



CONSOLIDATED COMMISSION ON UTILITIES

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

Regular Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., March 21, 2017

MINUTES

1. CALL TO ORDER

The Chairman called the regular monthly meeting of March 21, 2017 to order at 5:33 p.m. He announced that four (4) Commissioners were present and there was a quorum. Comm. Guthertz is absent and excused.

Others present at the meeting include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis Santos	CCU Vice Chairman
George Bamba	CCU Secretary
Simon Sanchez	Member

Executive Mgmt.:

John Benavente	GM / GPA
Miguel Bordallo	GM / GWA
Melinda Camacho	AGMO / GPA
Cora Montellano	CFO (A) / GPA
Greg Cruz	CFO / GWA
Graham Botha	Staff Attorney / GPA

Management & Staff:

Paul Kemp	AGM Compliance & Safety / GWA
Vangie Lujan	Compliance & Safety / GWA
Ron Topasna	GWA
Heidi Ballendorf	PIO / GWA
Art Perez	PIO / GPA
Joyce Sayama	Mgmt. Analyst / GPA Ex. Office
Kathy Beleno	Mgmt. Analyst / GWA Ex. Office
Lou Sablan	Board Secretary / CCU
Dave Fletcher	GWA
Vicente Pangelinan	GWA

Guest:

Angelica Perez	AM Insurance
Annmarie Muna	AM Insurance
Andy Niven	PUC
Nestor Licanto	KUAM
Kurt Bilz	Brown & Caldwell
George Watson	Brown & Caldwell

2. APPROVAL OF MINUTES

The Minutes of February 21, 2017 was presented for approval.

Comm. Bamba motioned to approve the Minutes; Comm. Sanchez seconded, There was no further discussion or objection and the motion carried unanimously.

3. COMMUNICATIONS

3.1 Public Comments - None

4. NEW BUSINESS

4.1 GPA

4.1.1 GM Report Update

1. System Capacity Recovery Plan:

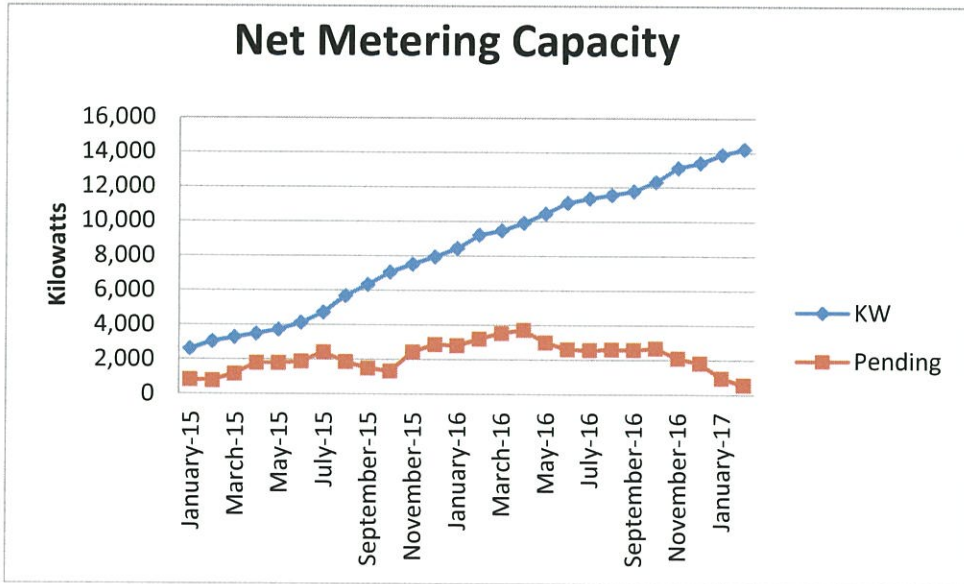
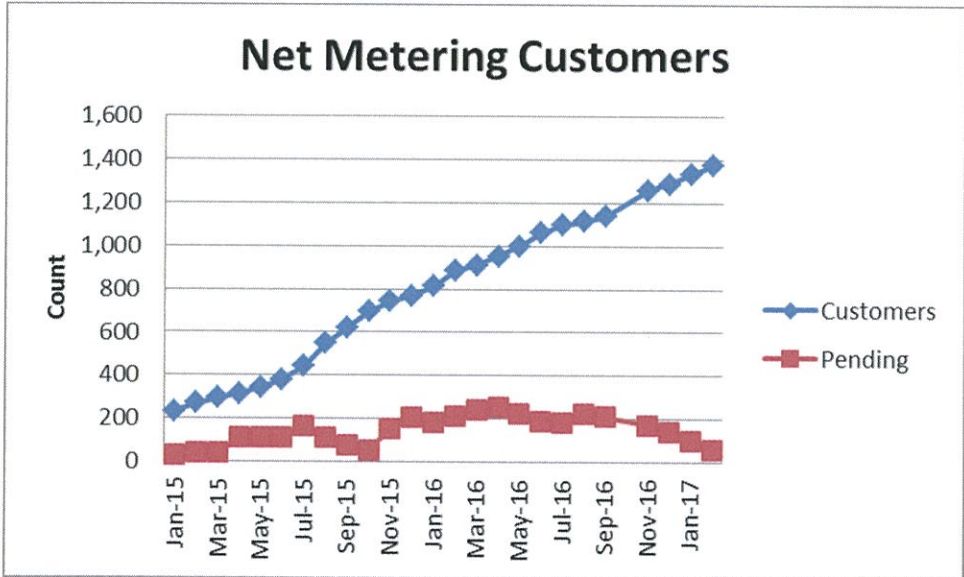
- The Dededo Combustion Turbine 40 MW Plant is scheduled to be commissioned by March 31st, 2017. Attachment A provided herein summarizes some latest activities of the rehabilitation. The plant commissioning will complete our capacity recovery plan effort and anticipate a commissioning ceremony sometime in April or May.
- The following summarizes our current reserve capacity for March:

IWPS Reserve Capacity for March 2017

MW Capacity Available (March 15, 2017)		348
Expected MW Peak Demand for March		245
Available MW Reserve Capacity		103

Description:	Count	Kw
Active	1,374	14,202
Pending	59	581
Totals:	1,433	14,783

Service:	Count	KW	Kw/Customer
Residential	1,303	11,727	9.0
Others	71	2,475	34.9
Total:	1,374	14,202	10.3
% Residential	94.8%	82.6%	
Estimated Full 12 Months Revenue Impact:	\$2,642,193		
Cumulative Revenue Impact FY2009 to FY 2016	\$3,273,966		



Customer Count

Year	Total	Cumulative
2009	7	7
2010	2	9
2011	7	16
2012	27	43
2013	67	110
2014	96	206
2015	565	771
2016	527	1,298
2017	76	1,374

Customer KW

Year	Total	Cumulative
2009	39	39
2010	39	79
2011	44	122
2012	355	477
2013	808	1,285
2014	1,091	2,376
2015	5,831	8,208
2016	5,366	13,573
2017	629	14,202

Comm. Bamba asked if growth is steady the GM said that trend wise there is a decline in new net metering customers. Chairman Duenas added that he spoke to a net metering customer who said he really is not saving any money. Comm. Sanchez requested if management can determine the average residential rate for the past 25 years (from 12/2016 back 25 years). This will be a resource for information to help sellers and buyers determine if they are actually saving money on average. He would like this information posted on the CCU/GPA website and update it monthly or quarterly so it is clear. This will help sellers to be more honest. The Commission said history is very important. Acting CFO Montellano was tasked to create this date and upkeep the information regularly.

Renewable Energy Production Thru Feb 2017:

Energy Production Source:	Kwh
NRG Total Production beginning Oct 2015	71,681,593
Net Metering Estimated Production beginning Jan 2015	30,765,906
Wind Power Production beginning Jan 2016	585,055
Total Renewable Production	103,032,553

Fuel Oil Avoided:

Estimated System Fossil Fuel Heat Rate Kwh/Gal	15.5
Total Fuel Oil Gallons Avoided	6,647,261
Total Fuel Oil Barrels Avoided	158,268
Estimated Average \$/BBL	\$48.00
Fuel Cost Avoided	\$7,596,870.28

Comm. Sanchez asked management for a breakdown on the make up of the above \$7.6Million by class – wind, solar etc.. It was mentioned that this total is based from period 2015 forward; prior to 2015 it was very nominal.

