



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

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

Regular Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., January 23, 2018

MINUTES

1. CALL TO ORDER

The Chairman called the regular meeting of January 23, 2018 to order at 4:40 p.m. He announced that all five (5) Commissioners were present & the quorum is met.

Those present included:

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis Santos	CCU Vice Chairman
George Bamba	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	CCU Member

Executive Mgmt.:

John Benavente	GM / GPA
Miguel Bordallo	GM / GWA
Melinda Mafnas	GM (A) / GPA
John Cruz	AGMET / GPA
Tricee Limtiaco	AGMA / GPA
John Kim	CFO / GPA
Greg Cruz	CFO / GWA
Graham Botha	Staff Attorney / GPA
Kelly Clark	Staff Attorney / GWA

Management & Staff:

Paul Kemp	AGM Compliance&Safety / GWA
Lisa San Agustin	Utility Services Admin / GWA
Zina Charfaurous	Personnel Admin / GWA
Karen Grape	GWA
Vincent Pangelinan	GWA
Dave Fletcher	Waste Water Operations / GWA
Ron Topasna	GWA
Vangie Lujan	Compliance & Safety / GWA
Joyce Sayama	Mgmt. Analyst / GPA Ex. Office
Lou Sablan	Board Secretary / CCU

Guest:

Charlene Calvo	IP&E
Bill Gilman	Brown & Caldwell
John Riez	Brown & Caldwell
Annmarie Muna	AM Insurance
Angela Perez	AM Insurance
Juhyang Kim	Hanwha

2. APPROVAL OF MINUTES

The Minutes of December 7, 2017 was presented for approval.

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

3. COMMUNICATIONS

3.1 Public Comments (2 min. per person)

Ms. Sandra Pablo - GWA granted a claim due to raw sewage damage to her home. She shared timetable and seeking continued lodging and storage for her household. GM Bordallo recently sent letter her a letter stopping any further lodging expenses. Chairman said they would talk to management and get back to Ms. Pablo. She thanked he Commission for their time.

4. NEW BUSINESS

4.1 GPA

4.1.1 GM Report Update

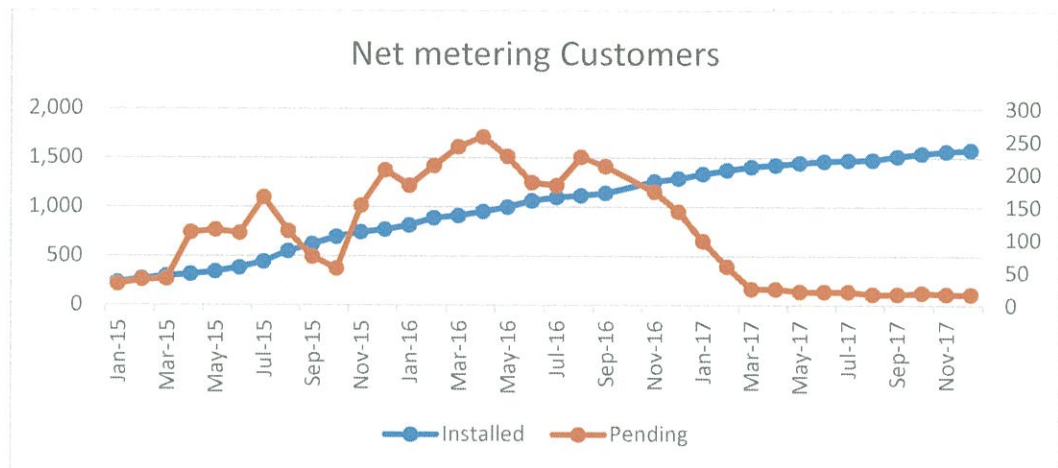
Discussion on the GM report was deferred but a copy was submitted – please see below.

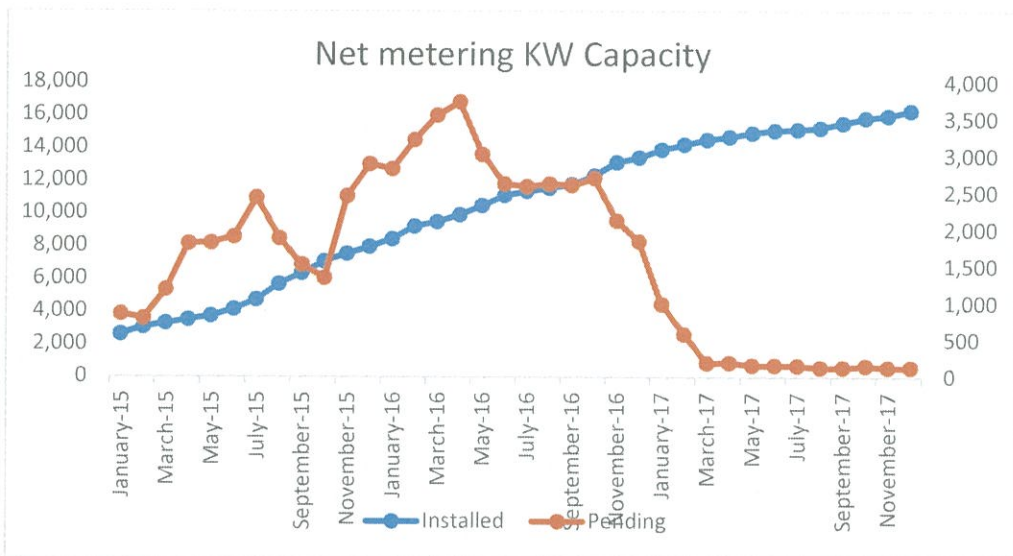
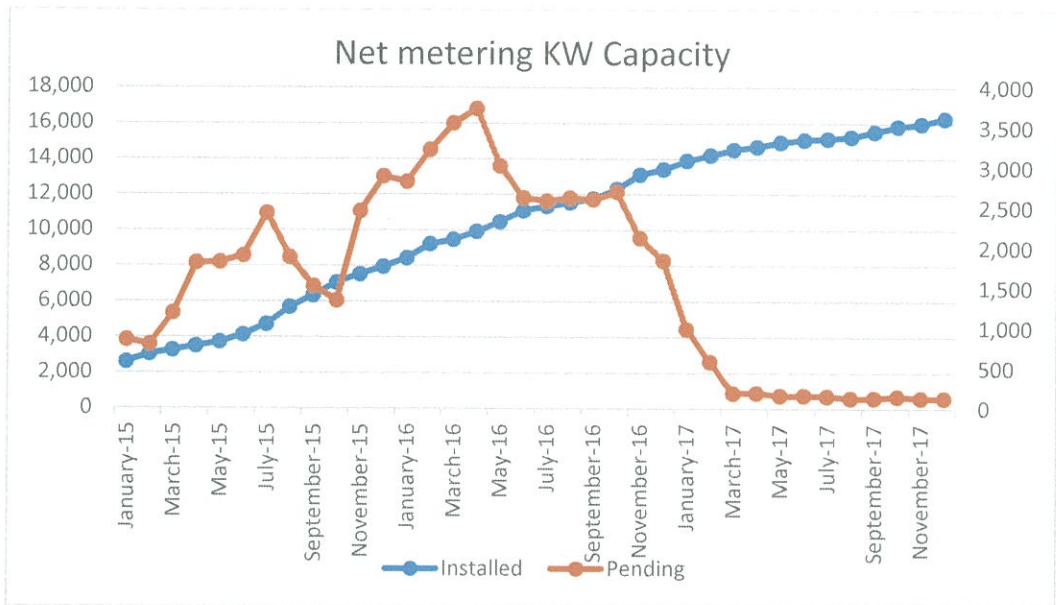
1. Generation System Update:

- The following summarizes the expected situation for January 2018. The peak demand in January 2018 has been 240MW compared to the highest peak demand in January 2017 of 232MW. This increase seems to indicate the system peak demand and therefore its energy sales will continue to increase in 2018.
 - **January 2018 Capacity Available:** **384 MW**
 - **January 2018 Projected Demand** **242 MW**
 - **Available Reserve Margin** **142 MW**
 - **Two Largest Units Capacity** **117 MW**
 - **Reserve Less 2 largest units** **25 MW**

Summary of System Generating Capacity With No New Baseload:					With New 180MW
Description	FY 2015	FY2017	FY2018	FY2021	FY2022
Baseload MW Capacity	299	208	208	208	268
Emergency/Standby Capacity	120	200	200	200	200
Total MW Capacity	419	408	408	408	468
Peak MW Demand	249	261	266	283	283
Reserve Margin	170	147	142	125	185
Total Two Largest Units	132	120	120	120	88
Reserve Less Two Largest Units	38	27	22	5	97
% Baseload Capacity	71.4%	51.0%	51.0%	51.0%	57.3%
% Energy from Baseload	98.0%	80.0%	62.2%	62.2%	72.6%
% Energy from Renewables	0.0%	3.5%	3.5%	26.4%	26.4%
% Energy from Emergency/Peaker	2.0%	16.5%	16.5%	11.4%	1.0%

This table is provided to show that without a new power plant, GPA will not be able to meet load growth by 2022. Furthermore, as shown, because we lack adequate base load capacity, GPA's fuel related cost to provide additional energy to new customers will continue to drive its total energy cost higher because energy production would come from costlier less efficient standby units. The lack of new units which could work with intermittent renewables will result in limited solar PV additions into the grid thereby limiting cost saving opportunities.





