



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

PETITION OF
GUAM WATERWORKS AUTHORITY
FOR RATE RELIEF: FY2011 RATE
INCREASE

GWA DOCKET 09-03

FY2010 RATE DECISION

Background

This matter comes before the Guam Public Utilities Commission [PUC] pursuant to paragraph 7 of the PUC July 27, 2009 FY09 Rate Decision.¹ Said Decision provided a four year plan of rate increases which included a projected increase of 8% for FY2011. Pursuant thereto, by June 1, 2010, GWA was required to submit certain information relating to its revenues and expenses. Based upon the information provided to PUC, it can modify, if necessary, the initial estimates for future rate increases.² On June 15, 2010, GWA submitted the Annual Report and information required by the PUC Rate Decision dated July 27, 2009.³

In its "True-Up" petition, GWA asked that the 8% rate increase scheduled to take effect on October 1, 2010 remain unchanged. Certain discussion ensued between the PUC Consultant, Georgetown Consulting Group, Inc., and GWA. The parties filed a Stipulation on September 13, 2010.⁴ The Commissioners met at the PUC conference room on September 15, 2010, to consider whether a rate increase should be scheduled to take effect on October 1, 2010, and whether any modification from the previously approved rate increase of 8% for FY2011 was required.⁵

¹ PUC FY09 Rate Decision, GWA Docket 09-03, filed July 27, 2009.

² Id. at par. 7, Ordering Provisions.

³ GWA's Annual Report and Summary Required by PUC Rate Order dated July 27, 2009, GWA Docket 09-03, filed June 15, 2010.

⁴ Stipulation - FY2010 Annual True Up for FY2011 Rates, GWA Docket 09-03, filed September 13, 2010.

⁵ Agenda for PUC Special Meeting on September 15, 2010.

After carefully considering the Record herein, the Stipulation of GCG and GWA, the Presentations of the Chairman of the Consolidated Commission on Utilities, GWA and GCG during the meeting, filed Attachments A and B (as revised), and C, and reports of Financial Advisors for GWA on its upcoming Bond Issuance, for good cause shown and on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, PUC makes the following determinations.

Determinations

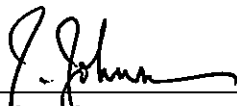
1. An 8% increase in customers' bills for FY2011 is approved, effective October 1, 2010. The 8% increase does not affect the lifeline rate. The impact of such rate increase upon sample customers' bills is set forth in *Attachment A* hereto.
2. The approved rate increase should be 8%, as originally established in the FY09 Rate Decision. At the PUC meeting, GWA presented evidence that the cost of its Health Insurance benefits for its employees would be an additional \$500,000 for FY2011, an increase of which it only became aware shortly before the hearing; in addition, GWA will be required to pay \$300,000 in COLA (Cost of Living Allowance) benefits and \$200,000 for Property Insurance, which result in additional total costs to GWA of \$1,000,000.00.
3. The Financial Advisors for the Government of Guam on the upcoming GWA bond issuance indicated that the failure of the PUC to approve the previously authorized rate increase could be a negative factor in the bond rating of the rating agencies. A change in outlook or downgrade could result in a potentially higher interest rate on the bonds which GWA intends to issue in October 2010. In light of the potential negative impact on bond interest rates, and the potential higher cost to rate payers, it is prudent for the Commissioners to proceed cautiously and not to deviate from the 8% rate increase previously approved for FY2011.
4. GWA's Financial Schedule, set forth in *Attachment B* hereto, supports the 8% rate increase and is adopted as GWA's test year budget for FY 2011. The documents included in *Attachment C* hereto demonstrate the additional costs which will be incurred by GWA for Health Insurance benefits, COLA, and Property Insurance. These additional costs are, therefore, recognized as revenue requirements of GWA for Fy2011 in *Attachment B*.

