



**Special Board Meeting**  
**CCU Conference Room, Gloria B. Nelson Public Service Building**  
**5:30 p.m., February 11, 2020**

**MINUTES**

**1. CALL TO ORDER**

The CCU Chairman called the CCU SPECIAL MEETING of February 11, 2020 to order at 5:30 p.m. He said all five (5) Commissioners were present. Others in attendance include:

**Commissioners:**

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	Commissioner

**Executive Mgmt.:**

Miguel Bordallo	GM / GWA
John Benavente	GM / GPA
Melinda Mafnas	AGMO / GPA
John Cruz	AGMET / GPA
Tricee Limtiaco	AGMA / GPA
John Kim	CFO / GPA
Taling Taitano	CFO / GWA
Kelly Clark	Legal Counsel / GWA
Graham Botha	Legal Counsel / GPA

**Management & Staff:**

Sandi Perez	Personnel Services Administrator
Patti Diego	Communications Mgr [A] / GPA
Vien Wong	IT / GPA
Joyce Sayama	Mgmt. Analyst / GPA Ex.Office
Lou Sablan	Board Secretary / CCU

**Guests:**

Vince Leon Guerrero	Outside Legal Counsel
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**2. COMMUNICATIONS**

**2.1 Public Comments**

There was no public comment.

### 3. CCU

#### 3.1 OPA Audit on Past Actions Regarding Pay Adjustments

The Chairman said that this meeting has been noticed and is being held to address any potential issues regarding pay adjustments to Guam Power Authority and Guam Waterworks Authority employees that were discussed and decided in executive session. To resolve these issues once and for all, the Commission is going to use procedure to provide a remedy for the defective meetings and finalize the salary adjustments in open session.

He said a line of cases out of the Alaska Supreme Court have interpreted an open government statute nearly identical to Guam's Open Government Law 5 GCA Chapter 8. These instructive cases present a well-reasoned guideline for governmental bodies wishing to rectify earlier decisions that were found to be flawed due to a procedural or other defect. The ultimate goal in the application of the guideposts set out in the case law is to promote public participation and input into the operation of this Commission.

He added, for the meetings we will reconstruct tonight the Commission will provide for a substantial reconsideration of the original decision in a properly noticed and open meeting - that's what we are having tonight. The reconsideration will be full, fair and when possible, a reconstruction of the status quo or conditions surrounding the decision to be remedied.

And, he continued, with respect to the earlier decisions that were determined to be sufficiently flawed to be void, there are 6 meetings that we will hold *de novo*. These meetings reflect decisions affecting only those employees that are currently employed by GPWA.

Further he said, the meetings to be reconstructed or held *de novo* and affecting only those employees who are still employed by GPA and GWA. They are: July 23, 2015, Sept 22, 2015, Dec 10, 2015, April 26, 2016, May 24, 2016, Feb. 21, 2017 and Aug 28, 2018.

He added that under government code there is a limitation of 3 years on actions which can be initiated to recover, Section 338, Subsection D, Civil Procedures of Guam provides that the time for commencement of actions is three years where there is a mistake.

#### MEETING OF JULY 23, 2015

In the meeting on July 23, 2015, it appears the discussion of salary was in open session. However, the OPA believes the session was executive in nature. To err on the side of caution, the Commission will now address the hiring of John Benavente as General Manager of GPA at the salary of \$225,000. This salary is commensurate with stateside combined power and transmission companies in the value and sales range of GPA and in reality, is a little on the low side.

Comm. Sanchez moved to hire John Benavente at \$225 per annum for the position of General Manager for the Guam Power Authority, second by Comm. Santos.

In discussion Comm. Sanchez said that Mr. Benavente was replacing Mr. Joaquin Flores who had retired from service at GPA and Mr. Benavente was hired, at that time, to take over as the new General Manager. He clearly had the demonstrated experience and background and previously served the CCU running both GPA and GWA. He was highly qualified having been a previous General Manager and fully knowledgeable of the work that was done under the previous General Manger. He was the best candidate to take over the work and for this reason was hired to replace former General Manager Flores at the salary of \$225K

Comm. Duenas added that Mr. Benavente came along at a time where we needed to move forward with negotiations with USEPA concerning Clean Air Act violations at Cabras 1&2 as well as Cabras 3&4 and 8&9.

