



CONSOLIDATED COMMISSION ON UTILITIES
 Guam Power Authority | Guam Waterworks Authority
 P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

REGULAR BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
5:30 PM, Tuesday, August 27, 2024

MINUTES

1. CALL TO ORDER

Chairman Duenas calls the CCU Regular Board Meeting to order on August 27, 2024, at 5:34 PM. For the record, those present are Chairman Duenas and Commissioners Sanchez and Martinez. Absent and excused is Commissioner Santos. Commissioner Limtiaco will try and get on GoTo Meeting.

Commissioners:

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

Executive Mgmt.:

John Benavente	GM/GPA
Miguel Bordallo	GM/GWA
Jennifer Sablan	GM/GPA (Acting)
Thomas Cruz	AGMO/GWA
Tricee Limtiaco	AGMA/GPA
Chris Budasi	AGMA/GWA
John Kim	CFO/GPA
Taling Taitano	CFO/GWA
Jeanet Owens	AGME/GWA
John Cruz, Jr.	AGMET/GPA (GoTo Meeting)
Marianne Woloschuk	Legal Counsel/GPA
Theresa Rojas	Legal Counsel/GWA

Management & Staff:

Candice Ananich	MA/GPA	John Dixon	IT/GWA
Evangeline Lujan	Safety/GWA	Allen McDonald	IT/GWA
Reginald Diaz	MA/GWA	Lourissa Gilman	UBS
Bianca DeSoto	Legal/GWA	Joyce Sayama	Comm/GPA

Guest:

Frank San Nicolas	Guam Daily Post	Connie Santos	Depo Resources
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2. PUBLIC COMMENTS

Chairman Duenas announces there are no public comments.

3. APPROVAL OF MINTUES

Chairman Duenas calls for the approval of meeting minutes. Comm. Sanchez moves to approve minutes of April 26, 2023; Comm. Martinez second.

With no further discussion, Chairman Duenas calls for the vote, motion passes with three Ayes to approve minutes from April 26, 2023. [Aye = 3, Nay = 0, Absent = 2]

Comm. Sanchez moves to approve the minutes of the CCU regular board meeting on Tuesday, July 23, 2024; Comm. Martinez second.

With no further discussion, Chairman Duenas calls for the vote, motion passes with three Ayes to approve minutes from July 23, 2024. [Aye = 3, Nay = 0, Absent = 2]

4. GPA

4.1 GPA Resolution No. FY2024-26 Relative to the Bonds Financing Savings Utilization – GM Benavente states GPA has successfully refunded its outstanding 2014 Series A revenue bonds for interest rate savings. The bond refunding resulted in a cumulative debt service reduction of \$6,639,468 from year 2025 to 2044. Pursuant to Public Law 37-95, Section 2(h), GPA must notify / *Liheslaturan Guåhan* within ninety (90) days of refinancing of its intent and plan regarding the savings achieved from refinancing. Accordingly, GPA proposes to use the bond refunding savings towards the capital lease and Operating and Maintenance Expense of the Ukudu Power Project for the benefit of the community. The approval of the Public Utilities Commission of Guam is required for using the savings towards the investment of the Ukudu Power Project. Chairman asks for a motion. Comm. Sanchez moves to approve Resolution FY2024-26 relative to bond financing savings utilization; Comm. Martinez second.

With no further discussion, motions pass with three Ayes to approve bonds financing savings utilization. [Aye = 3, Nay = 0, Absent = 2]

4.2 GPA Resolution No. FY2024-27 Relative to Approval of the Purchase of WSD Generators – GM Benavente states, The WSD Generators provide power backup to water wells, water booster pumps, sewer pump stations and treatment plants. CCU Resolution No. FY2024-06 authorized GPA to procure 104 generators to provide or replace damaged or down generators. The procurement was separated by size into three bids to minimize potential protest impacts. GPA bid number GPA-048-24 includes the stationary generator sizes 125 kW (20 ea.), 175 kW (13 ea.), 300 kW (16 ea.) and 11 portable generators, including trailers, consisting of sizes 125 kW (3 ea.), 175 kW (5 ea.) and 300 kW (3ea.), totaling 60 generators. Various stations throughout the island. The cost is \$3,006,527.48. The lead time for the generators is 1 year. Comm. Martinez moves to approve Resolution FY2024-27 relative to approval of the purchase of WSD generators; Comm. Sanchez second.

