



CONSOLIDATED COMMISSION ON UTILITIES

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

Special Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., November 10 2020

MINUTES

1. CALL TO ORDER

The CCU Chairman Duenas called the CCU Special Meeting of November 10, 2020 to order at 5:45 p.m. He said all five [5] Commissioners were present for a quorum. He said this is special meeting to conduct the evaluations for the seven [7] CCU employees – they are the 2 General Managers, the 2 Chief Financial Officers [CFO's], the 2 Legal Counsels and the Board Secretary.

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	CCU Member

Management & Staff:

Graham Botha	Legal Counsel / GPA
Kelly Clark	Legal Counsel / GWA
John Dixon	IT / GWA
Roque Rosario	IT / GWA
Lou Sablan	Board Secretary

2. OLD BUSINESS

2.1 CCU Rules Update

The Chairman asked the Chair for Rules Committee, Comm. Limtiaco to update the Commission on any changes to the eval forms, process etc. for recommendation. Comm. Limtiaco said that each Commissioner was assigned to handle evaluations for certain managers to meet and agree to the new FY evaluation metrics & KPI's. The outcome of those meetings resulted in what was agreed to in form of the evals and KPI's for the new fiscal year. There were some changes to the evaluation metrics so what we are presenting today are the changes made to specific evaluation forms and to adopt those changes and to formally adopt again those without changes. He further said that per the Commissioners who evaluated the GM's, their evaluation forms are unchanged so they are as in the CCU Rules. There are some changes to the forms for Legal Counsel and both GPA and GWA counsels

have agreed to update both forms so that they mirror each other. It was mentioned that Chair Limtiaco does not have the specific updates but the Commissioners who handled the Legal Counsel evaluations should have them.

Legal Counsel Botha confirmed and provided the Commission with the amended KPI's. Rules Chair Limtiaco asked Legal Counsel to update the Commission on the specific changes made to the Legal Counsel evaluation forms. Counsel Botha said there were initially four [4] sections under Managing Operations which was streamlined down to 2 sections which changed the weight of the score for this section. The change reflected follows – managing operations 60%, Finance 10%, Personal competences 30%. It was mentioned that both GPA and GWA legal counsel forms will mirror each other. Chair Limtiaco further mentioned that there were changes to the GWA CFO evaluation form.

Comm. Limtiaco recommended to acknowledge the changes made to these forms and during recess of this meeting, other commissioners will have time to review and adopt the updated versions, adding he will send all commissioners the revised forms. It was mentioned that when the meeting reconvenes the changes would be further discussed and or adopted.

Comm. Sanchez said to ensure that the updated forms be included in the original rules packet since it is a public document.

Comm. Santos said for the record, he and Comm. Limtiaco were assigned to meet with GWA's General Counsel but the meeting did not happen. Since GWA's legal counsel has already agreed to accepted the changes pointed out by GPA legal counsel Botha earlier, he is asking that Counsel Clark document to him via email that he agrees with the changes. Legal Counsel Clark was present and said he agreed and will document his concurrence. Comm. Limtiaco said that since the meetings will be ongoing for a little while, perhaps a meeting with GWA Legal Counsel is still doable so he can officially agree with the changes. All agreed.

The GWA GM said it is his understanding that the GM's input will be solicited for CFO and Counsel and added that if changes are made, he would need to have access to the revised forms prior to his write up. Comm. Limtiaco confirmed that yes the GM will need to provide input re the CFO and Legal Counsel and that amended forms will be provided to him as requested.

Comm. Santos stated that the board secretary needs to update the evaluation forms with adoption date/s noted on the form to ensure that the forms are the most currently adopted versions. The commission agreed.

Chairman Duenas said that the only evaluation form already adopted now is the one for CCU Board Secretary and asked if the commission can move forward with the evaluation process for this position. The Commission agreed.

The Chairman then asked for a motion to move to executive session after a 5-minute recess.

Comm. Guthertz motioned to move to Executive Session after a 5-minute recess, second by Comm. Santos..

The meeting recessed; the time was 6:01 p.m.

3. NEW BUSINESS

3.1 Executive Session Evaluations

The meeting was called back to order at 6:07 p.m. for Executive Session to evaluate the CCU Board Secretary; Executive Session ended at 6:56 p.m.

After executive session the Chairman asked for a motion to recess until 3:30 p.m., November 12, 2020

Comm. Guthertz motioned to recess until 3:30 p.m., November 12, 2020, second by Comm. Santos

Special Board Meeting of 11/10/20
CCU Conference Room, Gloria B. Nelson Public Service Building
CONTINUED AT 3:30 p.m., November 12 2020

The CCU Chairman Duenas called the CCU Special Meeting to order at 3:45 p.m. He said this is the continuation of a meeting on November 10th to conduct the evaluations for the seven [7] CCU employees – they are the 2 General Managers, the 2 Chief Financial Officers [CFO's], the 2 Legal Counsels and the Board Secretary. He said all five [5] Commissioners were present for a quorum.

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	CCU Member

Mangement & Staff:

Miguel Bordallo	General Manager
John Dixon	IT / GWA
Lou Sablan	Board Secretary

For the purpose of today's meeting, the chairman asked for a motion to move the meeting to executive session.

Comm. Guthertz motioned to move the meeting to executive session to evaluate the GWA CFO, Taling Taitano, second by Comm. Limtiaco.

At the end of executive session, the chairman moved the meeting back to regular session and asked for motion to recess.

Comm. Guthertz motioned to recess the meeting until 9 a.m., November 13, 2020, seconded by Comm Sanchez.

The time was 4:30 p.m.

Special Board Meeting of 11/10/20
CCU Conference Room, Gloria B. Nelson Public Service Building
CONTINUED AT 9:00 a.m., November 13, 2020

The CCU Chairman Duenas called the CCU Special Meeting to order at 9:51 a.m. He said this is the continuation of a meeting that started on November 10th and reconvened at 3:30 p.m., Nov. 12, 2020. The purpose of the meeting was to conduct the evaluations for the seven [7] CCU employees – they are the 2 General Managers, the 2 Chief Financial Officers [CFO's], the 2 Legal Counsels and the Board Secretary. He said four [4] Commissioners were present for a quorum – Comm. Limtiaco, Guthertz, Sanchez and himself; Comm. Santos is absent.

Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	CCU Member

Mangement & Staff:

Vince Leon Guerrero	Outside Legal Counsel
Taling Taitano	GWA Chief Financial Officer
Vladimir Navasca	GPA IT
Vien Wong	GPA IT
Allen McDonald	GWA IT
Lou Sablan	Board Secretary

The Chairman said he would like to begin the meeting with discussion on a matter of old business relative to CCU Rules and evaluations. He said with the help of the CCU outside legal counsel Vince Leon Guerrero whom he asked to be present today to help clarify questions that arose from discussions at yesterday's meeting.

Counsel Leon Guerrero said that there are distinctions between 2 different classes of CCU employees. Class 1 - the 2 GM's where law clearly specifies that these evaluations are to be held in public and Class 2 - that of the 5 remaining positions directly under CCU – that being the 2 CFO's, 2 Legal Counsels and the Board Secretary. He referred the commission to a case called Ripskey, a court of appeals for the District of Columbia in 1984. The author of this Opinion is now the Supreme Court Justice of the U.S., Scalia so it carries a lot of weight. The Case says that evaluations are an exemption to the FOIA. There are privacy rights and you can release information but redact names and any identifying information; you cannot associate employee names to evaluations. He said in his opinion, if the CCU does not follow this then the Commission may be liable to litigation due to violation of privacy. He recommended that for Class 2, evaluations are done in executive session, do not talk re compensation / salary. Then move to open session there without discussion on specific details of evaluation talk / speak about compensation.

Comm. Duenas commented to Outside Counsel is that after evaluations in executive session what is the Commission allowed to say? Counsel Leon Guerrero responded that if the Commission is satisfied and if there is an adjustment in pay, this has to be discussed in open session and only the dollar amount not the justification or reason. If after the evaluation, if satisfactory and there is no pay adjustment, then there is no need to do anything further.

There was some discussion on this possible outcome. Comm. Guthertz said that the public scrutiny may lead to disgust because the Commission will be rewarding an individual without any justification or rationale. She was concerned as was Comm. Sanchez.

Comm. Sanchez said in open session and discussed in public are criteria and related percentage values contained in the respective evaluation forms; these are already public documents. However, the actual outcomes or ratings related to these criteria are not releasable after the evaluation. Outside Counsel concurred that this his understanding / recommendation.

There was discussion about other cases he researched that allows the evaluation / ratings to be released but it is not as compelling as the Ripskey Case. Outside Counsel added that this is the one that he would use as precedence when representing a disgruntled employee or a response to a FOIA.

Comm. Limtiaco asked if the Attorney General was ever asked to opine on what the Commission can release. Comm. Limtiaco said that in the CCU Rules as approved, the policy adopted is to release a summary evaluation metric of the Class 2 employees. This was for the sole purpose of transparency to ensure the public that we are doing our due diligence relative to our employees. What can we release even at a high level?

Chairman Duenas recommended that the Commission move forward and complete the planned evaluations and asked Counsel Leon Guerrero to draft the question to the Attorney General asking him to opine. Comm. Limtiaco said the question really revolves around the CCU Rules and recommended that Outside Counsel review what the CCU agreed to as a body and articulate this in his draft. Comm. Sanchez said at this point the Commission is not able to justify a raise; the Commission is not able to share their rationale with the public and this is concerning to them.

Comm. Sanchez also discussed the possibility of seeking a declaratory judgement from the court which may be a better option than asking the Attorney General to opine. He added that the AG is just another attorney but when the court rules it is the final say. Counsel Leon Guerrero commented that he does not think this is the appropriate course of action. Comm. Sanchez asked Counsel to research and confirm if the Commission has this option.

Chairman Duenas asked who could sue over this issue? Counsel Leon Guerrero said a disgruntled employee. Chairman asked counsel to research this and confirm if a citizen could make a suit against the Commission? Can this citizen be a member of the Commission? The objective is to get this matter / issue in front of a judge and force the court to interpret the law and make a determination.

Chairman Duenas asked Counsel to do the research and come back with alternatives that the Commission can consider. Meanwhile, the Commission will continue the evaluation process and not move any further with actual evaluations until the Commission makes a final decision on what to do afterwards – what the messaging will be after the evaluation.

Comm. Sanchez said the current statutes are conflicting – the Open Government Law and the Personnel Rules Law. Boards and Commissions cannot explain why a pay is adjusted and this is not right. The law as written seems to set up that it is ok to give someone a pay adjustment but we cannot tell the public why?

Comm. Limtiaco said the Commission in the CCU Rules already adopted a path forward. We agreed to provide a summary evaluation to the public, we just now need to know to what extent can we follow that rule and in event that we can't we will need to adjust the rules.

Chairman Duenas said to Counsel Leon Guerrero that this is a two-step request: to review the rules and see if it conforms to the law as he opined and if it needs to be changed. The second is to then determine if the Commission still wants or needs to get a definitive answer, what would be the best path that the Commission will use to move forward? The Chairman asked when his response is complete to direct his response to him and he will then disseminate this to the rest of the Commission.

Comm. Sanchez motioned to have a short recess before returning back to executive session, Comm. Limtiaco seconded. There were 4 ayes for the recess. The time was 10:32 a.m.

Executive Session started at 10:49 a.m. with the evaluation of the GWA Chief Financial Officer.

At the end of Executive Session, Comm. Guthertz motioned to recess this meeting until 5:30 p.m. on November 17, 2020. The motion was seconded by Comm. Sanchez. It was 12:05 p.m.

