CONTRACTORS LICENSE BOARD

Inetnon Malisensiayen Kontratista

542 North Marine Corp Drive A. – Tamuning, Guam 96913
(Tel) 649-2211/ 646-7626; (Fax) 649-2210

EDDIE BAZA CALVO
GOVERNOR

RAY TENORIO
LIEUTENANT GOVERNOR

EDUARDO R. ORDONEZ
EXECUTIVE DIRECTOR

March 24, 2017

GL# 34-17-331
Speaker Benjamin J.F. Cruz

VIA HAND DELIVERY

Speaker Benjamin J.F. Cruz
I Mina'trentai Kuattro Na Liheslaturan Guahan
155 Hesler Place
Hagatna, GU 96910

MAR 2 7 2017
Time: 1240 [ ] AM [ ] PM File No.
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SUBJECT: Submission of JANUARY 18, 2017 AND FEBRUARY 23, 2017 Board Meeting Minutes

Hafa Adai,

Enclosed is the Agenda and Minutes for the Contractors License Board Regularly Monthly Meeting that was held on January 18, 2017 and the Agenda and Minutes for the Special Board Meeting that was held on February 23, 2017.

If you have any questions or concerns please feel free to contact me or my private secretary Resiah Mae M. Nelsen at 671-647-2965.

Sincerely,

Eduardo R. Ordonez
Executive Director

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EXECUTIVE DIRECTOR

Regular Board Meeting
January 18, 2017
CLB Conference Room

AGENDA

I. Call to Order

II. Roll Call

III. Executive Session: Board will need to vote for Board Chairman & Vice Chairman.

IV. Approval of Minutes – August 17, 2016

V. Section Report:

a. Administration Division – Maria Perez (Admin Officer)
b. Investigation Division – Eduardo Zapanta (Investigation Supervisor)

VI. Board Hearing:

a. Case #2016-02-05: CLB vs. Island Corner Stone (Hearing Postponed) – Investigator Vince Aguon
b. Case #2016-02-06: CLB vs. Island Corner Stone (Hearing Postponed) – Investigator Vince Aguon

VII. Old Business:

a. Update on Case #2015-10-01: Thomas Tedtaotao vs. Tereas, Inc. – Investigator Nida Bailey

VIII. New Business:

a. 2nd Complaint filed (case #2016-08-07) by Mr. Theodor Nelson against Tereas, Inc. – Complaint documents provided

IX. Executive Directors Report:

X. Announcement – Next Scheduled Board Meeting for Feb. 15, 2017 @ CLB Conference Room.

XI. Adjournment:

CONTRACTORS LICENSE BOARD

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542 North Marine Corp Drive A. – Tamuning, Guam 96913
649-2211, 649-9676, 649-2210 (Fax)

EDDIE BAZA CALVO
GOVERNOR

RAY TENORIO
LIEUTENANT GOVERNOR

EDUARDO R. ORDONEZ
EXECUTIVE DIRECTOR

Regular Board Meeting
January 18, 2017
CLB Conference Room, Upper Tumon
Minutes of January 18, 2017

I. Call To Order: Meeting called to order at 5:39 pm

II. Roll Call:
   a. Adelia Custodio, Vice Chairman
   b. Marian Pizarro, Member
   c. Joseph Guevara, Ex-Officio – Department of Public Works
   d. Michael Unsiog, Ex-Officio – Department of Rev. & Tax

   CLB Staff Members Present:
   e. Eduardo Ordonez, Executive Director
   f. Resiah Mae Nelsen, Private Secretary
   g. Maria Perez, Administrative Officer
   h. Nida Bailey, Investigator

III. Executive Session: Board did not conduct an Executive Session since not all member were present. Motion was made by Joseph Guevara to table the voting of Chairman and Vice-Chairman for the next scheduled Board Meeting. Seconded by Marian Pizarro. All in favor.

