



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., April 20, 2018

MINUTES

1. CALL TO ORDER

The Chairman called the CCU regular meeting of April 20, 2018 to order at 5:30 p.m. He said all five (5) Commissioners were present, Others present include:

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
Cora Montellano	CFO (A) / GPA
Greg Cruz	CFO / GWA
Kelly Clark	Staff Attorney / GWA

Management & Staff:

Tom Cruz	Chief Engineer / GWA
Lisa San Agustin	Utility Service Admin / GWA
Zina Charfaurous	Personnel Admin / GWA
Vincent Pangelinan	GWA
Ann Borja	Mgmt. Analyst / GWA Ex. Office
Lou Sablan	Board Secretary / CCU

Guest:

Bill Gilman	Brown & Caldwell
Angela Perez	AM Insurance
Andy Niven	PUC Commissioner

2. **APPROVAL OF MINUTES**

The Minutes of March 27, 2018 was presented for approval.

Comm. Bamba motioned to approve the Minutes subject to verification and written correction, second by Comm. Guthertz. There was no further discussion or objection and the motion passed.

3. **COMMUNICATIONS**

3.1 **Public Comments**

4. **NEW BUSINESS**

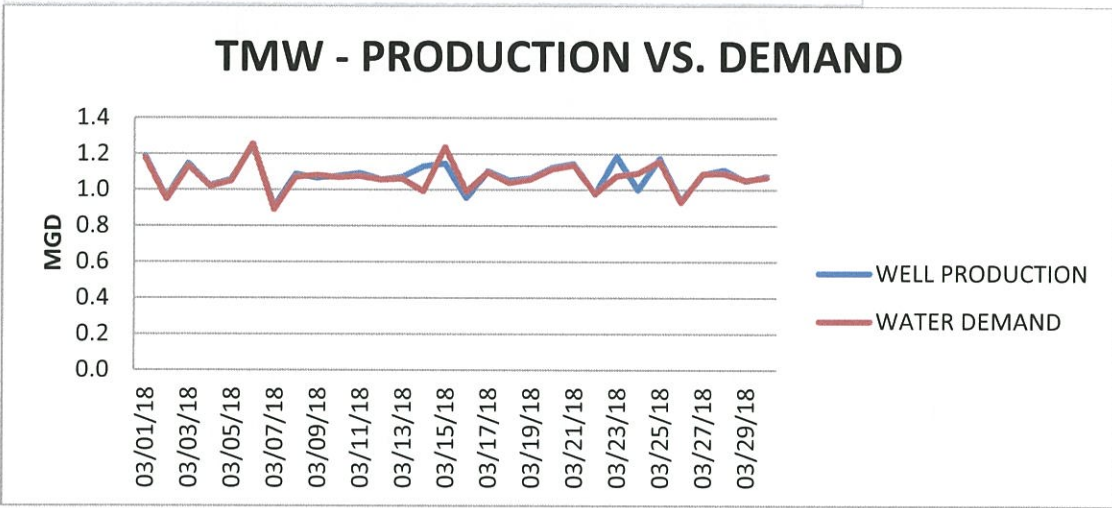
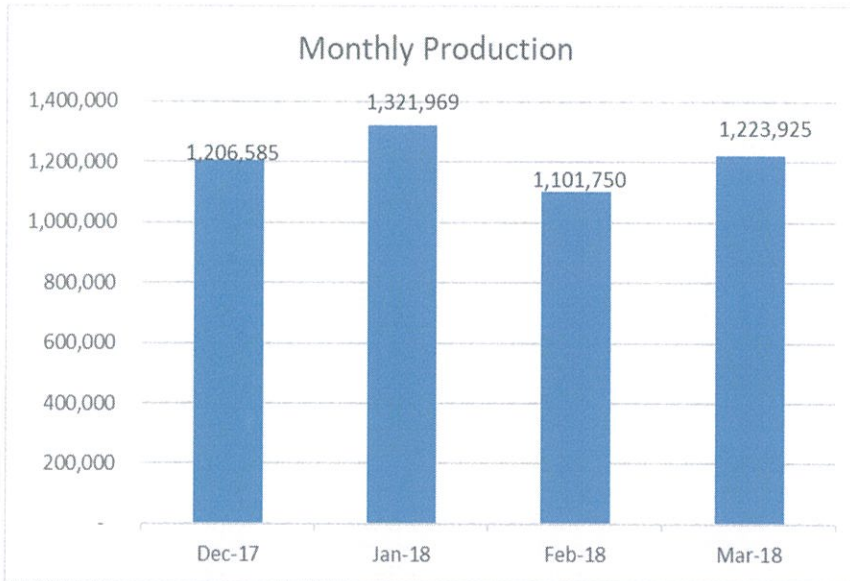
4.1 **GWA**

4.1.1 **GM Report Update**

Operations Update

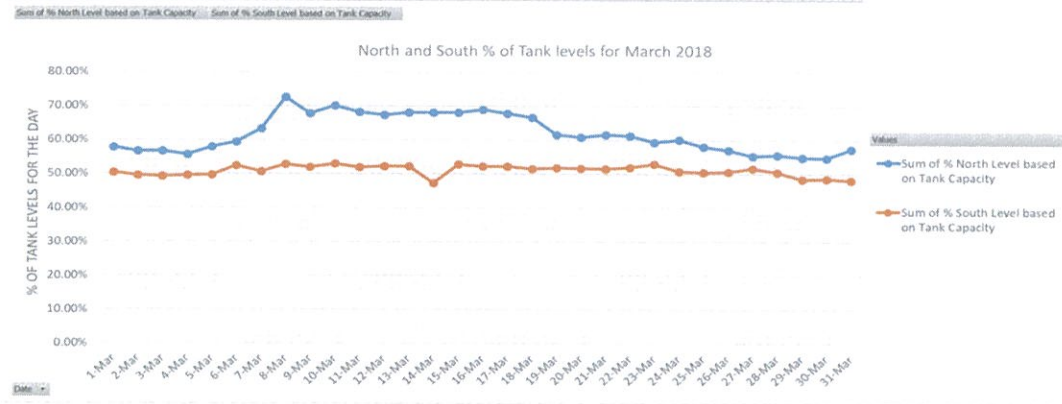
Production

Monthly Production Summary - March 2018			
Deep Wells			36.2 MGD
Active wells =	97	of 120	
Avg days in operation =	31.00	days	
Total Production =	1,121,415	Kgals	
Springs			0.00 MGD
Avg days in operation =	0	days	*placed on standby
Total Production =	0	Kgals	
Ugum Surface Water Plant			2.2 MGD
Avg days in operation =	31	days	
Total Production =	69,014	Kgals	
Tumon Maui Well			1.08 MGD
Avg days in operation =	31	days	
Total Production =	33,496	Kgals	
		1,223,925	Kgals
			39.5 MGD