Special Board Meeting of 11/10/20
CCU Conference Room, Gloria B. Nelson Public Service Building
CONTINUED AT 5:30 p.m., November 17 2020

The CCU Chairman Duenas called the CCU Special Meeting to order at 6:00 p.m. He said this is the continuation of a meeting that started on November 10th and reconvened at 9:51 a.m., Nov. 13, 2020. The purpose of the meeting was to conduct the evaluations for the seven [7] CCU employees – they are the 2 General Managers, the 2 Chief Financial Officers [CFO's], the 2 Legal Counsels and the Board Secretary. He said four [4] Commissioners were present for a quorum – Comm. Limtiaco, Guthertz, Sanchez and himself; Comm. Santos is absent.

Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	CCU Member

Management & Staff:

John Kim	GPA Chief Financial Officer
Vien Wong	GPA IT

Allen McDonald	GWA IT
Roque Rosario	GWA IT
Lou Sablan	Board Secretary

Comm. Guthertz motioned to move the meeting to executive session to evaluate GPA Chief Financial Officer, John Kim, seconded by Comm. Limtiaco.

The meeting moved back to Open Session.

Comm. Sanchez motioned to recess the meeting until 5:30 p.m., November 19, 2020, seconded by Comm. Limtiaco.

The time was 8:15 p.m.

Special Board Meeting of 11/10/20
CCU Conference Room, Gloria B. Nelson Public Service Building
CONTINUED AT 5:30 p.m., November 19, 2020

The CCU Chairman Duenas called the CCU Special Meeting to order at 6:10 p.m. He said this is the continuation of a meeting that started on November 10th and reconvened at 6:00 p.m., Nov. 17, 2020. The purpose of the meeting was to conduct the evaluations for the seven [7] CCU employees – they are the 2 General Managers, the 2 Chief Financial Officers [CFO's], the 2 Legal Counsels and the Board Secretary. He said four [4] Commissioners were present for a quorum – Comm. Limtiaco, Guthertz, Sanchez and himself; Comm. Santos is absent.

Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	CCU Member

Mangement & Staff:

Miguel Bordallo	GWA General Manager
Kelly Clark	GWA General Counsel
Vien Wong	GPA IT
Vlad Navasca	GPA IT
Lou Sablan	Board Secretary

Comm. Guthertz motioned to move the meeting to executive session to evaluate GWA Legal Counsel Kelly Clark, second by Comm. Sanchez.

At the end of executive session, Comm. Guthertz motioned to recess this meeting and reconvene at 6:30 p.m. on November 24, 2020, second by Comm. Sanchez. The time was 8:10 p.m.

Special Board Meeting of 11/10/20
CCU Conference Room, Gloria B. Nelson Public Service Building
CONTINUED AT 6:30 p.m., November 24, 2020

The CCU Chairman Duenas called the CCU Special Meeting to order at 7:59 p.m. He said this is the continuation of a meeting that started on November 10th and reconvened at 6:10 p.m., Nov. 19, 2020. The purpose of the meeting was to conduct the evaluations for the seven [7] CCU employees – they are the 2 General Managers, the 2 Chief Financial Officers [CFO's], the 2 Legal Counsels and the Board Secretary. He said four [4] Commissioners were present for a quorum – Comm. Limtiaco, Guthertz, Sanchez and himself; Comm. Santos is absent.

Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	CCU Member

Management & Staff:

Lou Sablan	Board Secretary
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The Chairman said that due to the lateness of the hour, due to the regular CCU meeting preceding this one, he would like a motion to recess this meeting and reconvene at 3 p.m. on December 1, 2020.

Comm. Guthertz motioned to recess the meeting until said time and date, second by Comm. Sanchez.

The time was 8:02 p.m.

Special Board Meeting of 11/10/20
CCU Conference Room, Gloria B. Nelson Public Service Building
CONTINUED AT 3:00 p.m., December 1, 2020

The CCU Chairman Duenas called the CCU Special Meeting to order at 3:22 p.m. He said this is the continuation of a meeting that started on November 10th and reconvened at 7:59 p.m., Nov. 24, 2020. The purpose of the meeting was to conduct the evaluations for the seven [7] CCU employees – they are the 2 General Managers, the 2 Chief Financial Officers [CFO's], the 2 Legal Counsels and the Board Secretary. He said all five [5] Commissioners were present for a quorum.

Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice Chairman
Michael T. Limtiaco	CCU Secretary

Judith P. Guthertz
Simon A. Sanchez

CCU Treasurer
CCU Member

Mangement & Staff:

Graham Botha
Lou Sablan

GPA General Counsel
Board Secretary

Comm. Guthertz motioned to move the meeting to executive session to evaluate GPA Legal Counsel Graham Botha, second by Comm. Limtiaco.

At the end of the end of executive meeting the meeting was moved back to regular session.

Comm. Guthertz motioned to recess this meeting until 9 a.m., December 3, 2020, second by Comm. Sanchez.

The time was 5:05 p.m.

Special Board Meeting of 11/10/20
CCU Conference Room, Gloria B. Nelson Public Service Building
CONTINUED AT 9:00 a.m., December 3, 2020

The CCU Chairman Duenas called the CCU Special Meeting to order at 9:34 a.m. He said this is the continuation of a meeting that started on November 10th and reconvened numerous times, the last being at 3:22 p.m., December 1, 2020. He said all five [5] Commissioners were present for a quorum and at today's meeting, during open session, the Commission will be evaluating GPA General Manager John Benavente first, followed by GWA General Manager Miguel Bordallo. 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	CCU Member

Mangement & Staff:

John Benavente	GPA General Manager
Miguel Bordallo	GWA General Manager
Vlad Navasca	GPA IT
Vien Wong	GPA IT
Lou Sablan	Board Secretary

3. General Manager Evaluations

The Chairman opened the meeting; Comm. Santos asked to address the Commission saying that for the record he would like to recuse himself from the evaluation for GWA General Manager Miguel Bordallo who is his brother in law and wants this recognized by the Commission.

Comm. Limtiaco commented that in regards to potential conflicts of interest he referenced Chapter 15 of the Standards of Conduct for Elected Officers, Appointed Officers and Public Employees of the Government of Guam. In Chapter 15 defines conflicts of interest as no employee shall take any official action directly affecting business or other undertaking in which the employee has a financial interest. Financial interest means an interest held by an individual his or her spouse, natural adopted, or dependent children parents, parents-in-law, siblings or siblings-in-law which is an ownership interest in a business, a creditor interest or an insolvent business, an employment or prospective employment for which negotiations have begun, an ownership interest in personal or real property a loan or other debtor interest or a directorship or officership in a business. He said his spouse, Tricee Limtiaco, is an employee of GPA under direct report of John Benavente, who CCU is evaluating today, and how he evaluates Mr. Benavente has direct impact on his spouse and wants to point this out. He will recuse himself from the evaluation of Mr. Benavente. For the record he said that these evaluations are a very important part of the Commission's responsibility and is disappointed that he could not participate because he thinks he can be impartial. However, there is a clear conflict and he will recuse himself.

Comm. Guthertz said for the record she has absolutely no conflict of interest at all either for GPA or GWA's General Managers, in any way.

Comm. Sanchez asked about scoring, Comm. Limtiaco has recused himself from the evaluation process itself but asked if Comm. Limtiaco could assisting with the tabulation of the scores of the other Commissioners. Comm. Limtiaco responded and cited the conflicts of interest section in Chapter 15 which is clear "All employees, as defined in this Section, who know, or with reasonable investigation should know, that the employee has a financial interest in any decision pending before that employee or the agency of which the employee is a member shall not vote for or against, discuss, decide, in any way participate in considering the matter, or seek to influence the votes or decisions of others on such matter" and based on this, he should not participate at all.

Comm. Duenas said for the record and in light of the information just shared by Comm. Limtiaco, he sees the same conflict with Comm. Santos relative to GWA's GM Bordallo. Comm. Santos thanked the Chairman.

There was discussion on how to proceed with evaluation process so GM Benavente understands. Comm. Sanchez explains the evaluation scores from 1 to 5 with a 5 requiring a justification statement or support and included how the Commission will arrive at a weighted average for each section on his key performance indicator and the how the overall weighted average will be configured.

GM Benavente responded that his presentation and the sequence may not follow exactly the format of the CCU score sheet adding that he would like to use his presentation in its present form rather than move from one point to another, as per the CCU evaluation format.

Comm. Guthertz said she would like the GM to go through his presentation and then use the evaluation form at the end of the presentation to question him and tie-in his presentation to the various sections.

Comm. Santos advised Mr. Benavente that the Commission will evaluate him for his performance in FY18, FY19 and FY20. GM Benavente said his presentation covers period from the time he was appointed as GM.

GM Benavente begins his presentation with the attached reference presentation.

UTILITY PROGRESS 2015-2020

John M. Benavente, P.E.
General Manager

Prepared for the Guam Consolidated Commission on Utilities
December 3, 2020

STRATEGIC PLAN SUMMARY

CRITICAL SUCCESS FACTORS DASHBOARD				
CSF #	CSF	KPI #	STATUS	TREND
1	ACHIEVE EXCELLENT CUSTOMER SERVICES			▲
	Sustained Improvements of Customer Satisfaction			
	Residential Customer Satisfaction with GPA as a Company rose from 61% in 2014 to 76% in 2018; a 15% increase.	1		▲
	Improve Customer Experience	2		▲
2	PROVIDE AFFORDABLE & VALUED PRODUCTS			▲
	Minimize Energy Production Cost	1		▲
	Reduce Line Loss & Unaccounted for Energy	2		
	Achieve Energy Diversity at Affordable Cost	3		▲
	Improve Credit Rating	4		▲
3	DEVELOP SUSTAINABLE WORKFORCE & LEADERSHIP PROGRAM			▲
	Implement a Succession Planning Program	1		▲
	Implement a Structured Leadership & Workforce Training Program	2		▲
	Achieve Safety Awareness & Enhanced Safety Practices	3		▲
	Enhance Employee Satisfaction	4		▲
4	ACHIEVE HIGH SYSTEM RELIABILITY			▲
	Reduce Customer Outages	1		▲
5	EFFECTIVELY USE TECHNOLOGY			▲
	Implement Excellent Cyber Security Program	1		▲
	Improve Productivity Through Technology & Automation	2		▲

INTEGRATED RESOURCE PLAN

STRATEGIC ISSUES	STATUS	NOTES
Increase fuel diversity, mitigate fuel supply risk, and encourage cost-effective renewable energy	ON TRACK	120 MW Solar PV + BESS Contracted for 2022 Completion. Phase III under protest process. Phase IV Under Internal Review
Comply with existing & future US EPA requirements including EGU MACT, RICE MACT, and 1-Hour SO ₂ NAAQS	ON TRACK	Compliance Scheduled Under Consent Decree
Understand and consider financial and operational impacts associated with compliance and non-compliance with existing and future US EPA requirements	COMPLETED	Environmental Strategic Plan Updated Annually FY2020 Update Completed
Support electric power service requirements for the DOD build-up and its economic consequences	ON TRACK	Harmon-Anderson Underground 34.5 KV Transmission Line Completed. Marine Base infrastructure being installed
Evaluate the economic feasibility of retiring or extending the life of its existing generation	COMPLETED	LEIDOS Life Extension Report (FY 2017) 2020 IRP: Analysis of Generation Resource Adequacy
Reduce customer outages due to instantaneous loss of generation by examining operational and economic feasibility of using energy storage devices or requiring certain reliability enhanced characteristics for future generation additions	COMPLETED	Phase I 40 MW BESS in Commissioning Testing with Jan 2021 Completion. Renewable Integration Study Completed (2018) with Recommended Investments

