



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, October 26, 2021

MINUTES

1. CALL TO ORDER

The CCU Chairman called the CCU Regular Meeting of October 26, 2021 to order at 5:36 p.m. He said three [3] Commissioners were present for a quorum and that Comm. Sanchez and Santos were excused. Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU 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 Kim	CFO / GPA
Taling Taitano	CFO / GWA
Graham Botha	Legal Counsel / GPA
Therese Rojas	Legal Counsel / GWA – GoTo Meeting

Management & Staff:

Vien Wong	IT Support / GPA
John Dixon	IT Support / GWA
Vangie Lujan	Compliance & Safety / GWA
Ann Borja-Gallarde	Management Analyst IV / GWA Ex. Office
Joyce Sayama	Management Analyst / GPA Ex. Office
Melvyn Kwek	Manager / IT / GPA – GoTo Meeting
Patti Diego	Communications Mgr / GPA – GoTo Meeting

4. Rates will be lowered because the new plant will be using Ultra Low Sulfur Diesel Fuel not the RFO 6 that is being used now plus fuel usage will be lowered. The less fuel you use the lower the cost.
5. Ukudu will allow for growth in renewables.

The GM said It is concerning when the oversight chair for utilities releases press releases such as this and refuses to introduce bills that will help GPA save ratepayer money. The GM said he needs help and the leaders in the community need to understand the need for the Ukudu plant.

Comm. Limtiaco asked the GM to clarify one issue mentioned in the release which had to do with Senator Ridgell mentioning that the contractor was not able to obtain the necessary permit for Ukudu. The GM said that It's not that they were not able to obtain the permit but rather they permitting process is taking longer than anticipated.

Comm. Limtiaco asked what the financial consequence for not building the Ukudu plant and the GM responded that he stopped counting after his estimation reached \$600Million for USEPA penalties for non-compliance alone. There are other indirect consequences too such as a non investment grade rating from the rating agencies who are always concerned about the status USEPA.

4.2 Financials

As requested by the Commission during the GPA Work Session last Thursday, the CFO presented his Annual FY Financial Review,

Performance Summary

(\$000)	Actual 2018	Actual 2019	Actual 2020	Preliminary 2021	Budget 2021	Actual Vs. Budget
Operating Revenues						
Electric Sales						
Base rate	\$ 160,762	\$ 160,863	\$ 156,575	\$ 158,432	\$ 155,000	\$ 3,432
LEAC	217,567	238,870	176,992	165,679	226,023	(60,344)
Other	2,217	3,219	3,067	6,154	2,160	3,994
Provision for bad debt	(678)	(415)	(1,091)	(1,045)	(1,045)	-
Total Operating Revenues	379,868	402,537	335,543	329,220	382,138	(52,918)
Operating and Maintenance Expenses						
Production Fuel	217,567	238,870	176,992	165,679	226,023	60,344
Other Production & Energy Conversion	34,968	30,781	30,537	29,758	39,307	9,549
Depreciation	37,184	36,999	37,645	38,217	39,490	1,273
Transmission and Distribution	12,338	12,746	12,962	12,384	11,629	(755)
Customer Accounting	5,676	5,799	6,042	6,641	5,916	(725)
Admin & General	33,971	38,289	43,662	33,703	34,631	928
Total Operating & Maintenance Expenses	341,704	363,484	307,840	286,382	356,995	70,613
Operating Income	38,164	39,053	27,703	42,838	25,142	17,696
Non-operating revenues (expenses)						
Interest Income	3,260	5,003	3,142	1,433	1,000	433
Interest expense	(33,167)	(27,955)	(26,635)	(26,331)	(26,223)	(108)
Other income (expenses)	2,134	(934)	498	508	1,071	(563)
Total non-operating income (expenses)	(27,773)	(23,886)	(22,995)	(24,390)	(24,152)	(238)
Net Income	10,391	15,167	4,708	18,448	990	17,458

