



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 ~~Hagatna~~, Guam 96932 | (671) 648-3002 | guamccu.org

Regular Board Meeting
GUAM WATERWORKS AUTHORITY
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., August 27, 2019

AGENDA

1. CALL TO ORDER
2. [APPROVAL OF MINUTES](#)
3. COMMUNICATIONS
 - 3.1 Public Comments (2 min. per person)
4. GWA
 - 4.1 New Business
 - 4.1.1 [GM Report](#)
 - 4.1.2 [Financials](#)
 - 4.1.3 [Resolution No. 40-FY2019 Relative to Approval of the Contract with JMI-Edison for the Purchase of Splicing Gels and Submersible Cables for Islandwide Deepwell Water Production](#)
 - 4.1.4 [Resolution No. 41-FY2019 Relative to Approval of the Construction Contract for the Santa Rosa, Santa Rita and Sinifa Reservoir Replacement with AIC International Inc.](#)
5. ANNOUNCEMENTS
 - 6.1 Next CCU Meetings: CCU / GPA MTG 8/29
6. ADJOURNMENT



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

Regular Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., June 5, 2019

MINUTES

1. CALL TO ORDER

The Chairman called the CCU regular monthly meeting of the Consolidated Commission on Utilities for June 6, 2019 to order at 5:42 p.m. He said four (4) Commissioners were present and that Comm. Santos was running late. Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	Commissioner

Executive Mgmt.:

Miguel Bordallo	GM / GWA
John Benavente	GM / GPA
Melinda Mafnas	AGMO / GPA
John Cruz	AGMET / GPA
Tricee Limtiaco	AGMA / GPA
Chris Budasi	AGMA / GWA
John Kim	CFO / GPA
Gilda Mafnas	CFO (A) / GWA
Kelly Clark	Legal Counsel / GWA
Graham Botha	Legal Counsel / GPA

Management & Staff:

Art Perez	Communication / GPA
Vangie Lujan	Compliance & Safety / GWA
Yvonne Cruz	Budget Officer / GWA
Heidi Ballendorf	Communications / GWA
Ron Topasna	O&M Mgr, Water Treatment / GWA
Ann Borja-Gallarde	Mgmt. Analyst / GWA Ex.Office
Lou Sablan	Board Secretary / CCU

Guest:

Kurt Bilz	Brown & Caldwell
Jerry Johnson	Brown & Caldwell
Angela Perez	AM Insurance

Jeff Johnson	PUC
Nestor Licanto	KUAM
John O'Connor	Guam Daily Post
Mark Miller	Commissioner / PUC

2. APPROVAL OF MINUTES

The Minutes of the CCU Special Meeting of April 4, 2019 was presented for approval.

Comm. Guthertz motioned to approve the Minutes subject to verification and written correction second by Comm. Sanchez.

It was clarified that Comm. Guthertz was present at the onset of the meeting; but asked to be excused because she was not feeling well. Her name was not listed in the attendance and Comm. Limtiaco asked that the Minutes be corrected and to add Comm. Guthertz name to the attendee list.

There was no further discussion or objection and the motion passed 4 ayes and 1 absent.

3. COMMUNICATIONS

3.1 Public Comments - None

4. GPA

4.1 New Business

4.1.1 GM Report

GM gave usual GM Report and Top 10 accomplishments.

1. **Generation System:** The following summarizes the generation forecast for July 2019:

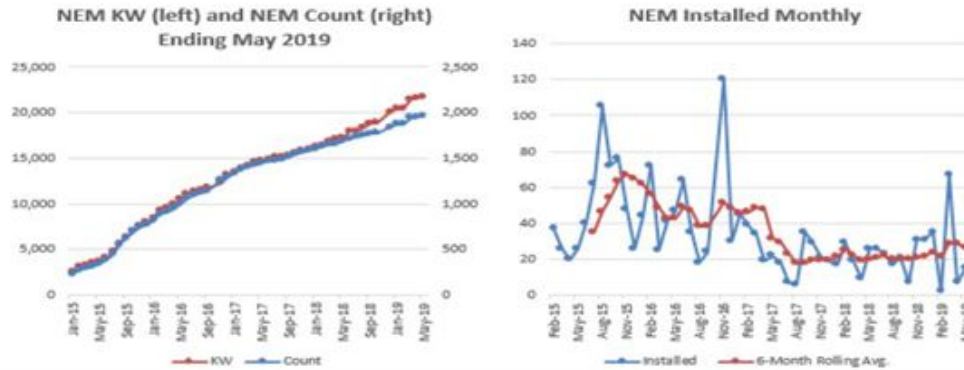
Projected Available Capacity:	373 MW
Projected Demand:	250 MW
Anticipated Reserve Margin:	123 MW

- The peak demand for May 2019 was 254MW which is an increase from 251MW in May 2018. May was a high demand period mainly due to higher average temperatures



2. Net Metering (NEM) Credit Adjustment:

The PUC ordered at its May 30th meeting to not make any change to the current program. It also ordered for GPA and PUC to agree on an independent consultant to determine the cost and benefits of NEM on GPA and the benefits distributed generation may have in the distribution system. The PUC will entertain the report when completed and will address the matter further at that time or once the total NEM KW capacity reaches about 26MW. The following graphs show Net Metering ending May 2019:



3. LED Streetlights:

We are receiving delivery of 3,750 LED (white color) streetlights and will be replacing the vintage High Pressure Sodium (yellowish color) lights between now and September. The 250Watt lights will be installed on marine drive from and the 150 watts in villages in the south. We are in the process of ordering another 7,000 LED lights for delivery in FY 2020 to change out the balance of the HPS lighting.

The changeout of 3,750 lights will result in a savings to DPW of about \$300K/year. This savings can install about another 1,000 lights. I will discuss with the DPW director the possibility of adding to the system to begin addressing poorly lighted areas impacting public safety.

4. New 180 MW Power Plant:

Three bidders submitted bids on June 3, 2019. The evaluation team began work today evaluating submittals to determine the lowest bidder. I may be able to advise the CCU on the final results in July.

5. Utility Progress:

The following provides a report on progress between 2015 to 2018 and issues to be address in 2019 and forward.

[The Chairman announced that Comm. Santos joined meeting]

SUMMARY

STRATEGY & PLANNING

GPA's actions are guided by its Strategic Plan & the Integrated Resource Plan (IRP). The Strategic Plan, developed in 2009, identified four areas of effective planning and policy development: high reliability; financial strength; employee effectiveness; and safe and reliable operations. The IRP was developed to provide the lowest cost solution for providing reliable, affordable power; diversifying power supply resources and fuels to mitigate risk; and exercising environmentally responsible stewardship of the economic and natural resources of the island. The IRP was last updated in 2016.

The 2015 event rendering Cabras units 3 & 4 inoperable significantly influenced specific IRP strategies and recommendations. Industry technologies, market responses to request for proposals and other factors shaped GPA's approach to recommendations. Projects and efforts supporting both plans are highlighted in this report. The focus of all efforts is to continuously improve overall customer service to our ratepayers while maximizing cost-savings. A summary of significant savings achieved within this period is included in this report.

The strength of GPA is evident in the significant progress toward the goal to provide reliable, affordable service to the island.

