



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority • Guam Waterworks Authority
P.O. BOX 2977 • Agana, Guam 96932

Regular Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., September 22, 2015

MINUTES

1. CALL TO ORDER

The Chairman called the meeting to order at 5:39 p.m. He said that all five (5) Commissioners were present and that a quorum is in order. Others present include:

Commissioners:

Joseph (Joey) Duenas	CCU Chairman
Francis Santos	CCU Vice Chairman
George Bamba	CCU Secretary
Pedro Guerrero	CCU Treasurer
Simon Sanchez	CCU Member

Executive Mgmt.:

John Benavente	GMCUS / IGM GPA
Mark Miller	IGM / GWA
Melinda Camacho	AGMO / GPA
Cora Montellano	CFO (A) / GPA
Greg Cruz	CFO / GWA
Graham Botha	Staff Attorney / GPA
Sam Taylor	Staff Attorney / GWA

Management & Staff:

Tom Cruz	Chief Engineer / GWA
Paul Kemp	AGM Compliance & Safety / GWA
Ron Topasna	GWA
Mauryn McDonald	GWA
Julie Quinata	Personnel Services Admin. / HR GPA
Geigy Salayon	GWA
Vangie Lujan	Compliance / GWA
Art Perez	PIO / Communications, GPA
Rudy Manibusan	IT Mgr., (A) / GPA
Joyce Sayama	Mgmt. Analyst / GPA Ex. Office
Kathy Beleno	Mgmt. Analyst / GWA Ex. Office
Chilang Fejeran	
Selma Blas	

Guest:

Bill Gilman	Brown & Caldwell
Andy Niven	PUC
Tim McHenry	PNC
Matt Weiss	GDP
George Watson	Brown & Caldwell
Tasi Freddicord	IP&E
Nestor Licanto	KUAM
Dontana Keraskes	KUAM

Rob Tupa	Post
Nick Manley	HDR
Fred Aguon	Resident
Mark Calvo	Gov's Office
Eloy Hara	Resident

2. **APPROVAL OF MINUTES - None**

3. **GM REPORT / UPDATE**

3.1 **GWA**

This report provides an update of activities, events or points of interest since the CCU Board meeting of August 25, 2015.

1. **Northern District WWTP:**

- DCA (Duenas, Camacho & Associates) have completed property survey work of the Northern District WWTP to identify the plant's property boundaries. These boundaries will serve as the basis for planning plant Secondary Treatment expansion and land requirements.

2. **GWA and DOD NAVFAC (Naval Facilities):**

- Weekly scheduled meetings continue between GWA and DOD NAVFAC. The following are key points of recent discussions:
 - The license agreement intended to allow GWA to operate and maintain the DOD owned Tumon Maui well is in near-final stage and is expected to be available for GWA/CCU consideration by September 2015.
 - GWA expressed its interest to provide water service to the Urunao area and requested an update to the Air Forces' recent water infrastructure assessment conducted for this area.

Comm. Sanchez gave some background information on the Urunao issue. He asked the IGM Miller if the water to Urunao will be hooked-up to the Air Force system. IGM said possibly; an assessment is being done to determine the potability of water for the area via wild life refuge division. The Commission said do we really want to depend on someone else's line to service our customers. We need to be careful about the precedence we set.

- GWA expressed its interest to utilize the Air Forces' Mount Santa Rosa Reservoir in order to allow GWA contractors to inspect the GWA Santa Rosa Reservoir.
- Major James Gingras, from Andersen Air Force's 36CES has joined the committee and will be in attendance at future meetings. His role will be to ensure impacts to Andersen from proposed agreements are taken into account.

3. **Line Replacement Project:**

- Bid evaluation for the Phase IV Line Replacement Capital Improvement Project is underway with the Notice-to-Proceed likely to follow in a week's time.
- This will start line replacement work for the first 11 of 40 identified lines in need of replacement. (Remaining lines listed in Phase V and VI Line Replacement Listings)

4. **Training:**

- Organization called One World One Water funded by USEPA through an Organization called RCAC (Rural Community Assistance Corporation) conducted free training to GWA operators on "The Revised Total Coliform Rule and Safe Drinking Water Act" on September 10.
- Certificates with CEUs (Continuing Education Units) for the licensing board were provided to the all who attend this 4-6 hour training session.

