Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932 Phone: 649-5263 ext. 651 Fax: 649-5383

Eddie Baza Calvo
Governor of Guåhan

Ray Tenorio
Lieutenant Governor of Guåhan

Commission Members

(Vacant)
Chairman

David J. Matanane
Vice-Chairman

Amanda L.G. Santos
Commissioner

Pascual V.A. Sablan
Commissioner

Joseph I. Cruz
Commissioner

Michael J.B. Borja
Director

REGULAR BOARD MEETING
AGENDA

Department of Land Management Conference Room
3rd Flr. ITC Building, Tamuning
Friday, July 25, 2014; 1pm

I. CALL TO ORDER

II. ROLL CALL

III. ADMINISTRATIVE MATTERS
1. Selection of Acting Chairman
2. Acceptance of Director

IV. APPROVAL OF MINUTES
1. May 15, 2014

V. OLD BUSINESS

VI. NEW BUSINESS
1. Guam Resource Recovery Partners lease payments
2. Guam International Country Club lease payments
3. Felix and Franciska Quan – Farm expansion request
4. Peter John Benavente – Beneficiary designation of Raymond Cruz Benavente
5. Guam Racing Federation – Waiving of escalation amount
6. Subdivision map requirement

VII. PUBLIC COMMENTS

VIII. DIRECTOR'S REPORT
1. Revenue collection report for the months of May and June 2014

IX. EXECUTIVE SESSION

X. ADJOURNMENT

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COMMISSION MEETING MINUTES
Department of Land Management Conference Room
3rd Flr., ITC Building, Tamuning
Friday, July 25, 2014; 1:03pm – 3:40pm

I. CALL TO ORDER

Meeting was called to order at 1:03pm by Vice-Chairman David Matanane.

II. ROLL CALL

Present were Vice-Chairman David Matanane, Commissioner Amanda Santos, Commissioner Pascual Sablan, Legal Counsel Kristan Finney and Director Michael Borja. Not present was Commissioner Joseph Cruz.

III. ADMINISTRATIVE MATTERS

1. Selection of Acting Chairman

Vice-Chairman David Matanane – We'll dispense with the Acting Chairman selection.

2. Acceptance of Director

Vice-Chairman David Matanane – Any Commissioner disagrees to have Mr. Mike Borja as our Director?

Commissioner Pascual Sablan – Move to accept.

Commissioner Amanda Santos – I second it.

Vice-Chairman David Matanane – Thank you. Unanimous, Mr. Director you're on board.

Director Michael Borja – Thank you.

Vice-Chairman David Matanane – We will not make a selection of Chairman until Mr. Cruz is on board. As soon as Mr. Cruz comes back from his leave we will do the selection on the Chairman.

IV. APPROVAL OF MINUTES (May 15, 2014)

Commissioner Pascual Sablan – I was reading the minutes and I'm so disturbed because I noticed; are we, what kind of rules are we applying here? Robert Rules?

Vice-Chairman David Matanane – Roberts.

Commissioner Pascual Sablan – So in other words if one of the especially the Commission member is talking or have the floor I think that person should be unless otherwise it's not germane or that individual could be ruled out of order.

Vice-Chairman David Matanane – We're kind of liberalized here.

Commissioner Pascual Sablan – But the problem is I cannot follow. I was trying to follow the minutes and too much interruptions according to the minutes. When the person that is trying to get the message across is not being given or painting a clear picture because of the interruptions. So can we have some kind of understanding?

Vice-Chairman David Matanane – So you're indicating that whenever anybody wants to speak will address the Chair and the Chair will recognize them.

Commissioner Pascual Sablan – Exactly.

Vice-Chairman David Matanane – Okay that's fine.

Commissioner Pascual Sablan – Thank you.

Vice-Chairman David Matanane – You know previously we have no raise of hands and everybody kind of just work in sequence but any way since you brought it up Commissioner Sablan then we'll adhere to that. Do you agree with that Commissioner Santos?

Commissioner Amanda Santos – Yeah.

Director Michael Borja – Mr. Chairman I'd like to just make a note that on the minutes on page number 20 the item about GPA, Public Law 31-77; in the past we had been discussing that there was an issue of GPA owing a sum of $875,000 to the Chamorro Land Trust Commission. Upon review of that public law I have found that that section in the law of the money the $875,000 is not something that GPA owes to us at all but in fact it's just an appropriation to the Chamorro Land Trust from an appropriations bill from the Legislature. So that item is not an issue for receivables from the Guam Power Authority.

Vice-Chairman David Matanane – You're referring to page 21 on the last part of that paragraph?

Director Michael Borja – Page 20 and 21, yes.

Vice-Chairman David Matanane – Can you restate that Director?

Director Michael Borja – The $875,000 that we assumed was owed to the Chamorro Land Trust from GPA because it is stated so in Public Law 31-77 is in fact not a receivable. It is not a demand on GPA to pay CLTC but it is in fact a separate line item that was appropriating money to the Chamorro Land Trust.

Vice-Chairman David Matanane – And was the 875 appropriated to CLTC?

Director Michael Borja – I believe that it was from that specific law in the budget.

Vice-Chairman David Matanane – It has been appropriated. Has it ever been appropriated?

Director Michael Borja – Well I believe that was part of the appropriation in the bill that was specifically doing clean up on the budget.

Vice-Chairman David Matanane – Total 875 or a portion of 875?

Director Michael Borja – No, no okay well we can follow up. That $875,000 was supposed to be an appropriation to the Chamorro Land Trust.

Vice-Chairman David Matanane – We were really looking forward to this particular type of, now that you're explaining it and good you informed that you'll look into it. We'll appreciate that report on that the 875 should have gone in the previous budget. Thank you Mr. Director. Anything else Commissioners? Any motion for the minutes?

Commissioner Pascual Sablan – I'll move subject to the amendments that Mr. Borja made to approve.

Vice-Chairman David Matanane – You want to move to approve?

Commissioner Pascual Sablan – Uh huh.

Vice-Chairman David Matanane – Subject to, well Mr. Borja will be reporting in the next meeting as to what is contained in that thing the 875. So you move to approve the minutes.

Commissioner Pascual Sablan – Yes.

Commissioner Amanda Santos – I second it.

Vice-Chairman David Matanane – Moved to accept and seconded. The minutes have been approved.

V. PUBLIC COMMENTS

1. Jeffery Kosaka – Mr. Chairman, my name is Jeffery Kosaka; Duenas Kosaka, village of Santa Rita. My visit for today to attend the meeting is I currently raise two cows, some livestock, some ducks and some chickens. A friend of mine Mr. Dave Herrera from Agat (interrupted).

Vice-Chairman David Matanane – Mr. Kosaka you have a lease agreement with us already?

Jeffery Kosaka – Just the residential only sir. I'm looking for grazing land anywhere from 8 acres to 20 acres based on required or by law. My intent is to have up to 10 cattle. I currently have 2. I have some livestock about 6 pigs.

Vice-Chairman David Matanane – You're in the process of applying for agriculture.

Jeffery Kosaka – No not agriculture for grazing.

Vice-Chairman David Matanane – Have you submitted the application?

Jeffery Kosaka – I have about 95% done on my grazing plan. As soon as that's done I'll be submitting it in to the Commission on my request. So again I'm here to request land to accommodate my livestock for grazing. So again between 8 to 20 acres or what the law allows us to have.

Vice-Chairman David Matanane – You have already submitted the application?

Jeffrey Kosaka – No sir I'll be submitting it as soon as; I've met with some of the members of the Land Trust and I have to finish my grazing plan and then submit it with the application.

Vice-Chairman David Matanane – Have you talked to any of the agent or the Director concerning that particular application?

Jeffery Kosaka – Yes I've talked to Ms. Lori and I've also mentioned it to Matt Leon Guerrero.

Vice-Chairman David Matanane – I'm pretty sure Mr. Kosaka if you have completed your papers and you submit it we would like to entertain that but right now it's really raw, I can't you know make any (interrupted).

Jeffery Kosaka – Understood, understood.

Vice-Chairman David Matanane – So please do work with the staff and we can always come here and listen to your (interrupted).

Jeffery Kosaka – Alright.

Commissioner Amanda Santos – Did he find land already?

Vice-Chairman David Matanane – Commissioner Santos is asking have you been assigned a certain area or been shown a certain area?

Jeffery Kosaka – No but I've asked about a couple of lots and one of the lots is Lot 252 behind VFW in Agat and the other one I was looking at is behind J.P. Torres in Santa Rita.

Those are the two areas I was looking at. I was looking at more of the mountainous site away from the residential.

Vice-Chairman David Matanane – Have you been talking to any of the agents or?

Jeffery Kosaka – Like I said I talked to Lorraine.

Vice-Chairman David Matanane – Please continue with Ms. Lorraine here and get all the paperwork and facts in there and then we can bring it up here and then we can make some; but right now it's really raw.

Jeffery Kosaka – Alright.

Vice-Chairman David Matanane – Okay Mr. Kosaka. I appreciate that. Work it out with the staff and then identify the property and then you can bring it in to our attention. Thank you Mr. Kosaka.

Director Michael Borja – If I might just add something just for Mr. Sablan's background, he mentioned Mr. Hererra who had come in asking for some grazing land previously and we awarded it to him. What the piece of property that he had been awarded was once subdivided for residential purposes but in creating that subdivision of property no one really took a look they just drew it out on the map without understanding what the topography of the land was and it turned out to that it would never be able to house housing up there because there was ravines and rivers and stuff like that. And under the advisement of the land agent that said just across it although the land in some areas is for residential purposes you'd have to build a bridge and so that's the kind of property that was used instead then for grazing as opposed to residential. I think he's probably looking in the same area where lands can't be used for anything else even for agricultural because it's too steep and there's a river and in a way which we can't alter. So that's what happened in that case.

Commissioner Pascual Sablan – Mr. Chairman who's the lady here?

Vice-Chairman David Matanane – Oh that's our attorney, I'm sorry.

Director Michael Borja – Ms. Kristan Finney is the attorney for Department Land Management and primarily for Chamorro Land Trust.

Vice-Chairman David Matanane – Kristan Finney our attorney from the Attorney General's Office.

Commissioner Pascual Sablan – I was wondering you know.

Vice-Chairman David Matanane – We haven't introduced you to our attorney. This is Commissioner Sablan and of course you know Commissioner Santos.

Legal Counsel Kristan Finney – Yes, welcome.

Vice-Chairman David Matanane – We still have another Commissioner that we haven't introduced to you, at the next meeting probably.

2. Raphael Unpingco – Hafa Adai and Good Afternoon, my name is Raphael Unpingco, I am the Vice-President of Indahen I Lina'la Kotturan Chamoru. We currently hold the lease for 9 acres of land at the Ypao Point also known as Oka Point also known as old hospital point that has 8 houses on the property about a pie slice area on the corner; we now have a latte stone entrance there. That's basically a report on our efforts since being given the lease and we are a very humble grassroots non-profit organization so we'd like to at least try and get our paperwork up and in your hands to answer any type of questions you might have in the future. But also to invite you for Thursday we plan on having a soft opening and the artists will be having an exhibit and we'd like you all to come. If you aren't able to maybe that document might be able to get up to speed to where we're at.

Vice-Chairman David Matanane – Are you affiliated with the dance group, what's the name, Maryann or what was her name?

Director Michael Borja – Hurao.

Raphael Unpingco – Yes we are sister organizations. AnnMarie is our President also.

Vice-Chairman David Matanane – You are affiliated with them?

Raphael Unpingco – 100% yes.

Director Michael Borja – What day is that and what time?

Raphael Unpingco – Thursday at 3:30 in the afternoon, 31st of July.

Director Michael Borja – And that is all?