Estimated Net Metering Impact FY2009 to FY2017:

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	\$2,200,795
FY2017	\$2,828,835
Total:	\$6,603,596

The continued growth in sales from non-net metering customers has mitigated revenue decline due to net metering customers

2. Renewable Energy Production Summary Thru December 2017:

Energy Production Source:	Kwh Production	Oil Barrels Avoided	Fuel Cost Avoided
NRG Total Production beginning Oct 2015	107,114,628	179,097	\$9,850,362
Net Metering Estimated Production beginning Jan 2015	50,302,831	84,107	\$4,625,896
Wind Power Production beginning Jan 2016	790,121	1,321	\$72,660
Renewables Total:	158,207,580	264,526	\$14,548,918
System Heat Rate Kwh/Gal	14.2		
System Fuel \$/Bbl	\$55.00		

3. Demand Side Management (DSM) Program Expenses Thru December 31, 2017:

All Expenses – Fiscal Year

Description	FY16	FY17	FY18 as of December '17	Total to Date
Regular/OT Pay	\$11,348.80	\$22,256.00	\$4,690.09	\$38,294.89
Other Contractual	\$28,278.50	\$73,010.05	0.0	\$101,288.55
Paid Rebates– Split AC	\$154,700.00	\$557,275.00	\$336,025.00	\$1,048,000.00
Paid Rebates– Central AC	\$3,400.00	\$8,200.00	\$800.00	\$12,400.00
Paid Rebates– Washer/Dryer	\$2,800.00	\$7,425.00	\$1,800.00	\$12,025.00
Total Expenses	200,527.30	\$668,166.05	\$343,315.09	\$1,212,008.44

3. **Phase II Renewables:** The OPA has upheld GPA’s decision for the award of 120MW of solar PV to KEPCO and Hanwha. A subsequent protest filed in the Superior Court of Guam was subsequently withdrawn. GPA can now proceed obtaining CCU and PUC approvals for the two 60 MW contracts. I ask the CCU and the PUC to expedite their awards in consideration of the substantial delays that have occurred. These two renewable contracts will provide substantial savings to the ratepayers through LEAC.
4. **Phase III Renewables Bid:** The bid has been issued. The bid request is for about 40MW of solar PV renewables to be constructed on Navy leased land. The energy produced would be stored in batteries during the day and released at nighttime to meet peak time load. The bid price opening date for acceptable proposals is set for April 17, 2018.
5. **USEPA Consent Decree:** We met with the USEPA Region 9 Acting Administrator on December 18th. The meeting was an opportunity for us to update the administrator on progress made towards compliance. Work continues towards a consent decree which may be completed within the next six months.

6. **2010 Bonds Re-financed:** The 2010 bonds were successfully re-financed in December and has resulted in an annual debt service payment reduction of \$501,236.00. We would like to thank everyone for their work in achieving the savings for our ratepayers. GPA would like to inform the Legislature of the intended use of the debt service reduction within 60 days after refinancing.

- Final Par Amount of Refunding Bonds: \$148,670,000
- Final Par Amount of Refunded Bonds: \$150,440,000 (i.e., all outstanding)
- Total Cash Flow Savings: \$11,528,439
- Average Annual Cash Flow Savings: \$501,236 (PUC minimum: \$300,000)
- Net Present Value Savings: \$7,777,917
- NPV Savings / Refunded Par Amount: 5.17% (Legislative minimum: 2%)
- All-In True Interest Cost: 4.12% (PUC maximum 4.32%)
- All thresholds required by the various approvals of the various agencies have been met.

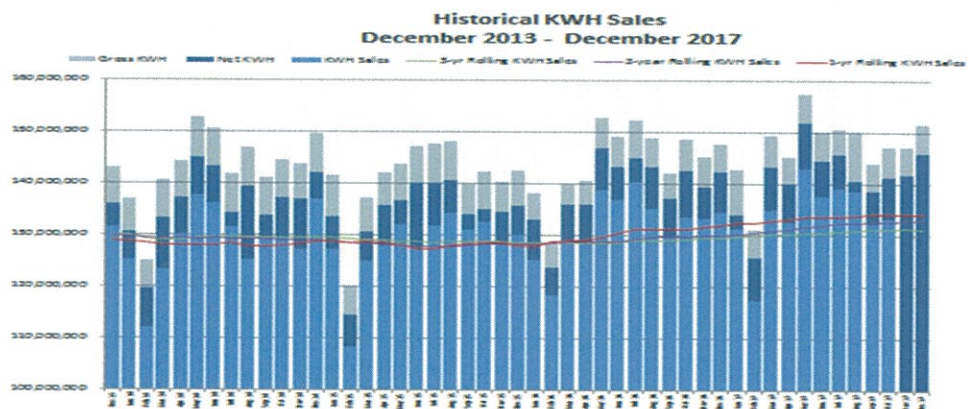
7. **January 2018 PUC Agenda:**

- GPA Docket, LEAC adjustment for February 2018 thru July 2018 period

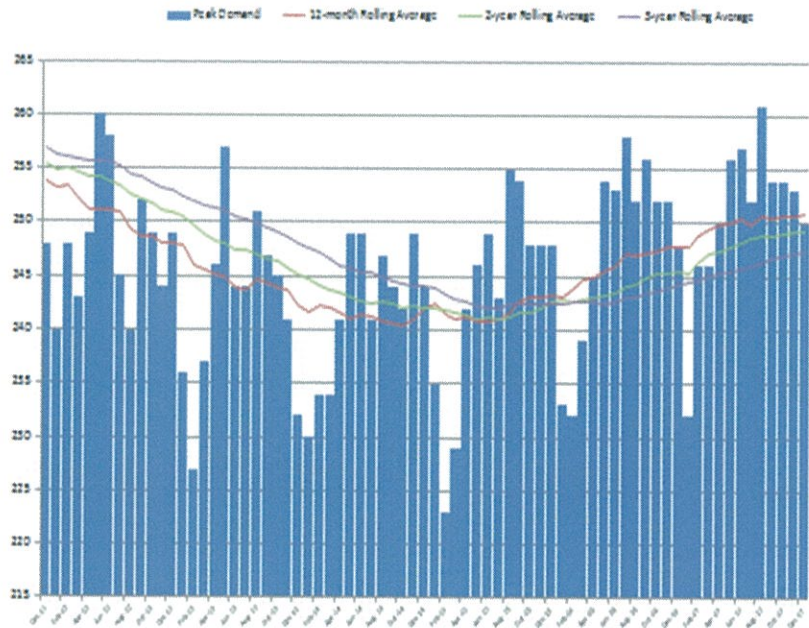
8. **New Power Plant Procurement:**

- a. GPA has issued the multi-step bid for the new power plant. GPA plans to have a short list of qualified bidders by early April. The successful short list will then be provided the technical specifications of the new plant for them to submit their proposal and price by this summer.
- b. The rezoning efforts for the land for the new power plant will continue. Senator Ada has introduced Bill-223-34 for this re-zoning which may have a public hearing at the end of January. GPA held a public meeting on January 5th at the Astumbo Senior Citizen Center and received some input from landowners in the vicinity of the proposed plant. The latest public meeting held was on January 17, 2018 at the Tamuning Senior Center. And just this morning we had a media briefing and Q& A, addressing our rezoning efforts for our proposed new 180 MW power plant.

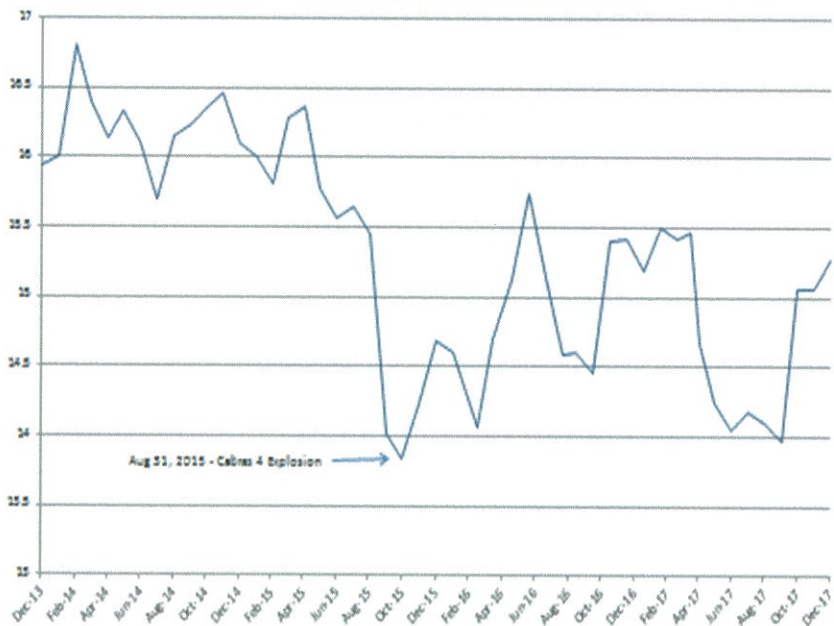
9. **Key Performance Indicators:** The following pages provide updated information thru December 2017.