Comm. Sanchez further added that he helped implement the Integrated Resource Plan [IRP] which required GPA to add solar capacity to be in compliance with the public law passed by former Speaker Ben Pangelinan which set the renewable portfolio standard. He was instrumental and helped to set the renewable generation assets and continues to work on this. We are now we in position to have almost 185 MW of solar power.

Comm. Limtiaco said he was not a commissioner at the time and has nothing to add to help reconstruct this meeting.

Comm. Guthertz said she too was not a member either but would like to hear a little more regarding John Benavente. She said she has experience with Mr. Benavente during her earlier tenure on the CCU. Shortly after the CCU was created, a typhoon hit the island and the entire island lost power. The damage was excessive and John Benavente was very instrumental in restoring power to the island. Mr. Benavente was able to reconstruct the power system under very difficult, limited resource conditions. His responsiveness to the community was excellent and she does not have any questions regarding his professionalism and his management ability. She had the opportunity to witness John Benavente in action and supports this measure

Comm. Duenas said that for those commissioners who were not present at the meeting in question, it is certainly understandable if they abstain from voting but still encourage them to comment

Comm. Limtiaco said the purpose of this meeting is to reconstruct the past meeting but because he was not present at the meetings in question how is he supposed to give feedback or participate. He asked Legal Counsel guidance on this matter. Counsel Clark responded that he would listen to what was said about Mr. Benavente by other Commissioners at that time and make his decision based on that.

Comm. Limtiaco said that being the case, he would need for those who were present to give feedback such as what led to that decision so he can base his own decision. All Commissioners agreed.

Comm. Sanchez further added that the CCU conducted a search at the time and Mr. Benavente was one of the candidates being considered. It was determined that he was the most qualified candidate with vast experience and intimate knowledge of where GPA was at the time.

Comm. Guthertz said she was involved with the hiring of Mr. Benavente at the onset during her tenure with the very first CCU and said she supports this action.

On the motion the Chairman called for the vote via roll call. The vote was unanimous – Comm. Sanchez – yes, Comm. Limtiaco – yes, Comm. Santos – yes, Comm. Guthertz yes and Chairman Duenas voted yes.

#### MEETING OF SEPTEMBER 22, 2015

Comm. Duenas said that the Board met on Sept. 22, 2015 to hire a new Chief Financial Officer for GPA namely Mr. John Kim, to be hired within the advertised salary range at \$135,000. He also negotiated a one-time salary increase of \$5000 for additional work, namely if he was able to get certain credit card payment operations up and running within a year of his hiring. Comm. Duenas said the chair is open for a motion.

Comm. Sanchez said he moves to hire Mr. John Kim who was hired to replace former GPA CFO Randy Wiegand after a competitive search, duly & properly advertised at that time, at a base salary of \$135,000 and upon completion related to his success relative to the ability to obtain credit card payments from ratepayers at a significant savings to both the authority and to the ratepayer, he would receive an additional \$5000 if he completes the project within one year from being hired for a total salary of \$140,000, second by Comm. Santos.

Comm. Sanchez said he believes GPA is the first and only government agency that can accept credit cards with just a flat fee rather than a percent of the transaction. This allows savings to both the ratepayers and the authority.

Comm. Duenas said what John Kim was able to negotiate a single transaction fee of \$1.60 per transaction versus 3% per transaction – a huge savings to ratepayers.

Comm. Sanchez said this helped to improve GPA's cash flow because the Authority was able to access these payment on a timely basis and at a lower cost.

Comm. Duenas added that John Kim was able to further this to include commercial payments at the single fee transaction fee as well. Before this, commercial accounts were not able to pay their bills using a credit card because the fee was based on a percentage of the total bill which was extremely high. It was mentioned that the single transaction fee was also replicated with all GWA payments as well.

Comm. Limtiaco asked how many ratepayers there were at GPA. GM Benavente said there are 52,000 ratepayers at GPA. Commissioner asked what the average power bill and the GM said based on 1,000 kWh or \$250 per month. It was determined that based on this figure this single fee of \$1.50 per transaction translates to a 50% savings for ratepayers.