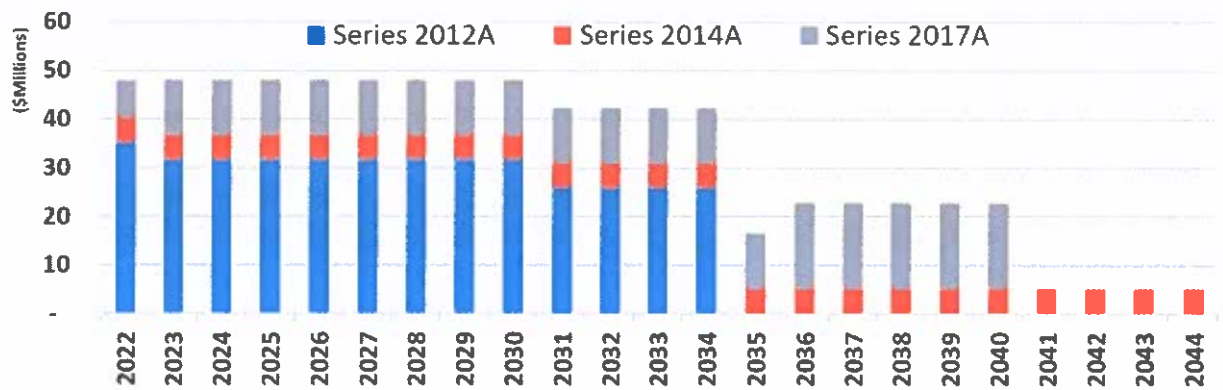
Outstanding Bonds

Summary of Outstanding Principals

Revenue Bonds (As of October 21, 2021)

2012 Series A	\$ 285,795,000
2014 Series A	69,225,000
2017 Series A	148,355,000
Total Principals Outstanding	\$ 503,375,000

Outstanding Revenue Bond Debt Services



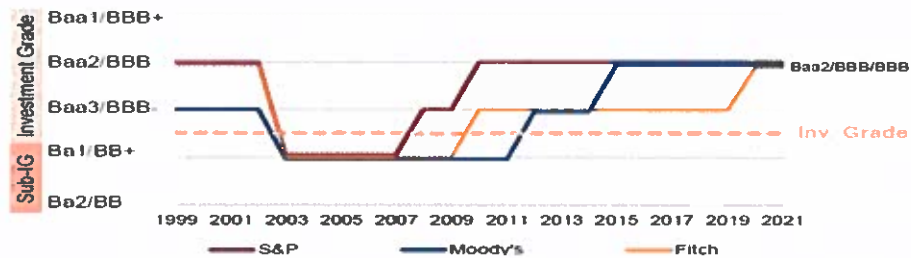
General Manager Benavente mentioned that 2012 Series A Bonds is the amount related to legislation currently at the legislature for introduction. The debt service reduction estimate is about \$15Million as result of lower interest rates.

Investment Grade Credit Ratings

Credit Summary

Long-Term Senior Debt	Rating	Long-Term Outlook
S&P Global	BBB	Stable
Moody's Rating	Baa2	Stable
Fitch Ratings	BBB-	Stable

Historical Ratings



4.5 Resolution FY2022-03 Approval to Procure Three (3) Bucket Trucks

The Authority is in need of new 65-foot Bucket Trucks to provide the Authority's Transmission & Distribution personnel the capability and capacity to perform new installations to support customer growth and to repair and maintain the power system in a safe and efficient manner. The bucket trucks will be used island wide and will be stationed at the T&D Compound in Dededo.

Three bucket trucks at \$348,000 each for a total of \$1,044,000 and funded by revenue capital funds. The bucket trucks will be delivered 365 days after award.

It was mentioned that bid responses were received from Morrico Equipment, LLC and Far East Equipment Company, LLC. Morrico was the only responsive bidder.

Comm. Martinez motioned to approve Resolution FY2022-03, second by Comm. Limtiaco. There was no further discussion or objection and the motion passed, 3 ayes, 2 absent.

5. GWA

5.1 GM Report

GM Bordallo said there is nothing to add to the GM Report he provided at the GWA Work Session last week. A copy of this report is available upon request.

5.2 Financials

This matter was discussed in length at the GWA Work Session last week and a copy is available upon request

5.3 Resolution 01-FY2022 Creation of Job Classification Standard for Plant Instrument Technician Supervisor Position

If approved, this resolution will allow GWA to create the Plant Instrument Technician Supervisor position – GWA job standards and salary range is based on the 20th market percentile, 2017 market data.

The creation of the Plant Instrument Technician Supervisor position is for the efficient and effective performance of duties and functions of the Guam Waterworks Authority's Plant Instrument Technician Section. The creation of this position is necessary to explicitly identify utility-based job specifications for the existing Plant Instrument Technician series of positions. This position is necessary to supervise Plant Instrument Technicians and to participate in the installation, maintenance and repair of the electrical and control system, electrical equipment, instruments and components of an industrial utility plant, including System Control and Data Acquisition (SCADA) systems and components.