STRATEGIC PLAN SUMMARY

CRITICAL SUCCESS FACTOR	STATUS	TREND
ACHIEVE EXCELLENT CUSTOMER SERVICE <i>CSF1</i>		▲
Sustained Improvements of Customer Satisfaction <i>KPI 1</i>		—
Improve Customer Experience <i>KPI 2</i>		▲
PROVIDE AFFORDABLE & VALUE PRODUCTS <i>CSF2</i>		▲
Minimize Energy Production Cost <i>KPI 1</i>		▲
Reduce Line & Unaccounted for Energy Losses <i>KPI 2</i>		—
Achieve Energy Diversity at Affordable Cost <i>KPI 3</i>		▲
Improve Credit Rating <i>KPI 4</i>		▲
DEVELOP SUSTAINABLE WORKFORCE & LEADERSHIP <i>CSF3</i>		▲
Implement a Succession Planning Program <i>KPI 1</i>		▲
Implement a Structured Leadership & Workforce Training <i>KPI 2</i>		▲
Achieve Safety Awareness & Enhanced Safety Practices <i>KPI 3</i>		▲
Enhance Employee Satisfaction <i>KPI 4</i>		▲
ACHIEVE HIGH SYSTEM RELIABILITY <i>CSF4</i>		▲
Reduce Customer Outages <i>KPI 1</i>		▲
EFFECTIVELY USE TECHNOLOGY <i>CSF5</i>		▲
Implement Excellent Cyber Security Program <i>KPI 1</i>		▲
Improve Productivity Through Technology & Automation <i>KPI 2</i>		▲

INTEGRATED RESOURCE PLAN

STRATEGIC ISSUE	STATUS
Increase fuel diversity, mitigate fuel supply risk, and encourage cost-effective renewable energy	ON TRACK
Comply with existing and future US EPA requirements including EGU MACT, RICE MACT, and SO ₂ NAAQS	ON TRACK
Understand and consider financial and operational impacts associated with compliance and non-compliance with existing and future US EPA requirements	COMPLETED
Support electric power service requirements for the DOD build-up and its economic consequences	ON TRACK
Evaluate the economic feasibility of retiring or extending the life of its existing generation units	COMPLETED
Reduce customer outages due to instantaneous loss of generation by examining operational and economic feasibility of using energy storage devices or requiring certain reliability enhancement characteristics for future generation additions	COMPLETED
PRIMARY RECOMMENDATIONS	STATUS
Obtain agreement with US EPA & Guam EPA to suspend compliance with RICE MACT for Cabras 3&4 and MEC 8&9 until GPA completes transition to LNG	ON TRACK
Procure an additional 40 MW of renewable energy under Phase II Renewable Energy Acquisition Program, if cost-effective with other available technologies, as early as 2017 to reduce present value costs. <i>NOTE: 180 MW of renewable energy contracted in 2018</i>	COMPLETED
Develop the necessary infrastructure and contracts to engender transition from RFO to LNG by 2018 or sooner. <i>NOTE: New power plant and pipelines for ULSD & natural gas on bid</i>	ON TRACK
Retire Marbo CT and Dededo Diesels 1-4 by FY 2014	COMPLETED
Firm up decision to retire Cabras 1&2 and/or Tanguisson 1&2 in 2018 concurrent with the availability of LNG. <i>NOTE: All steam units to be retired after completion and commissioning of new power plant</i>	COMPLETED
Based on baseload retirement decisions, construct new 60 - 120 MW gas-fired combined cycle power plant, preferably in northern Guam to reduce technical line losses, online concurrent with the availability of LNG. <i>NOTE: Bid for new 180 MW ULSD/natural gas plant underway</i>	ON TRACK
If Cabras 1&2 or Tanguisson 1&2 are not retired, complete conversion of these units to burn LNG concurrent with availability of LNG in 2018	COMPLETED
Complete repowering of Piti 7 GE Frame 6B combustion turbine generator (CTG) into a combined cycle burning LNG. <i>NOTE: Repowering is not economically feasible</i>	COMPLETED
Complete conversion of Cabras 3&4 and MEC 8&9 to burn LNG. <i>NOTE: Cabras 3&4 retired. Conversion of MEC 8&9 after commissioning of new plant</i>	ON TRACK
If economically and technically feasible, build a 10 MW geothermal unit to come online in 2019. <i>NOTE: Result of Phase II renewable bid indicates geothermal unit is not feasible</i>	COMPLETED
Work towards compliance with all new environmental standards and regulations	ON TRACK

Customer Convenience & Value-Added Services

TRANSPARENCY & ACCURACY

- New, easy-to-read billing statement and newsletter resulted in 25% reduction in mailing cost
- Redesigned billing statement garnered an 'Award of Merit' for Excellence in Public Power Communication from the American Public Power Association
- Successfully completed the new CC&B billing system for GPWA resulting in providing customers with ways to monitor their billings and consumption
- Robotic process automation reduced analysis of meter performance issues resulting in faster change outs and more accurate account information
- Timely and consistent outage notifications
- Enhanced website & web services
- Monthly newsletter distributed to all ratepayers to raise awareness of value-added services, initiatives and programs for all customers

ACCOUNT SERVICES

- Expanded Customer Care Center to include phone, email, and social media interaction
- Timely onboarding of ~600 new customers per year
- Merge of CC&B information allows GPA & GWA CSRs to assist customers with cross-services
- Expanded system status and customer services notifications via social media, including outage information

CONVENIENCE

- Same day / same hour services (reconnections, disconnections) offered through advanced meter infrastructure
- Real-time monitoring and push notifications of energy consumption through www.myenergyguam.com
- Implementation of credit card payments to all customers including commercial. Cost to administer program substantially reduced while at the same time providing this ease of payment alternative to customers
- 24/7 Automated IVR Pay-By-Phone offers customers 24/7 account balance information and pay options via toll-free number phone
- Mobile APPs for ease of customer use and payments
- GPWA partnership to offer One Utility Customer Service

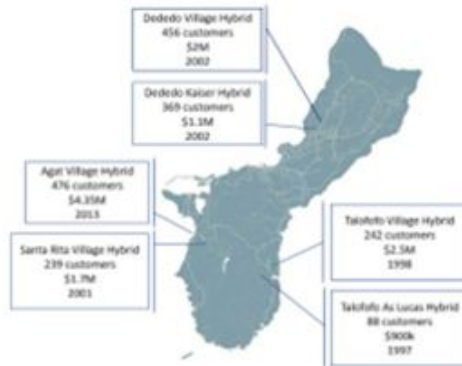
INCENTIVES

- Continuation of Energy Sense Rebate, Demand Side Management (DSM) Program
- \$1M return to ratepayers participating in DSM program from savings of bond refinancing
- Funding \$2.8M from working capital for DSM program to assist ratepayers reduce their energy cost. This is in addition to the \$1M funded from the refinancing of bonds

System Integrity & Reliability

STRENGTHENED ISLAND-WIDE POWER SYSTEM

- Completed installation of SCADA Project
- Continued changeout of wooden poles to concrete. 90% of system is concrete
- Continued village hybrid underground projects



ISLANDWIDE POWER SYSTEM RECOVERY AND RESILIENCY

Minimized service interruption to customers following the Cabras 3&4 incident and mitigated the loss of 79MW of capacity:

- Contracted interruptible load with major commercial and government customers
- Contracted for 40 MW of lease-to-own temporary power from Aggreko
- Replaced aged Cabras 1&2 main transformers; \$2M
- Rehabilitated 40 MW Dededo power plant; \$10M.
- Replaced Macheche combustion turbine; \$2.7M
- Overhauled Cabras Steam \$6.0M
- Overhaul of medium speed units \$6M (ongoing)

ASSET PLANNING & MANAGEMENT

- GIS Network: First electric distribution utility to migrate to a production ESRI Utility Network (ArcGIS Pro and Utility Network), providing confidence to perform switching operations and maintain service to the island wide power system
- Mobile Workforce Management System: Implementing new program which will allow real time processing, scheduling and expeditious completion of new customer and existing system maintenance Work Orders
- Vehicle and Equipment Tracking: Continued to track movement of all GPA fleet to insure efficient and proper use of fleet
- Predictive Maintenance Program: Locate and fix equipment problems before they cause outages.
-

STORM READINESS & RECOVERY

- Increased Resiliency & Restoration: Expeditious recovery from several storms, including Typhoons Dolphin and Mangkhut resulting in minimal service disruption and revenue loss
- Water & Sewer Resiliency: Acquired all GWA standby generators; GPWA

Partnership enabled GWA to maintain 99% of water service to customers during the last significant storm

- FEMA Reimbursements: Typhoon Dolphin \$2.3M; Typhoon Mangkhut \$4.3M
- System Hardening: Awarded new \$5.6M underground system for Tumon Bay to protect our valuable tourism industry. Completed the Agat Hybrid Underground System project to over 500 Homes
- Material Inventory: Maintained about \$12M system inventory in order to insure expedient recovery from Typhoons
- Equipment Fleet: Continued to replace aged heavy equipment fleet and increased bucket truck fleet in order to expedite typhoon recoveries

