



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., December 6, 2016

AGENDA

1. CALL TO ORDER

Chairman Duenas called the Regular CCU Meeting of December 6, 2016 to order at 5:35 p.m. He announced that four (4) Commissioners and Comm. Elect Judi Guthertz were present. He also welcomed Capt. Stephanie Jones and her entourage to the meeting saying that they are here tonight for the formal signing of the One Guam Memorandum of Understanding (MOU) and thanked them and commended all parties for their work to get this MOU put together. This MOU further clarifies the roles that GWA and the military plays as we continue to work together for the common good of the community.

That said the Chairman said that we will move the meeting down to the OLD BUSINESS section 5.1 relative to GWA Resolution 04-FY2017 the MOU GWA Resolution No. 04-FY2017 Relative to Supporting the 2016 MOU Between GWA/ DoD & DoN and asked for a motion (a description of the Resolution is detailed in said section).

Comm. Sanchez motioned to approve Resolution 04-FY2017; Comm. Bamba seconded.

Comm. Sanchez gave a brief overview of this MOU that began with the first military buildup discussion in 2008 and the significance to all stakeholders. He said the significance of this signing is that we agree that water is a precious commodity and that we have a responsibility safeguard it and our oceans. This is a wonderful continuation and there's lots of work to do. Comm. Bamba also commented that he was happy to see the evolvement of this One Guam initiative and to see it come to fruition. He said he feels thankful and blessed. The Chairman also commended other players like Capt. Lynch who also played a key role in discussions during the early days of discussions related to the military buildup. Comm. Guthertz also commented that the people of Guam first heard about the build-up from the newspapers which was quite a surprise for many. She said that the Legislature created a Committee called on the Committee on the Guam Military Buildup which she was asked to Chair and her first interaction with General Bice. At the time there were lots of questions going around relative to land use and others and a little at a time things started to fall in place. It took an immense commitment from the community to refine the buildup plan and is glad to see that the CCU and GWA were able to continue the discussion which has brought us to this time and place. It is an important day for each of us

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

GM Benavente of GPA asked the Chairman if he could also ask that the One Guam MOU between Department of the Navy and GPA can also be signed tonight. He thanked Capt. Jones for all the work that was put into the GPA MOU. He proceeded to say cite the many factors that also are key concerns for the military such as renewables and cyber security, to name a few.

The Chairman called for a 5-minute recess for the signing of the GWA and GPA One Guam Initiative Memorandum of Understanding

Others present at the meeting include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis Santos	CCU Vice Chairman
George Bamba	CCU Secretary
Simon Sanchez	Member
Judith Guthertz	Comm-elect

Executive Mgmt.:

John Benavente	GM / GPA
Miguel Bordallo	GM / GWA
Melinda Mafnas	AGM Operations / GPA
John Kim	CFO / GPA
Greg Cruz	CFO / GWA
Kelly Clark	Staff Attorney / GWA

Management & Staff:

Paul Kemp	AGM Compliance & Safety / GWA
Vangie Lujan	Compliance & Safety / GWA
Cora Montellano	Asst. CFO / GPA Finance
Tom Cruz	Chief Engineer / GWA
Geigy Salahgon	Revenue Protection / GWA
Ron Topasna	GWA
John Cruz	SPORD Manager / GPA
Heidi Ballendorf	PIO / GWA
Art Perez	PIO / GPA
Melvyn Kwek	Manager, IT / GPA
Karen Grape	IT / GWA
Joyce Sayama	Mgmt. Analyst / GPA Ex. Office
Ann Borja	Mgmt. Analyst / GWA Ex. Office
Lou Sablan	Board Secretary / CCU

Guest:

Angelica Perez	AM Insurance
Annamarie Muna	AM Insurance
Andy Nivens	PUC
Nestor Licanto	KUAM
Bill Chang	B&C
Fred Horecky	PUC
John O'Connor	Post Guam
Capt. Stephanie Jones	US Navy

2. APPROVAL OF MINUTES

The Minutes of November 22, 2016 was presented for approval.

Comm. Bamba motioned to approve the Minutes subject to verification and written correction; Comm. Sanchez seconded. There was no further discussion or objection and the motion passed.

3. COMMUNICATIONS

3.1 Public Comments - None

4. NEW BUSINESS

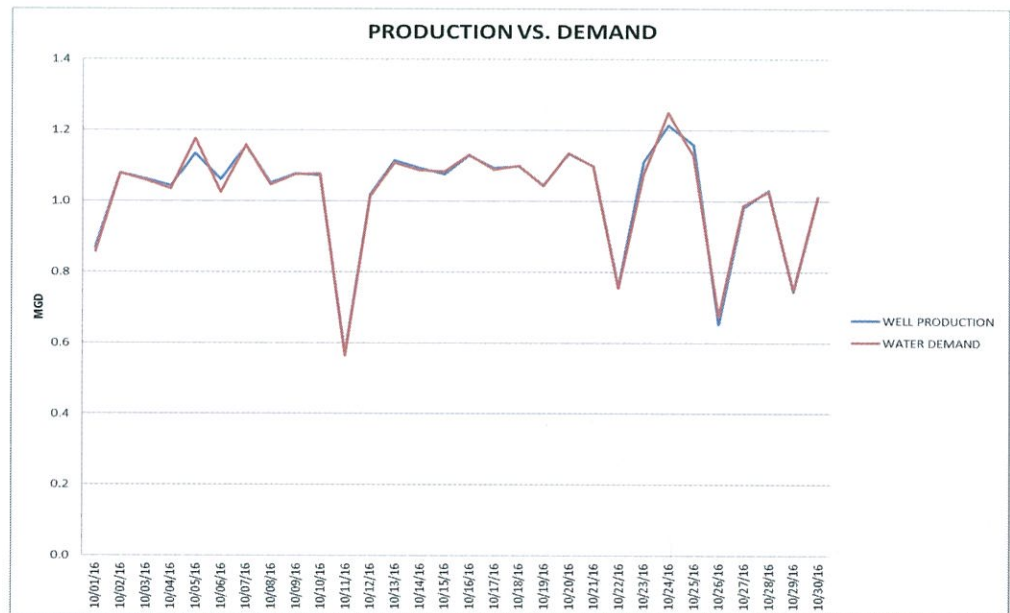
4.1 GWA

4.1.1 GM Report Update

GM Bordallo gave his usual monthly report update:

TMW License Agreement:

- a. GWA continues operations and maintenance at TMW.
- b. Inspection was completed on October 26 at 2:00 pm. Navy Public Works Department and GWA conducted the inspection. Minor corrections are being addressed by GWA.
- c. Now that *Lucity*, GWA's Asset Management Program, is up and running, status reports will be submitted to DoD NAVFAC more often.
- d. GWA is still waiting on DoD to respond to the final drawings for the Potts Junction intertie.
- e. Production:
 - i. Fairly consistent between 1.0 and 1.2 million gallons per day (MGD), with the exception of several events tripped equipment events - see chart below.
 - ii. Total production in October is **31,846,800 gallons**.



2. 2010 MOU Update

- a. GWA and NAVFAC completed their work on an updated MOU.
- b. Joint Region has not yet reviewed the MOU.

3. Easement Request for Agat WWTP Project

- a. NBG Installation Commanding Officer approved the easement grant at no cost.
- b. Still waiting on Commander Navy Installation Command on the term and type of request approval.
- c. GWA is willing to do 50% of the maintenance of the easement as part of the contribution.
- d. GWA will pay for appraisal and survey for legal meets and bounds if needed for the agreement.

4. Interoperability Options – future projects

- a. Santa Rosa.
- b. Route 15 line connection.
- c. Agana Heights tanks (GWA and Naval Hospital).
- d. Urunao and the Wildlife Refuge.