Raphael Unpingco – That is all.

Vice-Chairman David Matanane – Thank you sir.

3. Catherine McCollum
Director Michael Borja – Mr. Chairman if I just may interrupt I've had the pleasure of meeting the young lady yesterday in the Ancestral Lands Commission and she's one of the founding Commissioners from the Guam Ancestral Lands Commission.

Catherine McCollum – Good afternoon everyone, I'm part of the Nasion Chamorro and we a have a regular meeting every Tuesday or as much as we can on a Tuesday and there was some issues that came up concerning the Chamorro Land Trust properties that were leased out and I can see why it's because there is a big exorbitant amount of taxes that these people need to pay. One of my questions were how was the amount calculated and what happens if these people are unable to make payment? My suggestion would be since

there's a lot of Chamorro Land Trust properties that is commercialized and you guys are receiving an income can there be some way of remedying some of these payments that these people are supposed to make to appease you know at least from the start? My Uncle John was mentioning to me about a forgiveness maybe in the beginning because this is really an exorbitant amount of money and a lot of them are not fortunate like some of us to have property and to be able to build on it and pay the taxes on it at least we had a big window to prepare for it throughout the years. But I just found out that they were actually being given a notice that they had to pay a real big amount of money.

Vice-Chairman David Matanane – Ms. McCollum I think you know you have to go over to Revenue and Tax Real Property Section and you can work it out with them. We don't make the arrangement for any of the taxes but if you go in and you make your arrangement with them on how they're going to you know to try and alleviate those taxes but we don't make any agreements concerning the taxes itself.

Catherine McCollum – No but how did it come about? It had to be this Commission that submitted some kind of report to them.

Director Michael Borja – What properties are you talking about? You're talking about these large parcel of properties?

Catherine McCollum – Well there were several members that came to the meeting and they were voicing their concern that they were charged like over $600. That's a big amount of money all at one time.

Director Michael Borja – Well how large of a property did they have as a lease?

Catherine McCollum – I cannot answer that. I'm just saying that (interrupted).

Director Michael Borja – The issue and it's written into the leases that anyone who receives a lease has an obligation to pay the appropriate property taxes on the land. The taxes have been assessed all the time but there has always been a 7 year exemption for that leaseholder. So they weren't obligated to pay for 7 years and it's not like its being accumulated and slammed at them all at once in the end that's not happening. So once they've exceeded that then the obligations begins. Now I believe what Rev and Tax is finally doing is because we have finally determined the value of the properties Rev and Tax can now determine the amount of taxes needed to be assessed to those properties. In the case of these individuals perhaps they have 20 acres of land. I don't know what the specifics are but of course if it's a large tract of land it's probably going to have a larger hunk of property tax that might be assessed to it. But as the Acting Chairman said we have nothing to do with the taxes. We don't determine what the assessment of the taxes are that's a function of the Real Property Tax at Revenue and Taxation. What we do provide to them is the information on who's leasing what property and what's the size of that property and then those kinds of appraisals are done by them to determine the taxation. As far as taking monies from whatever we're receiving from commercial leases to pay for other people's taxes I mean we cannot do that and act on that I believe as a Board because that

would be a function that has to be created by law. And in fact the idea of the monies that we get from commercial leases and there aren't a lot of commercial leases there really aren't it sounds like there's a lot but there aren't a lot of them but the monies that we do get from them are designed and hopefully to be used so we can spend for other things that are needed. Like we're trying to find ways to get the surveying done so we can get leases done. People can't get leases unless there's a survey and people can't pay for surveys, we found that out. But just know that some of the ideas floating around right now for people who might get their leases with lands that the Government surveys for them they may have to waive that 7 year exemption from having to pay taxes. If they did the math they would find that in many cases especially if it's a residential lease for a half acre lot let's say they're going to get a good deal because if they had to pay for the survey they're going to pay quite a bit more than probably what they're going to be assessed in taxes. But it's a way to try and appease the people that for all those 3,000 people who already went out and paid for their own surveys you know where's the fairness in that and other people who had been sitting on the lands that have been allocated to them but have never surveyed and now we're going to survey it for them where's the fairness in that. So there has to be some balance there. Now that's just discussion it hasn't even been codified in any law whatsoever but people are trying to make some kind of balance and fairness in all of this. But as far as going back to taxes we have as the Chamorro Land Trust cannot make any obligations on taxes at all.

Catherine McCollum – Okay. Also there was an issue where there's a complaint that they were issued a lease but there's about three people assigned to that one lease. I did meet with the staff and he answered my question very well and he mentioned that on one particular lot which I understand because Ancestral Lands Commission has that problem where you get a portion of the land but you don't get the whole thing and so what's happening is at least Sean explained to me that it's a Lot let's say 2066 the lot number but it's divided into so many pieces and that's how.

Director Michael Borja – What has happened in the past is that in an effort to move forward and this is especially when the Chamorro Land Trust was not part of the Land Management and so it didn't have the staff of surveyors that can do and other land agents that had the expertise in specifically identifying how lands should be subdivided would simply take a map and then just say we're going to call this; you got a portion of Lot 2250 and that's all they identified it as. And so to this very day it is a problem for us and getting back to the thing with taxes it now becomes an issue of how does Rev and Tax assess taxes on a portion of when they don't know what that portion of is. So the problem even goes down to the level of where you might have several people on that one lot that was divided as a portion of but because no one surveyed to say where the line was someone might say hey you've encroached into my side and then we have these battles. But that issue is currently being remedied as we speak. There's a major effort going on right now to clean this all up so that the tax assessments can be done. Now I don't know if we're going to be able to complete everything by the end of August that's required but they're trying their hardest to get as much of it cleared. And that is the issue we have in the Chamorro Land Trust from the past when lands were issued out for leases they were just done in portions of a specific lot area. So we're now going back to try to find specifically what that

portion was and in doing so now we have to actually go physically and visit the place so we can determine that if we drew a line half way down one lot for two people and we divide it in half that on the map where that division would be doesn't cross somebody's concrete house because we can't tell someone to put your house down now. We'd have to make an adjustment so then now this guy has maybe a larger portion than what he should have had but we have to live with that.

Catherine McCollum – No is there like something in the Chamorro Land Trust law that says they had to have a certain amount of land or it's just; is there one thing in specific?

Director Michael Borja – Oh it's a very good question because it does specifically in fact I was reading it today for other reasons but yes it does if you want me to read it I can say item one, not less than one quarter acre and not more than half an acre for subsistence agricultural or aquaculture farming. Number two, not less than one half acre and not more than 20 acres for commercial agricultural or aquaculture use. Number three, not less than 1 acre and not more than 20 acres for grazing. Number four, not more than 1 acre for any class of land to be used as a residential lot. So yes there are specific sizes that are in here on what size we can give out and that's what we're supposed to be governed by. In the beginning they went to the not more than. We're coming back now where we've gone out and let's say this is someone who said who's now become the beneficiary of the land so the land has to be transferred over because the original lessee had died and we're finding that this 20 acres of agricultural had never been touched. So we're saying well if nothing had been done in the 10, 20 years since the land was issued out you know we need to cut it down because there are other people that need the land just as much. We're requiring a little bit more for people too when they come in and say I want 20 acres we say show us how you're going to use those 20 acres.

Catherine McCollum – Is there a permanent structure that they can build on the property or not?

Director Michael Borja – The law specifically states those things as well and it limits. It actually absolutely sets a limit and again that's the kind of issues that we're discovering when we go out. I saw one not long ago where an agricultural lot you're allowed to have one house and then a shed of sort for your tools but you know I go in there and I find a house and 7 more because all the children have grown up and have their own little families and they're all on there and that's absolutely against the rules and they could lose it.

Catherine McCollum – So on those cases they have to come back to the Chamorro Land Trust and then reapply for a property? I mean people are saying out there that you could easily transfer it to your children but it's not so.

Director Michael Borja – To your child.

Catherine McCollum – To your child. One child okay.

Director Michael Borja – Yes. There's one beneficiary allowed.

Catherine McCollum – Okay thank you. I don't know if my group has any more questions and I can (interrupted).

Director Michael Borja – Well feel free to give us a call anytime.

Catherine McCollum – Is there anything else? Alright thank you.

Vice-Chairman David Matanane – Thank you Ms. McCollum.

4. Joaquin Barcinas – Good Afternoon, my name is Joaquin Barcinas. I have a farm down in Merizo that I have been leasing since 1975. It started with the arrendo plan then it went to the Land Trust Commission. I have a lot of banana in it and the problem that I have now is I used to own a house. I get into a point where I don't own a house anymore so I'm asking the Board if they can grant me the permission to build a permanent dwelling at the place where I'm farming.

Director Michael Borja – Have you talked to any of the Land Trust (interrupted).

Joaquin Barcinas – I only just spoke to her (Lorraine Nededog) this afternoon.

Director Michael Borja – Oh just this afternoon?

Joaquin Barcinas – Yeah. I know that you can build a permanent structure. I want something in black and white authorizing me to build so I can bring in the power and water into my property.

Lorraine Nededog (CLTC) – I did inform him that he has to survey the property before he can actually get the authorization. But he has a problem he cannot survey the entire 5 acres.

Vice-Chairman David Matanane – Do you have a lease already sir?

Joaquin Barcinas – Can I just, can I go ahead and survey the amount that I'm going to at least half an acre to build my house get that surveyed then later on will do the 5 acres? Is that feasible?

Vice-Chairman David Matanane – Right now do you have a lease with us?

Lorraine Nededog (CLTC) – Yes he does on a portion of.

Vice-Chairman David Matanane – He does okay well then please work it out with Lorraine and the Director.

Director Michael Borja – He has a lease on a portion of and how large is the portion?

Lorraine Nededog (CLTC) – 5 acres

Director Michael Borja – 5 acres. This is a similar case we had you just saw in the minutes with Mr. Baumgartner where he wanted to survey parts of it. There are certain rules that we have with those kinds of issues and one of the things that we told Mr. Baumgartner and I think we sort of have to extend it to you as well is you can't lease just a lot because then it becomes its own lot and then you're going to actually lose out on this. But in order for us to get all that information the utilities request so you can move forward with getting a building permit there has to be a lease and survey completely done. But continue to work with Lorraine on this so we can figure out what specifically needs to be done okay.

Joaquin Barcinas – Alright I will thank you.

Vice-Chairman David Matanane – Thank you Mr. Barcinas.

VI. <u>OLD BUSINESS</u> – None.

VII. <u>NEW BUSINESS</u>

1. Guam Resource Recovery Partners lease payments

Director Michael Borja – Guam Resource Recovery Partners had some outstanding amount due on their lease and it was brought to the attention and we discussed it in the May meeting and it's being discussed in the meeting here as well. We had an issue in which they had a back amount due to us and they gave us a check of $44,000 that day and then there was a stop payment done on the check and since then we've been trying to get them to pay on that. We've made notification, they've also given them the 90 day notice and that 90 days came due on July 10. So yesterday they did make a payment with a cashiers check for the amount of $20,000. That $20,000 was deposited and it will show in our financial report later on. They're asking for the 30 days to finish off and make the next amount of payments as well. One of the other things that they offered was this court document. A judgment was ruled in their favor against the Government of Guam for unpaid services to the tune of $116,219 and they're making an offer to say if we can get that money from DOA it's our money from DOA.

Vice-Chairman David Matanane – The whole amount?

Commissioner Pascual Sablan – No, no, no.

Director Michael Borja – Plus the amount of taxes but I'll let Mr. Sablan if you have questions discuss that specifically. But I just want to let you know that they did make a payment yesterday of $20,000 and have asked until to pay the remainder in 30 days and the ultimatum offer which is available but I personally wouldn't recommend it.

