



## CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

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

**Regular Board Meeting**  
**CCU Conference Room, Gloria B. Nelson Public Service Building**  
**5:30 p.m., Tuesday, May 25, 2021**

### MINUTES

#### 1. CALL TO ORDER

The CCU Chairman called the May 25, 2021 CCU Regular Meeting to order at 5:33 p.m. He said all four [4] Commissioners were present for a quorum and that Comm. Sanchez is excused; he is off-island and may be joining the meeting remotely. Others in attendance include:

#### Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice Chairman
Michael T. Limtiaco	CCU Secretary
Peter Roy Martinez	Commissioner

#### Executive Mgmt.:

John Benavente	GM / GPA
Miguel Bordallo	GM / GWA
Melinda Mafnas	AGMO / GPA
Tricee Limtiaco	AGMA / GPA
Chris Budasi	AGMA / GWA
John J. Cruz	AGMET / GPA – Online
Tom Cruz	AGMO / GWA
John Kim	CFO / GPA
Taling Taitano	CFO / GWA
Graham Botha	Legal Counsel / GPA
Kelly Clark	Legal Counsel / GWA

#### Management & Staff:

Vien Wong	IT Support / GPA
Allen	IT Support / GWA
Patti Diego	Communications / GPA – Online
Heidi Ballendorf	Communications / GWA
Vangie Lujan	Compliance & Safety / GWA
Mauryn McDonald	Chief Engineer, Acting / GWA
Allen McDonald	IT / GWA
Selma Blas	Admin Officer / GPA - Online
Ann Borja-Gallarde	Management Analyst IV / GWA Ex. Office

Candice Ananich                      Management Analyst / GPA Ex. Office  
Lou Sablan                              Board Secretary / CCU

**Guest:**

William Weare                      Resident  
Annmarie Muna                      AM Insurance  
Tricia Granillo                      AM Insurance  
Steve Limtiaco                      PDN - Online  
Mike Carlton                      Sen. Ridgell – Online  
Gerry Partido                      PNC - Online

**1. APPROVAL OF MINUTES**

The Minutes of February 23, 2021 was presented for approval.

Comm. Limtiaco motioned to approve the Minutes subject to verification and written correction, seconded by Comm. Santos. The vote was 4 ayes and 1 absent; the motion passed.

**2. PUBLIC COMMENTS**

Resident William Weare addressed the Commission. He thanked the board for the meeting with Mr. Benavente; he really wanted to know why he was such an opponent to net metering adding that for years solar users have been accused by GPA that they are not meeting GPA’s infrastructure costs. Using GPA’s own figures, it is pretty obvious that this is not the case and this is particularly not the case after the news this past week where GPA plans to raise their fuel recovery charge 400%.

He mentioned 3 things that I would like to see the board do.

1. I would like to see the connection costs which is currently \$15 a month removed if there are enough excess power credits to cover that.
2. I would like to see the way we compute those excess power charges change from a Jan-Dec to an Oct-Sept which is in keeping with your own fiscal policies and if you really want to be nice [incoherent] change it from July to June.
3. Finally, I think that you need to reconsider and renegotiate or rethink whether or not you should be reinstating some form of monetary payback and how GPA looks at batteries.

He said it is obvious that net metering makes GPA money and particularly with GPA’s latest attempt to recoup fuel cost which resulted in extreme problems for GPA at the expense of their paying customers. Mr. Weare suggested that GPA look at CNMIs agreement as a starting point. Batteries are not a function of net metering. Solar batteries should be an integral part of GPA’s ongoing rate structures in keeping rates down so that they are affordable to the general populous. I think that there is a great danger to GPA if they try to force people to do this privately and currently by raising your fuel rates batteries suddenly became affordable. Mr Weare thanked the Commission for their time

Chairman Duenas asked Mr. Weare to clarify what he means by connection charge and Mr. Weare responded he was talking about the meter charge adding that every customer with GPA has a meter. The net metering meter is a little different form the regular customer’s eter in that it is a 2-say meter but it is still aeter and he thinks it should be an integral part of GPA’s cost. Mr. Weare saidif GPA owes a customer more than they owe GPA, the cost of the meter should be a wash.

