



**RESOLUTION NO. 2017-15**

**AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY TO PROCEED WITH THE  
PROCUREMENT OF ADDITIONAL ULTRA LOW SULFUR DIESEL (ULSD) PRODUCT  
TO BE SUPPLIED AND DELIVERED BY IP&E GUAM, INC.**

**WHEREAS**, the Guam Power Authority, through Resolution 2014-37 has awarded the supply of ULSD for Northern CT Plants, TEMES CT Plant, Cabras Plant, MDI Plant and Talofofu Plant to Mobil Oil Guam, Inc; and

**WHEREAS**, the contracted quantities of about 3.3M gallons for FY-2017 have been exceeded; and

**WHEREAS**, Mobil continue to supply ULSD to GPA, but with a limited allocation of about 42,000 bbl per month, or higher, if excess volume is available; and

**WHEREAS**, GPA currently stores about 40,000 bbls of ULSD at the leased tank at the Tristar facility as contingency inventory in the event of sudden spikes in demand due to unforeseen forced outages; and

**WHEREAS**, on a worse-case scenario, the estimated ULSD consumption can increase up to 4,700 barrels per day; and

**WHEREAS**, the current contingency inventory will only be good for about 8 days; and

**WHEREAS**, during the month of April 2017, in addition to the scheduled overhaul of MEC Unit 8, forced outages to the Cabras 1&2 power plants for a combined outage of about 15 days increased the ULSD consumption to about 4,700 per day; and

**WHEREAS**, Mobil allocation of 42,000 barrels for the month of April 2017 to GPA have been consumed and does not have excess supply for GPA; and

**WHEREAS**, GPA was forced to utilize the contingency inventory at the leased tank at Tristar facility; and

**WHEREAS**, the remaining contingency inventory in the leased storage at the Tristar Terminals will not be sufficient for the period from May up to the arrival of Mobil's ULSD shipment in June 08, 2017; and

32           **WHEREAS**, GPA intend to increase the contingency inventory to 15 days to ensure the reliability  
33 of ULSD supply to the power plants in the event of sudden spikes in demand due to unforeseen and  
34 prolonged forced outages; and

35           **WHEREAS**, the 15-day contingency inventory will require about 80,000 to 90,000 bbls of  
36 additional ULSD product; and

37           **WHEREAS**, GPA would need about 80,000 to 90,000 bbls of additional ULSD product to cover the  
38 contingency requirements for May 2017; and

39           **WHEREAS**, the remaining inventory from Mobil will only supply GPA until May 19, 2017; and

40           **WHEREAS**, about 45,000 bbls of additional ULSD product is readily available for immediate supply  
41 and delivery by IP&E Guam to other GPA sites in addition to the Tenjo Vista plant. However, it is  
42 anticipated that it will be consumed by May 29, 2017; and

43           Whereas IP&E have also agreed to supply an additional 60,000 bbls of ULSD to for shipment to  
44 GPA before May 29,2017 to cover the immediate need for additional ULSD supply for the period from  
45 May 29 thru June 8, 2017; and

46           **WHEREAS**, the service fee offer for the supply and delivery of the additional ULSD product from  
47 IP&E shall be \$0.17 gallon; and

48           **WHEREAS**, GPA has determined the IP&E offer to be fair and reasonable; and

49           **WHEREAS**, the total estimated cost for about 105,000 bbls of ULSD that will be supplied by IP&E  
50 is about \$8,000,000; and

51           **WHEREAS**, additional ULSD product is necessary to help ensure that GPA ULSD Fuel supply is  
52 continuous and uninterrupted in the event of sudden spikes in demand due to extended forced outages  
53 to the baseload plants; and

54           **WHEREAS**, GPA is seeking the approval of the CCU to procure the additional ULSD product to be  
55 supplied and delivered by IP&E Guam until the expiration of the current contract in December 31, 2017.

56

57           **NOW, THEREFORE, BE IT RESOLVED**, by the CONSOLIDATED COMMISSION ON UTILITIES subject  
58 to the review and approval of the Public Utilities Commission as follows:

59

60           1.       The General Manager is authorized to proceed with the procurement of additional ULSD  
61                   product to be supplied and delivered by IP&E Guam in an amount up to and including  
62                   \$8,000,000.00.

