



**REGULAR BOARD MEETING**  
**CCU Board Room, Gloria B. Nelson Public Service Building**  
**5:30 PM, Tuesday, April 24, 2024**

**MINUTES**

**1. CALL TO ORDER**

Chairman Duenas calls the CCU Regular Board Meeting to order on April 24, 2024, at 5:30 PM. For the record, those present are Chairman Duenas, and Commissioners Limtiaco and Sanchez. Commissioner Santos is excused and Commissioner Martinez is online through GoTo Meeting.

**Commissioners:**

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

**Executive Mgmt.:**

Miguel Bordallo	GM/GWA
Tricee Limtiaco	AGMA/GPA
Chris Budasi	AGMA/GWA
Jennifer Sablan	AGMO/GPA
John Kim	CFO/GPA
Taling Taitano	CFO/GWA
Jeanet Owens	
Marianne Woloschuk	Legal Counsel/GPA
Theresa Rojas	Legal Counsel/GWA

**Management & Staff:**

Jon-Rey Aguigui	HR/GPA	Vien Wong	IT/GPA
Joshua Manibusan	HR/GPA	Vladimir Navasca	IT/GPA
Ann Borja-Gallardes	MA/GWA	Lourissa Gilman	UBS
Candice Ananich	MA/GWA		

**Guest:**

Frank San Nicolas	Guam Daily Post
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Chairman Duenas announces the meeting will be recessed. Comm. Limtiaco motions the meeting be recessed to Monday, April 29, at 5:30 PM. Comm. Sanchez second.

Chairman Duenas calls for the vote, motion passes with Four Ayes. [Aye = 4, Nay = 0, Absent = 1]

**REGULAR BOARD MEETING**  
**CCU Board Room, Gloria B. Nelson Public Service Building**  
**5:30 PM, Monday, April 29, 2024**  
**(Reconvened Meeting from April 24, 2024)**

**MINUTES**

**1. CALL TO ORDER**

Chairman Duenas calls the CCU Regular Board Meeting to order on April 29, 2024, at 5:33 PM. This meeting was recessed from April 29<sup>th</sup>. For the record, those present are Chairman Duenas, and Commissioners Limtiaco and Santos. Commissioner Sanchez will be joining the meeting online through GoTo Meeting, but he is trying to make it to the board room. As for Commissioner Martinez, he is excused.

**Commissioners:**

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

**Executive Mgmt.:**

Miguel Bordallo	GM/GWA
John Benavente	GM/GPA
Tricee Limtiaco	AGMA/GPA
Chris Budasi	AGMA/GWA
Jennifer Sablan	AGMO/GPA
Thomas Cruz	AGMO/GWA
John Kim	CFO/GPA
Taling Taitano	CFO/GWA
Jeanet Owens	
Marianne Woloschuk	Legal Counsel/GPA

**Management & Staff:**

Jon-Rey Aguigui	HR/GPA	Vien Wong	IT/GPA
Pam Aguigui	Budget/GPA	Vladimir Navasca	IT/GPA
Joshua Manibusan	HR/GPA	Candice Ananich	MA/GWA
Ann Borja-Gallardes	MA/GWA	Lourissa Gilman	UBS
Joyce Sayama	Comm/GPA		

**Guest:**

Jonah Benavente	Guam Daily Post
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## 2. APPROVAL OF MINUTES

First order of business is approval of minutes. Commissioner Santos motions to approve minutes for March 26, 2024; Commissioner Limtiaco second. Approval subject to written correction.

With no further discussion, Chairman Duenas calls for the vote, motion passes with three Ayes. [Aye = 3, Nay = 0, Absent = 2]

## 3. PUBLIC COMMENTS

Chairman Duenas announces that Michael Carlson submitted public comments (Attachment A) regarding the pay migration calling into question certain issues. Chairman has asked the attorneys for both utilities to review and prepare a response to the comments. Therefore, the Chairman proposes to table the discussion of the 2022 Market Update and Strategic Pay Scale for both utilities to May and asks for a motion. Comm. Santos motions to table GPA Resolution No. FY2024-07 and GWA Resolution No. 07-FY2024 to the May 28<sup>th</sup> regular meeting; Comm. Limtiaco second.

With no further discussion, Chairman Duenas calls for the vote, motion passes with three Ayes. [Aye = 3, Nay = 0, Absent = 2]

## 4. GPA

**4.1. GM REPORT** - GM Benavente provides an update and states, the Yigo CT is on the line and good for 16 megawatts. We're waiting for the for the hot section part of the turbine to repair that to bring it up to 20 and that should be in around the middle of May. The Talofoto diesel #2 is another four megawatts so there's our 20 megawatts as of April. Work is progressing in the 20 Megawatts temporary power they've evacuated the site... they're cleaning the site now and then turn over for construction by Aggreko. We continue to work on the other units. As anticipated, the load is starting to go up and our peak demand on a Saturday in April is 248. So, we're going to expect 260 or so this year. Our base loads are running well so as long as everything's running, we're good.