2. DSM Program: Rebates thru March 1st 2017.



GPA to survey end use causes of the high energy users to determine best DSM to provide.

Residential Energy Sales Demographics:

KWH RANGE	Count	Min \$	Max \$	Cumulative	Comments
Below 0	884	\$0.00	\$0.00		
0-350	7,403	\$0.00	\$70.00		
351-500	4,291	\$70.20	\$100.00	12,578	Lifeline Only
501-750	7,681	\$100.20	\$150.00	20,259	
751-1000	7,221	\$150.20	\$200.00	27,480	Below 1,000Kwh
1001-2000	13,887	\$200.20	\$400.00		
2001-3000	2,215	\$400.20	\$600.00	16,102	Between 1,000 to 3,000Kwh

Target Group: 1,000 to 3,000 Kwh (\$200 to \$600 monthly)

Comm. Sanchez asked if management is working with PUC to amend the DSM program and does PUC have the list of products for approval. GM Benavente said he submitted a list already and that this matter is a work in progress. The goal is to increase the customer base. Comm. Sanchez asked if DSM incentive money include electric cars and battery storage. The GM said the latter is separate and is not part of the list at this time. At this point management is just looking at other energy efficient appliances only.

Comm. Sanchez said there are a lot of reasons why people do not take advantage of the DSM rebate program and it is important to look at other areas and what's the harm in designing another program to be included in this bucket of money. Other communities are using the same funds to include electric cars and behind the meter storage batteries. The GM said his thoughts are that people don't have the money to buy the equipment and proposed that GPA lend the funds to consumers to enable the purchase; commissions were adamantly against this idea (at this time) and said they are not interested due to nightmarish accounting process to monitor the program. Comm. Sanchez said bring me a sample of a utility currently financing the purchase of rebated items and then a discussion will take place.

Chairman Duenas said he agrees that some people are challenged to make the initial investment to purchase energy efficient appliances. The challenge is how to use the \$1.4M to the best advantage to lower the demand on our system. He wants to know if the rebates are increased will that make a difference. The people who are going to buy battery storage have the means and the DSM program will incent them. Relative to electric cars, the Chairman said until the highway systems are equipped with related equipment to support electric cars it will be slow going.

Chairman Sanchez said he does not see them exclusive of each other. He said both electric car and behind the meter battery storage incentive program can be created alongside the current DSM program. When the rebate list was first created a study was made by the planning team to determine the actual rebate. There's a benefit to GPA but the incentive must be there. Good utility companies are doing this now and would like GPA to look at this and what the program would be like. The chairman asked GM Benavente to look at this; his respond was management will present the cars and battery DSM in May.

3. Phase II Renewables Bid:

- Management continues the process of evaluating the low bids. The system impact study for the low bids has begun to insure bids have considered all infrastructure upgrades necessary to integrate their PV system into the grid. It appears that GPA could provide its recommendation for award at the April CCU meeting.

It was mentioned that the Phase II renewables were opened in January 17 and the review process has been ongoing since. Management said the conclusions will happen end of March and April for the determination.

- ### **4. APPA Legislative Rally:**
- I attended this conference in Washington D.C. during the week of February 27th. As the CCU is aware, I was elected a board member for APPA last summer but unfortunately could not attend the new board orientation in October. I went thru the orientation this trip and in addition learned more about the different programs available to GPA thru APPA. I plan to have our managers review the different APPA programs and determine what opportunities

we could take advantage of. In addition, I attended seminars on tax exempt bonds and cyber security so as to update myself on the latest issues and developments in these areas.

GM Benavente said that the resolution on tonight's agenda asked CCU to approve asking Congresswoman to support the effort of APPA to ask Congress to not touch the tax exempt bonds during the budget process.

5. APPA Safety Award: GPA has received notification from APPA it has garnered the 3rd place safety award in its category of work hours between 250,000 to 999,999 man work hours. This is the 2nd year in a row GPA has received 3rd place recognition for its safety practices. I take pride in congratulating all employees for this excellent achievement in a most crucial area...**SAFETY FIRST!**

6. Public Commission on Utilities Dockets:

- The following dockets were approved by the PUC at their February 23rd meeting:
 - GPA Docket 15-16, Award of Energy Storage Contract.
 - GPA Docket 17-16, Korea East West Power contract Extension.
 - GPA Docket 17-18, Diesel Fuel Procurement for Baseload and Peaking Plants.

7. Key Performance Indicators: The following pages provide updated information thru February 2017.

DEDEDO CT #1 & #2 Return to Service

	Year Installed	N.P. Rate
Dededo C.T. #1	1992	23
Dededo C.T. #2	1994	22

DEDEDO CT #2

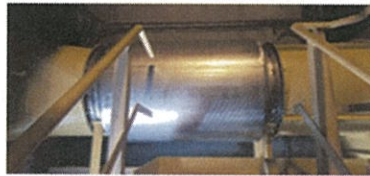
Ongoing

- Generator synchronized and loaded to 10 MW
- Black start diesel generator repairs and testing
- Repair of generator seal rings and coupling guard
- RO+EDI water within requirement ($<0.1 \mu\text{S}/\text{cm}$)

March 21, 2017

- Conduct 100% power commissioning testing with generator at full load (22 MW)
- Test and calibrate water injection system during 100% power commissioning testing

DEDEDO CT #2



Air inlet Filter House new Scavenge Blower.



Refurbished Air inlet filter house. (interior)

DEDEDO CT #1

March 16th

- Full speed no load (FSNL) test

March 25th

- Synchronization to 10MW partial load

Pending

- 100% power full load commissioning testing including testing and calibration of water injection system

DEDEDO CT #1



New 480VAC MCC
panel Switch Gear



New 13.8KV Metal Clad Panels



New Turbine Control System

DEDEDO CT #1



New Cooling Tower Structure
Construction of 8" berm wall ongoing as required by SPCC

DEDEDO CT #1



New Air Inlet Filter house Exterior hood.

