



CONSOLIDATED COMMISSION ON UTILITIES

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

GUAM POWER AUTHORITY Regular Board Meeting GPA Board Conference Room 5:30 p.m., September 6, 2011

MINUTES

I. CALL TO ORDER

Chairman Sanchez called the regular meeting of the Guam Power Authority to order at 5:50 p.m. and announced that there was quorum – all five (5) were present. Those in attendance include:

Commissioners:

Simon A. Sanchez	Chairman
Benigno M. Palomo	Vice Chair, GPA
Gloria Nelson	Secretary
Joseph (Joey) Duenas	Treasurer

Executive Mgmt:

John Benavente	GMCUS
Joaquin Flores	GMGPA
Martin Roush	GMSWA
Melinda Camacho	AGMO (A)
Randy Wiegand	CFO
Graham Botha	Staff Attorney / GPA

Management & Staff:

John Cruz	Manager of SPORD / GPA
Pam Aguigui	Budget Officer / GPA Finance
Arlene Sahagon	Internal Audit / GPA
Simon Camacho	Asst. Mgr, T&D / GPA
Lenora Sanz	Controller / GPA
Heidi Ballendorf	Public Affairs Director / CCU
Cora Montellano	Asst. CFO / GPA
Ron Okada	Manager T&D / GPA
Julie Quinata	Personnel Services Admin. / HR, GPA
Melvin Kwek	IT Manager / GPA
Tom Cruz	Engineer / GWA

Guest:

Cyrus Luhr	Sen. Ada's Office
Fred Horecky	PUC

II. APPROVAL OF MINUTES

The Minutes of July 12, 2011 was presented for approval.

Comm. Duenas motioned and Comm. Palomo 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 / UPDATE

The usual reports were provided but not discussed.

1. System Update
2. Government Receivables
3. Operations Dept. Reports
4. System Losses

V. COMMUNICATIONS

1. Public Comments - None

VI. LEGAL COUNSEL - None

VII. NEW BUSINESS

1. GWA Resolution 22-FY2011 - Amendment to the Classification Series of Chief Engineer, P.E. and Source Control Manager

The GWAGM said management made minor changes in the job description for the Chief Engineer and the Source Control Manager positions following GWA's HR guidelines. RE the Chief Engineering position – GWA's current job description follows the mandate of the Stipulated Order's specifically requiring 10 years as a professional engineer. The GWAGM wants to move away from this archaic description and wishes to align it with the more standard requirement in the industry, mirroring that of GPA's job description. All the supporting documents were provided to the Commission.

Comm. Duenas motioned and Comm. Nelson seconded to approve Resolution 22-FY2011 as written. There was no further discussion or objection and the motion carried.

2. GWA Resolution 23-FY2011 - GIAA Operating Agreement

The GWAGM said they have been working with GIAA for a couple of years in a more technical assistance helping with their water project. GIAA requested GWA to operate the airports newly constructed water system funded by the FAA and the successful startup and continued operation of the GIAA water system. GIAA and GWA have developed an Operating Agreement and would like to implement said Agreement (copy provided in Master File).

Comm. Nelson motioned and Comm. Palomo seconded to approve Resolution 23-FY2011. There was no further discussion or objection and the motion passed.

3. Resolution 2011-44: Renewable Energy Selection

The GPAGM said this resolution is recommending the awarding of 2 renewable projects as discussed, in the related work session, to Quantum Guam Power for 20M solar and Pacific Green Resources for 10M of wind. The GM said that Pacific Green's bid was for both solar and wind but GPA is only interested in approving the bid for the wind part of the bid. If Pacific Green will not accept GPA's terms, GPA will drop their bid completely.

Comm. Nelson motioned and Comm. Duenas motioned to approve Resolution 2011-44 for discussion.

Comm. Duenas asked to include in the Resolved section Quantum Guam Power and to indicate 20Megawatt solar project and under Green Resources 10 megawatt wind project.

On the question Resolution 2011-44 as amended there was no further discussion or objection and the motion carried.

4. Resolution 2011-45: Approval of FY2012 Budget

The CFO said as discussed in the Budget working session GPA is requesting a budget authorization of \$478M which is based on \$152.6M in Non-Fuel Revenues; \$298M in Fuel Revenues, Labor Costs of \$46.4M; Non0Labor of \$39.7M, Capitalized O&M costs of \$6.7M for total O&M Budget of \$79.5M; Independent Power Producers plus Debt service of \$44.1M and CIP's of \$13.6M. GPA's fulltime employees total 592. The General Manager is authorized to operate within the total amount of this budget and to transfer fund between major and minor categories as necessary. The General Manager's obligating authority remains at \$250,000.

Comm. Duenas motioned and Comm. Palomo motioned to approve for discussion

In discussion, Comm. Duenas asked management to add on the first resolved to total out the budget amount of \$478M

On the motion and resolution as amended, there was no further discussion or objection and the motion passed.

5. Resolution 2011-46-Relative to Renewable Acquisition P.O. Engineering & Technical Svc. Contract

The GPAGM explained that Resolution 2011-46 is relative to the contract under RW Beck for Engineering and Technical Services. GPA engaged in several purchase orders under this contract to include Smart Grid Engineering Service, Liquefied Natural Gas Study and Integrated Resource Plan totaling 1.1M GPA initially contracted Renewable Acquisition

Comm. Nelson motioned and Comm. Palomo seconded to approve Resolution 2011-46 for discussion.

Comm. Duenas asked for clarification - if this is a change order or a change in vendor. Management confirmed that it was both. Winkler and Kelly's contract for Wind Study has expired and management would like to initiate new tasks related to renewable acquisition with R.W. Beck.

The GM said the renewable bids required the performance of different studies and the subsequent task orders are different from each other and the related costs are negotiated as they come up.

On the motion, there was no further discussion or objection and the motion carried.

6. July 2011 Financials

The CFO said he has little highlights to share at this time; everything is running as expected. There is a loss for the month of .5M; revenues are still \$7M positive for the end of the year driven by the 5.1M settlement at the beginning of the year. Sales are ahead of last year but it is noted that consumers are cutting back in consumption.

VIII. OLD BUSINESS - None

IX. ANNOUNCEMENTS

1. Next CCU Meeting

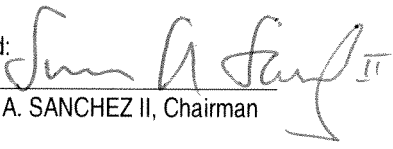
The Chairman announced that the next meeting would be for GWA on September 20th.

X. ADJOURNMENT

There being no further business to bring before the Commission, the meeting was adjourned at 6:25 p.m.

llsl
bls

Attested:


SIMON A. SANCHEZ II, Chairman


GLORIA B. NELSON, Secretary