NEXT GENERATION PLANTS

- Acquisition of new 180 MW power plant ongoing ahead of consent decree or application of penalties, potentially

saving millions of dollars. Contract award targeted for end of CY 2019

- Clean, efficient, economical technology will meet / exceed environmental regulatory requirements
- Efficient technology will reduce fuel oil imports by 17 million gallons annually
- New plant allows for diversified fuel mix
- Newer technology will allow additional incorporation of renewable energy (target 50% by 2035) resulting in substantial reduction of fuel cost and furthermore the stabilization of LEAC rate
- New plant location closer to population base & away from shorelines thus reducing line losses and storm/climate and natural disaster impacts such as tsunamis
- New plant location closer to over 60% of island load will improve reliability and allow some areas to receive power continuously during typhoons

Managing Money

LOWER FUEL & ENERGY COSTS

- No base rate increase since 2013
- Implemented new residual fuel oil contract with reduced premium
- Reduced the impact of increased fuel oil cost to the ratepayers through use of as much as \$16M in working capital to cushion LEAC increases. The LEAC rate has been unchanged for 1 year despite the rise in fuel prices over the period. Recommended to hold LEAC steady through January 2020
- 120 MW solar PV plants commissioning in 2021 will save ratepayers (at today's LEAC rate of \$0.154/kWh) \$19.5M annually
- 40 MW solar PV project targeted for award in 2019 and commissioning in 2021 is expected to save ratepayers about \$5M annually

- Approvals to issue Renewables Phase IV Bid for an additional 120 MW by 2024 will be pursued later this year
- In regional rate comparisons, GPA maintains the lowest rates per kWh compared to other island power utilities including the Hawaiian Islands, US Virgin Islands and the CNMI
- Changed 6,000 HPS streetlights to LED saving \$400K/year in fuel cost; 4,000 additional lights to be changed out in FY2019 and an additional 11,000 by the end of FY2020. Total savings to reach \$1.2M Annually by end of FY 2020. GPA requesting the Government to utilize this savings to add an additional 2,700 new LED streetlights throughout the island to improve island safety

FINANCIAL SOLVENCY

- Maintenance and improvements of credit ratings despite challenges encountered over this period including the loss of Cabras 3&4, Typhoons, and the negative impact of President Trump Tax Reform on the island's economy

COST SAVINGS – O&M

- Consistently below annual O&M budget.
- Received ownership from Independent Power Producer for TEMES 7 plant, assumed O&M responsibility resulting in >\$4M annual savings
- Received ownership of the MEC 88 MW power plant and renegotiated the MEC contract for 5 years, resulting in >\$15M annual savings
- Consolidation of GPA & GWA operations into a single location at the Gloria B Nelson Public Service Building; \$1M annual savings in GPWA rent; substantial indirect savings resulting due to co-locating operating efficiencies
- Robotic Process Automation (RPA) implemented to automate manual and time-consuming service order and work order process thus improving accuracies and saving significant manhours
- Labor FTE has decreased from 512 in FY2014 to the current manning of 470 FTE; Annual savings >\$3M (including benefits)
- Reduced overtime of non-storm related activities from past years in excess of \$2M to about \$1.4 annually. This is despite the reduction of 42 FTE over the period

COST SAVINGS - CIP

- Bid in progress for new power plant to avoid millions in penalties and allow system to diversify fuel mix and achieve 50% renewables integration by 2035 and which will reduce and stabilize future LEAC
- Purchased and rezoned 60 acres of R1-zone property for new power plant at \$10M. M1-zone (industrial use) land alternatives could have cost \$18M thereby resulting in cost savings of about \$8M. Optimal location of property (less than one mile from Harmon substation) resulted in \$15M-\$22M infrastructure savings

FINANCING & INSURANCE

- Successful bond refinancing to reduce annual payments by \$500K at 4.12%, the lowest interest rate achieved by any GovGuam entity. Savings of \$1M were returned to ratepayers through the funding of the DSM program (Energy Sense Rebate). Savings of \$500K was dedicated to assist GDOE reduce its annual utilities cost.
- Reduction in cost of annual insurance premium by \$2M
- Settlement of Cabras 3 & 4 Insurance Claim at \$125.8M. \$72M to be applied to new power plant to reduce annual capacity fee. This reduction in annual capacity fee will save ratepayers about \$5M per year over the next 25 years

Investing in People

SUCCESSION PLANNING

- Identified, planned, and continue to implement programs to address the major issue that 57% of the GPA workforce could retire within the next 10 years

TALENT DEVELOPMENT & MANAGEMENT

- Annual employee evaluations completed, and adjustments implemented per pay-for-performance program
- Organizing comprehensive employee training program to enhance employee capabilities, present upward opportunities and career development
- Increasing intranet services allowing employees convenient self-service options
- Continuing successful Apprenticeship program to train future skilled force for difficult to hire skill sets
- Continuing seasonal internship program to attract future utility engineers, accountants and other professionals
- Working with Guam Department of Education to help prepare high school students for apprenticeship programs and career paths in the utility

- Promotes GPA & energy careers at outreach events

COMPENSATION STRATEGY

- Continue to migrate employee compensation to the 50th percentile salary market level in order to attract and retain employees. GPA currently at the 15th percentile and implementing a moderate and reasonable migration

AWARDS & RECOGNITION

- Consecutive 1st through 3rd place annual awards from American Public Power Association for safety excellence. Practicing and promoting safe practices and workplaces is our utmost priority. Receiving this award annually provides a benchmark of achievement of this goal. GPA received the First-Place honor for 2018 safety performance
- SAG award issued to GPA for being first electric distribution utility to migrate to a production ESRI Utility Network
- Mutual Aid Commendation received from American Public Power Association for assistance to CNMI Typhoon Yutu recovery

Investments in Energy Innovation & the Environment

ENERGY INNOVATION

- Integrated two Nissan Leaf Electric Vehicles (EV) into Authority's fleet & business operations, with two charging stations. GPA to continue to replace aged fleet with EV most especially as more Original Equipment Manufacturers reduce EV prices
- Installed 275 KW Wind Turbine at Cross Island Road with a \$2.1M grant from Department of Energy. Saves ratepayers fuel cost while gathering information for future wind projects
- Contracted for Installation of 40 megawatts of utility scale battery storage by October 2019 to mitigate short duration outages caused by baseload unit trips and Solar PV intermittencies

DEVELOPING RENEWABLE ENERGY

- Installed 25 MW of solar PV renewables (Dandan) accounting for 3% of total energy sales
- Awarded 120 MW of solar PV renewables contracts at about \$0.085/kWh with expected commissioning by Dec 2021, which will account for 18% of total energy sales and the reduction of fuel oil Imports by 18.5 million gallons annually
- Bid in progress for 40 MW of renewables on land leased from the US Navy. This

project will capture energy during the day and utilize all energy to offset higher peak energy production cost, which will account for 5.5% of total energy sales and the reduction of fuel oil imports by 5.5 million gallons annually

- New power plant project to be awarded in 2019 which would allow GPA to target 50% renewables by 2035 resulting in substantial reduction of fuel cost and furthermore the stabilization of LEAC rate
- Facilitated the expansion of the Net Metering Program to ~2,000 customers (estimated 22 MW in total connected systems)
- Completed Renewable Integration Study to prepare to increase renewable penetration above 25% into the system

CLEANER AIR & WATER

- New 180 MW Plant, Piti 8&9 conversion to ULSD, decommissioning of Cabras 1&2, and GPA's Renewable Energy and Energy Efficiency Programs will significantly improve the air quality throughout Guam as well as significantly reduce GPA's carbon footprint
- Decommissioning of Cabras 1&2 and 3&4 promotes healthier harbor ecosystem and eliminates thermal pollution effects on the reef

S

Community Partnerships

ISLAND PARTNERSHIPS

- Kicked off a sustainable tree trimming and pole painting program including a pilot partnership with nine (9) village Mayors
- Successful Bond refinancing to reduce annual payments by \$500K; \$1M return to ratepayers participating in DSM program. \$500K contributed to assist GDOE reduce its annual utilities cost
- Obtained and assisted GovGuam agencies in obtaining grants. \$2.1M GPA Wind Turbine Project; \$500K for DPW Solar PV System; \$1.25M for GDOE Lighting retrofits; These grants result in savings to ratepayers and these entities
- Assisting Guam Energy Office on \$64K for Energy Audits and creating Energy plans for individual schools
- Assisted UOG in renovating an existing building energy with efficient equipment resulting in 50% to 75% savings from similar UOG buildings
- Assisted Guam Memorial Hospital Authority by conducting preventive maintenance of their electrical system in order to avoid imminent electrical system failures which would impact patient care
- Assisted the Department of Corrections in addressing their standby generators issues which when not available creates prison safety issues