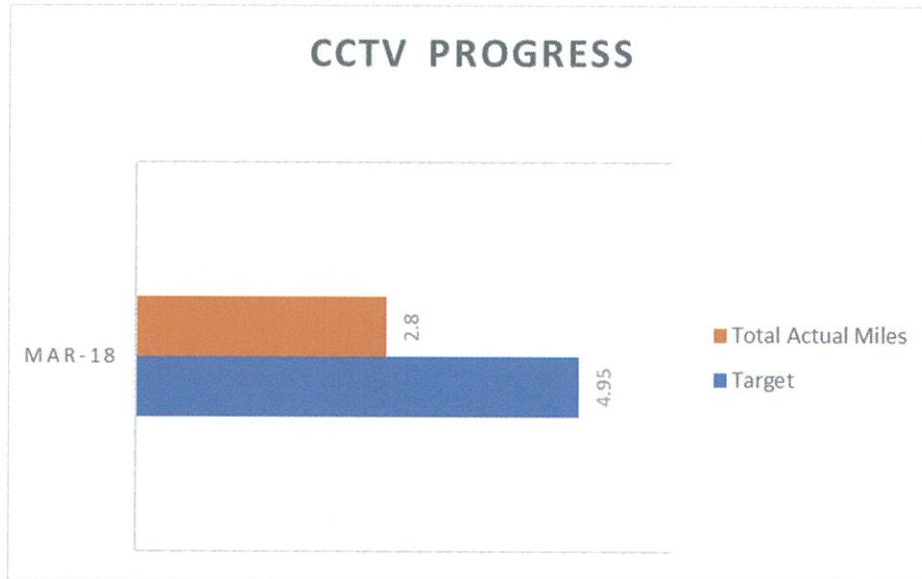


Distribution

Monthly Distribution Summary - March 2018					
Water Booster Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	11	21	19	90.5%
	Central	7	15	13	86.7%
	Southern	7	15	14	93.3%
		25	51	46	90.2%



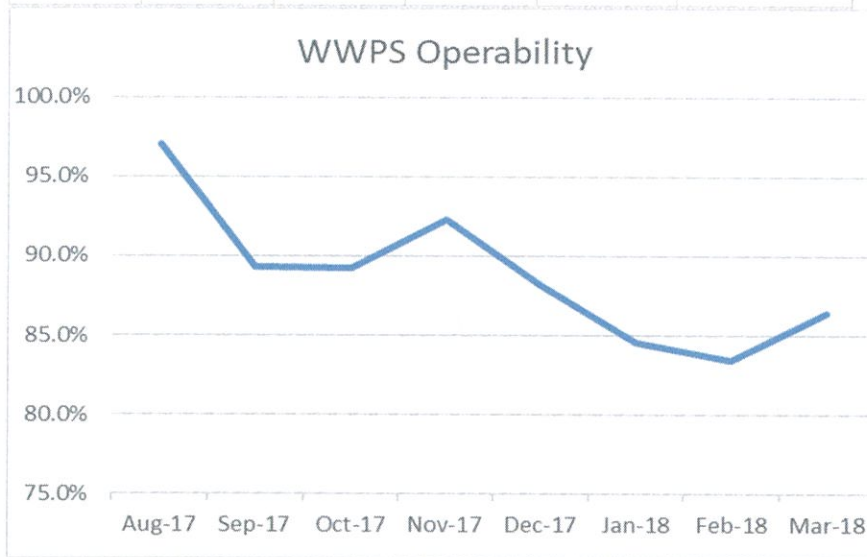
Wastewater Collections



Monthly Collections Summary - March 2018

Wastewater Pump Stations

	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	22	52	48	92.3%
	Central	29	63	55	87.3%
	Southern	27	54	43	79.6%
		78	169	146	86.4%