OEA Grants – Guam Water-Wastewater Infrastructure Projects

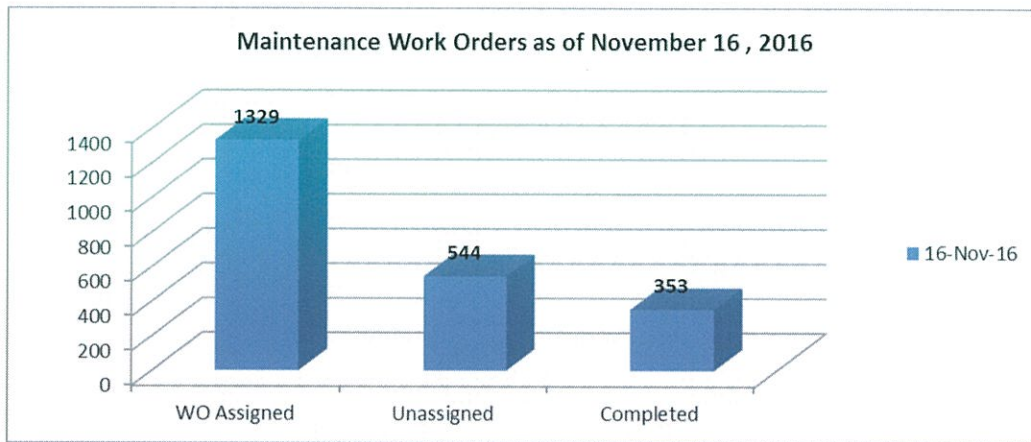
- PM/CM scope was finalized with GWWIST review/input; RFP issued on October 21; submissions due November 21.
- GWA is providing assistance to USEPA for NEPA process associated with initial project; formal NEPA activities pending contract (USEPA).
- NGLA Monitoring Wells – slight delay in finalizing sites located on DoD property due to MEC training issues.
- GWWIST meeting was held on November 8 in Hawaii. Schedule for implementation was updated (see below), and a briefing on current procurement and land acquisition efforts was provided.

Action Item	Date (Target)	Date (Actual)	Status
Project Funds Available	Oct-15 / July-16	AUG-30-16	Completed
Land Acquisition	Sep-16 (?) Jan-17		On-target
Procure PM/CM Firm	Apr-16 / Jan-17		On-target
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		??
Procure Construction Firm	Jun Dec-18		On-target
Construction Complete/Commence Operations	Nov-21		On-target
Sewer line connection from MCB to GWA infrastructure	FBD (?) Jul-19		On-target
MCB Initial Operating Capability	Jul-22		On-target

Asset Management

- CMMS system went live on October 3, 2016.

- Functionality testing completed September 2016; 13 mobile routers expected to arrive in November to improve real-time mobile management.
- AM & Operations meet weekly on:
 - Compliance with process and work flow
 - Inventory management and monitoring
 - Critical asset redundancy
 - Training needs
 - Development of policy for records management
 - QA/QC Performance on PM and CM
- AM Steering Committee meets monthly on:
 - Discussion of weekly maintenance meetings
 - Resources needed to sustain AM program
- Over 1,000 Work Orders issued so far.
- Over 300 Work Orders completed.
- PM/CM ratio is less than 0.5 (roughly 16% / 84%).
- WO Report Summary

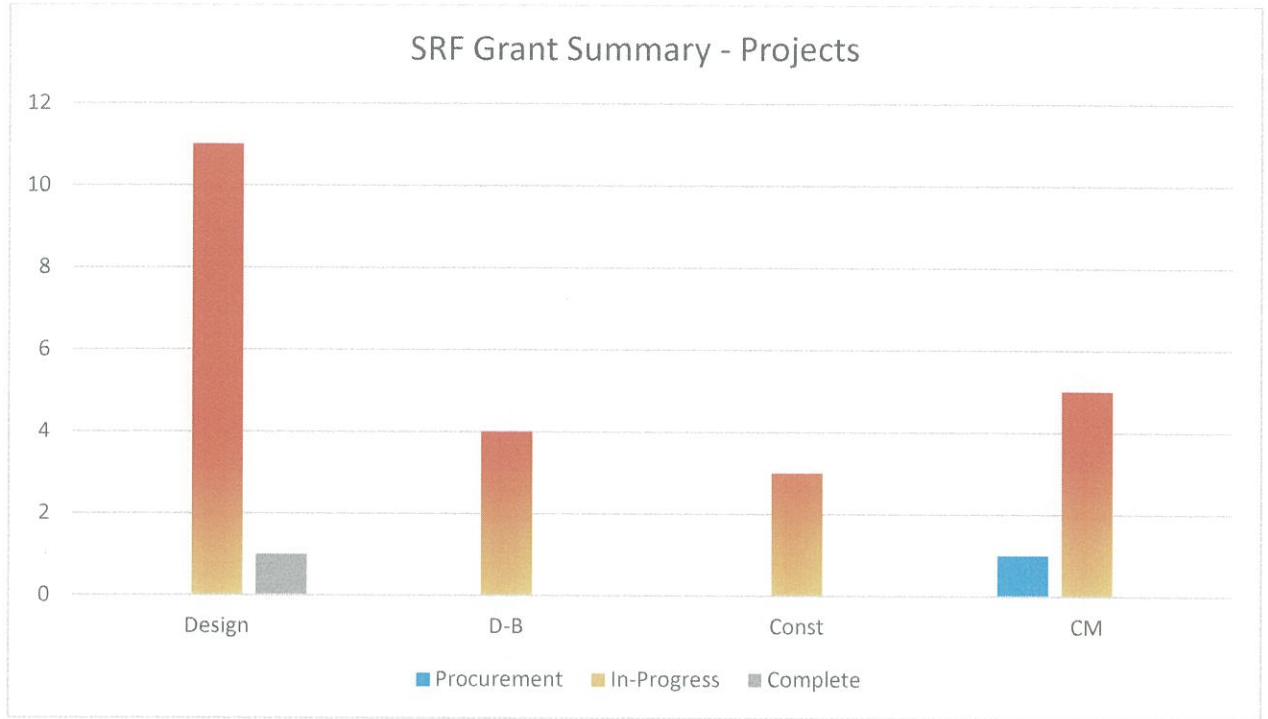


USEPA SRF Projects

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

SRF Grant Summary - Projects

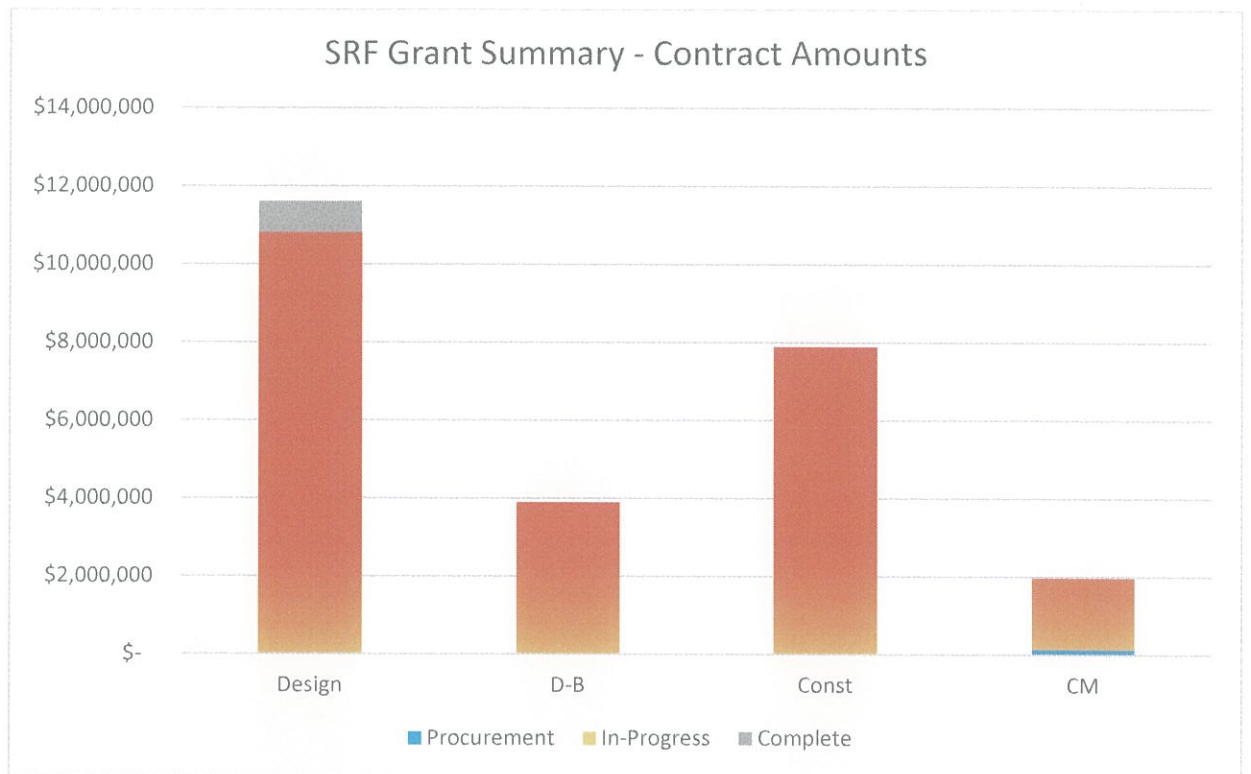
	Procurement	In-Progress	Complete	Totals	%
Design	0	11	1	12	48%
D-B	0	4		4	16%
Const	0	3		3	12%
CM	1	5		6	24%
Totals	1	23	1	25	
%	4%	92%	4%		