- Promote energy solutions and sustainable practices through participation and sponsorship community programs such as the annual University of Guam's Island Sustainability Conference
- Promote utility initiatives and careers through school outreach program
- Educates and promotes benefits of a publicly-owned utility through community outreach events such as annual Public Power Week

INDUSTRY PARTNERSHIPS

- Active membership & participation with the American Public Power Association
- GPA General Manager serves as APPA Region 10 Director, representing members from Guam, Commonwealth of the Northern Mariana Islands, American Samoa, Puerto Rico, US Virgin Islands, & Canada

MUTUAL AID & ASSISTANCE

- Successful assistance to CNMI Typhoon Yutu Recovery. GPA assisted for four full months resulting in labor savings of about \$3M
- GPA received a 'Mutual Aid Commendation' from the American Public Power Association in recognition of its support in electric power restoration efforts for providing mutual aid assistance to the Commonwealth Utilities Corporation, Saipan

2019 Forward

Key initiatives for 2019 forward include the following:

2019+ INITIATIVES
Update Strategic Plan
Update Integrated Resource Plan
Integration of Additional Renewables
Evaluate Economics of Diversified Fuel Mix
Optimize Reserve Margin Requirements
Implement Workforce Development & Sustainability Policy
Implement Strategic & Sustainable Training & Compensation Programs
Develop & Implement Disaster & Typhoon Resiliency Policy
Continue Concrete Pole Hardening
Continue Underground Hardening Progress
Maintain Target Equipment & Material Availability
Continue to Foster Mutual Aid Partnerships
Continue Customer Satisfaction Improvements
Conduct Customer Surveys & Polls to Address Customer Needs & Satisfaction
Implement Measures to Improve Overall Customer Experience
Continue Reliability Improvement Plan
Vegetation Management Program
Automation Generation Control
Hardening Changeouts to Composite Materials
Predictive Maintenance Programs
Continue & Expand Energy Affordability Initiatives
Demand Side Management (DSM)
Revolving Loans
Lifeline Rates
Energy Audits

At the end of the GM's report, comments and discussion followed.

It was mentioned that relative to retiring of plants / decommissioning of plants – the GM has not given CCU his plans yet i.e. Cabras 4 and the Tanguisson plant. GM Benavente responded that this is the next phase; he said the engines may be sold but the bigger picture is the retiring of Cabras1&2 GPA does not have plans to build conventional plants at this location so he proposed to bid out the clean out of the facility and perhaps consider possible commercial revenue generating activity / business in that location. Comm. Limtiaco asked what will happen to the fuel tanks. GM responded that they may be sold or moved out adding that there are (2) large 11million gallon tanks in the backside which will remain GPA property for fuel storage for the new plant being built in Okudo. GM said he will analyze these plans and report back the CCU.

Comm. Sanchez commented that management is very good at creating and reporting out all these improvements which is good however, he doesn't think the average ratepayer knows what we have done or what we are doing or planning to do including our elected leaders. He cited (2) takeaways - there is a need to improve our communication with ratepayers; we are not consistent in translating the improvements that are made and how it benefits the ratepayers. There are savings or other benefits

and nowhere is this summarized. We are streaming on the website but does anyone really watch it? He asked management to put themselves in the shoes of the average ratepayer. If we want to plant a seed... how do we show ratepayers what we are doing or how it benefits them – this is the challenge that he is struggling with. He used base rates as an example adding that we have not raised it since 2013 but how do we get this information to the ratepayers. He asked management that at the next meeting in July that we talk about how we can improve our communications especially with social media. How can we better engage our ratepayers? At the next meeting in July can management come up with a plan to see how we can use social media such as YouTube and Facebook to reach / translate all this good information to our ratepayers.

Comm. Santos asked if the (2) CFO's can give the CCU a report relative to the value of GPA and GWA today. It bothers him that people think local people are not good enough to run the utilities. Let's challenge the people of Guam - give me the price of what our utility is worth by the next meeting so we can let our ratepayers know – especially the “seem to be” experts that seem to think it is better to sell the utilities. There will definitely be an uprising if we sell our water. CFO's please tell the Commission what our utility [both GPA and GWA] is worth.

Comm. Limtiaco said he agrees with Comm. Sanchez – the summary that GM Benavente has just shared contains so many improvements and the notion [that has been circulating the past few weeks] that management has not been reviewed is entirely inaccurate. This summary contains many projects and improvements by management that leads the Commission to evaluate and review our management team every day. We need to do a better job at communicating this to the public. Nobody remembers what management has done the last 4 years. We need to publish this information regularly. He used the whole issue with recent pay raises as an example – he mentioned that tonight he learned that payroll comes out of base rates [the GM concurred] and that base rates has not been raised since 2013. As commissioners we need to do a better job at communicating this fact to ratepayers because the perception is that power rates are going up because of these pay raises. There are numerous notable accomplishments that benefit the ratepayer but they are not aware of it.

The GM agrees that we do not do a good job at getting the word out. The reality it takes 12 people and 2 groups of people to get approval before any action can be done. He said this is a start and the next phase is to translate this to ratepayer benefits. Comm. Limtiaco added that all the things that management has done there is cost avoidance factors involved; we should let the public know this. Comm. Sanchez said we need to let people know that the utilities is in good hands. We need to be consistent to get the message out. Comm. Guthertz recommended a combination approach - social media, traditional media and report progress and cost savings. people want to know. Let's express it in words that is easy to understand.

Comm. Sanchez - sometimes customer service reps are not singing the same song. Are we training our people well? Can we do better job? Our Internal customers [our own employees] need to understand what we have do, why we do it and the benefits so they can explain it clearly to the customers that they help. Comm. Sanchez used estimated billing as an example; ratepayers need to better understand the back billing process and why it is important.

4.1.2 Financials

No financial update was given at this meeting.

4.1.3 **Resolution No. 2019-09 Relative to Authorizing GPA to contract for Unarmed Uniformed Security Guard Services**

If approved, Resolution 2019-09 will ensure physical security and protection of the island's critical electric infrastructure, GPA employees and customers.

Security Guard Services will be performed at the following locations (base scope of work):

- 1) Gloria B. Nelson Public Service Building, Fadian
- 2) Supply Warehouse, Storage Yard and T&D Service Center, Dededo
- 3) Dededo CT Power Plants, Dededo
- 4) Aggreko & Yigo CT Power Plants, Yigo
- 5) Tanguisson Power Plant, Lower Harmon Cliff Line
- 6) Cabras Power Plants, Piti

Option 1: Gloria B. Nelson Public Service Building

- 24/7 coverage; Operation of security kiosk, including recordation of visitor information & ID badges

Option 2: Roving Security Guard Services at 15 Locations

- | | | | | |
|---|-----------------------------|------------------------|---------------------|---------------------|
| • Macheche CT & Substation | • Tenjo Diesel & Substation | • Tamuning Substation | • Tumon Substation | • Harmon Substation |
| • Agana Substation & Battery Storage | • Manenggon Diesels | • Barrigada Substation | • GAA Substation | • Pagat Substation |
| • Talofofo Diesel, Substation & Battery Storage | • San Vitores Substation | • Piti Substation | • Anigua Substation | • Umatac Substation |

Option 3: Monitoring of Security Surveillance (CCTV) & Alarms (24/7 coverage at GPA Security Command Ctr)

The cost of this unarmed security contract involves the following and will be funded with O&M Funds.