On the motion, the chairman called for the vote via roll call. Comm. Santos – yes; Guthertz – yes, Sanchez – yes, Limtiaco – yes and Chairman Duenas voted yes.

#### APRIL 26, 2016 MEETING

At the meeting of April 26, 2016, an increase in pay was discussed and voted on for GPA's staff attorney Graham Botha from \$108,000 to \$130,000 which is in line with comparative positions in the federal and the Guam legal community. The Chairman asked for a motion.

Comm. Sanchez moved to set the pay for GPAs Staff Attorney Graham Botha \$130k as of the period April 26, 2016; second by Comm. Santos.

Comm. Santos said the CCU is allowed by the legislature via the Competitive Wage Act to migrate the pay of GPA and GWA employees based on a wage survey that is done nationally and at that time it was determined that Mr. Botha's salary was significantly below the 20<sup>th</sup> percentile and in order to continue the CCU's policy of attracting and attaining qualified employees his salary was increased from \$108,000 to \$130,000.

The Chairman called for the vote via roll call – Comm. Limtiaco – yes, Sanchez – yes, Santos – yes, Guthertz – yes and he Comm. Duenas – yes.

#### MAY 24, 2016 MEETING

On May 24, 2016 the Board discussed setting the salary of the Board Secretary by \$2,000. There was a long discussion of comparable positions in the unclassified sector of the government and the fact that she had received no increment raises for two years. The Chairman called for a motion.

Comm. Sanchez motioned to set pay as of May 24, 2016 for Bernadette Lou Sablan, the single board secretary of the Consolidated Commission on Utilities to \$72, 012, second by Comm. Santos.

Comm. Sanchez said when he and Comm. Guthertz first started on the CCU there were 2 separate board secretaries, Ms. Sablan was one of them and there was a second employee with combined salaries of over 100k

per year. When Bernadette Lou Sablan showed her strong abilities not just for GPA and was also able to pick up the load for GWA her skillset allowed CCU to combine both under one secretary saving \$30k per year. The other employee applied for another position at GWA and was kept doing the other job.

Comm. Duenas added that Ms. Sablan was the one who worked with the CCU to get Board Books online saving on the cost on paper.

Comm. Sanchez said that she has been on board since the first CCU. She took over both utilities and the CCU and performed the job exceptionally doing two levels of work at the lower cost of having 2 board secretaries.

Comm. Limtiaco asked about the pay scale that was considered for the last position. He heard the justification that the board secretary was doing 2 secretarial positions but what was the consideration on the pay scale?

Comm. Sanchez responded that it was over the \$100k to pay for two secretaries - \$55-60k for GPA and \$55-60k for GWA. The collective decision at the time and given her strong abilities it made sense to combine it under one person – Ms. Sablan and pay her to do 2 different jobs at a lower cost than hiring 2 different people.

It was mentioned that Ms. Sablan had taken over both secretarial positions toward the end of the 1<sup>st</sup> CCU and long before May 2016. This adjustment was to also recognize her abilities through the years.

On the motion, the Chairman called for the vote via roll call. The vote was Comm. Limtiaco – yes. Sanchez – yes, Santos – yes, Guthertz – yes and Chairman Duenas voted yes.

#### FEBRUARY 21, 2017 MEETING

On February 21, 2017, the executive session was about hiring a new AGMA for GPA, Ms. Tricee Limtiaco. The salary suggested of \$128,222 and was within the advertised range at the time. The Chairman asked for a motion.

Comm. Sanchez motioned to hire Ms. Beatrice Limtiaco, Asst. General Manager of Administration as of February 22, 2017 at \$128,222 per year, second by Comm. Santos.

Comm. Limtiaco said he would like to disclose a conflict of interest - he is married to Ms. Beatrice Limtiaco and would like the Commissions consideration to abstain from any discussion and to be recused from voting. Chairman Duenas said that is perfectly proper.