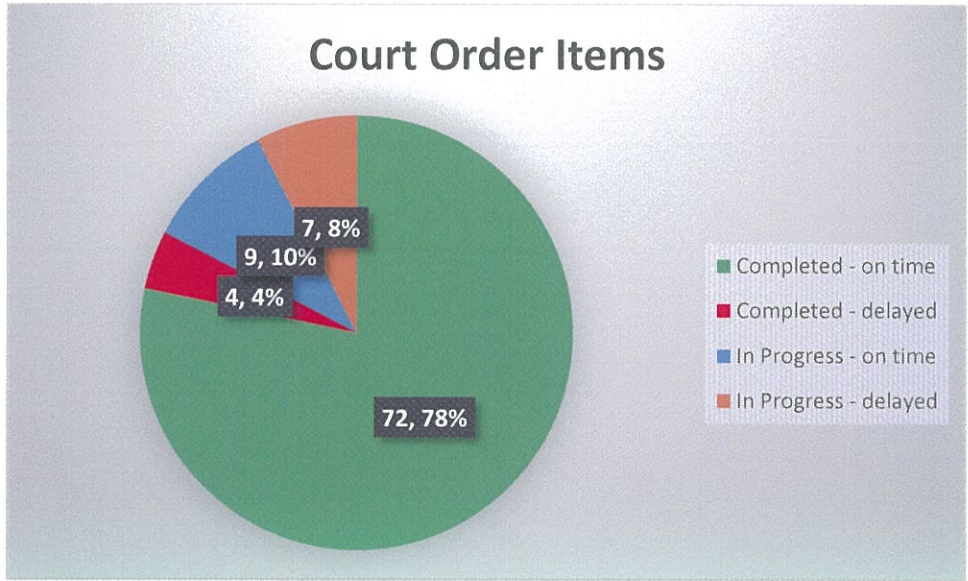
SRF Grant Summary - Contract Amounts

	Procurement	In-Progress	Complete	Totals	%
Design	\$ -	\$ 10,812,544	\$ 792,980	\$ 11,605,524	46%
D-B	\$ -	\$ 3,898,896		\$ 3,898,896	15%
Const	\$ -	\$ 7,883,710		\$ 7,883,710	31%
CM	\$ 145,186	\$ 1,824,690		\$ 1,969,876	8%
Totals	\$ 145,186	\$ 24,419,840	\$ 792,980	\$ 25,358,006	
%	1%	96%	3%		

SRF Grant Summary - Contract Amounts



Court Order



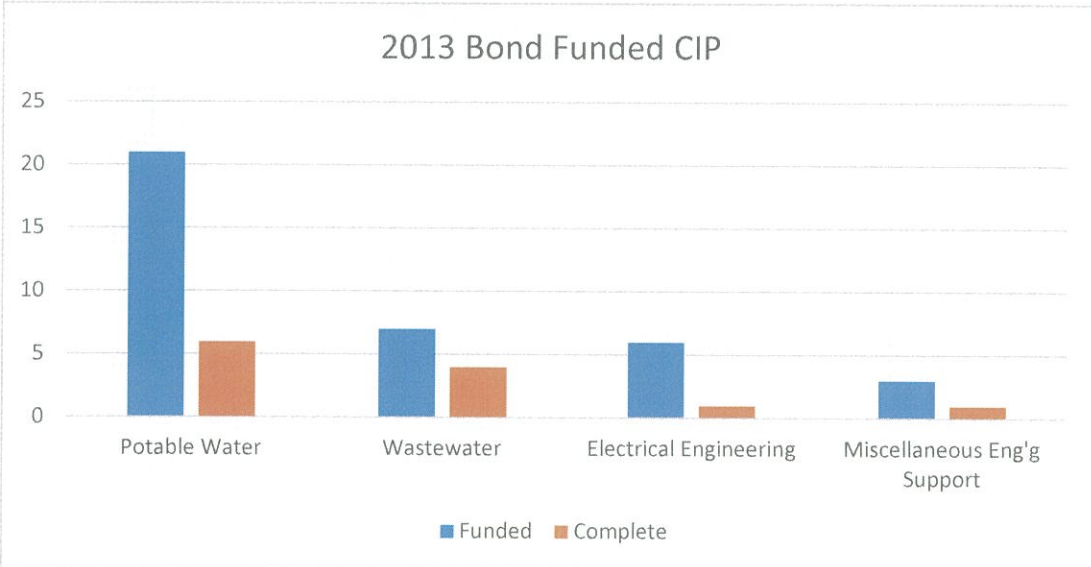
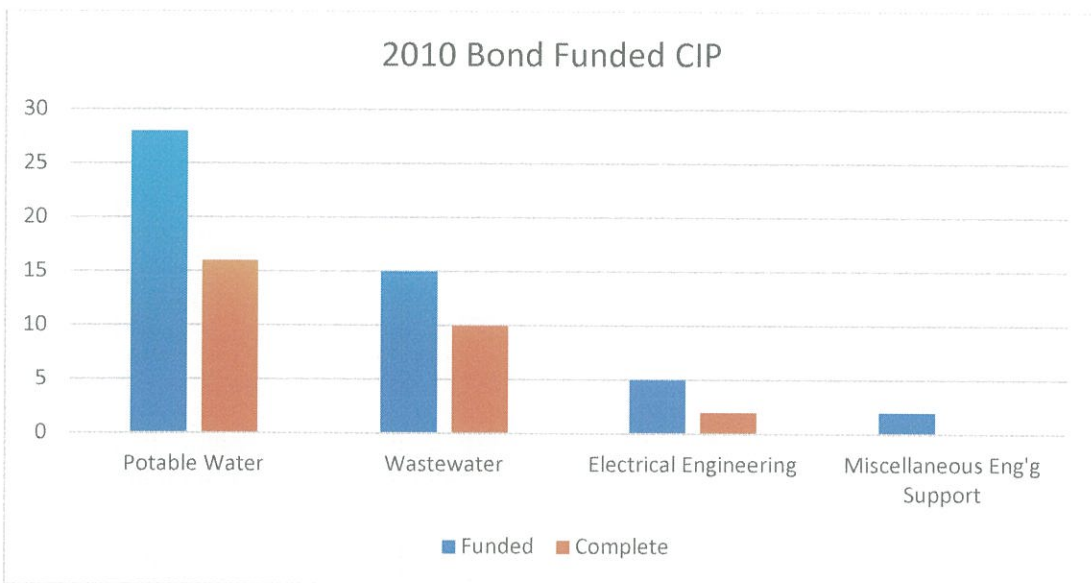
Court Order Summary			
	Court Order Items	%	Performance (on-time or completed)
Completed - on time	72	78%	92.4%
Completed - delayed	4	4%	
In Progress - on time	9	10%	
In Progress - delayed	7	8%	
Totals	92	100%	