	<u>Monthly</u>	<u>Annual</u>	<u>Maximum (2-yr)</u>
Base Contract	\$66,798.67	\$801,584.04	\$1,603,168.08
<i>Option 1</i>	<i>\$12,293.20</i>	<i>\$147,518.40</i>	<i>\$295,036.80</i>
<i>Option 2</i>	<i>\$10,950.00</i>	<i>\$131,400.00</i>	<i>\$262,800.00</i>
<i>Option 3</i>	<i>\$12,293.20</i>	<i>\$147,518.40</i>	<i>\$295,036.80</i>
<i>Total Possible Optional Expenditure:</i>	<i>\$35,536.40</i>	<i>\$426,436.80</i>	<i>\$852,873.60</i>
		Total Possible Expenditure	\$2,456,041.68

The base contract term covers periods 06/01/19 – 09/30/19; 10/01/19 – 05/31/20 and the 1st year option to renew term is for 06/01/20 – 09/30/20; 10/01/20 – 05/31/21

Comm. Guthertz motioned to approve Resolution 2019-09 second by Comm. Sanchez.

In discussion Comm. Guthertz asked why the service is for unarmed guards with everything that is happening on island right now she is concerned about guards not being able to defend themselves should the need arise. The GM said this option was not included in the bid and said he would make a note to address / possibly include this option at the next bid process.

On the motion there was no further discussion or objection and the motion carried. The vote was 4 ayes and 1 absent.

5. GWA

5.1 New Business

5.1.1 GM Report

No GM Report was given at this meeting.

5.1.2 Financials

No Financial Update was given at this meeting.

5.1.3 Resolution No. 37-FY2019 Relative to Approval of Contract for Construction of Upgrade of the Northern District Wastewater Treatment Plant, Project No. S17-003-OEA

If approved, Resolution 37-FY2019 will allow GWA management to expand the NDWWTP to include secondary treatment which is required to meet the NPDES Discharge permit for the plant. The upgraded plant will include a new preliminary treatment system including screens and grit removal, secondary biological treatment system including oxidation ditches and clarifiers, ultraviolet disinfection system and sludge treatment system.

This project is an essential component of the infrastructure upgrades necessary to provide adequate treatment in compliance with current regulatory requirements for the protection of Guam's water resources and marine environment, as well as to support the new facilities to be constructed as part of the military build-up. The project is urgent as prompt initiation of construction activities is required in order to meet the schedule requirements in the Grants and for the opening of the Marine Cantonment from which the plant will receive wastewater flows.

GWA Management seeks CCU approval for the proposed bid price of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars (\$122,077,088.00); with a five percent (5%) contingency of Six Million One Hundred Three Thousand Eight Hundred Fifty-Four Dollars and Forty Cents (\$6,103,854.40), the total authorized funding amount requested is One Hundred Twenty-Eight Million One Hundred Eighty Thousand Nine Hundred Forty-Two Dollars and Forty Cents (\$128,180,942.40) and the funding source will come from US Dept. of Defense, Office of Economic Adjustment, General assistance Grants with additional funding from the System Development Charge (SDC) funds and or Bonds. The anticipated completion of the construction activities by the contractor is December 31, 2021.

It was mentioned that there were five (5) proponents for the Step 2 bids. Black Construction Corp was recommended as the lowest priced, responsive and responsible bidder.

Also, the GM mentioned that the OEA Grants are slated for more than this project which not all has been bid out or completed. Management is asking for the flexibility to move the funds around with the intent to maximize the grant funds.

Comm. Sanchez motioned to approve Resolution 37-FY2019 second by Comm. Guthertz.

Comm. Limitaco asked clarification what portion of the grant funds would be used for this project and the GM said about 116k initially, possibly more and the balance from SDC or bond funds.

Comm. Sanchez said this bid will benefit the largest portion of our WW community 95% paid by grants. It saves ratepayers significant sums of money. New customers who paid into the SDC will also help pay for this project so that existing rate customers will not have to pay for this project. But will now see a brand new WW treatment plant at no cost to them. He said he remembers the CCU meeting with General Bice [at the time] insisting that DOD help contribute to this project due to the military buildup. Comm. Sanchez said that all this was in place but someone had to coordinate / orchestrate all the moving parts to bring the project to fruition. GM Bordallo confirmed that OEA mentioned that they were looking at a 3rd party to do the project not GWA. It took 3 years and 5 months [since he was hired] to tonight where he is now asking CCU to award a bid that is being paid 95% by the federal government for the for the largest portion of our community and over the northern aquifer. This strikes me as a very good example of why we would want to reward a manager for not only doing his job but for doing it very very well. You saved ratepayers \$300Million on this project. We saved the PUC from having to consider an increase in rates because of this project. At the onset of this project - it was only a commitment. Comm. Sanchez told GM Bordallo - you and your team achieved a major accomplishment -this is the 2nd Secondary WWTP in the past 3-1/2 years. I will remember this at your evaluation. We need to do a better job to let ratepayers know what we have done. It is important to get the numbers and the history right.

Comm. Duenas added that this is a big project – bigger even than as big as constructing a big hotel.

Comm. Santos said that the new military base itself is not going to open until this plant is operational. It is a local company [GWA] that is doing it. OEA said to GM Bordallo under no circumstances you will go over budget and Comm. Santos said reminded GM Bordallo that he must pay close attention not to go over budget. He commended the GM for the confidence that OEA has in our management team.

Comm. Sanchez asked if OEA would have given us \$173M if there was no confidence in GWA - more projects coming from this bucket of money. He reiterated that (5) elected officials [CCU] went to OEA 9 years ago asking them to help us ratepayers. This is a very momentous moment.

Comm. Limtiaco commended GM Bordallo for a job well done and thank you for doing your job. He asked if this will this be a new revenue stream for GWA [which will keep rates low for the ratepayers]- GM confirmed yes and will even save the ratepayers money through water purchase by the Marine base that will offset against the water that GWA buys from the Navy, more savings for the ratepayers.

On motion the vote was 5 Ayes; the motion to approve Resolution 37-FY2019 passed unanimously.

5.1.4 Resolution No. 36-FY2019 Relative to Approving the Five-Year Financial Plan and Capital Improvement Program

The objective of the 5-year Financial Plan and Capital Improvement Program is to present the first five-years of capital improvement projects adopted under the 2018 Water Resource Master Plan update, as well as projects necessary to complete the 2011 Court Order and other regulatory compliance objectives. The projects outlined in the Capital Improvement Program will be conducted island wide and will also provide for the continued modernization, operation, maintenance and repair of GWA's water and sewer systems while the ancillary Financial Plan provides the revenues to support debt service on approximately \$260 million in bond borrowing to pay for these much-needed capital improvements which will benefit all residents and visitors of Guam.

The Financial Plan addresses the 5-year period FY2020-FY2024 and includes: (1) estimated annual budgets for operations, maintenance and repair of GWA's water and sewer system, including capital improvement projects; and (2) a detailed descriptive plan for raising sufficient revenue to meet the projected costs set forth in the budget.

Approval of the Five-Year Financial Plan and Capital Improvement Program is urgent and necessary to allow for the filing of a Guam Public Utilities Commission Rate Petition following approval by the CCU in an effort to get the matter on the agenda for decision by the PUC at its August 2019 meeting, if possible.

The total funding required for the Five-Year Financial Plan and Capital Improvement Program is \$291,000,000 in CIP, of which \$260,000,000 will be required in new bond issuances. Of the \$260M requirement, \$134M has already been approved by the Legislature and what we are asking for is the balance of \$126M of legislative approval prior to 2022-.2023.

Chairman Duenas said that this will be our 3rd 5-year plan.

GM Bordallo said that Public information initiatives have been conducted in the north, south and central villages as well as the Guam Chamber, Mayor's Council, and provided a briefing for the Legislature and oversight chair and a briefing to the Gov/Lt Gov. will be done on June 28. The Plan was uploaded to the GWA Website - 37 people downloaded copy of the plan and several comments have been received but non substantive enough to make any changes to the plan.

Chairman Duenas said that the Mayors play major role in community - they are the ones that people go to first. They were very responsive to and support the proposed plans contained in the 5-year plan.

Comm. Guthertz motioned to approve Resolution 36-FY2019 second by Comm. Santos.

Comm. Sanchez said that this is a 5-year plan [the 3rd one] - \$524M CIP [including 2019] of which \$400 paid by ratepayers and \$100 by Dept. of Defense. About half of the projects will be invested in water and the other half in waste water.

Comm. Sanchez also talked about goals and asked the GM his goal relative to this plan. GM Bordallo said with this plan his goal is to reduce non-rev water by 10% reduction within the 5year period. Comm. Duenas asked reconfirmation if the GM mean leaks and other things like the use of the fire department is still not acknowledged at this point.