DEDEDO CT FIRE PROTECTION

Fire Protection system certifications

March 15th

- Contractor will start testing of all fire protection systems

March 29th

- Forecasted completion for system certifications by FPE and GFD



Fuel Tanks
Integrity testing complete and re-filled with ULSD fuel



New Water Treatment System
Multimedia filters & Carbon Filters

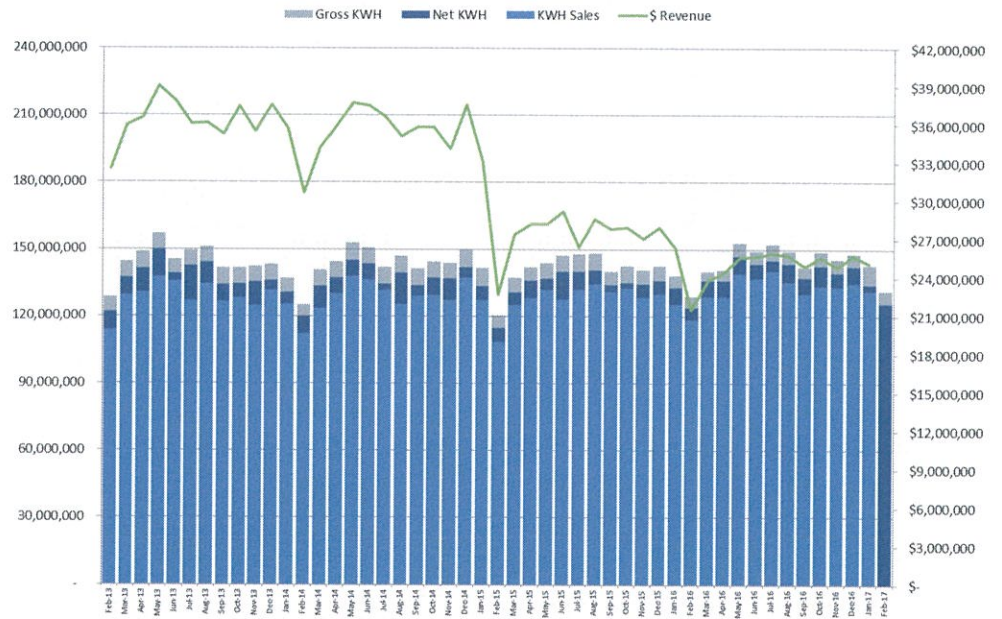


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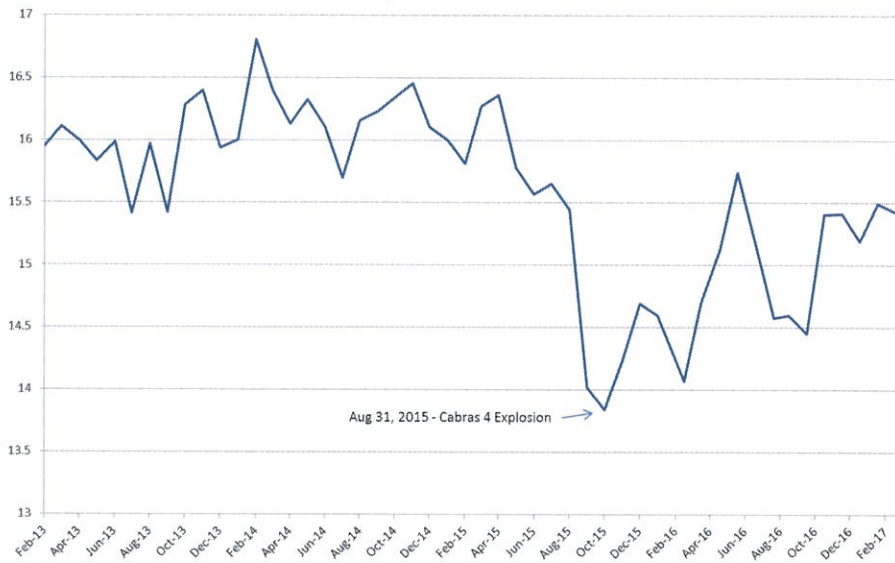
Historical Monthly Peak Demand Oct 2011 - Feb 2017



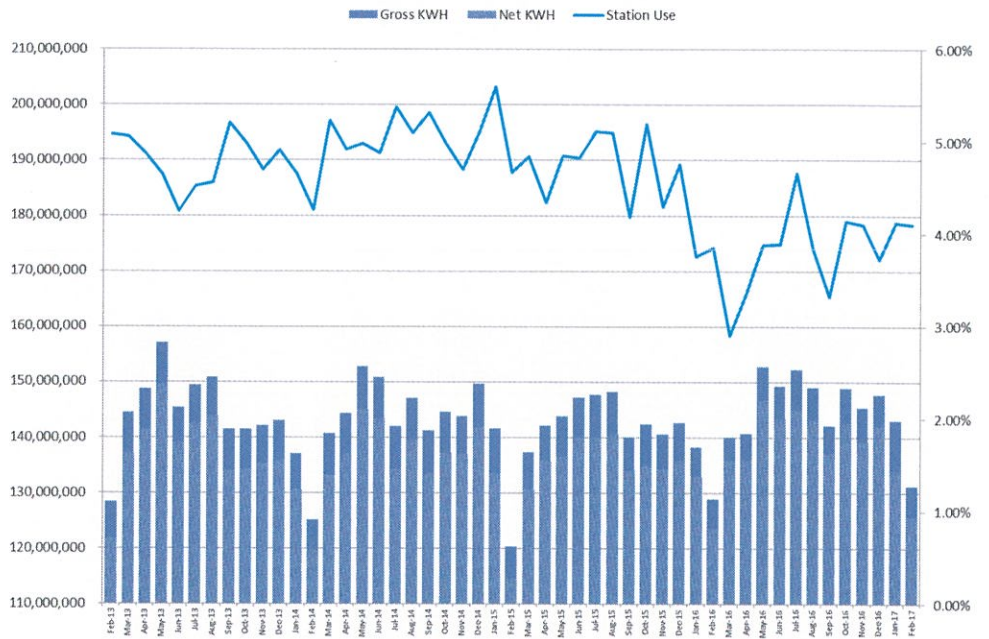
KWH Sales and \$ Revenue February 2013 - February 2017



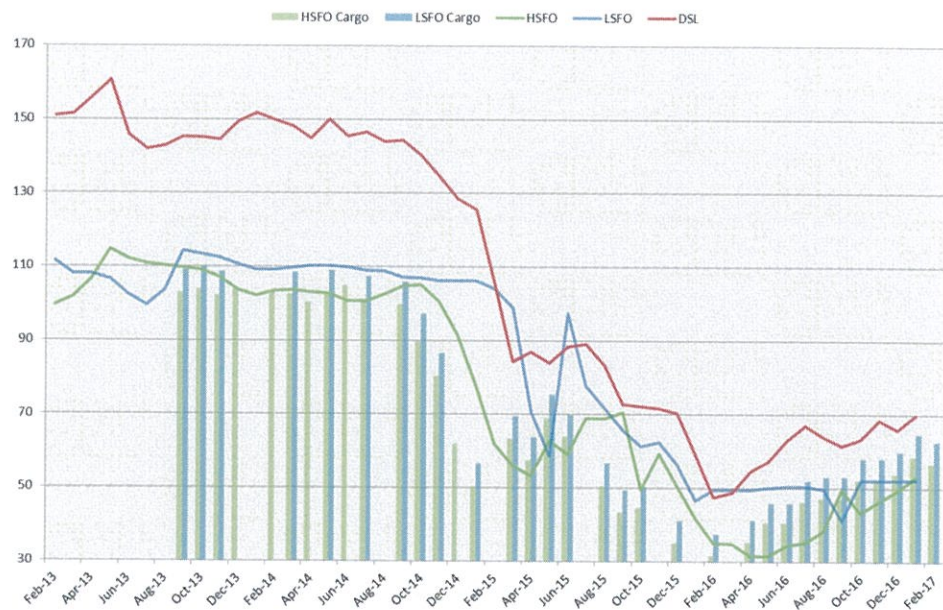
**SYSTEM GROSS HEAT RATE
(KWH/Gal)
February 2013 - February 2017**



**Gross and Net Generation (KWH)
February 2013 - February 2017**



**Fuel Cargo and Fuel Consumption Costs (\$/bbl)
February 2013 - February 2017**



4.1.2 Financials

Acting CFO Montellano reported on January 2017 financials. For the month she reported \$1.2M Net income; 2.21 debt service coverage; 251 days in cash due to 32M in cash in January from insurance which was booked under account receivable (as directed by our auditors); under recovery 4.9M; LEAC rate up over-recovery \$300k in February; sales is up 3% fs. 2.4 prior year; AR - everyone is caught up; collection rate is high

Discussion on insurance proceeds and how it was booked by auditor's under accounts receivable. Comm. Santos said he has never seen it booked this way and would like to see the related letter of instruction from them The concern is these funds are supposed to be restricted and there are related expenses that must be paid with these funds. Management will provide this to CCU once received.

Discussion on Accounts Receivable in particular FESTPAC related electrical bills. Management confirmed this is still outstanding and will update the Commission on status as it is paid down.

4.1.3 Resolution No. 2017-08 Relative to the Consolidated Commission on Utilities Expressing to Congress its Support of Tax Exempt Municipal Bonds

Congress is considering changes to the tax exempt municipal bonds program, and the Consolidated Commission on Utilities desires to advise Congress that it supports the tax exempt municipal bond program for both Guam Power Authority and Guam Waterworks Authority.

