



# CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

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

CCU Regular Board Meeting

CCU Conference Room, Gloria B. Nelson Public Service Building

5:00 p.m., Tuesday, March 30, 2023

Reconvene: 04/03/2023

MINUTES

## 1. CALL TO ORDER

The Chairman called the regular board meeting to order at 5:16pm. He stated for the record that this is a continuation of the regular board meeting that was originally scheduled on 03/28/2023, that was recessed to 03/30/2023, in which only item 6.1. Retention of Staff Attorney, was covered and subsequently recessed to today.

### Commissioners Present:

Joseph T. Duenas, Chairman

Michael Limtiaco, Commissioner

Simon A. Sanchez, Commissioner

Francis Santos, Vice Chairman

Peter Roy Martinez, Chairman

### Executive Management:

#### GPA:

John Benavente, GM

Tricee Limtiaco, AGMA

John Cruz, AGMETS (Online)

John Kim, CFO

#### GWA:

Miguel Bordallo, GM

Theresa Rojas, Legal Counsel

Christopher Budasi, AGMAS

Tom Cruz, AGMO

Mauryn McDonald, Senior Engineer (Online)

Taling Taitano, CFO

### Management and Staff:

#### GPA:

Joyce Sayama, Communications Manager

Candice Ananich, MA IV

Reginald Diaz, MA III

Selma Blas, Executive Office AO

#### GWA:

Evangeline Lujan, Compliance and Safety

Ann Borja-Gallardes, MA IV

John Dixon, IT

Allen McDonald, IT

Michael Schneip, HR

Zina Pangelinan Charfauros, HR

## 2. APPROVAL OF MINUTES

CCU Regular Board Meeting minutes for 11/29/2022, approved with 5 aye votes.

CCU Regular Board Meeting minutes for 01/24/2023, approved with 5 aye votes.

## 3. PUBLIC COMMENTS

No public comments were presented at this meeting.

## 4. GPA

4.1 GM Report – No updates to report reviewed at the work session.

4.2 Financial - No updates to report reviewed at the work session.

Simon asked for an update on the under-recovery now that the month has ended – Mr. Kim indicated no update as customers are still being billed at this time, once complete by the end of this week he'll have much better information. He shared that he is estimating that it will be close to 21 million dollars by the end of March. February was 27 million dollars.

A projection will be provided by the next meeting as to when funds will most likely be recovered. Mr. Benavente did an analysis and it's looking like somewhere around the end of May, given no significant change to oil prices.

**4.3 Resolution No. FY-2023-14 – Contract for Approval for Fuel Bulk Storage Facility**

The current contract for the Management, Operation and Maintenance for the fuel bulk storage facility expires on 09/30/2023. The objective is to ensure uninterrupted and reliable fuel supply to the plants. This 3-year contract is estimated to cost \$2,728,321.00, for the required services under the IFB. Anticipated start is 10/01/2023 and expire on 09/30/2026 with the option to extend for two (2) additional one-year terms. Most of the services will be funded by O&M, and some through CIP if it involves procurement of equipment, construction, modification and others. Of the two (2) bids that were submitted: Supreme Group Guam LLC., has been determined to be the lowest, responsive and responsible bidder. The GM is seeking the Commission's approval of this resolution.

For the purpose of full disclosure Commissioner Limtiaco reported that another company that he manages, Pacific Unlimited, heads an affiliated company, Supreme GMBH which is a sub-contractor under a department of defense contract that he manages, this is affiliated with Supreme Group Guam, LLC. Despite not having any formal business dealings with the Supreme fuels group, his affiliation has exclusively been with the Supreme food group, he is recusing himself from voting on the matter.

Motion to approve **Resolution No. FY-2023-14 – Contract for Approval for Fuel Bulk Storage Facility**, was made by Vice Chairman Francis Santos, seconded by Commissioner Pedro Roy Martinez – no opposition. [Aye = 4, Recusal = 1, Nay = 0]

**4.4 Resolution No. FY2023-15 – Request to Increase the Amount of Award for the Physical Security Proof of Concept**

The RFP for a Physical Security Proof of Concept (POC) was drafted to provide services for the review, design and buildout for selected GPA and GWA sites in order to increase physical security at the sites and to develop standardized solutions for other sites. Five (5) sites were identified, including the Talofofo Plant, Harmon Substation, Fadian Main Office, Umatac Substation and Piti Substation. Delays caused by supply chain issues and global logistics challenges has increased the timeline of completion, equipment costs, staging resources and contractor cost. Estimated new completion cost has increased by \$350,000 and pushed completion date to July 2023. Contract provide with the model we'll be using to provide CIP to over 200 GPA and GWA assets. This will now be over 1.5 m, proper protocol with requirement of PUC after your approval will send over to PUC for approval.

