



# 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., July 27, 2010

### MINUTES

#### I. CALL TO ORDER

Chairman Simon Sanchez called the regular meeting of the Guam Waterworks Authority to order at 5:40 p.m. He announced that all five (5) Commissioners were present. Those in attendance include:

##### Commissioners:

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

##### Executive Mgmt:

John Benavente	GMCUS
Greg Cruz	GWA-CFO
Sam Taylor	Staff Atty., GWA

##### Management & Staff:

Joseph Manibusan	Generation / GPA
Thomas Cruz	GWA
Elaine Cruz	Personnel Administrator / GPA
Gilda Mafnas	Controller / GWA
Joe Calvo	Computer Services / GPA
Julie Quinata	Personnel Administrator / HR, GPA
Martin Roush	Chief Engineer / GPA
Jesse Lujan	Production & Treatment / GWA
Heidi Ballendorf	Communications / GWA
Doris Young	Utility Services Admin. / GWA
Yuka Hechanova	Internal Audit
Paul Lujan	Equipt. Supt., GWA
Paul Kemp	Asst. GM, Compliance & Safety / GWA
Liz	Secretary / GWA

##### GUEST

Cyrus Luhr	Office of Sen. Tom Ada
Rick Unpingco	Deputy GM / Veolia Water
Laura Matthews	PDN
David Nelson	Veolia Water
Gerald Fitzgibbons	GM / Veolia Water

## II. APPROVAL OF MINUTES

The Minutes of February 23, 2010 was presented for approval.

Comm. Hara motioned to approve the Minutes subject to verification and written correction; Comm. Duenas seconded.

There was no further discussion or objection and the motion carried.

## III. GM (CUS) REPORT

### IV. GM REPORT

#### 1. Meter Issues

The GMCUS submitted a timeline to complete the Stipulated Order requirement for the AMR meter change outs. The estimated date for completion of this project is August 31, 2012. He also reported that July is expected to exceed %5M in billings

#### 2. Production Plan

Engineering recently completed a Potable Water Production Plan in order for GWA to address its production needs. GWA needs to establish a reserve margin for production similar to GPA's. The initial target was 20%. An RFP for an engineering group has been issued to assist GWA's engineering group evaluate what steps GWA can take to increase production thru evaluation of hard down wells, planned new wells and other alternatives in order to achieve their targets. The GMCUS said this is a critical project since demand is currently near capacity.

#### 3. Stipulated Order Status Hearing

The quarterly status report to the District Court was filed on July 22<sup>nd</sup> as required. The hearing at the District Court is scheduled for August 4<sup>th</sup> at 9 a.m.

#### 4. EPA/GWA Consent Decree

The draft Consent Decree is nearly complete and management plans to submit it to EPA on August 4<sup>th</sup>. Management expects there will be negotiations once EPA has had an opportunity to review it.

#### 5. \$118M Bond Issuance

Management is preparing for the issuance of bonds in late Sept or early Oct. The Bond Team continues to have regular conference calls to prepare the documentations required to go to the bond market. The GMCUS also reported that the auto insurance and the general liability insurance have been issued and both are scheduled for opening on August 20<sup>th</sup>. The property insurance bid is scheduled for tender this week – the opening is at the end of August and policies should be in place by early September.

#### 6. Attorney General Delegation for \$500k Procurements

Staff Attorney for GWA, Sam Taylor has been deputized as an Asst. AG and is authorized to review procurements valued at \$500k or greater. It is expected that GPA attorney, Graham Botha will also be deputized. This process will expedite procurements and relief the bottle neck caused by the initial legislation which required specifically the AG's approval.

#### 7. Military Buildup

The DoD / GWA MOU was approved by the CCU and signed by all parties on 7/16/10. Several tours by the Govt. of Japan and visiting DoD dignitaries are still ongoing. They are mainly interested to tour the Northern Wastewater Treatment Plant. A briefing by a representative of the Japan Business Group (JBIG) was requested by DoD for this Wednesday, July 28<sup>th</sup>; The final EIS is expected to be released on July 31<sup>st</sup>. The GWA management team will review, comment and provide CCU with the information; GWA is in the process of reviewing permit applications submitted by contractors interested in providing work force housing.

#### 8. On-Line Payments

GWA customers can expect to make on-line payments by the end of September. The software module is currently being developed.

#### 9. Priority Listing

The GMCUS established a listing of priorities which GWA should plan to address; It is an attempt to summarize and evaluate what actions and resources are needed in order to accomplish them. It also identifies lead program managers and their team. A detailed plan is being developed by the lead managers. This matter will fold into a 5-year strategic plan with the first year funding needs requested in the FY11 budget. The GMCUS said it is the beginning of GWA's attempt to develop the plan to accomplish the current priorities, the VK audit findings and the Stipulated Order requirements.

## V. COMMUNICATIONS

### 1. Public Comments – None

## VI. NEW BUSINESS

### 1. GPA Resolution 2010-40: Relative to Corrective Classification of Positions at GPA/GWA

This matter was tabled.