Both the American Public Power Association (APPA) and the American Water Works Association (AWWA) have requested that their member organizations ask house members in their congressional delegation to join in signing a letter in support of

municipal bonds. The CCU strongly supports these congressional efforts to ensure the tax exempt municipal bond program continues to allow for public financing by GPA and GWA

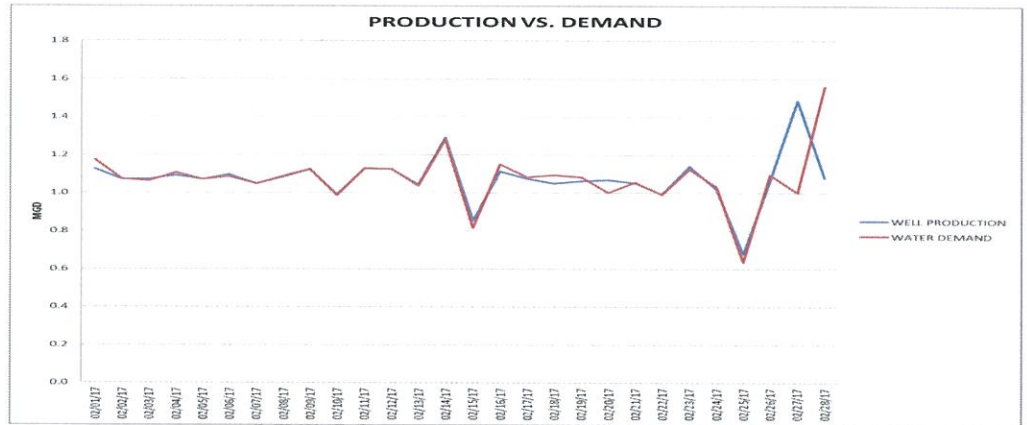
Comm. Bamba motioned to approve GPA Resolution 08-2017 and GWA Resolution 25-FY2017; Comm. Santos seconded. There was no further discussion or objection and the motion passed.

4.2 GWA

4.2.1 GM Report Update

1. **Tumon Maui Well:**

- a. SCADA – issues and status
 - i. GWA was able to get the software for the SCADA system.
 - ii. GWA will now be able to make necessary adjustments to obtain data to better manage the system.
- b. Power Line Status
 - i. DOD needs to work with GPA to get the power issues resolved and transferred to GWA.
- c. Inspection by DOD
 - i. Performed on February 1, 2017. No major issues found.
 - ii. Report will be completed and submitted to DOD.
 - iii. Anticipate 3rd quarter inspection in April.
- d. Renewal of license – DOD is preparing the paper work for the yearly license.
- e. Potts Junction Intertie (Water Service)
 - i. Target completion for service lateral installation by June (within one year of operation – full operation started on June 6th)
- f. Production:
 - i. Fairly consistent between 1.0 and 1.1 million gallons per day (MGD), with the exception of several days of less production due to preventive maintenance being performed which required the system to be secured - see chart below.
 - ii. Total production in January was **33,226,200 gallons**. Total Production in February was **30,085,400**.



2. Agat WWTP Project

- a. Appraisal still pending
 - i. Letter sent to GWA regarding cost / Payment to DoD issued.
 - ii. 120 days from the 16th of February to complete appraisal.
 - iii. Determination of mitigations for easement and document based on appraisal.
 - iv. NFM AM (Cynthia) will make a site visit for the easement documentation.
- b. Confirmed that MEC work is not required for construction of GWA waterline in this easement.
- c. Mixing zone study cooperation
 - i. Successful completion of data gathering.
 - ii. Anticipate report of findings and mixing zone proposal by end of March 2017.

3. Santa Rosa Tank

- a. GWA sent design for comment to Andersen; no response yet; anticipate more by next meeting.
- b. GWA working on first draft of the MOU
- c. Discussions followed on easement vs. right of entry; service contracts; and property boundaries. NOTE: Right of entry is only temporary

4. OEA Coordination

- a. Funding to cover DON work related to Observation Wells project
 - i. Money will not come from GWA
 - ii. OEA to work out with DON

5. GIS Data

- a. Sub-group prospective members from DOD and GWA with Bureau of Statistics and Plans who lead the GIS User Group for the Government of Guam

- b. Navy is discussing how to share GIS files with GWA. It may require Navy to convert to software used by GWA, due to the respective sizes of the systems.

6. Hydraulic modeling

- a. GWA/NAVFAC joint effort to develop an analysis report of existing models leading toward direction.

OEA Grants – Guam Water-Wastewater Infrastructure Projects

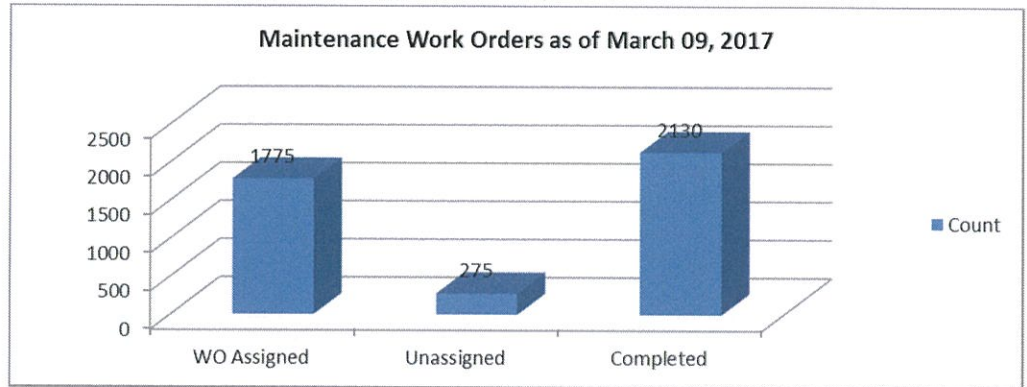
- PM/CM contract awarded; NTP issued.
 - Project Management Plan in progress
 - Outfall Diffuser design in progress
 - Sewer Interceptor – work kicks off this month
 - NDWWTP – RFP for designer in progress
- GWWIST meeting held in February in Guam.
 - Good progress with Outfall Diffuser coordination – addressed concerns with coral impacts
 - OEA clarified DON environmental review/coordination costs; alternative funding sought by OEA
 - NGLA and Interceptor locations reviewed/toured, well prioritization clarified

Action Item	Date (Target)	Date (Actual)	Status
Project Funds Available	Oct-15 / Jul-16	Aug-30-16	Completed
Land Acquisition	Sep-16 (?) Jan-17	Jan-17 (Compensation pending)	On-target
Procure PM/CM Firm	Apr-16 / Jan-17	Jan-17 (NTP issued Feb-10)	Completed
Procure Design Firm	Oct-16 (?) Jul-17		On-target
Design -- 30/60/90/Final -- Review	Nov-17 Jun-18		On-target
NEPA Analysis and Determination	Aug-17 Feb-17		Delayed
Procure Construction Firm	Jun Dec-18		On-target
Construction Complete/Commence Operations	Nov-21		On-target
Sewer line connection from MCB to GWA infrastructure	TBD (?) Jul-19		On-target
MCB Initial Operating Capability	Jul-22		On-target

Asset Management

- CMMS system went live on October 3, 2016.
- Weekly and monthly meetings continue.
- Over 4,000 Work Orders issued so far.
- Over 2,000 Work Orders completed.
- Over 150 new assets registered into CMMS for various sites and facilities, to include our new Meter Test Facility and all its Bench Test equipment.
- Over 50 heavy equipment configured into CMMS to track maintenance.
- Implementation of **Strategic Asset Management (SAM)** - Regular data collection on the physical condition and performance of assets as part of PM tasks. Updated information will be used to calculate consequence and likelihood of failure to guide O&M planning and modifications to existing processes.

Work Order Report Summary (see below).

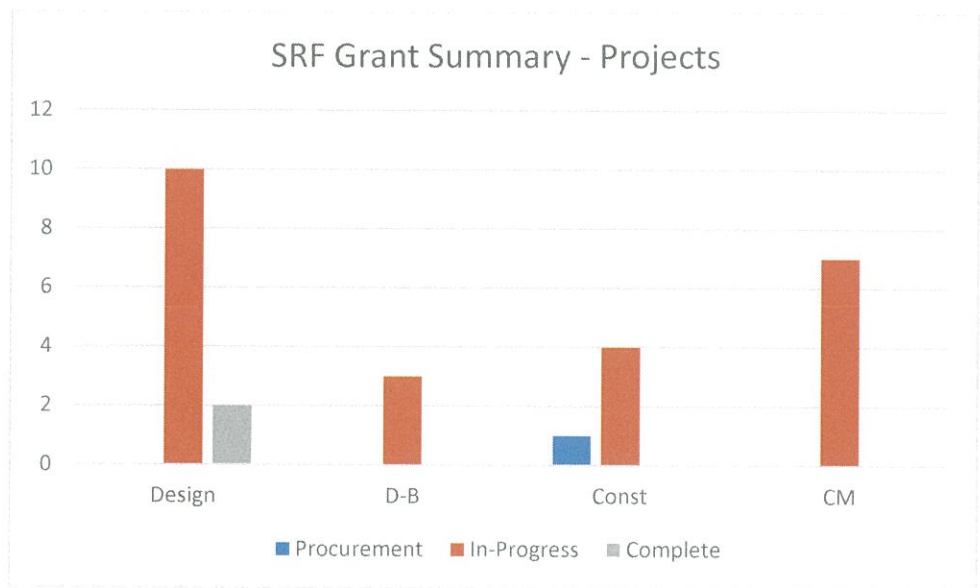


USEPA SRF Projects

- Summary of all SRF grant funded projects are shown below.