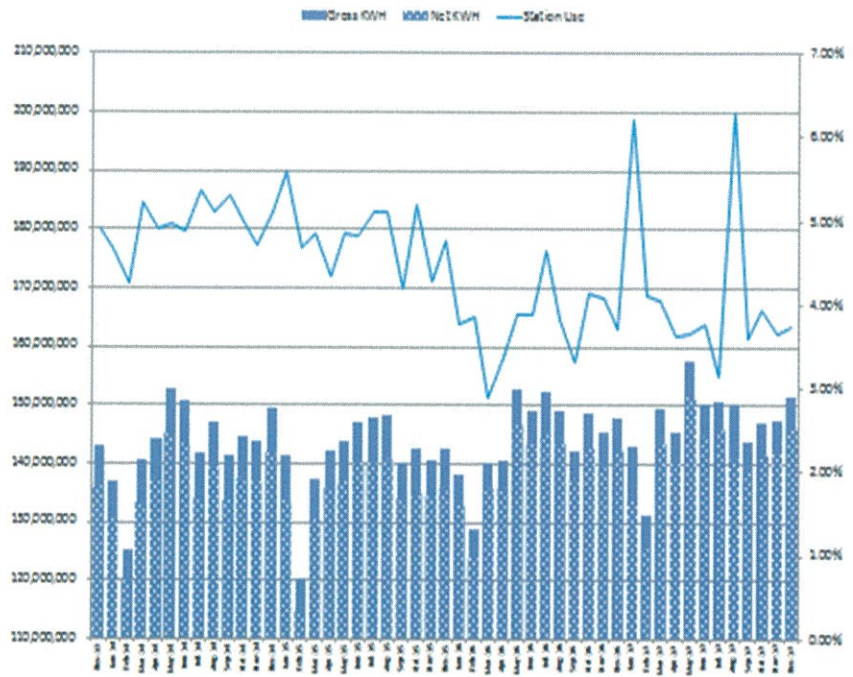
Historical Monthly Peak Demand December 2011 - December 2017



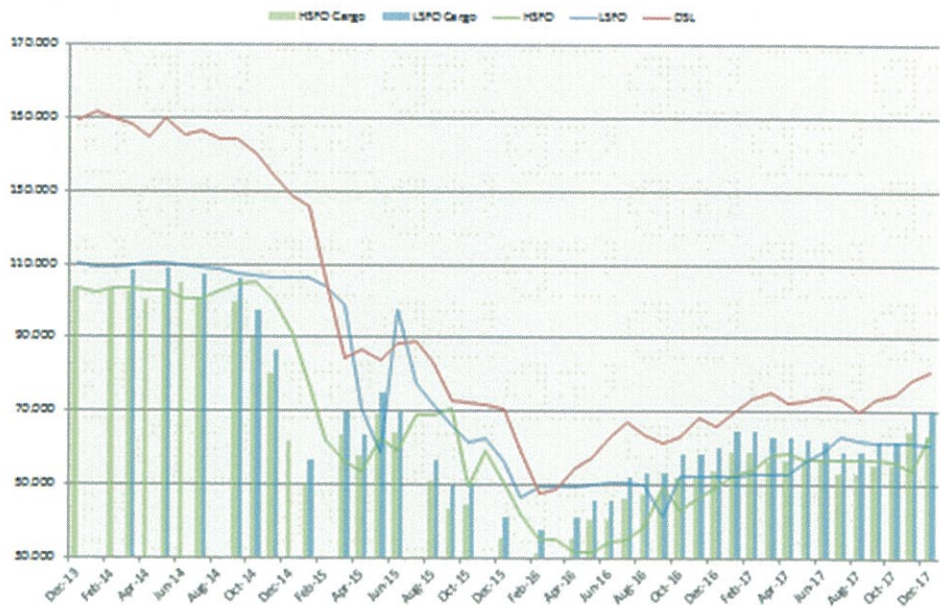
SYSTEM GROSS HEAT RATE (KWH/Gal) December 2013 - December 2017



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



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



4.1.2 Financials

The financial report was deferred.

4.1.3 Resolution 2018-01 Power Purchase Agreement Phase II Renewables

GPA initiated the Phase II renewable projects under the Renewable Portfolio Standards (RPS) as mandated by law. In January 2017 GPA obtained the price bids for 60MW of Renewable Energy Resource capacity with ESS for ramp control. KEPCO-LG CNS Mangilao Solar, LLC., is one of the two (2) lowest responsive bidders (Hanwha Energy Corporation is the other one) with having two proposals for 30MW solar PV projects totaling 60 MW of solar PV capacity with ESS for ramp control. Both solar projects are located in Sasaiyan, Mangilao and the funding source is LEAC. GPA and KEPCO-LG CNS Mangilao Solar, LLC have completed and agreed to commercial terms and conditions of the Power Purchase Agreements (PPA) with a 25-year term. Anticipated cost is noted below. GPA seeks approval to submit KEPCO-LG CNS Mangilao Solar, LLC’s PPA to the PUC for their approval. With this resolution GPA will achieve 20% renewable production by 2020.

Contract Year	Annual Price (\$/MWH)	Guaranteed Net Annual Generation (MWH/YR)	Annual Price (\$)	Contract Year	Annual Price (\$/MWH)	Guaranteed Net Annual Generation (MWH/YR)	Annual Price (\$)
1	85.50	74,542.29	6,373,301.30	16	99.26	68,788.84	6,828,106.93
2	86.35	73,974.68	6,388,018.45	17	100.25	68,601.94	6,877,649.88
3	87.22	73,604.26	6,419,591.74	18	101.26	68,048.01	6,890,337.29
4	88.09	73,233.84	6,451,157.70	19	102.27	67,677.59	6,921,358.30
5	88.97	73,058.88	6,500,102.43	20	103.29	67,307.18	6,952,310.69
6	89.86	72,493.01	6,514,254.33	21	104.33	67,116.29	7,001,919.62
7	90.76	72,122.59	6,545,778.20	22	105.37	66,566.34	7,013,991.65
8	91.67	71,752.18	6,577,281.12	23	106.42	66,195.92	7,044,711.02
9	92.58	71,573.23	6,626,486.53	24	107.49	65,825.51	7,075,343.38
10	93.51	71,011.34	6,640,209.75	25	108.56	65,630.64	7,124,941.98
11	94.44	70,640.93	6,671,628.12				
12	95.39	70,270.51	6,703,010.83				
13	96.34	70,087.58	6,752,417.40				
14	97.31	69,529.68	6,765,653.80				

Comm. Bamba motioned to approve Resolution 2018-01; Comm. Sanchez seconded. There was no further discussion or objection and the motion passed.

4.1.4 Resolution 2018-02 Bond Refinancing Savings Utilization

Guam Power Authority’s (GPA) Bond Refinancing Program will result in a 2018 to 2021 cumulative debt service reduction of \$1,482,326, a savings of \$501,236.00 per year, and as per Guam PL 34-69, Section 2(h), GPA must notify I Liheslatura within sixty (60) days of refinancing of its intent and plan regarding the savings achieved from refinancing. GPA desires to reserve these savings for the benefit of the community by making a strategic investment assisting the Guam Department of Education’s (GDOE) with its Legislative mandate for renewable energy.

GPA desires to ensure GDOE continues to contribute to the O&M and capital investments for the GPA Power System. GPA desires to act as an economic catalyst for the local renewable energy economy and the businesses it support. GPA proposes to use the Bond Refinancing Program savings towards installation, commissioning, and operations and maintenance of solar PV + energy storage systems on GDOE facility rooftops or parking areas. GPA will supplement the funding of this program with federal grants. The installed solar PV system energy production shall offset GDOE electricity billing on a kilowatt-hour generated for kilowatt-hour consumed basis at the LEAC rate. This proposed program benefits GDOE, GPA, renewable energy system providers, and Guam students and residents. GPA designates this proposed DSM program as the *Bringing Energy Savings to (BEST) Schools Program*.

After some discussion, it was decided to table this resolution and bring it back to the table at the CCU meeting in February. The CCU is leaning toward the DSM Program and DOE PV program.

4.1.5 Resolution 2018-03 Piti Substation 115kV GIS Major Maintenance

The purpose of this resolution is to perform an overdue detailed 12-year maintenance and inspection for the Piti 115KV Gas Insulated Switchgear (GIS). The maintenance work is necessary for compliance with the manufacturer’s recommendations. The insulating medium for the switchgear is SF6 gas, and under certain conditions such as breaker operations (trip/close), sulfuric acid may be produced which may lead to severe deterioration of internal parts.

The Piti 115 kV GIS is a critical substation interconnecting the MEC Plant Units 8 and 9 to the power grid and this maintenance service will cost \$2,507,300 – details below.

Basic Bid

A1	Mobilization / Demobilization	436,800
A2	GIS - Initial Testing, Assessing, and Reporting	381,000
A3	GIS - Inspection, Servicing, Replace, Maintenance, Gauge Calibration	1,061,000
A4	Reuse and Recycling of Removed SF6 Gas	21,000
A5	Crane Repair	13,000
A6	Training Course - Operation and Maintenance	72,000
A7	Final Testing, Commissioning, Reporting, and Re-Certification	212,000
	Total Basic Bid Cost	\$ 2,196,800

Additive Bid

B1	New SF6 Gas	39,000
B2	Disposal of Removed SF6 Gas	12,500
B3	GIS OEM Spare Parts, Consumables, and Special Tools	165,000
B5	New Fixed Cage Ladder and Landing Platform	94,000
	Total Additive Bid Cost	\$ 310,500

Total Bid Cost	\$ 2,507,300
Construction Management Cost/ T&D Support	\$ 130,000
Total Requested Cost	\$ 2,637,300

Time delivery to complete work is 10 months upon receipt of PO and the funding source is GPA’s 2014 Revenue Bond Funds. AYM International Inc., the only bidder, submitted quote for GPA’s consideration under Multi-Step Re-Bid Invitation No. GPA-027-17. The initial bid had no bidders and after review, the committee determined that AYM International was determined to be a technically qualified and responsive bidder.

