RESOLUTION NO. 22-FY2019

RELATIVE TO APPROVAL OF FUND INCREASE TO THE AGAT/SANTA RITA WASTEWATER TREATMENT PLANT CONSTRUCTION PROJECT

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities ("CCU") has plenary authority over financial, contractual, and policy matters relative to the Guam Waterworks Authority ("GWA"); and

WHEREAS, the Guam Waterworks Authority ("GWA") is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, GWA currently has a number of critical Court Order ("CO") projects including a complete evaluation of the Agat Santa Rita WWTP to determine what improvements are necessary at the plant to achieve compliance with the WWTP’s NDPES permit and eliminate by-passes at the plant, as stated in Paragraph 10 of the 2011 Court Order; and

WHEREAS, the system evaluation report prepared in December of 2013 by EA Engineering, a sub-consultant to GWA’s Program Management Office, resulted in a recommendation to GWA and the USEPA that the existing Agat Santa Rita WWTP needs to be replaced; and

WHEREAS, in March of 2014 GWA began the procurement process to find a consulting engineering team to design the new WWTP and via Resolution 34-FY14, approved by the CCU in August of 2014, GWA management was authorized to enter into a contract with Duenas Camacho and Associates to design the new wastewater treatment plant on property already designated for WWTP use and located adjacent to the Tipalao Sewer Pump Station; and

WHEREAS, GWA has determined that the most expedient process to meeting the Court Order Paragraph 11 deadline of December 31, 2016 was to break the construction activities into
two phases with Phase I for Clearing and Grading and Phase II for all vertical and plant process construction; and

WHEREAS, GWA management obtained CCU and PUC approval via Resolution 28-FY15 and PUC Order 15-06, respectively, to reallocate 2013 bonds proceeds in the amount of $48,200,000.00 to the CIP line Item WW 11-08 “Agat/Santa Rita STP Replacement” as means of ensuring GWA will have sufficient funding to enter into a contract with the lowest responsible and responsive bidder for the Phase II construction project; and

WHEREAS, Resolution 10-FY2016 was approved by the CCU on December 10, 2015, which authorizes a funding total in an amount not to exceed Fifty-Nine Million Ten Thousand Dollars ($59,010,000); and

WHEREAS, GWA executed the construction contract with SMCC on January 8, 2016, as GWA Project No. S14-007-BND, in the amount of Fifty-Six Million Two Hundred Thousand Dollars ($56,200,000); and

WHEREAS, GWA has executed multiple Change Orders to the project’s scope of work (SOW) which has increased the construction contract value to Fifty-Eight Million Two Hundred Ninety-Three Thousand Seven Hundred Ninety-Two Dollars and Eighty-Three Cents ($58,293,792.83); and

WHEREAS, GWA anticipates further change orders will be forthcoming to address a variety of construction issues, including additional paving, electrical system enhancements, and miscellaneous modifications, and as such GWA management seeks CCU approval to increase the funding authority an additional Five Hundred Forty Thousand Dollars ($540,000.00) to bring the total funding authorization to Fifty-Nine Million Five Hundred Fifty Thousand Dollars ($59,550,000); and

WHEREAS, funding for this project will be from the Bond Funds under the line items CIP WW 11-08 “Agat/Santa Rita STP Replacement”, System Development Charges, Internally Funded CIP, if applicable; and
NOW BE IT THEREFORE RESOLVED, the Consolidated Commission on Utilities does hereby approve the following:

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the conditions set by GWA relative to commencement of work activities are fair and reasonable and serve as a measure of Quality Assurance/Quality Control (QA/QC).
3. The CCU hereby approves the increase in funding authorization an additional Five Hundred Forty Thousand Dollars ($540,000.00) to bring the total authorized funding for the project to Fifty-Nine Million Five Hundred Fifty Thousand Dollars ($59,550,000).
4. The CCU hereby further approves funding for this project to be from the Bond Funds under the line items CIP WW 11-08, System Development Charges and Internally Funded CIP, if applicable.

RESOLVED, that the Chairman certified and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED, this 25th day of April 2019.

Certified by:                              Attested by:

JOSEPH T. DUENAS                      MICHAEL T. LIMTIACO
Chairperson                       Secretary
SECRETARY’S CERTIFICATE

I, Michael T. Limtiaco, Board Secretary of the Consolidated Commission on Utilities as evidenced by my signature above do hereby certify as follows:

The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular meeting by the members of the Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

AYES: 5
NAYS: 0
ABSTENTIONS: 0
ABSENT: 0