Comm. Sanchez said that the non-revenue water will be reduced by 20% which will produce savings for ratepayers. The 1st 10 years of rate relief is dominated by complying with the 2003 and 2011 court order. As the GM reported regularly, we are about 1 year off to complete this court order.

Comm. Sanchez said that now the focus will be on GWA projects - of the \$500M only 26% is EPA related the rest is GWA related. GM Bordallo said he is working towards this goal.

You did some sensitivity analysis [base case]- the cumulate impact is 37.1% You also did another sensitivity analysis cumulative impact is 15% - moderate plan 32.5% [scenario 3]. You also did another sensitivity analysis – relative to our debt ratio - cumulative impact is 27.7%. With all these scenarios there are tradeoffs.

The Commission tonight can look at 4 scenarios and look at the tradeoffs. He thanked the GM for these analytics; is beneficial to the Commission.

Comm. Duenas said -if we lower the rate what does it mean for future rate increases. The GM said he provided the projected increases broken down in 5-year increments:

the first 5-year – 47% cumulative
the 2nd 5-year - 53.5% cumulative
the 3rd 5-year – 38% cumulative
the 4th 5-year – 25% cumulative

Comm. Sanchez said this rate design is front loaded and a burden on current ratepayers and under burdening for the future ratepayers.

Comm. Duenas said his concern by lowering the front end is the improvement of service where ratepayers can see the investment.

Comm. Sanchez said in past 10 years we have always hit coverage; GM said the debt service got better the 2nd 5-year. Comm. Sanchez said he believes that we can tolerate something less than 39% without adversely impacting CIP's.

The discussion centered around the debate of whether to stay with the 38% cumulative or to lower the rate in the plan to 32.5% Comm. Sanchez said he would like to move with the 32.5% to help ratepayers and GM Bordallo wanted to stay with the 38% to allow the utility to meet debt service coverage and prevent a spike.

Comm. Sanchez said with the 32.5% debt service coverage is covered and only 23M out of \$400M in CIP will be delayed because it will help the ratepayers. He said if he wants to err, he would like to err on the side of the ratepayer because we have the true-up and the cash flow and if needed we can increase the rate in the future.

GM Bordallo recommended to stay with the 38% because it allows GWA to meet the targets of the indenture. Our goal is to maintain the 1.5 debt service coverage and prevents a spike.

Comm. Santos said that what if we stay with the 38% and then after the true-up if we can move it back down if needed.

Comm. Limtiaco asked about customer growth relative to the military and GM Bordallo said they are building their own water source.

Comm. Duenas said if we lower increase we have another major project with USEPA and it will force us to push it out further. Comm. Sanchez said it will give a reason to push it

Comm. Limtiaco asked the body to consider a 27.8% increase because it meets the debt service coverage and will not impact the ratepayers as much.

Comm. Guthertz asked management to translate the increases to dollars. GM Bordallo said for the residential customer bill at the end of the 5 years for the 38% with lifeline rates the average increase is

\$13 cumulative; for the 32.5% it will increase by \$12 cumulative; for the \$27.75 it will increase by \$7.15 cumulative.

GM Bordallo said that management does have an interest in cost savings. His point is that his higher priority is reliability before cost efficiency. He gave example of Navy water purchases

After a very long debate, the Chairman called for the question.

On the motion to approve the Resolution as written with the 38% scenario the vote was 3 ayes and 2 nays. The motion passed.

6. ANNOUNCEMENT

6.1 Next CCU Meetings: GWA WS 7/16; GPA WS 7/18; CCU MTG 7/23

The Chairman announced that the next CCU meeting would be a GWA work session on July 16, a GPA work session on July 18 and the regular monthly CCU meeting on July 23.

7. ADJOURNMENT

There being no other business to bring before the Commission, the meeting adjourned at 8:15 p.m.

\\s\\
Bls

Attested

JOSEPH T. DUENAS, Chairman

MICHAEL T. LIMTIACO Secretary



CONSOLIDATED COMMISSION ON UTILITIES
 Guam Power Authority | Guam Waterworks Authority
 P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

Regular Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., July 23, 2019

MINUTES

1. CALL TO ORDER

The Chairman called the CCU regular monthly meeting of the Consolidated Commission on Utilities for July 23, 2019 to order at 5:38 p.m. He said all five (5) Commissioners were present for a quorum. Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	Commissioner

Executive Mgmt.:

Miguel Bordallo	GM / GWA
John Benavente	GM / GPA
Melinda Mafnas	AGMO / GPA
John Cruz	AGMET / GPA
Tricee Limtiaco	AGMA / GPA
Chris Budasi	AGMA / GWA
John Kim	CFO / GPA
Gilda Mafnas	CFO (A) / GWA
Kelly Clark	Legal Counsel / GWA
Graham Botha	Legal Counsel / GPA

Management & Staff:

Art Perez	Communication / GPA
Vangie Lujan	Compliance & Safety / GWA
Paul Kemp	AGM Compliance & Safety / GWA
Heidi Ballendorf	Communications / GWA
Zina Pangelinan-Charfauros	Personnel Administrator / GWA
Jason Tudela	GWA
Dave Fletcher	GWA
Ron Topasna	O&M Mgr., Water Treatment / GWA
Vien Wong	IT / GPA
Joyce Sayama	Mgmt. Analyst / GPA Ex.Office
Ann Borja-Gallarde	Mgmt. Analyst / GWA Ex.Office
Lou Sablan	Board Secretary / CCU

Guest:

Irene Hicks	ABE
Dave Hick	ABE
Fred Keller	IT&E

Vivek	Tristar
Brian Park	Tristar
Mark Miller	Commissioner / PUC
Fred Horecky	ALJ / PUC

2. APPROVAL OF MINUTES

The Minutes of April 25, 2019 and May 28, 2019 were presented for approval.

Comm. Guthertz motioned to approve the Minutes subject to verification & written correction, second by Comm. Limitaco. There was no further discussion or objection and the motion passed unanimously.

3. COMMUNICATIONS

3.1 Public Comments – None

4. GWA

4.1 New Business

4.1.1 GM Report

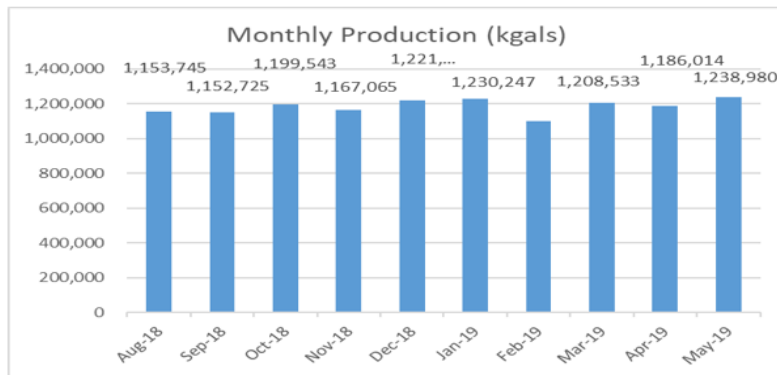
GM Bordallo said there was one item updated on the GM Report provided at the work session related to Waste Water Collection for May / June. While not discussed in detail at this meeting the GM Report which was provided at the GWA Work Session on 7/16 is provided here in detail for the record.

