



# CONSOLIDATED COMMISSION ON UTILITIES

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

## GUAM WATERWORKS AUTHORITY REGULAR BOARD MEETING GPA Board Conference Room 5:30 p.m. March 22, 2011

### MINUTES

#### I. CALL TO ORDER

Chairman Simon Sanchez called the regular meeting of the Guam Waterworks Authority to order at 5:35 p.m. He announced that four (4) Commissioners were present which represented a quorum; Comm. Palomo was off-island and excused. Others that were present include:

##### Commissioners:

Simon A. Sanchez	Chairman
Eloy Hara	Vice Chair, GWA
Gloria B. Nelson	Secretary
Joseph (Joey) Duenas	Treasurer

##### Executive Mgmt:

John Benavente	GMCUS
Greg Cruz	Chief Financial Officer, GWA
Sam Taylor	Staff Atty., GWA

##### Management & Staff:

Paul Kemp	Asst., GM / Safety & Compliance
Lisa San Agustin	Customer Service Supv. / Customer Service, GWA
Mark Miller	AGM Production & Treatment, GWA
Jesse Lujan	Asst. GM, Collection & Distribution / GWA
Paul Lujan	Equipt. Maint. Superintendent / GWA
Tom Cruz	Engineer Supervisor / GWA
Yuka Cabrera	Internal Audit / GWA
Gilda Mafnas	Controller / GWA
Heidi Ballendorf	Director of Communications / GWA
Elaine Cruz	Personnel Services Administrator / GWA

##### GUEST

Rick Unpingco	Asst. GM / Veolia Water
Gerald Fitzgibbons	Gen. Mgr., / Veolia Water
Cyrus Luhr	Staff / Sen. Tom Ada

#### II. APPROVAL OF MINUTES

The Minutes of February 22, 2011 was presented for approval.

Comm. Duenas motioned and Comm. Hara seconded to approve the Minutes subject to verification and written correction. There was no further discussion or objection and the motion passed.

#### III. GM (CUS) REPORT – None

**IV. GM REPORT**

**1. Meter Issue**

The GMCUS reported that March billings are tracking 4.4% above the target – 8% above September 2010. His report detailed equivalent comparisons between the months from Sept. to Feb 2011. The graphs indicate that the gallons sold / day and revenue / day and equivalent monthly revenues are all trending upward. He also reported on zero / low reads up thru February. The report indicated that management reversed the previously rising trend in this segment. He added that the task force continues to tackle this issue as new meters are received.

**2. Stipulated Order Negotiations**

On March 9<sup>th</sup>, management and some Commissioners attended the status hearing on the Stipulated Order. The Judge ordered EPA and GWA to work with the court magistrate Judge Manibusan to resolve the 7-9 items that the parties still have not agreed upon. Judge Manibusan will work with the parties and provide his recommendation to the District Court by March 31<sup>st</sup>. The GMCUS added that since the court hearing, EPA and GWA have had three negotiating sessions via video conferencing. He said there has been some progress during the process and that negotiations will continue this Wednesday, 3/23.

There was discussion on the discussion with EPA relative to the financial impact of both the EPA and the GWA timelines. EPA confirmed that they did not do a financial analysis supporting their plan so the Chairman offered to do one for them. The Chairman said management will introduce both scenarios at the hearing tomorrow in hopes that it will give EPA a clearer picture of how both plans impact ratepayers financially.

**3. DOD/GOJ/GWA Buildup Technical Meetings**

Meetings with DoD/GOJ and GWA continue – the most recent was on March 15<sup>th</sup>. The discussions focused on technical issues and the acquisition process for the proposed GOJ funded projects. The process continues and the GMCUS confirmed he anticipates that all technical issues can be resolved. The technical team will continue to prepare the scope of work and tender documents in readiness for execution once funding and financing issues are resolved and approved.

**4. Program Management Office RFP**

The PUC approved GWA's petition to issue an RFP for the Integrated Program Office services for GPA and GWA. GPA will proceed with the RFP; the target date for procurement is early April. He anticipates the process to take 2-3 months to complete and successfully contract the services.

**5. On-Line Payments**

The February stat for on-line payments is 2986 customers and collection total of \$197,321 – the highest number of customers to use the service since its inception in October 2010.

**6. System Development Charges**

The total System Development Charge to date is \$1.7 Million – Water \$839.8k and Wastewater \$868.5 K.

**7. General Manager Recruitment**

The list has narrowed to 2. On-site visits and interviews are nearing completion. It is anticipated that the GM selection will be completed within the next 30 days.

**8. Chlorine Cylinders Disposal**

The project to remove the chlorine cylinders at the Northern WWTP began on February 20<sup>th</sup> is now completed. Each cylinder was drilled and chlorine gas was safely evacuated and disposed. The GMCUS said this was a significant project because several cylinders did in fact contain residual chlorine gas which could have leaked thru the deteriorating cylinders and cause safety / health hazard to the community.

**V. COMMUNICATIONS**

**1. Public Comments - None**

**VI. NEW BUSINESS**

**1. Approval of Revised Stipulated Order Terms**

This matter was tabled.

**VII. OLD BUSINESS - None**

**VIII. STAFF REPORTS**

**1. Chief Engineering**

Tom Cruz highlighted that well production RFP contract is with the Staff Atty. for his review. He said they anticipated building 3 new wells and rehabilitating 7 existing wells. The contract for the Sta. Rita inpound has been executed to get it back on-line. This will generate 200 gpm that can be subtracted from the current Navy purchases. It is anticipated that it will take 150 days to complete the

project (per contract). He mentioned that bids for RFP's for Asan Springs and the Brigade II Booster Pump Station have been received and will undergo the review process.

