



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., September 15, 2009

MINUTES

I. CALL TO ORDER

The Chairman called the meeting to order at 5:15 p.m. He announced that all 5 Commissioners were present. Others present include:

Commissioners:

Simon Sanchez	Chairman
Benigno Palomo	Vice Chair, GPA
Eloy P. Hara	Vice Chair, GWA
Gloria B. Nelson	Secretary
Joseph (Joey) Duenas	Treasurer

Executive Mgmt:

John Benavente	General Mgr., / Consolidated Utility Services (GMCUS)
Kin Flores	General Mgr., / GPA (GPAGM)
Andy Balajadia	Asst. Operations Mgr., / GPA (AGMO)
Sam Taylor	Staff Atty., GWA

Management & Staff:

John Cruz	Manager SPORD / Strategic Planning Operations Research Development
Ron Okada	T&D Mgr / Transmission & Distribution
Art Perez	Communications Mgr. / PIO, GPA
Lenora Sanz	Comptroller / GPA Finance
Mark Pangelinan	Facilities / GPA
Julie Quinata	Personnel Services Administrator / GPA Human Resources
Pam Aguigui	Chief Budget Officer / Budget Office, GPA
Cora Montellano	Asst. Chief Financial Officer / GPA
Yuka Hechanova	Auditor / GWA Audit
Angela Quinto	Auditor / GPA Audit
Joseph Manibusan	Generation
Simon Camacho	Asst. Manager / T&D
Herb Pinaula	Manager, Transportation / GPA Transportation
Lou Sablan	Board Recording Secretary / GPA/GWA

Guests:

II. APPROVAL OF MINUTES

The Minutes of June 23, 2009 was presented for approval.

Comm. Palomo motion to approve the Minutes subject to correction; Comm. Duenas seconded. There was no further discussion or objection and the motion carried.

III. **GM (CUS) REPORT - None**

IV. **GM REPORT / UPDATE**

1. **System Update**

The Chairman commended GPA for the way they handled the outage over the weekend stating that from the public's point of view; GPA handled the outage very well. The GMCUS explained that there were a series of lightning events which took out some generators. When this occurred, the under-frequencies maintained the system. When the 2nd series of generators went down there was no backup which caused the system to go down. Management is still investigating / ongoing diagnosis relative to this matter.

It was mentioned that the last major outage was in 2005. The Chairman said it is good to do the diagnosis and to talk about it publicly; The Chairman said that we need a resolution commending the employees for a job well done. Comm. Palomo said to go above and beyond a resolution and to offer them awards. The Chairman asked the GMCUS to work with the GPAGM and GWAGM to think about what can be done to recognize employees.

2. **Government Receivables**

This item was not discussed.

3. **Operations Dept. Reports**

The PIO presented marketing posters that showcase renewable technologies that GPA is working towards. The plan is to place them in the lobby of the Customer Service centers in Harmon, Agana and Agat.

The GM also announced that there were 2 renewable bids opened (1) for wind and (2) for photoproteics. The bids will be brought to the CCU first and then to the PUC. It was mentioned that the bidders would have to provide the energy and tie it into the system and that GPA has the option to award any or none of the bids.

4. **System Losses**

This item was not discussed

5. **Fuel Inventory Update**

This item was not discussed

V. **COMMUNICATIONS**

1. **Public Comments - None**

VI. **LEGAL COUNSEL - None**

VII. **NEW BUSINESS**

1. **GWA Resolution 23-FY2009: Authorizing Phase 2 of GWA Mgmt. Org. Assessment**

The GMCUS presented Resolution 23-FY2009 requesting approval of GWA's management audit. Phase I has been completed and GWA is ready for Phase II which will include annual staffing study and productivity analysis, assessment of workforce and succession planning, assessment of GWA's current training framework, evaluation of GWA's efforts to improve billing and collections, financial planning, work crew efficiency, safety functions, customer service, management core competencies, optimal organizational structure and procurement functions. The GMCUS said that the \$278k cost has been budgeted in FY2010.

Comm. Palomo moved to approve Resolution 23-FY2009 for further discussion; Comm. Hara seconded

The Chairman said the original scope of work was 130k for 5-6 items and this request encompasses 11 items for \$278k. The GMCUS added that the request contains verbiage to approve costs not to exceed \$300k.

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

2. **Resolution 2009-37: Creation of Director of Public Affairs Position**

GMCUS introduced Resolution 2009-37 the Creation of Director of Public Affairs Position who reports to the GMCUS with a working relationship with the GM's of both GPA and GWA. He said that the creation of this position will develop and foster the communications programs and utilities education / awareness program of both GPA and GWA. It plays a significant role in defining and explaining the strategic direction of the utilities to customers, regulators, interest groups and elected officials. He added that approval of this position will also foster the public relations strategies, policies and initiatives of a tri-partnership cooperative between the CCU, GPA and GWA. This position is the 4th public relations position; currently GPA has 2 and GWA has 1. This is in response to the CCU's directive to be more proactive rather than reactive.