Vice-Chairman David Matanane – So the remainder is 24?

Director Michael Borja – Well not really because I think there's another amount that's due as well.

Vice-Chairman David Matanane – So 90 days has been up July 10?

Director Michael Borja – Yes.

David Sablan (GRRP) – I'm just asking for consideration on behalf of GRRP for the request to clear that $44,000 check. I think there's $24,000 balance on that within the next 30 days or you can accept to; we can assign the judgment to the Chamorro Land Trust for I think the total is $137,000 with interest. So whatever the amount is that the court is able to give us through the judgment we can turn that and assign it over to Chamorro Land Trust and you can continue to hold that credit until whenever we're able to make good on the business we're trying to build on that piece of property in Guatali. As you are very well aware it's a very controversial project that we're trying to work on. We've been trying to get Guam EPA to give us the operating permit so that we can build this landfill to service the community and we've been having many problems there. Not of any of our doing it's just basically I don't understand why they're taking so long. But we haven't been able to do anything on the property as much as we want to do something with it. In the meantime we do want to honor our lease but you know without any revenue it becomes a cash flow issue. But we have been making good for I guess more than 10 years already and we just ask for this small consideration to give us some time notwithstanding the expiration of the deadline for payment in full of the past due amount. I think only $24,000 left we're prepared to pay that in 30 days or if you accept the judgment in lieu of that then you can have all that money.

Vice-Chairman David Matanane – You're requesting only up to 30 days.

David Sablan (GRRP) – 30 days for the balance of $24,000.

Vice-Chairman David Matanane – As of the 10th or as of today?

David Sablan (GRRP) – As of today.

Vice-Chairman David Matanane – I guess 30 days is not that bad but you know would it be quicker Mr. Sablan this is only inquiring if you make an assignment?

David Sablan (GRRP) – We can assign it to you. You probably can collect it quicker than we can it's the same Government but it's your decision.

Vice-Chairman David Matanane – You know what I think we'll go ahead and wait for the 30 days, please do show up in the next meeting please.

Director Michael Borja – Can I get a motion on that?

Vice-Chairman David Matanane – Well we're considering I guess Mr. Sablan he's asking for 30 days extension on the payment to make good that 44 ($44,000) that he paid the last time.

David Sablan (GRRP) – The balance of about 24 ($24,000) plus whatever (interrupted).

Vice-Chairman David Matanane – Interest or whatever.

David Sablan (GRRP) - Well not interest but I think there's about another two months or so that have accumulated.

Director Michael Borja – Yes.

David Sablan (GRRP) – So probably a little bit more than $30,000.

Director Michael Borja – Well right now with current your $37,250.

David Sablan (GRRP) – Okay so that amount.

Commissioner Amanda Santos – With interest?

Director Michael Borja – No, no interest $37,250 is the current balance on Guam Resource Recovery Partners so you want to give them 30 days additional. Can I just get a motion just for the record so we can say that we've given them 30 days and then if you want to impose any kind of sanctions on that afterwards let me know what that is in your motion.

Commissioner Pascual Sablan – Well there's two things in front of us either he assign us whatever in court that's paid we have to entertain one of them.

Vice-Chairman David Matanane – It's either one. As we wait for the 30 days he probably could be working on his assignment you know sending it in. Use your own attorney.

Director Michael Borja – If I may recommend the only thing is he can assign that so that we're holding on to something but I couldn't guarantee how long it would take for the Government to pay out something on a court judgment because it may be on something that has to be budgeted and it's not. So the Government's going to try to allocate the money to satisfy this judgment and it's you know it's with interest already.

Vice-Chairman David Matanane – Yes I can understand that it's very rather very recent.

David Sablan (GRRP) – Yeah, July the 14th I believe.

Vice-Chairman David Matanane – Yeah I was just looking at it and it takes time you know.

David Sablan (GRRP) – Yeah I got to appreciate the fact that it could probably have to go through the legislative process since they haven't probably budgeted for it but fiscal 2015 is just around the corner. It's probable but it can be acted upon quickly.

Vice-Chairman David Matanane – You can't do better than that.

David Sablan (GRRP) – Yeah that's right.

Commissioner Amanda Santos – I move that we give him the 30 days to make the payment.

Director Michael Borja – $37,250.

Vice-Chairman David Matanane - $37,250.

Commissioner Pascual Sablan – I second it.

Vice-Chairman David Matanane – So moved. Mr. Sablan hopefully please the next following meeting be informed please so we can congratulate or whatever. Okay thank you Mr. Sablan.

David Sablan (GRRP) – We'll do our best Mr. Chairman.

Vice-Chairman David Matanane – If you happen to come across any amount you can please (interrupted).

David Sablan (GRRP) – Yeah we'll pay it before the 30 days.

Director Michael Borja – Keep in contact.

David Sablan (GRRP) – Yeah I will thank you very much.

2. Guam International Country Club lease payments

Director Michael Borja – We don't have any of them here I asked them to come but what I wanted to mention on this one is that the Guam International Country Club that currently leases; oh I'm sorry well they weren't able to show up. Guam International Country Club is also in arrears with us and I think right now they currently owe $43,716 and that's really based on just two months the last two months. They paid one month's rent but their monthly rents are $21,858. So they paid the one month's rent earlier this week. They had called me and told me that their General Manager has been off-island in Japan and wasn't going to be arriving back until next week and he's asking us to wait until then. I told him that the meeting was being held today and I need some kind of payment to try and prevent any kind of motion to terminate the lease. So they did make a payment and this was a case too Mr. Commissioner that we had an issue with this country club in the past and then they had a change in ownership and they came clean. The amount I think that was due for a couple of years was well over $300,000. So they did make a payment so it's really they owe for current month and last month that's where they stand right now.

Vice-Chairman David Matanane – How much is the amount?

Director Michael Borja – The amount total is $43,716.50 and that is for just this month and last month. They owe $21,858 per month so that's where it stands right now and I just wanted to bring it to the Board's attention that we've been trying to get them to pay and they

did make this one month's payment. That's what he's doing in Japan is trying to sort out the finances with the parent company to make the payment.

Vice-Chairman David Matanane – So they're off-island.

Director Michael Borja – Well the General Manager is, the individual I can't remember his name.

Vice-Chairman David Matanane – What's his name, who's the management there?

Director Michael Borja – Yeah he's come here before us, Teresa do you recall?

Teresa Topasna (CLTC) – Yohei Koike.

Vice-Chairman David Matanane – How come he didn't show up?

Director Michael Borja – Because he's off-island and he wasn't scheduled to come back until next week but he's working with the parent company and he had asked if the issue can be moved to the next meeting and I told him no.

Vice-Chairman David Matanane – So have you told him as soon as he gets back he gives you a call?

Director Michael Borja – Yeah we're going to chat with him about this and see where he is on his payments.

Vice-Chairman David Matanane – So he's good as far as we're (interrupted).

Director Michael Borja – Well he did make the one that was three months in arrears so he did make that payment. It's just two months right now.

Vice-Chairman David Matanane – And we have no choice but to wait for his call when he does come in.

Director Michael Borja – Well right yeah.

Vice-Chairman David Matanane – Did he indicate how long he's going to be there?

Director Michael Borja – Well he's going to be back on Monday, I think he left this week.

Commissioner Pascual Sablan – Isn't this the same; you said change ownership.

Director Michael Borja – Well yeah there was an old management change three years ago or so.

Commissioner Pascual Sablan – I vividly recall the first time I appeared before this Commission when Oscar was here that he even ordered the guy to pick up the manager from the airport and bring him down here. As you said it's been an on-going problem. When are we going to come to some kind of understanding that we're not collectors. It looks like we're going to be always going after them.

Director Michael Borja – Well this is just recent. Like I said they came clean a couple of years ago with $300,000 arrears they came clean on that and they've been current. That's why it's brought up because they just hadn't made a payment in a few months so I wanted them put on the agenda to make you guys aware of the issue and to let them know that we're serious about this. I mean if you wish again we can give them a notice a formal notice that they got so many days. I think we've given the issue of 90 days by recommendation is 90 days to come clean with their arrears.

Vice-Chairman David Matanane – I recommend that if by Monday he doesn't get in contact with you send out a letter.

Director Michael Borja – Well don't give me Monday because I don't know exactly the date he's coming in but definitely by the end of next week.

Vice-Chairman David Matanane – Alright by next week if he doesn't you now we can't wait till the next meeting maybe we can get a report from you as to how they're going to clear it. They might just come in and clear it but get on top of it.

Director Michael Borja – I will.

3. Felix and Franciska Quan – Farm expansion request

Director Michael Borja – Mr. Felix and Franciska Quan have a farm up in the Machananao area of Dededo. They currently I think have a grazing farm up there and they are asking to expand to allow for coconut farms and I think in his proposal that you guys have in the letter we gave you guys they're showing that they want to grow coconut farms up in the area. I believe they own existing coconut farms in that area. So they've come before us to ask for some additional land and as you saw earlier there will be an individual speaking about the properties that they're looking to obtain that we had already leased out prior to that to another group it's a commercial (interrupted).

Vice-Chairman David Matanane – That is my question Mr. Borja I don't see Felix and Franciska Quan up there. Mr. Flores and I was wondering wait a minute that's not Felix and he stipulated that he's the sole proprietor now are we talking about somebody else or? I'm sorry I was reading the minutes of the last meeting he was here at the last meeting right?

Director Michael Borja – Oh no that was a different individual that was another Quan, different person.

Vice-Chairman David Matanane – Isn't he a Felix also and the wife is Franciska?

Director Michael Borja – No. This issue has not come before us.

Vice-Chairman David Matanane – No really I'm because is there really a farm under Felix and Franciska Quan because I'm amazed that there is something growing up there in that farm. Really because he came here last time asking to be transferred. I know Mr. Flores and I'm sorry Mr. Flores but I got to get it straight.

Director Michael Borja – That was Mr. Alan Quan. That was a whole different issue that has nothing to do with this.

Vice-Chairman David Matanane – Oh that's right okay. Okay now I, so there is a farm. Thank you Mr. Flores.

Willy Flores – Thank you Mr. Chair was going to clarify I am in no way qualified to (interrupted).

Director Michael Borja – He's not Franciscka Quan.

Willy Flores – Thank you for recognizing that. Mr. Chair and Board members on behalf of Mr. and Mrs. Quan they have been operating their farm since 1994. About two years ago Mr. Quan approached us with the issue of requesting additional properties. Additionally we had discussed both grazing additional grazing and then the additional property for the coconuts. At the time his farm was starting to be or actually a year into that time attacked by the rhino beetle. So we went back and did some studies and analysis of his property and of the issues that are up there and I thought that maybe it would be better to do a combination so if he could do the coconut farm he can also expand his grazing in that direction. As you know I'm sure you're very familiar even based on the discussion we just had that grazing is a very land intensive activity so if we can combine it we can. Mr. and Mrs. Quan in no way want to intend to harm any neighbors in fact that was their first concern is has the neighbor already committed. Has this property already been committed to the neighbor and if it has for how long would it be made available? What are the options open to them? We discussed this with staff beginning about a little over a year and a half ago maybe eighteen months ago and at that time when this proposal was submitted we were not made aware that the entire lot that he's talking about had been leased I guess it's an incremental lease, an incremental lease in terms of both time and acreage that the Commission had given. And so we were pretty surprised around December when we found out that had happened. So we're here because as I said Mr. and Mrs. Quan have no intention of harming their neighbors they've been very good neighbors and they have no intention but if any of that property is available they would like to have the Commission consider them because it's easier to farm adjacent. And then if it's not available then what are their other options and from a technical standpoint then (inaudible).

Vice-Chairman David Matanane – May I Mr. Flores, are you referring to this particular?