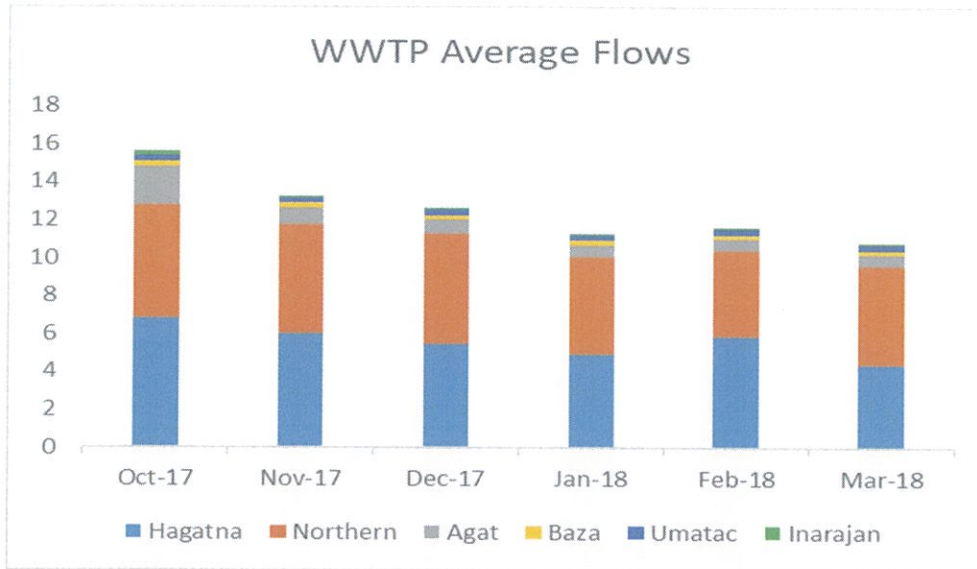


Wastewater Treatment

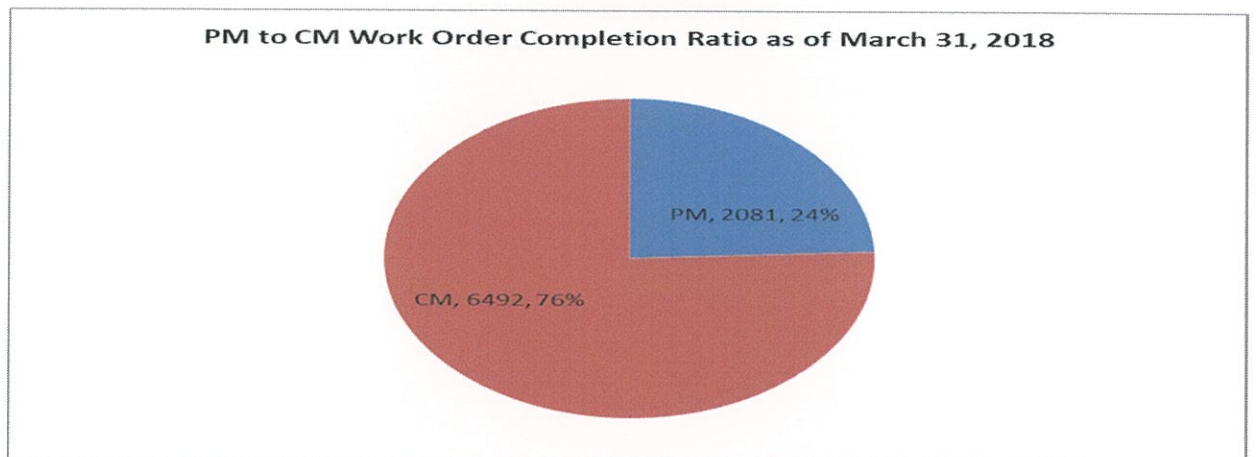
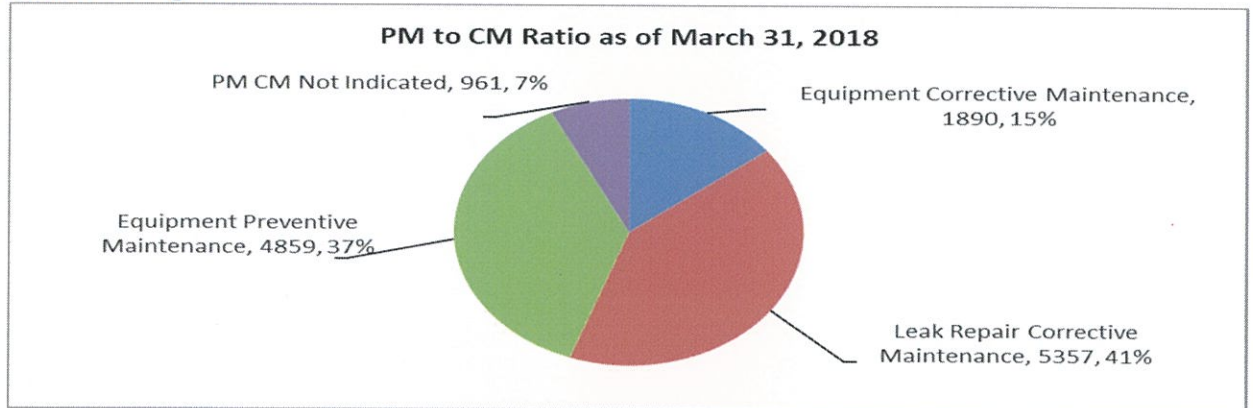
Monthly Wastewater Treatment Summary - March 2018

WW Treatment Plants - Flows

Facility	Avg. Daily Flows	Sludge (lbs)	Sludge Disp. (\$)
Hagatna	4.40	540,600	\$ 48,654
Northern	5.2	953,280	\$ 85,795
Agat	0.58		
Baza	0.25		
Umatac	0.30		
Inarajan	0.05		
	10.78	1,493,880	\$ 134,449



Asset Management



Operational Issues

Production & Distribution

- Leak repair

- Crews maintaining performance - less than 60 pending repairs, less than 20 backhoe required repairs
- pending IFB for leak repair services
- pending for advanced remote leak detection services
- Ugum WTP – scope of SCADA improvements finalized – pending pricing adjustments and change order.
- 2018 Pump/Motor order – released on February 16, 2018; delivery pending.
- GWA Crane Repair – repairs have been made and unit is finally working; last error code found to be software issue that the factory rep is still working to resolve.

Wastewater Collection & Treatment

- O&M Manager retired suddenly – Management is evaluating options and temporary detail appointment has been made
- CCTV:
 - Crews completed approximately 2.8 miles in March
- Pump station facility maintenance efforts still underway
- FOG Program
 - Program Manual revisions completed
 - 2nd Residential Collection Program was very successful - 840 gallons collected
- All issues related to USEPA inspection at Hagatna WWTP have been addressed with two items pending.
 - Effluent pump was down – repair on one pump completed, critical spare motor in procurement
 - Digester mixer was down – pending gearbox repair
 - Floc chamber mixers down – repairs have been completed, four in operation, one pending electrical connection
 - Centrifuge was down – both units now operational
 - Safety issue – motor guards have been reinstalled.

Meters

COMPLETED FIELD ACTIVITY																	MARCH 2018 COMPLETED FIELD ACTIVITIES (IN PROCESS) TO BE POSTED IN CIS
JAN 2017 THRU MAR 2018 (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	Jan-18	Feb-18	Mar-18	TOTAL:	
GWA - Test Meter	30	9	9	371	745	87	393	743	1000	1007	434	378	750	969	1213	8138	484
GWA - Meter Exchange	393	179	220	276	482	353	501	807	1526	1039	452	259	239	1086	2120	9932	0
GWA - Verify Zero Report	30	124	114	94	96	402	261	199	550	89	82	169	356	106	117	2789	18
GWA - Verify Low Usage	0	0	0	2	37	36	196	488	657	202	127	612	858	1122	1055	5392	268
TOTAL:	453	312	343	743	1360	878	1351	2237	3733	2337	1095	1418	2203	3283	4505	26251	770

# OF METERS TESTED AS PER METER TEST FACILITY REPORTS:	345	350	144	252	305	210	302	397	1013	1130	927	704	721	1041	1347	9188	
# OF BACKBILLINGS APPLIED AS PER FINANCE REPORTS:	0	0	0	20	122	84	29	111	219	80	77	4	136	23	323	1228	\$ 849,025.16