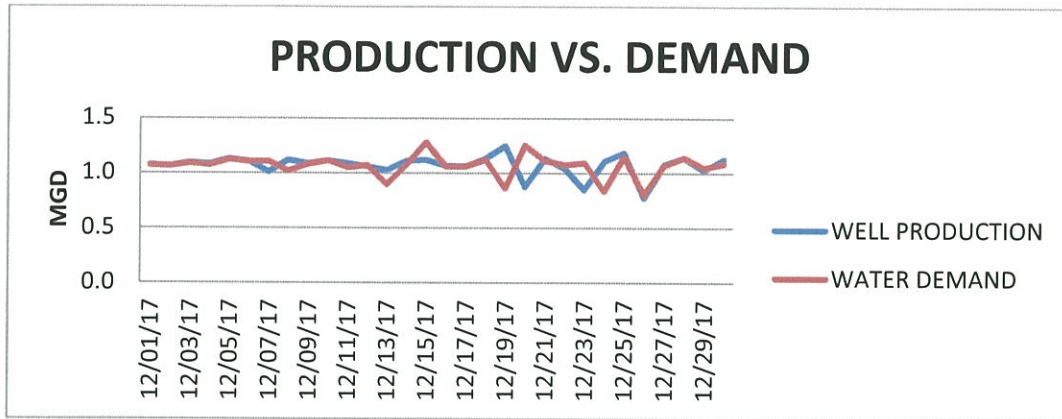
Comm. Bamba motioned to approve the resolution, seconded by Comm. Guthertz. There was no further discussion or objection and the motion passed.

4.2 GWA

4.2.1 GM Report Update

Monthly Production Summary - December 2017			
Deep Wells		35.7 MGD	
Active wells =	97	of 120	
Avg days in operation =	28.54	days	
Total Production =	1,107,166	Kgals	
Springs		0.00 MGD	
Avg days in operation =	0	days	*placed on standby
Total Production =	0	Kgals	
Ugum Surface Water Plant		2.1 MGD	
Avg days in operation =	31	days	
Total Production =	66,278	Kgals	*data pending
Tumon Maui Well		1.07 MGD	
Avg days in operation =	31	days	
Total Production =	33,141	Kgals	*data pending
		1,206,585	Kgals
		38.9 MGD	



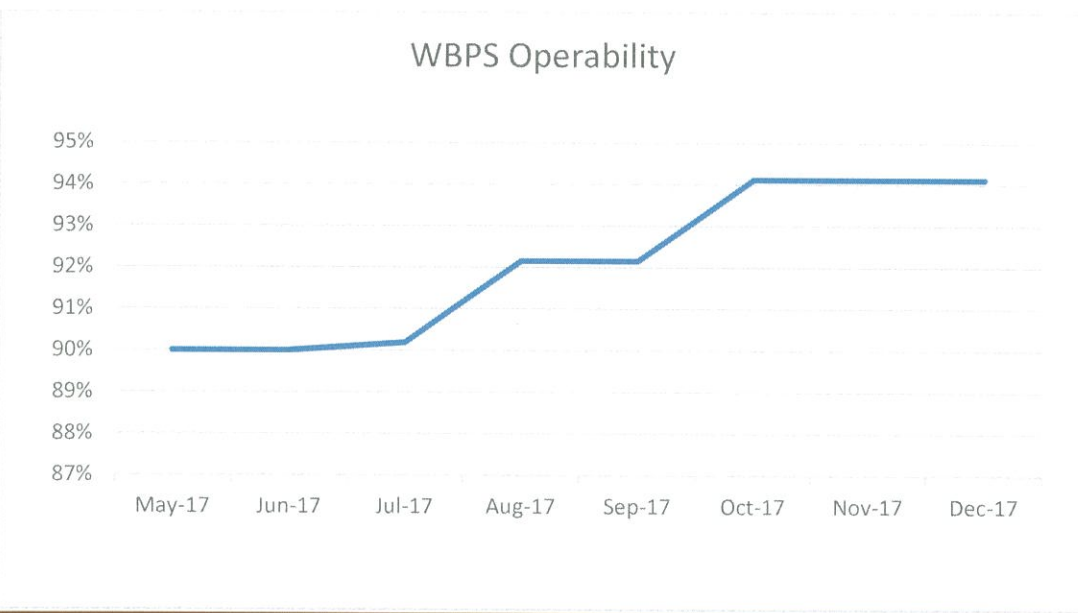


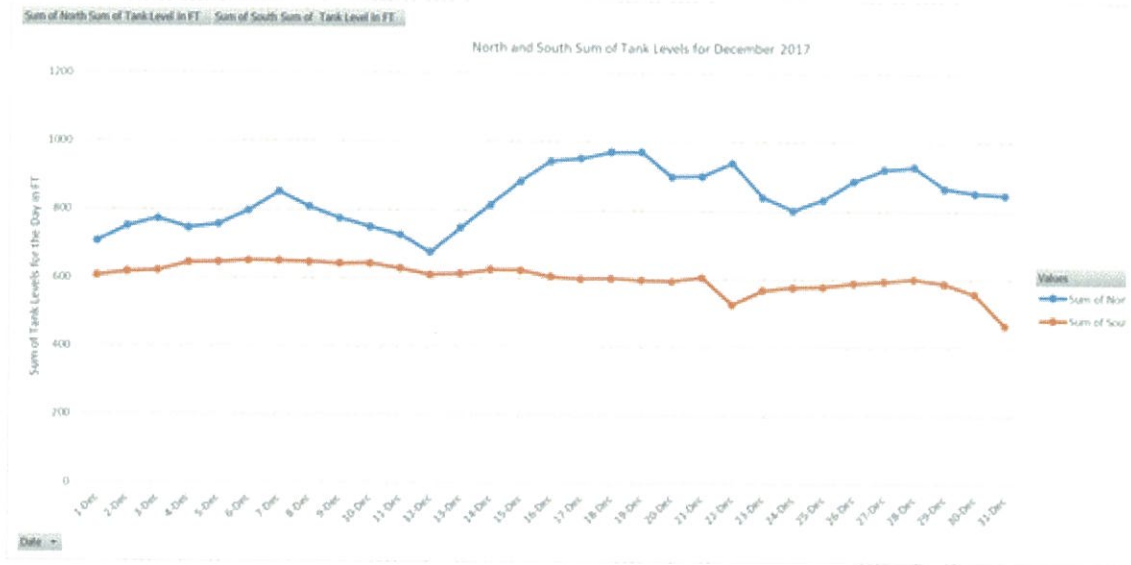
Distribution

Monthly Distribution Summary - December 2017

Water Booster Pump Stations

District	No. of Stations	Total Pumps	Pumps Operating	% Operational
Northern	11	21	20	95.2%
Central	7	15	13	86.7%
Southern	7	15	15	100.0%
	25	51	48	94.1%



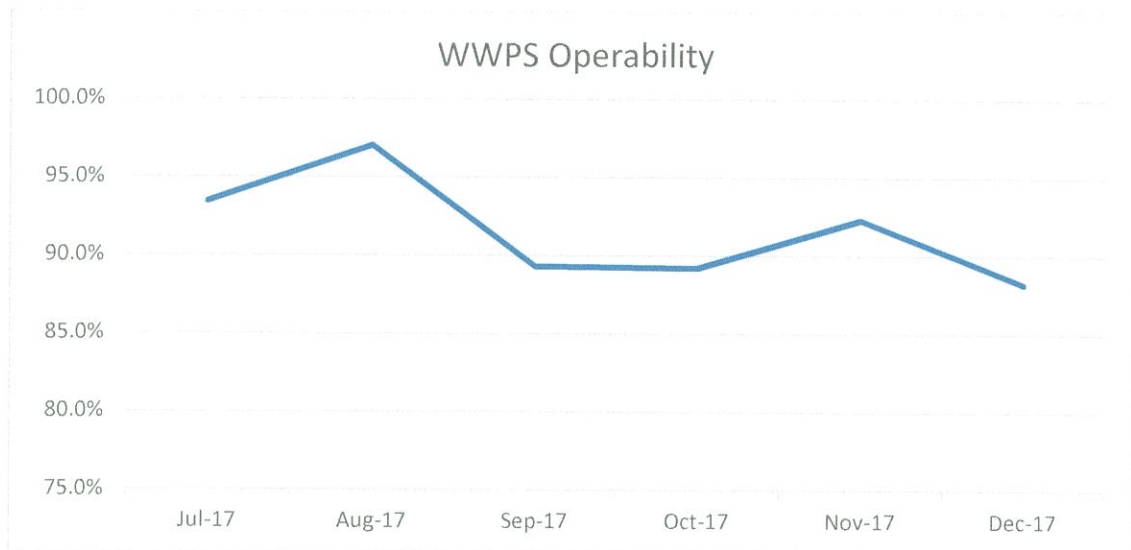


Wastewater Collections

Monthly Collections Summary -December 2017

Wastewater Pump Stations

District	No. of Stations	Total Pumps	Pumps Operating	% Operational
Northern	22	52	48	92.3%
Central	31	65	54	83.1%
Southern	25	52	47	90.4%
	78	169	149	88.2%