3. GPA

4.1 GM Report

The GM Report was not discussed

4.2 Financials

The Financials were not discussed.

4.3 Resolution 2021-12 LEAC Adjustment

The objective of adjusting the LEAC rate for the period of August 1, 2021 thru January 31, 2022 is to recover, to a reasonable extent, the under-recovery of fuel costs for the current and prior periods' carryover.

It is necessary and urgent in that, with the continuous under-recovery of monies expended on fuel costs, cash levels may fall to critical levels and may hinder the Authority from making payments to vendors. The LEAC is billed and collected thru the monthly electric billings of our customers.

**LEAC Update - Historical LEAC Over / (Under) Recovery**

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LEAC Period		Approved LEAC	Actual Over
From	To	Rate	(Under) Recovery
4/1/2012	7/31/2012	\$ 0.192310	\$ (3,040,418)
8/1/2012	1/31/2013	\$ 0.186834	\$ (2,494,052)
2/1/2013	7/31/2013	\$ 0.209271	\$ 1,345,259
8/1/2013	10/31/2013	\$ 0.182054	\$ 1,300,093
2/1/2014	7/31/2014	\$ 0.172986	\$ (1,137,034)
8/1/2014	10/31/2014	\$ 0.176441	\$ (4,646,872)
11/1/2014	1/31/2015	\$ 0.146666	\$ 661,428
2/1/2015	7/31/2015	\$ 0.102054	\$ 1,757,878
8/1/2015	1/31/2016	\$ 0.104871	\$ (2,467,151)
2/1/2016	7/31/2016	\$ 0.086613	\$ (2,668,603)
8/1/2016	1/31/2017	\$ 0.086613	\$ (9,915,360)
			\$ (5,315,360) (a)
2/1/2017	7/31/2017	\$ 0.105051	\$ (14,050,504)
8/1/2017	01/31/2018	\$ 0.117718	\$ (16,775,982)
2/1/2018	4/30/2018	\$ 0.147266	\$ (13,005,689)
5/1/2018	7/31/2018	\$ 0.154242	\$ (8,422,674)
8/1/2018	1/31/2019	\$ 0.154242	\$ (13,336,698)
2/1/2019	7/31/2019	\$ 0.154242	\$ (10,225,349)
8/1/2019	1/31/2020	\$ 0.154242	\$ (2,193,618)
2/1/2020	3/31/2020	\$ 0.134474	\$ (1,803,778)
4/1/2020	5/31/2020	\$ 0.110039	\$ (2,981,023)
6/1/2020	7/31/2020	\$ 0.086800	\$ (3,563,177)
8/1/2020	1/31/2021	\$ 0.086800	\$ (13,230,995)
2/1/2021	7/31/2021	\$ 0.110000	\$ (30,379,234) Estimated (b)

Notes:

(a) Under-recovery Balance after applying the \$4.6 million from the Cabras 3&4 Extra Expense claim

(b) The under recovery is the balance before the application of \$5 million from Capex and \$10 million from self-insurance.



GM Benavente explained that in January 2020 and for about a year after, PUC held the LEAC rate at .1542. On Feb. 1, 2020 PUC dropped the rate to .1344 and on March 1<sup>st</sup>, 2020 it dropped to .11039. Then on June 1, PUC dropped it again to .06868 [RFO fuel cost per barrel was \$30 per barrel] and LEAC was held there until January 31, 2021. Effective February 1, 2021 the LEAC rate increased to .11 cents and stayed there.

Price of fuel increased from \$30 per barrel and is now projected to be \$77 per barrel – 2.5x what it was back then. He said the key consideration tonight is that the under recovery continues to grow. To help ratepayers during the height of the pandemic, the GM said that management pulled out all GPAs cash reserves to cover \$30M in under recovery. He said that he will show various scenarios of ways to address the current status and give his recommendation to at minimum, stop the bleeding / halt the under recovery. He said in June 1, 2020 GPA recovered \$3M of the then \$5M in under recovery, PUC

held the rates and the under recovery grew to \$13M and in July 2021, it will be \$30M under recovery. He said if management keeps things status quo in 6 months, the under recover will be an additional \$35M on top of the \$30M already under recovered. if we don't start to recover GPA will have problems with further improvements.

