



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* 5:00 p.m., January 8, 2008

MINUTES

I. CALL TO ORDER

The Chairman called the meeting to order at 5:35 p.m. He said all (4) Commissioners were present. The following were also present:

Commissioners:

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

Executive Mgmt:

John Benavente	GMCUS
Kin Flores	GPAGM
Randy Wiegand	GPA CFO
Graham Botha	Staff Atty., GPA
Andy Balajadia	AGMO. GPA
Sam Taylor	Staff Atty., GWA
Don Antrobus	Chief Engineer, GWA
Greg Cruz	GWA CFO

Management & Staff:

Joey Claveria	Finance, GWA
Ariene Sahagon	Internal Audit, GPA
Cora Montellano	Asst. CFO., GPA
Simon Camacho	Asst. Mgr, T&D - GPA
Art Perez	PIO, GPA
Pam Aguiqui	Chief Budget Officer, GPA
Melinda Camacho	Engineering Mgr., GPA
Rudy Manibusan	Administrator, Computer Systems
Dave Aguon	GWA
Victor Torres	Systems Administrator, Computer Services, GWA
Lenora Sanz	Controller, GPA
John Cruz	SPORD Mgr., GPA

Guests:

Mike Perez	Representative, Sen. J. Lujan
Brett	Reporter, PDN
Kenneth Rose	Representative, RW Beck
Mr. Joseff	

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II. APPROVAL OF MINUTES

1. September 11, 2007 (DRAFT)

The Minutes of 9/11/07 was presented for approval. Comm. Palomo motioned to approve the Minutes subject to verification and written correction; Comm. Nelson seconded. With no other discussion or objection the motion carried.

III. GM (CUS) REPORT - NONE

IV. GM (GPA) REPORT

1. System Update

The GWAGM reported that the failure with Unit 9 was due to a crank shaft bearing failure

2. FEMA Update

The CFO reported that a \$600k FEMA reimbursement is expected this month

3. Government Receivables

Management reported that they continue to stay on top of receivables.

4. Operation Dept. Reports

Management reported that the PMC bid is still ongoing. Engineering reported that the new Tamuning - Tumon lines have been energized already and that soon the power poles from Bank Pacific to Uttams will be removed.

The GM reported that he asked the Transportation Mgr. to try to bring the transportation availability up to 80%.

The CFO reported on the e-bill / e-pay issue from November. 92 out of 1000 customers were adversely affected when they paid their power bills on-line. The system experienced an unforeseen glitch and charged customers erroneously. As a result GPA incurred \$1908 in processing fees and \$6040 in chargeback fees.

5. System Losses

The regular System Losses Report was provided (copy in Master File) but was not discussed.

6. Fuel Inventory Update

A Fuel Inventory Report was provided (copy in Master File) but not discussed.

V. COMMUNICATIONS

1. Public Comments (*2 min. per person*)

VI. LEGAL COUNSEL

The Staff Attorney had no formal report but mentioned that there were legal issues in Executive Session.

VII. OLD BUSINESS

1. GWA System Development Charge

Management reported that they have arranged for a System Development Charge work session which will be held from 2-5 p.m. on 2/15/08 at the GPA Conference Room.

VIII. NEW BUSINESS

1. CCU Vacancy

The Board Secretary reported that she spoke to the Mayor of Mangilao – Nito Blas who confirmed that his sister, Joana Margaret Blas has relocated to the mainland U.S. and is not certain whether or not she will accept the CCU position. It was mentioned that the law does not speak as to what happens if the position is rescinded. The Chairman said that the GEC should be notified of this latest update and the CCU will wait for the GEC's position on the matter.

2. GWA Matter: Easements and Gated Communities

This matter was tabled until the next GWA meeting.

3. GWA Matter: Resolution 03-FY2008 GTA Agana Heights Lease Renewal

Resolution 03-FY2003 was presented for approval. GWA owns property in Agana Heights that is under current lease to GTA Teleguam Holdings. The lease is set to expire on 12/31/07 and it requires GTA to advise GWA if it intends to renew its lease. GWA did not receive such notice and when they contacted GTA on the matter, they

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expressed the desire to enter in to a new lease agreement with GWA. GWA's new entry into a lease with GTA was approved unanimously via a poll vote and this formal resolution is to ratify Board action.

Comm. Nelson motioned to approve Resolution 03-FY2008 that speaks to the new lease arrangement dated 12/31/07 between GTA and GWA for the GWA's Agana Heights property; Comm. Hara seconded. Without further discussion or objection, the motion carried.

4. GPA Resolution 2008-01 RFO Fuel Storage Tank Lease Extension

Resolution 2008-01 was introduced for approval; it was a request to extend the agreement for tank lease with Shell Guam. GPA and Shell has a current lease agreement where Shell Guam provides the fuel storage tank facility and delivery of said fuel to GPA as needed. The Agreement dated 2/4/98 was for a ten (10) year term and expires on 2/28/08. It also provides for an option to renew for another five (5) year term.

Management is requested the Commission approval to exercise the additional 5-year option to commence 3/1/08 to 2/28/13. The compensations amount is \$115.5k per month or \$1,396.7Million per annum. The extension of the agreement will provide GPA with adequate storage capacity to sustain continuous operations of the baseload power plants. Currently, GPA does not have the tank storage capacity to meet its needs and construction costs to add additional GPA tanks are not economically feasible at this time.

Comm. Hara motioned to approve Resoltu9ion 2008-01; Comm. Palomo seconded.

In discussion, the Commission asked management to provide a brief regarding their plans for a long term strategy relative to this matter.

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

IX. ANNOUNCEMENTS

1. Next CCU Meeting: The Chairman announced that the next meeting would be for GWA on 1/22/08. The Chairman also advised that there will be a hearing on Bill 112 and commented that the unintended consequences of Bill 122 is that it raises power rates for everybody because it does not have the breadth of issues i.e. controls etc. that is necessary and totally dismantles the procurement process. It was mentioned that Dr. Kenneth Rose from RW Beck will be at the public hearing to give testimony against Bill 122. The Chairman ended by saying that Sen. Pangelinan continues to work on a Bill that the CCU and GPA can support.

The meeting moved into executive session at 7:05 p.m.

X. EXECUTIVE SESSION

1. GPA Litigation Matter
2. Directors / Officers Liability Insurance
3. GWA KGI Contract
4. GWA Estimated Billing Issues

The above Executive Session matters were discussed but no there was no action by Board on any matter.

At 8:35 p.m. the meeting moved from Executive Session to Regular Session

XI. ADJOURNMENT

With no further business to bring before the Commission, the meeting adjourned at 8:35 p.m.

Attested:


SIMON A. SANCHEZ II, Chairman


GLORIA B. NELSON, Secretary

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5/6/08 – Approved subject to verification & written correction