# OF FIELD CREW PERFORMING CHANGE OUTS:	19	10	13	9	21	21	14	24	35	28	28*	28*	5	13	13	
# OF ADMIN STAFF TO CREATE AND POST FIELD ACTIVITIES IN CIS:	7	4	5	6	9	9	10	13	15	15	13	13	8	11	9	
# OF SUPPLY STAFF TO ISSUE MATERIALS AND PROGRAM NEW METERS:	2	2	2	2	2	2	2	2	2	2	2	2	2	4	0	
# OF TEST FACILITY PERSONNEL TESTING METERS:	2	2	2	3	3	3	3	3	3	3	3	3	3	2	2	
# OF ACCOUNTANTS CALCULATING BACK BILLS:	0	0	0	2	3	2	2	3	3	2	2	2	2	2	2	
TOTAL:	30	18	22	22	38	37	31	45	58	50	48	48	20	32	26	

*Project overtime on hold Nov 18, 2017 thru Dec 16, 2017. During this period, 4 personnel performed work on this project during the regular work day with a majority of the work completed during Nov and Dec month occurring before and after the OT moratorium.

ACTIVE BADGER MODEL LP COUNT AS OF MARCH 2018:

LP PURCHASE DATE	COUNT	
2/10/2012	1	WARRANTY EXPIRED
3/27/2012	1	
4/10/2012	1	
4/14/2012	7	
4/18/2012	1	
5/30/2012	1	
6/7/2012	1	
7/27/2012	3142	
7/31/2012	1	
8/10/2012	1	
8/29/2012	1	
8/31/2012	4175	
12/10/2012	1	
12/24/2012	1639	
1/14/2013	2160	
2/25/2013	759	
3/1/2013	624	
5/23/2013	1453	
8/2/2013	1	
8/29/2013	2600	
9/5/2013	1	
11/12/2013	1	
1/17/2014	1	
2/27/2014	654	
4/10/2014	2453	
6/2/2014	71	
8/28/2014	1412	
TOTAL :	21163	
	12516	WARRANTY EXPIRED
	8647	ACTIVE WARRANTY

Marbo (Andy-South) Wells – Status

- Involuntary reversion appears imminent; GWA Counsel transmitted draft easement documents to GSA for consideration with DoD
- GM and General Counsel attempted to meet with GSA Counsel in SFO this month, but meeting had to be rescheduled
- No information on timing, but Management remains hopeful that parceling of lots as ‘easements’ will be accomplished

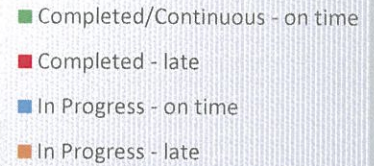
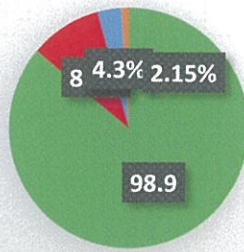
One Guam Update

- Tumon Maui Well:
 - For the vent shaft leaks, GWA’s Consultant B&C needs a work authorization so they will draft a proposal. Initial water flow from the vent shaft was caused by a failure of the level indicator which allowed the tank to overflow. A new level indicator will be employed to avoid the problem in the future.
- Santa Rosa Tank:
 - GWA and DOD finally decided on the location of the infrastructure required for the intertie.
 - GWA’s Contractor will finalize the property maps for the intertie. It was agreed by all parties that the valve boxes will be located on GWA’s property.
 - Once the maps are completed, the letter to General Cox will be finalized for the temporary easement.
- Although the construction of GWA’s tank at Santa Rosa is underway, the intertie will be done as soon as the approval of the Navy, resolution of the temporary easement and the SOP and MOU for the intertie are completed.
- Distribution Systems:
 - GWA continues to work with DOD to resolve wastewater line issues in the Leon Guerrero area.

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%

Court Order Items



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:
 - Southern SSES Phase II Location – Santa Rita;
 - Redondo Luchan, Dededo;
 - South Mariposa Court, Dededo.

CIP Summary

CIP Summary - Project Encumbrance

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

CIP Summary - Project Amounts

	2010 Bond		2013 Bond		2016 Bond		Total Projects
	Funded	%	Funded	%	Funded	%	
Potable Water	\$ 41,903,305	48%	\$ 58,317,117	42%	\$ 64,647,830	46%	\$ 164,868
Wastewater	\$ 36,009,577	41%	\$ 73,837,883	53%	\$ 60,227,170	43%	\$ 170,074
Electrical Engineering	\$ 1,748,118	2%	\$ 3,395,000	2%	\$ 8,750,000	6%	\$ 13,893
Miscellaneous Eng'g	\$	9%	\$	3%	\$	5%	\$

Support	7,741,000		3,775,000		6,394,460		17,910
	\$		\$		\$		\$
Totals	87,402,000	100%	139,325,000	100%	140,019,460	100%	366,740
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%		

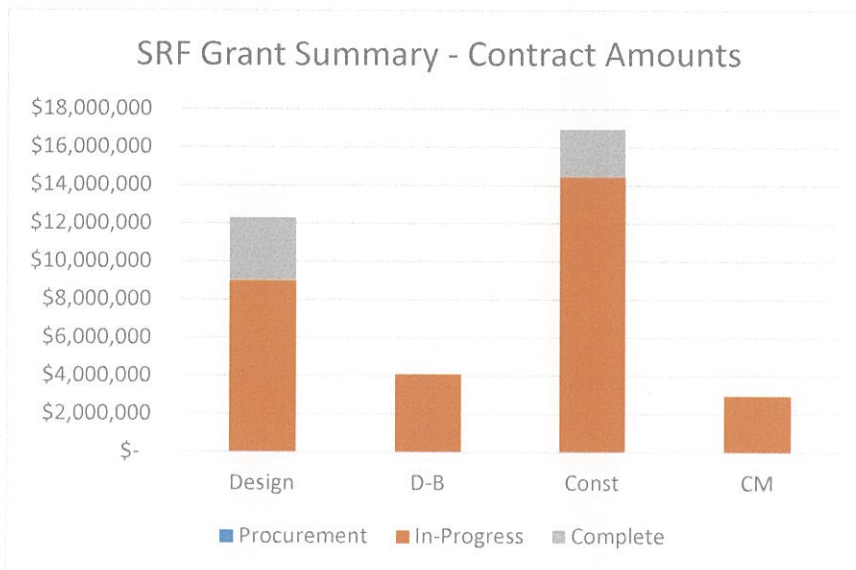
SRF Grant Summary

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%		



OEA Grant Summary

- **NDWWTP Upgrades**
 - 30% design submittal is in internal QC review; GWA expects receipt in Mid-May.
 - USEPA reported recently that two potential but likely insignificant cultural resources may have been found, waiting on more detail
- **Outfall Diffuser:**

- Post-bid Input from bidders received
- Bid package being revised based on comments; re-design of anchors being evaluated;
- GWA expects review set in a few weeks.
- Sewer Line Interceptor Design-Build
 - Multi-Step IFB has been issued.
 - Technical Proposal received and Qualified Bidder List established – 3 bidders qualified.
 - Price Proposal extended to 4/26/18.
- NGLA Observation wells – Design work on-going
 - Workshop for 30% design scheduled for this month.