Willy Flores – Yes sir.

Vice-Chairman David Matanane – Just to inform the Commissioners that we are on this. This is the property. Which portion there now you are occupying on that particular map? Is that the upper portion the blue marking? And now you're requesting for the 20 on the bottom.

Willy Flores – You're talking about the map and at the bottom it says graphic layout of proposed coconut grove farm?

Vice-Chairman David Matanane – Yes.

Willy Flores – The one they currently occupy Mr. Chair is the one you see where it says existing farm and then you see right to the right of that is a grazing pasture. You can see it's almost like brown the little rectangle then right below it is a house.

Vice-Chairman David Matanane – Right in the middle.

Willy Flores – Yes right in the middle. That's what they currently occupy and then the portion that they're looking at is the one above that talks about the beetle traps, the grain feeding, fence boundary and all that. Again this master plan proposal was submitted prior to us being informed that there had already been some kind of commitment on that part, the part of the Commission for this.

Vice-Chairman David Matanane – Your request is asking for the 20 on the bottom of that portion there and towards the right?

Willy Flores – No they're asking for 20 more acres. When they first submitted this they thought that that 20 acres was still available. And so the dilemma we have now is if any of that is still available how could we do that, if not, without you know harming the existing leaseholder.

Vice-Chairman David Matanane – Where are you at right now? The upper portion or down here in the middle? You're right now in existing?

Willy Flores – The middle.

Vice-Chairman David Matanane – What you have is below it.

Willy Flores – Right yes.

Vice-Chairman David Matanane – Oh okay. Now let me just entertain this that have you worked out with any of the staff concerning this so they could clear it? We don't know right now whether any occupancy have been (interrupted).

Director Michael Borja – Mr. Chairman yes they came and they spoke with me as I have them on the Board here because I want them to bring it up for you guys for your discussion and approval. They did come and talk to us about this. Now this area that's in blue on the

top I think it's the bottom right corner of it that's the part that we had leased out to another agricultural group for his commercial lease. That's when I believe they came in asking for a large sum of land I don't know if it was 20 or 10 acres they asked for, we told them to start at 5. Remember they gave us the farming plan. I went out to this area to look at it with one of our land agents and I don't know if your son told you that I came on by it was one day I came on out. It's a nice spread out there it's like a whole different world out in that area and the land agent I came with is an avid hunter so he was really eyeing all the deer. You have a whole bunch of deer there. And then we went on up to take a look at the agricultural area that we had leased out as well the farm up here and it was active, well underway. There was farming going on and it was not subsistence farming but it was definitely with a tractor and everything else and there were crops growing up there so we went out and took a look and that's what I found. Of course there are some coconut farms in the vicinity I believe some of them are owned by your father.

Felix Quan – Correct.

Director Michael Borja – As they had noted in their report many of the trees have been decimated by the rhino beetle. So my question here on the additional coconut farm and I know we spoke about it when we came together about how you're working with folks to try and figure out a way to work around these rhino beetles. You know the University of Guam they kind of right now of the opinion that the best way to combat them is not to grow any coconut trees because we're just adding for the fuel source for them so that would be a concern for raising additional coconuts. I know your proposal is to raise the midget trees the ones that produce fruit at a lower height so you can be right there at the heart of the tree to administer any kind of combatant to fight off the rhino beetle. But with the fact that most of your coconuts a lot of them have been destroyed already because of the rhino beetle you had to destroy the trees you know is this going to be kind of like one step forward and five steps back kind of thing?

Felix Quan – Well I don't believe so because you know Roland Quitugua and we've been working with the University and they set up several plans in place and they still believe that it is moving forward with some of their programs. I should have invited Joey Lopez here because he did a lot of treatment on palm trees both commercial and residential and he's found a success rate as far as controlling the beetles right now. I wish he was here I just wasn't thinking that we were going to talk about the rhino beetles. But we still believe that it can be done and we are still positive. We want to move forward in a positive manner that it can be controlled.

Vice-Chairman David Matanane – So your proposal on this one here I'd just like to make sure that there's no obstacles concerning this. Any lease been done?

Commissioner Pascual Sablan – I have a series of questions, may I have the floor?

Vice-Chairman David Matanane – Okay.

Commissioner Pascual Sablan – Okay I'm just referring to what they submit and I'm kind of lost when you said another group was given this 20 acres. On the bottom of this it says here Felix and Franciska currently occupy approximate 33 acres. So if you add the 13 and the 20 that makes 33 so this is the same guy that's asking for the 20 acres right? Didn't you mention that this is another group?

Director Michael Borja – No that's him. The one in blue it was the land that they were originally asking for. They did not know that we had already allowed someone else to lease that property until they saw the clearing and then they knew that they came to us and found out that part of it had been leased out because they were originally asking for this area up here to be additional property.

Commissioner Pascual Sablan – May I ask this question, if you go back I don't know there's no pages here but on the top it says our highest priority long term of 10 years of more. Under number 2, production goal; what do you mean to increase beef production by 20%?

Felix Quan – Because we currently on our grazing we have.

Commissioner Pascual Sablan – To increase by 20% that means you have an existing cattle now.

Felix Quan – Correct.

Commissioner Pascual Sablan – Then you're going to increase it by 20%?

Felix Quan – We would like to correct.

Commissioner Pascual Sablan – Okay so you're existing cattle now according to this figure you have 18.

Felix Quan – Correct.

Commissioner Pascual Sablan – 20% of 18 is 3.6 which is let's say 4 okay.

Felix Quan – Correct.

Commissioner Pascual Sablan – Then on this page on the summary on the very first page it says cattle, 25 additional head of cattle; I'm lost.

Felix Quan – Well we'd like to build up to additional to another 25 but when we start the pasture we have an NRCS program tied into our contract where they show us how to; we've been growing grass certain types of grass and we won't be able to get to that in a short term it takes time for us to get to that. We currently have a 10 year NRCS program which we fulfilled. We're probably one of the first farmers that have fulfilled their program 100% for cattle grazing and animal grazing.

Commissioner Pascual Sablan – Would you agree with me then that all of this language here is not coinciding with what you're putting down here?

Willy Flores – I'll explain that if you may sir.

Commissioner Pascual Sablan – Please because that's where I'm confused.

Willy Flores - If you look at the title that you're reading at as far as the 25 cattle that's the 10 year vision of the future for the farm right and then but it says here that the highest priority long term goal is to increase beef production by 20%. So I guess we should say the minimum would be 20% and the numbers that Mr. Quan gave me are the 25. This analysis on this page which says our highest priority long term goals was looking at the results of the work that they have done with NRCS. And because the property is so big NRCS as with many of your farm properties is concerned with the introduction of phosphates and nitrates into the ground water. So we went back and took a look at the filtering capability of the coral above the ground water lens and we figured that if we go with the 20% beef production then they're very safely within the amount on the existing footprint the amount of cattle that can be sustained per acre or on their total acreage. However if they are allowed to expand then they would like to expand with their breeder bulls and I think 3 is that what it said 3; I know that you were looking at 1 breeder bull and 3. So I guess it's a little confusing but one is the long term goal and one is the highest priority if they had to pick what would their priority be so that would be the difference.

Commissioner Pascual Sablan – Okay again another thing is looking at all these plans how many coconut are you planning of planting here? In one page its showing 2,400 some the other page it's 1,250.

Willy Flores – Again the 2,420 is what would be possible if they're allowed the lease. If they're not allowed the lease then their minimum goal would be 1,250.

Commissioner Pascual Sablan – But where are you going to plant it if we do not allow them the lease?

Willy Flores – They would have to replace like the 7 and 10 year maturing coconuts with just the 3 year. That would have to happen because the space that they have right now would not allow that number unless it's the smaller coconuts.

Commissioner Pascual Sablan – This 13 acres that Mr. Quan has and the 20 is this a private or Chamorro Land Trust?

Felix Quan – The 20 is Chamorro Land Trust the 13 is Land Management.

Commissioner Pascual Sablan – Isn't the arrendo all transferred to Chamorro Land Trust? Now on this last page here again, you have that copy? If you look at this I think this is a proposed 20 acres for coconut grove then on this side it says proposed 20 acres expansion for additional livestock, so which is which?

Willy Flores – That's a typo, we'll take responsibility for that. As I mentioned during the introduction Mr. Sablan as I mentioned during the introduction they initially looked at this as primarily livestock capacity so that's a typo. The title there is not correct because we were able to combine both activities.

Commissioner Pascual Sablan – And this by acreage when it comes to cattle where do you get this basis?

Felix Quan – Well NRCS because of their studies have determined that there's a certain number of heads per acre of land that should be sustained for a cattle. In the south it could be different because of the growth the way you know what do you call it the soil and all that. In the north we have a little bit more of a task you know as far as; that's where (inaudible) and NRCS comes in to help us to rejuvenate and build our soil for our pasture grazing. So this was determined like I said NRCS's study as far as head per cattle per acre.

Willy Flores – And it's based primarily on my looking at their document it's based primarily on nitrate loading and phosphate loading from the manure and the trampling you know the dead grasses and the dead vegetation as it decomposes.

Commissioner Pascual Sablan – I'm kind of really confused you know trying to like (inaudible) and when the figures are not jiving I said oh, boy either I need another pair of glasses or which I believe; oh and here's on one page again on the top it says horses and then on the bottom current goat acreage in use. Is this a typo also?

Felix Quan – No those are currently some of the other animals that we are raising on this site.

Commissioner Pascual Sablan – No but it says horses and it says average with male 1,200 lbs and then the summary on the bottom it says current goat acreage in use.

Willy Flores – Yes that's correct that is a typo because that last category should be current horse acreage in use.

Vice-Chairman David Matanane – Anything else Mr. Sablan?

Commissioner Pascual Sablan – I think I rest my case. Thank you Mr. Chairman.

Vice-Chairman David Matanane – Mr. Director the proposed farm expansion is the one that he's requesting for?

Director Michael Borja – Well yes that's the one that they have proposed to ask for.

Vice-Chairman David Matanane – I just wanted to make sure that no other person has been leased out on this particular piece of property.

Director Michael Borja – No what we did in action was we had given this farm group I think their request was for 10 acres we told them 5 and then you show us what you can do and if you needed 10 you have the option for another 5. And that's what we did and so I think it takes up that whole corner right here. I think they're farming right on this part is what we gave them and the access is up back here to this road over here on the side but I think we reserved this whole top section for them.

Vice-Chairman David Matanane – So only 5.

Director Michael Borja – They only have 5. Am I correct? Are you on 5 acres right now?

Joseph Cruz (L.K.C. Farmers Corporation) – Currently we're utilizing 5.

Vice-Chairman David Matanane – It doesn't go beyond Mr. Cruz's because I was going to call him up and ask him if this is the right place.

Director Michael Borja – He's adjacent to the existing property right that's where he's farming. They're not encroaching. They surveyed it all out but the issue is the Quans are asking for if they can still take the other part of if or somewhere else.

Vice-Chairman David Matanane – But the area is vacant by this.

Director Michael Borja – This other area is vacant over here.

Vice-Chairman David Matanane – In that particular area.

Director Michael Borja – In that particular area yeah. If you take away the 10 acres because it was 5 with the option of 5 and then the remainder would be available.

Vice-Chairman David Matanane – So we go into the portions of 5, 5 right?

Director Michael Borja – Yeah.

Vice-Chairman David Matanane – Okay.

Director Michael Borja – But my question here is on the leases I guess I need to get an idea here especially from legal is for grazing not more than 20 acres and even on agricultural not more than 20 acres for commercial. So I don't know of how much; did they met their max on regular CLTC appropriated lands or if they're looking to you know now if they're asking for it on a commercial side of the house that would be a different story for the leasing.