63

63 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the Commission  
64 attests the adoption of this Resolution.

65 **SECRETARY'S CERTIFICATE**

66

67 **I, J. GEORGE BAMBA**, Secretary, Consolidated Commission on Utilities hereby certify as  
68 follows:

69 The foregoing is a full, true and correct copy of a resolution duly adopted via POLL VOTE  
70 of the members of Guam's Consolidated Commission on Utilities, initiated on 5/18/17 for PK  
71 which all members were attempted to be contacted.

72 Via said poll vote, said resolution was adopted by the following vote:

73

74 Ayes: 4

75 Nays: 0

76 Abstained: 1

77  
78 No response: 0

79  
80  
81

82 Said original resolution has not been amended, modified, or rescinded since the date of  
83 its adoption, and the same is now in full force and effect.

84

85 **SO CERTIFIED** this 23 day of May, 2017.

86

87 JATLO

88 **JOSEPH DUENAS**

89 **Chairman, CCU**

90

J. George Bamba  
**J. GEORGE BAMBA**

Secretary, Consolidated Commission on Utilities



**CONSOLIDATED COMMISSION ON UTILITIES**

Guam Power Authority | Guam Waterworks Authority

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

May 19, 2017



**MEMORANDUM**

**TO:** Members, Consolidated Commission on Utilities

**FROM:** Recording Secretary

**SUBJECT: REPORT OF POLL VOTES FOR RESOLUTION 2017-15  
AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY TO PROCEED WITH THE PROCUREMENT OF  
ADDITIONAL ULTRA LOW SULFUR DIESEL (ULSD) PRODUCT  
TO BE SUPPLIED AND DELIVERED BY IP&E GUAM, INC.**

This is to certify that a POLL VOTE was conducted via email on MAY 18, 2017 relative to above subject matter. I attest that the vote below is true and correct and submit email/s dated May 18 & 19, 2017 as support document for this poll vote.

Commissioner	Y/N	Initials	Time/Date	Vote Rec'd Via
Francis Santos	Yes		5/18/17 1:07 p.m.	Email
Judi Guthertz	Yes		5/18/17 1:06 p.m.	Email
Joey Duenas	Yes		5/18/17 3:39 p.m.	Email
George Bamba	Abstained		5/18/17 3:41	Email
Simon Sanchez	Yes		5/19/17 2:05 p.m.	Email

Attested by:   
B. Lou Sablan, CCU Recording Secretary

Concurred by:  
John Benavente, GPA GM

**Bernadette Lou Sablan**

---

**From:** Chilang F Unpingco  
**Sent:** Thursday, May 18, 2017 3:29 PM  
**To:** Bernadette Lou Sablan  
**Subject:** FW: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION  
**Attachments:** image001.jpg

Ms Lou - see emails below...

Cecilia (CHILANG) Fejeran-Unpingco  
Administrative Officer  
General Manager's Executive Office  
GUAM POWER AUTHORITY  
Tel: (671) 648-3228  
Fax: (671) 648-3290

\*\*\*\*\*

-----Original Message-----

From: Kelly Clark [<mailto:koclark@guamwaterworks.org>]  
Sent: Thursday, May 18, 2017 1:29 PM  
To: Joyce N Sayama; Chilang F Unpingco  
Subject: FW: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION

Put respetu,  
Kelly O. Clark  
General Counsel  
Guam Waterworks Authority  
Gloria B. Nelson Public Service Building  
688 Route 15  
Mangilao, Guam 96913  
Telephone No.: (671) 300-6853 cell: 671-480-4224 E-mail address: [koclark@guamwaterworks.org](mailto:koclark@guamwaterworks.org)  
\*\*\*\*\*

-----Original Message-----

From: Francis Santos (CCU Member) [<mailto:Francis.Santos@gpagwa.com>]  
Sent: Thursday, May 18, 2017 1:07 PM  
To: Kelly Clark <[koclark@guamwaterworks.org](mailto:koclark@guamwaterworks.org)>  
Subject: Re: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION

As requested, this email will serve as my approval.