5. **US EPA Visit:**

- Mike Lee and Tom Konner from USEPA were on island from September 14 to the 18. They met with members of the CCU, GWA management and key personnel. They also conducted facility inspections.

Comm. Bamba asked for an update on the USEPA discussions. IGM Miller said USEPA is satisfied with GWA efforts – all concerns are being addressed and was satisfied. Comm. Bamba said there was a listing of projects and in CCU's meeting with them it was discussed that projects have to be completed by 2017. This is grant funds and the challenge is how GWA is going to meet the 2017 deadline. Comm. Santos said it is not good that 3 separate meetings were held without an exit meeting with all parties. He added that what was shared with the CCU in SFO was not good news. Commissioner Santos asked for a summary of discussions and agreements reached from all parties; it is his understanding that USEPA is not happy with the work being done. There was no exit meeting with all parties and he is concerned. Chairman told IGM, CFO and Staff Attorney to work together to layout all 3 discussions and develop a summary that encompasses all three and that specifically addresses the 2017 projects. Comm. Sanchez added he would like to see in the snapshot all projects that the \$50M covers. Comm. Bamba said the bottom line is he does not want to see any of the funds returned. Comm. Santos said he would like to see this report by close of business on Friday. IGM Mark agreed.

6. **GWA Capital Projects Awareness/Outreach Map**

- Maps would be provided to the Village Mayors to post on their Office walls.

- Maps for COMPLETED PROJECTS and FUTURE PROJECTS also to be provided.

Relative to this matter Comm. Santos asked when this project will become active; Comm. Bamba said this is one of the issues that the IT Department is working on and a prototype will be available around end of November.

7. GWA Large Meter Revenue Loss:

Interim GM Miller said discussed this matter in length – he said he wanted to bring this matter to the Commission because it involved meters that result in revenue loss due to limit of recoverable usage. The Commission wanted to know how the IGM become aware of this issue; he said USA San Agustin said she was having difficulty addressing large meters due to staff shortage. He said the USA has known about it and has asked for help and management will focus on addressing these change outs to complete by the end of the year. The Chairman asked the IGM for a complete list of large meters and the processes of how management plans to address this matter and how expeditiously this project can be completed.

Account #	Number of months in malfunctioning condition	\$ Revenue Water Usage Loss	\$ Revenue Sewer Usage Loss	\$ Total Revenue Lost (Water and Sewer)	\$ Recoverable Water Usage (4 months)	\$ Recoverable Sewer Usage (4 months)	\$ Total Revenue Recoverable (Water and Sewer)
7974500000	16	\$ 11,606.87	\$ 9,285.50	\$ 20,892.37	\$ 3,868.96	\$ 3,095.17	\$ 3,095.17
2616100000	24	\$ 16,269.27	\$ 13,015.42	\$ 29,284.69	\$ 3,235.85	\$ 2,588.68	\$ 5,824.53
2516400000	66	\$ 51,184.22	\$ 40,947.38	\$ 92,131.60	\$ 3,302.21	\$ 2,641.77	\$ 5,943.98
9346400000	24	\$ 38,001.60	\$ 30,401.28	\$ 68,402.88	\$ 7,600.32	\$ 6,080.26	\$ 13,680.58
4152200000	9	\$ 64,701.00	\$ 51,760.80	\$ 116,461.80	\$ 51,760.80	\$ 41,408.64	\$ 93,169.44
9409400000	13	\$ 39,931.82	\$ 31,945.46	\$ 71,877.28	\$ 17,747.48	\$ 14,197.98	\$ 31,945.46
2516400000	63	\$ 24,589.59	\$ 19,671.67	\$ 44,261.26	\$ 1,667.09	\$ 1,333.67	\$ 3,000.76
7317500000	5	\$ 15,044.12	\$ 12,035.30	\$ 27,079.42	\$ 15,044.12	\$ 12,035.30	\$ 27,079.42
7096400000	219	\$ 9,625.98	\$ 7,700.78	\$ 17,326.76	\$ 179.09	\$ 143.27	\$ 322.36
2137400000	6	\$ 3,235.27	\$ 2,588.22	\$ 5,823.49	\$ 6,470.54	\$ 5,176.43	\$ 11,646.97
2380400000	10	\$ 3,385.20	\$ 2,708.16	\$ 6,093.36	\$ 2,256.80	\$ 1,805.44	\$ 4,062.24
5404100000	16	\$ 2,250.94	\$ 1,800.75	\$ 4,051.69	\$ 750.31	\$ 600.25	\$ 1,350.56
5197100000	35	\$ 1,371.01	\$ 1,096.81	\$ 2,467.82	\$ 176.90	\$ 141.52	\$ 318.42
Total		\$ 281,196.89	\$ 202,656.60	\$ 483,853.49	\$ 114,060.47	\$ 91,248.38	\$ 205,308.85