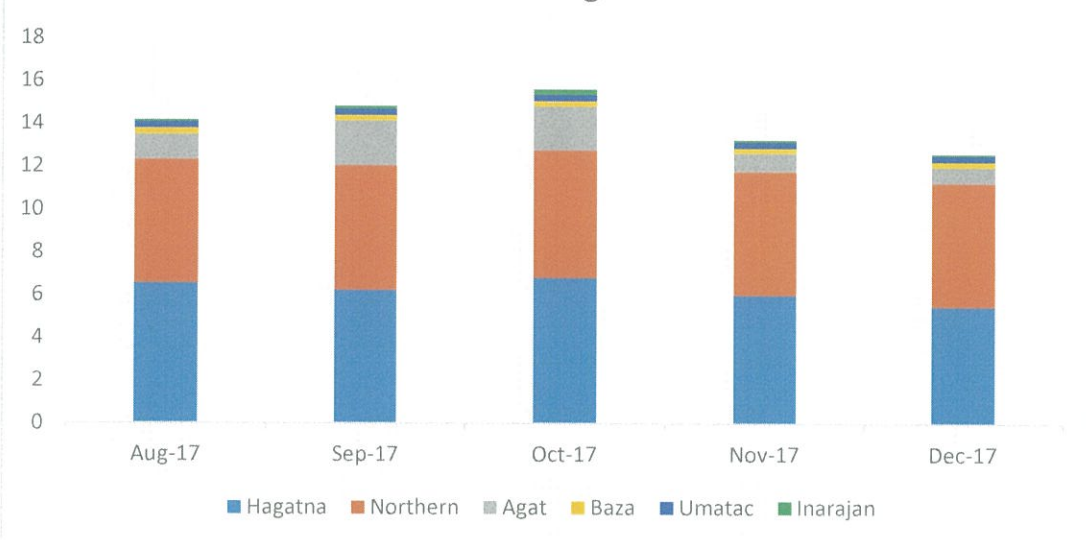
Wastewater Treatment

Monthly Wastewater Treatment Summary - December 2017

WW Treatment Plants - Flows

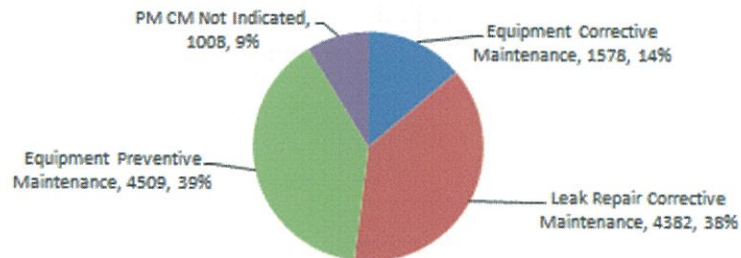
	Facility	Avg. Daily Flows	Sludge (lbs)	Sludge Disp. (\$)
	Hagatna	5.49	584,809	\$ 34,524
	Northern	5.79	810,960	\$ 71,000
	Agat	0.73		
	Baza	0.25		
	Umatac	0.30		
	Inarajan	0.06		
		12.62	1,395,769	\$ 105,524

WWTP Average Flows

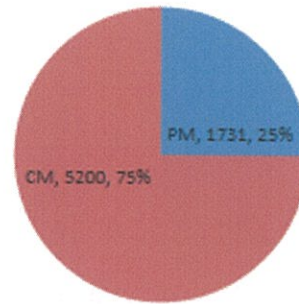


Asset Management

PM to CM Ratio as of December 31, 2017



PM to CM Work Order Completion Ratio as of December 31, 2017



Operational Issues

- GWA Employees have participated in Operator Certification training, and first ever computer-based certification testing has been conducted as a joint effort between GEPA, GWA, UoG and the Western Pacific Subsection of AWWA. Several GWA employees who passed their certification exams at the first testing event will receive certificates this Thursday.

Production & Distribution

- GAC Treatment Systems for wells affected by PFOS
 - NAS-1
 - Permanent modifications to NAS-1 GAC Treatment System pending – confirmed for summer break;
 - Replacement Carbon being ordered
 - A-23/A-25: Inspection of existing GAC vessels complete; planning on-going for removal, repair and relocation
 - GIAA System: GIAA advised to provide replacement GAC
- 2018 Pump/Motor order – pending release by CFO
- Valve Exercise Trailer – received, manufacturer training has been conducted.
- GWA Crane Repair – manufacturer technician completed repair assessment and diagnostics; parts on order, repairs pending.

Wastewater Collection & Treatment

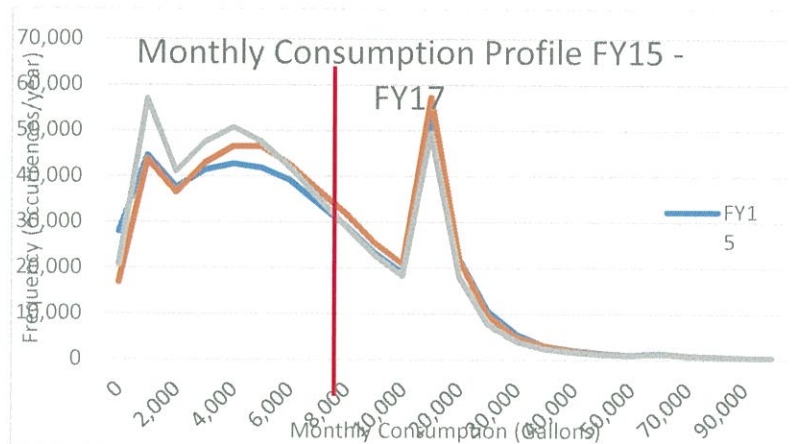
- After completion of the Asan/Adelup gravity sewer breaks, WW Collections crews worked extra shifts in December to catch up on sewer cleaning and CCTV inspections, exceeding December's target miles by 20%
- Sewer connection program – initial pilot program on-going
 - Field verification of established GWA connections vs. septic systems in sample population completed
 - Data validation and correction pending review
 - Program analysis and recommendations – future action
- FOG Program
 - Draft Program Manual Completed and submitted for USEPA Comments
- WW Treatment Operator Training Workshop Conducted this month

Meters

COMPLETED FIELD ACTIVITY JAN THRU DEC 2017 (POSTED IN CIS)													DEC 2017 COMPLETED FIELD ACTIVITIES (IN PROCESS) TO BE POSTED IN CIS		
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	TOTAL:		
GWA - Test Meter	30	9	9	371	745	87	393	743	1000	1007	434	378	5206		732
GWA - Meter Exchange	393	179	220	276	482	353	501	807	1526	1039	452	259	6487		299
GWA - Verify Zero Report	30	124	114	94	96	402	261	199	550	89	82	169	2210		763
GWA - Verify Low Usage	0	0	0	2	37	36	196	488	657	202	127	612	2357		61
TOTAL:	453	312	343	743	1360	878	1351	2237	3733	2337	1095	1418	16260		1855
# OF METERS TESTED AS PER METER TEST FACILITY REPORTS:	345	350	144	252	305	210	302	397	1013	1130	927	704	6079		
# OF BACKBILLINGS APPLIED AS PER FINANCE REPORTS:	0	0	0	20	122	84	29	111	219	80	77	4	746		\$ 498,982.91
# OF FIELD CREW PERFORMING CHANGE OUTS:	19	10	13	9	21	21	14	24	35	28	28*	28*			
# OF ADMIN STAFF TO CREATE AND POST FIELD ACTIVITIES IN CIS:	7	4	5	6	9	9	10	13	15	15	13	13			
# OF SUPPLY STAFF TO ISSUE MATERIALS AND PROGRAM NEW METERS:	2	2	2	2	2	2	2	2	2	2	2	2			
# OF TEST FACILITY PERSONNEL TESTING METERS:	2	2	2	3	3	3	3	3	3	3	3	3			
# OF ACCOUNTANTS CALCULATING BACK BILLS:	0	0	0	2	3	2	2	3	3	2	2	2			
TOTAL:	30	18	22	22	38	37	31	45	58	50	48	48			

Based on preliminary analysis of all data available to date:

Monthly Average	
541	Meter Changeouts
184	Field Verify Zero Reports
196	Field Verify Low Reports
75	Accts Backbilled (First 2 mos excl)
374	Additional NC/LC Accounts ID'd



Marbo (Andy-South) Wells – Status

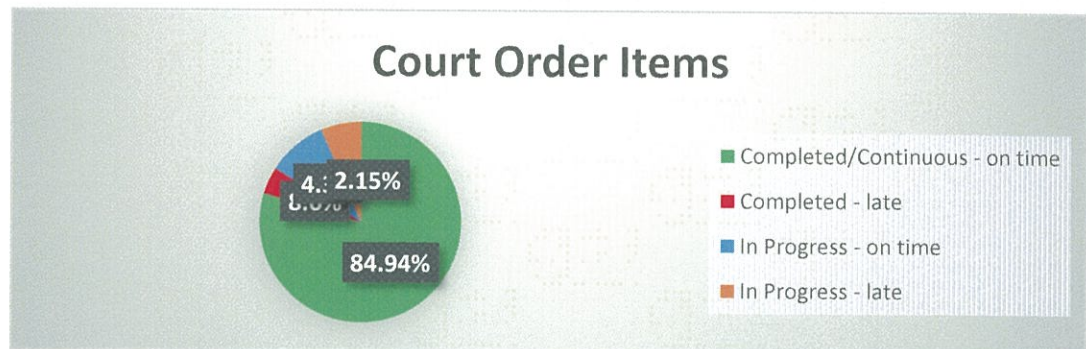
- GWA management met with Governor’s Counsel to discuss re-conveyance with reserved easement
- GSA draft document provided – comments being prepared for submission in 2 weeks
- GovGuam and GWA cooperating to advance the issue

One Guam Update

- Tumon Maui Well:
 - Leaks from the vent shaft were observed during inspection – identified as a “Repair” for which Navy is responsible
 - GWA & Navy to conduct joint inspection;
 - GWA engaged PMO for repair recommendations
- Santa Rosa Tank:
 - MOU for Santa Rosa Tank – in progress – incorporating SOP for operation of the intertie
 - B&C Modeler to meet with One-Guam group this week.
- Agat Santa Rita WWTP: easement for new waterline to WWTP is pending confirmation of in-kind consideration in lieu of cash payment; Navy is evaluating GWA proposal. Building permit for the construction of waterline is in progress.