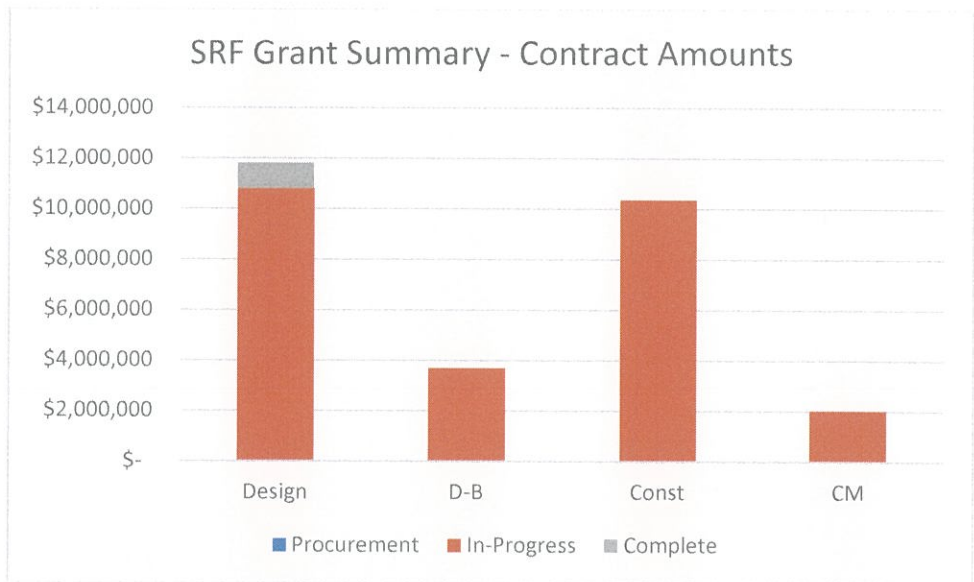
SRF Grant Summary - Projects

	Procurement	In-Progress	Complete	Totals	%
Design	0	10	2	12	44%
D-B	0	3		3	11%
Const	1	4		5	19%
CM	0	7		7	26%
Totals	1	24	2	27	
%	4%	89%	7%		



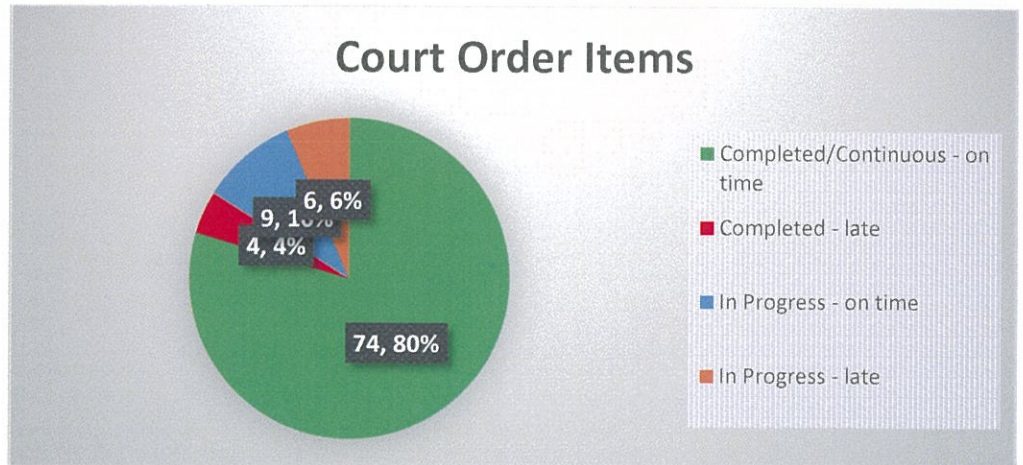
SRF Grant Summary - Contract Amounts

	Procurement	In-Progress	Complete	Totals	%
Design	\$ -	\$ 10,812,544	\$ 994,468	\$ 11,807,012	42%
D-B	\$ -	\$ 3,697,408		\$ 3,697,408	13%
Const	\$ -	\$ 10,354,368		\$ 10,354,368	37%
CM	\$ -	\$ 2,021,827		\$ 2,021,827	7%
Totals	\$ -	\$ 27,087,935	\$ 994,468	\$ 27,880,615	
%	0%	96%	4%		



Court Order

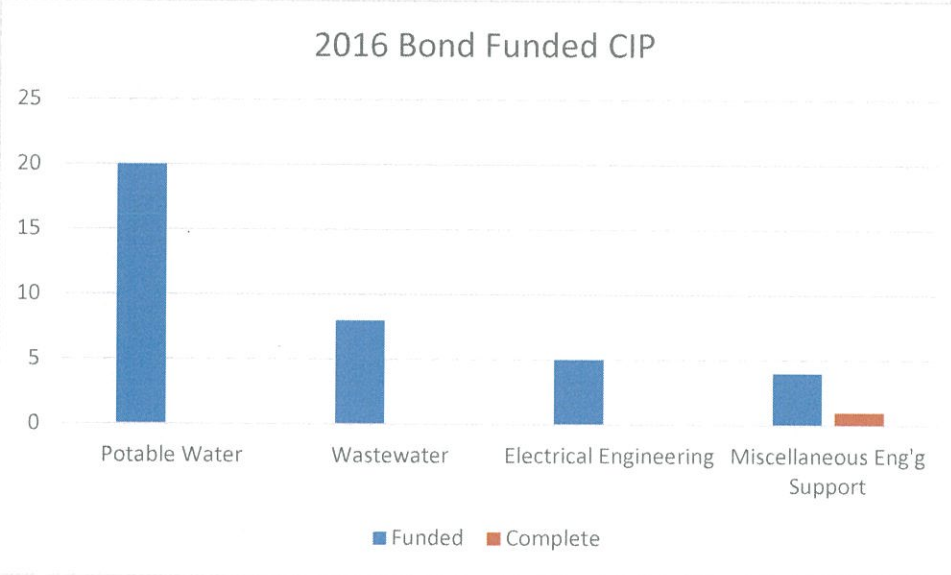
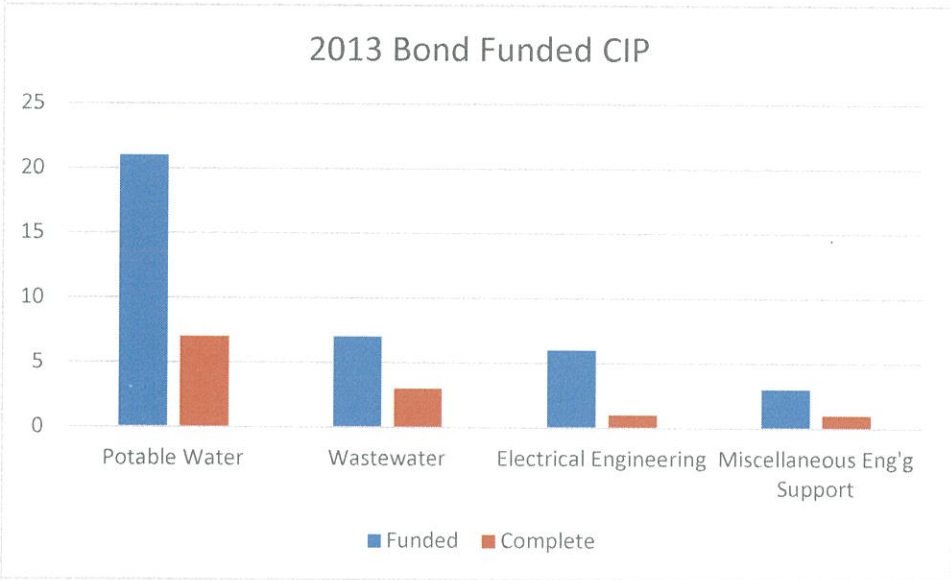
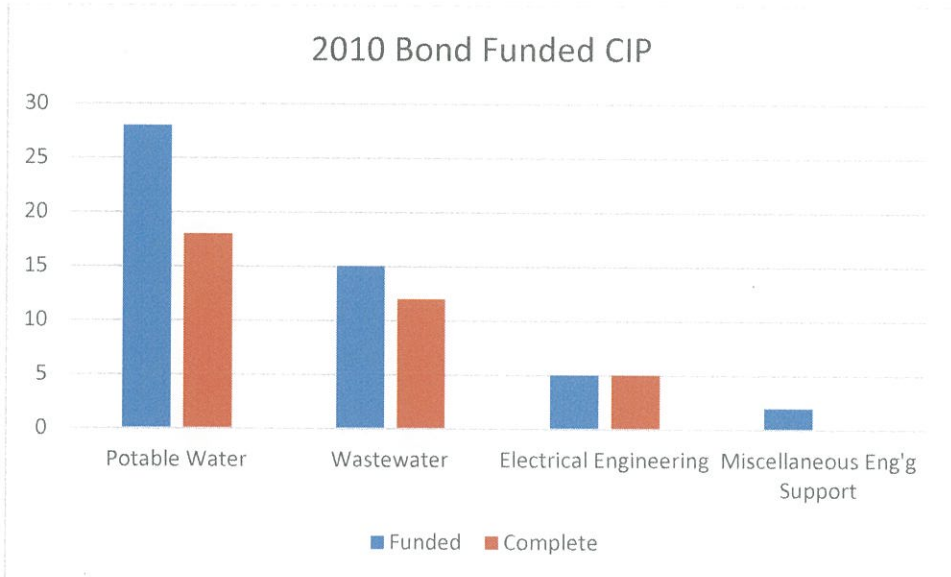
	Items	On-time Items Completed/Continuous	Items Delayed	Completed Late	Items on Schedule	Performance %
Court order total	93	74	6	4	9	93.5%