With no further discussion, Chairman Duenas calls for the vote, motion passes with four Ayes to approve the purchase of WSD generators. [Aye = 4, Nay = 0, Absent = 1]

Chairman Duenas recognizes Comm. Limtiaco on GoTo Meeting at 5:41 PM. Comm. Limtiaco states he voted yes on Resolution FY2024-27. Chairman Duenas confirms Comm. Limtiaco's aye vote on Resolution FY2024-27.

4.3 GPA Resolution No. 2024-28 Relative to Approval of the Purchase of WSD Generators – Tabled

4.4 GPA Resolution No. FY2024-29 Relative to the Award of Phase IV Renewables - GM Benavente states, GPA intends to meet its 2030 IRP goals and comply with Public Law 29-62 which sets renewable goals under the Renewable Portfolio Standards (RPS) with the Phase IV projects. In December 2023 GPA obtained the price bids for GPA Multi-Step Bid No: GPA- 012-23 for over 330MW of Renewable Energy Resource capacity with ESS for peak shifting. KEPCO-EWP-SAMSUNG C&T Consortium and Core Tech Solar Energy, LLC are two (2) of five (5) responsive bidders that have submitted proposals that have been determined to qualify based on bid requirements and submit price proposals to be within the purchase cap of \$0.179/kWh. PA and KEPCO-EWP-Samsung C&T Consortium have completed and agreed to commercial terms and conditions of the Renewable Energy Purchase Agreements (REPA). GPA seeks approval to submit KEPCO-EWP-Samsung C&T Consortium's REPA to the PUC for their approval. Chairman calls for a motion. Comm. Sanchez moves to approve the resolution FY2024-29 relative to the approval of the Phase IV renewable energy acquisition award; Comm. Martinez second.

Chairman Duenas calls for the vote, motion passes with four Ayes to approve the award of Phase IV Renewables. [Aye = 4, Nay = 0, Absent = 1]

4.5 GPA Resolution No. FY2024-30 Relative to Approval of the Orote Power Plant Repair/Overhaul - GM Benavente states, Navy has requested for GPA to assist with the repair/overhaul of the Orote Power Plant. The Navy-owned plant consists of three 6.8 MW Wartsila units and is located on Naval Base Guam. GPA and Navy through the Commander, Joint Region Marianas have an Inter-Governmental Support Agreement (IGSA) in place for the purpose of providing each other with mutual assistance of electrical power goods and support services. Orote Power Plant is a critical power source for the Naval Base and has supported GPA during GPA generation capacity shortfalls. Orote Power Plant is considered a critical capacity reserve until the Ukudu Power Plant is commissioned in September 2025. The estimated cost is \$3M. The estimated completion is 150 days and is depending on the availability of parts. Reimbursement from Navy through the IGSA. Wartsila is the sole source vendor as justified by Navy as the original equipment manufacturer (OEM). Comm. Sanchez moves to approve Resolution FY2024-30 relative to approval of the repair and overhaul of the Orote Power Plant; Comm. Martinez second.

With no further discussion, Chairman Duenas calls for the vote, motion passes with four Ayes to approve the Orote Power Plant repair and overhaul. [Aye = 4, Nay = 0, Absent = 1]

5. GWA

5.1 GWA Resolution No. 25-FY2024 Relative to Approval of the Design Services Contract for the Gill Breeze Subdivision Water and Wastewater Infrastructure Project – GM Bordallo states, the residents of the Gill Breeze Subdivision currently do not have access to water utilities or wastewater disposal systems. The lack of access to water and wastewater utilities for proper sanitation poses a major health risk to the residents of the Gill Breeze Subdivision and has been the subject of considerable work by the U.S. Environmental Protection Agency (US EPA) to resolve.

The intent of this project is to remediate the situation by providing the residents of the Gill Breeze Subdivision with properly designed and constructed water infrastructure and onsite or public wastewater disposal systems. The Gill Breeze Subdivision is located in Yigo, Guam. GWA Management seeks CCU approval of the negotiated Scope and Fee Proposal for Design Services, from the selected respondent of Dueñas Camacho & Assoc. at a total of Three Million Three Hundred Ninety-Six Thousand One Hundred Three Dollars (\$3,396,103.00), plus a ten percent (10%) contingency of Three Hundred Thirty-Nine Thousand Six Hundred Ten Dollars and Thirty Cents (\$339,610.30), to bring the total authorized funding amount to Three Million Seven Hundred Thirty-Five Thousand Seven Hundred Thirteen Dollars and Thirty Cents (\$3,735,713.30). The anticipated design will be completed in June of 2026, and construction procurement will begin upon completion of the design. United States Environmental Protection Agency grants. RFP-01-ENG-2024 and award is to Duenas, Camacho, and Associates. Comm. Sanchez moves to approve resolution 25-FY2024 relative to approval of design service contract for the Gill Breeze water and wastewater infrastructure project; Comm. Martinez second.

