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2 **GUAM CONSOLIDATED COMMISSION ON UTILITIES**

3 **RESOLUTION NO. 01-FY2008**

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5 **RELATIVE TO THE ADOPTION OF A NEW COMPENSATION POLICY FOR THE**  
6 **GUAM POWER AUTHORITY AND THE GUAM WATERWORKS AUTHORITY**

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8 **WHEREAS**, the Guam Power Authority and the Guam Waterworks Authority have  
9 encountered substantial difficulties in the recruitment and retention in many of the highly skilled  
10 positions required to operate a utility utilizing best practices in all disciplines throughout the  
11 agencies; and

12 **WHEREAS**, Public Laws 28-113 and 28-159 authorized the CCU to promulgate rules  
13 and the CCU has accomplished these through various resolutions governing the compensation,  
14 promotion, performance evaluation, and other terms of employment for highly skilled or  
15 certified, technical and professional employees of the Guam Power Authority and Guam  
16 Waterworks Authority.

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18 **WHEREAS**, the Guam Power Authority has retained Alan Searle and Associates, a  
19 human resource consulting firm to assist the Authority with a comparison of compensation levels  
20 of Authority employees with those employees holding similar positions in mainland utilities,  
21 assisting Authority to develop a revised compensation structure, pending establishing a revised  
22 system of performance evaluations, and assisting in the assignment of utility employees to levels  
23 within the compensation structure; and

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25 **WHEREAS**, the General Manager of Consolidated Utility Services determined that the  
26 study should include positions within the Guam Waterworks Authority and such language was  
27 incorporated into the Request For Proposals for the compensation study; and

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29 **WHEREAS**, the study has developed a compensation pay scale remunerated into  
30 percentiles of market rates for various positions throughout the U.S. mainland and the study has  
31 revealed that the majority of employees within the Guam Power Authority and the Guam  
32 Waterworks Authority have wage rates below the 10<sup>th</sup> percentile of all utilities in the US; and

1           **WHEREAS**, the General Manager of Consolidated Utility Services has determined to  
2 balance the needs of the utilities to recruit and retain highly skilled employees required to  
3 operate the utilities with the need to keep utility rates affordable to the ratepayers of Guam, the  
4 utilities should strive to bring the compensation of all highly skilled personnel to the 50<sup>th</sup>  
5 percentile of wages paid for similar positions throughout the mainland U.S.; and

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7           **WHEREAS**, the General Manager of Consolidated Utility Services is requesting that the  
8 Consolidated Commission on Utilities adopt the recommendation of Alan Searle and Associates  
9 to define highly skilled personnel as employees holding positions included on List A and List B  
10 for both utilities; and

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12           **WHEREAS**, the Consolidated Commission on Utilities has reviewed and approved a list  
13 of highly skilled or certified, technical and professional positions (including recently created  
14 positions) for the Guam Waterworks Authority at a prior meeting similar to those of the Guam  
15 Power Authority's list.

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17           **WHEREAS**, the Guam Power Authority and the Guam Waterworks Authority desire to  
18 implement the Alan Searle's Compensation Study.

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20           **NOW BE IT THEREFORE RESOLVED**, the following policy is adopted by the  
21 Consolidated Commission on Utilities:

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- 23           1. The management of the Guam Power Authority and the Guam Waterworks  
24           Authority are committed to implement the compensation study for List A and  
25           List B positions.
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27           2. The Guam Power Authority and the Guam Waterworks Authority shall begin  
28           to transition the current compensation model to the 5<sup>th</sup> percentile first then the  
29           15<sup>th</sup>, 25<sup>th</sup>, 35<sup>th</sup> and finally the 50<sup>th</sup> percentile as defined in the compensation  
30           study over a five year period beginning in Fiscal Year 2008 through Fiscal  
31           Year 2012, subject to budgetary approval of the CCU;
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3. The definition of highly skilled or certified, technical and professional positions shall include all List A and List B positions;
  4. The General Managers of the Guam Power Authority and the Guam Waterworks Authority shall begin to develop a revised process for performance evaluations of employees to that of a performance based program in which all employees are evaluated on an annual basis with no less than one mid-year review to provide feedback to employees on their level of performance, a six step series of 1% increments to be paid to employees through a maximum increment of not more than 6% be approved by the General Managers, and the development of key performance indicators for each position which must be met before an increment can be awarded.
  5. The General Managers of the Guam Power Authority and the Guam Waterworks Authority are directed to take any action necessary to ensure that these changes in human resource policies are accompanied by a transformation of corporate cultures to that of a performance based environment.

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

**DULY AND REGULARLY ADOPTED**, this 30<sup>th</sup> day of October 2007.

Certified by:



**SIMON A. SANCHEZ, II**  
Chairperson

Attested by:



**GLORIA B. NELSON**  
Secretary

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**SECRETARY'S CERTIFICATE**

I, Gloria B. Nelson, Board Secretary of the Consolidated Commission on Utilities as evidenced by my signature above do hereby certify as follows:

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

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AYES:	4
NAYS:	0
ABSTENTIONS:	0
ABSENT:	0

