Government Employees' Retirement System Monthly Board Meeting

GERS Retirement System (Board of Trustees)

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0:00:00 The next item of the agenda is to authorize the administrator to engage the services of AHKT Energy Group LLC to develop a strategic energy plan for Havenside Mall not to exceed $109,375. dollars um it's the nibs you want to make a presentation um make your case well i'm making i'm the investment committee met and usually the investment committee would come out and report to the full board so i'm assuming that the investment committee wants to go forward with this this is a a a project that we solicited um well for initially we had um solicit wapa to assist us and wapa said that they didn't have the expertise at that time to do so so we reached out to um former wapa employees who now have a consultant company and who has the knowledge of the Havenside Mall.

0:01:30 They presented to the Havenside Mall Oversight Committee, I think twice, and they presented to the Investment Committee last week. What it is is to develop an overall energy generation at the mall. Recently, we are relying on a 20-year, 25-year-old generator, which is not our property. The generator that is our property is no longer in service.

0:02:04 Generator that we are relying on works only 30 or 20 minutes every time WAPA goes down. So this company is supposed to give us a roadmap towards maybe coming up with a microgrid so that Haven site would be self-sufficient and wouldn't have to rely on WAPA. That is the end goal, moving from the generators to solar and batteries. That's the project that was submitted to us. They have submitted a not to exceed of 109.375, which the oversight committee didn't have any problem with. We submitted it to the investment committee.

0:02:53 I didn't hear any response to that. So we are asking for the board to authorize administration to engage with them. come up with a, we'll have to, you know, do a contract and then be able to let them proceed on the project. There was a very impressive presentation. I didn't hear any type of opposition to what we're trying to achieve. and if we are um thinking about a planned development that we have considered we need to have this type of energy and generation it's very embarrassing when whopper goes down the tenants calling all the time about because we don't have any control over that generator so we need to have our own power generation at that moment and this is the plan that includes a proposal that includes planning for um for optimizing the the cost of doing that in other words i mean we will plan in any case to to replace the generators and that is one recommendation yeah i'm going to submit an rfp i think what they said the last time is that we don't need two generators we may need only one and then we would also have the um the solar and the batteries

0:04:43 as uh as uh augmenting the the one generator right you should know the cost of operation correct um and and the funding source could that be included as part of the uh funding for i mean we have some we have we have both female insurance funds available for for remediation remediation of the damage done by the hurricanes right yes and we could this be included as part of that overall plan i'm not too sure i i'll have to rely on miss gums but maybe the insurance monies but miss gums could you respond to that good morning um for the generating of power specifically for haven site mall no we don't have specific fema funds for that insurance proceeds could be used for that okay all right i think i think what for me personally um that i like the idea of the of the the strategic approach, as opposed to just putting back the two generators, what they are proposing is an overall plan for the model with a mix of solar, oil, and controlled by a central grid that will optimize the dispatch.

0:06:27 um so so um and that that that would be very um the rely the reliance or the reliability of our backup power would be would be um would be an important consideration um given the development that we're talking about for the mall itself so I, for one, I'm in favor of it, of the contract. I listen to other board members.

0:07:08 I like the idea of us getting our own generating power unit, but I'm not sure I need to review to review the um the tape the zoom tape of the the presentation and since this is a certain important function i i would abstain from voting because i don't know um enough information but i generally support the general concept mr barry of um moving away from wapa and having a hybrid system which is what you're suggesting uh to generate our home power but i would need to look at that zoom meeting that the presentation was made and i haven't had the opportunity to do that so in in this matter i would abstain and bring myself up to speed with the presentation and look at other options that might more include renewable energy than generators because i think we need to be moving toward that and we could be a leader in the territory with renewable energy if we incorporate it so you know my point of view on that i needed to let the other border trustees know that i have to abstain on it and bring myself up to speed thank you very much

0:08:55 um yeah right oh yeah sure i mean and and that's that's precisely what what they what they're recommending that instead of just putting back two generators that we look recover a mix of of renewables and other forms of energy that will make the system more robust and more resilient and understand that this this this proposal is for planning technical assistance and oversight of the project this obviously this is not this is nowhere near the cost of the project so Any other, any other?

