



# 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*  
5:00 p.m., March 10, 2009

### MINUTES

#### I. CALL TO ORDER

Chairman Simon Sanchez called the regular meeting of Guam Waterworks Authority to order at 5:20 p.m. He announced that 3 Commissioners were present; Comm. Nelson is off-island for medical reasons and Comm. Hara is at AWWA – both are excused. Those present included:

#### Commissioners:

Simon Sanchez	Chairman
Benigno Palomo	Vice Chair, GPA
Joseph (Joey) Duenas	Treasurer

#### Executive Mgmt:

John Benavente	GMCUS
Len Olive	GWAGM
Danny Santos	AGMCA
Greg Cruz	GWA-CFO
Sam Taylor	Staff Atty., GWA

#### Management & Staff:

Don Antrobus	Chief Engineer / GWA
Paul Kemp	Asst. GM, Compliance & Safety
Mark Miller	Asst. GM, Production & Treatment
Heidi Ballendorf	Director of Communications / GWA
Gilda Mafnas	Controller / GWA
John Pangelinan	GWA
Julie Shane	Engineering Supervisor / GWA
Elaine Cruz	Personnel Services Admin. / HR, GWA
Jesse Lujan	Asst. GM, Collection & Distribution
Yuki Cabrera	Internal Auditor / GWA
Victor Torres	Supervisor, Data Processing / GWA

#### Guests:

Rick Unpingco	Veolia Water
Donald Lim	GRH Technology
David Lei	GRH Technology
Gerry Partido	Marianas Variety
John Davis	KUAM
Cyrus Luhr	Sen. Ada's Office

## II. APPROVAL OF MINUTES

The Minutes of January 6, 2009 was presented for approval.

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

## III. GM (CUS) REPORT

### 1. Update on Water System

The GMCUS gave an update (copy in Master File). He said that the priority is to find out where we are and maintain the system while still making repairs and upgrades. The Task Force is in place and working well; they have made substantial progress – one major improvement is the zoning of the northern system – it has been divided into 4 major zones in an effort to be more accountable and to identify particular needs to specific zones; reservoir levels have substantially improved; reduced rate of well failures; production capacities in each zone is now better understood; constraints identified for priority correction; this type of methodology is being applied not only in the north but in the south as well. There were no major outages since December 08. The GMCUS mentioned that it is important to keep reservoirs at higher level to enable to sustain the system in the event of major well failures. The priority is to find out where we are and to maintain the system while still making repairs and upgrades.

Relative to the Jonestown area, the CE gave an update on the pressure data recorders that have been installed in this area. The data showed peaks and valleys related to PSI. The information shows that some major customers are draining water (either for storage tanks or pumping facilities) which affects customer service relative to pressure in the same area. The study is to identify the major customers and to see whether it is necessary to install a pressure sustaining device that will limit the amount of water being drawn.

## IV. GM REPORT

GM Len Olive introduced GWA's most recent hire - Yukara Cabrera who will fill the Internal Auditor position. He also welcomed GWA's Leak Detection contractor – GRH Technology's representatives, Mr. Donald Lim and Davie Lei. He then gave the following updates:

### 1. Moratorium Update

The GM reported that there are (4) possible bidders who responded to GWA's Request for Proposal – a 3-tiered suite of projects aimed at solving the fundamental wastewater system issues that have resulted in the issuance of the moratorium. The bid submittal deadline has been extended to April 15<sup>th</sup>. Furthermore, GWA has drafted a contingency plan in case the April 15<sup>th</sup> bid opening does not yield a workable bid. He happy confirmed that GWA's moratorium will be lifted on April 1<sup>st</sup>. GWA will begin to accept plan submittals in the moratorium area effective immediately. The Chair said this is a Herculean effort – a true team effort from everyone and thanked everyone for a job well done!

### 2. Revenue Update

At the last meeting it was revealed that GWA was losing approximately a half-million in revenues due to meter issues. The GM has mandated that a working meter (AMR or manual read) be installed for every customer. GWA staff is utilizing inventory of left over manual read meters where AMRs are not available. Almost 400 non-registering meters have been replaced over the past 4 weeks. Large meters are first priority. Last week the GM assigned 4 personnel from M&O to meter replacement/repair crew. These 4 personnel will be dedicated 100% to meter replacements. The GM assembled a team from Meters, Customer Service, Operations and Procurement who will be accountable for timely meter change outs. Metron Farnier has agreed to send GWA replacement meters "on consignment". The Root cause meter failure analysis is being discussed with Metron Farnier and a 3<sup>rd</sup> party consultant is a possibility. Also the GM is investigating a large meter pilot project and has already disclosed this possible pilot to Metron Farnier as well as a self-read meter for meters that are currently not accessible (behind locked gates, long driveways etc). GWA Customer Service is appointing "industry class liaisons" to closely monitor anomalies within their respective customer class. The hotel liaison has already been appointed.