8. GWA Leak Repair Performance:

Relative to this matter the IGM reported that the numbers of pending leaks was around 180 and they are now down to 60 of the hardest issues. There's a process in place where 10 leaks are addressed per day and what is called in is addressed

immediately. He explained that repeat leaks are due to aging pipes that have rusted to the point that when clamped another leaks develops nor far from the original leak found.

3.2 GPA

This report provides an update on key issues below but he gave a detailed power point report on Interruptible Load.

Interruptible Load Presentation (copy in Master File)

GM Benavente's report highlighted the following areas and explained to the CCU what happens if any other units are lost and how it will affect the Island Wide Power System, showing the various peak times of days and how that affects availability of capacity and how he plans to address any shortfalls.

System Demand Characteristics and Schedule of Capacity Additions:

- Daily Load Curve Fairly Consistent
- Monthly Peak demand has some seasonality
- Capacity before Explosion was 355MW
- Capacity after explosion was 276MW
- Capacity Today is about 295MW
- Highest Peak Demand this Year was 255MW
- Peak Demand last week was 254 MW
- Load Versus Capacity: Loss of Cabras 50MW Steam Plant

Key Recommendations;

- Implement Interruptible Load Program for Private and Government Large Power Customers. (Resolution 2015-44)
- Rehabilitate and Activate the Dededo 40 MW CT Plant. Bid package being prepared for issuance this month.
- Pursue Leasing of 40-60 MW of Temporary Capacity. Bid package scheduled for issuance Friday after PUC approval.
- Expedite Cabras # 1 Main Transformer Replacement. (Resolution 2015-47)
- Expedite Repair of Cabras # 3. Prepared to begin recovery upon plant being deemed safe to enter.
- Assist NAVFAC in Activating the Orote 18 MW Plant. Project scope being prepared for contracting.

Implement an Interruptible Load Program:

- Large Commercial and Government Rate Classes.
- Met with GHRA and Guam Chamber officers last Friday.
- Positive feedback from Major Load Customers.
- Potential of 25 to 45MW of Load Avoidance.
- Fixed Fee compensation plus variable expense reimbursement during operations called upon by GPA.
- Most likely used during a Base Load or Large Unit Outage between the Peak Hours of 6PM to 9PM.
- If outage of two largest units, may be required from 8AM to 10PM
- Use limited to about 100 hours per month.
- Provides immediate assistance over the next few months which is GPA's most vulnerable period as it works to increase reserve.
- Initial Period of 3 months with option for 3 additional months.

Comm. Bamba said he does not want to pay for the same real estate twice. He said once Dededo CT is rehabilitated, what will happen to these generators when we get base load back; will these plants be moth balled again – the GM responded that it would be used as back up and reserve for the IWPS. It was always management's plan to refurbish them especially during the military buildup. With the buildup back on the table, this will only enhance GPA's capacity to serve the community – in particular the military.

Comm. Sanchez said before the explosion GPA had baseload. This program is temporary to keep the lights on.

1. The Cabras 3&4 Plant explosion of August 31, 2015 has resulted in GPA having to adjust priorities, schedules and funding. GPA will do what is necessary to reduce the impact of the resulting capacity reserve shortage on the rest of the key organizational objectives.

Relative to inspection, the GM said he will know more the end of this week. The root cause is trying to be determined. Right now the main focus is to remove the roof so actual detailed inspection can take place.

