



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

Special Board Meeting
CCU Conference Room
Gloria B. Nelson Public Service Building
4:30 p.m., October 13, 2017

MINUTES

1. CALL TO ORDER

The Chairman called the special meeting of October 13, 2017 to order at 4:31p.m. He announced that all five (3) Commissioners were present and that there was a quorum. Comm. Sanchez and Bamba were absent and excused.

Those present included:

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis Santos	CCU Vice Chairman
Judi Guthertz	CCU Treasurer

Executive Mgmt.:

John Benavente	GM / GPA
Melinda Camacho	AGMO / GPA
John Cruz	AGMET / GPA
Tricee Limtiaco	AGMA / GPA
Graham Botha	Staff Attorney / GPA

Management & Staff:

Cora Montellano	Asst. CFO / GPA
Antonio Gumataotao	Real Property Unit / GPA Engineering
Jennifer Sablan	SPORD / GPA
Heidi Ballendorf	Communications / GPA
Art Perez	PIO / GPA
Joyce Sayama	Mgmt. Analyst / GPA Ex. Office
Lou Sablan	Board Secretary / CCU

Guest:

John Rojas	PDN
Ray Aguon	Land Owner
Ray Haddock	Representative
Anita P. Arriola	Arriola, Cowan & Arriola
Michael Borja	Director of Land Management
Isabel M. Duenas	Land Owner
Peter M. Duenas	Land Owner
Jose Duenas Simpson	Land Owner
Josephine EC Duenas	Land Owner

Jeanette Aguon Sablan	Land Owner
Storm Eduardo Gerber	Land Owner
Reo John Aguon Gerber	Land Owner
Angelica Perez	AM Insurance

2. COMMUNICATIONS

2.1 Public Comments

3. NEW BUSINESS

3.1 GPA

3.1.1 Resolution No. 2017-42 Approval for Purchase of Land for New 180 MW Power Plant

In January 2017, the CCU authorized the award of the engineering, procurement and construction management contract for the procurement development of an IPP contract for new generation capacity and to represent GPA as Owner's engineer support in the construction of a new power plant. The commissioning of the new power generation plant is critical to GPA's Compliance Plan with USEPA and to ensure adequate baseload units to meet future system demand.

The location of the new power generation plant is in Ukudu, Dededo and in proximity to the GWA Northern District Waste Water Treatment Plant and to GPA's Harmon Substation. This is important because the new generation plant will be able to utilize the NDWWTP's tertiary treated waste water to cool the new power plant thus eliminating the extraction of up to three million (3,000) gallons of water daily from Guam's fresh water aquifer, and will reduce transmission line construction, operations and maintenance costs, and maximize reliability because of its close proximity to the Harmon Substation.

On June 13, 2017, GPA published a Statement of Interest seeking to acquire up to 60 acres of unimproved real property to construct and operate a 180MW power generation plant. Five (5) responses were received on July 3, 2017, and the combined proposal of Lots 5010-1NEW, 5042-1, and 5042-R1, Ukudu, Dededo were determined to be the best suited location for the new power generation plant due to the reduced transmission costs.

Management anticipates this transaction to be completed at the end of 1st Quarter, FY2018 and it will be funded by insurance proceeds.

GM Benavente presented the entire resolution verbatim followed by presentation slide discussing in detail site location and infrastructure plans. He said the property in question allows for buffer zone around the property. A satellite view (google map) of site was also included. He also said that while RFP for new power plant is being formulated other related activity will be happening such as the rezoning of land. GM Benavente said he is hoping the whole process will take no more than 6 month and presented the following schedule.

Projected Schedule

Purchase Price: \$10,788,653
 Funding Source: Cabras 3&4 Insurance Proceeds
 Open Escrow: Oct 2017 (\$100,000 earnest deposit)
 Rezoning Efforts: 4Q 2017
 PUC Approval: 4Q 2017
 Close Escrow: 1Q 2018

Milestone	2017			2018									2019														
	4Q			1Q			2Q			3Q			4Q			1Q			2Q			3Q			4Q		
	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Land Acquisition & Rezoning																											
IPP RFP Qualification Period																											
IPP RFP Technical Period																											
Approval of IPP Award																											
Construction Period																											through 2021 >>

It was mentioned that it would be a good idea to make a similar presentation the Senator’s Ada and Nelson so that they are updated on the status of this project.

Comm. Santos asked about the adjacent property – who the owners are and have they been advised of the plans for the property in question and the possibility of any opposition. AGMA Limtiaco responded that the neighboring land owners have all responded to GPA’s initial Statement of Interest so yes they are aware of GPA’s plans for the property and does not believe that they have any objections.

Comm. Guthertz moved the approve Resolution 2017-42; Comm. Santos seconded.

In further discussion Comm. Guthertz commended staff for all the work that has gone into this process and said it is exciting to know that we have had some responses to request for land. She asked about topography of the land and the GM said it was flat. She asked the GM if he anticipated any significant opposition to this project. The GM responded that he believes it is in the community’s best interest and relative to opposition, he really does not know. He added that in terms of evaluating the benefits and impact, this particular property is ideal. This plant is clean burning and not anything like the RFO plants we are currently operating at Cabras. As part of the military buildup, DoD has put their entire infrastructure underground so our location will make for a complete circle.

Comm. Guthertz asked how the land value determined. The GM responded that GPA had one appraisal and the land owners had another. Negotiations then followed to reach a mutually acceptable figure by all. It was mentioned that the plant will not be big - it will be comprised of one main plant and several smaller units.

Comm. Duenas said it would be good to have a rendering or some kind of sketch to show how the plant will fit within the land space and to develop a map with adjacent property zoning.

Comm. Santos said he wants to make sure GPA does its due diligence to make sure that we do everything within the law and more importantly to make sure the general public knows why it is important for GPA and the community to build this new plant.

Comm. Duenas said what is nice is that this property is adjacent to the current pipeline because GPA does not need to build another pipeline to bring the fuel up to this site. GM Benavente added saying the other advantage is the transmission lines across the mountains from Cabras to the north is no longer going to be needed. Those lines will eventually be taken down.

Comm. Guthertz asked management to be sure that with planning and design of the plant, to try to make this a green environment for the community - make it attractive to the public and not an eyesore.

On the motion – the vote was (3) ayes (2) absent and Resolution 2017-42 passed.

4. ANNOUNCEMENTS

4.1 Next CCU Meetings

The chairman reminded everyone that the next CCU meeting would be a work session for GWA on Oct. 17, GPA on Oct. 19 and the CCU meeting on Oct. 20.

5. ADJOURNMENT

There was no further business to bring before the Commission and the meeting was adjourned at 4:54 p.m.

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Attested:



JOSEPH T. DUENAS, Chairman



J. GEORGE BAMBA, Secretary