Court Order

	Items	On-time Items Completed/Continuous	Items Delayed	Completed Late	Items on Schedule	Performance %
Court order total	93	80	1	9	3	98.9%



The chlorine monitoring [22(c)] goes from late to completed late and the [3(a)(2)] goes from on schedule to complete because of the NDWWTP upgrade by OEA

Status Information

- 1 item delayed
 - Meters
- Final Date to complete all Court Order items is December 31, 2020.

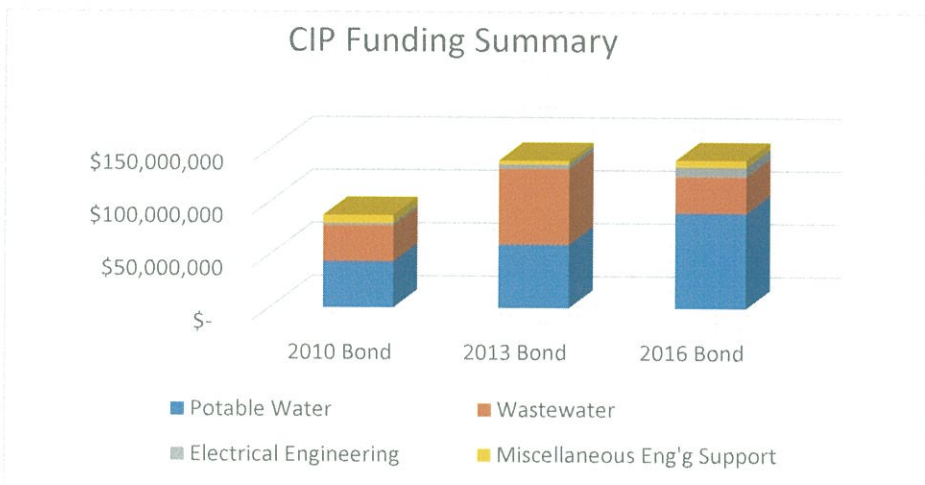
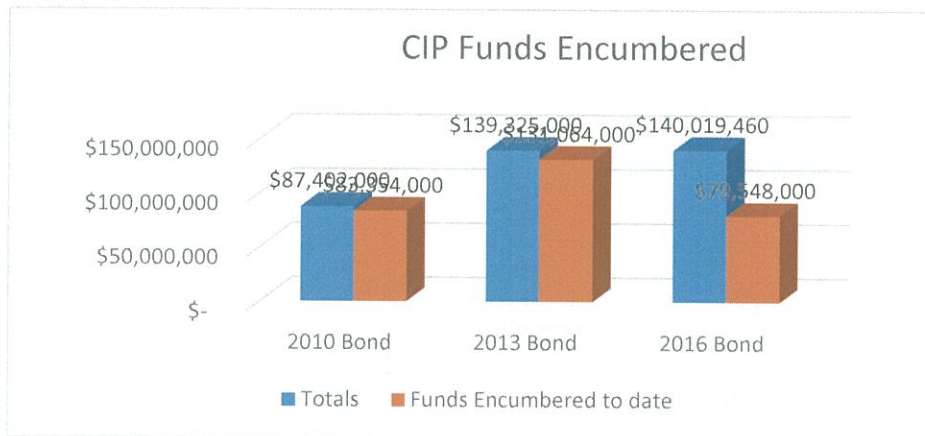
- Overflow or Bypass events reported to USEPA:
 - Nov. 26, 2017, Fujita Pump Station failure – burned out control
 - Dec. 15, 2017, Hyundai Subdivision Santa Rita, sewer rehab bypass line spill (**Contractor spill** – reported by GWA)

CIP Summary

CIP Summary - Project Encumbrance								
	2010 Bond		2013 Bond		2016 Bond		Total CIP Projects	%
	Funded	Complete	Funded	Complete	Funded	Complete		
Potable Water	28	17	21	7	20	0	35	49%
Wastewater	16	13	7	3	8	1	22	31%
Electrical Engineering	5	5	6	1	5	0	10	14%
Miscellaneous Eng'g Support	2	0	3	1	4	1	4	6%
Totals	51	35	37	12	37	2	71	100%
% of Total CIP by Fund Source	72%		52%		52%			

CIP Summary - Project Amounts

	2010 Bond		2013 Bond		2016 Bond		Total CIP Projects	%
	Funded	%	Funded	%	Funded	%		
Potable Water	\$ 41,903,305	46%	\$ 58,317,117	42%	\$ 64,647,830	46%	\$ 164,868,252	45%
Wastewater	\$ 36,009,577	41%	\$ 73,837,883	53%	\$ 60,227,170	43%	\$ 170,074,630	46%
Electrical Engineering	\$ 1,748,118	2%	\$ 3,395,000	2%	\$ 8,750,000	6%	\$ 13,893,118	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%
Funds Encumbered to date	\$ 83,354,000	95%	\$ 131,064,000	94%	\$ 79,548,000	57%		
% of Total CIP Funding	23.8%		38.0%		38.2%			



SRF Grant Summary

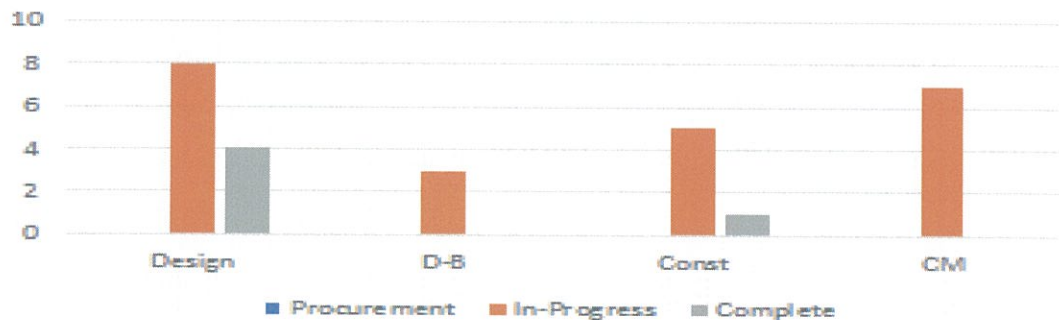
SRF Grant Summary - Projects

	Procurement	In-Progress	Complete	Totals	%
Design	0	8	4	12	43%
D-B	0	3	0	3	11%
Const	0	5	1	6	21%
CM	0	7	0	7	25%
Totals	0	23	5	28	
%	0%	82%	18%		

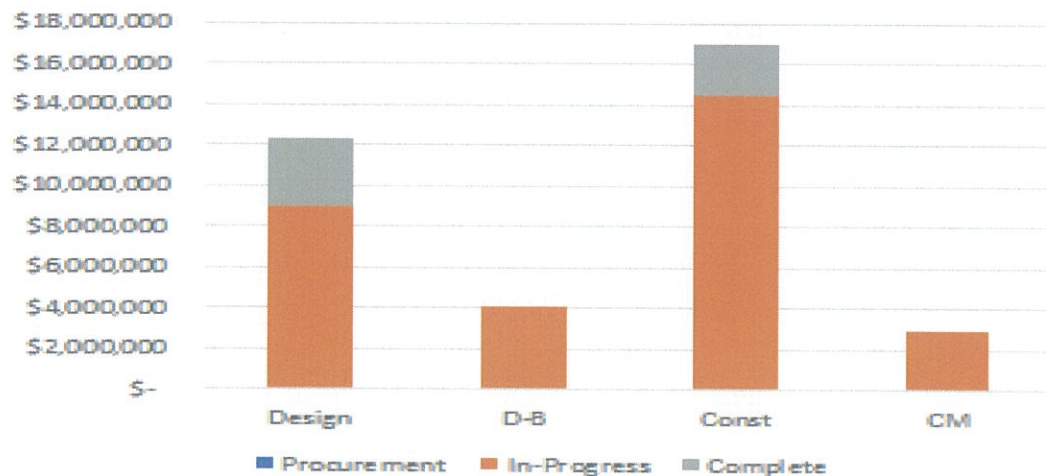
SRF Grant Summary - Contract Amounts

	Procurement	In-Progress	Complete	Totals	%
Design	\$ -	\$ 9,025,796	\$ 3,279,629	\$ 12,305,425	34%
D-B	\$ -	\$ 4,096,694		\$ 4,096,694	11%
Const	\$ -	\$ 14,480,091	\$ 2,470,658	\$ 16,950,749	47%
CM	\$ -	\$ 2,977,793	\$ -	\$ 2,977,793	8%
Totals	\$ -	\$ 30,580,374	\$ 5,750,287	\$ 36,330,661	
%	0%	84%	16%		

SRF Grant Summary - Projects



SRF Grant Summary - Contract Amounts



OEA Grant Summary

- NDWWTP Upgrades
 - Technical memoranda / design workshops conducted last week
 - USEPA NEPA Document preparation on-going
- Outfall Diffuser:
 - IFB has been issued (1/16/18);
 - Pre-bid meeting 1/26/18;
 - Bids due 2/16/18
- Sewer Line Interceptor Design-Build
 - Multi-Step IFB has been issued today.
 - Technical Proposal Due 3/8/18
 - Price Proposal Due 4/12/18
- NGLA Observation wells – Design work on-going

Action Item	Date (Target)	Date (Actual)	Status	Remarks
Project Funds Available	July-16	AUG-30-16	Completed	
Land Acquisition	Jan-17	Jan-17 (Compensation Pending)	Pending	Survey complete, appraisals complete – under review
Procure PM/CM Firm	Jan-17	Jan-17 (NTP Issued Feb 10th)	Completed	
Procure Design Firm	Jul-17		Completed	Contract issued; kickoff pending
Design -- 30/60/90/Final -- Review	Jun-18		On-target	Project design schedule under review by PM/CM
NEPA Analysis and Determination	Feb-17		Delayed	USEPA work on-going; procurement of contractor completed
Procure Construction Firm	Dec-18		On-target	
Construction Complete/Commence Operations	Nov-21		On-target	
Sewer line connection from MCB to GWA infrastructure	Jul-19		On-target	
MCB Initial Operating Capability	Jul-22		On-target	