2. The recovery effort in Saipan continues.
 - There are about 20 linemen and supporting personnel working with CUC. It is expected these personnel will be there another two weeks at which time another rotation is planned and most likely would be the last.
 - We have received payment of about \$1.7M for the first set of invoices submitted.
 - CUC visited us last week and we have approved the next shipment of about \$3.0M in poles, lines and hardware.
 - The inventory materials being provided will bring our total inventory to about \$12M which is adequate.

- CUC has recovered about 69% of their demand as of September 20th.
- 3. The PUC has placed New Temporary Power Capacity on their agenda for the meeting on Thursday, September 24th. If approved, the Request for Proposal (RFP) package will be announced Friday September 25th. The target is to acquire 40 to 60 MW within 60 to 90 days.
- 4. A recommendation on the Phase II renewables bid will be made in the October work session. This recommendation including other renewable policy issues will be presented.
- 5. NAVFAC continues to assist us through our reserve capacity shortage by placing major loads on their standby generators when asked by our system dispatch. I have written Captain Jones thanking them for tier assistance. In addition, I have also provided Captain Jones with the CCU resolution which approved for discussions to begin on the concept of dedicating the Dededo CT Plant towards serving DoD loads in the north during times of emergencies.
- 6. Moody has upgraded GPA from Baa3 to Baa2. This is a significant recognition of the CCU and GPA by the rating agency and it would reap benefits most especially in future borrowings such as the new combined cycle plant. The upgrade does factor in the explosion at Cabras in which they noted GPA has the capability and resources to address satisfactorily. The results of the rating review by the other two rating agencies Standard & Poor and Fitch should also be release soon. We have also discussed the Cabras explosion with them.
- 7. We will be meeting with the GPA plant property insurers next week from September 29th to October 1st. The main focus would be to provide an update on GPA and most especially on the plant explosion and the recovery efforts.
- 8. Net metering summary:
 - 548 Customers; 494 are Residential
 - 5,679Kw Capacity
 - Revenue Avoidance \$1.15M
 - Pending Application: 113 Customers; 1879Kw

4. **COMMUNICATIONS**

4.1 **Public Comments - None**

5. **LEGAL COUNSEL - None**

6. **NEW BUSINESS**

6.1 **GWA**

6.1.1 **Financial Updates**

GWA continues to hit targets – 13.55 ahead of PY in revenues; Re budget is below 6%; expenses is 5% above PY; debt service coverage about 2.5; net assets is positive. It is trending that FY15 will outperform FY15. A proposed agreement is with PUC for a 14.5% rate increase which is 2.5% below original request to take effect Oct. 1. Government Receivables do show a few agencies behind and management is working on a resolution.

6.1.2 **Resolution 44-FY2015 Ratification of Chemical Contract**

GWA exceeded the One Million Dollar amount under the contract for "Wastewater Chemicals" for the Northern Wastewater Treatment Plant by Eight Hundred Seventy Four Thousand Nine Hundred Sixty Six and Seventy Eight Cents (\$874,966.78). In order to meet compliance GWA had to procure ACH from existing vendors and the overage product order exceeded the \$1 Million threshold. GWA ordered sufficient materials to be able to get the contract in place and get the products delivered. GWA Management is seeking ratification of the overage in the amount of Eight Hundred Seventy Four Nine Hundred Sixty Six and Seventy Eight Cents (\$874,966.78) and authorization to get approval by the PUC under the contract review protocol.

Comm. Santos motion to approve for discussion; Comm. Sanchez seconded.

In discussion, Comm. Bamba asked clarification if this matter was an IFB; IGM Miller confirmed yes. He said GWA had a current contract reaching its end and in order to get its 6-month supply management ordered chemicals using purchase orders based on a prior procurement. Atty. Taylor said that there was an existing purchase order in place for chemicals from which management was using to procure chemicals. Management was aware that they needed to initiate another bid process for additional inventory because the existing purchase order would not be sufficient for their needs and if they delayed, they would run out of inventory so they released another bid. Core Tech the winning bidder (on the new bid) withdrew their bid. They were trying to modify their bid terms / conditions after they won the bid and this was not acceptable. As a result GWA did not have a contract in place, GWA didn't have any contracts in place and not to run out GWA had to order new chemicals. There was a significant amount of chemicals that was ordered bringing the total to its present overage amount of \$874k. Comm. Bamba asked if this amount has been paid already and CFO Cruz said not to his knowledge. Management ordered the chemicals to keep GWA in compliance. Purchase orders were issued and they need to be ratified in order to make the payment. Once this resolution is adopted, the CFO can make the payment. Comm. Bamba said he understands the reason for the overage but is concerned about the process. The purchases should not have been initiated without CCU approval. There was long discussion on the definition of reasonable profit. A debate ensued between Comm. Santos and Comm. Sanchez on this