### LEAC Update - Restricted & Unrestricted Cash

(in '000)	Oct. 31, 2020	April, 2021
Self Insurance (Restricted)	\$ 19,470	19,474
Insurance Proceed (Restricted)	74,162	74,166
Operating Fund	3,911	5,437
Energy Sense (Restricted)	348	1,210
Working Capital	30,544	30,544
Revenue Fund	626	113
Surplus Fund	42,410	6,931
<b>Total</b>	<b>\$ 171,471</b>	<b>\$ 137,875</b>

(in '000)	Working Funds	
	Oct. 31, 2020	April, 2021
Operating Fund	\$ 3,911	\$ 5,437
Working Capital	30,544	30,544
Surplus Fund	42,410	6,931
<b>Total</b>	<b>76,865</b>	<b>42,912</b>

#### Future Obligations to Pay:

Fuel Under Recovery	(9,200)
Insurance Premium (Nov. 1)	(6,000)
Bond Principal & Interest (Oct. 1)	(23,868)
Capital Projects Committed	(7,980)
Available for use	\$ (4,136)
RFO purchases	\$ (17,000)
	<b>\$ (21,136)</b>



GM Benavente said the above obligations will not be met if we keep LEAC the same and his concern is GPA's bond covenants. Comm. Santos asked CFO Kim if the Insurance Premium can be paid in installments and his response was no – it must be paid in full within 60 days. Comm. Santos asked CFO Kim to pose the question to GPA's insurance providers, given the situation that GPA is experiencing just to see if they would consider extending payment plan. Re Capital Projects Committed – Comm. Santos asked about this and the CFO said these are projects that are ongoing. Comm. Santos said the idea is to find ways to slow down the outflow of cash.

The GM presented the CCU with various ways to address the under recovery:

### LEAC Update - Proposed Summary

(in millions)	Full Recovery	Start period at \$15M under recovery		No Recovery
		Full Recovery	50% Recovery	
Beginning	\$ 30.0	\$ 30.0	\$ 30.0	\$ 30.0
Capex / SIF	-	15.0	15.0	15.0
LEAC Recovery	30.0	15.0	7.5	-
Ending	\$ -	\$ -	\$ 7.5	\$ 15.0
Current LEAC	\$ 0.110000	\$ 0.110000	\$ 0.110000	\$ 0.110000
Proposed Increase	\$ 0.094189	\$ 0.069772	\$ 0.057564	\$ 0.045356
New LEAC	\$ 0.204189	\$ 0.179772	\$ 0.167564	\$ 0.155356
<b>Bill Impact (Consumption at 1,000 kWh)</b>				
Non-fuel	\$ 94.61	\$ 94.61	\$ 94.61	\$ 94.61
Fuel	204.19	179.77	167.56	155.36
	298.80	274.38	262.17	249.97
Current Bill	204.61	204.61	204.61	204.61
Difference	\$ 94.19	\$ 69.77	\$ 57.56	\$ 45.36

Citing the slide above, the following is the scenario 1 thru 4 for LEAC cycle ending January 31 2022 and based on full or \$30M recovery; half or \$15M recovery and ¼ recovery or \$7.5M recovery. The average 1000 kWh customer will experience:

1. Full recovery of \$30M will increase LEAC to .023189 / average 1000 kWh customer's bill increase by \$94.19
2. ½ recovery of \$15M will increase LEAC to .179772 / the average 1000 kWh customer's bill increase by \$69.77
3. ¼ recovery of \$7.5M will increase LEAC to .167564 / the average 1000 kWh customer's bill increase by \$57.96
4. No recovery at all will increase LEAC to .1555356 /the average 1000 kWh customer's bill by \$45.36

The GM said the last scenario 4 will increase the under recovery further to \$60M+ and jeopardizes GPAs bond covenants and ability to purchase more fuel.