5. The PUC Surcharge recovers certain regulatory expenses and past due obligations to GPA and Navy. The existing rate of the PUC Surcharge (9.60%) shall remain in effect. The amount due to GPA is expected to be paid off by January 2011. After the amount due to GPA is paid off, the surcharge shall remain in effect at the same level. Any excess amounts received by GWA for payment of the prior GPA debt shall be applied to the expedited payoff of remaining amounts owed to Navy. The Payoff Schedule for such debts, as set forth in *Attachment C* hereto, is approved. The PUC should be able to eliminate the PUC Surcharge by the end of 2011. The status of the PUC Surcharge shall be reviewed by the PUC in the next annual GWA rate true-up proceeding.
6. Based upon the information received by the PUC as of the date of this Order, the rate increase set forth herein is “just” and “reasonable” pursuant to 12 GCA §§12015 and 12017.
7. GWA should implement the American Waterworks Association (AWWA) water audit standards contained in the revised (2008) AWWA M36 publication no later than January 1, 2012. GWA shall file with the PUC monthly reports thereafter that present GWA’s water balance, including the identification of its apparent loss indicator, real loss indicator, and non-revenue water rate. This water balance report shall be provided together with the monthly financial reports provided to the PUC.
8. A Cost of Service (“COS”) study should be implemented as soon as is practicable. GWA shall present a report to the PUC on or before December 31, 2010, concerning the approach and structure to the study, and the scope and nature of the professional consulting services it seeks to engage to prepare such study.
9. Under ordering paragraph 5 in the PUC’s August 13, 2007 FY07 Rate Order in Docket 07-04 (the “FY07 Rate Order”), the interim Tiyan rates approved by the PUC in its September 28, 2006 order in Docket 05-05 were to be converted to permanent rates within two years of the date of the FY07 Rate Order. The process for reconciling interim Tiyan bills and usage has not yet taken place for a number of reasons beyond the control of GWA and the PUC, including, but not limited to, lack of resolution of land title and easement issues. The FY07 Rate Order is hereby amended to extend the interim Tiyan rates, pending further PUC action, provided, however, that such interim rates shall be subject to the same percentage

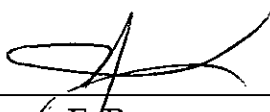
increases as set forth in paragraph 1, and as they may be annually adjusted by the PUC.

10. The Administrative Law Judge is authorized, should he deem necessary, to request submissions from GWA and/or GCG for a revised protocol for handling annual true-ups for GWA rates.
11. GWA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.
12. PUC will keep this docket open in order to conduct the annual review and reconciliation process provided for in paragraph 7 of the Ordering Provisions of the FY09 Rate Decision. GWA shall continue to provide needed information for review and consideration by the PUC in connection with the annual true-ups required under the July 2009 Rate Order.


Dated this 29th day of September, 2010.



Jeffrey C. Johnson
Chairman




Rowena E. Perez
Commissioner



Michael A. Pangelinan
Commissioner

Joseph M. McDonald
Commissioner



Filomena M. Cantoria
Commissioner

ATTACHMENT A

Assumptions:
 Average Residential Bill
 10,000 gal per month
 With Sewer Service

Existing Rates:

Water				
Basic Charge	\$ 10.56	\$ 11.40		\$ 11.40
Water Consumption				
Lifeline \$/kGal	\$ 2.74	\$ 2.74	13.70	13.70
Non-Lifeline \$/kGal	\$ 5.03	\$ 5.43	25.15	27.16
Surcharges:				
GPA/Navy/PUC Retirement	9.60%	9.60%	3.43	3.70
Sub-Total Water	3.49%	3.49%	1.25	1.35
			<u>\$ 54.08</u>	<u>\$ 57.32</u>
Sewer Charge (Fixed/Lifeline)	25.08	\$ 25.08	\$ 25.08	\$ 25.08
Surcharges:				
GPA/Navy/PUC Retirement	9.60%	9.60%	-	-
Sub-Total Wastewater	3.49%	3.49%	<u>\$ 25.08</u>	<u>\$ 25.08</u>
TOTAL BILL			<u>\$ 79.16</u>	<u>\$ 82.40</u>

	Current Rates	Current Bill	GWA Rates Proposed	PUC Approved Bill
	\$ 10.56	\$ 10.56	\$ 11.40	\$ 11.40
	\$ 2.74	13.70	\$ 2.74	13.70
	\$ 5.03	25.15	\$ 5.43	27.16
	9.60%	3.43	9.60%	3.70
	3.49%	1.25	3.49%	1.35
		<u>\$ 54.08</u>		<u>\$ 57.32</u>
	25.08	\$ 25.08	\$ 25.08	\$ 25.08
	9.60%	-	9.60%	-
	3.49%	<u>\$ 25.08</u>	3.49%	<u>\$ 25.08</u>
		<u>\$ 79.16</u>		<u>\$ 82.40</u>
				0.0%
				4.1%