- 6 items delayed.
 - SSES (2 items)
 - Agat/SR System (2 items)
 - CI Residual Monitors
 - Meters
- Final Date to complete all Court Order items is December 31, 2020.
- Overflow or Bypass events reported to USEPA – No events reported since February 21.
- The new Agat WWTP is starting up.

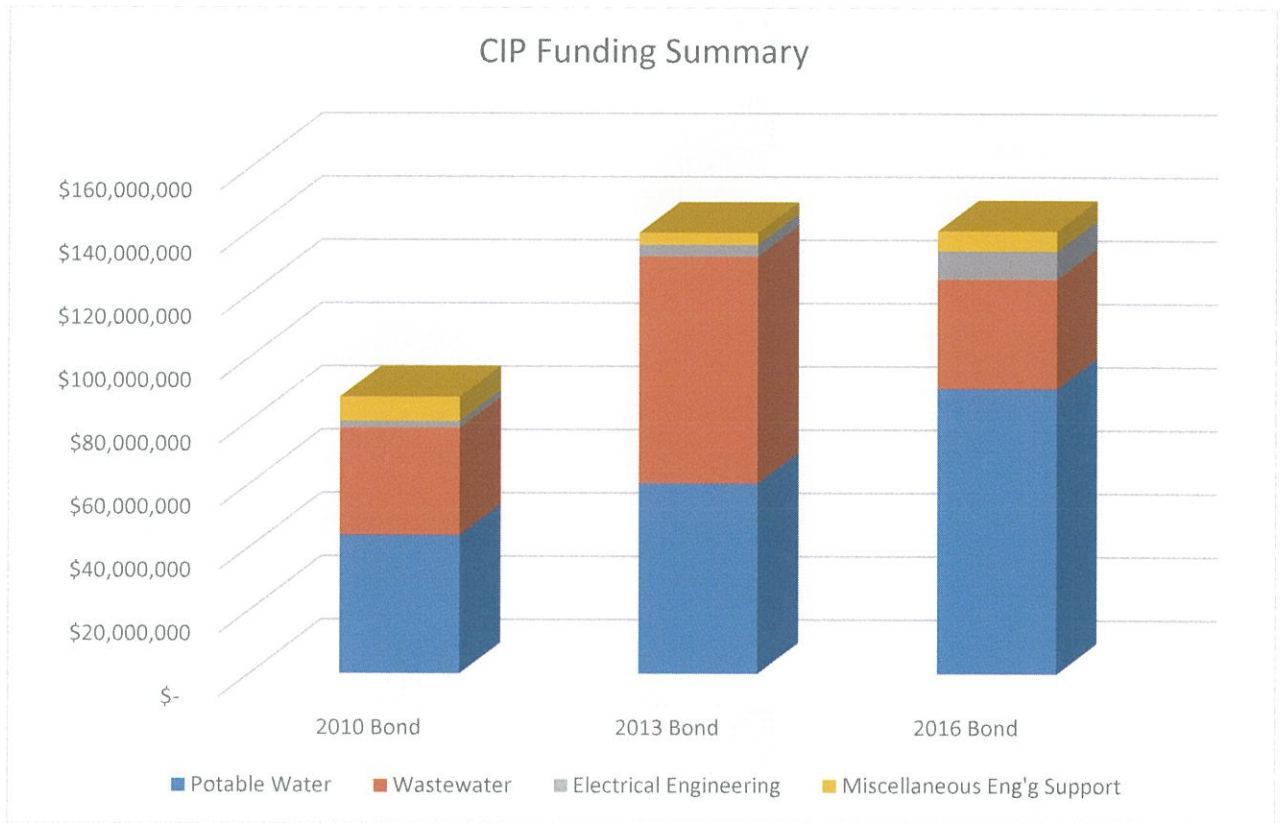
**CIP Summary - Project
Encumbrance**

	2010 Bond		2013 Bond		2016 Bond		Total CIP Projects	%
	Funded	Complete	Funded	Complete	Funded	Complete		
Potable Water	28	18	21	7	20	0	35	54%
Wastewater	15	12	7	3	8	0	16	25%
Electrical Engineering	5	5	6	1	5	0	10	15%
Miscellaneous Eng'g Support	2	0	3	1	4	1	4	6%
Totals	50	35	37	12	37	1	65	100%
% of Total CIP by Fund Source	70%		32%		57%			
% of CIP Funding Completed	62%		32%		3%			



CIP Summary - Project Amounts

	2010 Bond		2013 Bond		2016 Bond		Total CIP Projects	%
	Funded	%	Funded	%	Funded	%		
Potable Water	\$ 43,671,000	50%	\$ 58,317,117	42%	\$ 64,647,830	46%	\$ 166,635,947	45%
Wastewater	\$ 34,070,000	39%	\$ 73,837,883	53%	\$ 60,227,170	43%	\$ 168,135,053	46%
Electrical Engineering	\$ 1,920,000	2%	\$ 3,395,000	2%	\$ 8,750,000	6%	\$ 14,065,000	4%
Miscellaneous Eng'g Support	\$ 7,741,000	9%	\$ 3,775,000	3%	\$ 6,394,460	5%	\$ 17,910,460	5%
Totals	\$ 87,402,000	100%	\$ 139,325,000	100%	\$ 140,019,460	100%	\$ 366,746,460	100%
%	23.8%		38.0%		38.2%			