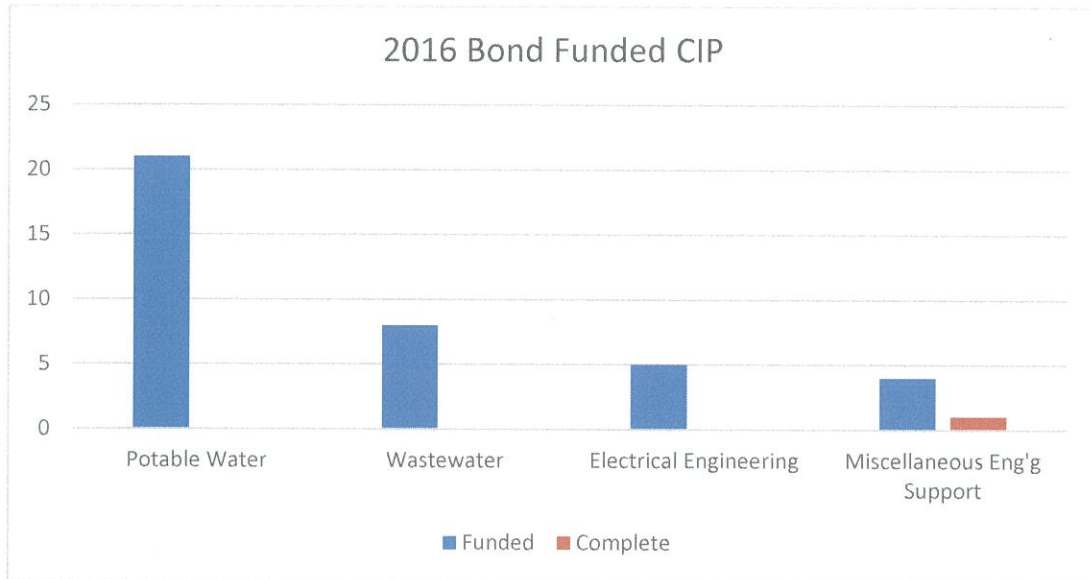
- 7 items delayed
 - SSES (2 items)
 - Agat/SR System Upgrades (to send delay letter)
 - Sewer Cleaning
 - CCTV
 - CI Residual Monitors
 - Meters
- Final Date to complete all Court Order items is December 21, 2020.
- Overflow or Bypass events reported to USEPA – 6 events reported in October and November
 - 1 – Partial bypass at Umatac (Lagoon overflow)
 - 1 – Compressor failure
 - 1 – Main break
 - 1 – FOG
 - 2 – Power glitches

CIP Summary

CIP Summary - Project Encumbrance

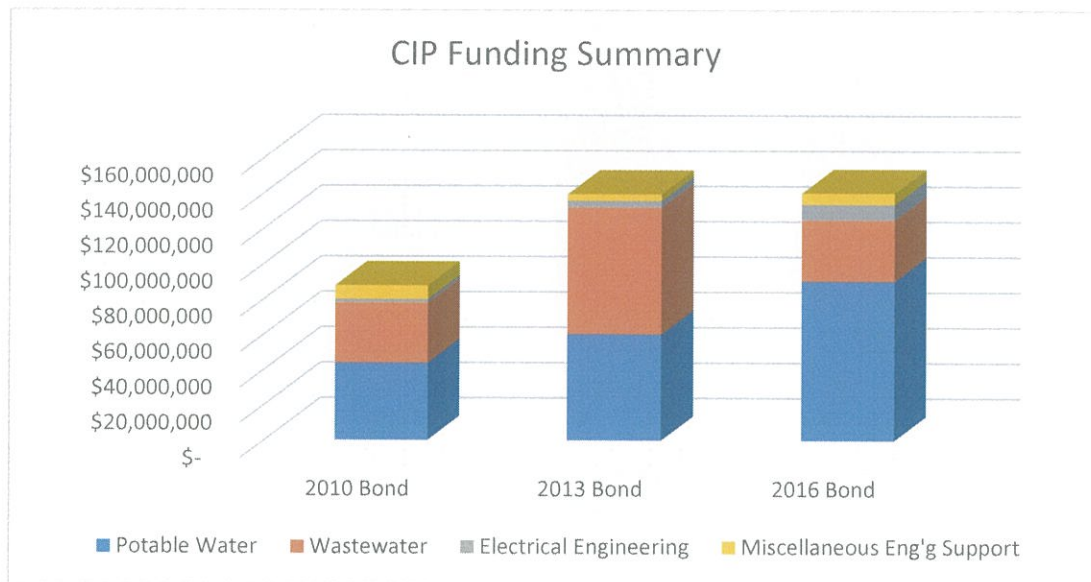
	2010 Bond		2013 Bond		2016 Bond		Total CIP Projects	%
	Funded	Complete	Funded	Complete	Funded	Complete		
Potable Water	28	16	21	6	21	0	31	53%
Wastewater	15	10	7	4	8	0	16	27%
Electrical Engineering	5	2	6	1	5	0	9	15%
Miscellaneous Eng'g Support	2	0	3	1	4	1	3	5%
Totals	50	28	37	12	38	1	59	100%
% of Total CIP by Fund Source	85%		63%		64%			
% of CIP Funding Completed		56%		32%		3%		





CIP Summary - Project Amounts

	2010 Bond		2013 Bond		2016 Bond		Total CIP Projects	%
	Funded	%	Funded	%	Funded	%		
Potable Water	\$ 43,671,000	50%	\$ 60,082,000	43%	\$ 90,148,000	65%	\$ 193,901,000	53%
Wastewater	\$ 34,070,000	39%	\$ 71,823,000	52%	\$ 34,727,000	25%	\$ 140,620,000	38%
Electrical Engineering	\$ 1,920,000	2%	\$ 3,645,000	3%	\$ 8,750,000	6%	\$ 14,315,000	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%			

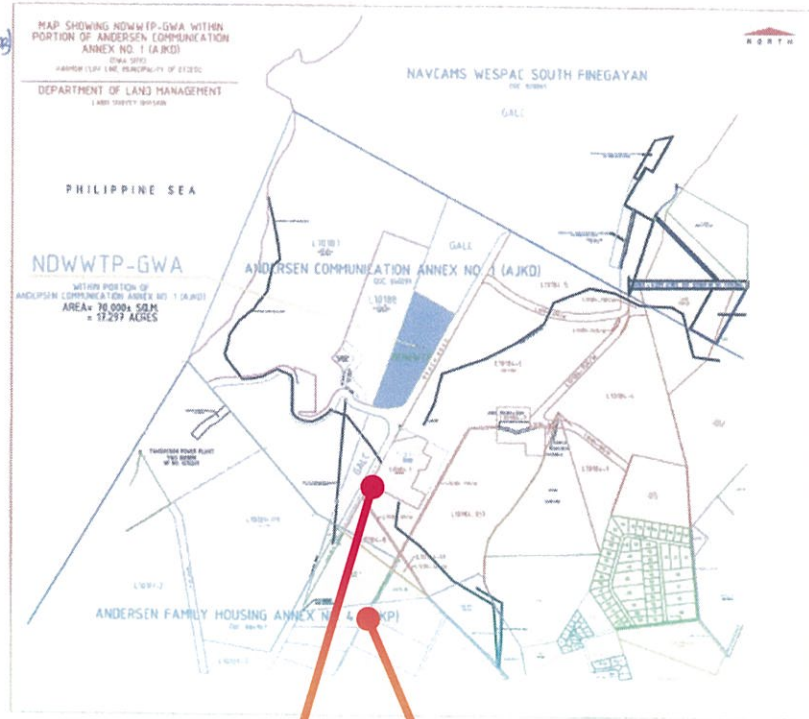


Land Acquisition Status

- ALC property for NDWWTP:
 - Legislation authorizing acquisition submitted;
 - public hearing was held with supporting resolutions and testimony from ALC, CCU and GWA;
 - bill to be heard at next legislative session.
- CLTC properties: Appraisals completed; surveys ongoing.
- Private properties needed for Court-order improvement projects: completed or pending survey. See Land Acquisition chart below.

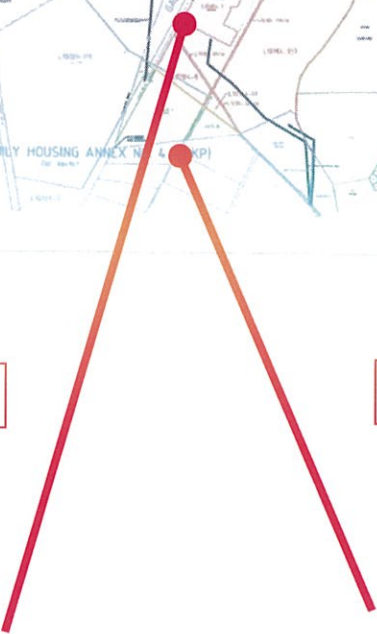
GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
Tanks	Inarajan	Private	Property acquisition complete, deed of property with GWA.
	Ugum	Private	Still under legal review.
	Manenggon	Private	Survey map ongoing. Contract of sale transmitted to property owner.
	Santa Rita	Gov't. – CLTC	Survey map and appraisal documents sent to DLM. GWA and DLM agree in concept to purchase property based on fair market value.
	Astumbo	Gov't. - CLTC	Survey map of property still ongoing. GWA and DLM agree in concept to purchase property based on fair market value.
	Upper Tumon	Gov't. - CLTC	Survey map of property still ongoing. GWA and DLM agree in concept to outright purchase property based on fair market value.
	Piti	Private	Engineering currently reviewing options for relocating the Piti tank from current location to area east of the Nimitz Estate Subdivision.
Deep Well	Y-8	Gov't. - CLTC	GWA engineering working to obtain appraisal and survey serves.
	AG-12	Dept. of Agriculture/ Manhita Farms	GWA engineering working to obtain appraisal and survey serves.
Booster Pump Station	Brigade	Private	GWA received Right of Entry agreement from landlord. Survey work for property severance has begun.