Relative to collections – revenues is down about 15% from last year. Disconnection averages 120 per day. Non-registering meters are a significant contributor. Communication between accounting and customer service is being enhanced. Accounting will provide guidance to customer service in analyzing data and producing meaningful reports. The GM has notified staff that professional conferences such as AWA and WEF will not be funded this year. He also will not approve funding for most off-island training. If revenues stay flat, the GM said his next course of action will be to request a reduction in work hours. After a lengthy and vibrant discussion the Chairman asked management to look into this downward trend in revenues and to report / update the CCU at the next meeting.

### **3. Management Audit**

The GM said the Phase I draft was circulated to the Commissioners last week. Some common themes include the lack of cross-organizational training (deficit of qualified staff) resulting in the inability to effectively delegate and assign tasks down into and through the organization; daily operations which are reactive rather than proactive; the lack of enabling technologies such as SCADA and CIS; general absence of strategic planning across the organization. GWA's Internal Auditor and the GM will recommend to the GMCUS and CCU direction for Phase II of the Audit. The GM will share the Phase I Audit findings with GWA's Staff after this meeting.

### **4. Leak Detection Initiative**

The GM reported that GRH representatives from Taiwan began arriving March 1<sup>st</sup>. There is a leak-detection team on the ground busy calibrating their equipment and become familiar with Guam. In their first 3 days, the GRH team detected five leaks in the Santa Rita area, amounting to a total of 77 gpm. More personnel from Taiwan will be arriving on Guam this week, and by next week, we will have 2 full teams detecting leaks. (4) mini-backhoes have arrived – 2 will be dedicated to the GWA leak repair teams working with the GRH teams.

### **5. O&M Team Consolidation**

Consolidation of functional O&M workgroups is underway. 2 groups have already been consolidated: transportation with transportation and deep well/pump facility maintenance with pumping stations. Also within this initiative are plans to migrate trouble dispatch to Customer Service and the meter repair / installation group to M&O. The meter reading group will stay with Customer Service and integrate disconnects and reconnects into their daily work plan.

### **6. Customer Service Survey**

A recent 118 customer survey sample has yielded the following satisfaction ratings; 84% highly satisfied customers, 4% moderately satisfied, 10% satisfied and 2% unsatisfied. The GM continues his "Thursday afternoon in the lobby" every 2<sup>nd</sup> and 4<sup>th</sup> Thursday of every month which has garnered excellent feedback from the public. The GM continues public presentations such as his scheduled presentation to the Realtor group tomorrow.

### **7. EPA Update**

GWA will receive \$4.3Million from the Federal Infrastructure Stimulus Program. He announced that the Federal Infrastructure Stimulus Program web casts is scheduled for the 13<sup>th</sup> at 4 a.m. and the 18<sup>th</sup> and 3 a.m. He mentioned that Bickford Consultant Group from Washington DC has been hired by EPA to act as a moderator in negotiations with DoD. He also said that tentative determination to withdraw 301(h) waivers – 120 day extension for public comment period. A public hearing will be scheduled for the second or third week of May (probably Wednesday the 13<sup>th</sup>).

### **8. Tariff/Fees Schedule Update**

The staff had their first review meeting of tariffs and fees on February 27<sup>th</sup>. The Staff is attempting to establish tariffs as close as possible to actual cost of service. There will be 20-30 different fees and all will be ready by the next meeting.

### **9. Emergency Relief Update**

Georgetown Consulting Group recommended 6.6% effective April 1<sup>st</sup>. PUC has ordered public hearings as the next step in the process. The average residential customer will see an increase of about \$2.39 on their monthly bill if 6.6% is approved.

There was not a consensus relative to the average gallon per customer; the Chairman asked management to get better organized so that we clear and all on the same page. GWA staff will be attending the 3 public hearings which have been scheduled by the PUC – 3/19, 6 p.m. at PUC; 3/20, 5 p.m. at the Asan Community Center; 3/20, 7 p.m. at the Dededo Community Center.