PRIMARY RECOMMENDATIONS	STATUS
Obtain agreement with US EPA & Guam EPA to suspend compliance with RICE MACT for Cabras 3&4 and MEC 8&9 until GPA completes transition to LNG	ON TRACK CONSENT DECREE
Procure an additional 40 MW of renewable energy under Phase II Renewable Energy Acquisition Program, if cost-effective with other available technologies, as early as 2017 to reduce present value costs.	COMPLETED PHASE II 120 MW SOLAR + BESS Phase III 40MW in PROCUREMENT STAY BID CONCLUDED
Develop the necessary infrastructure and contracts to engender transition from RFO to LNG by 2018 or sooner. NOTE: New power plant and pipelines construction contracts issued for ULSD & natural gas	ON TRACK
Retire Marbo CT and Dededo Diesels 1-4 by FY 2014	COMPLETED
Firm up decision to retire Cabras 1&2 and/or Tanguisson (Tango) 1&2 in 2018 concurrent with the availability of LNG. NOTE: All steam units to be retired after completion and commissioning of new power plant	COMPLETED TANGO RETIRED 2015
Based on baseload retirement decisions, construct new 60 - 120 MW gas-fired combined cycle power plant, preferably in northern Guam to reduce technical line losses, online concurrent with the availability of LNG. NOTE: Contract issued and construction underway for dual fuel plant	ON TRACK 198 MW UKUDU CC CT
If Cabras 1&2 or Tanguisson 1&2 are not retired, complete conversion of these units to burn LNG concurrent with availability of LNG in 2018	COMPLETED RETIREMENTS SCHEDULED
Complete repowering of Piti 7 GE Frame 6B combustion turbine generator (CTG) into a combined cycle burning LNG. NOTE: Repowering is not economically feasible	COMPLETED
Complete conversion of Cabras 3&4 and MEC 8&9 to burn LNG. NOTE: Cabras 3&4 retired. Conversion of MEC 8&9 after commissioning of new plant	ON TRACK
If economically and technically feasible, build a 10 MW geothermal unit to come online in 2019. NOTE: Result of Phase II renewable bid indicates geothermal unit is not feasible	COMPLETED
Work towards compliance with all new environmental standards and regulations	ON TRACK

TRANSPARENCY & ACCURACY

- New, easy-to-read billing statement and newsletter resulted in 25% reduction in mailing cost
- Redesigned billing statement garnered an 'Award of Merit' for Excellence in Public Power Communication from the American Public Power Association
- Successfully completed the new CC&B billing system for GPWA resulting in providing customers with ways to monitor their billings and consumption
- Robotic process automation reduced analysis of meter performance issues resulting in faster change outs and more accurate account information
- Timely and consistent outage notifications
- Enhanced website & web services
- Monthly newsletter distributed to all ratepayers to raise awareness of value-added services, initiatives and programs for all customers

ACCOUNT SERVICES

- Expanded Customer Care Center to include phone, email, and social media interaction
- Timely onboarding of ~600 new customers per year
- Merge of CC&B information allows GPA & GWA Customer Representatives to assist customers with cross-services. Single representative serving GPWA customer closer.
- Expanded system status and customer services notifications via social media, including outage information

CONVENIENCE

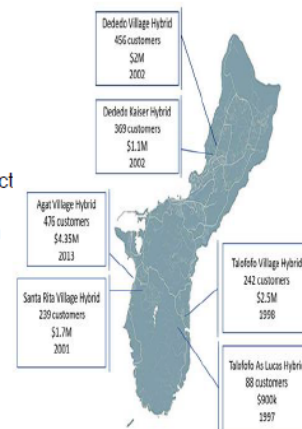
- Same day / same hour services (reconnections, disconnections) offered through advanced meter infrastructure
- Real-time monitoring and push notifications of energy consumption through www.myenergyguam.com
- Implementation of credit card payments to all customers including commercial. Cost to administer program substantially reduced while at the same time providing this ease of payment alternative to customers
- 24/7 Automated IVR Pay-By-Phone offers customers 24/7 account balance information and pay options via toll-free number phone
- Mobile APPs for ease of customer use and payments
- GPWA partnership to offer One Utility Customer Service

INCENTIVES

- Sustained Growth of Energy Sense Rebate, Demand Side Management (DSM) Program
- Over \$4M return to ratepayers participating in DSM program from savings of bond refinancing, and working capital
- PUC approved GPA's petition on May 28, 2020 for approval of the use of LEAC to fund an expanded DSM rebate program
- The authorized funding for DSM in every six-month LEAC period shall be \$1.5M. The rate will generate \$3M annually for DSM rebates and result in \$21M fuel cost savings to ratepayers over 7 year period.

STRENGTHENED ISLAND-WIDE POWER SYSTEM GRID

- Completed installation of Updated and Enhanced SCADA system for GPWA
- Continued change-out of wooden poles to concrete. Greater than 90% of system hardened, Greater than 20% of system has underground secondary system.
- Continued village hybrid underground projects, the latest being for 456 ratepayers in Agat
 - Underground Distribution Projects
 - Completed
 - ✓ Tumon Bay Lateral Conversion
 - ✓ GHURA 501 Streetlight Reconstruction Project
 - ✓ GHURA 501 Reconstruction Project
 - ✓ GHURA 505 Reconstruction Project
 - ✓ Chandia Court Sinajana Reconstruction Project
 - ✓ Kadena Di Amor Latte Heights Reconstruction Project
 - ✓ Fern Terrace Underground Reconstruction Project
 - ✓ Tun Ramon Baza St., Baza Gardens Reconstruction
 - Ongoing - Under Construction
 - ✓ Perezville Meter Relocation and Reconstruction
 - ✓ Route 2, Agat Underground and Pole Relocation
 - ✓ Tumon Bay Lateral Underground Conversion
 - Underground Transmission Projects
 - Completed
 - ✓ Harmon to Anderson 34.5 KV Underground Line



ISLANDWIDE POWER SYSTEM RECOVERY AFTER CABRAS 3&4 EXPLOSION

- Substantially minimized service interruption to less than 1% to customers following the Cabras 3&4 incident and mitigated the loss of 79MW of baseload capacity by:
 - Contracting for interruptible load with major commercial and government customers
 - Contracting for 40 MW of lease-to-own temporary power from Aggreko
 - Replacing aged Cabras 1&2 main transformers; \$2M
 - Rehabilitating 40 MW Dededo power plant; \$10M
 - Replacing Macheche combustion turbine; \$2.7M
 - Overhauling Cabras 1&2 Steam Units \$6.0M
 - Overhauling medium speed units \$6M
- Unit Overhauls and rehabilitation continues on a regular basis to insure the limited capacity available does not result in rolling load shedding. GPA continues to make investments in plant in order to sustain system reliability over the next few years as the new power plant is being constructed.

ASSET PLANNING & MANAGEMENT

- GIS Network: First electric distribution utility to migrate to a production ESRI Utility Network (ArcGIS Pro and Utility Network), providing confidence to perform switching operations and maintain service to the island wide power system
- Mobile Workforce Management System: Implementing new program which will allow real time processing, scheduling and expeditious completion of new customer and existing system maintenance Work Orders
- Vehicle and Equipment Tracking: Continued to track movement of GPA fleet to insure efficient and proper use of fleet
- Predictive Maintenance Program: Locate and fix equipment problems before they cause outages

STORM READINESS & RECOVERY

- Increased Resiliency & Restoration: Expeditious recovery from several storms over this period, including Typhoons Dolphin and Mangkhut resulting in minimal service disruption and revenue loss
- Water & Sewer Resiliency: Acquired responsibility for O&M of all GWA standby generators; GPWA Partnership enabled GWA to maintain 99% of water service to customers during the last significant storm
- FEMA Reimbursements: Successfully Received for Typhoon Dolphin \$2.3M; Typhoon Mangkhut \$4.3M
- System Hardening: Awarded \$5.6M of new underground system for Tumon Bay to protect our valuable tourism industry.
- Material Inventory & Fleet: Maintained Over \$12M in inventory and continued to replace aged equipment fleet in order to have adequate equipment needed to expedite typhoon recoveries

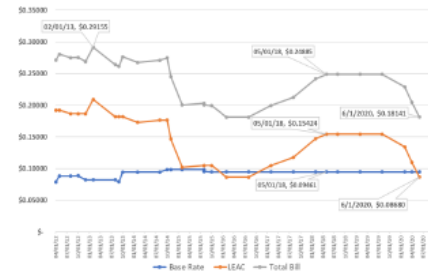
NEXT GENERATION ENERGY PRODUCTION PLANTS

- Energy Conversion Agreement (ECA) between GPA and KEPCO for the new 198 MW Ukudu Power Plant sign in November 5, 2019.
- Clean, efficient, economical technology will meet /exceed environmental regulatory requirements
- Efficient technology to reduce fuel oil imports by 17 million gallons annually
- New Ukudu plant to provide for diversified fuel mix: ULSD & natural gas
- New Ukudu Plant technology to support increased penetration of renewable energy (target 50% by 2035) and result in substantial fuel cost reduction while stabilizing the LEAC rate
- New plant close to customer load centers will result in cost savings due to reduced line losses
- New plant away from the coasts and at higher altitude eliminates vulnerabilities to storm surges and tsunamis
- The new plant will feed into underground 34.5 KV transmission lines which serve 60% of the island's load thereby improving reliability and would allow some areas to receive power continuously during typhoons including the significant military loads in the north
- The 120 MW of solar PV renewables contracted in 2018 to provide significant cost savings over 20 years and most importantly stabilizes energy cost due to a low annual 1% escalator. This energy mitigates erratic LEAC rates due to erratic fuel oil prices
- The Phase III bid for solar PV renewables with full load shifting ESS batteries will shave peaks resulting in fuel and reserve capacity cost savings for ratepayers. The partnership with the military for use of military land for the project results in cost savings.
- 25 % of GPA's energy from renewables in 2023 is innovative and ahead of targeted timelines. 50% renewable energy by 2035 is achievable due to an aggressive renewables program



LOWER FUEL & ENERGY COSTS

- No base rate increase since 2013
- Reduced the impact of increased fuel oil cost to the ratepayers through use of as much as \$16M in working capital to cushion LEAC increases
- The LEAC rate has been unchanged for 1 year despite the rise in fuel prices over the period
- Three LEAC rate decreases were recommended and approved by the PUC in 2020
- The current LEAC rate of \$0.086800/kWh effective June 1, 2020 to remain the same through January 31, 2021
- The LEAC rate for Feb 2021 thru July 2021 is recommended to remain at \$0.0868 by use of self insurance fund.
- 120 MW solar PV plants commissioning in 2022 will save millions annually in fuel cost for all ratepayers.
- 40 MW solar PV when awarded to Engie is expected to save ratepayers about \$5M annually. The two projects totaling 40MW with storage batteries are priced at \$0.11/kWh.
- Phase IV Renewables (equivalent to at least 60 MW) solicitation is being prepared for early 2021
- In regional rate comparisons, GPA maintains the lowest rates per kWh compared to other island power utilities including the Hawaiian Islands, US Virgin Islands and the CNMI
- T&D has installed over 10K LED streetlights throughout the island, replacing the vintage High Pressure Sodium (HPS) yellowish-color lights with new energy saving LED streetlights. 250W lights are installed along main routes throughout the island and 150W lights are installed along village streets
- The streetlight changeout to LED will yield over \$1M in savings annually



FINANCIAL SOLVENCY

- Maintenance and improvements of credit ratings despite challenges and negative impacts resulting from the Cabras 3&4 explosion, higher fuel prices, Typhoons, President Trump Tax Reform and the COVID-19 Pandemic.

