



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

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GPA RESOLUTION 2019-12
RELATIVE TO THE ADOPTION OF A BUDGET FOR THE
GUAM POWER AUTHORITY FOR FISCAL YEAR 2020

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 2020 totaling \$435,250,000 provision for bad debt of \$1,091,000; and

WHEREAS, the General Manager has reviewed and proposes a Revenue Funded Capital Improvement Project (CIP) budget totaling \$27,620,571; 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:

- 32 1. The Fiscal Year 2020 Budget of \$436,431,000 is hereby approved. The Fiscal Year 2020
33 Budget is based on a Non-Fuel Revenue forecast of \$163,763,000, miscellaneous revenues of
34 \$2,160,000 and a Fuel Revenue forecast of \$270,418,000 and less \$1,091,000 provision for
35 bad debt for total revenues of \$435,250,000.

36
37 *The budget consists of:*

- 38 a. Total Operations and Maintenance budget includes Labor and Retiree's benefit costs of
39 \$48,221,673; Non-Labor cost of \$35,250,324 less Capitalized O&M of \$6,484,303 for total
40 O&M Budget of \$76,987,694;
- 41 b. Bad Debt expense of \$1,091,000;
- 42 c. Independent Power Producers costs plus Aggreko Payments of \$27,648,000; Debt Service
43 of \$47,737,000;
- 44 d. Revenue Funded Capital Improvement Projects of \$27,620,571;
- 45
- 46 2. The authorized level of positions within the Authority shall be 490 FTEs.
- 47 3. The General Manager is authorized to implement structural pay adjustment to the 20th market
48 percentile effective January 6, 2020 based on the 2017 Market Data and subject to availability
49 of funds.
- 50 4. The General Manager is authorized to transfer no more than 10% of the overall approved GPA
51 budget, exception that there shall be no transfer into the personnel account from other non-
52 labor accounts. In addition, there is no transfer authority for funds budgeted for debt service
53 payment or IPP payments.
- 54 5. The Revenue Funded Capital Improvement budget is \$27,620,571 is approved and the General
55 Manager is authorized to petition the Public Utilities Commission (PUC) for approval.
- 56 6. The General Manager's delegated contract approval authority is \$1,000,000.00. The General
57 Manager shall advise the Commission of all expenditures in excess of \$1,000,000.00


58
59
60 **RESOLVED**, that the Chairman of the Commission certifies and the Board Secretary of this
61 Resolution.

67 **DULY and REGULARY ADOPTED AND APPROVED THIS this 4th DAY of September**
68 **2019**

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70

Certified by:

Attested by:



JOSEPH T. DUENAS
Chairman
Consolidated Commission on Utilities



MICHAEL LIMTIACO
Secretary
Consolidated Commission on Utilities

71
72 **I, Michael Limtiaco, Secretary for the Consolidated Commission on Utilities (CCU), as**
73 **evidenced by my signature above do certify as follows:**

74
75 The foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting
76 of the members of Guam Consolidated Commission on Utilities, duly and legally held at the meeting
77 place properly noticed and advertised at which meeting a quorum was present and the members who were
78 present voted as follows:

79
80 Ayes: 4
81
82 Nays: 0
83
84 Absent: 1
85
86 Abstain: 0



Guam Power Authority	
FY 20 APPROVED Revenue Requirement (\$000)	
as of August 22, 2019	
1	Proforma Income Statement
2	FY2020
3	Existing Base Rate Revenues \$ 163,763
4	Fuel Revenues 270,418
5	Miscellaneous Revenues 2,160
6	Total Revenues \$ 436,341
7	Bad Debt Expense \$ (1,091)
8	Net Operating Revenues \$ 435,250
9	
10	Production Fuel 270,418
11	IPP Costs 11,586
12	Aggreko Lease Payment 3,368
13	
14	Production Non-fuel 23,040
15	Transmission and Distribution 13,288
16	Administrative and General 34,727
17	Customer Accounting 5,933
18	Total O&M Expenses 76,988
19	Depreciation 42,518
20	
21	Total Operating Expenses \$ 404,878
22	
23	Earnings From Operations 30,372
24	
25	Other Revenues (Expenses):
26	Investment Income 2,004
27	Interest expense (ST Debt) (29)
28	Interest expense (2010 Senior Lien TE Bond) -
29	Interest Expense (Aggreko Lease Payment) (531)
30	Interest expense (2012 Revenue Bond) (16,237)
31	Interest expense (2014 Revenue Bond) (3,567)
32	Interest expense (2017 Refunding Bond) (7,418)
33	Interest expense (IPP's) -
34	AFUDC -
35	Other Expense/Income
36	Amortization of Issuance Costs 1,667
37	
38	Net Earnings(Loss) Before Capital Contribution 6,261
39	Capital Contributions -
40	
41	Increase (Decrease) in Net Assets \$ 6,261

EXHIBIT A

Guam Power Authority		
FY 20 APPROVED Revenue Requirement (\$000)		
42		
43	<u>Debt Service Coverage Calculation</u>	
44	Earnings From Operations	\$ 30,372
45	Add Interest Income (Net of Const. Fund Interest)	1,415
46	Add: Depreciation	<u>42,518</u>
47	Balance Available for Debt Service	74,305
48	IPP Debt Service + Aggreko lease	<u>8,929</u>
49	Balance After IPP Debt Service	65,376
50	Debt Service	
51	Bond Interest Expense	27,222
52	Bond Principal	<u>20,515</u>
53	Total Debt Service	47,737
54		
55	Debt Service Coverage (Bond Method)	1.56
56	Debt Service Coverage (S&P Method)	1.37
57		
58	<u>Internal Cashflow Statement</u>	
59	Total Cash Generated	\$ 47,113
60	CIP's-Internally Funded	(27,621)
61	Principal Payment (2010 Senior Lien TE Bond)	-
62	Principal Payment (Aggreko Lease Payment)	(8,399)
63	Principal Payment (2012 Revenue Bond)	(18,995)
64	Principal Payment (2014 Revenue Bond)	(1,520)
65	Principal Payment (2017 Refunding Bond)	-
66	Principal Payment (IPP)	-
67	MEC Recapitalization	(3,764)
68	Decrease (Increase) in WC Requirements:	
69	Materials Inventory	(1,000)
70	Other WC Requirement	1,174
71	Construction Fund Interest Income	(589)
72	Cash Carry Over-Surplus (Deficit)	(113)
73	Surplus Fund Shortfall/(Excess)	13,714

FY2020 APPROVED BUDGET
OPERATIONS & MAINTENANCE
Summary by Category

DESCRIPTION	FY 2020 APPROVED BUDGET
Number of Employees	490
Regular	\$ 30,760,383
Overtime	\$ 1,400,000
Premium	\$ 266,513
Employee Benefits	\$ 10,994,777
Retirement Supplementals	\$ 4,800,000
Labor Total	\$ 48,221,673
Contract	\$ 17,634,144
Contract - Apprentice	\$ 1,951,376
Contracts Total	\$ 19,585,520
Utilities/Comm	\$ 2,897,500
Operating Supplies	\$ 3,480,489
Office Supplies	\$ 140,500
Travel	\$ 309,234
Miscellaneous	\$ 1,860,000
Training	\$ 243,800
Insurance	\$ 6,487,282
Other Admin	\$ 246,000
Non Labor Total	\$ 35,250,324
Less Capitalized O&M Total	\$ (6,484,303)
Grand Total	76,987,694