The Authority does not currently employ a Plant Instrument Technician Supervisor, thus limiting the GWA's ability to establish a clear and concise path and structure for the Plant Instrument Technician levels within the agency. The creation of the Plant Instrument Technician Supervisor position will allow for the proper staffing and workforce planning to

Comm. Limtiaco motioned to approve Resolution 02-FY2022, second by Comm. Martinez. There was no further discussion or objection and the motion passed with 3 aye votes and, 2 absent.

5.5 Resolution 03-FY2022 Change Order #2 Taison Road / S-13 and Canada-Toto Loop/Blas Street water Replacement Project

The objective of this additional work is to resolve flow and pressure issues experienced by residents on Taison Road, who have service connections at Canada-Toto Loop. The existing revenue meters for residence of Taison Road are all located at the Canada-Toto Loop/Taison Road intersection leading to long runs of 1 to 1¼-inch galvanized pipe to the houses further down Taison Road. Residents located along Taison Road are experiencing water flow and pressure issues that will not be resolved by the original contract scope. The scope of work for Change Order No. 2 is to replace the existing 1 to 1¼-inch galvanized pipes along Taison Road with approximately 1,052 LF of new 6-inch diameter PVC pipe. The work includes the relocation of existing meters from the entrance of the road to the front of each house, installation of fire hydrants for fire protection, disconnection from the existing 6-inch asbestos pipe and connection of the new 6-inch diameter PVC pipe to the existing 12-inch water main along Canada-Toto Loop. This change order is necessary to improve the water distribution system in this area, correct problematic service laterals and resolve the recurring water flow and pressure issues affecting residents on Taison Road. The contractor is expected to complete the Change Order No. 2 scope of work within 110 calendar days.

The final cost estimate for the change order is Five Hundred Fifty-Eight Thousand One Hundred Thirty-Five Dollars (\$558,135.00). The funding source identified for this change order will be the 2020 Bond under the MP-PW-Pipe-12 Rehabilitation and Replacement Program funds.

Comm. Limtiaco moved to approve Resolution 03-FY2022 second by Comm. Martinez. There being no objection of other discussion the motion passed with 3 aye votes and 2 absent.

5.6 Resolution 04-FY2022 Amendment for Indefinite Delivery/Indefinite Quantity Professional Project/Construction Management Services Contract

If approved Resolution 04-DY2022 will allow for the funding and contract amount increase for the Indefinite Delivery/Indefinite Quantity (IDIQ) Professional Project/Construction Management Services Contract, to enable execution for multiple island-wide task orders, to include the following:

1. Project Management/Construction Management for Phase 3 Tank Inspection and Repairs
2. Project Management/Construction Management of District Metering Area (DMA) and Pressure Zone Realignment (PZR) Construction
3. Construction Management of Deep Wells A-23 and A-25 GAC System Installation
4. Construction Management Services for Groundwater Wells A-02, A-12, D-05, and F-03 Rehabilitation Construction
5. Construction Management for Waterline Replacement Construction; and

2. Project Management and Construction Management of District Metering Area (DMA) and Pressure Zone Realignment (PZR): \$200,000.00
3. Construction Management of Deep Wells A-23 and A-25 GAC System Installation: \$200,000.00
4. Construction Management for Groundwater Wells A-02, A-12, D-05, and F-03 Rehabilitation: \$650,000.00
5. Construction Management for Waterline Replacement Construction: \$200,000.00
6. Contingency: \$150,000.00

Total for all task orders: \$2,000,000.00

All task orders shall be completed by the IDIQ contracting period and the funding source will be from GWA Bonds.

The original solicitation for this IDIQ contract for professional engineering services was under RFP-04-ENG-2019. There were seven (7) total proposals received. The proposals were evaluated and ranked, with the top two (2) respondents selected. DCA was found to be one of the two most qualified for the requested services.

Comm. Martinez motioned to approve Resolution 04-FY2022, second by Comm. Limtiaco. There was no further discussion or objection and the motion passed with 3 aye votes and 2 absent.

6. OTHER DISCUSSION

6.1 CCU Rules Update - This matter was not discussed.

7. ANNOUNCEMENTS

7.1 Next CCU Meetings

The Chairman announced that the next CCU meeting would be a work session for GWA on November 16, followed by another work session for GPA on November 18 and lastly, the regular monthly CCU meeting on November 23.

8. ADJOURNMENT

There being no other business to bring before the Commission the meeting adjourned at 6:25 p.m.

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Attested



JOSEPH T. DUENAS, Chairman



MICHAEL T. LIMTIACO, Secretary