Comm. Santos ask for a brief on the deal GPA entered into with CHamoru Land Trust. GM Benavente states, GPA is leasing for three years for storage for about \$3,000 a month or either that or in-kind services where they pick an area that they need power and then we provide our regular estimate, we put it in for them...so, that's their choice that way they can use that money again. That's really up to them to expand to areas where there's no power. The renters that can get power.

Comm. Santos also asks for an update on the streetlights. GM Benavente states, the issue with the street lights is the wire. It's always been the wire. We have the lights but it's the wire and then we were expecting 30,000 feet by the end of this month which is tomorrow. So, if it's all here, then we have a plan to go out there and use all the 30,000 feet of wire on the main roads.

Comm. Limtiaco asks, in regards to the Aggreko unit, has there been any update on the mobilization timeline? GM Benavente states, no not yet. All we know is July 10 and we're working for an earlier day of completion. I don't know yet when the engines are going to be here on Guam. What we have to do is we have pull out all the engines and clean up everything and make sure that there's no environmental issue then we turn it over. I don't have the timeline yet, but I anticipate within one month the unit shall be here sometime in May when the generators get

here. Everyone's been working hard to get it on. We are working on the other diesel units, Tenjo. There has been very little load shedding since December.

GM Bordallo asks with regards to the CLTC, if you're going to provide any kind services, perhaps, we coordinate with where we're upgrading infrastructure, in that Adacao area, there's lots of CLTC lots there that might benefit from both the water and sewer. AGMA Limtiaco adds, that area, Adacao area, I don't believe that that area was one of the areas that CLTC has identified. GM Benavente states, they gave us a list. GM Bordallo replies, they may not be thinking to coordinated... just a thought. GM Benavente states, we'll inform them.

## **5. GWA**

### **5.1. GWA Resolution No. 15-FY2024 Relative to the Approval of the Fats, Oil, and Grease**

**Receiving Station Design Services Contract, GWA Project No. 22302** – GM Miguel Bordallo states GWA completed an upgrade and expansion of the Northern District Wastewater Treatment Plant (NDWWTP) from primary to secondary treatment in 2022, which included the installation of a new septage receiving station and an autothermal thermophilic aerobic digestion (ATAD) system with the capability to treat and process Fat Oil and Grease (FOG). The intent of this project is to provide improvements at the NDWWTP consisting of a new FOG Receiving Station to treat and process the FOG through the ATAD system, electrical hardening of the solids treatment system, a backup generator for the solids treatment system, decanting for the aerated sludge basin, and pilot testing to improve polymer usage efficiency.

Although FOG discharge to the public sewer system is prohibited to prevent buildup and potential overflows, it persistently remains in the waste stream influent. Currently, Guam has no proper means of processing FOG. The FOG Receiving station comprises of a receiving system, holding tank with pump system, and heating systems needed to transfer the FOG.

A new emergency generator system for the FOG receiving station is needed to support the ATAD and the solids treatment. The ATAD system is a biological reactor and when the system loses power for an extended period (as it did due to Typhoon Mawar), bacterial growth has to be recultivated to meet operational conditions. The NDWWTP is in Dededo, Guam. The FOG receiving station and FOG treatment will be at NDWWTP.

GWA Management seeks CCU approval of DCA's Scope and Fee Proposal for Design Services, for a total of \$1,430,527.72, plus a five percent (5%) contingency of \$71,526.39, to bring the total authorized funding amount to \$1,502,054.11. The anticipated design will be completed end of 2024, and construction procurement will begin upon completion of the design. Funding source is USEPA grants. Comm. Santos motions to accept Resolution 15-FY2024; Comm. Limtiaco second.

Chairman Duenas asks if GWA is required to go to the PUC? GM Bordallo states, no, he doesn't think so because the project is grant funded. Comm. Limtiaco adds, he just got back from a Design-Build conference and asks GM Bordallo, do you see yourself pursuing more design build as opposed to the design bid build, and what has your experience been with it and from a collaboration standpoint from this conference it seems like there's some benefits to it but have we used that delivery method before? GM Bordallo replies, there are benefits with it and we have used that delivery method before if you recall the Northern Sewer Interceptor project that

was a designed up to the 30% for bridging documents and then we put it out for design build. That project we did it primarily to ensure that the CIPP contractor because it was so specialized that they had an opportunity to weigh in on the design side to see how much money we could save because we were concerned about overrunning the budget so we utilized that and there were also time constraints on getting the project done for the military buildup. The result of that process was that we completed the project ahead of schedule and \$5 million under budget. We do see the value in it, we have taken advantage of that in prior projects, and we do definitely plan to have design build as a delivery method for some of the work that we're undertaking as part of the partial consent agreement. Chairman states, it's a good method because the designer and the contractor are in the deal together to work collaboratively to deliver a project.