Land Acquisition Summary

GWA Facility	Location	Gov't./Private/Other	Land Acquisition Status
Tanks	Ugum	Private	TGE to draft Letter of Decision for private property owners 11/09/17. Appraisal Services requested by TGE 04/02/18.
	Astumbo	Gov't./CLTC	GWA and DoLM working together on Land Registration process. Pending Notification of surrounding lot owner information from DoLM.
	Piti	Private	Letters of Intent letters received from private property owner to authorize GWA to begin preliminary geotechnical investigation and archaeological investigation 2/27/18.
Expansion of the Northern District Wastewater Treatment Plant (NDWWTP)	Dededo	Gov't./GALC	Funding Approval Request Sent to Finance 11/30/17; DoLM to draft Grant Deed 02/28/18. Title & Escrow Company have acknowledged underwriter approval of land acquisition 03/06/18. PUC approval 03/29/18.
Deep Well	A-12	Private	Property ownership vested in GWA 10/16/17.
	AG-12	Dept. of Agriculture/Manhita Farms	DCA is still verifying suspected buildings/concrete houses encroachments along the

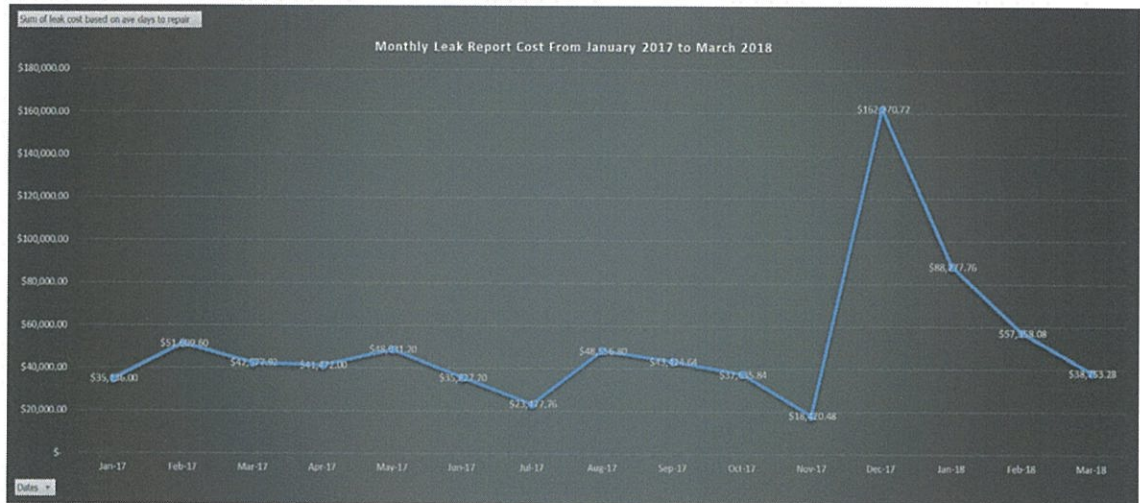
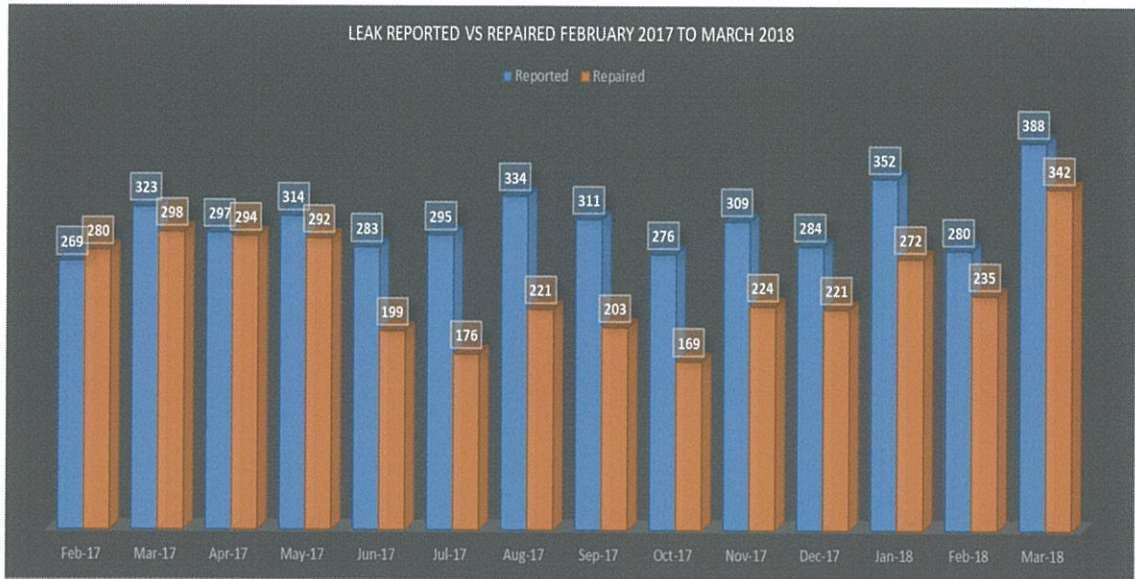
			northerly and southerly boundaries 04/02/18.
	Y-8	Gov't./CLTC	GWA Land Agent to draft Grant Deed for property ownership under PL 22-18 - 04/09/18.
Booster Pump Station	Agfayan	Private	2 nd follow up Letter of Intent delivered to private property owner on 04/09/18.
Sewer Pump Stations	Property adjacent to Southern Link	Private	GWA started acquisition process on 12/23/2016. Property ownership vested in GWA 08/11/2017.
Asan Springs	Asan	Gov't./Private	GWA working to determine ownership 04/10/18.