## **2. Communication / PIO**

The Director of Communications, Heidi Ballendorf, reported that due to financial constraints all PR plans for GWA is on hold. She did get some funds to move forward with GWA's FOG campaign and thanked management. She said she will work with Steve Wells on more related to FOG. She is working with management at GPA on its marketing strategy / plans.

## **3. Compliance & Safety**

Asst. GM for Safety and Compliance, Paul Kemp, said the Compliance Report shows tables of summary relative to the status of discussions with EPA on pending issues showing what items were agreed upon and what items are still under discussion. It was pointed out that the items contained therein is for internal use and is GWA's assessment of where we are with discussion. He added that a Safety Inspector has been recently hired to work with Wade Tenorio. The Chairman stated that one thing learned from the EPA/GWA negotiations is that management has learned how to better communicate with EPA.

## **4. Financial**

Controller, Gilda Mafnas, reported that to date, GWA has lost \$1.8M, off by \$4.2M. Revenues are off by \$1.2M. The Chairman said we are trending \$6M below budget due to meter problems. The Controller said the good news that GPA's promissory note has been paid in full and that all surcharge payments collected effective immediately will go wholly to pay down the existing Navy promissory note. This note may be paid off in January / February 2012. The CFO, Greg Cruz said that the exit audit for 2010 was just concluded and will show a good year for GWA. Comm. Duenas talked about fixed fees being part of the rate mix and the CFO said that Grant Hoag, GWA's Cost of Service Consultant said this would be part of his analysis. Comm. Duenas said going forward, it would make good sense to transfer the "surcharge" into "fixed fees" since it is already part of the rates.

## **5. Human Resources**

Personnel Services Administrator, Elaine Cruz, reported that she is working to transit CTP employees to the 25<sup>th</sup> percentile and that 265 employees will be affected. She added that the Engineering Supervisor (senior engineer) will be coming on board on March 28<sup>th</sup> bringing the total licensed engineers to 5 and 10 EIT's. The Chairman asked about updated references for the prospect GM's. The GMCUS said he will work on this.

## **6. Legal**

Legal Counsel, Sam Taylor, said that he reviewed the writ of mandamus from GFT related to the Collective Bargaining matter and it is riddled with half-truths, misleading statements. In his last correspondence to them, he asked GFT to ask if it was properly ratified and to advise how the ratification worked. The court will set a schedule for the arbitration process and he asked Pat Mason, AG's office, if he could assist since Sam Taylor may be a witness. He said he will update the Commission on this matter once he meets with Pat Mason. He also mentioned that he would distribute the document to the Commission for their review.

## **7. Utility Services**

Lisa San Agustin reported on behalf of the Utility Services Administrator, Doris Young. She said that the Sensus meter assessment is 68% completed and that it would take another 3 months to complete. There was discussion on the AMR meters status; the Chairman pointed out the report shows 2 totals – 13,000 and 11,000; one of them is not correct and asked Lisa to work with Doris to resolve the discrepancy.

## **8. Wastewater M&O**

Gerald Fitzgibbons, Veolia's GM, gave his report. The pump station availability is up; the poly-testing at the Agana WWTP is finished and they also did testing at the Northern WWTP. He will update the Commission once the report is complete. There were blockages on O'Brien St. and the crew was busy with that. The managers of the restaurants at the Agana Shopping Center were called into Veolia's office to discuss the issue; some long term issues and short term plans were discussed. Steve Wells is busy working with them on best practices and what tools is needed to help them. He hopes to have a draft SOP to present to Region 9 for approval re a holistic source control approach to the situation. The sewer main from Nimitz Hill to the War in the Pacific National Park, down a ridge, had a lot of holes in it; it is an 8-inch asbestos cement pipe and the crew did a great job repairing it, having first clearing the jungle to get to it. He reiterated the chlorine cylinder cleanup which incurred a leak but was managed very well by all parties – GFD fire brigade, CST etc. Homeland Security commended management for the planning of this project. It was a great effort across all the authorities.

## **9. Water M&O**

Jess Lujan, AGM for Production & Treatment, reported that there is no significant item to report. Leaks still have their peaks and valleys. There was discussion on the number of leaks – Dec27 – Jan 02 is at 1345. There are 177 reports pending, slightly more than last month. Jan/Feb leaks are high compared to Nov/Dec.

IX. **ANNOUNCEMENTS**

1. **Next CCU Meeting**

The Chairman announced that the next CCU meeting would be for GPA on April 12<sup>th</sup> and GWA on April 26<sup>th</sup>.

At this point, the Chairman recessed the meeting until 5 p.m., Tuesday, April 5<sup>th</sup> to allow more time for agenda item under New Business, Section VI.1 Approval of Revised Stipulated Order Terms. It was 7:30 p.m.

X. **ADJOURNMENT**

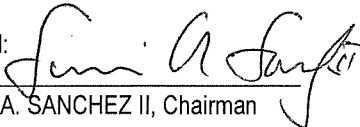
On Tuesday, March 31<sup>st</sup>, the Chairman emailed (copy in Master File) that the continuance of the March 22<sup>nd</sup> meeting scheduled for April 5<sup>th</sup> is cancelled.

There was no further business to bring before the Commission; the meeting was adjourned by the Chairman at 11:25 a.m., March 31<sup>st</sup> and will officially be ratified by the Commission at the CCU/GWA 4/28<sup>th</sup> meeting.

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Attested:

  
SIMON A. SANCHEZ II, Chairman

  
GLORIA B. NELSON, Secretary