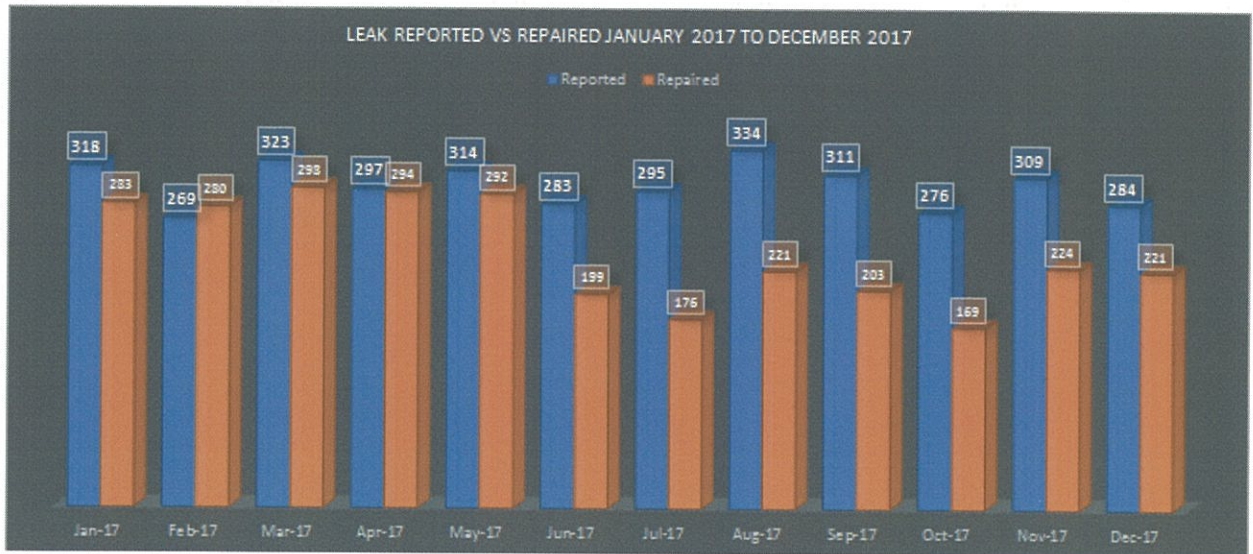
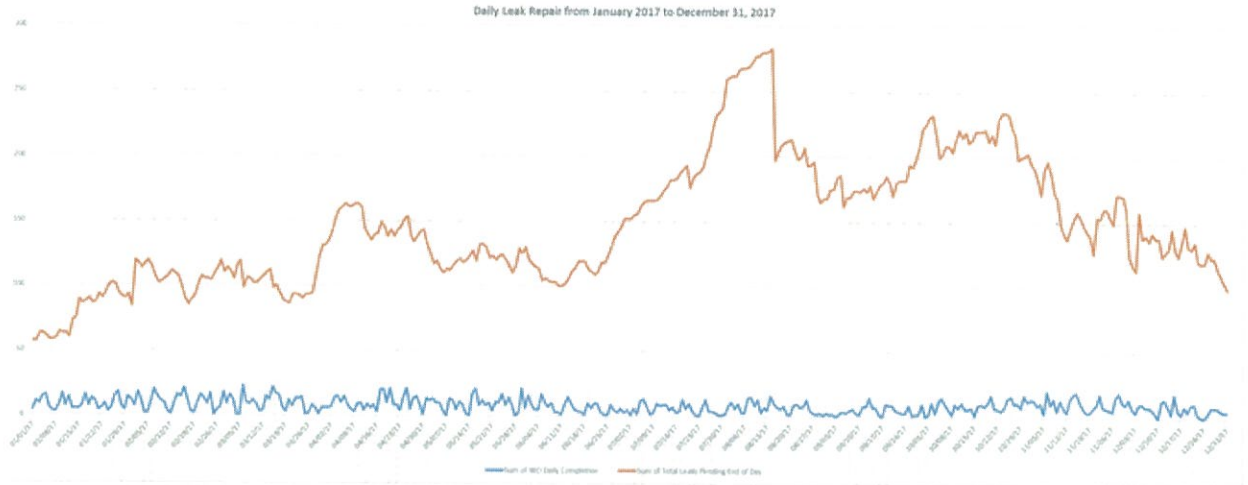
Land Acquisition Summary

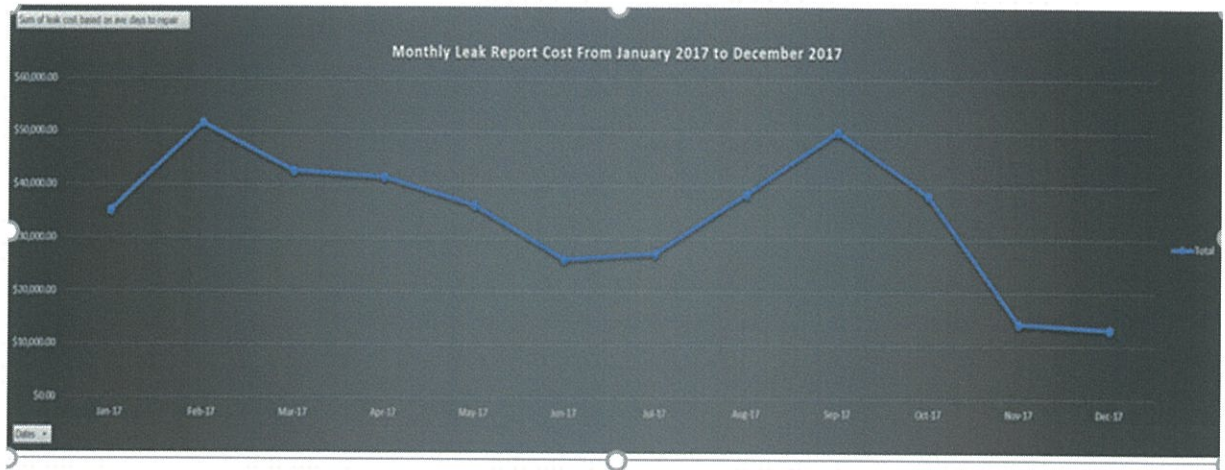
GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
Tanks	Ugum	Private	TGE to draft Letter of Decision for private property owners 11/09/17
	Astumbe	Gov't. - CLTC	GWA and DLM working together on Land Registration process. Pending Notification of surrounding lot owner information from DLM
	Piti	Private	Letter of Intent for private property owners submitted to GHC for revisions 12/12/17
Expansion of the Northern District Wastewater Treatment Plant (NDWWTP)	Dededo	Gov't - GALC	Funding Approval Request Sent to Finance 11/30/17; Title & Escrow Open 12/28/17
Deep Well	A-12	Private	Property ownership vested in GWA 10/16/17
	AG-12	Dept. of Agriculture/Manhita Farms	DCA to submit revised Land Registration map to DLM for review and comments 01/16/18
	Y-8	Gov't. - CLTC	Parceling Map submitted to DLM for final approval 12/01/17.
Booster Pump Station	Afavan	Private	GWA started land acquisition inquiry process on 11/18/16; 2 nd follow up Letter of Intent sent out 11/16/17; 2 nd LOI Letter returned (unclaimed) 12/7/17; 2 nd follow up Letter of Intent sent out to 12/29/17
Sewer Pump Stations	Property adjacent to Southern Link	Private	GWA started acquisition process on 12/23/2016. Property ownership vested in GWA 08/11/2017

NRW – Update

- Water Audit update on-going
 - Production rates are being reviewed for accuracy and refined
 - Unmetered, Authorized uses are being quantified
 - Meter and billing inaccuracies are being reviewed and refine

Leak Repair Summary





Assumptions:

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

GM Bordallo mentioned that the information on meter change out project is not complete with the analytics yet and may need more resources with change out of meters. He will have discussion with Lisa and Zina.

4.2.2 Financials

This matter was not discussed.

4.2.3 Resolution 11-FY2018 Creation of Leak Detection Series of Positions

The GM said this resolution is relative to the Approval of the Creation of the Leak Detection Technician I, Leak Detection Technician II, Leak Detection Technician Leader and Leak Detection Technician Supervisor positions at the Guam Waterworks Authority. These series of positions will be organizationally located within the Water Operations (Distribution) Division under the direct supervision and management of the Operations & Maintenance Manager for Water Distribution.

The Guam Waterworks Authority (GWA) has determined a need to create the Leak Detection Technician I, Leak Detection Technician II, Leak Detection Technician Leader and Leak Detection Technician Supervisor to identify and reduce non-revenue water through minimizing water leaks affecting services to the community thus increasing revenues. These positions will allow the Water Operations Divisions to efficiently locate and repair all water leaks within the distribution system island-wide.

Currently, employees from the Pressure Line (leak repair) Unit are assigned to leak detection duties in addition to their normal repair responsibilities. There are no dedicated employees assigned to perform water leak detection on a full-time basis. This results in more focus given to reported/observable leaks, and less focus on pro-active background leak detection. Further, the smaller number of leak detections with accompanying repairs as may be required, are addressed only by requests made through other sections via customer reports/complaints of low pressure, and not systematically using a full-time leak detection crew based on system-generated data from the Systems Control Center or Engineering. This work is currently an ancillary responsibility performed by Water Sewer Maintenance Workers, Pumping Stations Operators, or Trades Helpers within the Water Operations Divisions.

