



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 10:00 a.m., Monday, July 3, 2023

MINUTES

1. CALL TO ORDER

The Vice-Chairman Santos opens the special board meeting at 10:13 a.m. For the purpose of a quorum, Commissioner Sanchez and Santos are present in the CCU conference room and appearing on GoTo Meeting is Chairman Duenas and Commissioner Limtiaco. Commissioner Martinez is off-island and not available. A quorum is present and meeting is called to order.

Commissioners:

Joseph T. Duenas	CCU Chairman (GoTo Meeting)
Francis E. Santos	CCU Vice-Chairman
Michael T. Limtiaco	Commissioner (GoTo Meeting)
Simon Sanchez	Commissioner
Pedro Roy Martinez	Board Secretary (Absent)

Executive Mgmt.:

John Benavente	GM/GPA
Miguel Bordallo	GM/GWA
Tricee Limtiaco	AGMA/GPA
Jennifer Sablan	AGMO/GPA
Joyce Sayama	Communications Director/GPA
Maripaz Perez	Acting CFO/GPA
Therese Rojas	Legal Counsel / GWA

Management & Staff:

Candice Ananich	Management Analysis/GPA
Ann Borja-Gallardes	Management Analysis/GWA
Vien Wong	IT Support / GPA
Allen McDonald	IT Support / GWA
Lourissa Gilman	Utility Board Secretary

Guest:

David Castro	Guam Daily Post
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2. PUBLIC COMMENTS

Vice-Chairman Santos states there are no public comments at this time.

3. NEW BUSINESS

3.1 GPA Resolution No. FY2023-21 Extension of Cabras Power Plant Performance Management Contract (PMC)

GPA GM John Benavente states Resolution No. FY2023-21 is relative to the approval of extending the Cabras 1 and 2 Power Plant Performance Management Contract (PMC) for Taiwan Electrical and Mechanical Engineering Services better known as TEMES. The contract came into place for 3 years with option to extend for two additional one year terms beginning September 30, 2023. However, the base rate is expiring on September 30 this year. Cabras power plant is not slated for retirement until after the Ukudu Power Plant has been updated. Furthermore, as a result of damage caused by Typhoon Marwar, there will be an extension as to the commissioning of that power plant.

GM Benavente states TEMES has written to him in April about their intent to terminate the PMC contract after September 30 and not go for the option years. So, it is imperative to have TEMES continue most especially for the next two years. It would be difficult to get anyone in place of TEMES and Cabras 1 and 2 Power Plants are at the last stage of their machine life and a lot of work is needed to keep it going. So therefore, Jennifer Sablan, AGMO, has negotiated a contract with TEMES for the extension of the PMC contract beginning October 1, 2023 to September 30, 2025. This will be the period of time when the Ukudu Power Plant will be completed. And, during the last few months we can extend it or run it ourselves at that point, but not for the next two years.

GM Benavente notes the labor charges have gone up and TEMES needs additional people for the plant so the price for the two-year extension has increased. GM Benavente notes the fixed management fee and annual fee will be from \$2.7M to \$4.248M for the last two years of the extension. That is about a \$400 thousand increase per year. The cost is not unreasonable for the amount of work that has to be done to Cabras 1 and 2. TEMES is adding two engineers to the facility because of the age of the plant. GM Benavente is asking the Commissioners for approval of the Resolution.

Commissioner Sanchez moves to approve Resolution FY2023-21 Extension of Cabras Power Plant Performance Management Contract (PMC); Commissioner Limtiaco seconded the motion.

Vice Chairman Santos calls for discussion.

Commissioner Sanchez clarifies with GM Benavente the \$4M is for management and the O&M. It's the combination of both the management and the out-of-pocket to run the plant. It's the management fee plus the O&M is \$4M then the next year is \$4M and that's \$8M total. GM Benavente and AGMO Sablan both agreed. Vice Chairman Santos asks for any other discussion from the commissioners. Chairman Duenas and Commissioner Limtiaco both reply no further discussion or questions.

Vice Chairman Santos calls for the vote; all approved, no opposition. [Aye = 4, Nay = 0, Absent = 1].

Commissioner Sanchez motions to go into Executive Session to discuss litigation matters. Vice Chairman Santos agrees to the motion.

4. EXECUTIVE SESSION

4.1 Litigation Matters

Executive Session begins.

Vice Chairman announces the meeting is back in regular session at 11:15 a.m. and addresses GWA GM Miguel Bordallo.

GM Bordallo states he is proposing Ratification FY01-2023 Relative to Authorizing the Ratification of Settlement Agreement and Release for litigation discuss during Executive Session. Commission Sanchez moves to Ratify FY01-2023 Relative to Authorizing the Ratification of Settlement Agreement and Release. Chairman Duenas second.

Vice Chairman called for further discussion. Chairman Duenas and Commissioner Limtiaco both replied no further discussion.

Vice Chairman calls for a roll-call vote. Chairman Duenas, aye; Commissioner Limtiaco, aye; Commissioner Sanchez, aye; Commissioner Santos, aye; and noted for the record that Commissioner Martinez is absent. Ratification passes with four Ayes.

[Aye = 4, Nay = 0, Absent = 1]

5. ADJOURNMENT

Vice Chairman Santos calls to adjourn the meeting. Commissioner Sanchez moves to adjourn; Commission Santos second. The meeting is adjourned at 11:16 a.m.

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Lourissa L. Gilman

Attested



JOSEPH T. DUENAS, Chairman



PEDRO ROY MARTINEZ, Secretary

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