Bill No. 2973-23009
Exhibit A



ALC Lot Proposed for Use

Existing NDWWTP Site



PFOS Issue

Status Update:

- A-Series wells (A-23 and A-25) remain off-line.
- NAS-1 well remains off-line.
- NAS-1 GAC- removal completed by GIAA contractor
- GIAA GAC replacement completed; the system has been reconfigured and now the lead has Become the lag and vice versa.
- Coordinating with GEPA on potential sources and responsibility; discussions with DoD ongoing.

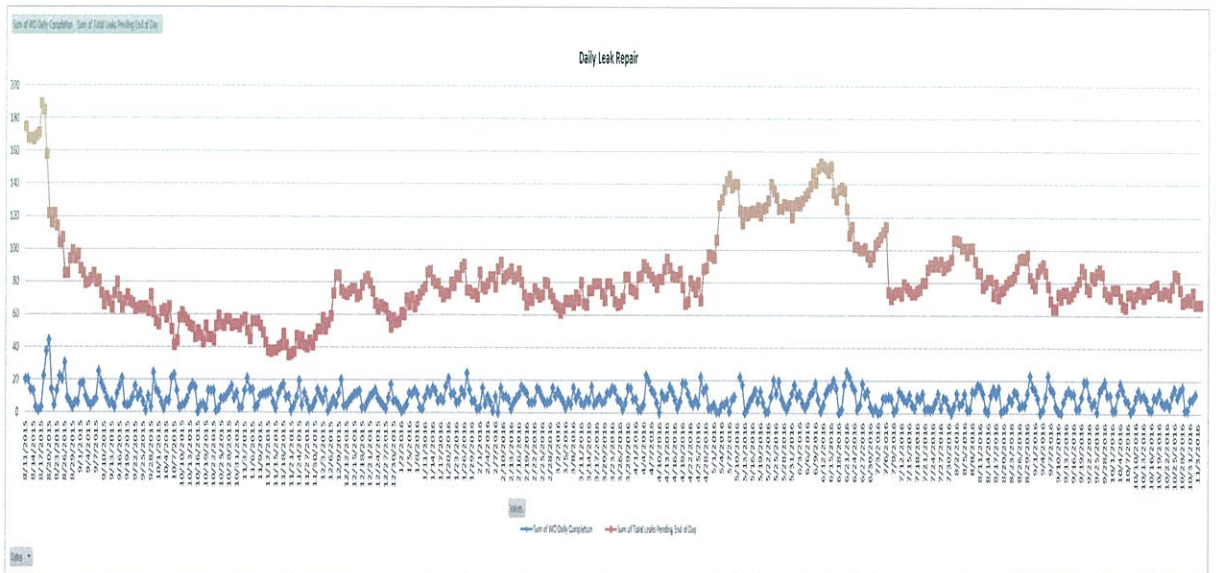
Actions pending:

Mobile treatment until – technical specifications under revision; IFB pending

Key Operational Issues

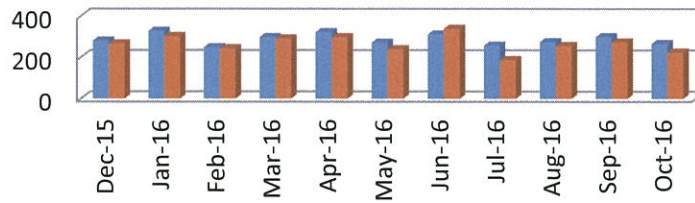
Leak Repair: WOs Completed & Pending (Daily)

(up to November 3, 2016)



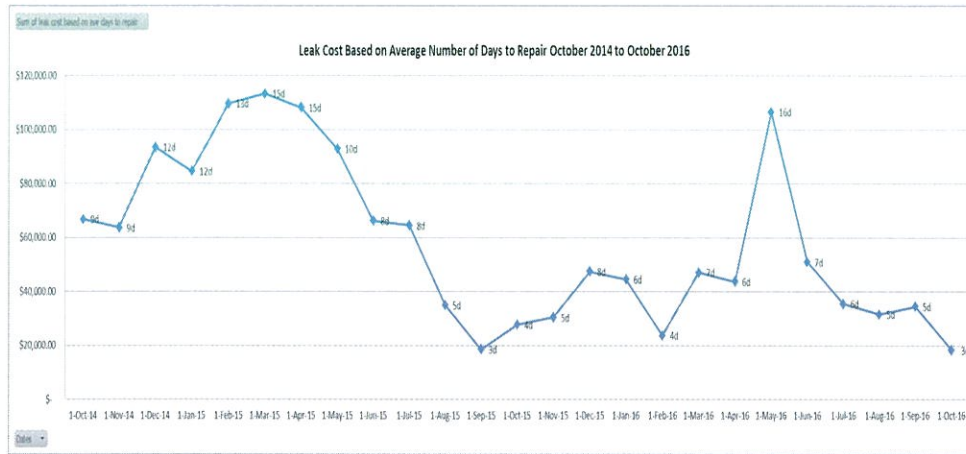
Leak Repair: Leaks Reported and Repaired (Monthly)

Leaks Reported vs Repaired Dec 2015 to October 2016



	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
Leaks Reported	280	328	248	298	322	271	311	257	274	299	266
Leaks Repaired	266	302	243	291	298	239	338	187	255	273	224

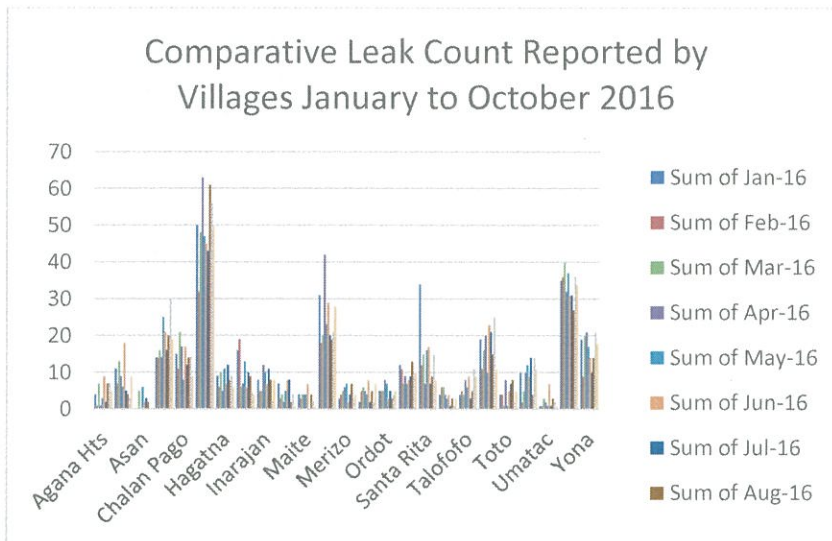
Leak Repair: Cost Savings – Days to Repair (Monthly)



Assumptions:

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

a. Leak Repair: Reported by Village



4.1.2 Financials - None

4.1.3 Resolution No. 08-FY2017 Relative to Authorizing GWA to Issue an Invitation to Bid to Procure Property Insurance and Authorizing GWA to Petition the Guam Public Utilities Commissions for Approval Under the Contract Review Protocol

The present policy expires April 2017. The objective is to procure a new policy to comply with GWA's General Bond Indenture dated December 2005 and to protect GWA against the risk of financial loss from certain perils. Based on actual experience, the policy will cost approximately \$1 million per year and will be funded by revenue funds. The policy must be in place on or before April 11, 2017.

Comm. Bamba motioned to approve Resolution 08-FY2017; Comm. Sanchez seconded. On the motion there was no further discussion or objection and the motion passed.

4.1.4 Resolution No. 09-FY2017 Relative to Authorizing GWA to Issue an Invitation to Bid Relative to Procure Commercial General Liability Insurance

Similar to above, GWA's present Commercial General Liability policy expires in April 2017 and the objective is to procure a new policy to comply with GWA's 2005 Water and Wastewater System Revenue Bonds and to protect GWA against the risk of financial loss from certain liability arising in the conduct of its business. Based on actual experience, the cost is approximately \$95,000 per year and will be procured no later than April 11, 2017. The funding source is revenue bonds.