Vice-Chairman David Matanane – Well look into that if we can't have I supposed we can residential, agricultural and commercial those are three different items that is given in Chamorro Land Trust right?

Director Michael Borja – Right.

Vice-Chairman David Matanane – I don't want any stickler later on you know and if we're going to that proposal of 5 we're just making sure that nobody is encroaching to that particular area.

Director Michael Borja – Well what I'd like to be able to do if the Board concurs is that farm that we had obligated 5 acres to with an option of the adjacent 5 would that be still stay honored and then the idea is whatever else is left over here I don't know exactly how much property this is off hand that could be probably then set aside for either the grazing or the coconut farming.

Vice-Chairman David Matanane – So their entire plan is 20 on grazing, 20 on agriculture that would in total and no more 40 right? If they went to the max like you said 5 Mr. Flores or Mr. Quan that 5 would bring you up to (didn't finish).

Director Michael Borja – No, no, there's nothing on 5 here. The 5 I'm talking about is an existing farm that we had already assigned as agricultural commercial lease on with the option for 5 more once they prove to us that they're farming plan was put into effect because they had a farming plan for 10 but we told them to start at 5. That's what we have been doing in the past with anyone else coming in for large tracts of land we said show us what you can do on 5 and then we'll consider the additional.

Vice-Chairman David Matanane – But right now he has 33 right?

Director Michael Borja – Right now he has (interrupted).

Vice-Chairman David Matanane – How many, how many acres does he have?

Commissioner Pascual Sablan – I think the issue here Mr. Chairman he mentioned something that on the law there's a maximum.

Director Michael Borja – Yeah there's a maximum so I'm not sure exactly if we have reached the maximum on what you may have on the CLTC lease. But if he goes commercial on it then it's a different story.

Vice-Chairman David Matanane – Well he has agricultural right now right and he's asking for grazing right? So if the two is 20 and another one is 20 that's 40. So right now how much land is he occupying on Chamorro Land Trust?

Felix Quan – 20.

Vice-Chairman David Matanane – So you still got another 20 right?

Felix Quan – We got 20 on Chamorro Land Trust.

Vice-Chairman David Matanane – And then we come right back and say okay but 5 for now.

Director Michael Borja – No, no we're not saying 5, no, no I'm not saying. My 5 have nothing to do with the Quans it has everything to do with the other farming group that we had that we've obligated 5 acres with an option for 5 more right adjacent to it. So if in the case we subtract 10 acres from this blue outlined lot and the remainder can be leased out to them that's what we would look at doing.

Vice-Chairman David Matanane – Understood. Now I understand but would it encroach that other person?

Director Michael Borja – No, no it's not going to encroach them. But you know I don't know if you want at this time Mr. Cruz can come forward and talk about the farm.

Commissioner Pascual Sablan – So he has 20 and if we give him another 20 that already exceeds you know.

Vice-Chairman David Matanane – But he's saying it's not.

Director Michael Borja – No, I'm not saying it's not I was bringing that up I need to determine whether (interrupted).

Commissioner Pascual Sablan – We have to look into it.

Vice-Chairman David Matanane – Yeah okay but the thing is that if it's 20 and 20 that's 40 right and right now I want to know of how much land are you guys been occupying?

Director Michael Borja – So they have 20 acres on CLTC.

Vice-Chairman David Matanane – Do they have 20 on the agricultural and then another 20 for grazing?

Director Michael Borja – No, no they don't have.

Vice-Chairman David Matanane – They don't have any only 20

Director Michael Borja – They only have 20 acres.

Vice-Chairman David Matanane – But they are applying for grazing right? You're applying for grazing Mr. Quan?

Felix Quan – Right now we have 20 acres on grazing. We're going to expand it to 20 acres on agriculture.

Director Michael Borja – Agriculture and he's going to do a farm.

Felix Quan – We would max out.

Vice-Chairman David Matanane – Max it out yeah.

Commissioner Amanda Santos – So you're going to grant him?

Vice-Chairman David Matanane – Oh no, no, not yet I just want to make sure that I understand where they're coming from. We don't want to exceed that or encroach into anybody else that's why we have Mr. Cruz. Mr. Cruz you can state your; can you see the map there on where you are at?

Joseph Cruz (L.K.C. Farmers Corporation) – Good Afternoon, like I said earlier I'm Joseph B. Cruz, Jr. I'm the Treasurer and one of the owners of the L.K.C. Farmers Corporation. Initially our commercial request was for 30 acres which we went through the Board and we did the process and all that great stuff. Yes we were approved but we were approved by increments, increments of 5 that's to our understanding. When we conducted our survey for our initial 5 there was a balance of I believe like 30 some acres but right now our map is going through clearance. It has already cleared the Planning Division here but we hit an obstacle because there's several water well stations and GWA requires a certain amount of radius not for any activity to happen or to occur. So right now our map is going to be taken by our surveyor to GWA to get the square footage or whatever radius that is and then we'll actually know what the amount is left over. I believe that our request for 30 acres would not be fulfilled because of the requirements by GWA.

Vice-Chairman David Matanane – But right now how much land have been approved to you guys.

Joseph Cruz (L.K.C. Farmers Corporation) – 5 with the understanding that it will be approved by increments of 5.

Vice-Chairman David Matanane – If you have reached the 10 could it be possible to get another piece somewhere else? Does it have to be in that same area?

Joseph Cruz (L.K.C. Farmers Corporation) – Our farm plan and everything was tailored to be within that area.

Director Michael Borja – This is the location right here on that water well this little inset right there, right here that's that water well that he was talking about which I didn't know that there would be restrictions in place by Waterworks.

Joseph Cruz (L.K.C. Farmers Corporation) – There's like 3 on the northern side of that property.

Director Michael Borja – Outside of this property?

Joseph Cruz (L.K.C. Farmers Corporation) – No within right across Ironwood. After the former staging site for Ironwood there's 3 as you go around the property, on the property.

Director Michael Borja – So that would probably be a restriction not only on agricultural but on anything else.

Joseph Cruz (L.K.C. Farmers Corporation) – Yes not to have any activities within that certain amount of radius.

Director Michael Borja – A clear zone so not even for grazing probably.

Joseph Cruz (L.K.C. Farmers Corporation) – I'm not too sure but I would believe so because the water well and the calculations.

Vice-Chairman David Matanane – So in essence right now none of that piece of property has been leased out except for him.

Director Michael Borja – Right. So if I may add Commissioners I guess based on the understanding now about these water well areas and whatever restrictions that we may discover from Guam Waterworks on them that would put some kind of restrictions even on the use of this land as it stands.

Joseph Cruz (L.K.C. Farmers Corporation) – Currently we have water running and all that great stuff. We made all the improvements we went through all the permitting process. We got clearance from EPA, DPW all those agencies. So our only obstacle like I said earlier was that we don't farm or do any activity within that radius required by GWA but anything outside of that would be okay.

Director Michael Borja – May I recommend then that I continue to work with the Quans. I'll determine whatever the (interrupted).

Vice-Chairman David Matanane – Yes and also with Mr. Cruz so we can get into an agreement knowingly that you cannot get that 20 there right now because somebody is already occupying it.

Director Michael Borja – But we can find some other kind of properties.

Vice-Chairman David Matanane – I would suggest that Mr. Borja work with them then everything is cleared up we can then do something about it alright. Mr. Flores, Mr. Quan and Mr. Cruz please get together with Mr. Borja and when it is down pack then we can do it the right way. But just remember in that planning that your proposal cannot be done because already there's a portion that is currently being leased.

Director Michael Borja – So they're looking for some other land elsewhere and you are fine that it is not adjacent. Is that correct?

Willy Flores – Yeah that would be the back-up option okay.

Vice-Chairman David Matanane – Gentlemen please work out with Mr. Borja.

Commissioner Pascual Sablan – Just in case for example you want to go beyond what's authorized by law in grazing are you willing to accept commercial leasing?

Felix Quan – No we I think that's what he was going to (interrupted).

Willy Flores – Yeah that's what we said that if that's not a commercial lease would be acceptable.

Vice-Chairman David Matanane – Okay gentlemen thank you very much.

Willy Flores – Thank you folks have a great weekend. Mr. Chair may I just make an announcement it has nothing do with this. The Manengon Memorial Foundation this Sunday we're having a memorial run. The runners will meet at the Ylig Bridge and all the survivors I know that Auntie Amanda here and Tun Anghet the survivors will be trolleyed in. They'll be accompanied in by the folks marching to escort them in and then we'll have a ceremony and a mass in Manengon. So please remember Hasso Manengon and the rest of the other camps. Thank you for your time.

(Break 2:25pm – 2:38pm)

4. Peter John Benavente – Beneficiary designation of Raymond Cruz Benavente
Director Michael Borja – What we have here is an issue in which the beneficiary of a lease we have question about. We have some what we believe might be some conflicting documents but we'll give you a recommendation in the end. The lessee was an individual named Raymond Cruz Benavente and he had since passed away. What he had listed on one of his documents was his beneficiary to be Peter John Benavente who is the individual sitting before us. That was what was signed on the document that's called the applicant request form. There's another document in the very end and that's just the residential interview report and this is really simply a working document within the Land Management of what activities occurred when a person walks in and on the very bottom where it shows beneficiary designation it shows that there's some couple of names that's scratched out. One of them is Jackie Benavente and Raymond Benavente, they're scratched out and then again Jackie Benavente named in. There were just like working documents from a land agent at the time. Now the question has come because the lessee has passed away who is the true beneficiary of the property and Peter John Benvente would like to say that he is the beneficiary. Jackie Benavente at one point is the older I believe half-sister that resides off-island and she had assumed that she might have been the beneficiary and was going to rename and had that changed to another sibling who also resides off-island. When we informed Jackie Benavente of the proceedings today that we were going to be discussing the issue to determine who would be the beneficiary to this matter she said that she would not be contesting anything on it at all. She wouldn't be bringing it up she wasn't going to submit any documentation she was going to let it go. So Peter John Benavente and

Rachelle Benavente who is his sister came to meet with me a few weeks ago on this matter to try and get this thing resolved once and for all. I told them that the issue really needs to be resolved by the Board to determine whether or not Peter John Benavente is the beneficiary. What you have before you also is just a summary of what's been going on from Margarita Borja who is the Land Administrator for the Department of Land Management and who is kind of working with this issue and she just gives you a synopsis of what's going on as well. My recommendation to the Board is that the document that is signed called the applicant request form for the Chamorro Land Trust Commission is the one in which a beneficiary was named and was signed at the time by the Administrative Director of Chamorro Land Trust Joseph Borja. A lot of Borjas involved in this. I would recommend that that be the document that we would rely on to document who the true beneficiary was intended to be by the lessee the late Raymond Cruz Benavente. So I leave it before you and we have the individuals present before you, you can ask questions or they can fill in the gap.

Commissioner Amanda Santos – Is Peter John the next of; he's the son?

Vice-Chairman David Matanane – The son.

Commissioner Amanda Santos – But his name was written down for beneficiary.

Director Michael Borja – And that was the one that was actually signed by Raymond Benavente that document that's called the applicant request form where he entered the name of the beneficiary and then applicant's signature is also there even though that document was dated December 15, 1997. About six months later in a document that's dated May 26, 1998 which was really only a working form for the land agent and had nothing to do with anything else it's really not I don't believe a document that authorizes anything at all. It's just a working document that's in the file.

Commissioner Pascual Sablan – Don't the Chamorro Land Trust have another form that would show who is the beneficiary?

Director Michael Borja – Nowadays we would but this was done back in 1997 right at the onset of the whole thing. What year did your father pass away?

Rachelle Benavente – He passed away March 17, 2012.

