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 evolution 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 build up 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 Matnas           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 Salaghen           Revenue Protection / GWA
Ron Togasna              GWA
John Cruz                SPORD Manager / GPA
Heidi Ballendorf         PIO / GWA
Art Perez                PIO / GPA
Melwyn Kwek              Manager, IT / GPA
Karen Grape              IT / GWA
Joyce Sayama             Mgmt. Analyst / GPA Ex. Office
Ann Borja                Mgmt. Analyst / GWA Ex. Office
Lou Sabian               Board Secretary / CCU

Guest:
Angelica Perez           AM Insurance
Annmarie Muna            AM Insurance
Andy Nivens              PUC
Nastor Licanto           KUAM
Bill Chang               B&C
Fred Horicky             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. Urnauo 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.

<table>
<thead>
<tr>
<th>Action Item</th>
<th>Date (Target)</th>
<th>Date (Actual)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Funds Available</td>
<td>Oct-15/ Jul-16</td>
<td>AUG-30-16</td>
<td>Completed</td>
</tr>
<tr>
<td>Land Acquisition</td>
<td>Sep-16(?)-Jan-17</td>
<td></td>
<td>On-target</td>
</tr>
<tr>
<td>Procure PM/CM Firm</td>
<td>Apr-16 / Jan-17</td>
<td></td>
<td>On-target</td>
</tr>
<tr>
<td>Procure Design Firm</td>
<td>Oct-16(?) Jul-17</td>
<td></td>
<td>On-target</td>
</tr>
<tr>
<td>Design -- 30/60/90/Final -- Review</td>
<td>Nov-17 Jun-18</td>
<td></td>
<td>On-target</td>
</tr>
<tr>
<td>NEPA Analysis and Determination</td>
<td>Aug-17 Feb-17</td>
<td></td>
<td>??</td>
</tr>
<tr>
<td>Procure Construction Firm</td>
<td>Jun-Dec-18</td>
<td></td>
<td>On-target</td>
</tr>
<tr>
<td>Construction Complete/Commence Operations</td>
<td>Nov-21</td>
<td></td>
<td>On-target</td>
</tr>
<tr>
<td>Sewer line connection from MCB to GWA Infrastructure</td>
<td>TBD (?)/Jul-19</td>
<td></td>
<td>On-target</td>
</tr>
<tr>
<td>MCB Initial Operating Capability</td>
<td>Jul-22</td>
<td></td>
<td>On-target</td>
</tr>
</tbody>
</table>

**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:
  o Compliance with process and work flow
  o Inventory management and monitoring
  o Critical asset redundancy
  o Training needs
  o Development of policy for records management
  o QA/QC Performance on PM and CM

• AM Steering Committee meets monthly on:
  o Discussion of weekly maintenance meetings
  o 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

![Maintenance Work Orders as of November 16, 2016](image)

USEPA SRF Projects

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

<table>
<thead>
<tr>
<th>SRF Grant Summary - Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Design</td>
</tr>
<tr>
<td>D-B</td>
</tr>
<tr>
<td>Const</td>
</tr>
<tr>
<td>CM</td>
</tr>
<tr>
<td>Totals</td>
</tr>
<tr>
<td>%</td>
</tr>
</tbody>
</table>
SRF Grant Summary - Contract Amounts

<table>
<thead>
<tr>
<th></th>
<th>Procurement</th>
<th>In-Progress</th>
<th>Complete</th>
<th>Totals</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>$</td>
<td>$10,812,544</td>
<td>$792,980</td>
<td>$11,605,524</td>
<td>46%</td>
</tr>
<tr>
<td>D-B</td>
<td>$</td>
<td>$3,898,896</td>
<td></td>
<td>$3,898,896</td>
<td>15%</td>
</tr>
<tr>
<td>Const</td>
<td>$</td>
<td>$7,883,710</td>
<td></td>
<td>$7,883,710</td>
<td>31%</td>
</tr>
<tr>
<td>CM</td>
<td>$145,186</td>
<td>$1,824,690</td>
<td></td>
<td>$1,969,876</td>
<td>8%</td>
</tr>
<tr>
<td>Totals</td>
<td>$145,186</td>
<td>$24,419,840</td>
<td>$792,980</td>
<td>$25,358,006</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>1%</td>
<td>96%</td>
<td>3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Court Order

Court Order Summary

<table>
<thead>
<tr>
<th>Court Order Items</th>
<th>%</th>
<th>Performance (on-time or completed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed - on time</td>
<td>72</td>
<td>78%</td>
</tr>
<tr>
<td>Completed - delayed</td>
<td>4</td>
<td>4%</td>
</tr>
<tr>
<td>In Progress - on time</td>
<td>9</td>
<td>10%</td>
</tr>
<tr>
<td>In Progress - delayed</td>
<td>7</td>
<td>8%</td>
</tr>
<tr>
<td>Totals</td>
<td>92</td>
<td>100%</td>
</tr>
</tbody>
</table>