There was discussion that there was no language in the resolution relative to PUC approval. Comm. Sanchez initiated an amendment to the resolution's resolved section adding a section #6 on page 3 of the resolution to say that management will seek PUC approval pursuant to their contract review protocol.

It was discussed that with the new USEPA requirement of advanced chemical treatment more chemicals are needed. If this is true, the CCU asked why management did not increase the purchase order amount, Management responded that they did not know how much more was needed because advanced chemical treatment was a new procedure and now they know. The Chairman said that this is clearly a failure of management and a bad way to run the company.

Comm. Guerrero asked who will monitor the usage of the chemicals to make sure that this does not happen again; The CCU does not want this repeated in the future. The CCU told the GM that it is his responsibility to ensure that this type of breakdown does not happen again.

It was mentioned that GWA has the same vendor, MI Edison, under a new contract.

On the motion there were 3 ayes and 2 nays; the motion passed.

6.1.3 Resolution 47-FY2015 Approval of Southern SSES Rehab Phase I Contract

GWA currently has a number of important USPEA State Revolving Fund projects including the rehabilitation of gravity sewer mains to address Infiltration and Inflow (I&I) in the villages of Agat, Santa Rita, Umatac and Merizo. The intent of the project is to reduce I&I within the wastewater collection system so as to reduce the volume of storm water that enters the wastewater collection system which then flow to the Agat-Santa Rita WWTP and the Umatac-Merizo WWTP causing GWA to incur additional costs to operate the sewer pump stations and treatment plants. GWA has advertised the Invitation to Bid; this phase of work consists of furnishing all labor, tools, equipment and materials, as well as coordination efforts with GWA, DPW, etc., necessary to prevent I&I from entering into the wastewater collection system. IFB packages were picked up by thirteen (13) interested parties, and two (2) of the thirteen proponents submitted bids. GWA's PMO analyzed the bid proposal received and determined that Reliable Builders Inc., who submitted the lowest bid as responsive and responsible and met all the bid requirements set forth by GWA. Management seeks CCU approval of Reliable Builders Inc. bid proposal amount of 1,395,471.00, plus a ten percent (10%) contingency or \$139,547.10 bringing the total authorized funding amount to \$1,535,018.10. The funding source for this project will be from the USEPA State Revolving Fund and 2013 Bond Funds.

Comm. Sanchez motioned to approve Resolution 47-FY2015; Comm. Santos seconded.

In discussion Comm. Santos asked how the funds will be divided and the IGM said the revolving fund will pay for design and the bonds will pay for construction

On the motion there was no further discussion or objection and the motion passed.

6.1.4 Resolution 48-FY2015 MOU between GWA and UOG's Water and Environmental Research Institute (WERI)

GWA is required by the Court Order to upgrade the Umatac Wastewater Treatment Plant to bring the facility into compliance with the existing National Pollutant Discharge Elimination System (NPDES) permit and meet the needs of the surrounding community for the next 20 years. GWA has initiated the "*Umatac Merizo Wastewater Treatment Plant (WWTP) Expanded Monitoring Plan.*" that includes additional data collection and analysis to better understand the characteristics of the effluent discharge and receiving waters as well as to support future regulatory discussions regarding modification of the permit conditions and water quality standards to achieve compliance. The goal of all additional data collection and sampling is to determine what design changes need to be made to the Umatac Wastewater Treatment Plant (WWTP) and how a mixing zone will reduce the level of treatment required to meet NPDES permit. University of Guam's Water and Environmental Research Institute of the Western Pacific ("WERI") is the only USEPA certified laboratory on island capable of environmental analysis required by the *Umatac Merizo Wastewater Treatment Plant (WWTP) Expanded Monitoring Plan*, as WERI's laboratory is certified to analyze all bacteriological and environmental samples required under Guam Water Quality Standards. The total cost of the project is \$333,060.00 and the source of funds for the sampling analysis will come from 2010 and 2013 Bond Funds.