The Chairman said that included in the supporting docs are the 28 positions that have already been created by the CCU since its inception. GWA had more need for created positions than GPA.

Comm. Nelson motioned to approve Resolution 2009-37 for the purpose of discussion; Comm. Palomo seconded.

In discussion it was clarified that this position would be classified. It was mentioned that the CCU has created both classified and unclassified positions and the GMCUS said more and more, he would like to see that core management positions created by the CCU be classified. Comm. Duenas agreed because it would create consistency.

There was discussion as to whether or not the management audit calls for a public affairs position and the GMCUS said he does not believe so at this time. The Chairman pointed out that this position is a result of the need to centralize / consolidate the public affairs position. Comm. Duenas said that at this juncture he would like to discuss it in more detail. It was clarified that the position would be announced. Comm. Nelson said she would like to see that the position be filled by someone already in the system. Comm. Palomo asked the GMCUS to please look into the CCU positions created thus far and to look into classifying most of them.

When asked for his opinion, the GPAGM said that his impression is that GPA is getting by but cannot move forward. He further stated that he does not wish to be disrespectful but feels there are other more important positions not yet filled at GPA and that this position is not budgeted for FY2010. The Chairman said the budget was not identified because the position was not yet created. The question is need and not the budget. The Chairman asked the GPAGM why he has not filled the other more important positions referenced and the GPAGM responded that he tried to fill them but was not successful. The Chairman then pointed out that GPA's inability to fill needed positions is not related to the creation of other positions and that GPA should continue to try to fill needed positions. He further added that right now Heidi Ballendorf and Art Perez answers for GWA and GPA respectively but someone needs to be in charge.

There was discussion relative to the related organizational chart and an especially lengthy discussion relative to who the PAD reports to. Comm. Palomo said he does not want the GM's by-passed. In addition, he would like to see the resolution reflect the position description in the resolved section rather than as an attachment.

After some discussion, amendments were made to the resolution – to change the organizational chart to reflect a change in the chain of command so that all 3 managers are actively involved in directing the individual – “PAD shall work directly with both GM's of GPA and GWA at the direction of the GMCUS”; clarify in the resolution relative to the specific background requirement / description. Ms. Julie Quinata, GPA's Personnel Services Administrator will make the amendments.

On the motion, Resolution 2009-37 was approved as amended by 4 votes; Comm. Joey Duenas abstained.

Comm. Palomo asked HR to give the CCU an update on the laws that enabled the CCU to create positions/hire people; Comm. Nelson added she wanted a list of those the CCU hired to be changed from unclassified to classified. Comm. Duenas asked the 2 attorney's to also review the information and give input.

3. Resolution 2009-42 Relative to Upgrade of Turbocharger Compression Wheel

The AGMO presented Resolution 2009-42 requesting the Commission for \$280k to upgrade the compression wheel on the turbo charger. The turbochargers are used to increase the compression of the combustion chamber of the engine. During the last inspection in January it was found that the blades of the turbocharger which are normally squared at the edges have eroded which is an indication of excess wear and tear. The wear down of the compression wheel causes reduction of airflow and moves the engine operating condition closer to the surging line. This means that small fluctuations or discrepancies such as load change, temperature change, power surges, pressure drops etc. can cause the turbocharger to surge right away causing stress on the turbocharger, engine and other components. The upgrade will increase the overall lifetime of the turbocharger – the vane to a better material and change out parts to the turbocharger.

Comm. Duenas motion to approve Resolution 2009-42; Comm. Nelson seconded. After some clarification on the details of the refurbishment and confirmation that the cost has been budgeted as part of CIP's, the Commission unanimously voted to approve Resolution 2009-42 as written.

4. July 2009 Financials

The GPAGM asked the Asst. CFO to assist with presentation. She advised that GPA received \$1.2million from FEMA which increased net assets to \$200k for the month. The net loss for the year stands at \$6.2million. The good news is that kWh sales are -.9% over last year, a slight increase. The kWh sales forecast is 4%. She forecasted that the net loss for the year will be \$8million at the end of the year due to poor revenues.

VIII. OLD BUSINESS - None

IX. ANNOUNCEMENTS

1. **Next CCU Meeting: GWA – 10/6/09; GPA 10/20/09**

The Chairman set the October meeting calendar. The GWA meeting would be on October 6th and GPA would be on October 20th.

X. ADJOURNMENT

With was no further business to bring before the Commission and the meeting was adjourned at 6:30 p.m.

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BLS

Attested:


SIMON A. SANCHEZ II, Chairman


GLORIA B. NELSON, Secretary