



# CONSOLIDATED COMMISSION ON UTILITIES

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

**Guam Waterworks Authority**  
**Regular Meeting**  
**GWA Conference Room, GWA Main Office, 2<sup>nd</sup> Floor**  
Tuesday, July 6, 2005, 5:00 p.m.

## MINUTES

### I. CALLED TO ORDER

Chairman Sanchez called the meeting to order at 5:25 p.m.

PRESENT:	Comm. Simon A. Sanchez	Chairman
	Comm. Thomas C. Ada	Vice-Chairman/GWA
	Comm. Benigno M. Palomo	Vice-Chairman/GPA
	John Benavente	General Manager (CUS)
	David R. Craddick	GWA General Manager
	Joaquin "Danny" Santos	AGMAC
	Randy Wiegand	CEO
	Samuel Taylor	SLC
	Pauline J.S. Onedera	GWA Board Secretary

**\*Note: Comm. Gloria B. Nelson (Off-Island) - Excused**

GWA Staff: Paul Kemp, DRC; Elaine Cruz, HR; Doris Young, AO; Ton Chargualaf; Don Antrobus, Chief Engineer, Yvonne M. Cruz, Acting PIO; Gilda Mafnas, and Accounting Supervisor

GPA Staff: Kin Flores, GM; Thomas Borja; Graham Botha, Esq.; Andy Balajadia; Arlene Aromin; Frank S. Blaz; and Art Perez, PIO

Others: Jose Chargualaf; Dominic Perez; and Shuh-Ji Tsuei, TEMES

### II. APPROVAL OF MINUTES – Tabled.

### III. GM's REPORT

**GM 05-35 DanDan Landfill** – Written report submitted. Informs the Board that GWA's Chief Engineer prepared a response to the landfill SEIS, attached to written report with the response from Brown and Caldwell. Responses were due June 16<sup>th</sup> to GEPA and GWA submitted them in a timely manner. No action necessary unless Commission



Line; Agana Treatment Plant Rehab; Agana/Northern Ocean Outfall; Groundwater Disinfection Systems; Leyang Barrigada Sewer System; and Chaot Sewer Line Repair.

Mr. Craddick clarified at this time to the Commission that the article printed on today's PDN was not correct, there was no \$280k fine of GWA. The Commission would like to see a breakdown of the costs of these claims in regards to the damages made from the collapsed of the Barrigada water tank.

Board Chairman is concerned about the procurement information that leaked to vendors and request that management look into this as to who leaked out the information and why and they should be grounds for disciplinary action.

For the record the Chairman has taken the discovery that appears to be procurement leaks to potential vendors very seriously and the hard work of this utility should be compromised because if the individual feels they want to favors for friends, this is one reason the Commission does not want to get involved with procurement. Too many of this has happened in the past and it should not be tolerated.

**2. Production/Treatment** – Mark Miller was not present but a report was submitted. No questions at all.

**3. Collection/Distribution** – Written report was submitted by Tony Chargualaf. Crew is out looking at all the PRVs starting off at the southern part. Project started today and tied in not only the masterplan because they know what the PRVs are reading and where they are located. It was questioned if PRVs are required from residential customers to install on their side and the response was yes. It is actually an option for the customers not a requirement, but if they have a problem, they bear the consequences. Comm. Palomo complimented on the PR done on the Barrigada crisis for doing a great job (Ms. Yvonne Cruz, acting PIO). Chairman Sanchez commented she was great with the affected families and the GWA crew. It was a team effort and great response.

**4. Financial** – An audited Balance Sheet as of April 30, 2005 was submitted. Reported by Gilda Mafnas, Accounting Supervisor, who led the Commissioners through it. One question that the Chairman would like to have the GM do a research on is, "What is the policy for disconnection."

**5. HR Report** – Training report submitted by Anita Matanane. Comments from Commission it was an excellent report.

**6. Legal Report** – Gave an update of what he was working on presently.

## **VI. OLD BUSINESS**

**1. GWA GM05-30 Authorization to use GWA Property for Training** – Requesting approval to allow the GM to enter into agreement with a US Federal Government Agency to allow the use of GWA property to perform training exercises. Should the Board approve, GM will work with SLC to ensure that the Board, GWA and GovGuam are

protected from any liability. Training will be held later in the year; no longer than four days; request that GWA and location not be announced so the training is not compromised. Will be completely responsible for property damage and any public liability that may arise. A formal agreement was submitted and GM with SLC will look into it before signing documents. It was approved by the Board at tonight's meeting.

**2. GWA GM05-31 Purchase of Land for Well** – Requesting approval to purchase property in Yigo that GWA has drilled a well on and located on the east side of the former Altı Golf Course. Owner has expressed a desire to sell the property as he will not be returning to Guam. Well has been tested at 1 MGD and has low chlorides and currently serves the area. If item is approved the property will be appraised. Approved by the Board.

**3. Update on Meter Financing** – Copy of “Escrow and Closing Memorandum” were provided to the Commission members. It was questioned when money was going to be released to the vendor. \$15m is in escrow waiting for the final documentation before fund is released and it will be done within the week. GM explained that on page 3 of the Escrow on the paragraph under (v) this was a result because the agreement could not be started back in July when the Commission approved the resolution because of Guam laws. An RFP for meters and financing (financing not to exceed 6.25%) was put out by the Commission. First time on its own GWA has borrowed money. It was explained that on the Insurance, RiskCap gave the letter that they basically had said if GWA had set aside \$50k that they would give a letter saying actuarially sound program they did give the letter with the condition that we pay the bill for doing what they did in January to make an analysis to bring the actuarial study up to date, the \$50k, if GWA gets an insurance, would be reimbursed. Status of Risk Manager packet was questioned and it was mentioned that it is needed.

**4. Possible Outsourcing of Disconnection – Tabled.**

**5. Status of Generators** – Reported that it's up for a re-bid. First bid was cancelled because of time and one person could not make the time. Bid was cancelled itself, it might end of litigation. SLC chooses not to discuss it in the open tonight.

#### **AWWA ACE2005 CONFERENCE REPORTS**

1. Paul Kemp had submitted a written report on the AWWA ACE2005 Conference.
2. Comm. Ada shared his experience as very informative; impressed with the exhibits; and did one session on the automatic meter reading.
3. Comm. Palomo shared that the ones he attended a lot of them were with heads of agencies that were combined of power, water, sewer, gas and steam.

#### **VII. NEW BUSINESS – NONE.**

**Recessed at 8:45 p.m. to go into Executive Session.**

#### **VIII. EXECUTIVE SESSION**

- 1. Sumitomo Settlement (GM Report 05-21) (continuation)**