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 refined

Leak Repair Summary





Assumptions

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

ACTION ITEM: Relative to GWA’s Master Plan the Commission recommended that management do public outreach to GHRA, Guam Chamber of Commerce, Realtors, Contractors and the Legislature – similar to GPA’s outreach for the new generation plant. They said it is important the management give the community a sense of the broader picture.

4.1.2 Financials

Financials not discussed.

4.1.3 Resolution 26-FY2018 Relative to Change Order and Increase in Project Funding for ConstrMgmtSvcs for Rehab of GWA Wells D-03, D-17, D-18, D-22, M-09, W11-008-BDN

The objective of Change Order No. 4, is to extend the duration of the Construction Management (CM) services. There have been unexpected issues during well commissioning with respect to the developed well pump capacity, drive and control issues and equipment

repairs that have extended the completion of the Contractor's work. The CM's input is necessary to monitor the contractor's work until the project is complete. Additional funding is needed for Change Order No. 4 to manage the construction, on a time and materials basis. This project is located at Groundwater Wells D-03, D-17, D-18, D-22, and M-09 within the villages of Dededo and Mangilao. Construction activities will be limited to the property boundaries of the well sites.

The original funding authorization for the CM Services was Seven Hundred Forty-Nine Thousand One Hundred Eighty-Four Dollars (\$749,184.00), plus a ten percent (10%) contingency of Seventy-Four Thousand Nine Hundred Eighteen Dollars and Forty Cents (\$74,918.40). GWA management executed two change orders via the 10% contingency in the amount of Seventy-Four Thousand Seven Hundred Ninety-Six Dollars and Thirty-Two Cents (\$74,796.32) and further sought CCU approval for Change Order No. 3 in the amount of One Hundred Nineteen Thousand Three Hundred Eighty-One Dollars (\$119,381.00). The proposed Change Order No. 4 is in the amount of Ninety-Eight Thousand Two Hundred Twenty-Two and Zero cents (\$98,222.00) which will bring the total authorized funding amount to a maximum of One Million Forty-One Thousand Five Hundred Eighty-Three dollars and Thirty-Two cents (\$1,041,583.32).

The project is scheduled to be substantially completed for four of the wells by end of May 2018 with final project completion by August 2018 and funding will be from USEPA Grant and, if necessary, GWA Bond Funds with a maximum project budget of One Million Forty-One Thousand Five Hundred Eighty-Three Dollars and Thirty-Two Cents (\$1,041,583.32).

Comm. Bamba motioned to approve Resolution 26-FY2018, second by Comm. Guthertz. There was no further discussion or objection and the motion passed.

***4.1.4 Resolution 27-FY2018 Relative to Approval of Laboratory Services Procurement**

GWA is nearing the end of its current contract for laboratory testing services, which are required to support our own laboratory operations and provide the needed analysis in support of the Safe Drinking Water Act, and Guam Primary and Secondary Safe Drinking Water Standards. There is a pressing need to replace the existing Laboratory Service Contract that expires in August of this year. The services will be provided to GWA through our new GWA Laboratory facility in upper Tumon.

Approximately Four Hundred Eighty-One Thousand Three Hundred Sixty-One Dollars and Sixty-Eight Cents (\$481,361.68) per year based on previous expenditures or One Million Four Hundred Forty-Four Thousand Eighty-Five Dollars (\$1,444,085.00) for three (3) years.

Implementation date is August 2018 and will have an initial term of 3 years with an option to extend to a total of 5 years and will be funded by revenue funds.

The IFB for an indefinite quantity agreement will go out for bid immediately upon PUC approval.

Comm. Guthertz motioned to approve Resolution 27-FY2018, second by Comm. Bamba. There was no further discussion or objection and the motion passed.

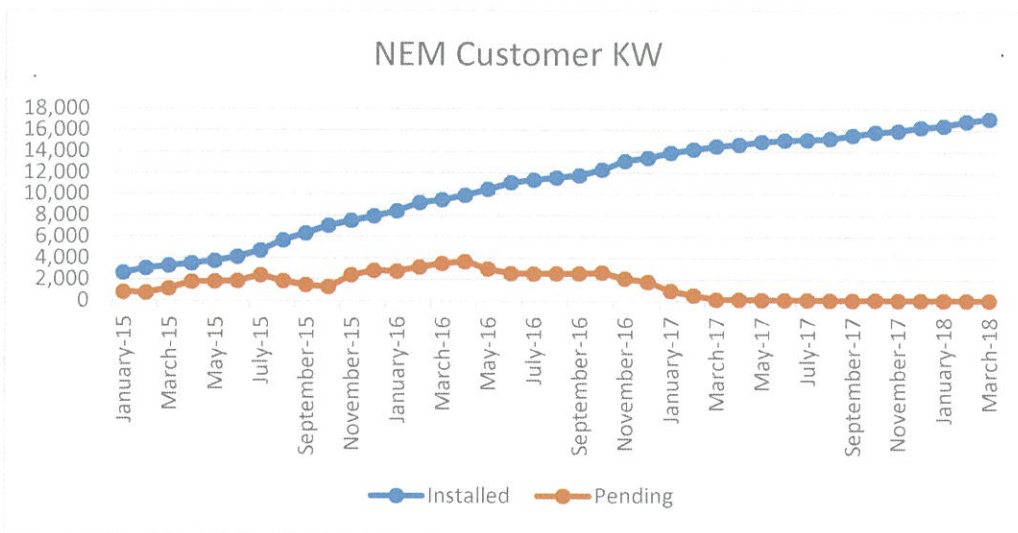
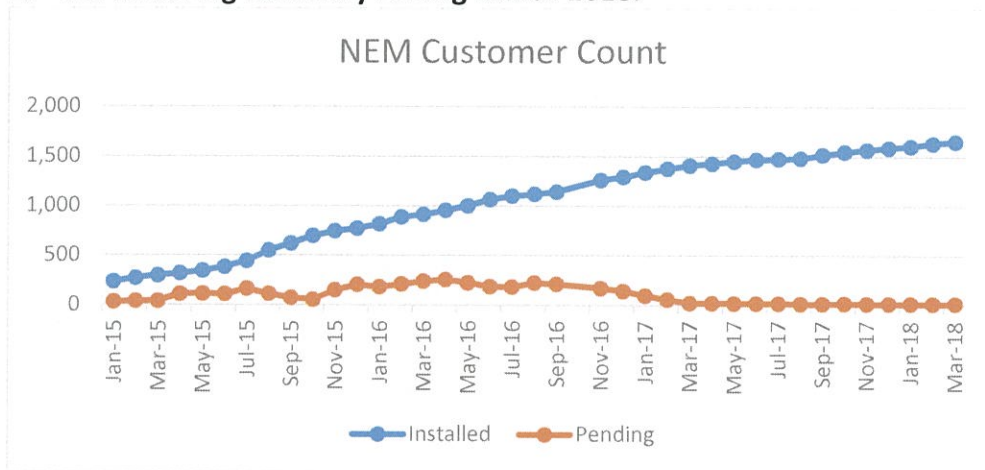
4.2 GPA