Comm. Sanchez motioned to approve Resolution 48-FY2015; Comm. Bamba seconded. There was no further discussion or objections and the motion passed.

6.1.5 Resolution 49-FY2015 Relative to Approving the GWA's Proposed Misc. Fees & Charges Cost of Study Service

On October 2013, in connection with the approval of GWA's Five (5) Year FY2014 – FY2018 Rate Plan, GWA and the PUC consultants Lummus International entered into a Joint Stipulation whereby GWA agreed among other stipulations, to commission a study of GWA's fees and charges and file such study with the PUC along with a recommendation to implement such fees contained in the study. On September 2014, GWA submitted to the PUC a Cost of Service Study on GWA's fees and charges. Management has thoroughly reviewed the Study and respectfully requests the Consolidated Commission on Utilities approval of the Study and authorization to petition the PUC to implement the findings in the Study.

The CFO said that GWA needs to bring fees current; a process – time and materials study was conducted internally to determine the cost of doing business. The fees are designed to have the ratepayers pay for the services which benefit them. Comm. Bamba commented that revenues are up and these services are part of exiting services. The CFO said this will lower the needs on the rate side. The Chairman said is a PUC ordered study. They asked management to do this because current fees are too low and don't match the industry standard. User fees should be paid by the user and not all ratepayers. The PUC said that GWA proposes rate increases and should look at their service fees because they have not been reviewed in many years.

Comm. Santos said we owe ourselves to look at the fees and to do a public hearing which requires a process of notices and meetings. In addition, Comm. Guerrero asked management to include in the report the anticipated forecast of anticipated revenues to be collected based on current averages.

Resolution 49-FY2015 was tabled pending the scheduled public hearings on the matter

6.2 GPA

6.2.1 Financial Updates

Acting CFO Montellano reported \$3M revenues for the year; Sales was up 7.23%; compared to PY, YTD we are .13% higher; O&M expenses is projected at \$5.6M; debt service coverage is 1.47. Relative to Saipan, the inventory used was sold to Saipan and the funds are treated as sales at cost and only adding 2%. The CCU would like to see the payment treated separately under Other Income. The Acting CFO said we are 70-days in cash.

6.2.2 Resolution 2015-44 Interruptible Load Program

GPA's Integrated Resource Plan recommends pursuing a long-term Interruptible Rate Program. The use of interruptible loads to serve capacity during high peak or to mitigate conditions when GPA generation capacity is insufficient to serve demand. Prior to the Cabras 3&4 incident, GPA's total installed generation capacity was 428.8 MW with its operating capacity at 355 MW with several units requiring parts or an outage for repairs. The loss of the Cabras 3&4 units reduced GPA total generation operating capacity, including peaking units, by 23%, to 291 MW. On August 31, 2015 GPA reached its highest peak demand since 2013 at 255 MW and the average peak over the 6 months is 248 MW. GPA's ability to serve load will be impacted if the any of the remaining GPA baseload units is taken off line or outaged for maintenance with a peak demand greater than 240 MW. The evening peak period typically begins at about 6PM, peaking around 8PM and ending around 10PM. GPA customers maintain generators of significant capacity, such as hotel and other large customers that may allow them to disconnect from the grid during times when GPA capacity is not sufficient to serve demand. GPA proposes a \$/KW per month during program period and a \$/Hour of operations for reimbursement of labor and fuel cost. The KW will be based on the average KW demand for the month, calculated by dividing total energy consumed for the month by the number of hours of the month. An interruptible load program provides an immediate solution to address insufficient capacity due to peak period consumptions. The implementation of a short term interruptible load program can serve as a pilot program that will aid in developing a more permanent program.

Comm. Sanchez motioned to approve Resolution 2015-44; Comm. Santos seconded. There was no further discussion or objection and the motion carried.