COST SAVINGS - O&M

- Consistently below the annual O&M budget
- Received ownership from Independent Power Producer for TEMES 7 plant and the GPA takeover of O&M resulted in >\$4M annual savings
- Received ownership of the MEC 88 MW power plant and renegotiated the MEC contract for 5 years, resulting in >\$15M annual cost reductions
- The consolidation of GPA & GWA operations into a single location at the Gloria B Nelson Public Service Building resulted in substantial direct and indirect savings due to co-locating operating efficiencies
- Robotic Process Automation (RPA) implemented to automate manual and time-consuming service order and work order process thus improving accuracies and saving significant manhours
- Labor FTE has decreased from 512 in FY2014 to the current manning of 445 FTE; annual savings about \$3M (including benefits)

COST SAVINGS - O&M

- Network Infrastructure Consolidation
 - Project Presented to GPA/GWA IT Divisions on One Network - One Customer Initiative
 - Project Kicked off July 2020
 - Project to assess and implement merging GPA and GWA separate networks and infrastructure into one environment
 - Includes both agencies current network, infrastructure, applications, resources, policies, security stance and organization
 - Assesses both tangible and intangible benefits for having one network and infrastructure

COST SAVINGS - CIP

- Purchased and rezoned 60 acres of R1-zone property for new power plant at \$10M. M1-zone (industrial use) land alternatives could have cost \$18M thereby resulting in cost savings of about \$8M. Optimal location of property (less than one mile from Harmon substation) resulted in \$15M-\$22M infrastructure savings
- 198 MW dual-fired combined cycle combustion turbine contracted and project working through permitting
- Millions of dollars in potential millions of fines from USEPA averted (Only \$400,000 Fine Paid)
- Supports achieving 50% renewable energy penetration by 2035 resulting in lower fuel and stable LEAC costs
- Reduces system losses

FINANCING & INSURANCE

- Successful bond refinancing to reduce annual payments by \$500K at 4.12%. \$1M in savings returned to ratepayers through the funding of the DSM program (Energy Sense Rebate) Savings of \$500K was dedicated to assist GDOE reduce its annual utilities cost.
- Reduction in cost of annual insurance premium by \$2M
- Settlement of Cabras 3 & 4 Insurance Claim at \$125.8M. \$72M to be applied to new power plant to reduce annual capacity fee. This reduction in annual capacity fee will save ratepayers about \$5M per year over the next 25 years

SUCCESSION PLANNING

- Identified, planned, and continue to implement programs to address the major issue that 57% of the GPA workforce could retire within the next 10 years

TALENT DEVELOPMENT & MANAGEMENT

- Annual employee evaluations completed, and adjustments implemented per pay-for-performance program
- Organizing comprehensive employee training program to enhance employee capabilities, present upward opportunities and career development
- Increasing intranet services allowing employees convenient self-service options
- Continuing successful Apprenticeship program to train future skilled force for difficult to hire skill sets
- Continuing seasonal internship program to attract future utility engineers, accountants and other professionals
- Working with Guam Department of Education to help prepare high school students for apprenticeship programs and career paths in the utility
- Promotes GPA & energy careers at outreach events
- Engineers - there are forty-five (45) Engineers throughout the organization performing electrical, civil, mechanical, and environmental/regulatory work.
 - Professional Engineer (PE) Certification
 - Fourteen (14) Engineers are licensed Professional Engineer (PE)
- Global Industrial Cyber Security Professional (GICSP) & Certified Information Security Auditor (CISA); Three (3) GICSP Certified ; One (1) CISA Certified

COMPENSATION STRATEGY

- Continue to migrate employee compensation to the 50th percentile salary market level in order to attract and retain employees. GPA currently at the 20th percentile and implementing a moderate and reasonable migration

AWARDS & RECOGNITION

- Board member, American Public Power Association, for the past 5 years. One of 20 board members serving about 2,000 public power utilities.
- Consecutive 1st through 3rd place annual awards from American Public Power Association for safety excellence. Practicing and promoting safe practices and workplaces is our utmost priority. Receiving this award annually provides a benchmark of achievement of this goal. GPA received the First-Place honor for 2018 safety performance
- SAG award issued to GPA for being first electric distribution utility to migrate to a production ESRI Utility Network
- Mutual Aid Commendation received from American Public Power Association for assistance to CNMI Typhoon Yutu recovery
- APPA designates GPA as Smart Energy Provider (SEP)
 - This is the first year APPA has offered the SEP designation
 - The SEP designation recognizes public power utilities for demonstrating leading practices in four key disciplines: smart energy program structure; energy efficiency and distributed energy programs; environmental and sustainability initiatives; and the customer experience
- Federal Energy Management Program recognizes GPA as one of its Utility Partnership Program utility partners (2020) (<https://www.energy.gov/eere/femp/utility-program-utility-partners>)

ENERGY INNOVATION

- Integrated three Nissan Leaf Electric Vehicles (EV) into Authority's fleet & business operations, with two charging stations. GPA to continue to replace aged fleet with EV most especially as more original equipment manufacturers reduce EV prices
- Bringing Energy Savings to (BEST) Schools Projects funded federal EIC grants (\$2,359,387)
 - LED lighting retrofit (FY 2019 EIC Grant)
 - Southern High School (\$954,685)
 - George Washington High School (\$295,315)
 - LED lighting retrofit (FY 2020 EIC Grant)
 - Agueda I. Johnston Middle School (\$586,771)
 - Maria A. Ulloa Elementary School (\$522,616)
- Bringing Energy Savings to (BEST) Schools Projects funded by GPA (\$500,000)
 - BEST Schools Program Audit Report: A preliminary feasibility assessment for Guam Department of Education (GDOE)
 - Carbullido Elementary School energy efficiency retrofit pilot project
- 40 megawatts of utility scale battery storage in Commissioning Testing to mitigate short duration outages caused by baseload unit trips and Solar PV intermittencies (January 2021 Commercial Operation Date)

CLEANER AIR & WATER

- New 198 MW Plant, Conversion to Ultra Low Sulfur Diesel or retirement of Piti 8&9, decommissioning of Cabras 1&2, and GPA's Renewable Energy and Energy Efficiency Programs will significantly improve the air quality throughout Guam as well as significantly reduce GPA's carbon footprint
- The new power plant will use wastewater from the Northern Wastewater Treatment Plant as its cooling source instead of fresh water from the island aquifer and thereby helping the island have sustainable fresh water for years.
- Decommissioning of Cabras 1&2 and 3&4 promotes healthier harbor ecosystem and eliminates thermal pollution effects on the reef because these plants utilize sea water to cool their condensers resulting in their releasing higher temperature effluent into Apra Harbor.

DEVELOPING RENEWABLE ENERGY

- Installed 25 MW of solar PV renewables (Dandan) accounting for 3% of total energy sales
- Awarded 120 MW of solar PV renewables contracts at about \$0.085/kWh with the expected commissioning by 2022, which will account for 18% of total energy sales and the reduction of fuel oil imports by 18.5 million gallons annually
- Bid Award under protest for 40 MW of renewables on land leased from the US Navy. This project will capture energy during the day and utilize all energy to offset higher peak energy production cost, which will account for 5.5% of total energy sales and the reduction of fuel oil imports by 5.5 million gallons annually
- New power plant project awarded allowing GPA to target 50% renewables by 2035 resulting in substantial reduction of fuel cost and furthermore the stabilization of LEAC rate
- Facilitated the expansion of the Net Metering Program to ~2,100 customers (estimated 24.1 MW in total connected systems)
- Completed Renewable Integration Study (2018) to determine necessary investments for increasing renewable penetration above 25% into the GPA grid
- Updated Integrated Resource Plan nearing completion. Roadmap to 50% renewables by 2035 to be presented for CCU approval by mid-2021.

ISLAND PARTNERSHIPS

- Kicked off a sustainable tree trimming and pole painting program including a pilot partnership with nine (9) village Mayors
- Successful Bond refinancing to reduce annual payments by \$500K; \$1 MM return to ratepayers participating in DSM program. \$500K contributed to assist GDOE reduce its annual utilities cost via BEST Schools Program
- Obtained and assisted GovGuam agencies in obtaining grants \$2.1 MM GPA Wind Turbine Project; \$500K for DPW Solar PV System; \$2.359 MM for GDOE Lighting retrofits via BEST Schools Program); These grants result in savings to ratepayers and these customers
- Assisting Guam Energy Office on \$64K for Energy Audits and creating Energy plans for individual schools
- Assisted UOG in renovating an existing building energy with efficient equipment resulting in 50% to 75% savings from similar UOG buildings
- Assisted Guam Memorial Hospital Authority by conducting preventive maintenance of their electrical system in order to avoid imminent electrical system failures which would impact patient care
- Assisted the Department of Corrections in addressing their standby generators issues which when not available creates prison safety issues
- Promote energy solutions and sustainable practices through participation and sponsorship community programs such as the annual University of Guam's Island Sustainability Conference
- Promote utility initiatives and careers through school outreach program
- Educates and promotes benefits of a publicly-owned utility through community outreach events such as annual Public Power Week
- Developing Energy-Efficiency & Renewable Energy Projects for Navy & AAFB via GPA's Utility Energy Services Contracting (UESC) Program

INDUSTRY PARTNERSHIPS

- Active membership & participation with the American Public Power Association
- GPA General Manager serves as APPA Region 10 Director, representing members from Guam, Commonwealth of the Northern Mariana Islands, American Samoa, Puerto Rico, US Virgin Islands, & Canada
- Federal Energy Management Program recognizes GPA's UESC Program as one of its Utility Partnership Program utility partners (2020) (<https://www.energy.gov/eere/femp/utility-program-utility-partners>)
- GPA has established ETI Partnership with U.S. Department of Energy, Lawrence Berkeley National Laboratory, Argonne National Laboratory, Carnegie Mellon University, and Northern Arizona University on FRONTIER Project to determine investments for building greater resiliency and renewable energy use for the GPA system. (2020)
- Provided significant assistance to the CNMI CUC Utility in restoring power to Saipan and Tinian after Typhoon Yutu in Oct 2018. Provided labor, equipment and materials totaling over \$6M over a 4-month period. Received complete reimbursement for the assistance resulting in labor savings to our ratepayers.



KEY INITIATIVES FOR 2020

2020 + Initiatives
Update Strategic Plan
Update Integrated Resource Plan
Integration of Additional Renewables
Develop Diversified Fuel Mix
Optimize Reserve Margin Requirements
Improving Power System Resiliency
Reducing Customer Outages
Investigate the Feasibility for a T&D Underground Conversion Program
Digital Utility Transformation
Enhancing Physical and Cybersecurity
Implement Workforce Development & Sustainability Policy
Implement Strategic & Sustainable Training & Compensation Programs
Develop & Implement Disaster & Typhoon Resiliency Policy
Continue Concrete Pole Hardening
Continue Underground Hardening Progress
Maintain Target Equipment & Material Availability
Continue Customer Satisfaction Improvements
Conduct Statistically Valid Customer Surveys to Address Customer Needs & Satisfaction
Conduct Polls & Focus Groups to Canvass Ideas for Customer Surveys and Further Exploration
Continue Reliability Improvement Plan
Vegetation Management Program
Grid Controller
Hardening Changeouts to Composite Materials
Predictive Maintenance Programs
Continue & Expand Energy Affordability Initiatives
Energy Sense Program (Doubled Program Size with LEAC Funding)
Utility Energy Services Contracting (UESC) (Renewed BOA for up to \$50 MM project cap)
BEST Schools Program (Provided \$2,859,387 in grant & GPA funding)
Energy Audits
Revolving Loans
Lifeline Rates

At the end of the presentation Comm. Sanchez explained the rating values with examples to GM Benavente. He said the rating scale range is from 1-5; 5 – Significantly Exceeds Expectations / Outstanding [note: a rating of 5 needs qualification]; 4 - Exceeds Expectations / Above Satisfactory; 3 - Meets Expectations / Satisfactory; 2 - Inconsistently Meets Expectations / Marginal; 1 – Fails to Meet Expectations / Unsatisfactory

The CCU asked the GM to rate himself in these areas and for rating of 5 - must have rationale as to why he feels he deserves the 5. GM Benavente said he rates himself A for effort adding it is hard for him to rate himself. It depends on CCU's satisfaction and what they feel he has achieved. He said clearly that the CCU wants him to provide reliable power the most efficient way possible. He said he is fine with average rating.