Comm. Bamba motioned to approve Resolution 09-0FY2017; Comm. Santos seconded.

In discussion, Comm. Santos voiced his concern that GWA has no risk manager and the impact this will have relative to the value of GWA's assets.

4.1.5 Resolution No. 10-FY2017 Relative to the Authorization for GPA and GWA for Additional Support to the Customer Care and Billing (CC&B) System

In June 1, 2016, GPA and GWA procured the services of Prithibi LLC to provide training for CC&B, a GAP analysis review and onsite support since the previous vendor's contract (WiPro) was set to expire on Sept. 4, 2016. Training on CC&B Functionality and Technical training was completed by August. Impacted departments included Customer Service, Finance, Metering/Operations and the IT Operations.

GAP Analysis was completed on November 2016 on GPA and GWA's CC&B implementation. However it was noted that there were deficiencies in the initial implementation of the CC&B system which has both a short and long term impact for both GPA and GWA. To address these issues in the GAP Analysis, Prithibi LLC will assist GPA and GWA in addressing specific concerns from both agencies for the functionality of CC&B and provide the needed resources and personal to correct the deficiencies. Breakdown of additional support needed are as follows:

- Issue resolution and support from November 2016 to April 30 2017 @ \$81,719 per month for both agencies.
- UC4 Scheduling program to include software, implementation and training @ \$157,167 for both agencies.
- APEX reporting tool to include report template setup, configuration and training @ \$15,675 for both agencies.
- Extended off site support from May 2017 to June 2018 @ \$19,452 for both agencies.
- All cost will be split by both GPA and GWA.

Management confirmed that the additional training will be funded by revenue funds and will include:

Description	Term	GPA Share	GWA Share	Total	Notes
Initial Contract	May to Nov. 15 2016	125,000	124,000	249,000	Training/GAP Analysis/Support - <i>Already Completed</i>
Issue and Support Contract	Nov. 15,2016 to April 2017	224,723	224,723	449,445	To address GAP Analysis Issues. \$81,719 per month.

UC4 Scheduling Tool	4 week	78,584	78,584	157,167	Job scheduling application to Include both software, implementation and training (One time charge)
Apex Setup and Training	Ongoing	7,838	7,838	15,675	Reporting software setup and training. (One time charge)
Extended Support	May '17 to June'18	116,709	116,709	233,418	Extended off site support of \$19,452 per month till June 2018
	Total	552,853	551,853	1,104,705	

Comm. Bamba motioned to approve Resolution 10-FY2017; Comm. Santos seconded. On the motion there was no further discussion or objection and the motion passed.

4.2 GPA

4.2.1 GM Report Update

GM Benavente gave his usual monthly update:

1. Generation Capacity Recovery Plan:

- The PUC approved the additional funding of \$2.6M from revenue funds for the Dededo CT Plant rehabilitation. The plan for commissioning 40MW of capacity by March 31st, 2017 proceeds as scheduled.
- MEC 8 was taken off line for its 1,000 hours minor overhaul this past week. Unit is back on line and expected to be cleared to its full capacity of 44MW by tomorrow.
- Cabras 1 will be taken off line this Friday for seven days for repair of its air pre-heater and other preventive maintenance needs.

2. Net Metering Update:

Net Metering Summary Ending November 2016:

Description:	Count	Kw
Active	1,260	13,117
Pending	173	2,122
Totals:	1,433	15,239

Service:	Count	KW	Kw/Customer
Residential	1,190	10,726	9.0
Others	70	2,391	34.2
Total:	1,260	13,117	10.4
% Residential	94.4%	81.8%	
Estimated 12 Months Revenue Impact:	\$2,448,899.96		

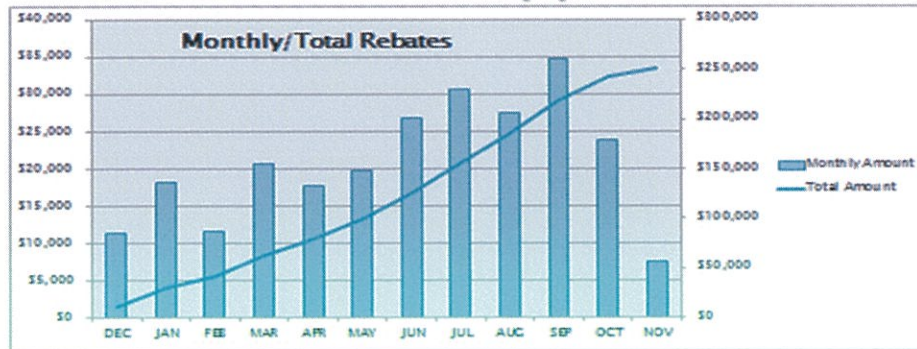
Estimated Cumulative Revenue Impact by Fiscal Year:

Fiscal Year	Amount
FY 2009	\$1,657
FY 2010	\$8,483
FY 2011	\$18,177
FY 2012	\$58,546
FY 2013	\$278,025

FY 2014	\$352,157
FY 2015	\$856,921
FY 2016	\$1,700,000
Total:	\$3,273,966

3. Demand Side Management Program:

Rebate Amount Approved

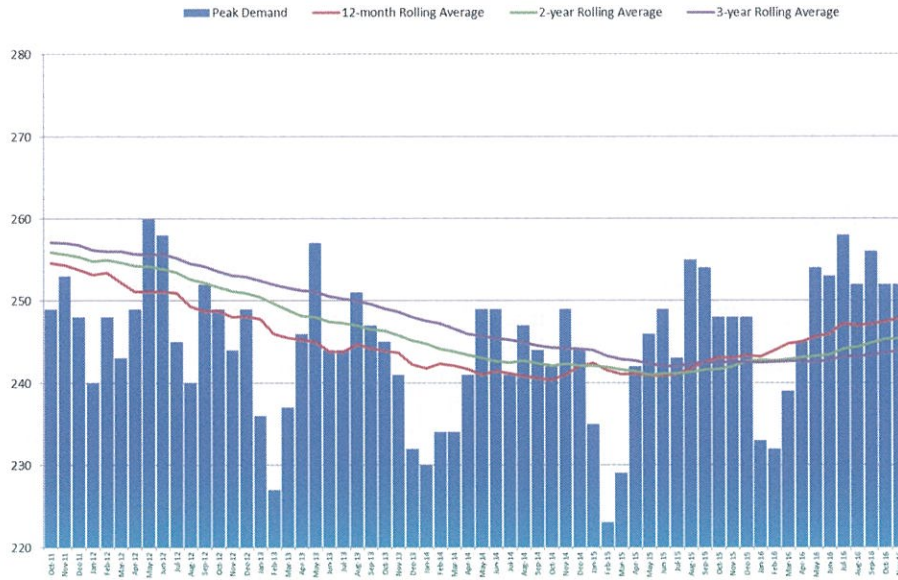


▶ As of December 1st, 2016, we have expended \$250,900 of the budget.



4. **Employee Health Insurance:** Our attorney has determined that GPA will need legislative authority to implement a separate health insurance plan for GPA and GWA employees. With the CCU permission, we can pursue the legislation needed.
5. **Public Commission on Utilities Dockets:** The following dockets were approved at the November 28th PUC meeting:
 - GPA Docket: Aggreko Lease Extension for four years
 - GPA Docket: Cabras 1&2 PMC extension to September 30, 2020
 - GPA Docket: Cabras 3&4 Engine Room Cleanup
 - GPA Docket: Cabras 4 Engine Removal
 - GPA Docket: Dededo CT FY 2017 \$2.607M Revenue Fund Expenditure
6. **Key Performance Indicators:** The following provides updates thru November 2016.