Sent from my iPad

> On May 18, 2017, at 11:13 AM, Kelly Clark <[koclark@guamwaterworks.org](mailto:koclark@guamwaterworks.org)>  
wrote:  
>  
> Hafa Adai, Commissioners



sent free of any virus or other defect that might affect any computer system into which it is received and opened. It is, however, the recipient's responsibility to ensure that the e-mail transmission and any attachments are virus free, and the sender accepts no responsibility for any damage that may in any way arise from their use.

**From:** Judith Guthertz [<mailto:judithguthertz@gmail.com>]

**Sent:** Thursday, May 18, 2017 1:06 PM

**To:** Kelly Clark <[koclark@guamwaterworks.org](mailto:koclark@guamwaterworks.org)>

**Subject:** Re: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION

Yes I am in favor. Judith Guthertz

\*\*\*PLEASE UPDATE YOUR ADDRESS BOOK AS I HAVE CHANGED MY EMAIL ADDRESS TO: [judithguthertz@gmail.com](mailto:judithguthertz@gmail.com)  
\*\*\*\*

On May 18, 2017, at 11:13 AM, Kelly Clark <[koclark@guamwaterworks.org](mailto:koclark@guamwaterworks.org)> wrote:

Hafa Adai, Commissioners

As acting GC for GPA this week, I am sending this matter out for a poll vote on a resolution to deal with an emergency situation that has arisen regarding diesel fuel inventories. As you will see from reading the justification and resolution, the primary supplier of Ultra Low Sulfur Diesel to GPA is unable to supply critical inventories under their contract. In fact, that vendor may run out of inventory as soon as tomorrow. GPA has arranged with another vendor to supplement that inventory through an existing contract we have with them. Should the poll voting result in the authorization requested, that vote can be ratified at the next CCU meeting scheduled for next week.

Thank you for your attention to this matter. As always, should you have any questions, please feel free to contact me at any time.

Respectfully,

Kelly

<image001.jpg>

Put respetu,

*Kelly O. Clark  
General Counsel  
Guam Waterworks Authority  
Gloria B. Nelson Public Service Building  
688 Route 15  
Mangilao, Guam 96913  
Telephone No.: (671) 300-6853 cell: 671-480-4224  
E-mail address: [koclark@guamwaterworks.org](mailto:koclark@guamwaterworks.org)*

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## Bernadette Lou Sablan

---

**From:** J. George Bamba <georgebamba@hotmail.com>  
**Sent:** Thursday, May 18, 2017 3:41 PM  
**To:** Kelly Clark; Joseph Duenas  
**Cc:** John J.E.. Kim; Melinda R Camacho; CCU Board Members; Francis Santos; judiguthertz@pticom.com; George Bamba; John M Benavente; Joyce N Sayama; Judith Guthertz; gdcmgr@ite.net; Joseph T. Duenas; John J Cruz, Jr.; Bernadette Lou Sablan  
**Subject:** Re: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION

I abstain. Thanks for your understanding.  
Blessings,  
George

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---

**From:** Joseph Duenas <jtduenas@hotmail.com>  
**Sent:** Thursday, May 18, 2017 3:39:15 PM  
**To:** Kelly Clark  
**Cc:** jtduenas@gpagwa.com; Francis Santos; George Bamba; Judith Guthertz; judiguthertz@pticom.com; gdcmgr@ite.net; CCU@gpagwa.com; Joyce N Sayama; John M Benavente; Bernadette Lou Sablan; John J.E.. Kim; Melinda R Camacho; John J Cruz, Jr.  
**Subject:** Re: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION

Kelly,

I vote yes. Thank you.

Joey

Sent from my iPad

> On May 18, 2017, at 11:13 AM, Kelly Clark <koclark@guamwaterworks.org> wrote:

>  
> Hafa Adai, Commissioners  
>  
> As acting GC for GPA this week, I am sending this matter out for a poll vote on a resolution to deal with an emergency situation that has arisen regarding diesel fuel inventories. As you will see from reading the justification and resolution, the primary supplier of Ultra Low Sulfur Diesel to GPA is unable to supply critical inventories under their contract. In fact, that vendor may run out of inventory as soon as tomorrow. GPA has arranged with another vendor to supplement that inventory through an existing contract we have with them. Should the poll voting result in the authorization requested, that vote can be ratified at the next CCU meeting scheduled for next week.  
>  
> Thank you for your attention to this matter. As always, should you have any questions, please feel free to contact me at any time.  
>  
> Respectfully,  
>  
> Kelly  
>  
> [cid:image003.jpg@01CE10DC.DBC01050]  
> Put respetu,  
> Kelly O. Clark  
> General Counsel