Comm. Duenas reiterated the scenarios above again citing that with scenario 3, charging .167564 GPA will maintain the capex and self-insurance fund at \$15M and recover at least \$7.5M of the \$30M under recovery. He said GPA must begin some recovery. He does not recommend scenario #1.

The GM said that his recommendation is to raise LEAC to have some recovery.

The Chairman asked CFO Kim what the under recovery balance would be if LEAC was raised to .1611 and CFO said \$3.75M recovery and the ending balance would be \$11M under recovery inclusive of drawdown of capex and self-insurance fund of \$15M. With LEAC at .167564 there will be a recovery of \$7.5M and still drawdown \$15M capex and self-insurance fund

Comm. Santos asked if GPA has ever absorbed the entire under recovery and the response was no. He also asked if GPA will be in financial difficulty with LEAC at status quo, no increase through Sept. 30 and management estimated \$5M per month or \$40M under recovery for estimated total under recovery of \$65M, a new high for GPA. The CFO said keeping LEAC at its current rate of 11 cents GPA will not be able to pay for fuel.

It was mentioned that RFO fuel is brought in from Singapore monthly and per shipment cost is approximately \$19.2M based on current estimates and diesel fuel is delivered daily.

Comm. Limtiaco motioned to approve Resolution 2021-12 authorizing GPA to petition PUC for a LEAC adjustment at 50% recovery or \$7.5M of under recovery, a .167564 LEAC factor from current .11 - this will recover \$7.5M of the \$30M, seconded by Comm. Santos.

Comm. Santos asked the breakdown of residential customers between 1000 kWh – how many customers are over this threshold? The GM said about 1500. The CFO said the bulk is within 950 – 1100 kWh.

There was discussion on how often GPA buys fuel and the response was every 45 days with estimate cost of \$20M per shipment. Comm. Santos asked if there was anything GPA plans to do to freeze hiring or increments. The GM said that he does not think this will make any impact because GPA has reduced



employment from 500+ to 400+ already. Comm. Santos asked if management sees ratepayers conserve energy and the response was yes – there is a correlation. The GM said the average residential consumption increased during the pandemic and rate shock does reverse energy use.

Comm. Martinez asked about the self-insurance fund will this premium go up next year. The GM said the way it works is once the \$10M is taken out the following month it triggers the rate for the recharging to the ratepayer of \$2.90. It will take 3 years to get the \$10M back.

Comm. Limtiaco talked about asking Gov assistance re American Rescue Plan and asked if any feed back from them. The GM confirmed that he did meet with Gov and discussed LEAC. She was interested in trying to help; and like I mentioned to her GPA needs to move forward. Gov does know that there is a timeline between now and July she may take action; if in event she says yes we can assist what happens; GPA will inform update her PUC will take note and if there is a commitment for funding the PUC could change the rate. If there is potential to get help.

It was mentioned that if the Governor does come through with some assistance, the PUC will be advised and an amendment can be addressed at that time. Comm. Limtiaco said after hearing this, it would be prudent to move forward with this resolution since there is a way to make changes if necessary should the Governor is able to assist with.

**On motion 4 ayes / 1 absent motion carried and the motion passed.**

#### **4.4 Resolution 2021-13 Increase of FY2021 Residual Fuel Oil [RFO] Budget**

The approved budget for FY 2021 is \$347,138,000 with the adoption of Resolution 2020-18. The approved budget is comprised of the following: \$155,000,000 for Non-Fuel Revenue; \$2,160,000 for Miscellaneous Revenues; \$191,023,000 for the Fuel Revenue; less bad debts \$1,045,000.

Out of the \$191,023,000 fuel revenue and expenditure forecast, \$95,539,947 is allocated to the RFO supply budget based on the commodity price forecast of \$39.929 per barrel, and \$70,252,856 is allocated to the Diesel supply budget. The RFO supply budget was increased by \$20,000,000 from \$95,539,947 to \$115,539,947 and the Diesel supply budget was decreased by \$20,000,000 from \$70,252,856 to \$50,252,856.

GPA seeks authorization to increase the Authority's FY 2021 budget to provide sufficient funding for the fuel expenditures. Commodity price of RFO is rising and is projected to increase further to \$67.350 per barrel. The estimated shortfall for the RFO supply budget is anticipated at approximately \$35,000,000.00.