Motion to approve **Resolution No. FY2023-15 – Request to Increase the Amount of Award for the Physical Security Proof of Concept**, was made by Vice Chairman Francis Santos, seconded by Commissioner Martinez – no opposition. [Aye = 5, Nay = 0]

**4.5 Resolution No. FY2023-16 (GPA) / Resolution No. 21-FY2023 (GWA) - Relative to Authorization to Establish a Bank Account with the Bank of Guam (BOG) to Deposit Collections from Customers in the Cannabis Industry**

The objective is to authorize Guam Power Authority and the Guam Waterworks Authority (GPWA) to establish a separate bank account with the BOG specifically for the purpose of depositing funds paid by licensed cannabis establishments holding accounts with GPWA for fees and utility (power,

water and wastewater) services. With the Guam Cannabis Board now accepting applications for licenses for cannabis-related businesses, it is necessary and urgent for GPWA to work with the banks to ensure compliance with banking regulations and accept payments from these customers in a separate account to meet banking and reporting requirements. Payments from licensed cannabis establishments will be made at GPWA locations, namely, Fadian, Julale and Upper Tumon, as GPWA's merchant services vendors will not accept debit or credit cards from these establishments. The bank will charge the usual maintenance and analysis fees. Sweep fees are \$2.50 per sweep. Once approved, GPWA will work with BOG to establish the accounts. Additionally, GPWA will develop procedures to accept and process payments from cannabis-related businesses. Bank fees will be paid using GPWA revenues. BOG is the trustee and depository for GPWA bonds. Per the bond indentures, GPWA will deposit all revenues upon receipt into the Revenue Fund and the depository shall maintain the Revenue Fund as long as any Bonds remain outstanding.

Motion to approve **Resolution No. FY2023-16 (GPA) / Resolution No. 21-FY2023 (GWA) - Establish a Bank Account with the Bank of Guam (BOG) to Deposit Collections from Customers in the Cannabis Industry** was made by Vice Chairman Francis Santos, second by Commissioner Limtiaco – motion carried without further discussion. [Aye = 5, Nay = 0]

**5. GWA**

5.1 GM Report – no updates to the report presented at the work session.

5.2 Financial – no updates to the report presented at the work session.

5.3 **Resolution No. 10-FY2023 - Relative to Approval of the Tamuning and Manenggon Reservoirs Construction Contract** – Tabled.

5.4 **Resolution No. 16-FY2023 - Relative to Approval of the Pressure Zone Realignment Phase 2 Construction Management Contract**

An island wide pressure zone realignment plan was developed Under the Water Resource Master Plan Update 2018 (WRMP). This project's work falls under the pressure zone realignment plan. The construction of the zones will be in 5 phases and this work is part of Phase 2. The work includes installation of new pressure reducing valves (PRV), flow metering, instrumentation, SCADA, vaults, and waterlines. Selected Architect-Engineer firm will provide Construction Management (CM) services for the construction project. Various locations throughout the island, list provided on Board Books and maps of site location are available upon request. The fee proposal is \$1,688,925.00, with a 10% contingency included, the total authorized funding requested is \$1,857,817. CM services is for 24 months. The start date is dependent on the construction contract anticipated to be signed in May 2023. Funding by USEPA Grant No. M98T48323. Of the 6 firms that submitted proposals, AM Orient Engineering is recommended for award.

Chairman asked when anticipated completion for these projects, GM Bordallo replied there's still a phase 3 planned, so projections are for around 2 years.

Motion to approve **Resolution No. 16-FY2023 - Relative to Approval of the Pressure Zone Realignment Phase 2 Construction Management Contract** was made by Commissioner Sanchez, second by Commissioner Limtiaco – motion carried. [Aye = 5, Nay = 0]

5.5 **Resolution No. 17-FY2023 - Relative to Approval of the ID/IQ Asbestos Cement Pipe (ACP) Waterline Replacement Design/CM Contract**

The WRMP Update 2018 developed and included a list of potential ACP waterline replacement projects under Volume 2 of the WRMP Table 8-13 Total Remaining 2-inch and asbestos cement

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(AC) Pipes and Table 8-14 Candidate Project Areas with 2-Inch and AC Pipes. Due to the GWA's aging water system, replacing AC pipe water lines is necessary to address water loss and improve system reliability and service delivery to customers. The selected Architect-Engineer firm will provide Design and Construction Management services for the project. A task order shall be issued to prepare and develop a master list of replacement sites. Using the WRMP as a starting point, the master list will verify previously identified sites, analyze new operational data, identify additional sites and prioritize line replacement efforts. From the master list, GWA shall issue task orders to begin design of the selected sites. GWA will also issue task orders for design and construction management for sites identified in the previous Line Replacement project priority list, island-wide. The fee proposal is for \$5,427,000.00; however, GWA intends to only award \$1,500,000.00 using USEPA Grant funding and anticipates additional funding from USEPA yearly. Design and construction management services are for 5 years. The funding shall be from USEPA Grants. GHD, Inc. is recommended for award.