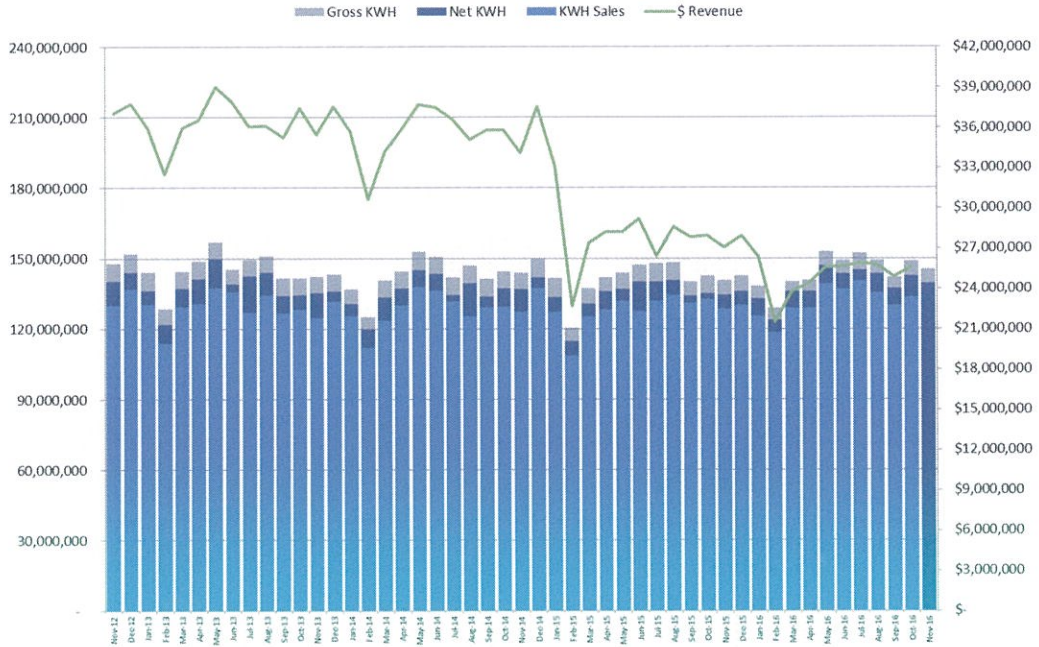
Historical Monthly Peak Demand Oct 2011 - Nov 2016



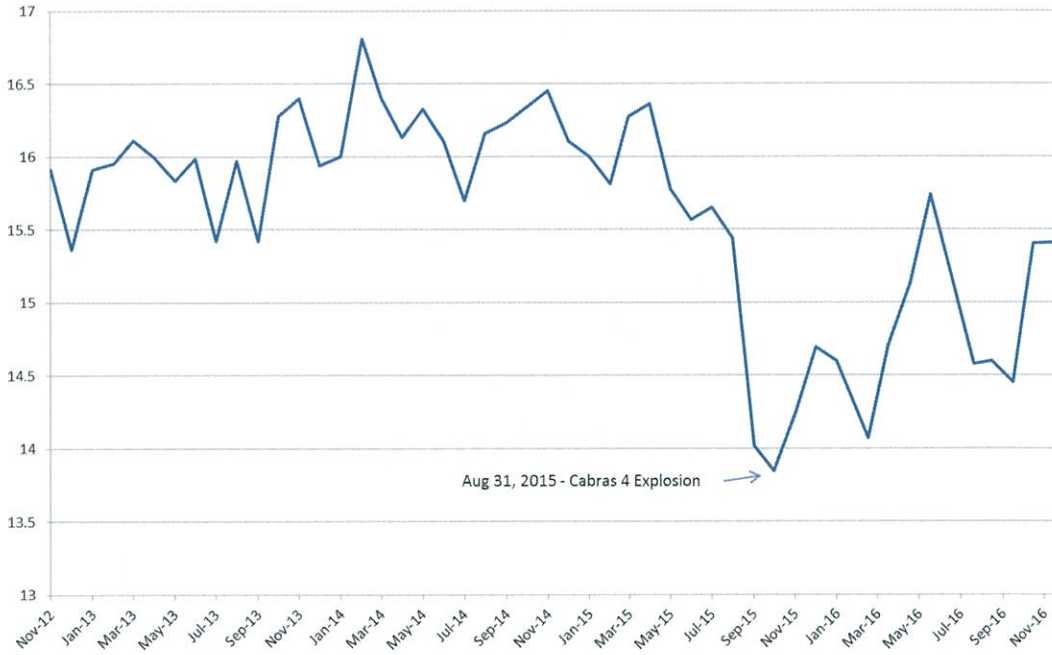
Monthly Peak Demand November 2013 - November 2016



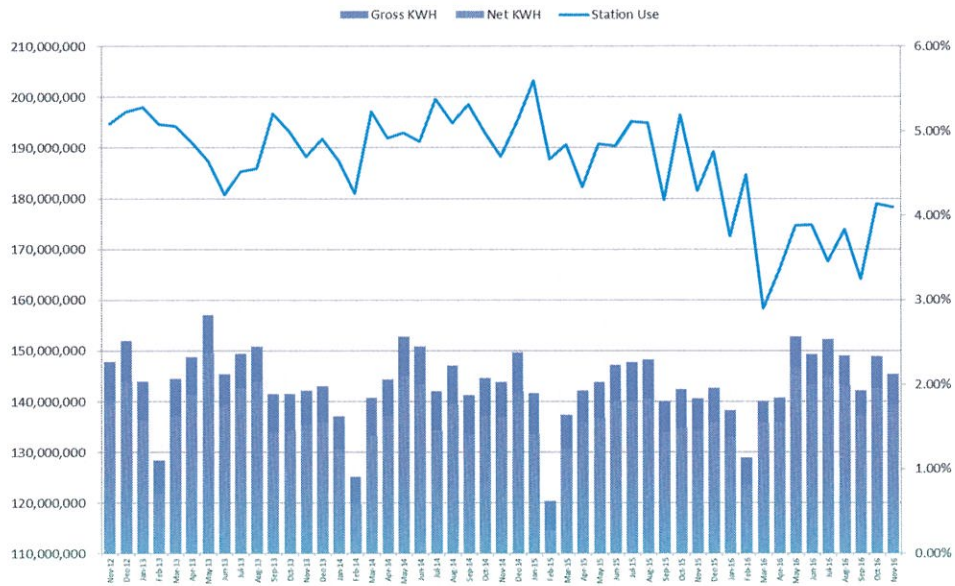
KWH Sales and \$ Revenue November 2012 - November 2016



SYSTEM GROSS HEAT RATE (KWH/Gal) November 2012 - November 2016



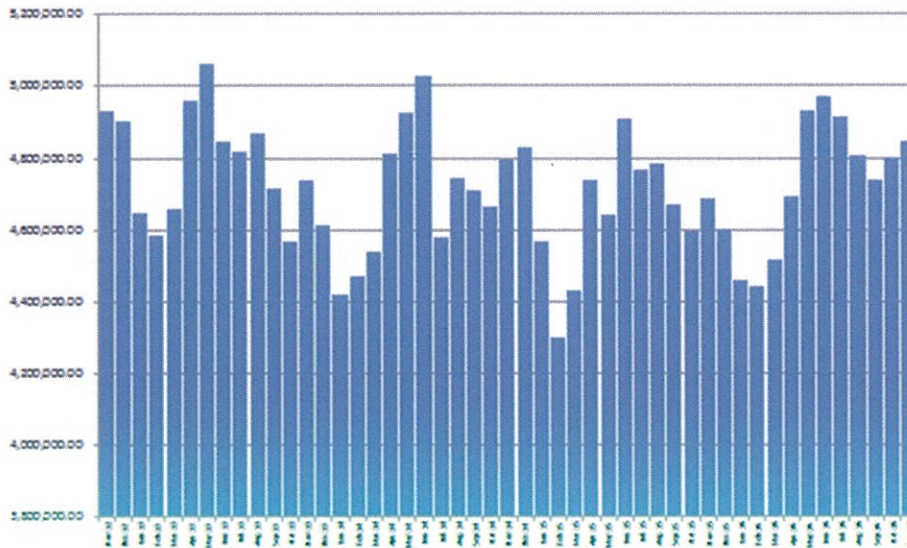
**Gross and Net Generation (KWH)
November 2012 - November 2016**



**Fuel Cargo and Fuel Consumption Costs (\$/bbl)
November 2012 - November 2016**



Average Daily Gross Generation (KWH)
November 2012 - November 2016
*calculated by dividing Monthly KWH by no. of days



Relative to Group Health Insurance – Commissioner Sanches wants flexibility to go back into the GovGuam plan in event it ends up being too expensive to be out on our own. Comm-elect Guthertz wants to know impact on overall GovGuam should GPA pull out.

4.2.2 Financials - None

4.2.3 Resolution No. 2016-72 LEAC

The Guam Public Utilities Commission (GPUC) has established a Tariff under which the Guam Power Authority (GPA) is allowed to recover its fuel costs and fuel related costs under a factor which is reset and trued up every (6) six months through the Levelized Energy Adjustment Clause (LEAC). The deadline for GPA to petition the PUC the next LEAC cycle period of February 1 – July 31, 2017 is December 15, 2016.