Guam’s drinking water supply and delivery is dependent on the agency’s distribution system and our ability to properly maintain it to provide safe drinking water throughout the community. Undetected leaks within the distribution system pose a threat to the continued supply and delivery of Guam’s safe drinking water to the community and contribute significantly to GWA’s water loss: It is the agency’s

goal to identify, and repair these leaks through the creation of these positions as a key component of GWA's water loss control program.

Public Law 28-159, Section 7.0.3 (c) requires GWA to post a petition on their websites for ten (10) days (not including Saturdays, Sundays and government of Guam holidays). After the 10 days posting, the petition can then be forwarded to the CCU for their disposition at any regularly scheduled meeting. GWA has met the posting requirements.

Additionally, Guam law requires notice of 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.

Comm. Bamba motioned to approve Resolution 11-FY2018 and second by Comm. Sanchez. There was no further discussion or objection and the motion carried.

4.2.4 Resolution 12.FY2018 Change Order #4 Northern/Southern Guam Reservoir Design Services

This project is part of the 2011 Court Order Paragraph 29 – Storage Tank/Reservoir Repair, Replacement, and Relocation Program. As a Court Order project, it is necessary and urgent to work towards meeting the Court Order deadlines. The project's objective is to provide design services for the Northern and Southern reservoirs, which include the Santa Rosa, Santa Rita, Sinifa, Ugum, and Inarajan. The fee proposal is for \$537,880.25 and will be funded from PW09-11 Water System Reservoirs 2005 Improvement Fund

The Change Order proposal is for the following work:

- (1) Santa Rosa: design of new 4,120 LF of 12-inch pipe along Route No. 1 in Yigo.
- (2) Santa Rosa: Identification and survey of easements for agreements with DoD.
- (3) Agfayan Booster Pump Station: design of pressure reducing valve near original bps site.
- (4) Agfayan Booster Pump Station: Investigate 4 lots as new alternatives for the new booster pump station location.
- (5) Ugum Reservoir: Investigate a new alternative for the reservoir location. The new alternative involves consolidating 2 lots adjacent and south of the existing plant to provide the site needed for the new reservoir and facilities.
- (6) Ugum Reservoir: Existing water treatment plant drainage will be corrected in the new design and plans.
- (7) Santa Rita: Incorporate roadway repair in the design. New design to replace existing culvert.
- (8) Sinifa: Prepare construction easements and construction support documents for 2 lots.

Santa Rosa reservoir: located off Route 15 in Yigo and will be completed in 90 days.

Santa Rita reservoir: located off Obispo Olaiz Street in Santa Rita and will be completed in 30 days.

Sinifa reservoir: located off Cross Island Road in Santa Rita and completion estimated in 60 days.

Ugum: located off Paulino Street in Inarajan and completion is dependent on outcome of land owner responses.

Inarajan: located off Belen Avenue in Inarajan and completion is dependent on outcome of investigations.

Comm. Sanchez motioned to approve the Resolution 12-FY2018 and Comm. Guthertz seconded. There was no further discussion or objection and the motion passed.

GM Bordallo mentioned that after this approval, there are 10 more court ordered items pending completion.

4.2.5 Resolution 13-FY2018 ConstrMgmt Contract for Sta.Rosa, Sinifa and Sta Rita Tank Upgrade

The project is part of the 2011 Court Order Paragraph 29 – Storage Tank/Reservoir Repair, Replacement, and Relocation Program. As a Court Order project, it is necessary and urgent to work towards meeting the Court Order deadlines. The project’s objective is to provide construction management services for the construction of the Santa Rosa, Sinifa, and Santa Rita Tank and System Upgrade project, which includes new PRV’s. These tanks are located at Santa Rosa, Yigo, and Sinifa, and Santa Rita tanks are in Santa Rita.

The fee proposal is for Two Million Nine Hundred Seventy-Seven Thousand Two Hundred Thirty-Four Dollars and Sixty-Nine Cents (\$2,977,234.69) and funded from PW 09-11: Water System Reservoirs 2005 Improvements. GWA management further seeks CCU approval of a 10% contingency or Two Hundred Ninety-Seven Thousand Seven Hundred Twenty-Three Dollars and Forty-Seven Cents (\$297,723.47) which would bring the total authorized funding requested to Three Million Two Hundred Seventy-Four Thousand Nine Hundred Fifty-Eight Dollars and Sixteen Cents (\$3,274,958.16).

The anticipated completion dates are Santa Rosa site: 365 calendar days, Sinifa site: 365 calendar days and the Santa Rita site: 410 calendar days. CM start is dependent on the construction NTP.

The GM reported that in reference to the bid, 19 firms picked up packets and 8 firms submitted bids. GHD was recommended for the award.

Comm. Bamba motioned to approve Resolution 13-FY2018; Comm. Guthertz seconded. There was no further discussion or objection and the motion carried.

4.2.6 Resolution 14-FY2018 Change Order for Design Svcs Agat-Sta Rita WaterTreatment Plant

This project is part of the of critical Court Order (“CO”) projects that GWA is required to complete at the new Agat-Santa Rita Wastewater Treatment Plant located in Agat. The construction activities for WWTP are in the second phase of the project and critical process work is slated to be completed in March 2018 however the expectation of actual final completion, including non-process work and landscaping, etc., is May or June 2018. GWA management desires to continue designer services during construction until overall project completion. Services include A/E designer review and comment for any issues that arise during construction.

A portion of the scope and fee from the proposal submitted by Duenas Camacho and Associates was effectuated through Change Order #2 which is pending final signature and which exhausted all the contingency fund therefore GWA Management seeks CCU approval of additional funding for an additional Change Order at a cost of Three Hundred Ninety-Eight Thousand Six Hundred Ninety-Two Dollars and Thirty-Two Cents (\$398,692.32). The source of funding for the change order will be from the Bond proceeds under CIP WW 11-08 “Agat/Sta Rita STP Replacement”

The total authorized contract value will be Five Million One Hundred Twenty-Seven Thousand Four Hundred Ninety-Seven Dollars and Twenty-Five Cents (\$5,127,497.25)

The WWTP construction is in the second phase of the project and is slated to be completed in March 2018 however the expectation of actual final completion is May or June 2018.

Comm. Bamba motioned to approve the resolution; Comm. Guthertz seconded. There was no further discussion or objection and the motion passed.

4.2.7 Resolution 15-FY2019 Change Order Line Replacement Phase IV Project

This project is part of the continuing waterline replacement program to reduce water loss in the water distribution system throughout the island. The Change Order proposal is to increase the 6-inch diameter water main currently under contract to be installed to a larger 12-inch diameter water main so as to handle the volume of water that will be pumped from the soon to be completed AG-10 production well which is located adjacent to Chalan Koda. The AG-10 production well construction project is slated to start within 2018 therefore it would be incumbent upon GWA to address the watermain along Chalan Koda given the current waterline replacement scope along this stretch of roadway.

The change order involves increasing the 6-inch diameter water main to be installed to a 12-inches diameter watermain along Chalan Koda in Dededo, along with changes to appurtenant fittings, valves and hydrant locations.

The fee proposal for the change order is One Million Fifty-Six Thousand Nine Hundred Thirty-Seven Dollars (\$1,056,937.00) to increase the watermain to 12-inch diameter which would then bring the total authorized contract value to Eight Million Nine Hundred Forty-Two Thousand Nine Hundred Eighty-Three Dollars and Fifty Cents (\$8,942,983.50). GWA management further seeks CCU approval of the total authorized funding of Nine Million Three Hundred Thirty-Eight Thousand Three Hundred Thirty-Five Dollars and Eighty-Three Cents (\$9,338,335.83) which still includes the original contingency fund of Three Hundred Ninety-Four Thousand Three Hundred Fifty-Two Dollars and Thirty-Three Cents (\$394,352.33). The source of funding for the change order will be from the Bond proceeds under CIP PW 09-03 "Water Distribution System Pipe Replacement" and funds from the System Development Charge fund. The contractor is expected to complete the waterline installation by March 2019.

Comm. Bamba motioned to approve Resolution 15-FY2018; Comm. Guthertz seconded. There was no further discussion or objection and the motion passed.

5. OLD BUSINESS - None

6. ANNOUNCEMENTS

6.1 Next CCU Meetings

The Chairman announced that the next CCU meetings would be a GWA work session on Feb. 20, a GPA work session on Feb. 22 and a CCU meeting on Feb. 27.

At this time he announced that per Legal Counsel's advice there is an item for discussion in Executive Session pertaining to litigation and submitted the related affidavit for the record. He called for a recess before executive session; it was 6:48 p.m.

The Chairman called the meeting back to order at 6:54 with Executive Session

7. EXECUTIVE SESSION

7.1 Litigation Matter

This matter was discussed.

After executive session discussions, the Chairman moved the meeting back to regular session; It was 7:10 p.m. He asked if there was any further action for discussion.

Comm. Sanchez said he would like to move to approve as discussed in Ex. Session the settlement for customer Anna Castro in the amount \$6,222.37; Comm. Guthertz seconded. There was no further discussion or objection and the motion passed.

For the record, the claim and CCU action noted above is documented in GWA Resolution 16-FY2018. This resolution, while not listed on the Agenda, was part of Executive Session discussion and publicly ratified by the Commission per above notation, making it an official GWA resolution and part of the record of the CCU meeting of January 23, 2018.

8. ADJOURNMENT

There was no further business to bring before the Commission and the meeting was adjourned at 7:15 p.m.

||s||

bls

Attested:



JOSEPH T. DUENAS, Chairman



J. GEORGE BAMBA, Secretary