Operations Update

Production (May 2019)

Monthly Production Summary - May 2019			
Deep Wells			36.5 MGD
Active wells =	102 of 120		
Avg days in operation =	31 days		
Total Production =	1,131,672 Kgals		
Springs			0.17 MGD
	31 days		
Total Production =	5409 Kgals		
Ugum Surface Water Plant			2.3 MGD
Avg days in operation =	31 days		
Total Production =	71,736 Kgals		
Tumon Maui Well			0.97 MGD
Avg days in operation =	31 days		
Total Production =	30,163 Kgals		
		1,238,980 Kgals	40.0 MGD

DW Status as of 5/31/2019	
Active	102
Grounded motor or Pump Failure	5
Out of commission	8
Secured, PFOs	2
Temporarily Secured	1
Standby	2
TOTAL	120

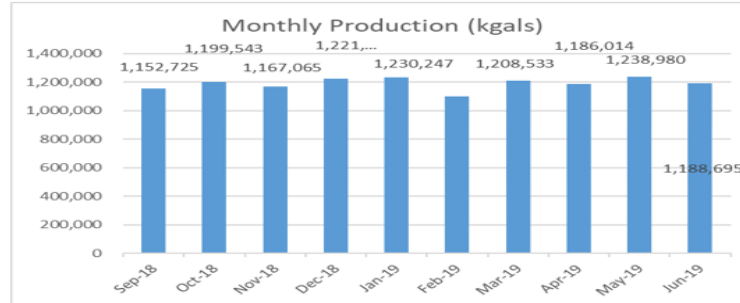


Operations Update

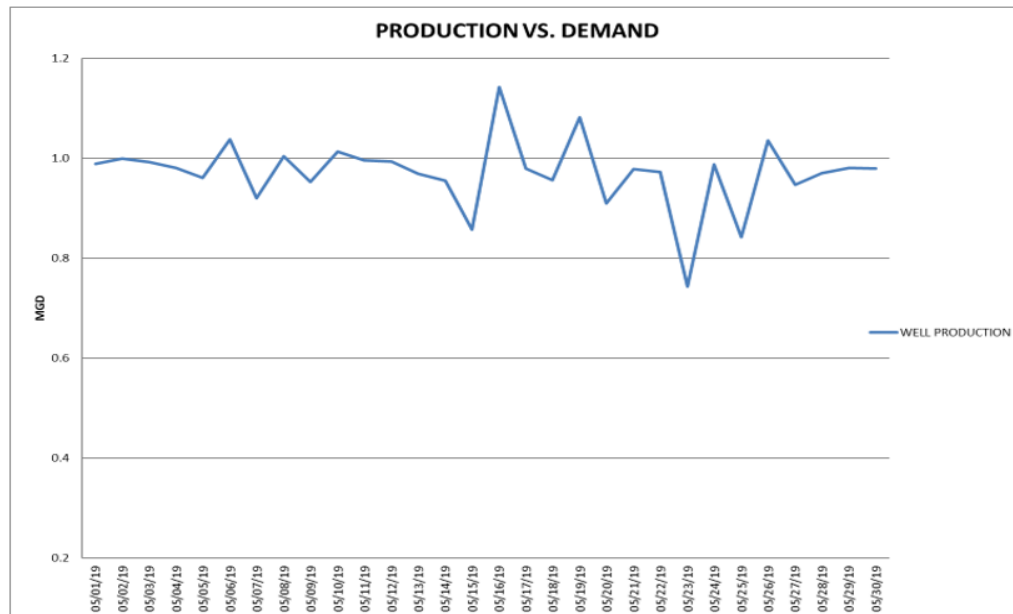
Production (June 2019)

Monthly Production Summary - June 2019			
Deep Wells			36.0 MGD
Active wells =	103 of 120		
Avg days in operation =	30 days		
Total Production =	1,079,487 Kgals		
Springs			0.19 MGD
Avg days in operation =	30 days	*placed on standby	
Total Production =	5828 Kgals		
Ugum Surface Water Plant			2.4 MGD
Avg days in operation =	30 days		
Total Production =	71,489 Kgals		
Tumon Maui Well			0.97 MGD
Avg days in operation =	30 days		
Total Production =	29,210 Kgals		
		1,186,014 Kgals	39.5 MGD

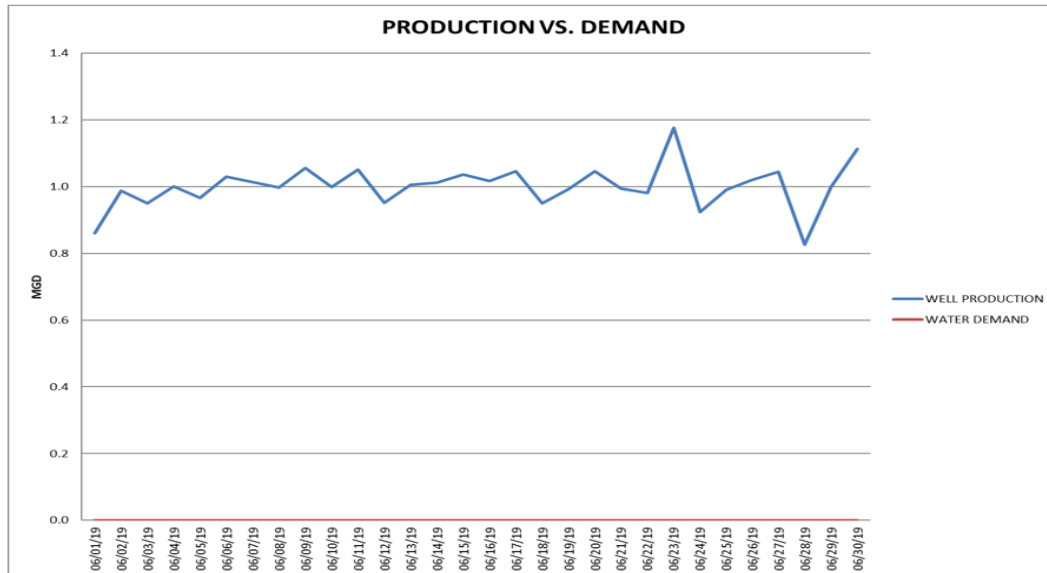
DW Status as of 6/30/2019	
Active	97
Grounded motor or Pump Failure	6
Out of commission	8
Secured, PFOs	2
Standby	7
TOTAL	120



Tumon Maui Well Production (May 2019)



Tumon Maui Well Production (June 2019)



4.1.2 Financials

The financial report was included in the meeting packet but were not discussed or questioned.

4.1.4 Resolution No. 38-FY2019 Approval of Fire Hydrant (Dry Barrel) Replacement Project

If approved Resolution 38-FY2019 will allow GWA to replace old, leaking or non-functioning fire hydrants (dry barrel type). GWA has approximately 3,800 fire hydrants throughout the island, specifically, Barrigada, Mangilao, Mongmong-Toto-Maite, Yona, Tamuning, Dededo and Chalan Pago, which were visually inspected and categorized by their condition ranging from “Excellent” to “Extremely Poor”. GWA Water Distribution Operations has been able to replace approximately 300 wet barrel fire hydrants from the condition assessment list in several villages due to the simplicity of just changing out the hydrant body. Replacement of dry barrel fire hydrants, however, is more complicated as the work involves additional construction activities such as trenching, pipe and valve replacement, and pavement/concrete demolition and restoration. GWA crews are able to do these types of work activities however commitment of O&M operations crew would take time away from normal operations duties thus the procurement of a contractor to do the work was determined to be more effective for advancing the hydrant replacement program.

The lowest bid proposal submitted that was deemed responsive and responsible was by Mega United Corporation of One Million Two Hundred Forty-Two Thousand Six Hundred Seventy Dollars (\$1,242,670.00). GWA management also seeks a ten percent (10%) contingency or One Hundred Twenty-Four Thousand Two Hundred Sixty-Seven Dollars (\$124,267.00) to bring the total authorized funding request to One Million Three Hundred Sixty-Six Thousand Nine Hundred Thirty-Seven Dollars (\$1,366,937.00) and will come from both bond and revenue funds. Anticipated completion date for the project is 365 days from the time the Notice to Proceed is issued.

Comm. Guthertz motioned to approve Resolution 38-FY2019 for discussion second by Comm. Sanchez

In discussion GM Bordallo gave an update on the number of hydrants being repaired / replaced. He confirmed that overall there are 1600 hydrants being replaced and of that 750 will be the target for the first 5 years. Comm. Guthertz asked about new developments if it's a private development the developer puts in the hydrants and it becomes maintenance for GWA. For government or new schools the contractor will install them and again GWA will maintain them. Comm. Guthertz commented that this is an amazing initiative because it keeps public safe. Comm. Limtiaco asked how many dry barrels will be replaced the first 5 years and GM Bordallo said 190.

On the motion there was no further discussion or objection and the motion passed unanimously.

4.1.5 Resolution No. 39-FY2019 Approval of Contract with Total Chemicals and JMI Edison Add'l Purchase of WasteWater Chemicals

This resolution will provide wastewater treatment chemicals to the Northern District and Hagåtña WWTPs for chemically enhanced primary treatment as required by USEPA and specified in § II A Paragraphs 2 and 5 of the 2011 Court Order, and to the Agat-Santa Rita Wastewater Treatment Plants for secondary treatment to ensure the reduction of solids and the discharge of effluent complying with permits for those facilities.