The world wide cost of fuel had declined during the last quarter of 2015 and through the first quarter of 2016 - nearly a 31% decline in the average monthly settlement, but has increased by nearly 50% since the low point in January 2016. The market price of fuel in the initial filing for the current period was projected to be \$42.27/bbl. for the (6) six-month period ending January 31, 2017, the current projection for the same period is now \$48.08/bbl. and the latest projected price of fuel for the period ending July 31, 2017 would be about \$54.59/bbl. If the projected average price ending July 31, 2017 is \$54.59/bbl, GPA has determined that the LEAC factor for secondary voltage service customers as well as alternative voltage customers will need to be increased from \$0.08816/kWh to \$0.116136/kWh for the period of February 1, 2017 to July 31, 2017. If the fuel oil does track to \$54.59/bbl., the effect of the change in the LEAC rate will result in an increase in the total bill by 16.3% or about a \$29.52 increase on a 1000 kWh power bill, in order to recover the total projected under-recovery of about \$17.7M anticipated by the end of the LEAC period on July 31, 2017

Fuel oil prices are currently very volatile and price projections continue to fluctuate due to the recent decision by OPEC to cut production, making it very difficult to determine with reasonable certainty where the price of fuel oil will be over the next LEAC period. GPA desires to minimize the rate impact resulting from the recent oil market changes and uncertainties and prefers to gradually true up fuel oil cost by phasing in increases over two (2) LEAC periods and recommends the next LEAC rate to be about half of what the market is projecting.

In the phase in approach the effect of the change in the LEAC rate will result in an increase in the total bill by 8.1% or about a \$14.76 increase on a 1000 kWh power bill, in order to recover the total projected under-recovery. An under-recovery of about \$8.8M is anticipated by the end of the LEAC period on July 31, 2017 which will not significantly impact working capital and other financial ratios; and

Comm. Sanchez motioned to approve Resolution 2016-72; Comm. Santos seconded.

In discussion the GM highlighted that PUC requires a true-up every 6 months. Due to increasing cost of fuel, management is recommending a LEAC rate increase in 2 phases – the 1st to be about half of what the market is projection and the 2nd half in August 2017. He is asking the Commission to increase LEAC from .0866 to .1013 for period February 1 – July 31, 2017.

The Chairman said he is comfortable with managements recommendation and said they came up with a good approach.

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

4.2.4 Resolution No. 2016-73 Relative to the Authorization for GPA and GWA for Additional Support to the Customer Care and Billing (CC&B) System

Resolution 2016-73 is identical to GWA Resolution 10-FY2017; please refer to section 4.1.5 for related details to this matter.

GM Benavente commented that this will correct the gap that both agencies are experiencing. Chairman asked GM Miguel if he concurs with GM Benavente and he responded yes. It was mentioned that GPA's PUC obligatory cap is \$1.5M and GWA's cap is \$1M. Legal counsel Clark confirm that both agencies are ok.

Comm. Bamba motioned to approve Resolution 2016-73; Comm. Sanchez seconded. There was no further discussion or objection and the motion passed.

5. OLD BUSINESS

5.1 GWA Resolution No. 04-FY2017 Relative to Supporting the 2016 MOU Between GWA/ DoD & DoN

The Guam Waterworks Authority (GWA) has been working with the Department of the Defense, Department of the Navy to update the 2010 MOU between the GWA and the Department of the Navy Relative to the 2010 Military Build-up. The purpose of this updated MOU is to define the relationship between Joint Region Marianas (JRM), Naval Facilities Engineering Command Marianas (NAVFAC Marianas), Guam Waterworks Authority (GWA), and the Consolidated Commission on Utilities (CCU), while developing the "One-Guam" vision for water and wastewater needs expected to increase as a result of military and civilian population growth. The updated MOU establishes objectives relating to the implementation of water and wastewater utility service solutions devised to address the projected additional requirements and/or re-capitalization efforts needed and covers issues not identified in the original 2010 MOU. The MOU will cover the water and wastewater facilities for both systems island-wide. The cost depends on individual projects and will be funded by both GWA and DoD funds. It was also mentioned that the MOU will be executed upon approval of the CCU and will be reviewed every three (3) years.

For the record, this matter was discussed and relative voting details can be found at the top of page 1 of these Minutes.

5.2 GWA Resolution No. 11-FY2017 Relative to the Amendment of the Positions for the Assistant General Manager of Operations (AGMO) and the Assistant General Manager of Administration (AGMA)

GM Bordallo said that he is not asking the Commission for approval now at this time. This is information purposes only and since the next meeting is not until January, he will send via poll vote when ready and present to the Commission for ratification at that meeting.

Resolution 11-FY2017 requests the Commission to amend the Assistant General Manager of Operations job position description and specifications, and salary range to support the Agency's daily operations within its Water and Wastewater Divisions; providing effective and efficient delivery of safe drinking water and services to the community. The Agency currently employs just one Assistant General Manager for Compliance & Safety, while the other divisions of as much importance function without an Assistant General Manager at its helm, thus limiting effective communications direct to the General Manager while at the same time, affecting operations to provide

statuses by Superintendents or Managers, who would otherwise be addressing the water | wastewater needs of our community.

If approved, the AGM of Operations will be under the direct supervision and management of the General Manager while overseeing and ensuring optimal performance of our Water and Wastewater Divisions. The AGM of Administration will be under the direct supervision and management of the General Manager while overseeing the following divisions: Human Resources, Procurement, Supply & Warehouse, Fleet & Equipment, Information Technology and Engineering.

It was mentioned that GWA has met the posting requirements as mandated by P.L. 28-112. To include such posting to each newspaper of general circulation and broadcasting station, which airs regular news programs within Guam. 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.

In discussion Comm. Sanchez said that the position description on page 163 notes minimum experience / training and that the degrees that qualify is limiting - wondering if management would consider change to Masters Degree in Major course work in utility. Comm-elect Guthertz added or other relevant degree. GM Bordallo said he will revise with proposed recommendations and distribute to CCU, then post in media and then poll vote the matter and present for ratification at the January meeting.

5.3 GWA Resolution No. 12-FY2017 Relative to Approving the Ratification of Bid award, Relative to IFB 2016-09 for Diesel Fuel Oil No. 2 and Regular Unleaded Automotive Gasoline for GWA's Transportation Fleet and Heavy Equipment

This bid is under procurement process with the OPA. GM Bordallo said he is presenting this matter now but is not asking for a vote tonight. The appeal period to the OPA falls after tonight's meeting. He said he wanted to give the Commission notice in advance and he will send the poll package to the Commission for poll vote when ready and present it for ratification at the January meeting. For the record, Resolution 12-FY2017 requests the Commission to ratify the Bid award, for IFB 2016-09 to supply GWA Diesel Fuel Oil No. 2 and Regular Unleaded Automotive Gasoline for GWA's Transportation Fleet and Heavy Equipment. Without the fuel, GWA cannot meet its daily operational needs and activities. The estimated fuel cost for Unleaded gasoline with Mobil Oil Guam is \$1.523 per gallon at 115,000 gallons of unleaded gasoline per year at a cost of \$175,145.00. The estimated fuel cost for Diesel Fuel with IP&E is \$1.3200 per gallon at 50,000 gallons of diesel per year at a cost of \$66,000. The grant Total \$241,145.00 estimated cost annually. It was also mentioned that the fuel services for GWA's vehicle and equipment fleet will be on-going for the duration of the initial 3-year contract with the option to renew for an additional 2 years, 1-year term and will be funded with O&M funds.

6. ANNOUNCEMENTS

6.1 Oath of Office

The chairman announced that on January 12, 2017 Comm. Joseph Duenas and Comm. Elect Judi Guthertz will take their Oath of Office signifying the official installation of the 8th elected CCU body.

6.2 Next CCU Meetings: GWA WS – January 18; GPA WS – January 19; CCU Meeting – January 24

The Chairman said the next CCU meeting would be a work session for GWA on January 18 followed by GPA's on January 24. The regular monthly CCU meeting would be on January 24.

7. ADJOURNMENT

There was no further business to bring before the Commission and the meeting adjourned at 7:03 p.m.

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Attested:



JOSEPH T. DUENAS, Chairman



J. GEORGE BAMBA, Secretary