**Comm. Santos motioned to approve Resolution 2021-13, seconded by Comm. Limtiaco. There was no discussion or objection and the motion passed 4 ayes / 1 absent**

#### **4.5 Resolution 2021-14 Request for Proposal [RFP] for Engineering Procurement ConstrMgmt [EPCM] for New Power Plant**

GPA had contracted for consultants to support the compliance requirements for USEPA consent decree, namely to address the retirement of Cabras 1&2 Power Plant through the procurement of a dual fuel fired power plant via and Independent Power Producer build, operation and transfer contract model. The initial contract was for a 5-year term, expiring in March 2023 which occurs before the completion of the construction and commissioning of the new power plant. GPA still requires support for contract and technical assistance as Owner's Engineer support for the new Ukudu Power Plant and to support the

acquisition for LNG fuel supply for the plant within 3 years of the plant commissioning in order to reduce operating costs.

The Ukudu Power Plant is located in Ukudu, Harmon. Liquid Natural Gas [LNG] storage and regasification will be located within the Apra Harbor. The new power plant is targeted for completion by the end of 2023 and no later than April 2024, which is beyond the expiration of the Stanley Consultants' contract term.

GPA estimates costs for EPCM to be between \$5,000,000 to \$10,000,000, depending on final negotiated scope of work and will be funded by revenue funds. RFP solicitation will commence after CCU & PUC approval.

Comm. Santos motioned to approve Resolution 2021-14, seconded by Comm. Limtiaco. There was no discussion or objection and the motion passed 4 ayes / 1 absent

#### 4.6 Resolution 2021-15 Yigo Combustion Turbine [CT] Repairs

The project's objective is to return the Yigo CT to service by replacing the turbine. The existing turbine engine is damaged with broken turbine blades near the Turbine Mid Frame. The project is urgent because the Yigo CT is needed to support the demands of the island wide power system.

The replacement of the engine is estimated at \$6 million and will be funded by reallocated 2014 bond funds and CIP funds per the following breakdown:

Bond	Capital Improvement Project	Balance
2014	Diesel Plant MOMs	\$780,000
2014	Diesel Fuel Oil Tank Repairs	\$311,000
2014	Dededo Substation Capacitor Bank	\$165,000
2014	System Protection Imprvmt & Cap Bank Controllers	\$1,185,030
2014	SGIG (not covered by grant)	\$544,102
2014	Available Interest Earned 2014	\$712,011
2010	Available Interest Earned 2010	\$844,434
<b>Total Bond Funds to be Allocated Available</b>		<b>\$4,541,577</b>
<b>Total CIP funds to be Allocated</b>		<b>\$1,458,423</b>
<b>Total Project Cost</b>		<b>\$6,000,000</b>

All services will be provided through TEMES, Inc. wit completion as soon as possible with a target of 5 weeks.

Comm. Duenas asked if this resolution need to go to the PUC or approval and Legal said yes. He added that he filed a draft petition and resolution and it is on the PUC Agenda for their meeting this Thursday. It was noted that the resolution does have PUC referenced.

Comm. Santos motioned to approve Resolution 2021-15, seconded by Comm. Limtiaco.

There was discussion on how this equipment will be brought into Guam and the response was by airfreight and the typical lifespan is about 30-40,000 hours or 5 years.

On motion the vote was 4 ayes / 1 absent and the resolution passed.

The Chairman called for a 5-minute recess. It was 6:42 p.m. The meeting was called to order again at 6:50 p.m.