## **2. GPA Resolution 2010-41: Non-CTP Compensation Plan**

The GMCUS reported that GovGuam contracted the Hay Group to review the Hay Compensation Plan. There are about 100 employees at both power and water that are still under this plan. There is proposed Plan with the Consolidated Commission on Utilities as currently written and that this not be mixed with the Hay Plan. GPA and GWA hired consultant Alan Searle so that the agencies can foster themselves in order to keep skilled workers. Resolution 2010-41 states the CCU's position in maintaining its autonomy to set the compensation policy for certified, technical & professional positions at GPA and GWA.

The Personnel Services Administrator explained that P.L. 28—68 created the Human Resources Officers Coordinating Council made up of all HR personnel within the Executive including Judiciary – the Council is called the H-Rock Committee and their role is to review and organize common functions within the agencies of the government relative to employment matters & other employment laws. The H-Rock Committee wants to craft resolution in support of the Dept. of Administrations Div. of Personnel Management has proposed. There are certain provisions contained in the bill & the implementation procedures & provision that should remain with the non-CTP positions and stay with the Hay Plan only. She said that she advised the Committee that as H-Rock members they cannot fully support the resolution that they want to present to the legislature; while they are part of H-Rock, they will remain in support of GPA/GWA/CCU management and maintain the position of the CCU management's directive. The purpose of the resolution is to affirm the CCU's position about maintaining their compensation authority.

Relative to the draft proposals for inclusion into legislation (Exhibit A) of the Resolution, Comm. Duenas recommended that the verbiage found on page 2 of 2 of Exhibit A be used throughout the document when referencing CTP's.

Relative to Resolution 2010-41, the Chairman made recommended amendments to item # 3 in the resolved section – to add "Utility Management shall" before the word submit; to delete Resolved #4 completely and replace it with a new #4 – "For GPA & GWA employees not covered by P.L. 28-113 and 28-159, management shall seek inclusion of non-CTP employees in the proposed legislation to cover them under a revised Hay Compensation Plan and methodology".

Comm. Duenas motioned to approve Resolution 2010-41 as amended both in the resolution section and the exhibit section; Comm. Hara seconded. There was no further discussion or objection and the motion carried.

## **3. GWA Resolution 22-FY2010: Relative to Old Agat Sewer Replacement**

Staff Atty. Taylor presented Resolution 22-FY2010 authorizing the payment to be made and change order for construction management work performed for the Old Agat Collector System Upgrade. There is a need to ratify a proposed change order for \$126,094 relative to work performed by GWA's construction manager on the Old Agat Collector System Project from Dec. 2009 to June 2010 prior to receiving proper authorization from the Procurement Officer and the CCU as required by law and CCU policy; GWA is also seeking CCU approval for the remainder of work on the project in the amount of \$129,083 for work to be performed from July 2010 to Dec 2010. The total requested change order is \$255,177.

As a result of the proposed ratification and Change Order request, the current contract with TG Engineers, PC in the amount of \$314,977 will be amended to include the total requested change order value of \$255,177 bringing the total contract with TG Engineers PC for construction management of the Agat Collector System Project to \$570,154, exceeding the GM's obligating authority.

Comm. Duenas asked if this change order will take the project to its completion or are there additional change orders forthcoming. Management said this change order should complete the project.

Comm. Duenas motioned to approve Resolution 22-FY2010 as requested; Comm. Nelson seconded.

In discussion, the GMCUS said this request is for Phase I and there will be a Phase II.

There was no further discussion or objection and the motion carried.

## **4. GWA Resolution 23-FY2010: Creation of Various Positions; Amendment of Eng. Classification Series**

Resolution 23-FY2010 requests the Commission authorization to create several positions – the plant electrical instrument superintendent, the source control manager, the wastewater collection superintendent and to amend its engineering classification series relevant to years of experience. Management has provided the CCU with a Petition that complies with the requirements mandated by Guam Law which is necessary in order for the Commission to amend or create positions. The GMCUS explained each position and why it was necessary to create them.

Comm. Duenas moved to approve Resolution 23-FY2010; Comm. Hara seconded.

In discussion, Comm. Duenas recommended that the actual press release be attached to the resolution. The Staff Atty. recommended adding under the resolved #3 "the appropriate petition and notices are set forth in Exhibit A hereto".

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

**5. Resolution 24-FY2010: Relative to Bank Signatories**

The CFO presented Resolution 24-FY2010 to the Commission for approval. It requests a change in the signatories for GWA.

Comm. Duenas motioned to approve Resolution 24-FY2010; Comm. Hara seconded. There was no objection or further discussion and the motion carried.

**6. Resolution 25-FY2010: On-line Credit and Debit Card Program**

The CFO said the resolution authorizes management to establish a separate account for this function. Commercial accounts can use a credit card to pay for their billing up to \$500. The credit card fee is 2%.