Assumptions:
 Average Commercial Bill
 90,000 gal per month
 Sewer Service

Existing Rates:

Water
 Basic Charge
 Water Consumption
 Lifeline
 Non-Lifeline
 Surcharges:
 GPA/Navy/PUC
 Retirement
 Sub-Total Water

Sewer Charge First Block
 Surcharges:
 GPA/Navy/PUC
 Retirement
 Sub-Total Wastewater

TOTAL BILL

PUC APPROVED RATE 8%

	Current Rates	Current Bill	GWA Rates Proposed	PUC Approved Bill
Water	\$ 10.56	\$ 10.56	\$ 11.40	\$ 11.40
Basic Charge				
Water Consumption	6.26	563.40	6.76	608.47
Lifeline				
Non-Lifeline				
Surcharges:				
GPA/Navy/PUC	9.60%	55.10	9.60%	59.51
Retirement	3.49%	20.03	3.49%	21.63
Sub-Total Water		\$ 648.09		\$ 701.02
				8.0%
Sewer Charge First Block	\$ 3.44	\$ 247.68	\$ 3.72	\$ 267.49
Surcharges:				
GPA/Navy/PUC	9.60%	23.78	9.60%	25.68
Retirement	3.49%	8.64	3.49%	9.34
Sub-Total Wastewater		\$ 280.10		\$ 302.51
				8.0%
TOTAL BILL		\$ 929.19		\$ 1,003.53
				8.0%

Assumptions:
 Average Government Bill
 73,000 per month
 Sewer Service

Existing Rates:

Water
 Basic Charge
 Water Consumption
 Lifeline
 Non-Lifeline
 Surcharges:
 GPA/Navy/PUC
 Retirement
 Sub-Total Water
 Sewer Charge First Block
 Surcharges:
 GPA/Navy/PUC
 Retirement
 Sub-Total Wastewater
 TOTAL BILL

PUC-APPROVED RATE 8%

	Current Rates	Current Bill	GWA Rates Proposed	PUC Approved Bill
Water				
Basic Charge	\$ 61.64	\$ 61.64	\$ 66.57	\$ 66.57
Water Consumption Lifeline				
Non-Lifeline	6.26	456.88	6.76	493.48
Surcharges:				
GPA/Navy/PUC Retirement	9.60%	49.78	9.60%	53.76
	3.49%	18.10	3.49%	19.55
Sub-Total Water		\$ 586.40		\$ 633.36
				8.0%
Sewer Charge First Block	\$ 4.92	\$ 287.61	\$ 5.31	\$ 310.62
Surcharges:				
GPA/Navy/PUC Retirement	9.60%	27.61	9.60%	29.82
	3.49%	10.04	3.49%	10.84
Sub-Total Wastewater		\$ 325.26		\$ 351.28
				8.0%
TOTAL BILL		\$ 911.66		\$ 984.64
				8.0%

ATTACHMENT B

	<u>FY2011</u>
Base Rate Increase	8.00%
Lifeline Increase	0.00%
GPA/Navy/PUC Surcharge % of bill	9.60%
Legislative Surcharge % of bill	3.49%
Customer Growth	2.00%
Consumption Growth	2.00%
1. OPERATING REVENUES	
2. Water Revenues	\$ 40,056,950
3. Wastewater Revenues	23,484,381
4. GPA/Navy Surcharge	4,900,523
5. Retiree Surcharge	1,781,544
6. Other Revenues	1,010,751
7. System Development Charge	3,000,000
8. Additional Revenue Required	-
9.	
10. Total Operating Revenues	<u>\$ 74,234,149</u>
11.	
12.	
13. OPERATING & MAINTENANCE EXPENSES	
14. Power Purchases	\$ 14,400,000
15. Water Purchases	5,924,806
16.	<u>\$ 20,324,807</u>
17.	
18. Salaries and Wages	18,777,183
20. Administrative and General Expenses	6,063,228
22. Bad debt expense	1,066,601
23. Depreciation Expense	12,327,197
24. Contractual Expense	3,625,116
26. Total Operating Expenses	<u>\$ 62,184,131</u>
27.	
28. Operating Net Income (Loss)	12,050,017
29.	
30. Interest Income-Construction Fund	4,090
31. Interest Income-Other Funds	231,834
32. Interest Expense-Bonds	(5,545,794)
33. Interest Expense-Others	(2,341,666)
34. AFUDC	4,761,523
35. Amortization of Issuance Costs	109,776
36. Grants	8,649,690
37. Other Expenses/Income	(311,851)
38. Supplemental/COLA Annuities	(1,781,544)
39. Recoveries of bad debts	-
40. Net Income (Loss)	<u>\$ 15,826,076</u>
41.	