Comm. Guthertz said she distinctly recalled during review and selection process for this position, the strong recommendation from the General Manager that she was an extremely strong candidate with organizational and leadership skills and the ability to understand numbers and the importance of data analysis. She was and is strongly in support this hiring and supports this motion.

Comm. Sanchez said this position was advertised and there was a significant number of applicants. Ms. Limtiaco was determined the most qualified. She has an understanding of operations, legal and administrative procedures and this combination together with public and private experience gives her 2 skillsets. She has both which makes her the most qualified applicant.

The Chairman called for the vote via roll call – Comm. Sanchez – yes, Comm. Santos – yes, Comm. Guthertz – yes and Chairman Duenas vote yes and recognizes the recusal of Mr. Limtiaco. The vote was 4yes /1 abstention

The Chairman said also on February 21, 2017 the Commission voted to hire Mr. John Cruz as Asst. General Manager of Engineering and Technology Services at a salary of \$145,000.

Comm. Sanchez motioned to hire John Cruz for the Asst. General Manager of Engineering and Technology at salary of \$145, second by Comm. Santos.

Comm. Sanchez said John Cruz was instrumental in setting the renewable portfolio standards with strong background in planning. He was very instrumental in setting the plan for public private partnership that emerged to our solar partnership such as the Dan Dan Project. In addition, setting parameters for the bid and all the bids that were subsequently awarded - over \$140MW to include the batteries that are soon to be coming online. He has a very strong background in engineering and planning. He is clearly identified as a key player to move forward with the Integrated Resource Plan [IRP] and all the diversity of generation and grid management which has come to fruit and bear with GPA as we migrate from just being a power company that generates energy through oil/fire generation to a power company that generates power through a number of different ways. John Cruz helps to manage relationship with private citizens - 2600 making their own solar energy, managing net metering and how to think about it. He was very instrumental in setting those policies

Comm. Duenas said John Cruz was instrumental in obtaining a matching grant for Smart Grid \$132M - \$16M from GPA and \$16M from the ARRA grant

Comm. Limtiaco asked during the time of this hiring was the pay scale considered and was it within range or outside the range what was the justification of setting his pay

Comm Duenas said during that time the pay was within the range that was set. The range was set because of all the factors that were enumerated.

Comm. Guthertz acknowledged this selection - his exceptional analytical ability his skill with data and numbers, projecting future activity based on analytical data and technical expertise.

On the motion the vote was by roll call – Comm. Limtiaco – yes, Sanchez – yes, Santos – yes, Guthertz – yes and Chairman Duenas voted yes.

Also on Feb.21, 2017 the Board discussed setting the salary of the Asst. General Manager of Operations Melinda Mafnas at \$140,000.

Comm. Sanchez motioned that the Asst. General Manager of Operations Ms. Melinda Mafnas be paid \$140,000, second by Comm. Santos.

Comm. Sanchez said the biggest achievement attributed to Ms. Mafnas was the handling of the explosion at Cabras. She inherited a bad situation at the Cabras plants. Ms. Mafnas was instrumental to keep network of generation online with minimal interruption. She had to manage the whole interface and it was probably the most difficult / critical time. She managed the process to work with large power users and she was key in keeping the lights on.

Comm. Duenas said he echoes the comments made by Comm. Sanchez. Critical to our operation it's easy to do good when things are going great and the signs of a good organizer is more evident when things go wrong.

Comm. Guthertz said Ms. Mafnas was instrumental in assisting our sister island to get power back after the storm by organizing and deploying GPA's resources to assist.

Comm. Limtiaco again asked if the pay scale was brought into consideration at that meeting and was it within range, below or above?

Comm. Simon confirmed that the pay scale was in the range of the 20th percentile

The Chairman called for the vote via roll call – Limtiaco – yes, Sanchez – yes, Santos – yes, Guthertz – yes and Chairman Duenas – yes. The yes vote was unanimous.

#### AUGUST 28, 2018 MEETING

The Chairman said on August 28, 2018, the board met and discussed the salary of GWA's Asst. General Manager of Compliance / Safety. He asked for a motion.

Comm. Sanchez motioned to approve the salary increase for the GWA Asst. GM of Compliance and Safety, Mr. Paul Kemp at \$126,000, second Comm. Francis Santos.