Director Michael Borja – 2012 and there's really not been any other activity to the file since that period of time. The only time that it became back active again was the notification that the individual had passed away so that we can activate the beneficiary and that's when the questions arose after reviewing the file.

Rachelle Benavente – When he originally passed we had already known that Peter was the original beneficiary. So my mother and he came down to see what were the necessary precautions to go about that in getting the name transferred and everything settled. So at that point everything was fine it was in his name everything seemed cleared cut and ready

to go. But they, my mother and brother were informed that they had to wait because at the he was only a minor so he had to wait to be of age to get the land transferred into his name. So they had waited, he started working saving up to start building as he was told to do but when he came back the second time again it was told that everything was fine he would be okay. But three months after that secondary meeting he was then told that some new document had came to be which is the document that he had mentioned earlier where there were several different beneficiaries named in which he believed was not actually a working document it was just a transfer. Then that's when all the confusion started coming up whether it'll be Peter who will be the beneficiary or Jacqueline. So that's just where we're getting real lost.

Director Michael Borja – I think also what these folks had mentioned to me too was the name Jackie which was written down was really never a name that's ever been used in the family to refer to the half-sister. She's always been known as Jacqueline.

Rachelle Benavente – Jacqueline or Jac. Jackie and Jac both of the two are simply not her legal name and our father he always referred to her as Jac. It was either Jac or Jacqueline never Jackie which is odd but it was how he did things.

Vice-Chairman David Matanane – My comment is that I have no problems with Peter John Benavente as approved by Mr. Borja back in 1998. But to be extra cautious we would like to have Jackie maybe a small note saying she's not really interested, she's not going to you know so that there won't be any problems coming up in the future. To me he's, Peter John, according to I believe they have researched this already and this working document that they have its scratched, they're not sure. So I'm pretty sure Mr. Borja back then would have already checked it out and he's the person that's pursuing this piece of property. We're not going to be just waiting for whenever. So that's my take on it. I'm just making my comments, my opinion but it's up to the Commission.

Commissioner Amanda Santos – Where is the lease located at? Dededo?

Vice-Chairman David Matanane – I believe so. Is that up in Dededo the property?

Rachelle Benavente – Yes it is.

Vice-Chairman David Matanane – And a lease was signed already right? The lease for your dad Raymond C. Benavente. There is lease already for that too.

Rachelle Benavente – Yes. The original lease states Peter as beneficiary but the document that you had just mentioned where there were several different people named scratched out with that being said I'd like to add if my father had truly wanted to change the beneficiary wouldn't he be certain about who he'd wanted it to go to if he wanted to change it. I mean to sit there and to constantly change your mind and there's nothing here is his handwriting at all to sit there and to change your mind again and again doesn't seem right. I mean if somebody wanted to change something a legal document they would know exactly who they wanted it to go to.

Vice-Chairman David Matanane – You're right on that.

Commissioner Pascual Sablan – Isn't this a CLTC worksheet?

Director Michael Borja – It's just a worksheet it's not a document which anyone signed. Except this one here the applicant request form is the one that has the signatures of the applicant and the Administrative Director with the individual's name written on there. The other one is just a worksheet when someone walks in it's an interview. They are talking to the individual asking them in details on what his (inaudible). Mr. Camacho, Margarita had mentioned to me the other day that she had an email from Jacqueline Benavente. Did she make a copy of that email?

Deputy Director David Camacho – I did ask her to make a copy but she didn't. I even email them and text them to provide me one.

Director Michael Borja – But we do have an email that we received from the sister Jacqueline Benavente informing her of this meeting if she had anything.

Rachelle Benavente – I believe I have a copy of the email right here. That's just one of the emails I have from her.

Vice-Chairman David Matanane – Any indication that she's interested? We're not trying to bar her from anything.

Rachelle Benavente – She's trying to designate the land originally (interrupted).

Director Michael Borja – No this is not the email. The email was a correspondence between the Land Administrator Margarita Borja and Jacqueline Benavente informing her of this meeting and asked her if she had any inputs to the meeting and she said she did not have any and she was not go make any and that she was going to just await whatever decision the Commissioners came up with.

Deputy Director David Camacho – What the email entails is that if Peter was given the beneficiary through the Board she's not going to contest that.

Vice-Chairman David Matanane – Okay but we need something like that so we won't have anything further (interrupted).

Rachelle Benavente – Any further conflictions.

Vice-Chairman David Matanane – Yes, like I said I have no problems having Peter and since he's pursuing it you know.

Commissioner Pascual Sablan – Can we be privileged to have a copy of that?

Director Michael Borja – But that's not the email. That's not the email we're talking about.

Commissioner Pascual Sablan – No, no, I know but communication between her and your other sister right?

Rachelle Benavente – Between my half-brother, my sister and my mother as well as one of the CLTC workers.

Commissioner Pascual Sablan – Can we have the privilege to have (interrupted).

Rachelle Benavente – As soon as I get the copies I will bring them over to you.

Commissioner Pascual Sablan – Okay. Mr. Chairman I think this is where we do need her legal counsel. Why don't we do that research, prepare a write up to the Commission and then we'll take it from there? I'm scared on this one. I vividly remember there's an experience up before Anderson main gate that an individual bought a land then he made a spot zone and all residential then when he found out that there's no sewer after he sold so many lots he came to us and asking us to rezone it back to agriculture. So he came and subsequently subdivide and we're not immune from suits so what he did he went back and made all those people that bought land sign an agreement.

Vice-Chairman David Matanane – I see your part Mr. Sablan.

Commissioner Pascual Sablan – I'm not trying to make things difficult here.

Vice-Chairman David Matanane – We can table this and we have the Director and Legal Counsel to take a look at that and if there is any case that she's not really interested then that would be to given the go ahead to go ahead and give it to Peter.

Legal Counsel Kristan Finney – Of course if you have a question you can submit that but just from what I've heard here what's been presented to you I don't see any reason why you couldn't make a motion to recognize Peter as the beneficiary. But if you feel like you need further guidance of course you can submit that. I'm just saying that from what's here I don't see why you guys couldn't make a decision if you were ready to.

Vice-Chairman David Matanane – That's why I mentioned that we're not trying to bar Jackie for applying for a piece of land on her own. She's qualified she can do that but you know we're not going to try and delay Mr. Benavente here so he can get things rolling. So anyway thank you for the comment Legal Counsel and it's up to the Commissioners now if you want us to table it we will table it.

Director Michael Borja – Can I ask that you make a motion that we can approve this pending a copy of this email from Jacqueline Benavente saying she wasn't going to contest? I'm sorry that we don't have it here today, she's been on leave all week just popping in as needed but she was supposed to make a copy of this prior to the meeting so we can have that.

Rachelle Benavente – This email where she's not showing interest in pursuing the property you guys currently have that email?

Director Michael Borja – Yes it was a correspondence between Land Management and her specifically.

Rachelle Benavente – Okay.

Vice-Chairman David Matanane – And if it did indicate that she's not really interested then we should be (inaudible). But it's up to the Commissioners now to make a motion or pending that.

Director Michael Borja – You can move that I act pending that information and once I have that then I can move forward with it. If I find that it's still maybe not correct I cannot conclude it until I discuss it once again with you. But really the only like I said the only document Mr. Sablan that we have that's true official that's signed by the deceased and by the Administrative Director is that applicant request form that talks specifically about the beneficiary.

Commissioner Pascual Sablan – Which is Peter right?

Director Michael Borja – Right Peter John Benavente.

Commissioner Pascual Sablan – So I'm sorry, everything is in here right?

Director Michael Borja – Yes and this other document is just a worksheet.

Commissioner Pascual Sablan – Yeah the other document okay.

Director Michael Borja – Which has no signatures, nothing formal changing.

Commissioner Pascual Sablan – So everything is here.

Director Michael Borja – So if you guys agree with that then we can move and we can proceed with identifying the individual listed to be the true beneficiary of the property and I'll still get as a matter of record for this file that email from that individual just to off-set this and make sure it's complete.

Commissioner Amanda Santos – I move that Peter John Benavente will be the beneficiary as stated by on the record.

Commissioner Pascual Sablan – I second.

Vice-Chairman David Matanane – Unanimous.

Director Michael Borja – And just to clarify the motion then its Peter John Benavente is the beneficiary for Raymond Cruz Benavente. Thank you. Okay congratulation folks so you would need to just come on back in sometime next week and make an arrangement and we can get all the (interrupted).

Vice-Chairman David Matanane – And probably you can request a copy of that email from Mr. Borja so you can have it on your file.

Rachelle Benavente – Yes. Thank you, thank you for time.

Director Michael Borja – You're welcomed.

5. Guam Racing Federation – Waiving of escalation amount

Director Michael Borja – On this one as I mentioned the Guam Racing Federation has a Chamorro Land Trust property lease and adjacent to their property is a pending project which we will be engaging in with a company that's doing mineral extraction in preparation for a subdivision development. The route of traffic for all these heavy trucks the best route for it is the through the raceway track area so that it doesn't go through any housing. Now if they had to use the housing road it's clear and free for them to use that as well. The Guam Raceway folks are saying if they transit through us I mean he's in the business of trying to raise money to build his racetrack he wanted some money for that. I said no I'm not going to sit there and count trucks and tell you how much we got to pay you. Why don't we just look at your lease and his lease goes in incremental phase by year and I think we're currently at the; this lease that we're looking at is 1998 and so we're 16 years into it. So we're coming up on the last 4 years where it goes from $3,630 to $4,000. My suggestion to him and he concurred was that in lieu of paying for truck price on gravel that we're going to make some significant money out of we just waive the increase from $3,630 to $4,000 and just keep it at $3,630. I present it to the Commissioners for your approval on this and that's really the best way I think to work this out. What we have is on the compensation part. So it's up for discussion if you guys want to do this. I don't know how much he was going to charge per truck but this plan is quite lucrative that we're about ready to engage in and like I said this whole contract has not yet been finalized it's still in the works but just in preparation for the access for the vehicles.

Vice-Chairman David Matanane – Have you calculated it Mike and see how much of the amount would be renewed?

Director Michael Borja – Well it's going to be roughly under $4,800. This is a $370 per month so it would be under $4,800 a year.

Vice-Chairman David Matanane – As long as we still receive portions of that particular monthly rental.

Director Michael Borja – Oh yeah we're going to still be receiving quite a bit but should these trucks be rolling we're going to be receiving quite a bit from them too. I just don't want that to be a reason for any kind of changes in the (interrupted).

Vice-Chairman David Matanane – Have you spoken to Mr. Simpson?

Director Michael Borja – I did speak with Mr. Simpson and we have a verbal agreement to concur with this so if I present it to him with it in writing he'll concur with it.

Vice-Chairman David Matanane – Yeah we need it in writing.

Director Michael Borja – I need to then just get your concurrence on this before I present it to him.

Vice-Chairman David Matanane – Mr. Commissioner or Ms. Madam Commissioner what do you think?

Commissioner Pascual Sablan – Again Mike where are they going to be getting the (interrupted).

Director Michael Borja – Rocks?

Commissioner Pascual Sablan – Uh-huh.

Director Michael Borja – There's a property adjacent to the north.

Commissioner Pascual Sablan – But it's not part of the (interrupted).

Director Michel Borja – It's not part of the Guam Raceway no it's a totally separate piece of property and in the best way for them to travel through is through is the raceway. Here it is right here as you can see on this map. There is the line where the raceway, the light green is the raceway property and the property we're looking at is the one umm.

Paul Santos (DLM) – This is the Purestone.

Director Michael Borja – There's that tract of land that we're talking about it cuts through.

Commissioner Pascual Sablan – So but let's say for example after they remove all the stone and they're waiting to distribute out or build houses where's the access going to be?

