



# CONSOLIDATED COMMISSION ON UTILITIES

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

## GUAM WATERWORKS AUTHORITY REGULAR BOARD MEETING GPA Board Conference Room 5:00 p.m., November 17, 2009

### MINUTES

#### I. CALL TO ORDER

Chairman called the meeting to order @ 5:15 p.m. and announced that all 5 Commissioners. Those present included:

##### 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
Len Olive	GWAGM
Greg Cruz	GWA-CFO
Sam Taylor	Staff Atty., GWA

##### Management & Staff:

Martin Roush	Chief Engineer / GWA
Gilda Mafnas	Controller / GWA Finance
Julie Shane	Asst. GM Chief Engineer / Engineering
Victor Torres	IT Manager / GWA Data Processing
Brett Raily	Senior Engineer Supervisor / GWA Engineering
Jess Lujan	Asst. GM / GWA Collection & Distribution
Elaine Cruz	Personnel Services Admin. / GWA HR
Paul Kemp	Asst. GM, Compliance & Safety / GWA
Mark Miller	Asst. GM, Production & Treatment / GWA
Heidi Ballendorf	Director of Comm. & PR / GWA
Paul Lujan	GWA
Joey Claveria	Asst. CFO
Frank Roberto	Human Resources

##### GUEST

Gerald Fitzgibbons	General Manager / Veolia Water
Dave	Veolia
Cyrus Rhur	Sen. Tom Ada's office
Heather	PDN

#### II. APPROVAL OF MINUTES

The Minutes of October 13 2009 was presented for approval.

Comm. Nelson motioned to approve the Minutes subject to written correction. Comm. Palomo seconded. There was no further discussion or objection and the motion passed.

#### III. GM (CUS) REPORT

The GMCUS said his report will be covered in Executive Session as recommended by Legal Counsel.

#### IV. GM REPORT

##### 1. Finance Strategy Update

The GM reported that the bank is not willing to forgive the required GovGuam guarantee on short term financing. The GovGuam guarantee is stalled and will not be considered until December.

The Chairman added that he spoke to both Sen. Pangelinan and Ada, the sponsor of the Bill who said they needed more clarification on the guarantee as to whether it fits within the general obligation cap of the Government of Guam. GEDCA said the new tax calculation has just been reviewed there is another \$250k cap that will be added to the existing cap. The Chairman asked GEDCA to document their findings to the Legislature.

Bill 175 relative to long term contracts was approved by the Legislature.

##### 2. Insurance update

The GM reported that Engineering has listed all GWA's major assets and is now working at identifying minor assets. The next step is to work on the Invitation for Proposal (IRP). The CFO said GWA is primarily looking at liability, property insurance and crime. Depending on the amounts the matter may have to be brought back to the CCU for approval. The Chairman said they just want to be updated on the overall outcome. GWA representatives would likely make a trip to Lloyds of London and associated underwriters in early calendar 2010.

##### 3. Management Audit update

The GM said the RFI is being completed for Phase II; On-island interviews and field work will occur from December 9 – 15. VK / Baker Tilly would like to meet with the CCU and PUC separately on December 15<sup>th</sup>.

##### 4. DoD update

The GM said that GWA will meet with DoD representatives regarding the draft EIS on Friday, 11/13<sup>th</sup> & GWA will participate in the meetings scheduled for Nov 19-20. The GM said he has asked Julie Shane and Bret Raily to prepare a power point to update the Commission on discussions to date.

Julie Shane & Bret Raily updated the Commission on DoD discussions relative to Water and Waste Water. Regarding water there was discussion with the Navy related to source, storage and transmission / distribution.

They said there was no discussion regarding transmission and distribution because DoD insists on keeping the system separate. They also said that the DoD plans do not consider off base needs. GWA disagreed and insisting on an integrated system / consolidated plan; DoD is willing to coordinate overall best locations but plan must address all buildup needs. One of big question mark was related to Ground Water Declared Under the Influence designation– GWDUI – the integrated system will make for more sense – fewer centralized treatment plants – makes the case for integrated system between parties. T&D – Upgrades will be needed and this will partly depend upon well & development locations. Storage – new tanks will be required; it was also mentioned that the WERI study validated the 1992 study.

WW Treatment NDWWTP – GWA and JGPO agree in principle - marine domestic sewage will be treated at ND; NDWWTP will be upgraded by a public private partnership (SPE); contract would be let and controlled by GWA; Contract would include only WWTP land area; NDWWTP would be expanded and Marine Corp Personnel active, dependents transient, Civilian on base; Non Military NonProject Growth & Guam's General Population were all considered in the expected growth relative to the military build-up.

