

ORIGINAL



**CONSOLIDATED
COMMISSION ON UTILITIES**

Guam Power Authority • Guam Waterworks Authority
P.O. BOX 2977 • Agaña, Guam 96932

GUAM WATERWORKS AUTHORITY

Regular Meeting

GWA Conference Room, GWA Main Office, 2nd Floor

5:00 p.m., Tuesday, September 27, 2005

MINUTES

I. CALLED TO ORDER

Chairman Sanchez called the meeting to order at 5:20 p.m.

PRESENT: Comm. Simon A. Sanchez Chairman
 Comm. Gloria B. Nelson Vice-Chairperson/Secretary
 Comm. Thomas C. Ada Vice-Chairman/GWA
 Comm. Benigno M. Palomo Vice-Chairman/GPA

 John Benavente GM(CUS)
 David R. Craddick GWA General Manager
 Joaquin "Dan" Santos AGMAC
 Pauline J.S. Onedera GWA Board Secretary

GPA Staff: Don Antrobus, Chief Engineer; Elaine Cruz, HR Administrator; Gilda Mafnas, Accounting Supervisor; Isabel "Becky" Balajadia, Customer Service, Acting Supervisor;

Others: Cora Montanello; Tanya Mendiola, Rep. of Vice-Speaker Brown's; and Andy Balajadia, GPA

Because the Chief Engineer's parents are arriving this evening from off-island Chairman Sanchez asked the Commission that Don be allowed to give his report (a written report was submitted) at this time. Don made a few clarifications that were in his report.

- Hagatna Treatment Plant – met with Contractor (9/16) to discuss scope and cost reduction items that they implemented to reduce the cost of the project which came back 2-3 times more than anticipated. Items that will not impact the goal of the plant rehabilitation were deleted.
- Sewer Outfall Projects – As reported in the past about having trouble getting information back from the designing contractor has not changed. He and Mr. Craddick met to discuss how to address this and the decision was to put together an errata sheet and attach it to existing plans and get it out and not get locked by

the consultants. He would like to pursue this with DPW, who has a contract with them and see if they have any outstanding payments that they can hold or put some pressure on them.

- Chaot – Construction work continues and there is progress. Performance deadline is October 15, 2005. Suspect contractor will not meet it. Barring any legitimate change orders will be planning on implementing liquidating damages. One issue they may have with them is not having the exact product. One reason for slowing the project is they had to do multiple elements of the work because it did not comply with the plans and it had to be redone.
- Lembang – Finished negotiating the change order with the Contractor for a changed site condition. Ran into a rock excavation that slowed the project and added additional costs, which would be \$300k. It was questioned if this cost would be accrued by EPA or GWA and the response was that it was discussed with EPA and are aware it's coming and they have to submit the package and compete in the negotiation and the CE turned it down. The current funding that EPA has allocated is efficient for 90% of that change order so the 10% would come from GWA.
- The GM mentioned that there was another change order when the sewer line had to go deeper and GWA said they would pay the construction cost index increase from the time of the change order to time of completion. It has not been determined what this is, but they wanted to increase the unit bid prices at the beginning of the job, GWA would not allow it and that GWA would just use the unit prices and do it at construction cost index price increase based on these units and this is another issue that needs to be resolved.
- Upgrade of Ground Water Chlorination System – Have been reporting a budget estimate of \$1.5m to install the new chlorination system at all well sites plus the springs. The estimation from the Consultant is twice that amount. EPA has just committed to an additional \$520k for the completion and GWA has already advance purchase a lot of equipment as part of the interim disinfections of scales chlorinators and pumps.
- Construction Management Services – Pursuing a third contract for these services and it is uncertain whether the IDIQ concept can be accomplished within the requirements of the GCA. So he is going to put out an RFP for individual or group projects and the one top priority is the Santa Rita Springs Transmission Line and the Santa Rita Route 5 Transmission Line.