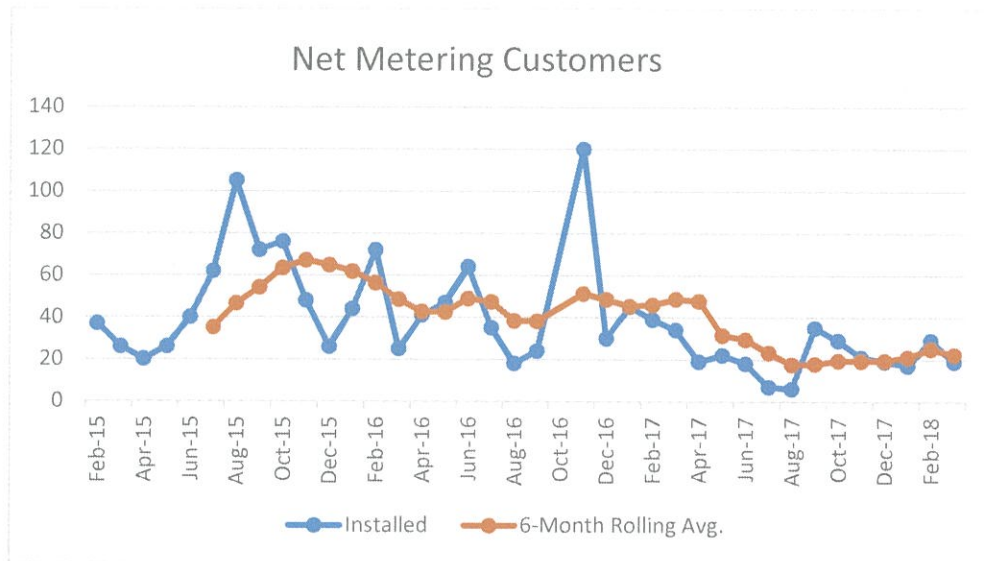
4.2.1 GM Report Update

1. Generation System Update: The following summarizes the expected generation capacity situation for May 2018. The peak demand for May is estimated at 254 MW. GPA is scheduling the chemical cleaning of the Cabras 1 steam boiler for the end of May. The system is now heading into the higher peak months of the summer. Last year, the peak demand was 261 MW on August 1, 2017.

May 2018 Projected Capacity:	373 MW
May 2018 Projected Demand	254 MW
Projected Reserve Margin	119 MW

2. Net Metering Summary Ending March 2018:





3. Renewable Energy Production Summary Thru March 2018:

Energy Production Source:	Kwh	Oil Barrels Avoided	Fuel Cost Avoided
NRG Total Production beginning Oct 2015	120,289,445	201,126	\$11,061,931
Net Metering Estimated Production beginning Jan 2015	59,160,124	98,917	\$5,440,421
Wind Power Production beginning Jan 2016	895,916	1,498	\$82,389
Renewables Total:	180,345,485	301,541	\$16,584,741

4 Demand Side Management (DSM) Program Expenses Thru March 2018.

All Expenses – Fiscal Year

Description	FY16	FY17	FY18 as of March 31	Total to Date
Regular/OT Pay	\$11,348.80	\$22,256.00	\$9,540.94	\$43,145.74
Other Contractual	\$28,278.50	\$73,010.05	\$2,885.00	\$104,173.55
Bank Fees	\$155.00	\$1,032.06	\$190.00	\$1,377.06
Paid Rebates– Split AC	\$154,700.00	\$557,275.00	\$552,925.00	\$1,264,900.00
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	\$3,800.00	\$14,025.00
Total Expenses	\$200,682.30	\$669,198.11	\$570,140.94	\$1,440,021.35

SUMMARY

DESCRIPTION	AMOUNT
Initial DSM Budget FY'16	\$1,806,014.00
Interest Income as of Mar 18	\$3,900.94
Total Expense	\$1,440,021.35
Ending Balance as of Mar 18	\$369,893.59
Addtl. Budget: Approved (FY'18)	\$1,139,189.00
Total Ending Balance as of Apr 18:	\$1,509,082.59

4. **Net Metering Customer Credit Recommendation:** The last public hearing on Net Metering was conducted on April 18, 2018. Marianas Renewable Energy presented their Value of Solar Study. GPA will now proceed in providing the CCU with its analysis and recommendation at the May work session.
5. **Phase II Renewables:** The PUC has approved the entire 120 MW of PV Renewables by KEPCO and HANWHA. GPA would now proceed to sign a Power Purchase Agreement with each of these companies.
6. **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 technical proposals are required by June 19, 2018. The opening date of prices of acceptable technical proposals has been set for August 1, 2018.
7. **PUC March 29, 2018 regular meeting resulted in the following:**
 - **Docket 18-06, Petition to Approve Phase II Renewable Award to KEPCO-LG CNS Consortium (approved)**

- **Docket 18-08, Petition to Approve Phase II Renewable Award to HANWHA ENERGY CORPORATION (approved)**
- **GPA Docket 18-09, Petition to Increase EPCM Contract (approved \$600,000)**
- **GPA Docket 18-10, Petition to Approve Contract Extension for Tristar Terminals Guam, Inc. (Dock Fees approved; Pipeline part require additional information)**
 - **GPA Docket 18-11, Petition to Approve GPA's Use of Bond Financing Savings for GPA's "Bringing Energy Savings to Schools" (BESTS) and Demand Side Management Program (approved)**
- **Dockets to be considered at the April 26th PUC meeting:**
 - **GPA Docket 18-12, Petition to Approve Invitation for Bid (IFB) for Property Insurance**
 - **GPA Docket 18-13, Petition to Approve the Piti 8 & 9 Contract Extension with Marianas Energy Corporation**

8. New Power Plant Procurement:

- The rezoning of the land for the new power plant is still pending Legislative action. It seems Bill 223-34 would be brought up for deliberation at next week's session. The land rezoning is the critical path at this point for construction of the new power plant.
- Multi-Step Bid Invitation No. 034-18 was opened on April 5, 2018. Eighteen (18) proponents submitted their technical and financial information. The evaluation team should have a short list of proponents which met the required financial and technical experience delineated in the bid by the end of April 2018. The short-listed proponents would be provided the technical specifications for them to prepare their technical and priced proposals over the next several months which is the next step of the process.