##### 5. EPA update

Re the 301(H) waiver denial, the GM commended Attorney S. Taylor who was able to have a 30-day extension granted. Re the Water Resource Master Plan, the GM reported that Contractor PG Environmental is on island working with GWA Staff from Nov. 9-17. They are the consulting firm contracted by USEPS Region 9 to review the draft EIS utilizing DoD funding. USEPA has deployed PG Environmental to assist GWA utilizing the contract-end budget remnants to finance the initiative. PG's Environmental assessment report will lay out a strategy including validated project scopes and costs will be advanced via Presidential cabinet level requests.

##### 6. SDC update

Public Hearing held Nov 5/6; Action postponed until December. Len will meet with Larry Gawlik next week to prepare and will look at calculations renewing and refreshing in preparation for SDC meeting at PUC

There was discussion re SDC charge. Comm. Duenas recommended highly that the public be educated relative to the SDC and its processes. The Commissioner was concerned about people that are on septic tank and then connect to the system. After some discussion, it was decided that there is enough ambiguity in the language and that some work needs to go into the legal issues to work out grey areas. Chair said it would behoove GWA to get prepared and to have conversation with Larry Gawlik, Fred Horecky & the PUC to work through this. The GM will conduct SDC work shop to discuss and work through the grey areas.

**7. All Employee Meetings Debrief**

Len – very positive feedback from employees; team building will occur in parallel with strategic planning he will take this to next level. Comm. Nelson would like to sit with GM and GMCUS to offer planning and improvement. She said that the briefing was good only for some employees and would like to discuss this matter in detail with the GM at another time. The consensus from CCU discussion with employees is how the CTP impacted their wallets. There was discussion that perhaps an employee briefing on a smaller scale to talk specifically / address employee concerns would be a good idea.

**8. Employee Recognition Program training**

Frank Roberto said 3-4 sites were visited to talk about recognition program explaining how the recognition program works. The 5-member panel or Selection Committee as not yet been identified. Survey sent out re 21 topics of training – 9 topics identified and survey sent out to employees to advise order of importance. A new manager series will be launched. A calendar for whole year is being developed with all the training dates identified. The training is in alignment with new performance evaluation. Program has been developed already. CCU wants a copy of training program packet. He said the material can also be found at the website - Oak Training.com

Elaine Cruz, HR Administrator, added that the employee training will begin 11/24 and another similar training is being planned for December.

**9. Alan Searle Performance Evaluation Training**

This matter was covered in Section IV.8 above.

**V. COMMUNICATIONS**

**1. Public Comments - None**

**VI. NEW BUSINESS**

**1 Fire Hydrants**

CFO presented Resolution 05-FY2009; GWA has amounts in books PUC has tariff for these charges but statues do not identify who is responsible for paying these charges. It impacts GWA balance sheet but does not impact anything else. It has already been expensed throughout the years. There was a discrepancy in amount – Resolution amended to reflect amount in financial report – \$6546.311

Comm. Duenas motion to approve with change in charge-off amount as noted. Comm. Hara seconded.

There was discussion on how to charge hydrant service in future. Len said he is in very early discussions re alternatives. There was discussion on how other areas pay for hydrants. The Chairman told management that GWA really needs to develop a program and decide how to best pay for it i.e. surcharge. Comm. Duenas asked management to come back to CCU with hydrant program, actual cost for maintenance and recommended plan of action. Comm. Palomo said fire hydrant protects life and must not be taken seriously. He said he opposes the deletion of this arrearage; taking it off the books does not take care of the problem and island leaders should be held accountable. The CCU debated on how to handle the hydrant policy / issue. Comm. Hara said management has offered a solution but it has to be based on documented facts i.e. maintenance costs. He wanted to see management's response. Atty. Taylor said bringing this matter to the legislature would require that GWA must prove the costs it takes for maintenance and his concern that GWA would not have those documents to support these past due amounts. The Chairman reiterated that maybe the costs for maintenance would be small enough and GWA could absorb it. It was decided to table this matter until management gets back to CCU with cost information.

On motion, Comm. Duenas motioned to withdraw motion until next meeting. The matter was table until GWA's January meeting.

**VII. OLD BUSINESS - None**

**VIII. STAFF REPORTS**

**1. Communications / PIO**

The PIO made the following report:

Newsletters - the PIO completed GWA's update for the CCU newsletter. She also completed the 4<sup>th</sup> Qtr employee newsletter. Did You Know Campaign – These announcements / ads is aimed at addressing ongoing customer problems for Customer Service Department. She said this would be on radio as well as various media outlets throughout Guam  
Infrastructure Infomercial – She reported this as completed and is working to get it on TV at no cost  
School Campaign – The first phase of the upgraded website on this section "Para I Mahnomen" has been completed. She plans to continue to work on the next phase of school outreach  
New Initiatives – The PIO is planning a laboratory press conference on 12/3/09 along with an ad campaign about how GWA tests water and why this is important to the community.