IV. Approval of Minutes for August 17, 2016 Board Meeting:
   a. Only changes that need to be made is the word "Grate/Grating" to "Grade/Grading".
   b. Motion made by Joseph Guevara and Seconded by Marian Pizarro; All in favor.

V. Public Comment: No Public Comments were presented.

VI. Section Report:
   a. Maria Perez – Ms. Maria Perez mentioned to the Board that the individual that is assisting her with the testing is currently on Medical Leave in the Philippines. Mr. Yanger does have some updates for some examinations, but it will have to wait till he returns to work. Ms. Maria Perez also updated the Board that the CLB has a renewal for the Xerox machine which is due to be renewed in March or April. She will be procuring a new Xerox machine which is more up to date machine which will be more secured against viruses. Ms. Maria Perez mentioned to the Board that she had spoken to Mrs. Resiah Mae Nelsen regarding an access database to accommodate the current database which is currently on an Excel

Spreadsheet. Also updated the Board that we currently have a catalog that has a listing of the current licensed Contractors.

b. Eduardo Zapanta – Not Present

VII. Board Hearing:

a. Case #2016-02-05: CLB vs. Island Corner Stone (Hearing Postponed)
b. Case #2016-02-06: CLB vs. Island Corner Stone (Hearing Postpones)

VIII. Old Business:

a. Update on Case #2016-10-01 – Mrs. Nida Bailey updated the Board that currently Mr. Tedtaotao and Mr. Tereas is currently in a negotiation period regarding the grading of the property. Mrs. Nida Bailey informed the Board that Tereas, Inc. is still currently under a 90 Day Provisional License to conduct business. The first 90 Day Provisional License had expired but because the Board did not bave a Board Meeting in November Director Ordonez had decided to extend the 90 Days which will expire in February. Mrs. Nida Bailey also informed the Board that the last communications between herself and the two parties were on January 11, 2017 which was a counter offer made to Mr. Tedtaotao. Mr. Michael Unsiog mentioned that the CLB needs to check with Legal about the Dos and Don'ts regarding provisional licenses; mentioned that the Board does want it to seem like the CLB is giving preferences to certain contractors. Marian Pizarro mentioned that the Board does not want it seem like they make it a habit of giving out provisional licenses. Marian Pizarro mentions that since this is their 2nd 90 Day Provisional and that it should be the last extension that Tereas, Inc. should be given. A Motion was made by Mr. Michael Unsiog that Mr. Tedtaotao and Tereas, Inc. need to be concluded by the end of the 90 Day Provisional, if the two parties cannot come to an agreement the Board will not give Tereas, Inc. another 90 Day Provisional License. If they do not meet the deadline of the expiration of the 90 Day Provisional the Board will recommend Suspension and they can take their case to civil court. Seconded by Joseph Guevara. All was in favor of the motion.

IX. New Business:

a. 2nd Complaint filed by Mr. Nelson – Mr. Eduardo Zapanta was not present

X. Executive Directors Report:

XI. Announcement: Next scheduled Board Meeting is scheduled for Feb. 15, 2017 @ CLB Conference room. Mr. Joseph Guevara asked the Board if there was any way that the Board Meetings could be conducted during office hours because it is hard for himself and maybe other Board Member to attend the meetings during the evening time. A motion was made by Joseph Guevara to have the meeting be held at 10 am instead of 5:30 pm. It was unanimously agreed upon by the present members of the Board.

XII. Adjournment: 6:29 pm, motion to adjourn made by Marian Pizarro. Seconded by Joseph Guevara. Favored by All.

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GOVERNOR

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EDUARDO R. ORDONEZ
EXECUTIVE DIRECTOR

Special Board Meeting
February 23, 2017
CLB Conference Room

AGENDA

I. Call to Order:

II. Roll Call:

III. Executive Session:
   a. Board needs to vote for Chairman & Vice-Chairman (which ever members are voted in will be presiding over Board Meeting)

IV. Approval of Minutes – January 18, 2017

V. Public Comment:

VI. Section Report:
   a. Administration Division – Maria Perez (Admin Officer)
   b. Investigation Division – Eduardo Zapanta (Investigation Supervisor)