Comm. Santos commented that probably Comm. Sanchez and he are more used to this because they come from the private sector. The metrics being used here today is not a typical one used in the private sector which are profit and goal driven. Comm. Santos said it would not do justice to Mr. Benavente and he would be short-changing himself to say he is fine with an average rating because his performance is not a 3 – is not average.

Comm. Sanchez said this is new dynamic process, it is formal and detailed relative to performance. Per law the CCU is evaluating you in public. He told the GM that he just finished presenting to the Commission a summary / highlighting many pieces that are part of his evaluation and with that broad background he invited the GM to reassess his stance because it is not fair to give average score because some sections are above average. He further asked the GM to work with CCU on this process and go down line by line just as they did with his other colleagues and just tell the Commission his honest assessment on how he thinks he did based on the summary he provided.

The GM responded that in terms of his evaluation the number doesn't matter to him what matters is the appreciation and understanding that he did his best. It is awkward to ask him to say something about himself.

Comm. Simon said the Commission wants to rate you in public on behalf of the ratepayers who are the main board for GPA the CCU is just the minor board. We owe this to our ratepayers and that is the role we play today with Mr. Benavente's help.

Comm. Guthertz said she knows Mr. Benavente very well – he is very humble man and will not be comfortable doing this. Because of this she thinks he will probably not rate himself the way he should. That said, she said she is ready to evaluate Mr. Benavente; she does not need him to do anything further.

Comm. Sanchez said he appreciates how awkward it is. The Commission developed an approach and the CCU can change it next year. The Commission has asked the other CCU reports to do this exercise and would like to keep consistent in all fairness to them and to the process.

Comm. Santos said that Comm. Duenas, Guthertz and Sanchez have served here the longest. The Commission has developed a true way to do these evaluations and while we have asked our employees to rate themselves, the Commission still needs to do their job and rate the employees as well. He agrees with Comm. Guthertz he too is ready to rate Mr. Benavente and recommends that the Commission move forward. He thanked Mr. Benavente for all he has done to get the evaluation to this point and said now it's the Commission's turn to do their job.

Mr. Benavente thanked the Commission for their consideration and said everything that he does he does as best as he can. He said maybe average is not the way to go and admitted once more that he has a very hard time rating himself.

Comm. Guthertz asked for a 5-minute break; It was 10:27 a.m.

The meeting was called back to order at 10:35 a.m. and CCU deliberated on rating Mr. Benavente themselves.

Mr. Benavente was rated on two [2] sections -key performance indicators [70%] and his personal competency [30%]

Section A Key Performance Indicators:

1. Managing Operations – 30% of total performance score
2. Managing Finance – 15% of total performance score
3. Managing People – 15% of total performance score
4. Managing Information – 10% of total performance score

Section B Personal Competencies

1. Strategic Perspective – 5% of total performance score
2. Building Teams – 5% of total performance score
3. Communication – 5% of total performance score
4. Information Search – 5% of total performance score
5. Achievement Focus – 5% of total performance score
6. Judgment – 5% of total performance score

The overall summary of Mr. Benavente's rating is noted below.

Mr. Benavente received (2) ratings of 5 during the rating process. One was related to 1.1.4 under operations specific to planning functions and/or developing and pursuing new business strategies initiatives for long term growth. Comm. Simon gave him a rating of 5 in this section because under his leadership GPA's renewable portfolio will achieve 25% by 2023, 12 years earlier than the Legislative mandate of 2035. In addition when the new power plant comes on line GPA will burn 18.5 million gallons less oil per year - a huge savings financially and environmentally. The other rating of 5 was given by Comm. Guthertz for Mr. Benavente's performance related to his reports at the CCU meetings. Comm. Guthertz said he is always extremely prepared and thinks ahead.

		Weighted Score
1.1.1	Administer daily business affairs to ensure electricity customers are receiving the highest level of service at an affordable cost	4.125
1.1.2	Lower fuel and energy costs; identify improvements to eliminate waste and inefficiencies	4.25
1.1.3	Set annual short term goals and objectives in order to constantly improve the efficiency, reliability, and customer satisfaction of all services	4.125
1.1.4	Define GPAs visionary position by managing all planning functions and/or developing and pursuing new business strategies and defining key strategic initiatives for long term growth, financial security, technology optimization, safety, efficiency and reliability of all GPA operations	4.5
1.1.5	Comply with all federal and local laws and rules and regulations relating to GPA	4.125
1.2.1	Prepare and present general and/or specialized reports of the affairs of GPA	4.25
1.3.1	Administer and approve all employee recruitment, reclassifications, terminations and promotions	4.125
1.3.2	Establish and preserve working conditions which are conducive to the health, safety and productive motivation of all Authority's personnel	3.85
1.4.1	Recommend compensatory and competitive rates and service regulations to the Board	4.125
1.5	Devote entire time to the business of the Authority	4.162
Weighted Average		1.2501

2.1	Maintain financial solvency to meet operational capacity	4.33
2.2	Manage operational expenses to meet budgeted targets/levels	4.167
2.3	Provide for the development of the Authority's financing program and present to the Board recommendations for the sale of bonds, the use of bonds proceeds and the investments of surplus funds	4.167
2.4	Make oral and written reports periodically to the Board concerning the operating and financial results of the Authority	4.35
2.5	Publish a financial report within 120 days from the end of the fiscal year on the financial status of the Authority	4
2.6	Review the financial and system operational reports to ensure the integrity of GPA assets, their protection and ensure the IWPS is functioning safely and to the highest efficiency and effectiveness possible	4.167
Weighted Average		0.6291
3.1	Develop sustainable workforce and leadership	4.125
3.1.1	Implement succession planning program	3.875
3.1.2	Implement a structured leadership and workforce training	3.375
3.1.3	Achieve Safety Awareness & Enhanced Safety Practices	4
3.1.4	Enhance Employee Satisfaction	4
3.2	Define performance targets and conduct performance monitoring against performance targets or standards regularly	3.675
3.3	Conduct supervisory reviews and performance evaluations for Executive staff	3.75
Weighted Average		0.57315

4.1 Attends all meetings of the Board and submit a general report of the affairs of the Authority. Maintain/improve management reporting to the CCU	4.33
4.2 Advise the Board as to the needs of the Authority and approve demands for the payment of obligations of the Authority within the purposes and amounts authorized by the Board	4.167
4.3 Provide for transparency on all GPA operations and improve accuracy of public/media communications	3.33
4.4 Meet all required deadlines for filings, compliance reporting and public reporting [PUC filing consent decree, annual report, citizen centric report etc.]	4.167
Weighted Average	0.4

Section B

1 Strategic Perspective	4.162
2 Building Teams	4.167
3 Communication	3.33
4 Information Search	4.167
5 Achievement Focus	4.67
6 Judgement	4.33
Weighted Average	1.2417
Final Rating	4.09405

The Commission took a short recess after the rating of Mr. Benavente. It was 11:00 a.m.

The Chairman called the meeting back to order under open session at 11:30 a.m. and recognized Comm. Limtiaco.

Comm. Limtiaco addressed the Commission as he did before again referencing 4GCA, Public Officers and Employees, Chapter 15 Standard of Conduct citing the section 15205 related to conflict of interest. He said that Chapter 15 defines conflicts of interest as no employee shall take any official action directly affecting business or other undertaking in which the employee has a financial interest. Financial interest means an interest held by an individual his or her spouse, natural adopted, or dependent children parents, parents-in-law, siblings or siblings-in-law which is an ownership interest in a business, a creditor interest or an insolvent business, an employment or prospective employment for which negotiations have begun, an ownership interest in personal or real property a loan or other debtor interest or a directorship or officership in a business. He said he does not identify any conflicts in a direct business and while the statute does not identify first cousins as a potential conflict, Miguel Bordallo is his first cousin, their mothers are sisters, to err on the side of caution he wanted to go on the record to state that he will recuse himself from participating in the evaluation of General Manager Miguel Bordallo and asked to be excused. Comm. Duenas thanked Comm. Limtiaco and said he was excused.

Chairman Duenas also reminded the Commissioners and stated for the record the at the beginning of the meeting Comm. Santos also advised the CCU that he would recuse himself from the evaluation of Miguel Bordallo due to conflict; Miguel is Comm. Santos' brother in law. So for this portion of the evaluation only three [3] Commissioners will participate: Comm. Guthertz, Sanchez and himself.

Comm. Sanchez explained to GM Bordallo the evaluation process and matrix and how each section is weighted relative to the total score. He said that Mr. Bordallo will be evaluated accordingly

Section A Key Performance Indicators:

5. Managing Operations – 30% of total performance score
6. Managing Finance – 15% of total performance score
7. Managing People – 15% of total performance score
8. Managing Information – 10% of total performance score

Section B Personal Competencies

7. Strategic Perspective – 5% of total performance score
8. Building Teams – 5% of total performance score
9. Communication – 5% of total performance score
10. Information Search – 5% of total performance score
11. Achievement Focus – 5% of total performance score
- Judgment – 5% of total performance score

The GM said he does not have presentation to give the CCU but did distribute supporting material (3) documents, a spreadsheet is relative to the performance criteria, where ever data is included the trend lines are noted; a related narrative and the list of top 25 accomplishments that Comm. Guthertz requested for him to identify.

Comm. Sanchez asked GM to go thru his presentation and link them by category and box at the end of his presentation which he did.

GM Bordallo began his presentation with the Summary Report below which listed the criteria that his evaluation is based, related data specific to that criteria, the performance levels and related remarks.