## Bernadette Lou Sablan

---

**From:** Simon Sanchez <gdcmgr@guamdrycleaners.com>  
**Sent:** Friday, May 19, 2017 2:05 PM  
**To:** Bernadette Lou Sablan  
**Cc:** Beatrice P. Limtiaco; Joyce N Sayama; CCU Board Members; John M Benavente; Kelly Clark; John J.E.. Kim; Melinda R Camacho; John J Cruz, Jr.  
**Subject:** Re: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION

I also vote yes

Simon says

> On May 18, 2017, at 10:24 PM, Bernadette Lou Sablan <[l.sablan@gpagwa.com](mailto:l.sablan@gpagwa.com)> wrote:  
>  
> Hi Tricee,  
>  
> Attached is the POLL VOTE report to date for Resolution 2017-15 that was sent to the CCU, JohnB and Kelly Clark, John Kim, Melinda& John Cruz yesterday at 4:12 p.m. We have enough votes to move forward.  
> I will have the report signed as concurred by JohnB and initialed by the CCU who voted at our meeting next Tuesday when the resolution is ratified.  
>  
> Best,  
> Lou  
>  
> -----Original Message-----  
> From: Joyce N Sayama  
> Sent: Friday, May 19, 2017 7:12 AM  
> To: Bernadette Lou Sablan  
> Subject: Re: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR  
> ULSD CONTRACT AND RESOLUTION  
>  
> Auntie lou,  
>  
> Tricee is requesting for results of the poll vote for procurement and their files. What is given for them to proceed?  
>  
> Sent from Joyce iPhone  
>  
>> On May 18, 2017, at 4:12 PM, Bernadette Lou Sablan <[l.sablan@gpagwa.com](mailto:l.sablan@gpagwa.com)> wrote:  
>>  
>> Hi Kelly,  
>>  
>> Confirming that Poll Vote results are 3 yes / 1 abstained thus far. Attached is official vote tally to date which will be included as support to the resolution upon ratification on May 23.  
>>  
>> Best,  
>> Lou  
>>



## Bernadette Lou Sablan

---

**From:** Kelly Clark <koclark@guamwaterworks.org>  
**Sent:** Thursday, May 18, 2017 11:14 AM  
**To:** Joseph T. Duenas; Francis Santos; George Bamba; Judith Guthertz; judiguthertz@pticom.com; gdcmgr@ite.net; CCU Board Members  
**Cc:** Joyce N Sayama; John M Benavente; Bernadette Lou Sablan; John J.E.. Kim; Melinda R Camacho; John J Cruz, Jr.  
**Subject:** FW: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION  
**Attachments:** image001.jpg; GPA\_ip&e amendment.docx; GPA-029-14 (IPE Holdings) - SIGNED CONTRACT.PDF; Resolution\_Addl ULSD from IPE (w Poll Vote Certification).docx; jb ULSD Inventort Increase 5-18-17.pdf  
**Importance:** High

Hafa Adai, Commissioners

As acting GC for GPA this week, I am sending this matter out for a poll vote on a resolution to deal with an emergency situation that has arisen regarding diesel fuel inventories. As you will see from reading the justification and resolution, the primary supplier of Ultra Low Sulfur Diesel to GPA is unable to supply critical inventories under their contract. In fact, that vendor may run out of inventory as soon as tomorrow. GPA has arranged with another vendor to supplement that inventory through an existing contract we have with them. Should the poll voting result in the authorization requested, that vote can be ratified at the next CCU meeting scheduled for next week.

Thank you for your attention to this matter. As always, should you have any questions, please feel free to contact me at any time.

Respectfully,

Kelly



Put respetu,

*Kelly O. Clark*  
*General Counsel*  
*Guam Waterworks Authority*  
*Gloria B. Nelson Public Service Building*  
*688 Route 15*  
*Mangilao, Guam 96913*  
*Telephone No.: (671) 300-6853 cell: 671-480-4224*  
*E-mail address: [koclark@guamwaterworks.org](mailto:koclark@guamwaterworks.org)*

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