#### 4. GWA

##### 5.1 GM Report

GM Bordallo said he had a couple of items to update from the last GM report given at the work session. The first item page 180 relative to accounts receivable. Asst. GM of Administration said there is an increase in the amount of residential accounts that are in arrears beyond 60days but # of delinquent accounts have decreased. He said compared to pre-covid, we are \$2M in arrears higher than average and about 1400 accounts are delinquent beyond 60days. Commercial accounts look pretty good and getting close to the regular average. The # of accounts have increased. There are 2600 accounts and of these 150 are delinquent beyond 60days, 100 more than average. The General Manager said that the other update is relative GWA's outreach for the Fat Oil & Grease [FOG] program. GWA initiated a pilot program through the mayor's council where GWA will collect FOG at the Dededo Mayor's Office and GWA's Tumon Office; to date about 200 gallons of FOG has been collected and it is hopeful that this will continue to alleviate FOG in the collection system. Comm. Duenas asked how management plans to dispose of the FOG and the GM explained that this time GWA will absorb the cost but in the future with new technology being installed at the Northern Treatment Plant the sludge digestion equipment operates at temperatures that can handle break down of this. Management is looking into purchasing additional equipment through grant funding to handle chemicals and feed into digesters to enable to handle cleaning in-house. The GM Report in its entirety is available upon request. The GM also updated that diffuser installation via OEA program is ongoing and he shared photos of the actual work in progress from deck of the working vessel to undersea worksite a thousand feet off shore and 140 feet deep. The photos showed the existing outfall [old] and where pipes are aligned with the open ended pipe [new]. There are 4 /100 ft. sections of diffusers being installed. The GM said a video will be taken to confirm / verify the work before payment will be made. There was photos of the articulated concrete block mat that will be used on top of the pipe to keep them anchored. It was mentioned that this was one of the ideas that the contractor recommended to keep cost down so it has been used and proven effective elsewhere. The work is in progress and hope to complete work by the end of the week.

##### 5.2 Financials

The matter was not discussed.

##### 5.3 Resolution 21-FY2021 Construction Contract Northern Guam Lens [NGLA] Monitoring System Expansion Project

The objective of this project is to expand the ability to monitor and protect the NGLA through constructing seven (7) new monitoring wells in sub-basins of the aquifer for which there is very limited groundwater data available, and rehabilitate two (2) existing wells for the purposes of monitoring the water level and other groundwater characteristics of the NGLA. This project is necessary to build a more complete model of the NGLA and monitor the effects of increased water supply demand resulting from GWA's production and the relocation of U.S. Marines and their dependents to Guam to ensure a sustainable NGLA. General project activities include the construction of new concrete structures, well development, casing material



upgrades, providing new wellhead enclosures and improvements. Additionally, since this project is funded by a U.S Department of Defense, Office of Local Defense Community Cooperation (formerly the Office of Economic Adjustment) Grant, the project needs to be completed before the Grant deadline.

The seven (7) new wells and two (2) existing wells for rehabilitation are located at various sites in Northern Guam on Department of Defense Property, including Anderson Air Force Base, Naval Computer and Telecommunications Site (NCTS), and Naval Communication Station Barrigada.

The cost of this construction contract is \$3,250,686.56 with a 10% contingency of \$325,068.66 for a total amount of \$3,575,755.22. The Construction Contract is anticipated to be complete no later than October 1, 2022.

The funding source will be from the Office of Local Defense Community Cooperation General Assistance Grant [OEA Grants]. The GM said this project was previously bid out but the contractor withdrew and management had to do a rebid. There were 9 interested parties, but only one bid was received for the project from A&R Pacific-Garney Federal Joint Venture which was \$200k lower than before previous bid.

Comm. Santos motioned to approve Resolution 21-FY2021, seconded by Comm. Martinez. There were no other questions or discussion and the motion passed unanimously. The vote was 4 ayes, 1 absent.

#### **5.4 Resolution 22-FY2021 Amendment for Indefinite Delivery/Quantity Professional Project/Construction Management Services Contract**

GWA currently has an Indefinite Delivery Indefinite Quantity [IDIQ] contract with Brown and Caldwell. This Task Order would be added to the IDIQ Contract to provide technical input needed to complete an interim update to the 2018 Water Resources Master plan. The technical expertise is primarily required as part of GWA's continuing commitment to improve GWA operations, effectively manage CIP and improve customer service covering GWA systems island wide. There are no construction activities associated with this Task Order.

This Task Order will also include a complete update to the GWA Water System hydraulic model. The GWA Water System model was last updated more than 5 years ago and an update is required to more accurately utilize the model to monitor system conditions and evaluate the impact of the demand from new customers. The work conducted under this task order will also provide for optional updates which might be necessary in support of potential consent decree requirements.