VII. Board Hearing:
   a. Case #2016-02-05: CLB vs. Island Corner Stone (Hearing Postponed) – Investigator Vince Aguon
   b. Case #2016-02-06: CLB vs. Island Corner Stone (Hearing Postponed) – Investigator Vince Aguon

VIII. Old Business:
   a. Update on Case #2015-10-01: Thomas Tedtaotao vs. Tereas, Inc. – Investigator Nida Bailey

IX. New Business:
   a. 2nd Complaint filed (case #2016-08-07) by Mr. Theodor Nelson against Tereas, Inc. – Investigation Supervisor Eduardo Zapanta (Not present due to medical reasons)

X.

XI. Executive Directors Report:

XII. Announcement – Next (Regular) Scheduled Board Meeting for Mar. 15, 2017 (10 am) @ CLB Conference Room.

XIII. Adjournment:

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RAY TENORIO
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EDUARDO R. ORDONEZ
EXECUTIVE DIRECTOR

Special Board Meeting
February 23, 2017
CLB Conference Room, Upper Tumon
Minutes of February 23, 2017

I. Call To Order: Meeting called to order at 10:01 am

II. Roll Call:
   a. Adelia Custodio, Vice Chairman
   b. Marian Pizarro, Member
   c. Joseph Guevara, Ex-Officio – Department of Public Works
   d. Michael Unsiog, Ex-Officio – Department of Rev. & Tax

   CLB Staff Members Present:
   e. Eduardo Ordonez, Executive Director
   f. Resiah Mae Nelsen, Private Secretary
   g. Maria Perez, Administrative Officer
   h. Nida Bailey, Investigator

   Public Present:
   i. Thomas Tedtaotao
   j. Jeremy Tereas (Tereas, Inc.)

III. Executive Session: Board did not conduct an Executive Session since not all member were present. Executive Session was tabled in the January 18, 2018 till the next regular scheduled Board Meeting when all members are present.

IV. Approval of Minutes for January 18, 2017: A motion was made by Marian Pizarro made a motion to approve the minutes pending any changes to be submitted electronically to the Board Members by next week Wednesday (03/01/2017). Seconded by Michael Unsiog. Favored by All.

V. A motion was made by Joseph Guevara that starting on the next scheduled CLB Board Meeting that any members of public present be invited into the meeting during their Report or Hearing, which is also a part of the "Roberts Rules of Order". Motioned was seconded by Marian Pizarro. Favored by All.

VI. Public Comment: No Public Comments were presented.

VII. Section Report:
   a. Maria Perez – Ms. Maria Perez mentioned to the Board that currently things are still status quo. She is still unable to get in touch with Mr. Yanger regarding his assistance with the examinations.
   b. Eduardo Zapanta – Not Present

VIII. Board Hearing:
   a. Case #2016-02-05: CLB vs. Island Corner Stone (Hearing Postponed)
   b. Case #2016-02-06: CLB vs. Island Corner Stone (Hearing Postpones)