Comm. Nelson motioned to approve Resolution 25-FY2010; Comm. Duenas seconded.

It was mentioned that there was no procurement related to this resolution. The CFO said this is only a depository account. Some amendments were recommended by Staff Attorney Taylor – under the Resolved section, item 1 to add after the word agreement “and establish bank accounts as necessary”; and to add a “ #3 - credit card payments are capped for all customers at \$500 per month, except for residential accounts”

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

**7. Ultra-low Sulfur Diesel Update**

This matter was tabled.

**VII. OLD BUSINESS**

**1. GFT Collective Bargaining Update**

Staff Atty. Taylor reported that GWA staffs, including him, were on a committee that negotiated with Robert Koss, of GFT, a Collective Bargaining Agreement. He said these meetings ended in May and the Staff Atty. asked Mr. Koss to make the changes already discussed and to return the document to the Staff Atty. for his review but the product that the Staff Atty. was given was not the same document, it was a completely new revised version so he told GFT that the entire process has to be redone and the document redrafted to the original version that he and Mr. Koss worked on. Before the Staff Atty. could bring the matter to the CCU, the GFT indicated that no GWA employee voted or ratified the agreement. The Staff Atty. said he needs to look at this matter more closely and determine what the legal ramifications are. Federal law governs this and it should not be taken lightly. The Staff Atty. said he would draft a letter of response coming from the GMCUS.

Relative to the Sunshine Act request in the GFT letter, the Staff Atty. said that any communication involving negotiations of a legal instrument is absolutely excluded from the Sunshine Act. The CCU said to leave this matter to management and asked the Staff Attorney to further update them on this matter.

**VIII. STAFF REPORTS**

**1. Administration / Customer Service**

Doris Young reported that GWA CS is working with GPA to establish a GWA satellite together with GPA at Agana Shopping Center. They hope to open in August depending on connectivity. She also said the division is excited about the impending on-line credit /debit card easy pay program. They are also excited about the GM's priority listing and said that all the players are coming together to get the work done.

Comm. Nelson congratulated the employees of GPA / GWA for a job well done relative to the Liberation Day Float. The CCU commended everyone who participated.

**2. Chief Engineering**

Tom Cruz reported. Ugum is 90% complete; the filters are running and management is waiting on different players. Paul Kemp reported that Brett Reiley estimated that Ugum will probably not be back online until Dec. 2011 is the estimated timeframe based on historical performance from Guam EPA. There was discussion on turbidity and Martin Roush said turbidity will probably still happen but not as bad.

**3. Communication / PIO**

Heidi Ballendorf presented the new slogan “Don't Clog with FOG” (Fat Oil & Grease) and audio jingle which was created to build awareness & to educate the public about what happens when grease is poured down the drain. She also distributed FOG bumper stickers and customer service brochure which will be distributed in the customer service lobby.

**4. Compliance & Safety**

Paul Kemp said that C&S issues have already been discussed with engineering. He also said that the ongoing court hearings have been tempering USEPA's attitude and that Judge Gatewood's participation is a benefit to GWA as well.

**5. Financial**

The CFO reported that year-end projection at \$8M; liability is down by \$1M; payables are down \$3M; & all bond reserves are fully funded.

**6. Human Resources**

This matter was discussed under New Business, Section VI.

**7. Legal**

This was not discussed.

**8. Wastewater M&O**

Management thanked Veolia for accommodating the last minute tours these past few weeks; re EPA – there's a new permit for the Agat / Sta. Rita plant which is still 60% non-compliant. He's had meetings with Public Health and GEPA pre-treatments relative to fat, oil and grease management; inspections will be conducted at 10 commercial outlets. A detailed report was submitted and is in Master File.

**9. Water M&O**

The GMCUS reported that he is working with the vendor to implement Phase II of the contract. He has been meeting with them to resolve the issue or he may have other recommendations. Re leak repair the GMCUS reported that the team has been working together to assess the leak reports; cleaning up the data base for accuracy. Production is up and reserve is up.

**IX. ANNOUNCEMENTS**

**1. Next CCU Meeting**

The Chairman announced that the next CCU meeting would be for GPA on 8/10 and GWA on 8/24.

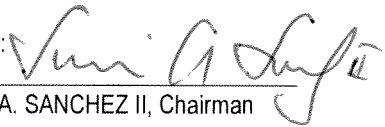
**X. ADJOURNMENT**

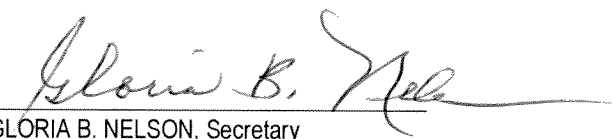
There being no further business to bring before the Commission, the meeting adjourned at 8:45 p.m.

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Attested:

  
SIMON A. SANCHEZ II, Chairman

  
GLORIA B. NELSON, Secretary