II. APPROVAL OF MINUTES

M/S/C

Comm. Nelson/Comm. Palomo

Move to approve the minutes of September 13, 2005. Motion carried.

III. GM(CUS) REPORT (John Benavente)

1. Report on Black Out on September 23, 2005 – A written report was provided with a summary of events and actions related to the island-wide outage prepared by Mr. Andy Balajadia, GPA Assistant General Manager of Operations. Mr. Benavente gave a scenario of what caused the black out. He indicated that H326 failed to open because the local/remote switch at the breaker was in the local position, which disabled the remote

8. **AGMA** – Mr. Santos reported that he should be receiving comments from both HR Departments concerning the consolidation organizational chart. Upon receipt of this he will get comments from managers and departments heads. Hopefully by November he will have something to report to the Commission. Combinations of a lot of comments that have been made concerning consolidating utilities services, regulations, etc. have been made. He will be meeting both customer service from GWA and GPA to discuss what can be done to address the issue of providing services for the consumers in both utilities.

Comm. Nelson reported that upon her arrival here at the agency she observed with the customer service the following: smiling faces while working with the customers; the magic word ‘pleased’ being used; and the kind of service offered to the customers.

Comm. Ada brought up in particular about the public relations program for GWA regarding the jingle; has seen e-mails going back and forth on how the program is going to be approached; how to get information on the electronic pro-plans; and media plans. He questioned if the agency is heading in that direction and the response from Mr. Santos is yes based on the e-mail. Although he is not aware of the jingle, he reported that he has met with Art Perez, GPA PIO and Patrick, GWA PIO and that Patrick provided Art the communication plan, but Mr. Santos does not know the status of the jingle.

According to Mr. Benavente, because Art was involved, they had looked over the communication plan and it’s looking good. Both PIO’s have something lined up to present to the Commission and even before the jingle comes out including the privatization and want to know what are the positions of the Commission and the newsletter was discussed regarding the jingle. Patrick is supposed to meet with him regarding what the proposals are, including resources that are needed, whether with an individual person or contracting out with different entities. The jingle will not be released until a communication plan for both utilities are released. Comm. Ada brought up like a media plan with objectives set up, how are we going to reach that objective, the amount of resources are going to be put for electronic, print, radio media.

One of the issues brought up at this time by Comm. Palomo is the fact that the public has not been well informed or educated about the new meter implementation. The importance of the cut-off valve has not been informed to the public and it’s been presented as if it was a penalty and the positive angle was never given. Other issues have been brought up including who’s going to pay for all of this, which was requested by the Commission to look into it. Comm. Nelson brought up the fact that the PIO should be attending the meetings and Mr. Benavente mentioned that because Patrick is not only PIO but also in dispatch, they are trying to get the GPA PIO to look into this and the right resources, but once again Comm. Nelson brought up that Patrick’s primary function is public relations. Chairman Sanchez mentioned that when Comm. Ada suggested that they put a budget to outreach, education and information for public affairs. This is more than just a jingle, it’s deciding what do we need to release to the public to keep them inform. Have a mission of what to present to the customers, which is really lacking, and this is why the Commission is asking Mr. Santos to take charge of this issue. A good

3. Customer Service Issue (Est. Billing and Failure to show Billing Adjustments on Subsequent Bills) – Mr. Craddick submitted a report on this matter. It was well received by the Commission.

VIII. NEW BUSINESS – None.

IX. EXECUTIVE SESSION – None.

X. ANNOUNCEMENT

1. CCU/GPA meeting scheduled tentatively for October 11, 2005.

XI. ADJOURNMENT – Meeting adjourned at 7:30 p.m.

Respectfully submitted by:

Pauline J.S. Onedera

PAULINE J.S. ONEDERA
GWA Board Secretary

Attested by:

Gloria B. Nelson

COMM. GLORIA B. NELSON
CCU Secretary

Minutes were approved on 10/18/05 subject to corrections and amendments.