Land Acquisition Status

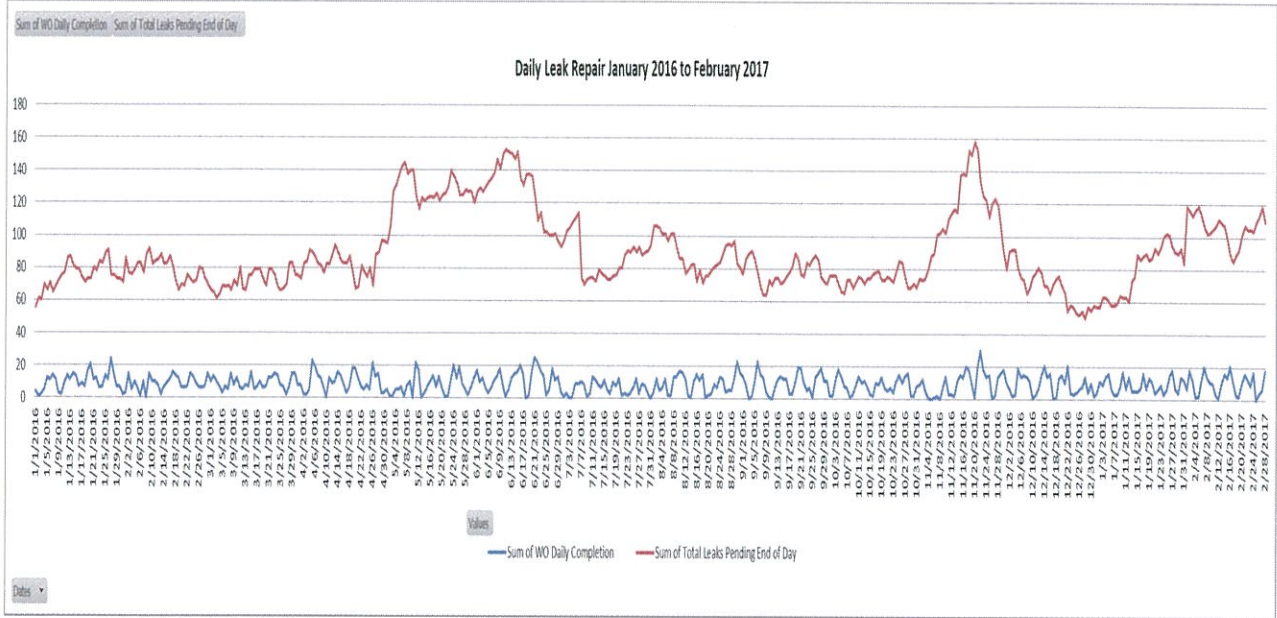
- ALC property for NDWWTP: Land acquisition passed under Public law 33-198.
- CLTC properties: See Land Acquisition chart below.
- Private properties needed for Court-order improvement projects: See Land Acquisition chart below.

GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
	Ugum	Private	Relevant documentation sent 01/05/17 to legal for condemnation process.
	Manenggon	Private	Contract of sale sent to Verizon for signature 03/06/17.
	Santa Rita	Gov't. – CLTC	Survey map transmitted to DLM Director for signature on 02/24/17.
	Astumbo	Gov't. - CLTC	Survey map ongoing.
	Upper Tumon	Gov't. - CLTC	Survey parceling map finalized and recorded on 02/22/17.
	Piti	Private	Engineering currently reviewing options for relocating the Piti tank from current location to area east of the Nimitz Estate Subdivision. Private property owner has no interest in selling.
Deep Well	Y-8	Gov't. - CLTC	GWA has scheduled survey services with DCA. GWA working to obtain appraisal services.
	AG-12	Dept. of Agriculture/Manhita Farms	GWA has scheduled survey services with DCA. GWA working to obtain appraisal services.
Booster Pump Station	Brigade	Private	Revised survey severance map transmitted to GWA on 03/02/17. Property owner and GWA are in discussions for confirmation on site plan and property map.

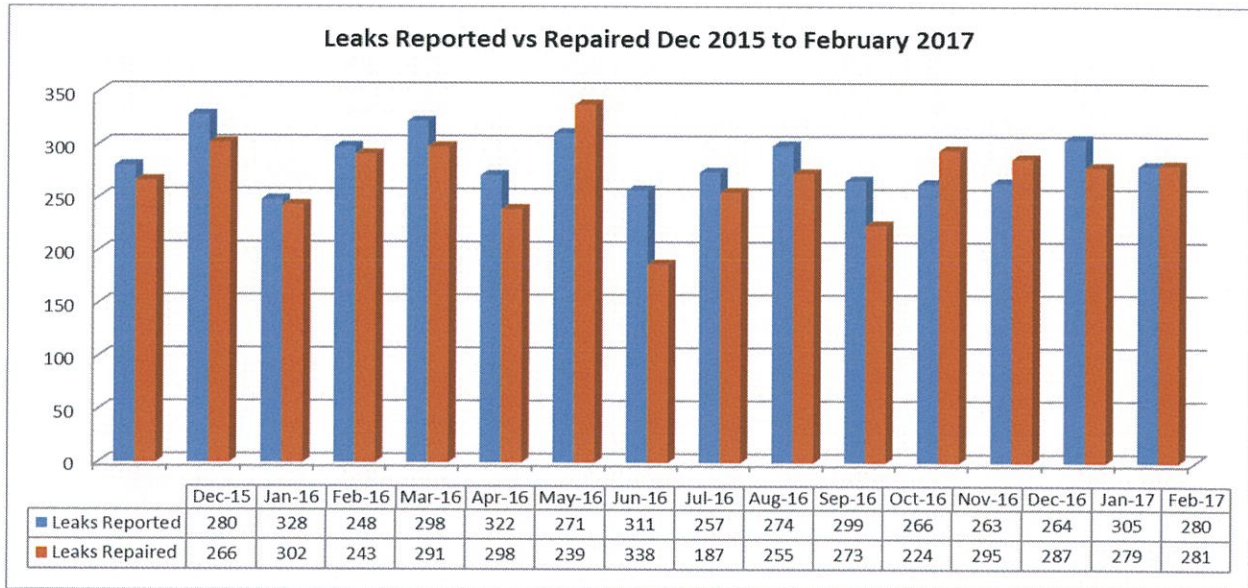
Key Operational Issues

Leak Repair: WOs Completed & Pending (Daily)

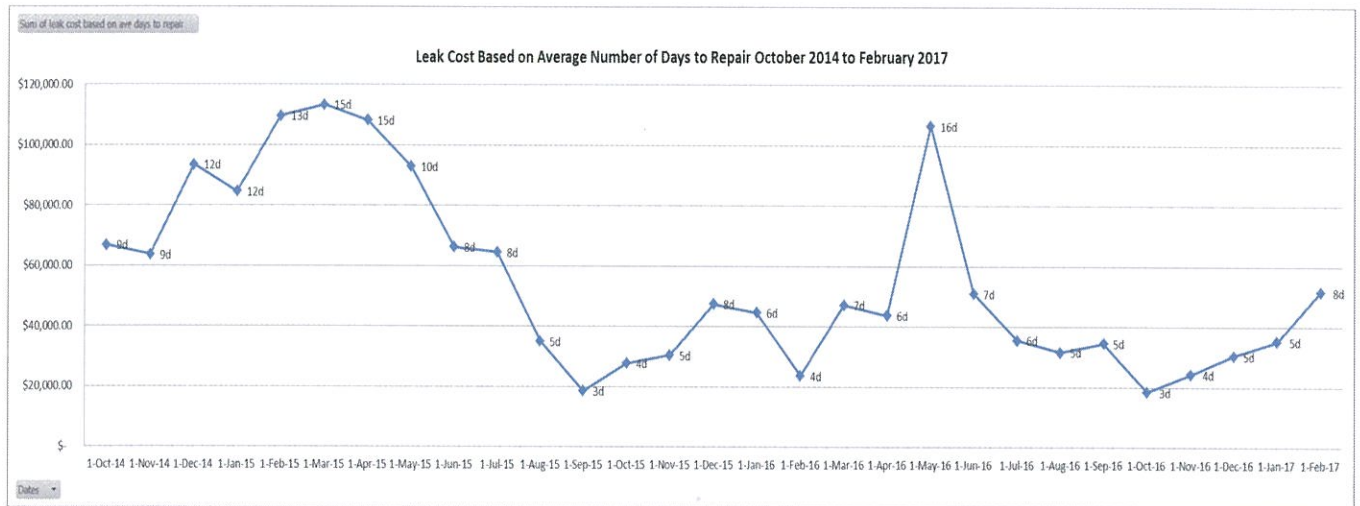
(up to February 28, 2017)



Leak Repair: Leaks Reported and Repaired (Monthly)