- 7 items delayed
  - SSE5 (2 items)
  - Agat/SR System Upgrades (to send delay letter)
  - Sewer Cleaning
  - CCTV
  - C1 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

<table>
<thead>
<tr>
<th></th>
<th>2010 Bond</th>
<th>2013 Bond</th>
<th>2016 Bond</th>
<th>Total CIP Projects</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Funded</td>
<td>Complete</td>
<td>Funded</td>
<td>Complete</td>
<td>Funded</td>
</tr>
<tr>
<td>Potable Water</td>
<td>28</td>
<td>16</td>
<td>21</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td>Wastewater</td>
<td>15</td>
<td>10</td>
<td>7</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Electrical Engineering</td>
<td>5</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Miscellaneous Eng'g Support</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>50</strong></td>
<td><strong>28</strong></td>
<td><strong>37</strong></td>
<td><strong>12</strong></td>
<td><strong>38</strong></td>
</tr>
<tr>
<td>% of Total CIP by Fund Source</td>
<td><strong>85%</strong></td>
<td><strong>63%</strong></td>
<td><strong>64%</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of CIP Funding Completed</td>
<td><strong>56%</strong></td>
<td></td>
<td><strong>32%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Graphs

**2010 Bond Funded CIP**

- Potable Water: Funded = 28, Complete = 16
- Wastewater: Funded = 15, Complete = 10
- Electrical Engineering: Funded = 5, Complete = 2
- Miscellaneous Eng’g Support: Funded = 3, Complete = 1

**2013 Bond Funded CIP**

- Potable Water: Funded = 21, Complete = 6
- Wastewater: Funded = 7, Complete = 4
- Electrical Engineering: Funded = 5, Complete = 1
- Miscellaneous Eng’g Support: Funded = 3, Complete = 1

---

1/24/17 Approved subject to verification and written correction
2016 Bond Funded CIP

CIP Summary - Project Amounts

<table>
<thead>
<tr>
<th></th>
<th>2010 Bond</th>
<th>2013 Bond</th>
<th>2016 Bond</th>
<th>Total CIP Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Funded</td>
<td>Funded</td>
<td>Funded</td>
<td>Funded</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Potable Water</td>
<td>$43,671,000</td>
<td>$60,082,000</td>
<td>$90,148,000</td>
<td>$193,901,000</td>
</tr>
<tr>
<td>Wastewater</td>
<td>$34,070,000</td>
<td>$71,823,000</td>
<td>$34,727,000</td>
<td>$140,620,000</td>
</tr>
<tr>
<td>Electrical Engineering</td>
<td>$1,920,000</td>
<td>$3,645,000</td>
<td>$8,750,000</td>
<td>$14,315,000</td>
</tr>
<tr>
<td>Miscellaneous Eng’g Support</td>
<td>$7,741,000</td>
<td>$3,775,000</td>
<td>$6,394,460</td>
<td>$17,910,460</td>
</tr>
<tr>
<td>Totals</td>
<td>$87,402,000</td>
<td>$139,325,000</td>
<td>$140,019,460</td>
<td>$366,746,460</td>
</tr>
<tr>
<td>%</td>
<td>23.8%</td>
<td>38.0%</td>
<td>38.2%</td>
<td></td>
</tr>
</tbody>
</table>

CIP Funding Summary

1/24/17 Approved subject to verification and written correction
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.

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

Existing NDWWTP Site
PFOS Issue

Status Update:
- 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

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

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-FY2017; 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:

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Count</th>
<th>Kw</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>1,260</td>
<td>13,117</td>
</tr>
<tr>
<td>Pending</td>
<td>173</td>
<td>2,122</td>
</tr>
<tr>
<td>Totals:</td>
<td>1,433</td>
<td>15,239</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service:</th>
<th>Count</th>
<th>KW</th>
<th>Kw/Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1,190</td>
<td>10,726</td>
<td>9.0</td>
</tr>
<tr>
<td>Others</td>
<td>70</td>
<td>2,391</td>
<td>34.2</td>
</tr>
<tr>
<td>Total:</td>
<td>1,260</td>
<td>13,117</td>
<td>10.4</td>
</tr>
<tr>
<td>% Residential</td>
<td>94.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Estimated 12 Months Revenue Impact: $2,448,899.96

Estimated Cumulative Revenue Impact by Fiscal Year:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2009</td>
<td>$1,657</td>
</tr>
<tr>
<td>FY 2010</td>
<td>$8,483</td>
</tr>
<tr>
<td>FY 2011</td>
<td>$18,177</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$58,546</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$278,025</td>
</tr>
</tbody>
</table>
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.
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 true 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 management’s 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 confirmed 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 are 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.


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.

Attested:

[Signatures]

JOSEPH T. DUENAS, Chairman

J. GEORGE BAMBA, Secretary