



# 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. February 22, 2011

### MINUTES

#### I. CALL TO ORDER

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

##### Commissioners:

Simon A. Sanchez	Chairman
Benigno Palomo	Vice Chair, GPA
Eloy Hara	Vice Chair, GWA
Gloria B. Nelson	Secretary

##### Executive Mgmt:

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

##### Management & Staff:

Martin Roush	Chief Engineer / GWA
Doris Young	Utility Service Administrator / Customer Service, GWA
Paul Kemp	Asst., GM / Safety & Compliance
Victor Torres	IT Manager / Data Processing, GWA
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
Vince Guerrero	Supervisor / Warehouse & Supply
Steve Wells	Manager, Source Controls / GWA
Adrian Ballon	Engineer / GWA

##### GUEST

Andrew Mullvain	Baker Tilly
Gerald Fitzgibbons	Gen. Mgr., / Veolia Water

#### II. APPROVAL OF MINUTES

The Minutes of January 25, 2011 was presented for approval.

Comm. Hara motioned and Comm. Nelson 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 Update**

The GMCUS / Acting GM, John Benavente provided the Commission with the February 2011 billings through Route 11. They were tracking 16.3% above September 2010 billings. He said he expects February's revenues to be at least 8% above September 2010 because of the 8% rate increase that was affected on Oct. 1<sup>st</sup>. 900 new meters were received last week and said another 3,000 units are expected by mid-March – when he again plans to activate the task force for continued change outs. He added that for this period, zero and low reads of ¾" meters dropped from 21.7% to 19.3% and attributed the decline to continued efforts / focus by the Meter Task Force.

##### **2. District Court Quarterly Status Hearing**

He reported that the next Stipulated Order hearing at District Court would be at 9 a.m. on Tues., March 9<sup>th</sup>. GWA would be filing its required quarterly status report tomorrow, February 23<sup>rd</sup>. The report will not only give an update on current STIP mandated projects but also further accomplishments by GWA since November 2010. He said that CCU would be provided a copy.

##### **3. PUC Approval of Bond Funds**

On January 31<sup>st</sup>, the PUC approved GWA's use of the 2010 bond funds and projects can now move forward. A monthly summary of expense will be provided at each CCU meeting.

##### **4. General Manager Recruitment**

The top three (3) candidates for GWA's GM position were recently interviewed and the selection has been reduced to two (2). On-site interviews are being scheduled in March with the final selection in 60 days.

##### **5. System Development Charges Update**

The System Development Charge is now up to \$1.4 Million; \$738k from water and \$721 from wastewater.

##### **6. On-Line Payment update**

On-line payments continue an upward trend. Total on-line transactions equal \$240k and 2,738 accounts – a growth of about 33%.

##### **7. USEPA Technical Assistance Contract**

The GMCUS reported that GWA and USEPA have agreed on the scope of work for an engineering technical assistance through the State Revolving Fund program totaling \$2Million. CDM is the consulting firm contracted by USEPA to work with GWA engineers on key areas of focus; the program is schedule to kick off in March.

##### **8. NWWTP Chlorine Cylinders Disposal**

GWA is in the process of disposing of 11 1-ton chlorine cylinders which have been stored at the Northern WWTP site. The process of drilling the canisters to carefully and properly remove any residual content began on Feb. 20<sup>th</sup> with completion expected in 2-3 weeks. The work is done at night by a specialized contractor to minimize any potential impact to the community. Other government agencies are also involved due to the hazardous nature of the project / process.

##### **9. Filling of Critical Positions**

The GMCUS announced and introduced Mr. Steve Wells, Source Control Manager of the Wastewater Division. He is tasked to oversee GWA's Fog, Oil and Grease program. The GMCUS reiterated that 50% of wastewater spills are caused by the buildup of FOG in the system resulting from inadequate maintenance of grease traps in restaurants and other facilities. It is anticipated that with education and enforcement, wastewater spills will be reduced. Mr. Wells is from Phoenix, AZ and has 14 years experience with wastewater. He shared some photos that he has taken related to grease traps and GWA's collection system. He gave a brief overview of the major concerns / problems that he has already found during his initial assessment to determine where to make the quickest and biggest impact. The Chairman recommended that the mention of Steve's hiring be mentioned in the USEPA report since the Judge was especially interested in the FOG issue.