### **10. 5-year Rate/Financial Plan**

The GM said that the 5-year rate / financial Plan was filed on March 3<sup>rd</sup>. The PUC said he would like the rate case to be simultaneous with the SDC by June 2009.

### **11. Chief Engineer Recruit**

The GM reported that AWWA's search resulted in 3 acceptable candidates. The HR specialist has provided 2 acceptable candidates today.

## **V. COMMUNICATIONS**

### **1. Public Comments - None**

VI. **NEW BUSINESS**

1. **Chamorro Village Sign on Agana Lift Station Building**

The GM said that the Dept. of Chamorro Affairs is requesting GWA to construct and hang a sign on top of the Agana Lift Station Building. The Staff Attorney commented that his recommendation is for GWA to develop minimum guidelines and perhaps charge rent – some degree of standard must be in place if the intent is to charge for the space. The GM said in the states it is a value for value type of arrangement but rarely did the request include signs. The discussion revolved around the Nissan sign on GWA's water tank - the payback in this case is the maintenance of the tank. Relative to the request, it was mentioned that Jamaican Grill will be the sponsor. The Chairman asked management to do their research and come up with a policy for CCU to review/approve.

VII. **OLD BUSINESS - None**

VIII. **STAFF REPORTS**

1. **Legal** – None

2. **Financial**

Year to date GWA has lost \$4.6 million; expense is up 10% over prior year and revenues are 10% below prior year. The slide in revenues is coming from residential and commercial categories. The Chairman said to the GM to cut spending until revenues improve. The CTP adjustment has not been implemented because of the lack of funds. Relative to Accounts Receivable – government accounts who were in arrears were identified i.e. Port Authority and Dept. of Youth Affairs; the Chair wants CFO to watch AR and the CCU wants the arrears collected. The Chairman reiterated again the importance of collecting and to find out what the root cause of the collection problem.

3. **Production & Treatment** – This matter was discussed in GMCUS Report, Section III.1

4. **Collection / Distribution**

J. Lujan reported that 460 water leak complaints were received in January and 500 in February. 84% of the 460 complaints were resolved and 83% of the February complaints were resolved. GM said best practices is 99% completion and the Chairman said that should be the goal. Re Pump Facility Status – Northern district was at 96% availability; Central and Southern reported at 93% and 100% respectively. Relative to Fire Hydrants JL is trying to organize the Fire Hydrant Program and will report on back on this when available.

5. **Asst. GM Consolidated Administration** – None

6. **Chief Engineer**

The CE gave a pictorial report on testing for the Hagatna and Northern Outfalls. The video clip was relative to the pipes that are 185-275 feet deep. The Chairman asked the CE to put something together for a press conference because the pictorial was really interesting and everyone would benefit from the experience.

7. **Compliance / Safety**

Mr. P. Kemp reported that of the 76 Stipulated Order items, 5 still is pending. It is anticipated that 3 of the 5 items will be resolved / completed by year end.

8. **Human Resources** – None

9. **Communications / PIO**

H. Ballendorf, PIO shared 2 GWA articles in Direction Magazine. She said the Celebrity Tap Water Campaign will start up again – she was able to obtain \$2500 towards this expense. Water conservation campaign will be launched once GWA leaks are resolved. She announced that there will be meetings in the villages relative to the transmission line Phase II project. The Agana Treatment Plant press conference is scheduled for the end of the month. The Agat Town Sewer lines upgrade is going to launch on April 2nd. The GWA new logo needs to be uploaded to the CCU website; all trucks and vehicles with exception of P&T is in place. The last Phase is to redo GWA work T-shirts.

IX. **ANNOUNCEMENTS**

1. **Next CCU Meeting**

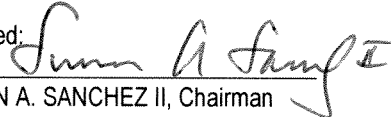
The Chairman announced the next CCU meeting for March 24<sup>th</sup> for GPA.

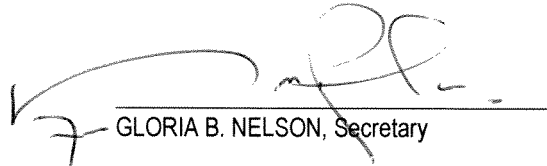
X. **ADJOURNMENT**

There was no further business to bring before the Commission, the meeting adjourned at 8:10 p.m.

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Attested:

  
SIMON A. SANCHEZ II, Chairman

  
GLORIA B. NELSON, Secretary