Director Michael Borja – Oh the access for that is going to be up towards (interrupted).

Paul Santos (DLM) – Right here there's a couple of accesses through here and it's just not shown and not opened but they will go through here and this is the back road to Anderson.

Vice-Chairman David Matanane - On the raceway itself you will put it in writing and right after how many months would it take for them to be utilizing the raceway?

Director Michael Borja – Oh this is a 5 year contract so it would go past this 20 years but they're going to be coming forward the raceway is going to be coming forward asking for another agreement here next year.

Vice-Chairman David Matanane – Just next year for how long?

Director Michael Borja – Well he's got 4 more years so he's going to start in January he's going to begin to request for a renewal.

Vice-Chairman David Matanane – In the spur of the moment we would like to at least receive the agreement at least a year before.

Director Michael Borja – Oh yes I told him you know just wait until after this whole election process is done because what he's going to be asking for probably is since we're only limited to 5 years and in this case this was a 20 year and he'd like to have something longer than that. So there is a process to get it longer but it's through the legislative approval. So I just prefer to wait until after the election to get things rolling so that there's no filters set in place.

Vice-Chairman David Matanane – How much is it that they're doing a reduction on their monthly payments?

Director Michael Borja – It will be $370 less.

Commissioner Pascual Sablan - $370; $4,440 a year.

Vice-Chairman David Matanane - $370 a month?

Commissioner Pascual Sablan – Yes.

Director Michael Borja – So they'll be paying the $3,630 per month once this thing starts. Once it starts my idea is once it commence I'm not going to start; if nothing is going to commence for a year I'm not going to cut the rent until they're ready to start.

Vice-Chairman David Matanane – And Mr. Simpson kind of he got to agree.

Director Michael Borja – He agrees with that.

Vice-Chairman David Matanane – Let's put it in writing.

Director Michael Borja – It will be in writing.

Commissioner Pascual Sablan – Memorialize your (interrupted).

Director Michael Borja – Memorialize the contract, oh yeah we'll do that in the agreement that alters that adjusts this.

Vice-Chairman David Matanane – Your just giving us a heads up that it's coming and if you put it down, memorialize it put it in writing and then present it to us and we would like to see Mr. Simpson so he can maybe; if he doesn't really agrees with it.

Director Michael Borja – So you want to wait till next month to work on this?

Vice-Chairman David Matanane – I prefer that because we would like to speak with Mr. Simpson. Has he finished with the extraction of those coral too from that area?

Director Michael Borja – No I think they're still working on it.

Vice-Chairman David Matanane – We need to keep taps on how many truckloads are going in and out.

Director Michael Borja – Sure I'll let him know about that.

Vice-Chairman David Matanane – You know we can off-set it from there rather than extracting from the contract itself, right Mike?

Director Michael Borja – Right, well no, no, yeah we can do it either way.

Vice-Chairman David Matanane – Because you know when you have it recorded already a set amount and the one that he's paying us give us a chit slip and off-set it from there rather than going through the contract.

Director Michael Borja – That's a good idea okay.

Vice-Chairman David Matanane – Okay I'm just blowing my mind.

Director Michael Borja – No you got it right here. So let me talk to him about that. I'll have him come to the next meeting.

Vice-Chairman David Matanane – I think you got the jest of what I'm trying to say.

Director Michael Borja – Yeah I got it.

Vice-Chairman David Matanane – Alright okay then work on that please then maybe by next month we can see formally and then we can decide that.

Director Michael Borja – Yes we'll have him on the agenda for the next meeting.

Commissioner Pascual Sablan – I'd just like to instill this in the Commissions mind if you look at this under compensation okay it says 10% of the gross revenues per month. I'd like to have this kind of language instill in your mind that in the future if there's anything it will go into the gross revenue rather than the net revenue okay.

Director Michael Borja – Good idea. That's why this thing was done in 1998 so we got a new one coming up (interrupted).

Vice-Chairman David Matanane – You're right you're right after all expenses have been taking out they're going to take only 10? I know where you're coming from Mr. Sablan and that's a larger amount right.

Commissioner Pascual Sablan – Oh yeah.

Vice-Chairman David Matanane – We're done with that maybe the next meeting you will have the whole complete written out and let us know so we can (interrupted).

Director Michael Borja – We'll have on next month.

Vice-Chairman David Matanane – Alright thank you Mike, thank you Mr. Borja

Director Michael Borja – You're welcome.

6. Subdivision map requirement

Director Michael Borja – The whole process with a lot of things that are going on with Chamorro Land Trust is we've haphazardly subdivided properties in the past and now that we're really deep as part of Land Management that subdivision should be done in the correct way. So I have a couple of people here and I want you guys to meet them if you don't know them. We have Marvin Aguilar who is the Chief Planner and Paul Santos who is Chief Surveyor and their proposal for us here is they've presented a resolution that we would like to have you guys review and if you approve to push this on forward with the Land Use Commission so it can also go hand in hand that Land Management will be making subdivisions in compliance with what the law is. I have here also is the Guam Code Annotated concerning subdivision law and we just want to make sure that this is all done properly so that in the future we have all our subdivisions. We're going to have a lot more subdivisions or we can take ones that haven't been populated yet to be subdivided. And Kristan Finney is well underway in getting all our unregistered lands registered and once those are done then we can start working with them to subdivide it. Right now we can't do anything with them because they're not registered.

Marvin Aguilar (DLM) – First I would like to congratulate the new members of the Commission, congratulations and welcome aboard. My name is Marvin Aguilar from the Department of Land Management I'm the Guam Chief Planner and I have here with me the Chief Cadastre Mr. Paul Santos. A few months ago we were kind of brainstorming as to how we can work with the way the subdivision law is written and the challenges that the Chamorro Land Trust Commission is having the way the law is set. As you may know as well there were two additions to the law which was Public Law 28-126 and most recently Public Law 31-178 which was passed particularly for Chamorro Land Trust lands or subdivision maps. These laws which I kind of left out of that resolution these laws they in themselves presented challenges notwithstanding the challenges that were placed before the Commission under the general subdivision law program that's provided in here. The

practice back then was if you want to chunk out a piece of land anywhere you'd have to go through the Guam Land Use Commission. What you have is a little quick cheat sheet, it has three points and basically we are attempting to impress upon the authority of the Guam Land Use Commission through these basic points in the law itself which basically says that the Guam Land Use Commission has full authority over the subdivision of lands. Number two, they do refer to the Commission in the subdivision law as the Guam Land Use Commission. Number three, they under their authority they can come up with their rules and regs. Now what appears to convolute that general intent is the fact that the subdivision law has attached to it actual procedures, rules and regulations on how to go about subdividing lands and we kind of seem to have fallen into that. So the think tank basically looked at this process from an out of the box perspective. If they do have the authority then they should have the authority to apply it not necessarily strictly to this but create other rules and regs for special organizations and special Government agencies and of course that which stands out is the Chamorro Land Trust Commission. With that being said the merging of CLTC and Ancestral Lands into DLM was to achieve one thing and one thing only and it was to exploit the expertise of the department to assist them in moving forward with the appropriate administrative processies involving the transfer of lands or what's that subdivision of lands, assisting with the lease programs and what not under the assistance of both Planning, Records and of course Survey Division. So making a long story short we're proposing to create several large scale and medium scale subdivision throughout all CLTC assets. Inclusive of those that have in the words of the Administrative Director have been haphazardly been developed and it is our intent to try to make sense of these splotches of subdivisions to fulfill the overall intent of orderly development throughout these properties. Making more assets available for benefactors because as we know as we go through the years you're going to have more and more applicants come in so we really want to start being conservative about our lands and how we can distribute them appropriately. So the train of thought here is if the Chamorro Land Trust Commission wishes to follow in this trend, follow in this direction the next step would be to take the intent of the CLTC and bring it before the Guam Land Use Commission and say this is what CLTC wants to do and because of GLUC's authority if they can give us the blessing to proceed. Now what that would do is it would allow in my mind and I've shared this with the other folks of this plan was it would allow us to achieve a recordable map that would have various lots in there and what that would do is trigger several events or allow several events to move forward and one of them is taxation actually putting a name or a lessee to a lot so that Rev and Tax can start taxing; orderly growth of course. And hopefully when all the lands are registers more lands for more benefactors.

Paul Santos (DLM) – And the ability to actually lease it out.

Marvin Aguilar (DLM) – And the ability to lease and actually to make sense of names, lessees to a particular lot and that's very, very important in the many different mandates that the Department has as well as CLTC.

Paul Santos (DLM) – This is the island of Guam and I just wanted to show you a section that I was working on to kind of subdivide it. If you look at this section here I think you'd appreciate the difficulty of trying to divide this in an orderly and efficient manner. The normal

process is you lease out say in this area a half an acre now because of the way the structures were built obviously there's no orderly process here and you've got some people here that would probably require a half an acre and maybe somebody up here and somebody up here and all that and so the task that we're doing right now is to try and make some order of this so that DRT can turn around to assess values to these parcels. I started on this a couple of weeks back but it came to a head because of this urgent project that we're working with Department of Revenue and Taxation. So just to show you the work that we're presently working on this is the same parcel that you saw earlier it's now on a what is called a tif background. This was prepared by the contractor for DRT, Revenue and Taxation, this is Next Generation and what they're doing is they took all these pictures, satellite imagery and then they started pin pointing through another software the locations of structures and things like those.

Vice-Chairman David Matanane – What are those black patches?

Paul Santos (DLM) – Those are buildings and what we're doing right now is identifying with the land agents on what kind of buildings are those. Are those actual structures, are they pig pens, are they canopies? We have to work on all these, these are all owned by Chamorro Land Trust but just on this section alone you see all these buildings here this is the subdivision that I came up with not knowing what kind of buildings these are. Now I came up with this subdivision and these are all half acre parcels you see the order and pattern this is not quite done yet it's a work in process but notice that as I come down here now look at what's going on here where we've got property lines that are straddling buildings there and here and this probably does not meet the set-back requirement and up here and so on. And then you've got an existing road that's you know leading to I don't where and then you got all these clusters of buildings here. So what has to happen here is I probably depending on whether these leases have been executed or not I would probably have to revise my design to accommodate these people. And this is the problem that we're going through you know because of the haphazard leases, haphazard development. We're not coming up with an efficient and effective subdivision. Look at this road coming in there's no real turn around for a fire truck or an ambulance. I think they have power so the power probably ends there but you know it doesn't make sense. There are no areas for a playground there are no areas for a park, etcetera, etcetera. This has been going on for a little while so what we would like to do under this resolution is control this. It's not necessarily going to be terminated completed but at least we have a better handle on it so that we can turn around and those surveyors that are coming in with their plans we can have a better handle of this. It's all part of trying to make the best with what we've got and hopefully you will see it that way.

Vice-Chairman David Matanane – Zoning factor comes in to play there?

Paul Santos (DLM) – Oh yes sir definitely.

Marvin Aguilar (DLM) – All the elements of concern with these properties does involve Division of Records, it involves Division of Survey of course and Division of Land Planning and it's all again like a work in progress. Although this may be the desirable design putting

nice little squares with nice roads we have to be very cognizant and very, very sensitive to what is occurring out there that may have existed for 20, 30 years we don't know so. The Chamorro Land Trust Commission actually went through this exercise already by relocating an individual in the name of subdividing a piece of property. And just to let you know if you can remember the timeline it took from point A to point B to get it rezoned and to get it subdivided that almost took a year so by forces beyond; outside our control.

Vice-Chairman David Matanane – You win some you lose some right.