Comm. Sanchez said that Mr. Paul Kemp came on board shortly after the CCU was formed. He was essential to the performance of GWA. He has a strong chemical background and interface with compliance and with the consent decree. GWA was never placed in receivership and way on our way to complete the first Consent Decree and continues to work with the USEPA amicably.

Comm. Duenas noted for the record the salary set was within the CTP pay scale.

On the motion, Chairman Duenas called for the vote via roll – Comm. Limtiaco – yes, Sanchez – yes. Santos – yes, Guthertz – yes and Chairman Duenas voted yes. The yes vote was unanimous.

Also on Aug 29, 2018, the Commission set the pay for GWA Asst. CFO Gilda Mafnas for the Asst. CFO

Comm. Sanchez motioned to set the pay for GWA's Asst. Chief Financial Officer, Gilda Mafnas at \$113,484.80 second by Comm. Santos.

Comm. Sanchez said as the Asst. CFO, Ms. Mafnas demonstrated early on the ability to assist the CFO's to complete goals and objectives for GWA Finance. At one point we only had one CFO for both power and water and she managed to assist and maintain as the ghost CFO for GWA. Ms. Mafnas as a strong private sector background and her pay scale was within those set by the Competitive Wage Act. Ms. Mafnas is right hand to the CFO's and was very instrumental in the development of all of GWA's rate cases

Comm. Duenas added that Ms. Mafnas also had to do some prior rate increases too so her experience is vast. Comm. Sanchez said his level of involvement dropped off significantly when Ms. Mafnas took over.

Comm. Limtiaco said based on OPA audit the range is 99K to 103K so what was the justification to move her to \$113k?

Comm. Sanchez responded that the main justification was her work on the design of the rate plan to borrow the bond money. It was a critical period for GWA. We had to be able to demonstrated to USEPA, the financial market and the CCU and ratepayers that we could design a rate plan that would not overburden the ratepayers yet provides the cash flow necessary to borrow significant amounts. She worked well with supporting CFO's to explain to the GM's the rationale behind the rate plans. GWA had little history of going to the bond market so she was very instrumental. She relieved me and the board of having to work on presentations, spread sheets, data analysis and other financial processes and documentation to support our request.

Comm. Duenas said that prior to CCU, didn't have any debt. There was general obligation debt that the agency incurred. There was CFO Randy Wiegand and now Greg Cruz and the common thread was Ms. Mafnas.

The Chairman called for a vote by roll all – Comm. Limtiaco – yes, Sanchez – yes, Santos – yes, Guthertz – yes and Chairman Duenas voted yes. The vote was unanimous.

Chairman Duenas said that also on August 29, 2018 the Commission set the pay for GWA Controller Sandra Santos at \$93,932.80.

Comm. Santos moved that the Commission set pay for Sandra Santos, GWA Controller at \$93,932.80, second by Comm. Santos.

Comm. Sanchez said Ms. Santos played a similar role in supporting and assisting the Asst. CFO Mafnas and the CFO/s. The controller is responsible for the day to day check book, management of cash flows in and out, auditing of the utilities. It is a very critical position and she performed this job very well for many years that it is easy to support this request.

Comm. Guthertz said the performance of Ms. Santos is consistent with her work as a former student and supports this recommendation.

The Chairman asked if there were other comments; there being none, he asked for the vote by roll call. Comm. Sanchez – yes, Santos – yes, Guthertz – yes, Limtiaco – yes and Chairman Duenas voted yes. The vote was unanimous.

#### 4. ANNOUNCEMENTS

##### 4.1 Next CCU Meetings:

The Chairman said that the next CCU meeting would be a work session for GWA on Feb. 18, a work session for GPA on Feb. 20 and the regular CCU meeting on Friday, Feb. 21 rather than Tues., Feb. 25.

#### 5 ADJOURNMENT


There was no further business to bring before the Commission.

Comm. Sanchez motioned to adjourn the meeting, second by Comm. Santos. There was no objection and the meeting adjourned at 6:19 p.m.


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Attested



JOSEPH T. DUENAS, Chairman



MICHAEL T. LIMTIACO Secretary