6.2.3 Resolution No. 2015-47 New Cabras 1 Transformer

This project provides the replacement of the Cabras Unit No. 1 Power Transformer that was internally severely damaged in May 25, 2015. The cost for this procurement is \$799,888 and will come from the self-insurance fund. R&D Marketing, VRG Construction Corp., Benson Guam, Polyphase Systems Inc., and JMI Edison submitted bids for GPA's consideration under Bid Invitation No. GPA-075-15. JMI Edison Inc. was determined to be the lowest responsive bidder. The project is expected to be completed in July 2016.

Comm. Sanchez motioned to approve Resolution 2015-47; Comm. Bamba seconded. There was no further discussion or objection and the motion passed.

6.2.4 GPA Resolution No. 2015-50 / GWA Resolution 52-FY2016 Pay for Performance

Comm. Sanchez motioned to move GPA Resolution 2015-50 and GWA Resolution 52-FY2016 out of Executive Session and into the main Agenda; seconded by Comm. Bamba. There was objection and the discussion relative to Pay for Performance ensued.

This matter was explained by the Chairman. He said that the current scale does not have any ranking for unsatisfactory. Management proposed that the CCU amend the scale to include a ranking for unsatisfactory and amend the scale accordingly: Unsatisfactory - 0, Satisfactory - 2, Above Satisfactory - 3 and Superlative - 4 from 1-5. If the CCU does not act on this matter before the end of the Fiscal Year GWA will need to use the existing scale – 1-6.

GM Benavente said the percentage of growth for pay for performance is very fast – some years CTP employees earn 6% per annum. Management needs to ensure that the growth does not exceed market levels.

For GWA, under the current plan the anticipated cost is \$750k; for GPA CTP will cost GPA \$1M per year. By reducing the scale it will lessen the cost by \$250k for GWA and \$500k for GPA.

In discussion, it was mentioned that it is appropriate that both Authorities do an assessment to see what percentile has been achieved since the implementation of the CTP.

Comm. Sanchez moved to approve both resolutions; Comm. Santos seconded. There was no further discussion and objection and the motion passed.

7. **OLD BUSINESS - None**

8. **ANNOUNCEMENTS**

8.1 **Next CCU Meetings /GPA Work Session-10/14/15; CCU/GWA Work Session-10/21/15; CCU Board Meeting 10/27/15**

The Chairman announced that the next CCU meeting would be a Work Session for GPA on Oct. 14th and GWA on Oct. 21. The Oct. CCU meeting is on Oct. 27.

Comm. Sanchez motioned to move the meeting to Executive Session; Comm. Bamba seconded.

The Chairman called for a 5 minute recess.

9. **EXECUTIVE SESSION**

9.1. **Personnel Matter**

This matter was discussed.

The meeting was moved back to regular session and the following ratifications followed:

Comm. Sanchez said I move that we abolish the position of GMCUS that was created earlier by the CCU; Comm. Santos seconded. There was no further discussion or objection and the motion passed.

Comm. Sanchez I moved to approve Resolution 2015-49 / GWA 51-FY2015 relative to the reallocation and transfer of the incumbent back to GWA Communications Manager and everything that's found in this resolution; Comm. Santos seconded. There was no further discussion and the motion passed.

Comm. Sanchez said I move that GWA hire Ms Sandra Santos to be the new comptroller at the salary of \$75k; Comm. Bamba seconded. It was recommended by the CFO to the Commission as discussed in ex. Session. There was no further discussion or objection and the motion passed.

Comm. Sanchez said I move that GPA hire a new CFO; his name is John Kim and his salary shall be \$135k with options for additional bonuses for \$5k each for implementing a credit card transaction convenience fee program at a lower cost than we currently face, to be done in 6 months; \$5k bonus for kiosk payment program to be done in 12 months; and subject to verification by management he is eligible to receive additional \$5k bonus for establishing a prepaid program. He gets 30-days of personal leave, the Chairman is authorized to finalize 3-year contract and to also limit severance pay to no more than 60-days if terminated without cause during the 3 years of his contract. He can be terminated for cause at any time and he gets the standard health insurance and retirement benefits that are currently available to GovGuam employees. The motion was second by Comm. Bamba. There was no further discussion or objection and the motion carried.

10. **ADJOURNMENT**

There was no further business to bring before the Commission; the meeting adjourned at approximately 8:53 p.m.

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Attested


JOSEPH T. DUENAS, Chairman


J. GEORGE BAMBA, Secretary