The cost for this task Order No. 8 is \$328,946.00 with a 10% contingency of \$32,895.00 for a total amount of \$361,841.00.

The current authorized IDIQ contract amount is \$1,934,954.00. Task Orders issued to date include:

- Task Order 1 for the Consulting Engineers Report – Series 2020A bonds
- Task Order 2 for Project Management of the Route 4 Sewer Rehabilitation Project
- Task Order 3 for Project Management of the Route 1 Asan-Adelup Sewer Rehabilitation Project
- Task Order 4 for Project Management of the Southern SSES Sewer Project
- Task Order 5 for the Cost-of-Service Study for PUC Docket 19-08 Comprehensive Review & Update
- Task Order 6 for Water Meter Technical Assistance
- Task Order 7 for Consent Decree and Sewer Hydraulic Modeling Assistance

An additional \$361,841.00 will be added to the IDIQ Contract to cover the Task Order 8 scope including a 10% contingency that will increase the IDIQ Contract amount to \$2,296,795.00. The funding source will be from GWA bonds or revenues [internally funded CIP or IFCIP]. The anticipated completion date is December 31, 2021.

Comm. Limtiaco motioned to approve Resolution 22-FY2021 seconded by Comm. Martinez. There was no further discussion or objection and the motion carried.

**5.5 Resolution 23-FY2021 Contract Amendment JMI Edison for Vacuum Regulators / Parts for Water Production Chlorination System**

If approved this resolution will authorize the purchase of chlorination equipment, parts, materials and maintenance kits to improve the reliability and safety of chlorination systems employed throughout GWA's island-wide deep well production and chlorination / treatment facilities, allow for critical spares inventory, and decrease the downtime of deep well chlorination system due to corrective maintenance required. The existing chlorination systems are showing signs of wear, with some components reaching the end of useful service life. If not properly repaired or replaced, these parts can fail, leading to an increased potential of chlorine gas leak or system malfunction. Such occurrences pose a safety hazard to employees and to the public if proper chlorination of our drinking water is not achieved.

The proposed purchase is necessary and urgent to establish a good working inventory of replacement parts to keep systems operational, and maintenance kits to extend the useful life of our existing systems. Maintenance kits can potentially double the useful life of essential chlorination system parts.

The resolution seeks ratification of Twenty Thousand Six Hundred Thirty-Two Dollars and Forty-Two Cents (\$20,632.42) which was over what the CCU approval via Resolution 42-FY2018 as well as an increased authorization of Two Hundred Fifty-Six Thousand Four Hundred Seventy-Seven Dollars and Seventy-Eight Cents (\$256,477.78) for the remainder of FY2021 and Four Hundred Ninety-Two Thousand Eight Hundred Sixty-Eight Dollars and Fifty-Six Cents (\$492,868.56) for FY2022 operations.

The original contract amount plus the ratification and funding increase request will bring the total authorized contract amount to One Million Five Hundred Eighty-Seven Thousand Four Hundred Two Dollars and Eighty Cents (\$1,587,402.08) and will come from GWA revenue and internally funded CIP's where applicable.

Comm. Santos motioned to approve Resolution 23-FY2021, seconded by Comm. Martinez. There was no further discussion or objection and the motion passed 4 ayes and 1 absent.

**5. OTHER DISCUSSION**

**6.1 CCU Rules Update**

This matter was not discussed.

**6. ANNOUNCEMENTS**

**7.1 Next CCU Meetings**

The Chairman announced that there will be a CCU Special Meeting on June 7<sup>th</sup> at 10 a.m. to interview prospect applicants for the GWA Staff Attorney position.

**7. EXECUTIVE SESSION**

**8.1 Litigation Matter**

Executive Session was canceled.

**8. ADJOURNMENT**

There being no other business to bring before the Commission the meeting adjourned at 7:12 p.m.

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Attested

  
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JOSEPH T. DUENAS, Chairman

  
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MICHAEL T. LIMTIACO, Secretary