43.	NET INCREASE (DECREASE) in Capital	\$	15,826,076
44.			
45.			
46.			
47.			
48.			
49.			
50.			
51.			
52.			
53.			
54.	DEBT SERVICE COVERAGE CALCULATION		
55.			
56.	Earnings from Operations	\$	12,050,017
57.	Investment Income-Other Funds		231,834
58.	Unfunded Retirement Liability		-
59.	Recoveries		1,000
60.	PUC,GPA,Navy Surcharge		(4,900,523)
61.	Legislative Surcharge		(1,781,544)
62.	System Development Charge		(3,000,000)
63.	Depreciation & Amortization		12,327,197
64.	Balance Available for Debt Service	\$	14,927,981
65.			
66.	Debt Service		
67.	Interest		5,545,794
68.	Principal		2,160,000
69.		\$	<u>7,705,794</u>
70.			
71.	Debt Service Coverage (DSC)		1.94
72.	Debt Service Coverage (DSC) incl subordinate debt		0.90
73.			
74.	CASH FLOW STATEMENT		
75.			
76.	Net Income (Loss)	\$	15,826,076
77.	Add: Depreciation & Amortization		12,217,420
78.	Deduct: AFUDC		(4,761,523)
79.	Deduct: Interest Income-Construction Fund		(4,090)
80.	Subtract: Principal Payments Bonds/ST Debt/USDA		(4,820,862)
81.	Working Capital Change (Increase)Decrease		(953,319)
82.	Grants		(8,649,690)
83.	PUC Surcharge - Principal portion of GPA/Navy Note		(3,842,211)
84.	Internal CIPs'		(500,000)
85.	Bond Proceeds		
86.	Bond Construction Fund		-
87.	ST Debt Loan Loan proceeds (A/P)		-
88.	ST Debt Loan proceeds (Moratorium)		-
89.	Moratorium Project		-
90.	ST Debt Loan proceeds		-
91.	O&M, Renovation, Repair, Replacement Reserve		-
92.	USDA Loan proceeds		-
93.	USDA Construction Fund		-
94.	System Development Charge		(3,000,000)
95.	Self Insurance Funding		<u>(375,000)</u>

96.	Cash Surplus (Deficit)	\$	1,136,802
97.	Beginning Balance		<u>2,650,980</u>
98.	Ending Balance	\$	3,787,782

ATTACHMENT C

GPA Note				
Interest %	4.33%			
Monthly DS	\$ 221,876.08		(c)	
Sum of FY2011 payments	\$ 1,081,097			
	Principal	Interest	Amt. Pd.	Principal Balance
9/30/2009		PER FY2009 AUDIT		\$ 3,998,988
10/31/2009	\$ 200,433	\$ 14,430	\$ 214,863 (a)	3,788,535
11/30/2009	153,860	13,706	167,566 (a)	3,644,655
12/31/2009	205,837	13,151	218,988 (a)	3,438,618
1/31/2010	239,846	12,408	252,255 (a)	3,195,972
2/28/2010	259,560	11,543	271,103 (a)	2,930,412
3/31/2010	365,588	10,606	376,205 (a)	2,573,813
4/30/2010	183,726	9,287	193,013 (a)	2,390,088
5/30/2010	259,429	8,624	268,053 (a)	2,130,659
6/30/2010	257,780	7,688	265,468 (a)	1,872,879
7/31/2010	273,798	6,758	280,556 (a)	1,599,081
8/31/2010	310,322	5,770	316,092 (a)	1,288,759
9/30/2010	217,226	4,650	221,876 (b)	1,071,533
10/31/2010	271,966	3,866	275,832 (c)	799,587
11/30/2010	272,947	2,885	275,832 (c)	526,620
12/31/2010	273,932	1,900	275,832 (c)	252,689
1/31/2011	252,689	912	253,601 (d)	(0)
2/28/2011		(0)	(0) (b)	(0)
3/31/2011	\$ -	\$ (0)	(0) (b)	(0)