0:09:47 Yeah, I'll point it, trustee Dorsey. Chair, I thought that when we had the discussions with the hotel proposal. This is regular session. Oh, okay. Okay. Okay. I forget. Sorry about that, Mr. Nibs. Sorry about that. Okay. In terms of the process, Mr. Nibs, this went out to bid and we had three people who bidded on it.

0:10:31 So Dorsey, no, you're a member of the oversight committee. And we reached out to WAPA, which you have always been a proponent of asking other government agencies to assist us, we reached out to WAPA and WAPA said that they didn't have the expertise in house. And we, you know, we know individuals who, you know, were executives of WAPA or directly involved in this type of thing, and we reached out to them and asked them, how could they And that's how it started. You must remember, all they're doing is they're going to be our owner's rep.

0:11:13 They're going to send out RFP for bids. They're going to review the bids for us. You know, and then they come back to us and tell us what's best. All they're doing is a study, a roadmap, telling us what I think you should be doing at this time. Initially, we were only concentrating on replacement of equipment. which was two generators and they came back and they said no you need to get into solar we did discuss solar before but we needed an urgent fix and um because as you know we were talking about selling and all of that stuff so um no i didn't go out and get any other bids or three bids again it's it's a professional service contract and that's the exemption that was used um i think if i may um jayman bowie's question was i think significant as to where the monies could come from other than the grs and you know hurricane recovery money covet money However, we could get the money so that we don't tax the membership in any way or the system.

0:12:39 So maybe, Ms. Clendenin, based on what you know right now, where is the money coming from and what access do we have to other monies? Good morning again. This is Clendenin. As an autonomous agency, the money that the central government and the Waran Parra Authority has access through HUD and the Virgin Islands Finance Housing Authority, we don't at this time. None of the PWs, the 13 PWs we had included damage because of the storms to our power grid. It's something I could do research on for the replacement, but the consultant, the expertise that's needed in order to lead that project on behalf of the system would still come from the system's coffers. The project itself, the money for the project itself, I could do the research to find out how we, if, could tap into resources like that. I think that's a significant question, Mr. Bauri, and you asked that question. We have to explore all options because the federal dollars is coming in for various projects and power is also, you know, an important consideration.

0:14:14 So, you know, I want to have an exploration of that done post-haste because we want to want to explore funding for the project itself or for the, this is, this is the planning for the project. This is, this is not the, you want it to the millions of dollars. And as indicated by Mr. Nives, somebody indicated it could be funded out of the insurance proceeds that we got from the storm damage. So it's not coming out of GRS regular operating funds.

0:15:01 It's an acceptable expenditure of insurance proceeds. And as I say again, in terms of seeking female funding i to follow up with you mr mr to follow up on your your argument mr trusty russell i i would see seeking female funding for the big party for the project itself as a point this is not this is planning for the project that's what that's what this is about also attorney russell this is attorney smith during the um meeting with hkt we did discuss with them the option of looking for grants there are several agencies that may um provide grants for us and they are willing to assist us with looking for grants to pay for the infrastructure of the new system the microgrid okay okay thank you um thank you mr barry and thank you attorney smith i i still um have additional questions because i didn't participate in the vetting of that group and uh but i think i think we're on the right track if we thinking about hybrid power so thank you for the explanations so i have another question um just to follow up um with mr nibs and the chair and legal counsel for the board um we we need to go out at this point to get additional bids as was just mentioned in our executive session for that other situation

0:16:58 so that we could just be prudent uh with the monies that we're looking to spend they directly are indirectly directly from the system or from the insurance proceeds um we we need to go out to get bids on this so if there's been a change in the scope and how we approach the outcome then that needs to be part of it so that it can be fair to those who recently might have did it or didn't get a chance to bid so that we can get the best bang for our buck on this operation so i'm basically asking that um before we vote on today uh agenda the item, I think the prudent thing to do is to have three individuals look at this it's minimal the same way. I agree with Mr. Dorsey in concept because any project that we spend money, regardless of whether it's insurance or federal dollars or anything, I think when we open it up to the bidding process, no one can challenge the process we use to spend any money that we spend.