Marvin Aguilar (DLM) – Yes sir. So we really want to approach it this way, we want to go up to the Land Use Commission and I provide the administrative service and of course Mr. Borja is the Executive Secretary and we really try to plant the seed on this idea to treat Chamorro Land Trust lands separately as Government lands that will never be sold. They will never be transferred in any other way other than leasing or by authority of the legislature. So we strongly believe that it requires a certain attention and that by virtue of the general fundamental requirements of the subdivision law that these considerations be given to the CLTC and allowing the Department itself to provide these master plans, have them recorded and start dishing out lots and fixing these of course these situations.

Vice-Chairman David Matanane – Would there be any obstacle other than the independent surveyors that goes out there to survey?

Paul Santos (DLM) – Well if we come up with a master plan we will control it.

Vice-Chairman David Matanane – They would have to adhere to that.

Paul Santos (DLM) – Yes. We will control that master plan and we'll make sure that that survey that comes in would conform to that master plan or at least reasonably close to it. You know there's always going to be changes but it'll be close to that.

Marvin Aguilar (DLM) – Clearly it wouldn't be for a lack of a better term the coconut to coconut survey anymore.

Director Michael Borja – What's going on too is Chamorro Land Trust properties we're looking to as I mentioned earlier to survey them ourselves. In order before we start to do that there should be some plan. So if there's a plan like this laid out in a subdivision that's appropriate and as they mentioned has all the correct things subdivisions need, playing parks, correct sized roads all that then we can go out there and get the survey done. And it's done appropriately and it's not just done on a piece of paper here that says you're going to have a portion of this go figure out which one you want. So that's what we're trying to get at as we begin this process because we're going to get a lot of lands surveyed so we can issue a lot of lands out. And that's the problem we have discovered is that nothing is getting leased because nothing has been surveyed. If we leave it up to the people to survey they're not getting it done. So we're going try and get them surveyed for them and then we can issue out the leases.

Vice-Chairman David Matanane – And we have the exact record.

Director Michael Borja – Exactly. And that way if we do you know for example I think the idea is to contract out those surveying services and we can give it to the surveyors and say here is the plan that we want this is what you survey.

Commissioner Pascual Sablan – So the minimum lot here is half acre right?

Marvin Aguilar (DLM) – In Dededo without sewer yes sir or rather in up northern.

Commissioner Pascual Sablan – I've seen some map up in Ysengsong it says residential; how could it be residential when there's no infrastructure there? If I'm the recipient of that residential Chamorro Land Trust they won't issue me a license to build my house because there's no infrastructure and in order to build a septic tank it has to be agriculture. Isn't it, am I right?

Marvin Aguilar (DLM) – Well you know you've got different elements that play into what should be out there. Let me talk about the zoning itself, if the property is zoned R1 Residential it may not necessarily mean or rather if a property is zoned agriculture it may not necessarily mean it's only for agriculture use it also includes residential uses.

Commissioner Pascual Sablan – How about the size of the lot?

Marvin Aguilar (DLM) – And then the size of the lot comes in where the agriculture lots cannot go less than 10,000 square feet but it must have public sewer to it and if it don't have public sewer then the lot can only be half acre.

Commissioner Pascual Sablan – That's exactly why I (interrupted).

Director Michael Borja – And that's where we're trying to get at as well it's not only we want to survey but hopefully if we're able to include this contract we'll have money so we can take what we've already subdivided out we already have some areas that have a full subdivision in we just don't have the infrastructure. If we can put the infrastructure in which includes sewer then the lots sizes can be made smaller so we can fit more homes inside there and I think that's the way we've already planned it. We're already planning it so it has all these stuff so we can see already the sizes of the lots and we can get down to a quarter acre. In many places like up in the north you've got to have sewer now. The sewer requirement is very, very strong because of the aquifer so that's what we're trying to do is to make sure that the sewers are included with the well what we want to do is not only when we issue out a lease they're going to have a full infrastructure all set up already.

Marvin Aguilar (DLM) – Again we're going through that exercise up in Yigo under Tract 10123 and that had gone through the regular process and that was a task. A considerably lengthy timeline to get it from cradle to grave so we're hoping we could take this approach and really narrow down the timelines and meet up to the timeline expectations of CLTC.

Commissioner Pascual Sablan – I'd just like to commend them I think it's the right direction. I cannot really (inaudible) comprehension people coming before us asking for 20 acres for grazing and all these things and here we are I mean we have 8,000 people waiting for land. So let's do something and I think this is one way of expediting it you know. Right, the right direction.

Marvin Aguilar (DLM) – In your resolution what I did is I think I narrowed it down to 2 pages it originally came out like almost 6 pages and I just thought it was a little ridiculous but what it does is it reiterates and I don't know if Ms. Finney you have a copy of it.

Commissioner Pascual Sablan – Can we take this and digest it?

Director Michael Borja – Sure, sure but the whole idea is so that we can get this subdivision concept to the Guam Land Use Commission so that the whole process of getting a subdivision zoned is made quicker. Because we've already done everything that's required of the subdivision and we're not having to go through the ultra lengthy process to get it approved and that the Land Use Commission you know understands this need as well and they're going to work with us and do the same thing.

Commissioner Pascual Sablan – Thank you gentlemen I really appreciate this.

Director Michael Borja – So if you want then go ahead and take a look at this we can bring it up on the Board. We don't need immediate action on this today but it's important to know that we're working towards getting these subdivisions done the proper way but we're trying to get it expeditiously too so that when we create these kinds of things that it just flows right into getting approved through the Land Use Commission and it's done according to their standards already. We've already made a commitment that it's going to be done to the standards required and then it can be quickly approved. What we want to try and do is to get these even though we may not be able to issue anything out on them we need to get them on paper so that we know exactly what we've got and then the next phase after that is to you know if we have the monies to do infrastructure development to some of these places. Because we're looking too as we get more and more lands come available from the registration process and that's still way down the line there's at least a year to do that but in the process we can get these things done and get approved and then once the registration is done we can get them all set up so they can be easily titled once we issue leases.

Commissioner Pascual Sablan – I commend them you for all their effort and of course through your leadership but you want us to take action on this now?

Director Michael Borja – No, no, no take a look we'll put it back on the agenda next month but what it is is just so that we could present as a body to the Land Use Commission that we want their assistance to go forward with this process so that we can make things more expeditious when we get things; it would have to go through them.

Vice-Chairman David Matanane – Anything else Marvin, Mr. Santos?

Marvin Aguilar (DLM) – That's all thank you sir for this time.

Director Michael Borja – Thank you guys I appreciate your service.

VIII. DIRECTOR'S REPORT

1. Revenue collection report for the months of May and June 2014

Director Michael Borja – You guys have a listing of the financials in the back. The two issues that were of serious concern were the ones that we discussed earlier and that had to do with the Golf Course and GRRP. As they come up I'll let you know when there are other issues. Like I mentioned before we eliminated from the AR (accounts receivable) listing was the misinterpretation that GPA owed us money and unfortunately it was a misinterpretation. I wish it was a correct interpretation but it's not. I looked at that thing several times to figure out what the heck it was talking about.

Vice-Chairman David Matanane – And that thing came from the legislature?

Director Michael Borja – Well it was a Bill and just because it talked about granting that land to GPA on Section A, Section B talked about CLTC getting a sum of money. The assumption was oh, for GPA to get this land they got to pay CLTC this money and it really was not true because on the third line the third section there was another set of money was for something completely different; Department of Education got some desks something like that.

Vice-Chairman David Matanane – And we ended up in zero; we only got zero.

Director Michael Borja – Well there was not an appropriation. It was not meant to be a directive to GPA that they owe us money for the land. The land was merely what the legislature did to allow them to build. Now that land does not belong to GPA it belongs to CLTC and that if they quit using that land for that palace they built then it reverts back to us.

Vice-Chairman David Matanane - So in essence that piece of property is being occupied with no interest or consideration?

Director Michael Borja – None it was granted by the legislature.

Vice-Chairman David Matanane - We can always blame the legislature for that right?

Commissioner Pascual Sablan – Well the reason why is to keep our power from going up.

Vice-Chairman David Matanane – I can still blame the legislature Mr. Sablan that's what I'm trying to say. We're going to blame the legislature for raising up our power and all that because we have no consideration and we have washed our hands on it. Anyway, anything else?

Commissioner Pascual Sablan – Just one quick please like on this Quan, I'm confused for example we give him 20 acres again how much is he going to pay; $99?

Director Michael Borja – Well in this case the additional land he is requesting is going to be commercial. So what happens is with whatever piece of property we find you get the appraisals and you get the percentage of the appraisals is the rent.

Commissioner Pascual Sablan – He mentioned that I think the 13 acres is Government land then the 20 or 17 something like that is Chamorro Land Trust; who takes care of that 13?

Director Michael Borja – You know that's not under Chamorro Land Trust and I'll figure out what that is. He said it's under Land Management, I'm not exactly sure how that came about, it might have been way before Chamorro Land Trust as well.

Vice-Chairman David Matanane – Find out what's going on with that 13. I believe all the lands have to be transferred to Chamorro Land Trust if you're not making use. Every department is supposed to turn over if they're not proposing for any use of that piece of property should go to Chamorro Land Trust that's what I understand.

Director Michael Borja – But from what I saw out there this looks like something that's been going on for a long time. It's a nice area up there.

Commissioner Pascual Sablan – I'm not too fond in giving out that big of an area.

Director Michael Borja – That's exactly what has happened in the past years is that when individuals who had come before us because they had 20 acres I mean you heard the lady earlier too saying someone was facing $600 property tax. Well how big was the land? It was probably 20 acres and they didn't use it you know and know they've finally come to realization that what I got to pay taxes on land I don't have to pay for.

Vice-Chairman David Matanane – Not it's going to hit them with the taxes.

Commissioner Pascual Sablan – Another thing is I don't agree in giving a person one acre then next year when he gets his COLA he's going to get another acre then coming in again (interrupted).

Director Michael Borja – And that was the exact thing that happened to that one individual.

Commissioner Pascual Sablan – That Baumgartner.

Director Michael Borja – Yeah that was a big headache and you know he's been doing that for almost 10 years. So the problem here is that you know you had 10 years to get your survey done and you're still not getting it done. And we might have to come push to shove on this one because I'm about ready to go out and take a look at the lands on what's going on because I've had issues with neighbors saying that there's some problem. I think its Chalan Palauan and there's some issues out there going on.

Commissioner Pascual Sablan – I'm a strong advocate don't bite more than what you can chew. So this like Baumgartner is biting 5 acres when he can only chew 1 acre. So if you cannot then vacate it.

Director Michael Borja – That's the other thing you know one of the issues that we have is that we don't have enough land agents to do the enforcement and compliance and that's what the OPA had addressed. So it's a task that I have to figure out how to take care of because when we go out there and we see these people that have large tracts of land that they got a long time ago for agricultural and they're not really using it and in some cases some of these individuals may be subleasing it to unqualified persons.

Vice-Chairman David Matanane – I'd like to ask what happened to our KGTF guy?

Director Michael Borja – I think he's probably down at the courthouse. A good question.

Vice-Chairman David Matanane – Who's paying them?

Director Michael Borja – Because of the Desoto trial. They probably got that tasking.

IX. EXECUTIVE SESSION - None.

X. ADJOURNMENT

The next meeting is scheduled for the third Thursday of August at 1pm.

Commissioner Amanda Santos moved to adjourn the meeting. Commissioner Pascual Sablan seconded the motion. Meeting adjourned at 3:40pm.

Transcribed by: Teresa Topasna: Teresa Topasna

Approved by Board motion in meeting of: August 21, 2014

Michael J.B. Borja, Director: _____ Date: 8/21/14

DAVID MATANANE, Acting Chairman: _____ Date: 8/21/14