Total Debt Service
FY2011 1,081,097

Navy Note				
Interest %	1.25%			
Monthly DS	\$ 132,545		thru March 2011	
	\$ 264,853		Beginning April 2011	
Sum of FY2011 payments	3,543,594			
	Principal	Interest	Amt. Pd.	Principal Balance
9/30/2009		PER FY2009 AUDIT		\$ 5,689,122
10/31/2009	\$ 112,017	\$20,528.25	\$ 132,545 (a)	5,577,105
11/30/2009	112,421	20,124	132,545 (a)	5,464,684
12/31/2009	112,827	19,718	132,545 (a)	5,351,856
1/31/2010	113,234	19,311	132,545 (a)	5,238,624
2/28/2010	113,642	18,903	132,545 (a)	5,124,982
3/31/2010	114,052	18,493	132,545 (a)	5,010,929
4/30/2010	114,464	18,081	132,545 (a)	4,896,465
5/30/2010	114,877	17,668	132,545 (a)	4,781,589
6/30/2010	115,291	17,254	132,545 (a)	4,666,297
7/31/2010	115,707	16,838	132,545 (a)	4,550,590
8/31/2010	116,125	16,420	132,545 (b)	4,434,465
9/30/2010	116,544	16,001	132,545 (b)	4,317,921
10/31/2010	116,965	15,580	132,545 (b)	4,200,856
11/30/2010	117,387	15,158	132,545 (b)	4,083,570
12/31/2010	117,810	14,735	132,545 (b)	3,966,760
1/31/2011	118,235	14,310	132,545 (b)	3,847,524
2/28/2011	140,893	13,883	154,776 (c)	3,708,631
3/31/2011	395,002	13,375	408,377 (e)	3,311,629
4/30/2011	395,427	11,949	408,377 (e)	2,915,202
5/31/2011	397,858	10,519	408,377 (e)	2,517,344
6/30/2011	399,284	9,083	408,377 (e)	2,118,050
7/31/2011	400,734	7,643	408,377 (e)	1,717,318
8/31/2011	402,180	6,197	408,377 (e)	1,315,136
9/30/2011	403,631	4,745	408,377 (e)	911,504
10/31/2011	405,086	3,289	408,377 (e)	506,417
11/30/2011	406,550	1,827	408,377 (e)	99,867
12/31/2011	99,867	360	100,227 (e)	-
1/31/2012		-	- ()	-

Total Debt Service
FY2011 3,543,594
FY2012 916,981

Total Surcharge FY2011	\$ 4,900,523		
Monthly surcharge FY2011	\$ 408,377		
Payment Schedule:			
Navy Monthly Payment_Oct_09	(132,545)	GPA monthly required payment	221,876
GPA monthly Payment_Oct_09	(221,876)	Add: Balance applied	53,958
Monthly total payment GPA & Navy	(354,421)		
Balance applied to GPA effective Oct_10 to Dec_10	53,958	(c)	\$ 275,832
Monthly surcharge	408,377		
GPA Final payment Jan_11	(253,601)		
Navy Monthly Payment_Feb	(132,545)	Navy monthly required payment	132,545
Balance applied to Navy effective Feb_11	(386,148)	Add: Balance applied	22,231
	22,231	(d)	\$ 154,776
Navy monthly Payment effective Feb_11	\$ 408,377 (e)		

- (a) actual payment
- (b) estimated payment
- (c) see above computation
- (d) see above computation
- (e) estimated monthly surcharge

SUMMARY

	<u>Amount</u>
Amount From Med_Den_Benefit Tab	\$ 500,000
Amount From Insurance_Property Tab	200,000
Amount From COLA Tab	<u>300,000</u>
	\$ 1,000,000 (a)
Original Attachment B	\$ 61,184,132
Per Adjustment Above	<u>1,000,000 (a)</u>
Per Revised Attachment B	\$ 62,184,132

Per GovGuam Rate Sheet (see below)