CRITERION	DATA	FY18	YEARS FY19	FY20	Trend	Remarks
1.1 Reliability of water and wastewater systems						
1.1.1 Reduction in frequency/duration of outages	1. Main breaks per month	6	5.59	2.75		Average monthly by FY
	2. Post-storm outages (avg days/location)	1.86	1.5	0		Maximum weighted average days per storm
	3. Post-storm outages (max day duration all loc'ns)	4	2	0		Maximum duration all storms
1.1.2 Water Booster Pump Station reliability	1. WBPS Operability (%)	93.7%	94.8%	97.1%		% of WBPS pumps operational
1.1.3 Reduction in frequency/duration of SSOs	1. SSOs per month	10	14	7		Averages are per CY as reported to EPA; FY20 numbers reflect 9 mos. Only
1.1.4 Sewer Pump Station reliability	1. SPS Operability (%)	85.8%	84.7%	87.2%		% of WWPS pumps operational
1.1.5 Production wells reliability	1. Active wells per month	96	99	95		Monthly averages by FY
	2. Standby wells per month	4	6	9		Monthly averages by FY
1.1.6 WWTP Reliability	1. WWTP Upgrades Completes for NDPEs Compliance	20%	25%	50%		Percentage of WWTPs upgraded
1.1.7 Maintain service pressure levels	1. Narrative - PZR Plan / Mgmt.					
	2. Low/No pressure calls (calls/month)	22	15	32		

CRITERION	DATA	FY18	YEARS FY19	FY20	Trend	Remarks
1.2 Compliance of water and wastewater systems						
1.2.1 Compliance with drinking water standards	1. number of NOV's per year	0	0	0		
	2. CCR/DWQ report results	On time	On time	On time		
1.2.2 Compliance with effluent discharge permit requirements	1. Narrative - Secondary Upgrades					
1.2.3 Maintain internal QA/QC processes	1. Narrative - Internal Compliance Off.					
1.2.4 Customer compliance programs	1. FOG: inspections per year (include re-inspections)	516	332	91		Total by CY, 2020 thru Sep - Includes re-inspections; *FY20: COVID-19 impact
	2. FOG: SSOs due to FOG by year	60	85	51		Total by CY - 2020 thru Sep; *FY20: COVID-19 impact
	3. CCCP: inspections per year	30	64	60		
	4. CCCP: NTC and NOV issued by year	11	46	18		
1.2.5 Meet Court Order / Consent Decree Requirements	1. C.O. Performance (%)	97.8%	98.9%	98.9%		
	2. Items completed by year	91	92	92		

CRITERION	DATA	FY18	YEARS FY19	FY20	Trend	Remarks
1.3 Systems Safety, Security, Resiliency						
1.3.1 Improve physical security	1. theft incidents by year	24	52	16		Copper wire thefts spiked in 2019
1.3.2 Improve cybersecurity	1. employees trained by year	257	262	39		*FY20: COVID-19 impacts
	2. cyber incidents reported by year	1	2	1		
	3. 2018 Cyber Assessment Findings resolved	19%	60%	71%		
1.3.3 Ensure safe work environment	1. OSHA Report info by year	3	2	2		OSHA Reportable Incidents
1.3.4 Maintain Emergency Response Plan and readiness	1. Narrative - ERP					
	2. Emergency Response Plan Review/Update	Review	Review	Review & Updated		
1.3.5 Maintain Continuity of Operations Plan and readiness	1. Narrative - COVID-19 COOP					
	2. COOP Review/Update			Updated		
1.3.6 Improve water resource/aquifer protection	1. Narrative - NGLA/OGAMP program					
	2. WERI CWMP participation/report	Monitoring	Monitoring	Monitoring/Report		Santa Rita Springs report issued

CRITERION	DATA	FY18	YEARS FY19	FY20	Trend	Remarks
1.4 Capital Improvement Program / System Renewals						
1.4.1 Update Water Resource Master Plan	1. WRMP Review/Update	Updated	Review	Review		
	2. 5-yr CIP	Updated	New 5-yr Plan	updated		
1.4.2 Achieve Target CIP Spending Plan	1. CIP expended by year	\$45.9M (CIP*: \$71.9M)	\$156M (CIP*: \$29.5M)	\$40.8M (CIP: \$112M)		* 2017 CIP Update targets; CIP for FY20 is from FY20-24 CIP as Adopted by OCCU
	2. Narrative - annual IFOP renewals					
1.4.3 Achieve Water System Expansion Goals	1. Narrative - Line replacements					
	2. ACP Pipe replacement spending	n/a	n/a	n/a		Scheduled for FY22 start
	3. 2-inch Galv. Pipe replac't spending	n/a	n/a	NO		\$2.73M scheduled for FY20
1.4.4 Achieve WW System Expansion Goals	1. Narrative - Septic tank elimin/SCRF					
	2. Septic Tank Elimination Program spending	n/a	n/a	n/a		Scheduled for FY22 Start
	3. Sewer Connection Revolv'g Fund - active accts	2	2	3		2 loans FY15; 1 Loan FY20; bal: \$67,809
1.4.5 Achieve NRW / Water Loss Reduction Goals	1. Narrative - WL Control Program, audit, etc					
	2.a. AWWA Water Audit %NRW by year	47%	43%	40%		%NRW = (WL+UU+UM)/WS
	2.b. AWWA Water Audit % Real Losses by year	37%	32%	27%		%RL = (WL-AL)/WS
	3. Leak Repair WO Backlog 2016-current	70	9	6		Average Daily Leak WO Backlog

CRITERION	DATA	FY18	YEARS FY19	FY20	Trend	Remarks
1.5 Long-Term Strategic Objectives						
1.5.1 Advance GWA-DoD System integration	1. Narrative - One Guam					
1.5.2 Improve Investment-grade credit ratings	1. Moody's ratings by year 2. S&P ratings by year 3. Fitch ratings by year	Baa2 A- BBB-	Baa2 A- BBB-	Baa2 A- BBB	Level Level Upgrade	
1.5.3 Balance long term debt financing & revenue financing	1. Ratio of Bond \$/IFCIP \$ by year 2. Bond \$ spend by year 3. IFCIP \$ spend by year 4. Annual Asset Renewal Goal \$ vs IFCIP \$ by yr	12.58 59,623,532 4,737,767 \$14.0M / \$4.7M	16.00 52,484,281 3,280,010 \$15.0M / \$3.3M	9.37 27,438,855 2,927,375 \$3.0M / \$2.9M	 	
1.5.4 Improve maintain affordability of service	1. average annual bill by year 2. Water/Sewer Bill as % of MHI by year 3. Narrative - affordability study	\$1,100 2.28%	\$1,104 2.29%	\$1,204 2.49%	 	
1.5.5 Improve maintain liquidity and reserves	1. Days cash goal vs actual by month	344 / 339	359 / 383	389 / 470		
1.5.6 Achieve personnel compensation migration objectives	1. Market percentile goal vs actual by year	10%/10%	20%/ not implemented	20%/ not implemented		

CRITERION	DATA	FY18	YEARS FY19	FY20	Trend	Remarks
2.0 Finance						
2.1. Financial Capacity to meet operational needs	1. Revenue budget to actual by year	\$111.9M / \$108.7M	\$112.7M / \$111.9M	\$105.0M / \$96.8M		
2.2. Manage operation expenses to meet budget levels	1. O&M expenses budget to actual by year	\$84.5M / \$86.5M	\$89.0M / \$84.9M	\$85.4M / \$78.7M		
2.3. Meet/Exceed minimum debt service coverage targets	1. DSCR goal vs actual by year	1.73	1.51	1.30		
2.4. Maintain cash reserve fund levels	1. Unrestricted cash reserve goals vs actual by year 2. Specific reserve fund target vs actual by year	\$2.9M / \$3.9M \$24.7M / \$25.0M	\$4.8M / \$5.0M \$25.0M / \$25.5M	\$2.5M / \$5.6M \$25.0M / \$25.7M		
2.5. Identify cost efficiencies / reduce waste	1. Narrative - cost efficiencies / waste reduction					
3.0 Human Resource Management						
3.1. Improve recruitment and retention	1. Average days to fill position 2. Average Monthly FTE vacancies	NA 63	72 48	49 29	 	
3.2. Improve / Maintain succession planning	1. Narrative - succession planning					
3.3. Improve employee satisfaction / pride	1. Employee survey results	Baseline 2017	no update	no update		
3.4. Enhance employee training & development	1. In-house training for employees by year 2. Number of GEPA Certified employees by year 3. Narrative - GEPA/UOG/AWNA-HIWP	12 79	13 80	5 84	 	*FY20: COVID-19 impact
4.0 Information Management						
4.1. Public filing requirements	1. GWA Annual report filing dates by year 2. USEPA Annual WOR filing dates by year 3. OPA CCR filing dates by year 4. Bond/DAC filing dates by year/Qtr	Filed in Feb/Mar 2020 Jun-19 Jun-19 Jun-18	May-20 May-2021 Jul-20 Jun-19	No data yet, to be filed No data yet, to be filed 2021 Jun-20		
4.2. Improve accuracy of public / media communications	1. Narrative - Communications 2. SCC/Dispatch SMS text issuances by month	 11	 17	 16	 	Monthly Average by FY
4.3. Broaden Public Outreach for GWA OIP and System Improvements	1. No. of WRMPU public meetings 2. No. of 5-YR FP & CIP public meetings 3. Narrative - see item 4.2	6 0	0 6	0 0		
4.4. Maintain/enhance management reporting to CCU	1. Narrative					
4.5. Meet all compliance reporting requirements	1. Court Order Report filing dates by year/Qtr	100% (4x a year)	100% (4x a year)	100% (4x a year)		

1.1.7 Maintain Service Pressure Levels

In 2006, of the four stated Levels of Service (LOS) in the Water Resource Master Plan, only one had to do with pressure levels. The LOS – *Continuity of Water Supply* – was focused more on maintaining water supply year-round. In the 2018 WRMP update, a total of 16 LOS were adopted, including LOS 8: *Adequate Pressure Exists within the Distribution System*, which lists specific target pressure range of between 35psi and 90psi. While GWA has not in the past tracked performance specific to pressure levels across the distribution system, one of our current projects is implementation of the *Pressure Zone Re-Alignment Plan*, which will establish correct pressure zones (defined by service pressure/elevations) in over 20 existing water service areas (defined simply by boundaries between areas with service isolation valves, booster pump stations, etc.). Moving forward, GWA will be able to monitor pressure levels within each pressure zone to ensure performance against our published LOS.

Progress to date in this performance indicator can be approximated by:

- LOS detail: the increase in the number and specific metrics for pressure levels of service between 2006 to 2018 WRMP
- Finalization of the *Pressure Zone Re-Alignment Plan* in December 2015
- Integration of PZRP projects into the *Water Resource Master Plan* update in 2018
- Issuance of the Phase 1 Pressure Zone Realignment Construction bid-package in August 2019
- Issuance of Phase 1 Pressure Zone Realignment Construction contract in December 2019

1.2.2 Compliance with effluent discharge permit requirements

Prior to current NPDES permit issuance, GWA had received 301(h) waivers for compliance with secondary treatment requirements for WWTP effluent discharge into receiving waters, and discharge limitations were contained in the 2011 Court Order compliance provisions. After the 2009 denial of the 301(h) waivers by EPA, new NPDES permits required compliance with secondary treatment standards – GWA has technically been in violation of secondary treatment requirements since the permits were issued.

As part of the Court Order requirements GWA embarked on upgrades to the Agat, Baza Gardens and Umatac-Merizo WWTPs. In addition the Agana and Northern District WWTPs were upgraded to enhance primary treatment as an interim measure pending final negotiations on upgrades to secondary treatment. Upgrade compliance is as follows:

- FY 2018: 1 of 5 (20%) of plant compliance upgrades to secondary – A-SR WWTP online
- FY 2019: 1 of 4 (25%) of plant compliance upgrades to secondary – BG WWTP decommissioned
- FY 2020: 2 of 4 (50%) of plant compliance upgrades to secondary – U-M WWTP online

1.2.3 Maintain internal QA/QC processes

One of the initial tasks discussed with the GWA GM in 2016 was the reorganization of the mid-to-upper management levels. The reorganization plan submitted to and approved by the CCU included four Assistant General Manager positions for (1) Compliance & Safety; (2) Operations; (3) Administration & Support; and (4) Engineering. The plan also proposed organization-wide oversight positions for (1) Field Safety Office, and (2) Field Compliance Officer. The additional AGM positions would allow for tighter management control and scope of supervision to improve quality control. The organization-wide oversight positions would allow for full-time efforts to conduct crucial quality assurance inspections at all operations facilities and worksites for safety and compliance. GWA has also implemented QA/QC measures in our metering operations, with an on-going meter maintenance program involving random meter QA/QC testing.

