPA	Program Coordinator I	H
GPA	Program Coordinator II	J
GPA	Program Coordinator III	K

CTP POSITION LISTING (GPA) - Amendment #1

Authority	POSITION	GRADE
GPA	Program Coordinator IV	M
GPA	Programmer / Analyst Supervisor	M
GPA	Programmer Analyst	J
GPA	PSCC Superintendent	O
GPA	Public Information Officer	N
GPA	Refrigeration Mechanic I	F
GPA	Refrigeration Mechanic II	I
GPA	Refrigeration Mechanic Leader	J
GPA	Revenue Protection Utility Analyst	M
GPA	Revenue Protection Utility Investigator	K
GPA	Right of Way Supervisor	M
GPA	Risk Analyst	K
GPA	Safety Administrator	N
GPA	Safety and Physical Security Manager	O
GPA	Safety Inspector I	F
GPA	Safety Inspector II	H
GPA	Safety Inspector III	J
GPA	Safety Supervisor	L
GPA	SCADA Technician I	I
GPA	SCADA Technician II	J
GPA	SCADA Technician Leader	K
GPA	SCADA Technician Supervisor	M
GPA	Shop Planner	K
GPA	Special Projects Engineer	O
GPA	SPORD Manager	T
GPA	Staff Attorney	R

CTP POSITION LISTING (GPA) - Amendment #1

Authority	POSITION	GRADE
GPA	Storekeeper I	D
GPA	Storekeeper II	F
GPA	Substation Electrician I	G
GPA	Substation Electrician II	I
GPA	Substation Electrician Leader	J
GPA	Substation Electrician Supervisor	M
GPA	Supply Management Administrator	O
GPA	Survey Supervisor	M
GPA	System Protection Engineer (Substation)	N
GPA	Systems Analyst I	J
GPA	Systems Analyst II	L
GPA	Systems Manager	O
GPA	Tool Mechanic	F
GPA	Trouble Dispatcher	G
GPA	Trouble Dispatcher Leader	I
GPA	Utility Accounting Technician I	E
GPA	Utility Accounting Technician II	F
GPA	Utility Accounting Technician III	H
GPA	Utility Administrative Aide	D
GPA	Utility Administrative Assistant	G
GPA	Utility Auditor I	J
GPA	Utility Auditor II	K
GPA	Utility Auditor III	M
GPA	Utility Cashier I	C
GPA	Utility Cashier II	D
GPA	Utility Clerk I	A

CTP POSITION LISTING (GPA) - Amendment #1

Authority	POSITION	GRADE
GPA	Utility Clerk II	B
GPA	Utility Clerk III	C
GPA	Utility Clerk Typist I	B
GPA	Utility Clerk Typist II	C
GPA	Utility Clerk Typist III	D
GPA	Utility Customer Care Representative I	F
GPA	Utility Customer Care Representative II	G
GPA	Utility Customer Care Representative III	I
GPA	Utility Customer Care Supervisor	K
GPA	Utility Engineering Aide I	E
GPA	Utility Engineering Aide II	F
GPA	Utility Engineering Aide III	G
GPA	Utility Maintenance Worker	F
GPA	Utility Payroll Clerk I	D
GPA	Utility Payroll Clerk II	E
GPA	Utility Payroll Clerk III	F
GPA	Utility Secretary I	D
GPA	Utility Secretary I (Typist)	D
GPA	Utility Secretary II	E
GPA	Utility Secretary II (Typist)	E
GPA	Utility Services Administrator	O
GPA	Utility Supply Clerk	C
GPA	Utility Worker	B
GPA	Warehouse Supervisor I	J
GPA	Warehouse Supervisor II	K
GPA	Word Processing Secretary I (Utilities)	D

CTP POSITION LISTING (GPA) - Amendment #1

Authority	POSITION	GRADE
GPA	Word Processing Secretary II (Utilities)	E

Note: A comprehensive review of JE points utilizing established strategic pay measurement factors is ongoing and shall be adopted by GPA General Manager prior to implementation of the 2022 Unified Pay Scale.

Guam Power Authority
Summary of Labor Cost over Base Rate Revenues

Fiscal Year	Approved Budget Base Rate Revenues	Actuals Base Rate Revenues	Total Labor Cost	% of Actual Labor over Actual Base Rate Revenues
FY2018	\$ 165,064,000	\$ 160,761,874	\$ 40,499,364	25.19%
FY2019	\$ 165,002,000	\$ 160,864,812	\$ 39,738,875	24.70%
FY2020	\$ 163,763,000	\$ 156,707,122	\$ 41,283,657	26.34%
FY2021	\$ 155,000,000	\$ 143,427,363	\$ 40,289,146	28.09%
FY2022	\$ 156,200,000	\$ 157,807,717	\$ 43,989,809	27.88%
FY2023	\$ 160,800,000	\$ 148,761,099	\$ 42,037,232	28.26%
FY2024*	\$ 157,800,000	\$ 65,105,000	\$ 21,167,112	32.51%

* YTD Actuals 2/28/24