Projects – she announced several projects that is in the works to include the development of a Utilities program on K57 called “Pipeline”, a customer service flyer to be used for customer education; an updated door hanger for the crews when they are in the community; an updated cover for the CIP Engineering booklet

## **2. Human Resources**

This matter was discussed in the GM's Report found in Section IV above.

## **3. Compliance & Safety**

Paul Kemp, Asst. GM, Compliance and Safety said he received a letter from EPA that said they are in agreement with what GWA has been submitting relative to the Stipulated Order. They put in writing their intent to extend same.

## **4. Chief Engineer**

Said he's been working to update master plan which is CCU mandated to happen every 2 years. He said he he's been working on the hydraulic model which he is using for analysis tool. He said he is about 100% on the “bubble” map which he will do a presentation on in the future. It is a primary planning tools. The next step will be to work on the wastewater model. He reported on \$2M approval for Barrigada tank ; DOI grant commitment for waste water training \$6-10K, an accredited program. This will help to get operators certified. He said projects continue to go forward. He also reported that he received \$2.2M ARRA grant for water system leak detection project to go towards extension of contract to Phase 2 & 3. SOP's 10 draft in place need to work on 10 more.

GM said he discussed with Lauralee Crisostomo GWA's ARRA grant that they are administering for energy efficiency. The range is approximately \$1-2M. He said it looks very good – over 90% that GWA will receive this ARRA grant.

## **5. Water M&O**

Jess Lujan, GM for Collection & Distribution, gave his update re Leak detection repairs and pendings for week 35. He cited the raw data, page 6 of his report (copy in Master File). He said of 100% found leaks about 50% of leaks were repaired and recovered 8.95% water loss. Leak detection is ongoing in the Agana, Piti and Tamuning areas.

He also reported on the Chalan Koda area; this matter is getting better and residents are much happier.

## **6. Wastewater M&O**

David gave his report from page 5-6 of the WW report (copy in Master File). Implemented general work permit training PM program implemented in May is working well – good success. Maintenance cleaning up shop and sprucing up space and rebuild shop area.

## **7. Administration**

Re Billings - The GM said GWA did not meet the target of \$5.1 million in billing, the actual was only \$4.6. The GMCUS attributed this to zero reads. This is half million in revenue in 1 month. The other factor is due to low consumption due to heavy rains. The downward trend continues in November. The GMCUS is hopeful that this pattern will change in the next few weeks.

## **8. Financial**

2009 showing loss of \$200k progress is showing due to rate increases. \$1.7M revenue increase over last year's levels. Reduced purchases to Navy. Power purchase is higher this year than last year and Chair is puzzled since everyone's power bill has gone down. Last time GWA made money was 2005. Receivables are going up and GMCUS will find out why. Collection effort seems to have fallen backwards. Chairman wants report on rationale for this scenario concerned about active billing and active collections. GMCUS said that there are not that many people in disconnections as before because he moved them to meters. Chair wants some kind of feedback on this matter at the next GWA meeting.

## **9. Legal**

The Staff Attorney said his report will be discussed in Executive Session.

At this time, there was a Vote to go into Executive Session. It was 7:40 p.m.

## **IX. ANNOUNCEMENTS**

### **1. Next CCU Meeting**

The Chairman announced that the next CCU meeting would be for GPA on 11/24/09.

## **IX. EXECUTIVE SESSION**

### **1. Meter Issue**

**This matter was discussed in Executive Session**

The Chairman announced that the meeting was back to Regular Session. It was 8:05 p.m. Comm. Duenas moved to recess the meeting until 3 p.m. tomorrow, 11/18; Comm. Nelson seconded. There was no objection and the meeting was promptly recessed.

**GUAM WATERWORKS AUTHORITY**  
**CONTINUATION OF REGULAR BOARD MEETING OF 11/17/09**  
*GPA Board Conference Room*  
3p.m., November 18, 2009

Chairman Sanchez called the meeting to order at 3:15 p.m. He said this was the continuation of the 11/17/09 meeting. He then moved the meeting to Executive Session. It was 3:16 p.m.

**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
Len Olive	GWAGM
Greg Cruz	GWA-CFO
Sam Taylor	Staff Atty., GWA


**X. ADJOURNMENT**

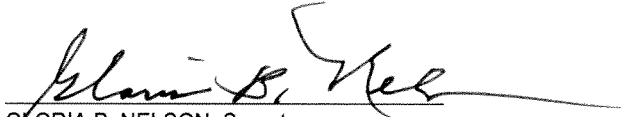
The Chairman moved the meeting back into Regular Session at 5:20 p.m.

With no other business to bring before the Commission, the meeting was adjourned at 5:21 p.m.

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Attested:

  
SIMON A. SANCHEZ II, Chairman

  
GLORIA B. NELSON, Secretary