Progress to date in this performance indicated can be approximated by:

- Progress in filling AGM positions: ○ AGM-A&S: permanent
- AGM-Ops: acting
- Implementation of meter program QA/QC testing
- Pending appointments to QA/QC positions with organization-wide oversight ○ Field Safety Office

- Field Compliance Officer

1.3.4 Maintain Emergency Response Plan and readiness

GWA has in the past contributed to an overall Government of Guam emergency response plan, with sections of the plan governing water utility preparation, response and recovery actions being prepared by GWA personnel and integrated into the overall plan. GWA's Response Action Coordinators (RACs) have prepared updated information to this planning document, and remain our primary link to overall response efforts when activated during an emergency. GWA has also undertaken the drafting of its own Crisis Management Plan, which includes detailed information on operational preparations in anticipation of emergencies and disasters. Our recent efforts have been focused on:

1. improving system operability to adequately prepare before an emergency,
2. hardening system infrastructure for resiliency during an emergency,
3. maintaining the needed resources for deployment in the immediate post-emergency response and to facilitate recovery thereafter

Progress in this performance indicator can be approximated by:

- improvements in system operational flexibility to increase production to "top-off" reservoirs
- increases in the number of hardened concrete reservoirs
- increased availability of vehicles, heavy equipment and water storage "flex-tanks"
- development of internal crisis management plan, with detailed checklists, operational shift arrangements and communication protocols

1.3.5 Maintain Continuity of Operations Plan and readiness

Prior to FY20, as an essential utility with a robust emergency response capability, continuity of operations was executed with each emergency declaration through Emergency Response Plan and our internal Crisis Management Plan.

With the onset of the COVID-19 pandemic, GWA was forced to modify its normal response to maintain continuity of operations for a long-term public health emergency. The adoption of new emergency (and now Standard Operating) procedures and contingency plans for staffing and teleworking were undertaken and continue to be refined. External coordination efforts were increased to address supply-chain stability, continuity of regulatory compliance, and inter-utility assistance and emergency response. Business processes were modified to insure continuity of customer service availability, including a rapid deployment of

- on-line resources (both inward facing and outward-customer facing),
- drive-thru payment capability
- expanded mobile app and on-line payment options
- expanded vendor payment options
- public messaging relevant to changes in GWA's customer service processes

Moving forward, progress in this performance indicator can be monitored by:

- Formal adoption and annual review/updates of GWA COOP
- Formal adoption and annual review/updates of Emergency/Pandemic Response SOPs
- Formal adoption of Inter-utility Cooperation Agreements (One-Guam, CNMI, etc.)

1.3.6 Improve water resource/aquifer protection

For several years, GWA has relied upon the University of Guam Water and Environmental Research institute (WERI) for scientific analysis and advice on water resource issues related to our operations. GWA has provided water production and analytical data to WERI as part of their mission for water resource monitoring through their various programs, such as the Comprehensive Monitoring Program (CMP) and the Guam Hydrologic Survey (GHS).

Moving into the future, with the One-Guam Water initiative, GWA and the Navy are expanding the number of deep monitoring wells available to monitor and protect the northern Guam lens aquifer (NGLA). GWA is leading the effort through ambitious capital improvement projects for the construction of seven (7) new deep observation wells, and the rehabilitation of 12 existing observation wells within the NGLA. These projects are underway and will be completed in FY2022. Once completed, GWA, the Navy, WERI and the US Geological Survey (USGS) intend to transition the existing monitoring program into the One-Guam Aquifer Monitoring Program (OGAMP), and are in the process of finalizing a Memorandum of Agreement under the One-Guam Water initiative to share in the cost of maintenance of the deep observation wells, and ongoing monitoring efforts for water resource management.

1.4.2 Achieve Target CIP Spending Plan

Starting in 2006, GWA has produced comprehensive 20-year master plans, and 5-year Capital Improvement Programs (CIP) which outline needed improvements to our systems. The latest 5-year CIP covers FY2020-FY2024 and outlines anticipated projects, funding sources and expenditures over that period.

Moving forward, in accordance with the stated financial objectives of the CCU-adopted 2018 Water Resources Master Plan update, GWA intends to strike a balance between debt-financing of large capital program requirements (e.g., new WWTPs, pump stations, etc.), and revenue-financing regular annual renewal requirements (pipeline replacements, fleet vehicles, etc.). GWA has yet to formally propose and establish annual renewal requirements, but moving forward, such goals will be identified and used to track this performance criterion

1.4.3 Achieve Water System Expansion Goals

GWA has an established line replacement program which is intended to replace and expand distribution system capacity. Since 2012, this program has resulted in the installation of over 98,000 linear feet (18.6 miles) of water distribution piping. The line replacement project is currently in its 5th phase.

GWA is also currently expediting replacement of problematic lines as follows:

- Pale Ferdinand, Santa Rita (in construction)
- Casimiru / Tai Road (in procurement)
- Toto – Canada Road (pending procurement)

The 2018 WRMPU contained several programmatic items relative to water system expansion and upgrade. These include the following each of which have :

- MP-PW-Pipe-12: Rehabilitation and Replacement Program (continuation of line replacement above)
- MP-PW-Pipe-13: 2-inch Pipe Replacement Program (FY20 start)
- MP-PW-Pipe-14: Asbestos Cement Pipe Replacement Program (FY22 start)

Moving forward, progress in these programs will be used to track this performance item.

1.4.4 Achieve Wastewater System Expansion Goals

Since 2016, GWA has been coordinating with the Guam Environmental Protection Agency (GEPA) to identify residential customers within 200-ft of GWA sewer lines who are not yet connected to the public sewer in an effort to encourage connection, especially in areas that are within close proximity to GWA production wells. This effort has seen limited success.

In the 2018 WRMPU, GWA adopted the Septic Tank Elimination Program which aimed to construct 5000 linear feet of new sewer infrastructure each year (FY22 start). GWA has also proposed improvements to the existing but underfunded and cumbersome Sewer Connection Revolving Fund to go hand-in-hand with the STE Program, such as 1) easing qualification requirements, 2) increasing loan limits, and 3) increasing the total revolving fund amount, to increase participation and effectiveness of the program. The proposed improvements will be included in the STE Analytical Study currently being conducted as part of the recent PUC Order on the GWA FY20-FY24 Financial Plan and CIP.

Going forward, the progress on the STE Program and the Sewer Connection Revolving Fund loan program will be used to track performance for this criterion.

1.4.5 Achieve NRW / Water Loss Reduction Goals

This has been a perennial problem for GWA and continues to be a challenge to GWA Management. Previous efforts to address water loss include leak detection and repair projects, establishment of an internal Leak Detection team, and performance of annual water audits in accordance with AWWA Manual 36.

Over the last several years, GWA has undertaken a more multi-faceted and comprehensive approach to water loss control. This has included:

- Production meter replacements (currently under construction) – to improve accuracy of measured supply
- Master Meter installations (construction suspended, integrated into current DMA project) – to monitor usage within the system and identify leaks
- Pressure Zone Realignment Project (Phase 1 under construction) – to control pressures within acceptable limits and eliminate background losses from excessive pressure
- Pilot Test of Satellite Leak Detection – to identify leaks where system piping locations are unknown (e.g., lines through undeveloped areas, Tiyan, former NAS)
- Pilot Test of District Metered Areas (DMA) – to establish and monitor supply and usage within metered areas to identify and repair leaks (completed with average water loss recovery of 45% in 3 pilot areas)
- Customer Model LP meter replacements (completed) – to improve accuracy of water demand and improve water audit results

GWA is currently finalizing a Water Loss Control Program which will establish permanent DMAs, refine water loss control goals and metrics in accordance with new AWWA recommendations, and provide for annual reporting to track progress moving forward.

1.5.1 Advance GWA-DoD System Integration

The 2018 WRMPU identified as a new Level of Service (LOS) goal, the interoperability of GWA and DoD utility system facilities. The GWA operation of the DoD Tumon Maui Well was a proof-of-concept for the One-Guam Water initiative, and has been successfully licensed for several years beyond the initial 1-year “test.” GWA has pursued and advanced other interoperability initiatives (i.e., the Mt. Santa Rosa Reservoir Inter-tie with AAFB), however DoD has not authorized final execution as of yet. GWA still struggles with proving reliability and resiliency of our water system, despite significant, albeit recent, improvements. Moving forward, GWA and DoD are revising the “framework” for interoperability, and progress on new goals/projects can be used to track this performance item.

1.5.4 Improve/maintain affordability of service

GWA’s significant capital improvement program, which is needed to complete the 2011 Court Order and impending Consent Decree compliance requirements, will result in rate increases to support debt-financing. GWA’s challenge will be to keep rates within generally accepted limits related to median household income, and develop affordability/customer assistance programs which address the most vulnerable segment of our customer base.

GWA is currently conducting an analytical study on Affordability which will contain recommendations on rate design strategies and customer assistance program recommendations. The establishment of such a program and adoption of rate design strategies will provide the basis for evaluating this performance criterion moving forward.

2.5 Identify cost efficiencies / reduce waste

There are no over-arching metrics at this time for this performance criterion. GWA Management's continued work with our Internal Auditor to identify areas to focus efforts on efficiencies and waste reduction will provide a means to accomplish this objective.

3.2 Improve / Maintain succession planning

GWA continues to struggle with employee recruitment and retention. We have lost several experienced and licensed operations personnel to competing entities because of the disparities in available compensation rates. Management has encouraged the identification of "alternates" for supervisory positions within the operational divisions as a means to bring up potential succession candidates, and integrate them into management meetings, decision-making and exercising responsible control of their facilities/systems. Moving forward, a formal succession planning policy will be developed and proposed for implementation, to monitor this performance objective.

3.4 Enhance employee training & development

In prior years, GWA employees were encouraged to take GEPA-administered certification exams which were offered once or twice a year. Examinees had to wait 4 months to obtain exam scores and find out if they passed or failed. Exam preparation was limited and offered only immediately preceding the exams.

GWA Management worked with GEPA and the University of Guam to establish computer-based testing administered by UOG under GEPA's authority, in accordance with the national testing standards. The computer-based testing can be conducted on a weekly basis, depending on demand, and results are immediately available. EPA Certification is now made within weeks of a passing result on the certification exams, instead to 1x or 2x per year.

GWA Management also negotiated with the local subsection of the American Waterworks Association (AWWA-Hi Western Pacific Subsection) to provide operator training on a regular basis at no/reduced costs for GWA employees. In addition, AWWA training materials have been purchased and are available through the Personnel Services Division for independent study by GWA employees.

4.2 Improve accuracy of public / media communications

In order to improve information management in this area, Management has issued guidelines establishing a vetting process for operational information prior to release, and standardized media release format for GWA's Water Systems Control Center (WSCC) and Dispatch operators. GWA has also engaged a media/communications consultant to enhance and modernize communications on multiple platforms. This will include messaging on GWA's planned capital improvements and CIP progress.

GWA is in the beginning stages of this effort, and Management anticipates that once a formal strategy is developed, metrics for tracking this performance objective will be available.

4.4 Maintain / enhance reporting to CCU

In the last several years, Management has attempted to streamline and refine information presented to the CCU, providing tabular and graphical summaries of data previously submitted in bullet form. A continuing effort will be made to prioritize information in an easily digestible format that can translate across digital devices and platforms. Management's intent is to allow for at-a-glance summaries on key utility operations and performance, while providing relevant content on more topical matters, and detailed back-up reports/information as appendices.