Motion to approve **Resolution No. 17-FY2023 - Relative to Approval of the ID/IQ Asbestos Cement Pipe (ACP) Waterline Replacement Design/CM Contract** was made by Vice Chairman Santos, second by Commissioner Sanchez – motion carried. [Aye = 5, Nay = 0]

**5.6 Resolution No. 18-FY2023 - Relative to Approval of the ID/IQ Undersized Waterline Replacement Design/CM Contract – Tabled**

**5.7 Resolution No. 19-FY2023 - Relative to Approval of the ID/IQ Waterline Replacement Design/CM Contract**

The WRMP Update 2018 developed and included a list of potential waterline replacement projects under Volume 2 of the WRMP Candidate Projects for Water Pipeline Rehabilitation and Replacement and Candidate Project Budgetary Cost Estimates for Pipeline Rehabilitation and Replacement. Due to the aging water system, replacing water lines is necessary to address water loss and improve system reliability and service delivery to customers. The selected Architect-Engineer firm will provide Design and Construction Management services for the project. A task order shall be issued to prepare and develop a master list of replacement sites. Using the WRMP as a starting point, the master list will verify previously identified sites, analyze new operational data, identify additional sites and prioritize line replacement efforts. From the master list, task orders will be issued to begin design of the selected sites, as well as for design and construction management for sites identified in the previous Line Replacement project priority list, island-wide. The fee proposal is for \$5,973,682.00; however, GWA intends to only award \$1,500,000.00 using USEPA Grant funding. GWA anticipates additional funding from USEPA yearly. Design and construction management services are for 5 years. The funding shall be from USEPA Grants. Duenas, Camacho, and Associates is recommended for award.

Motion to approve **Resolution No. 19-FY2023 - Relative to Approval of the ID/IQ Waterline Replacement Design/CM Contract** was made by Commissioner Limtiaco, second by Commissioner Sanchez – motion carried. [Aye = 5, Nay = 0]

**5.8 Resolution No. 20-FY2023 - Relative to Approval of the ID/IQ District Metered Areas Design/CM Contract – Tabled**

**5.9 Resolution No. 21-FY2023 (GWA) / Resolution No. FY2023-16 (GPA) - Relative to Authorization to Establish a Bank Account with the Bank of Guam (BOG) to Deposit Collections from Customers in the Cannabis Industry**

The objective of this resolution is to authorize the Guam Power Authority and the Guam Waterworks Authority (GPWA) to establish separate bank accounts with BOG specifically for the purpose of depositing funds paid by licensed cannabis establishments holding accounts with GPWA for fees and utility (power, water and wastewater) services. With the Guam Cannabis Board now accepting applications for licenses for cannabis-related businesses, it is necessary and urgent for GPWA to work with the banks to ensure compliance with banking regulations and accept payments from these customers in a separate account to meet banking and reporting requirements. Payments from licensed cannabis establishments will be made at GPWA locations only, Fadian, Julale and Upper Tumon, as GPWA's merchant services vendors will not accept debit or credit cards from these establishments. The bank will charge the usual maintenance and analysis fees. Sweep fees are \$2.50 per sweep. Once approved, GPWA will work with Bank of Guam to establish the accounts. Additionally, GPWA will develop procedures to accept and process payments from cannabis-related businesses. Bank fees will be paid using GPWA revenues. BOG is the trustee and depository for GPWA bonds. Per the bond indentures, GPWA will deposit all Revenues upon receipt into the Revenue Fund and the depository shall maintain the Revenue Fund as long as any Bonds remain outstanding.

Motion to approve Resolution No. 21-FY2023 (GWA) / Resolution No. FY2023-16 (GPA) - Relative to Authorization to Establish a Bank Account with the Bank of Guam (BOG) to Deposit Collections from Customers in the Cannabis Industry was made by Vice Chairman Francis Santos, second by Commissioner Limtiaco – motion carried without further discussion. [Aye = 5, Nay = 0] Approval above presented by GPA

**6. OTHER DISCUSSION**

6.1 Retention of Staff Attorney was discussed on 03/30/2023

**7. ANNOUNCEMENTS**

7.1 Next CCU Meetings:  
Tuesday, April 18, 2023 at 8:30 a.m. - GWA Work Session  
Thursday, April 20, 2023 at 8:30 a.m. - GPA Work Session  
Tuesday, April 25, 2023 at 5:30 p.m. - CCU Meeting

**8. ADJOURNMENT**

Meeting adjourned at 5:41pm – none opposed

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CBA

Attested:

  
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JOSEPH T. DUENAS, Chairman

  
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PEDRO ROY MARTINEZ, Secretary