0:18:43 So I would agree with that. Although I'm not going to vote, I would agree with the concept, okay? Okay, Chair, my motion at this point is that we open this up to the bidding process to add the additional two other minimum bids that we have a total of three bids for this part of the process. That's my motion. okay so we have we have uh we have a motion um is there a second to the motion our second is motion okay you have a motion and it's been seconded so we'll call Trustee Calwood?

0:19:40 Yes. Trustee Dorsey? Yes. Trustee Liger? Yes. Trustee Liger? Absent. Trustee McDonnell? Absent. Trustee Russell? Yes. Trustee Smith? Absent. Chairman Bari? Yes. Four years, three absent. Point of information, Chair. Go ahead.

0:20:07 This is to legal counsel. Do we have any legal issues? If we were to go forward with that group, would we have any legal issues? If that is directed at me, Trustee Dorsey, I'm not sure what you mean by legal issues. You may want to elaborate. well one of the principles of that group was with the um what was under some type of scrutiny as related to this whole business one of the principles so i just wanted to know how that would work do we do our due diligence on the principles when we look at these companies from your standpoint do you do it or does the grs council look at the principles who looks at the principles they check the background checks okay i i haven't done it i don't normally do that that would be um the responsibility of the system and or the investment committee that's something that they wanted to look at um i'm not aware at least i haven't seen anything in terms of issues with the principal that that you just mentioned so you know i mean so somebody would have to provide me with that information and i can take a look at it but i'm not sure why let me ask you let me ask you this council let me ask you this do we have anything in the policy that address issues of individuals doing business with the grs is there anything in the policies or do you refer that to the central government policies as relates to due diligence um i i know generally when we do due diligence that one would have to take a look at the principles i.e identify who they are see if they have any conflicts um you know do i mean look at

0:22:15 their background in terms of their experience and the ability to fulfill the project that they're proposing to the system um again unless you're talking about something specific that you wanted to look at but i think there's a how extensive that is i don't know because i'm not involved in that aspect of it i would defer to the administrator or systems council they could probably give you more information in terms of how much of a deep dive is done relative to the background of any of the principles for any of the projects that we've done but i suspect generally because i've seen some reports of their consultants on a project that they would do um you know background check on the principles okay so who can answer the question we have done background checks before in this case we have not done any background check i understand the principles i understand okay so you didn't do any okay if you didn't do it then you didn't do it that's that's just where we're at that's why i asked the question so is that the end of the meeting chair that's it and yeah that's that that that that can that um concludes the agenda items so i'll entertain a motion for um for adjournment but i had appointed information uh chair before we adjourn are we doing the policy meeting after this are we done for the day i'm done for the day okay um so i ended in a motion for adjournment yeah you're mute mr call if you were trying to say something oh i'm sorry um i'm i'm most i move

0:24:20 that we are joining today's special meeting for here second second move on seconded local yes the power yes trusty dorsey yes trusty liger absent trusty mcdonnell absent trusty russell yes trusty smith absent Chairman Bowery? Yes. Oh yes, three absent. Okay, so that concludes the meeting.

0:25:01 Thank you, everybody. All right, have a good day, everyone. Thank you, everybody, and my apologies again.

People named in this transcript

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3x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey

3x **Trustee Vincent Liger**
heard in this transcript as: Liger

2x **Trustee Leona E. Smith**
heard in this transcript as: Smith

2x **Trustee Ronald Russell**
heard in this transcript as: Russell