Top 25 GWA Accomplishments Over the Period 2016-2020 Operations

1. Establishment of critical inventory and re-order setpoint for Production Division (deep well pumps

- and motor inventory)
- 2. Establishment of critical inventory and re-order setpoints for WW Collection Division
- 3. Establish independence in Water System Control Center (WSSC) operations and water reservoir level management (artificial restriction on reservoir levels at 5-ft max by former Commissioner)
- 4. Implementation of Asset Management System / Computerized Maintenance Management System (CMMS)
- 5. Successful "Proof of Concept" for GWA-Navy water system interoperability at the Tumon Maui Well facility - GWA operating the facility to Navy Standards
- 6. Improvement in leak repair times and work order backlog elimination (90% reduction - from over 200 W.O.s open at end of each day to less than 20 W.O.s)
- 7. Improvement in GWA's operating fleet:
 - a. 5-yr Vehicle Replacement program: replacement of aging light fleet vehicles, adding additional new inventory and retiring vehicles ready to be surveyed
 - b. Long-Term Equipment Lease: procured three-sets of heavy equipment combinations (backhoe-trailer-dump truck) on long-term lease with maintenance included, to increase equipment reliability and provide resources necessary to leak repair crews to maintain performance
 - c. Additional Combination-trucks: procured 3 additional combination trucks (2 new, 1 used) to increase availability of equipment required for continued sewer maintenance efforts and to support CCTV
- 8. Investigated, Analyzed and Resolved GWA's 2nd Major Meter Failure (Badger LP Meter Failures)

Capital Improvement Program

- 9. Achieved release and expenditure of backlog of US EPA SRF Grant funds (~\$60M) and restored EPA's confidence in GWA Management
- 10. Implementation of Standard Contract format (EJCDC) for A-E Services and Construction; streamlined contract procurement and reduced risk using industry standard contracts
- 11. Securing DOD - Office of Economic Adjustment Grant Funding for Guam Water/Wastewater Improvements (\$173M)
 - a. Convincing DOD that GWA should be the Grantee (as opposed to NavFac)
 - b. Maintaining schedule despite delays by
 - i. OEA - in releasing the grants
 - ii. EPA - in completing NEPA documentation
 - iii. Federal permitting and clearance entities
- Project 1: Sewer Interceptor Route 3/Route 9 - completed on schedule and under budget
- a. Project 2: Northern District WWTP Secondary Upgrades :
 - i. Successfully negotiated and secured property purchase
 - 1. Legislative approval secured through work with oversight chair
 - 2. Ancestral Lands Commission approval despite contentious Commission proceedings
 - 3. Property appraisals strategy saved \$845k
 - . Construction contract: in progress (approximately 20% complete) and on schedule
- b. Project 3: NGLA Monitoring Wells Expansion - in procurement
- c. Project 4: NDWWTP Outfall Diffuser - under contract despite significant procurement difficulties and budget shortfall; financed through savings in other projects
- 12. Oversaw the successful completion of GWA's 20-yr Water Resources Master Plan

Training and Personnel

13. Partnering with AWWA - Western Pacific Subsection, Guam EPA and UOG to implement computer based Water and Wastewater Operating Certification Testing; allows for more frequent testing and immediate pass/fail results (previously testing only occurred once/year and 8-week notification period for pass/fail).
14. Expansion of GWA's Training Program: Improved training for GWA personnel
 - a. New employee "on-boarding" process to include Employee Orientation Training
 - b. TAP-Grant funded training for:
 - i. Leak Detection
 - ii. Combination-Truck Operation and Maintenance
 - c. NASSCO Training for:
 - i. Pipe Inspection Program (CCTV)
 - ii. Manhole Inspection
 - iii. CIPP Inspection
15. Reinstated regular random drug testing procedures

Administration / Finance

16. Successfully concluded three bond issuances to advance GWA's Capital Improvement Program and achieve significant debt service savings
 - a. Series 2016 Bonds (new money): Par Value: \$143,310,000
 - b. Series 2017 Refunding Bonds: Par Value: \$107,660,000
 - c. Series 2020A Bonds (new money): Par Value \$134,000,000
17. Coordinated DLM-AG's Office action to correct title to NDWWTP in Guam Superior Court
18. Recommended and achieved adoption of a revised and clarified debt service coverage policy for GWA financial performance
19. Recommended and achieved adoption of a revised liquidity policy for GWA financial performance
20. Re-established and formalized proper function of the Internal Audit Division and provided additional staffing/support
21. Successfully negotiated perpetual easements in favor of GWA for valuable high-production well sites Y-18, Y-19, and Y-20 located on US Government property which reverted to the US Government because of material breach by the Government of Guam, Department of Education; negotiations included US DOE, US GSA and US DOD.

Compliance and Regulatory

22. Successfully managed PFAS contamination issue at NAS-1, which included:
 - a. negotiating the acquisition of un-used GAC treatment system from GIAA
 - b. Rehabilitation and activation of GAC treatment system
 - c. Negotiation of temporary connection to GIAA water system to avoid service interruption to Tiyan area, including affected business, government agency and school facilities
23. Successfully and proactively managed regulatory and public notification requirements resulting from the PFAS impacts to several GWA production wells
24. Continued confidential negotiations on potential Consent Decree with US Department of Justice and US Environmental Protection Agency
25. Presented and defended 5-year Financial Plan and CIP before the Public Utilities Commission, including a contentious negotiation and stipulation process with difficult PUC Consultants

At the end of his presentation the Chairman said the Commission realizes that the GM does not does all of this by himself but it speaks to his leadership and was impressed with his presentation; it was data driven. This reflects on Mr. Bordallo's leadership.

He said for the record he would like to commend both Mr. Benavente and Mr. Bordallo; they are excellent managers that excel in the three C's – competence, commitment and caring.

Comm. Sanchez said that he also appreciated all the work and effort put into the presentation because it offers testimony to what has been achieved and what still needs work.

The Commission took a 2-minute recess at this point and when they returned they deliberated to rate GM Bordallo; the results are noted below:

		Total	Weighted Score
1.1.1	Reduction in frequency and duration of water service outages		4.5
1.1.2	Improvement in water pump station reliability	4.166666667	
1.1.3	Reduction in frequency and duration of SSOs	4.166666667	
1.1.4	Improvement in wastewater pump station electricity	4.166666667	
1.1.5	Improve/maintain WTP/Wells reliability		4.5
1.1.6	Improve/maintain WWTP reliability	4.833333333	
1.1.7	Maintain minimum/maximum service pressure levels [water]		4
1.2.1	Maintain compliance with drinking water quality standards	4.666666667	
1.2.2	Maintain compliance with wastewater effluent permit requirements		4.5
1.2.3	Maintain internal QA/QC process		4.5
1.2.4	Improve customer compliance programs [cross connection source control]		4
1.2.5	Meet Court Order and Consent Decree requirements		5
1.3.1	Improve systems physical security	3.666666667	
1.3.2	Improve systems cybersecurity	4.333333333	
1.3.3	Ensure safe work environment	3.833333333	
1.3.4	Maintain Emergency Response Plan and readiness		4
1.3.5	Maintain Continuity of Operations Plan and readiness		4
1.3.6	Improve water resources/aquifer protection	4.166666667	

1.4.1	Update/maintain Water Resources Master Plan and 5-year CIP	4.833333333	
1.4.2	Achieve target CIP spending plan/annual renewals	4.666666667	
1.4.3	Achieve water system expansion goals	4.333333333	
1.4.4	Achieve wastewater system expansion goals	3.833333333	
1.4.5	Achieve NRW/water loss reduction goals	4.666666667	
1.5.1	Advance GWA/DoD system integration	4.833333333	
1.5.2	Improve/maintain investment grade credit ratings	4.833333333	
1.5.3	Balance long term debt financing and revenue financing	4.666666667	
1.5.4	Improve/maintain affordability of service	4.166666667	
1.5.5	Improve/maintain liquidity and reserves	4	
1.5.6	Achieve personnel compensation migration [percentile] objectives	3.333333333	
Weighted /		4.316091954	1.294827586
2.1	Maintain financial capacity to meet operational needs	4.166666667	
2.2	Manage operational expense to meet budgeted levels	4.166666667	
2.3	Meet/exceed minimum debt service coverage ratio requirements/targets	4	
2.4	Maintain all cash reserve fund requirements/targets	3.666666667	
2.5	Identify cost efficiencies/eliminate waste	4	
Weighted /		4.000000000	0.6
3.1	Improve recruitment and retention of qualified staff	4.666666667	
3.2	Improve/maintain succession planning for management/supervisory personnel	4	
3.3	Improve employee satisfaction and pride	3.333333333	
3.4	Enhance employee training and development program	4.333333333	

Weighted /	4.083333333	0.6125
4.1 Meet publication deadlines for all required public report filings [annual report EPA annual WQR, citizens centric report. Etc]	4.333333333	
4.2 Improve accuracy of public/media communications	3.5	
4.3 Broaden public outreach for GWA CIP and system improvements	3.333333333	
4.4 Maintain/enhance management reporting to CCU	4.333333333	
4.5 Meet all compliance reporting requirements [court order, consent decree]	4.333333333	
Weighted /	3.966666667	0.396666667
Section B		
1 Strategic perspective	5	
2 Building teams	4.333333333	
3 Communications	4.166666667	
4 Information search	4.5	
5	4.5	
6	4.5	
Weighted /	4.5	1.35
Final Rating		4.253994253

GM Miguel received 23 rating of 5's from the three [3] commissioners in 13 key performance indicators and some rationale mentioned in this segment include improvement in main breaks, more active wells per month, improved reliability, NVPS compliance showed marked improvement, completion of WWTP projects in Agat, Merizo and Northern, continuous update of master plan and 5-year CIP plan, exceeded goal from \$212M to \$241M in cumulative CIP's, progress with military partners, rating agency upgrade despite other utilities globally being downgraded, to name a few. The one very high rating in personal competency was relative to strategic thinking and planning

At the end of their deliberation the Commission announced the cumulative scores for both General Managers.

- Miguel Bordallo's was 4.25 – slightly higher than exceeds expectations / above satisfactory

- John Benavente's was 4.09 exceeded expectations / above satisfactory

Comm. Sanchez said these are numeric scoring over the past 3 years it is clear that our GM's are doing a very good job and we are very blessed to have two very strong general managers that have chosen to work on behalf of our ratepayers and the CCU. These are not easy jobs and they are 24/7 jobs that touch every family, business and citizen on this island. On the power side it is a changing world - we are well ahead of our original renewable goals and well on our way to a new renewable goal. There's that new generator that will provide the reliability, while we work our way towards maximizing the amount of renewables the system can handle while keeping the lights on. There's the significant drop in the amount oil consumption once the new plant is operational. We are well on our way to reducing our carbon foot print. On the water side Agat WWTP is done Merizo and Northern are done. There is still Agana but given the success of these others three projects, he has no doubt that Miguel Bordallo is the right person.

Comm. Duenas said that these are the GM's they drive the bus but it is also a testament to the teams that they have assembled. The people of Guam are getting service and paying a rate that is fair for this service.

Comm. Guthertz said that in all the years of experience with GPA and GWA we have seen growth in the professionalism in these utilities and all the employees have contributed to this led by 2 very competent general managers.

Comm. Guthertz said this is a very helpful interaction and process; it's been healthy not only for the GMs but for all of us. This procedure gave us valuable insight not only to achievements but also challenges that still remain.

Comm. Guthertz made a motion to acknowledge the hard work of both GM's and at this time we retain our CCU 7 employees and maintain their current salary structure, second by Comm. Sanchez.

Comm. Sanchez said All 7 have done a great job and scored well. He agreed with Comm. Guthertz to ask them for their sacrifice. If not for Covid they merit an adjustment but the current Covid environment requires all of us to sacrifice and we will revisit this when the community is better.

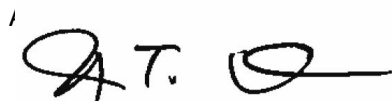
On the motion there were 4 ayes / 1 absent. The motion passed.

4. OTHER DISCUSSION

5. ADJOURNMENT

There being no other business to bring before the Commission, the meeting adjourned at 3:00 p.m.

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BlS



JOSEPH T. DUENAS, Chairman



MICHAEL T. LIMTIACO Secretary