9. Standard & Poor's Rating: Our bond rating was not changed despite the situation of the Government of Guam. They did note that they will be monitoring negative Government impact on receivables which certainly will trigger a negative action.

10. GPA's 50th Anniversary Celebration: The proclamation signing is scheduled for May 8, 2018 in the CCU conference room. The proclamation kicks off our 50th anniversary program.

11. Energy Storage System (ESS) Commissioning: The Hagatna 24 MW and Talofofo 16 MW ESS is on schedule for commissioning in August 2018. These batteries will significantly improve power quality in the system in addition to helping reduce short term outages cause by generating and renewable PV trips. There will also be a reduction in fuel operating cost resulting from not having to run combustion turbines to provide spinning reserves during daytime hours.

12. Supervisory Control and Data Acquisition (SCADA) Commissioning: The new SCADA system in Fadian is on track for commissioning in October 2018. The new system is the latest

technology for the GPA power and GWA water and wastewater system. The factory testing of the system's major component is scheduled for early May in Taiwan.

13. BEST SCHOOLS Program: A kickoff meeting was held with GDOE Superintendent Jon Fernandez on April 2, 2018. The contract to conduct the evaluation of the GDOE schools has been signed. GPA should have the study and make its appropriate recommendations within the next 4 months.

14. Key Performance Indicators: The following are updated indicators thru March 2018. Sales continued to be strong. Fuel oil prices have risen but have been remaining in the \$60 to \$70 per bbl. range.

4.2.2 Financials

Acting CFO Montellano reported that sales are ahead of projection as well as for LEAC. February had a huge over recovery and LEAC will be adjusted again on May 1.

She mentioned that GPA's financial audit is completed pending official audit report to be released.

Chairman Duenas commented that both GPA and GWA financials are very impressive and congratulated both agencies.

4.2.3 Resolution 2018-09 – Relative to Pressure Digger

The objective of the project is to replace salvaged Pressure Diggers and to provide reliable equipment to give the Authority's Transmission & Distribution personnel the capability and capacity to perform new pole installations to support customer growth and to maintain the power system in a safe and efficient manner. Unavailable equipment translates to extended outages and longer response times.

Existing pressure diggers to be salvaged:

Official #	Description	Year	Repair Assessment
1349	Digger(Diamond Rio)	27 years (1991)	Complete replacement of digging unit and engine overhaul.
1535	Digger(Kenworth)	25 years (1993)	Complete replacement of digging unit.

Pressure Diggers will service the transmission and distribution system island wide and 2 pressure diggers will cost \$1,033,998 from Morrico Equipment, the sole bidder. Delivery is set at 400 days after Notice to Proceed and will be funded with FY17 General Plant Capital Improvement Revenue Funds.

It was mentioned that this procurement does not require PUC approval because it's below the \$1.5M threshold.

Comm. Bamba motioned to approve Resolution 2018-09, second by Comm. Guthertz. 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 meeting would be a work session for GWA on May 15, a GPA work session on May 17 and the monthly regular CCU meeting on May 22.

The Chairman said the Legal Counsel has advised there is a need for Executive Session to discuss personnel and litigation matters. He presented related affidavit for the record and called for a 5-minuted recess before executive session. It was 5:40 p.m.

7. **EXECUTIVE SESSION**

7.1 **Personnel Matter** – this was discussed

7.2 **Litigation Matter** – this was discussed

At approximately 6:20 p.m., Chairman Duenas announced that the meeting has now moved back to Regular Session from Executive Session; four (4) Commissioners were present – Commissioners Duenas, Santos, Bamba and Guthertz. Comm. Sanchez did not attend the meeting and was excused. The Chairman said he will entertain a motion.

Comm. George Bamba motioned that the Commission adopt the decision discussed in Executive Session relative to personnel matter. The motion was second by Comm. Francis Santos. On the motion there was no further discussion or objection and the motion passed. For the record the vote was 4 – yes and 1 – absent.

Details of Executive Session discussion:

After a full discussion between the CCU Board members and Greg Cruz regarding his current employment status, set forth below are the Board's conclusions and directives:

The current situation whereby Mr. Cruz is paid for work performed as CFO through invoicing from a corporation owned by him is not workable going forward.

As of the next regular pay period for GWA, Mr. Cruz will become an at-will, Unclassified employee with a salary of \$147,000.00. In lieu of joining the current Government of Guam Retirement Fund, Mr. Cruz will elect in writing one of the options currently offered by the Retirement Fund and the deduction percentage of that option will be the amount deducted from his salary and placed into a 401k or other suitable pre-tax retirement fund approved by the IRS on his behalf. GWA will match that amount and place it in the same fund every month. GWA and Mr. Cruz will be responsible for their respective shares of the FICA withholding and payments.

Mr. Cruz is eligible to have funds deducted for the GWA employee health insurance plan at the current rates. He will also have 30 days of administrative/sick leave each calendar year on a use-it or lose-it basis.

In the event of his termination of employment, Mr. Cruz is not entitled to a severance package.

Mr. Cruz's wages and benefits will be reported along with the regular quarterly Staffing Pattern Report submitted to the Guam Legislature and posted on the GWA website.

Pursuant to requirements set forth in P.L. 34-42, Mr. Cruz will submit a resume for his employment file to verify that he qualifies for the position.

Any amounts owed by GWA on invoices submitted by Ten Column, Inc. up to the close of the next GWA employee pay period shall be paid as a salary bonus in addition to the regular salary pay owed in that period.

Comm. Santos moved to adjourn.

8. **ADJOURNMENT**

With no further business to discuss, the meeting adjourned at 7:35 p.m.

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bls

Attested:



JOSEPH T. DUENAS, Chairman



J. GEORGE BAMBA, Secretary