With no further discussion, Chairman Duenas calls for the vote for Resolution 15-FY2024, motion passes with three Ayes. [Aye = 3, Nay = 0, Absent = 2]

**5.2 GWA Resolution No. 18-FY2024 Relative to Approval of Additional Funding Increase to the Indefinite Quantity Contract with JMI-Edison for Submersible Pumps and Motors for GWA Deep Wells – GM Bordallo** states, this is to seek additional funding authority for the purchase of additional pumps and motors before the current contract expires in May 2024 to help close the window of when stock pump and motors are received from the new contract that is expected to be executed by June 2024. The project is to replenish the inventory of submersible pumps and motors for GWA deep wells to ensure adequate stock is available at all times to quickly bring any wells back into service. The objective is to maintain critical inventory levels for pumps and motors at all times for all deep well facilities island-wide.

The increased funding authorization for the contract with JMI- Edison will be \$400,000.00 to bring the total funding authorization to \$3,692,971.40 for the purchases of additional submersible pumps and motors. The indefinite quantity contract will be in place until May 2024 therefore no pump and motors will be procured thereafter. Funding source will be through revenue or internally funding CIP. Comm. Santos motions to accept Resolution 18-FY2024; Comm. Limtiaco second.

With no further discussion, Chairman Duenas calls for the vote for Resolution 18-FY2024, motion passes with three Ayes. [Aye = 3, Nay = 0, Absent = 2]

With no other issues to discuss, Chairman Duenas call for motion to go into Executive Session. Comm. Limtiaco motions to go into Executive Session; Comm. Santos second.

Chairman Duenas calls for the vote for Resolution 18-FY2024, motion passes with three Ayes. [Aye = 3, Nay = 0, Absent = 2]

Comm. Sanchez arrives for the meeting in the CCU Board Room and joins Executive Session.

## 6. EXECUTIVE SESSION

6.1. Back in open session, Comm. Sanchez states, in Executive Session, litigation was discussed, therefore, he moves to authorize management to proceed with litigation; Comm. Santos second.

With no further discussion, Chairman Duenas calls for the vote and motion passes with four Ayes.  
[Aye = 4, Nay = 0, Absent = 1]

**7. ADJOURNMENT**

Comm. Santos moves to adjourn; Comm. Limtiaco second. Meeting is adjourned at 6:22 PM.

//s/

Lourissa L. Gilman

Attested

  
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JOSEPH T. DUENAS, Chairman

  
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PEDRO ROY MARTINEZ, Secretary

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Attachment A  
By: Michael D. Carlson  
Received: 04/23/24

## **RATEPAYER'S REVIEW AND COMMENT ON THE RECENT A. SEARLE PROPOSAL TO THE CCU TO ARTIFICIALLY MIGRATE GPA AND GWA STAFFING PATTERNS**

**Migrating Staffing Patterns:** The recent Alan Searle presentation to the CCU contained several options to be considered and adopted. The options were proposed as a means to adjust the current wage scales which had dropped from the 25<sup>th</sup> market percentile to the 5<sup>th</sup> market percentile primarily due to external market factors.

Options 1 and 2 for both GPA and GWA are meant to migrate the entire staffing pattern over FY24 and FY25 at a cost of more than \$2.7M/FY and \$3.1M/FY, respectively.

The presentation also touched on the tools available to GPA and GWA management when attempting to recruit hard to fill positions.

Points the CCU should consider before approving the implementation of Options 1 and 2 include:

**Statutory Authority Compliance:** A review of the statutory authority contained in Public Laws 28-113 and 28-159 limited the promulgation of rules and regulations and the adoption of policies for compensation, promotion, performance evaluation and other terms of employment to *highly skilled or certified, technical, and professional employees of GPA and GWA*. GPA and GWA submitted a list of such position titles as appendices to the public laws. These appendices, commonly referred to as "List A" and "List B" by the CCU were to be the focus of the compensation study to be performed by Alan Searle and Associates. The adoption of CCU Resolution No. 01-FY2008 allowed GPA and GWA Management to proceed.