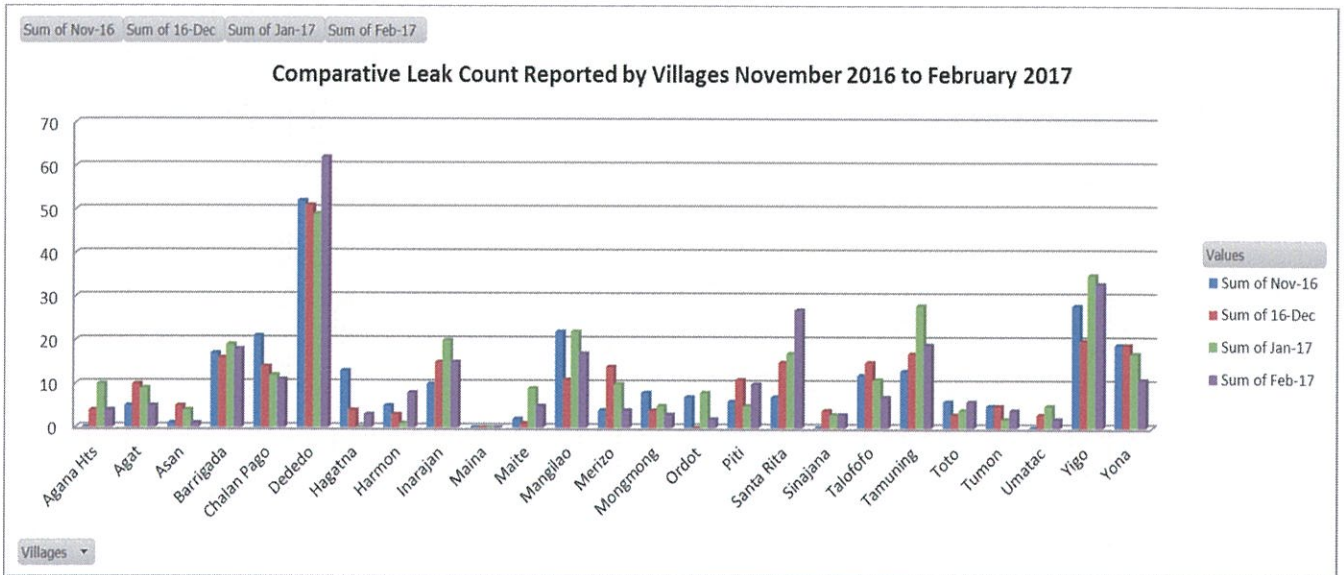
Leak Repair: Cost Savings – Days to Repair (Monthly)



Assumptions:

1. Leak rate = 4 gpm
2. Cost per kgal = \$4.00

Leak Repair: Reported by Village



4.2.2 Financials

CFO Cruz reported underperformance with revenues. He said GWA has been missing revenue targets for the past 3-4 months. He said this has been the trend. He said he believes this is due to approximately 5,000 meters that continue to slowly fail. Chairman Duenas asked GM Bordallo if he would like to comment. GM Bordallo said he has already put together an action plan to address this. Customer Service and Finance are looking at this to identify the accounts and flag the accounts that are due additional billing. Badger Meters in on island and helping management identify the cause for the underperformance. The particular model that is failing is not robust enough to withstand the existing boxes. Management has identified a better stronger meter that is being ordered to replace the less robust meters. Badger Meter has agreed to honor the warranty issue and make the replacement

Comm. Sanchez asked about the loss revenue – is there any coverage for this. Atty. Clark said no there is no compensatory clause included in the warranty.

GM Bordallo mentioned that the meter reading system GWA was using does not capture the previous read and management is in the process of retaining previous readings. CSA San Agustin further explained that previous reads are now stored on the read system that can be access onsite during the actual reading in real time. This will enable GWA to advise customers of any abnormalities immediately.

GM Bordallo said another thing management is working on is to focus on batches received trying to tie them to locations while the warranty is still active for possible replacement before the warranty deadline.

There was discussion on how often the low / no read reports are pulled for action. CSA San Agustin said the zero reads are easy and can be identified immediately. It's the low reads are more challenging. Commissioner Sanchez asked CFO how often does management look at the low reads. CFO Cruz said this report is pulled at month end and only if finance sees a significant difference in revenues and not monitored daily. CFO said the data is there and no one is monitoring the data. Comm. Sanchez said this is GWA's cash register and it would behoove management to look at this daily or more often. He said this information should be available and reviewed daily. CFO Cruz said in his opinion this should be the responsibility of operations not finance. Comm. Sanchez said we have good managers and cannot understand how the right hand doesn't know what the left hand is doing. CFO Cruz said GM Bordallo is working to identify the matter and to put a program in place to resolve this issue. He said in that past reports are pulled only when anomalies are identified and said the task force meets weekly to work on this – a daily report is probably not feasible because it takes that long just to pull, read and identify the problems. More likely a couple days report / data is more reasonable. He reiterated that management is taking the steps on improving the processes and resolving this matter as quickly as possible.

Relative to budgets – Comm. Sanchez said there is no way to justify the rate request for next year. It is not fair to the ratepayers that an internal issue caused revenues to be lost.

4.2.3 Resolution No. 23-FY2017 Relative to Approving the Property Insurance, General Liability Insurance, Directors and Officers Liability Insurance, Cyber Insurance, Automobile Insurance and Crime Insurance Bid in Guam Waterworks ("GWA") Bid Number IFB 2017-12 and Authorizing GWA to Petition the Public Utilities Commission ("PUC") Under the Contract Review Protocol

Relative to its Bond Indenture, GWA is required to maintain or cause to be maintained insurance with responsible insurers in types and amounts that is usually maintained by prudent operators of systems similar and similarly situated to GWA's system. The current policy is expiring on April 12, 2017 and this resolution seeks CCU approval of its invitation for bid. It was mentioned that AM Insurance was the sole bidder.

In its' bid GWA noted both a three (3) year term valued at \$2,923,408 and a five (5) year term valued at \$4,528,804. The bid will go through PUC 's contract review and approval process and will be funded by revenue funds.

Comm. Bamba motioned to approve Resolution 23-FY2017; Comm. Santos seconded.

In discussion Comm. Bamba recommended to amend the resolution by adding a clause

On the amendment all voted unanimously to approve the amendment

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

4.2.4 Resolution No. 24-FY2017 Relative to Creation of the Cross Connection Control Manager Position

The Guam Waterworks Authority (GWA) has determined a need to create the Cross Connection Control Manager position who will work under the general direction of the Assistant General Manager for Compliance and Safety. His main duty is to help manage GWA's wide range of regulatory activities pursuant to further compliance to correct the "Findings of Significant Deficiencies in Guam Waterworks Authority's Public Water Systems. In addition, the creation of this position will provide a variety of technical work in managing the development and implementation of the GWA's Cross Connection Control and Backflow Prevention Program in the water operations, including administrative, CCU and PUC proceedings.

The Cross Connection Control Manager will be organizationally located within the Compliance and Safety Department, under the general direction of the General Manager and the Assistant General Manager for Compliance and Safety. GWA will certify funding for the position available for the filling and retention of its certified, technical and professional newly created position. The funding of this position does not have an impact on the General Fund.

Additionally, Guam law requires notice of such posting to each newspaper of general circulation and broadcasting station, which airs regular news programs within Guam. Management confirmed that all necessary postings and announcements as required by law have been fulfilled.

Comm. Sanchez motioned and Comm. Santos seconded to approve Resolution 24-FY2017. There was no further discussion or objection and the motion carried

4.2.5 Resolution No. 25-FY2017 Relative to the Consolidated Commission on Utilities Expressing to Congress its Support of Tax Exempt Municipal Bonds

Please refer to Section 4.1.3 above for details related to the ratification of Resolution 25-FY2017.

5. **OLD BUSINESS - None**

6. **ANNOUNCEMENTS**

6.1 **Next CCU Meetings**

The Chairman announced that the next CCU meeting would be a work session for GWA on April 12; a work session for GPA on April 13 and the monthly CCU meeting on April 18.

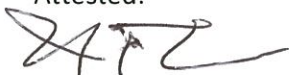
7. **ADJOURNMENT**

There was no further business to bring before the Commission and the meeting was adjourned at 7:30 p.m.

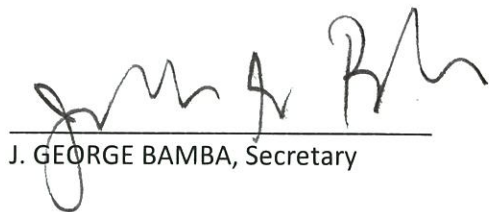
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Attested:



JOSEPH T. DUENAS, Chairman



J. GEORGE BAMBA, Secretary