IX. Old Business:
   a. Update on Case #2016-10-01 – Mr. Tedtaotao and Mr. Tereas were both present to each present their sides on this case. Mrs. Nida Bailey informs the Board Members that the amount of the citation issued to Tereas, Inc. has been paid and that the reason why the case is still currently open is because the amount for the debt still owed to Mr. Tedtaotao has not been paid and that the amount of the debt is being disputed by both parties.
      1. Mr. Tedtaotao addresses the Board – Mr. Tedtaotao and his family has been waiting on payment from Tereas, Inc. They had submitted two promissory notes (dated September 2015 and another dated January 2016; both promissory notes had not been followed and Mr. Tedtaotao had not been paid). In January 2017 during negotiations, the Board was informed that a single payment was made to Mr. Tedtaotao with the amount of $10,000 in September 2016. Mr. Tedtaotao also mentioned that Tereas, Inc. previously had a company that closed due to bankruptcy and then opened Tereas, Inc. Mr. Tedtaotao mentioned that he believes that in his reference letter addressed to the Board (previously) that the Contractors License Board has reasons to grant his request to have the CLB revoke the License of Tereas, Inc.
      2. Mr. Tereas addressed the Board – Mr. Tereas mentioned to the Board that Tereas, Inc. had some financial issues during the time Mr. Tedtaotao and Tereas, Inc. has a contract. There was a stoppage of the contact because Tereas, Inc. did not want to acquire debt with Mr. Tedtaotao. There was no written contract between Tereas, Inc. and Mr. Tedtaotao to amend the original contract that was in place. Mr. Tereas mentioned that what they had done was stop the extraction of supplies to minimize their exposure to Mr. Tedtaotao. The balances were paid down to the amount of $61,000 which was mentioned in the promissory note in January 2016. At the moment what Tereas, Inc. has been doing is cash flowing their operations to recuperate. Mr. Tereas mentioned that Mr. Tedtaotao agreed to have a change on the scope of work on the existing grading plan which was negotiated. At the moment the only thing they have not come to an agreement on is the "Statement of Account". The calculations are being disputed because of the Language on the note regarding the interest to be paid, which is the reason why Tereas, Inc. has not made additional payments to Mr. Tedtaotao. Mr. Tereas mentioned that under advisement they should not make payment because that would me that they are accepting that the amount that Mr. Tedtaotao is claiming is correct.
      3. Marian Pizarro mentions to both parties that at looking at the promissory note provided, the language on the promissory note just states an interest of 3.25%. Mr. Tedtaotao said that he understands that it doesn't say APR but in his understanding he based it as an interest rate per month because everything on the promissory note is referring to "Per Month" so he understands the interest rate as accruing per month. Mr. Tereas said he was aware of the language on the note, but his understanding is that the interest rate is an APR and that the only thing that was removed from the language is the APR. Mr. Tedtaotao also mentioned to the Board that he did not

agree on subtracting the cost of the grading of the property from the amount owed but instead have Tereas, Inc. payout the owed balance and then pay Tereas. Inc. the cost of the grading.

4. Mr. Tedtaotao pleads with the Board to suspend or revoke the license of Tereas, Inc. because of the nonpayment. He mentioned that he is upset that the Board has taken too long with this case because of not being able to meet in the past. Mr. Tereas please with the Board to allow Tereas, Inc. 30 days to pay off the principal amount to Mr. Tedtaotao before suspending their Contractors License. Marian Pizzaro asks Mr. Tereas why he needs 30 days to payoff Mr. Tedtaotao. Mr. Tereas mentioned that he needs 30 days because he needs to cash flow the payment through their bank. They need to request an amendment towards their line of credit to make a payment towards the balance due and their arrears, which needs to have approval from their financial institution. Currently Tereas, Inc. have contracts in place that the suspension will affect drastically. After hearing both partied in Case # 2015-10-01, the Board unanimously decided to stand by their decision during the January 18, 2017 meeting. The license of Tereas, Inc. will be suspended until a payment has been made to Mr. Tedtaotao in the amount of the principal of $51,000.00 that is owed. Once the principal amount is paid to Mr. Tedtaotao. Tereas, Inc. will have their Contractors License reinstated.

b. A motion was made by Joseph Guevara to close "Old Business" topics. Motion was seconded by Marian Pizarro. Favored by All.

X. New Business:

a. 2nd Complaint filed by Mr. Nelson – Mr. Eduardo Zapanta was not present

XI. Executive Directors Report:

XII. Announcement: Next Regular Board Meeting is scheduled for March 15, 2017. Ad announcement was made with The Guam Daily Post for Mar. 8 and Mar. 13, 2017.

XIII. Adjournment: A motion was made by Joseph Guevara to adjourn the Board Meeting at 11:20 am. Seconded by Michael Unsiog. Favored by All.