Prior to the completion of the Searle Compensation Study, a request was made to the CCU to include ALL utility positions in the Study, which was approved. This action by the CCU is contrary to the language in both public laws that specifically stated, "Compensation for all other personnel shall remain consistent with compensation plans and pay scales as determined by law."

The proposed options before the CCU should be consistent with the law and limited to those positions that meet the definition of certified, technical, and professional as contained in Public Laws 28-113 and 28-159, and as listed in Attachments A and B. The Office of Public Accountability or the Office of the Attorney General, should be

Attachment A  
By: Michael D. Carlson  
Received: 04/23/24

asked to review steps taken to date and opine on whether the statute has been complied with and, if not, to take corrective action to do so.

**Compensation Model Not Tenable:** Basing compensation schedules on an 80% external equity and 20% internal equity model is not tenable and loses relevance when the major entity poaching GPA and GWA skilled employees is the federal government local hire program. With very few exceptions, poached employees remain in Guam and are lured away with the federal government benefits detailed in the Searle presentation. These critical and hard to fill positions were the original focus and should remain the sole focus of any compensation schedule adjustments going forward. By doing so, the CCU will not only be following the statute, but it may fashion new methods to be used when retaining existing skilled workers and, possibly, offer competitive compensation packages to recruit new hires.

Proposing to migrate the staffing patterns to chase a goal of achieving the 30<sup>th</sup> market percentile is an expense not related to Pay for Performance and an unnecessary expense neither utility should make as they continue to repair, upgrade, and operate systems still vulnerable from the recent typhoons. Ratepayers would undoubtedly prefer the added annual payroll expense of \$5.88M be spent on system improvements, employee training and equipment acquisitions.

The use of market percentiles should serve as a benchmark in comparing what common position titles receive as compensation. It's weight, however, should not be at an 80% level since any number of external variables will impact the percentile. *It is noteworthy that the Searle distribution of equity is the polar opposite of GovGuam.* This may be why common titles in GovGuam and the autonomous entities have such a pronounced difference in salary and led to poaching of certain position titles by GPA, GWA and other entities using the ASearle Compensation Plan.

On a side note, several CCU members are also employers and probably do not pay their employees based upon the market averages in the continental U.S. but what their local competitors are willing to pay. They should do no different when wearing their CCU hats.

**Recommendation(s):** The CCU should correct its previous approval of what constitutes a certified, technical, or professional position to come into compliance with P.L. 28-113 and P.L. 28-159, by having GPA and GWA management return to Attachments A and B and add to each attachment ONLY those position titles created subsequent to the passage of both public laws that meet the statutory definition.



Attachment A

By: Michael D. Carlson

Received: 04/23/24

The CCU should not adjust any position titles not contained in the updated Attachments A and B to be in compliance with the limited statutory authority granted. All other GPA and GWA position titles shall continue to follow the Pay for Performance model until such time as compensation plans and pay scales are determined by law to be changed.

The 80% external equity and 20% internal equity formula must be modified to a more realistic distribution, i.e., 50% external equity and 50% internal equity. Placing too much emphasis on external factors beyond the control of either GPA or GWA will result in another A. Searle update that seeks to artificially migrate the staffing patterns merely to attain a higher market percentile, with little to any bearing on employee performance nor compensation levels in the Guam market. Employees who seek salary levels being paid outside of Guam, or by the federal government on Guam, should seek employment in those areas.

GPA and GWA need to devote time and effort in devising a compensation plan for the hard to fill positions and those most likely to be poached. They should also devote time and effort to develop compensation packages that can compete for CTP new hires that reflect the Guam market, inclusive of what the federal government offers to local hires. This was the original impetus behind the CTP legislation and should be the narrow focus once again. To be fair, the most recent A. Searle presentation notes these tools are available to each General Manager, but the amount of attention given these options appears negligible given public comment by at least the GPA General Manager.

**Recap:** No GPA or GWA employee will be adversely affected by adopting the recommendations made above. Ratepayers will applaud spending the lion's share of \$5.88M in FY24 and FY25 on system improvements, employee training and equipment acquisitions rather than on an artificial migration of staffing patterns. Being able to afford and budget for structural changes to the compensation plan does not provide carte blanche to do so. And by doing so, GPA and GWA will once again use external market forces to create disparities amongst position titles common throughout the government of Guam leading to the same situation each utility strives to avoid -- more poaching; and once again becoming the poachers. Each CCU member has a duty to approve the expenditure of ratepayer money for the betterment of the system and not as a reaction to external market forces that should only be viewed as a benchmark of what it costs to operate a power or water utility in the U.S.

*Si Yu'us Ma'åse!*