Select 2000	Class	MEDICAL	
		FY2010	FY2011
	1	\$ 48.00	\$ 79.38
	2	\$ 77.65	\$ 114.30
	3	\$ 63.92	\$ 96.00
	4	\$ 110.03	\$ 159.90
	5	\$ 125.43	\$ 167.92
Select 1500	1	\$ 60.00	\$ 96.28
	2	\$ 97.06	\$ 185.19
	3	\$ 79.89	\$ 155.19
	4	\$ 137.54	\$ 258.18
	5	\$ 156.78	\$ 270.00

Average

Class	DENTAL	
	FY2010	FY2011
1	6.46	7.68
2	9.68	9.97
3	8.29	8.03
4	13.82	13.43
5	14.85	15.67

Average

Composite Average

Source: Chief Budget Officer

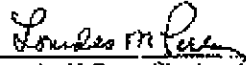
Regular	\$ 11,737,263	0	\$ 11,737,263
Overtime	650,000	0	650,000
Increments/PFP	1,146,000	0	1,146,000
Retirement	3,199,580 (b)	31,996 (b x c)	3,231,576
Premium	600,000	0	600,000
Employee Benef	1,040,399 (a)	468,180 (a x c)	1,508,579
Total Salaries &	\$ 18,373,242	500,175	\$ 18,873,417
Estimated Capti	\$ (96,058.80)	0	(96,059)
	\$ 18,277,183	500,175	\$ 18,777,359

GOVGUAM HEALTH RATE SHEET

GovGuam MEDICAL RATES							
		MEDICAL 2010			MEDICAL 2011		
CLASS		GOV	EMP	TOTAL	GOV	EMP	TOTAL
SELECTCARE		2000 Plan			HS&D00K Plan		
ACTIVE	1	48.00	0.00	48.00	78.38	4.62	84.00
BI-WEEKLY	2	77.65	28.73	103.38	114.3	81.58	175.88
	3	83.82	21.08	84.92	98.00	51.88	147.69
	4	110.09	34.45	144.46	189.8	88.10	348.00
	5	126.49	28.88	146.31	187.92	80.85	248.77
	RETIREE	1	146.00	0.00	146.00	268.00	6.08
SEMI-MONTHLY	2	283.12	27.88	321.00	515.33	66.67	582.00
	3	239.74	27.78	262.50	420.90	85.09	479.50
	4	407.73	37.30	445.00	714.73	83.27	808.00
	5	424.88	22.82	447.80	723.42	87.98	811.00
	SELECTCARE	1500 Plan			1500S Plan		
ACTIVE	1	80.00	14.54	71.54	86.28	41.28	127.54
BI-WEEKLY	2	87.06	68.83	102.89	166.19	111.12	236.31
	3	78.89	48.88	128.77	188.79	85.12	268.31
	4	137.34	77.08	214.62	258.18	184.89	415.08
	5	156.78	68.14	218.62	270.00	148.88	418.38
	RETIREE	1	218.00	12.00	228.50	515.00	44.18
SEMI-MONTHLY	2	441.14	81.35	502.50	873.13	129.38	783.50
	3	358.08	52.88	411.00	648.43	108.88	649.00
	4	613.51	83.49	687.00	931.89	167.61	1089.50
	5	634.85	85.14	690.50	944.50	187.50	1102.00
			1000 Plan			1000S Plan	
NOT OFFERED FOR FY2011							
GovGuam DENTAL RATES							
		DENTAL 2010			DENTAL 2011		
CLASS		GOV	EMP	TOTAL	GOV	EMP	TOTAL
ACTIVE	1	0.46	8.23	10.89	7.38	7.18	14.78
BI-WEEKLY	2	8.68	25.40	38.08	9.97	23.28	33.23
	3	8.29	20.23	28.82	8.08	18.74	28.77
	4	13.82	33.72	47.54	13.42	31.34	44.77
	5	14.85	32.89	47.84	15.87	28.16	44.77
	RETIREE	1	7.00	18.00	17.00	8.00	8.00
SEMI-MONTHLY	2	10.48	27.51	38.00	10.80	25.20	38.00
	3	8.88	22.02	31.00	8.70	20.80	29.00
	4	14.97	36.53	51.80	14.55	33.85	44.50
	5	16.08	35.42	51.50	16.88	31.52	44.50

CLASS

- 1 - Employee/Retiree/Survivor
- 2 - Employee/Retiree/Survivor + Spouse Only
- 3 - Employee/Retiree/Survivor + Child (ren) NO SPOUSE
- 4 - Employee/Retiree/Survivor + Family (spouse or common law not employed in GovGuam)
- 5 - Employee/Retiree/Survivor + Family (both spouse or common law employed in GovGuam)