#### **V. COMMUNICATIONS**

##### **1. Public Comments – None**

#### **VI. OLD BUSINESS - None**

#### **VIII. STAFF REPORTS**

##### **1. Chief Engineering**

Martin Roush, Chief Engineer reported that Ugum is going well. He said the contractor, Smithbridge, will be onsite for a year to do training on the newly installed system upgrade. He also said that Engineering is focusing on engineering procurement / RFP's. The report he provide highlighted the different RFP's and the various stages of completion.

2. **Communication / PIO - None**

3. **Compliance & Safety**

Paul Kemp, AGM for Compliance said that everything is moving satisfactorily. His group is working together with Engineering to continue to work on the balance of the STIP related projects. He said he and other Operations groups are working to focus on improving the Northern WWTP; he added that there is a Plan B in place for work at the NWWTP should the military build-up not occur. He added that he has already seen some improvement in the facility due to efforts placed there.

4. **Financial**

Greg Cruz, CFO reported that GWA is \$2.5million under projections as of Jan. 2011. Currently, GWA is losing \$500k monthly which he attributes to zero / low-read meters. Expenditures are in check and vendors are being paid slowly. Revenues are 2-3% up from last year. The CFO said the meter issue has been improving since October but very slowly. February is looking stronger and it is hoped that it will reflect positively at the end of the month.

5. **Human Resources - None**

6. **Legal - None**

7. **Utility Services**

Doris Young, Utility Service Administrator, reported that work / focus continues on assessment and change out of zero to low read meters. It was mentioned that back billing on these meters would happen after 4 solid months. Management confirmed that letters of advice re back billing will continue to go out to affected customers in advance.

8. **Wastewater M&O**

Gerald Fitzgibbons, GM for Veolia Water, provided an oral update to highlight his documented report but was inaudible and could not be transcribed. A copy of his report is in Master File.

There was discussion on the new USEPA storm water policy. Paul Kemp said that this is not a new policy. It looks like Guam EPA will try to enforce that property owners are responsible for controlling storm water in their property. A big issue is that Guam does not have storm drains; it is primarily a Guam EPA and Public Works issue.

9. **Water M&O**

Jess Lujan, AGM for Collection / Distribution, reported that leaks continue. He said the fire hydrant assessment is completed. There are 3,055 active and 419 in-active hydrants on the island. GPS location / mapping is ongoing for all. It was mentioned that all dry barrel type hydrants will be changed out to the wet barrel hydrant; the former is used in cold weather locales and is not necessary for Guam. Relative to responsibility, it was mentioned that GWA is tasked to maintain the hydrants and all costs are currently absorbed.

**IX. ANNOUNCEMENTS**

1. **Next CCU Meeting: GPA - March 8<sup>th</sup>; GWA - March 22<sup>nd</sup>**

The Chairman announced that the next meeting would be on March 8<sup>th</sup> for GPA and March 22<sup>nd</sup> for GWA.

The GMCUS briefed the Commission on the plan to identify Priority Codes for all CCU meetings /appointments to enable the Commissioners to determine which meetings to attend. The codes are: Critical – attendance is highly requested because the issue is of highest importance; Priority – attendance is encouraged; Normal – attendance if the matter is of interest; Courtesy - attendance is more a meet & greet type of affair. The GMCUS said if the CCU is acceptable, these codes will be initiated effective immediately.

The Chairman said the GM interviews will be schedule in March; the next STIP court date is March 9<sup>th</sup>.

**X. ADJOURNMENT**

There was no further business to bring before the Commission and the meeting was adjourned at 6:15 p.m.

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bls

Attested:

  
SIMON A. SANCHEZ II, Chairman

  
GLORIA B. NELSON, Secretary