With no further discussion, Chairman Duenas calls for the vote, motion passes with four Ayes to approve the design services contract for the Gill Breeze Subdivision water and wastewater infrastructure project. [Aye = 5, Nay = 0, Absent]

5.2 GWA Resolution No. 31-FY2024 Relative to Approval of FY2024 Budget Adjustment to Address Navy Water Increase – GM Bordallo presents, the objective of this resolution is to obtain CCU authorization to increase GWA’s FY2024 Operations & Maintenance Budget Expense by \$5 million to cover significant increases in Navy water costs. Navy water costs are projected to more than double GWA’s approved budget from \$6 million to \$15.6 million. After identifying internal transfers of more than \$8 million from other cost categories, an additional \$5 million in authorized expenses is required to meet projected year-end expenses. The increase of \$5 million will increase the FY2024 O&M Budget from \$79.7 million to \$84.7 million excluding capitalized labor and non-cash depreciation expenses. Transfers will be applied upon approval to cover all FY2024 expenses up to 9/30/2024. Increases in fund sources are also projected by year-end in comparison to the approved budget: revenue from lifeline and non-lifeline rates across all rate classes from water and wastewater sales net of bad debt are projected at \$129.4 million, an increase of \$1.7 million; \$2.4 million in investment income, an increase of \$2.1 million from approved budget; and \$950,000 from GWA’s Rate Stabilization Fund, totaling \$132.8 million, an increase from the budget as originally approved by about \$4 million. Comm. Sanchez moves to approve resolution 31-FY2024 relative to approval of FY2024 budget adjustment to address Navy water increase; Comm. Martinez second.

With no further discussion, Chairman Duenas calls for the vote, motion passes with four Ayes to approve the FY2024 budget adjustment to address Navy water increase. [Aye = 4, Nay = 0, Absent = 1]

5.3 GWA Resolution No. 32-FY2024 Relative to Approval of the Guam Waterworks Authority Fiscal Year 2025 Operations and Maintenance Budget – GM Bordallo begins, the objective of this resolution is to obtain CCU approval of a 3-month (1st Quarter) Operations and Maintenance budget for Fiscal Year 2025 to cover operational activities from October 1, 2024, thru December 31, 2024, pending adjudication by the Public Utilities Commission (PUC) of the GWA’s Five Year Financial Plan for FY2025 through FY2029. The proposed interim budget provides fund sources of

\$32.98 million (net of bad debt) based on current rates and projected investment income. Operating expenses are projected at \$21.30 million for the first 3 months. Debt service coverage will meet the required 1.25x. The interim budget will be effective October 1, 2024. The PUC is currently scheduled for September 24, 2024. A budget based on the approved rate increases will be brought before the CCU following PUC action. Revenue generated by current service rates and fees for all water and wastewater customer classes as well as investment income. Comm. Martinez moves to approve Resolution 32-FY2024 relative to approval of an interim first quarter FY25 operations and maintenance budget; Comm. Sanchez second.

With no further discussion, Chairman Duenas calls for the vote, motion passes with four Ayes to approve the GWA Fiscal Year 2025 operations and maintenance budget. [Aye = 4, Nay = 0, Absent = 1]

6. EXECUTIVE SESSION

6.1 GWA Litigation Matter

Comm. Sanches moves to rise up and go into Executive Session to discuss litigation; Comm. Martinez second.

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

Executive session begins at 6:53 PM. Ends at 8:30 PM.

7. ADJOURNMENT

At 8:31 PM, Chairman Duenas calls IT staff and Utility Board Secretary into the board room and informs staff that the meeting had adjourned immediately after executive session. Time noted at 8:31 PM and confirmed by Chairman Duenas.

Submitted by:
/s/Lourissa Gilman

Attested:



JOSEPH T. DUENAS, Chairman



PEDRO ROY MARTINEZ, Secretary

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