 August 16, 2010
 Lourdes M. Perez, Director
 Department of Administration

Increase (Decrease)

65%

47%

50%

45%

34%

60%

91%

94%

88%

72%

65%

Increase (Decrease)

19%

3%

-3%

-3%

6%

5%

45% (c)



AM Insurance

P. O. Box 2797, Hagatna, Guam 96932
Tel: (671)477-2632/42 Fax: (671)477-2602

GUAM WATERWORKS AUTHORITY
Proposal for PROPERTY INSURANCE
Invitation For Bid No. GWA 2010-12

OPTION	COVERAGE	DEDUCTIBLE	TOTAL 14-MONTH PREMIUM (including all costs, fees, etc)	TOTAL 12-MONTH PREMIUM (including all costs, fees, etc)
1	\$50,000,000 each occurrence	\$1 Mil	\$1,771,738	\$1,521,810
2	\$30,000,000 each occurrence	\$1 Mil	\$1,415,774	\$1,215,908
3	\$50,000,000 each occurrence, \$20Mill sublimit in respect of Earthquake	\$1 Mil	\$1,548,963	\$1,330,200
4	\$30,000,000 each occurrence, \$15Mill sublimit in respect of Earthquake	\$1 Mil	\$1,353,946	\$1,162,800

Updated on: 9/13/2010 10:54 PM

INSURANCE	
Per Filing	\$1,500,000
Per Bid	\$1,700,000
Shortfall	<u>(\$200,000)</u>

No. of retirees, per HR	267
COLA per retiree	\$ 1,100
	\$ 293,700
say	\$300,000

P.L. 30-196: CHAPTER XI: Section 6

1 (ii) No retiree who is eligible for Retiree Supplemental Annuity
 2 Benefits provided for in this Section shall receive such benefit if his regular
 3 annual retirement annuity, excluding the supplemental amounts authorized herein
 4 and survivor benefits, exceeds Forty Thousand Dollars (\$40,000). A retiree who
 5 is eligible for Retiree Supplemental Annuity Benefits shall receive no more than
 6 Forty Thousand Dollars (\$40,000) in combined retirement annuities and
 7 supplemental retirement annuities.

8 (iii) Any retiree or survivor eligible to receive the supplemental annuity
 9 may waive their supplemental annuity payment authorized herein by the filing of
 10 a notarized affidavit waiving such payment with the Retirement Fund."

11 Section 6. Appropriation for Cost of Living Allowance (COLA).

12 (a) *I Mags'ohen Guñhan shall provide, by a single lump sum payment, a Cost of*
 13 *Living Allowance (COLA) of One Thousand One Hundred Dollars (\$1,100) to each retiree of*
 14 *the GGRF who is retired as of September 30, 2010, or his survivor, no later than November 1,*
 15 *2010, unless the annuitant chooses in writing to receive bi-monthly payments from October 1,*
 16 *2010 through September 30, 2011. The sum of Six Million Seven Hundred Seventy Thousand*
 17 *Five Hundred Dollars (\$6,770,500) is appropriated from the General Fund to the Department of*
 18 *Administration to pay said Cost of Living Allowance (COLA).*

19 (b) The Guam Power Authority, the A. B. Won Pat International Airport Authority,
 20 the Guam Economic Development Authority, the Guam Housing Corporation, the Government
 21 of Guam Retirement Fund, the Jose D. Leon Guerrero Commercial Port, the Guam Waterworks
 22 Authority and the Guam Visitors Bureau shall pay a Cost of Living Allowance (COLA) in a
 23 single payment of One Thousand One Hundred Dollars (\$1,100) to every Government of Guam
 24 Retirement Fund retiree who retired from each respective aforementioned agency as of
 25 September 30, 2010, or his survivor, no later than November 1, 2010, unless the annuitant
 26 chooses in writing to receive bi-monthly payments from October 1, 2010 through September 30,
 27 2011.

28 (c) Each agency mentioned in Subsection (b) shall reimburse the General Fund for
 29 any COLAs paid by the Fund in Fiscal Year 2011 to retirees who have retired from that agency
 30 and their survivors, no later than December 31, 2010.