The total of the contract is Two Million Six Hundred Twenty-Seven Thousand Five Hundred Thirty-Six Dollars and Fifty-Six Cents (\$2,627,536.56) for Inorganic Coagulant for three years based on an estimated annual consumption of 803,528 at \$1.09 per pound with Total Chemical Resources, Inc. and One Million Sixty-Four Thousand Fifty-Three Dollars and Fifty-Three Cents (\$1,064,053.53) for Anionic Polymer for three years based on the annual consumption of 111,763 at \$1.16 per pound and Cationic Polymer at an annual consumption of 138,061 at \$1.63 per pound with JMI Edison.

GWA management is also seeking a ten percent (10%) contingency in the amount of \$262,753.66 for the contract with Total Chemicals bringing the total authorized funding to Two Million Eight Hundred Ninety Thousand Two Hundred Ninety Dollars and Twenty-Two Cents (\$2,890,290.22) and an amount of \$106,405.35 for the contract with JMI Edison which would bring the total authorized funding to One Million One Hundred Seventy Thousand Four Hundred Fifty-Eight Dollars and Eighty-Eight Cents (\$1,170,458.88). The funding source for this procurement is O&M funds. The contract is for three (3) years with two (2) one (1) year options to renew.

Total Chemical Resources, Inc was awarded the bid for Inorganic Coagulant ("ACH"), JMI Edison was awarded the bid for Anionic Polymer and Cationic Polymer.

Comm. Guthertz motioned to approve Resolution 39-FY2019 second by Comm. Limtiaco. The motion carried and the vote was unanimous.

5. GPA

5.1 New Business

5.1.1 GM Report

The GM updated the Commission that there is no longer a protest on new power plant. They had 14 days to go to OPA and there was none. The GM said he plans to bring the bid results to the CCU in the August meeting. The GM congratulated GPWA 1st place on Liberation Parade. He said there is a presentation on LEAC but there really is no change. The CFO passed out hard copies of management's recommendation to the Commission for their review. The recommendation is to hold LEAC.

There was discussion on temporary streetlight as public service for funerals. GM Benavente described the service. The GM will give the CCU a summary on how many of these types of requests are handled annually.

Comm. Santos asked the difference between GPA SL or DPW SL The GM said the latter is metered and DPW pays for it. Other Gov SL are lights that some agencies pay. It was mentioned that GVB has their own streetlight that is metered.

Comm. Guthertz wants a copy of the streetlight map. Management will put this on CD and distribute to the Commission.

ACTION: Provide SL MAP to Comm. Judi Guthertz (Assignee(s): Melinda Mafnas; Due Date: 07/24/2019)

There was discussion on the history of streetlights and its appropriation. Comm. Sanchez said the legislature has not changed the fee; Comm. Duenas said DPW is not following standard on routed highways and shared areas / intersections that are very dark.

5.1.2 Financials

The usual financial report was provided in the packet but not discussed.

5.1.3 Resolution No. 2019-10 Diesel Fuel Oil #2 Contract

The Guam Power Authority's current contracts for Supply of Diesel Fuel Oil No.2 for the Baseload and Peaking Plants expire on December 31, 2019. The new fuel supply contracts are necessary to provide uninterrupted supply of fuel for the power plants.

These contract service the Baseload and Peaking Power Plants which were split into four (4) specified delivery sites:

- Site Location 1 (Yigo CT and Aggreko)
- Site Location 2 (Macheche CT and Dededo CT)
- Site Location 3 (Piti 7)
- Site Location 4 (Cabras 1&2, MEC 8&9, Manenggon Diesel Plant, and Talofofo Diesel Plant)

The aggregate cost for the two-year contract base period with *Mobil Oil Guam for Sites 1, 3 & 4* is \$113,384,400 (subject to change depending on prevailing market price for diesel) of which \$12,254,800.00 is for the Fixed Service Fee cost.

The total cost for the two-year contract base period with *IP&E Holdings, LLC for Site 2* is estimated at \$33,280,000 (subject to change depending on prevailing market price for diesel) of which \$3,536,000.00 is for the Fixed Service Fee cost.

The aggregate *contract value* for all the site locations for the two-year contract base period is estimated at \$146,664,400 (subject to change depending on prevailing market price for diesel) of which *\$15,790,800.00 is for the Fixed Service Fee cost*. LEAC will be the funding source and the contract is a two-year base period with three one-year extension options.

Comm. Sanchez motioned to approve Resolution 2019-10 second by Comm. Guthertz.

Comm. Santos asked how does the CCU get notified on fuel prices if the prices drop. GM Benavente said typically management gives the Commission this information once the prices are set.

On the motion there was no further discussion and the motion carried. The vote was unanimous.

5.1.4 Resolution No. 2019-11 Out of Service Inspection & Refurbishment of GPA Bulk Storage Fuel Tanks

If passed, this resolution will allow GPA\ to comply with regulatory requirements. GPA will comply with the regulatory requirements by procuring services for the bulk storage fuel tanks out of service inspection and refurbishment to ensure the structural integrity and safe operations of the tanks. The project also includes upgrading of the facility's auxiliary system to assure uninterrupted supply of fuel for the power plants. The last internal inspection was conducted in 2007 and inspections are required every ten (10) years. Upon completion of the project, they will be utilized to store ULSD fuel to supply Piti Power Plant 7 and upon ULSD conversion for Piti Power Plants 8 and 9 and the proposed 180 MW power plant.

On September 25, 2018 CCU approved Resolution 2018-20 authorizing GPA to solicit competitive bids for the Bulk Storage Fuel Tanks Out of Service Inspection and Refurbishment through an Invitation for Bid process and to petition the PUC for approval to issue bids to procure a contractor for the project. Then on October 25, 2018 the PUC approved GPA's petition to issue an Invitation for Bid related to the procurement of Bulk Storage Fuel Tanks Out of Service Inspection and Refurbishment.

The anticipated cost is \$8,969,510.00 for Tristar Agility contract and will be funded by Cabras 3&4 insurance proceeds. It is anticipated that the project will take 24 months to complete beginning in August 2019 with completion in August 2021

Comm. Guthertz motioned to approve Resolution 2019-11 second by Comm. Sanchez.

Comm. Limtiaco questioned the types of fuel that we currently purchase. GM Benavente responded Ultra Low Sulfur Fuel and Low Sulfur Fuel. The Commissioner also asked what is the cost savings anticipated once the tanks are refurbished and GM Benavente said about \$4M annually. For clarity, it was mentioned that the savings will not be realized until the new plant is place. GM Benavente gave a scenario of the planned phase in of the refurbished tanks saying that it has a lot to do with timing. It was mentioned that the refurbishment of the tanks will begin once approved by PUC. Once the refurbishment is done and the new plant is in commissioned, GPA will no longer need to rent storage tanks from a 3rd party.

Comm. Duenas commented that management needs to create a summary list of other things that have to be done such as the transmission line improvements or storage tanks at Okudu etc.

On the motion there was no further discussion and the motion carried; the vote was unanimous.

6. OTHER

6.1 Potential Ad Hoc CCU Committees

Chairman Duenas said that there is a suggestion made by Comm. Sanchez to form an Ad Hoc for Communications Committee, once the objectives are met the Committee will go away. Despite best efforts to provide info to ratepayers, they continue to have many questions about their services and how their services are affected by decisions and actions taken by utility employees, management and the CCU. In the past communication and public outreach efforts have been led by management with some involvement by the CCU. The CCU however are direct elected representatives of ratepayers and should assist management in improving public outreach To this end, Comm. Sanchez introduced the notion to create a subcommittee on Public Outreach and Communication, led by (2) CCU members.

Comm. Santos motioned to create Communication AdHoc Committee called Public Outreach and Communications Committee second by Comm Guthertz.

In discussion Chairman suggested Commissioners Sanchez and Guthertz as reps on the committee, they accepted.

On the motion there was no further discussion or objection and the motion carried unanimously.

6.2 CCU FOIA Responses

Comm. Duenas said there is a need to develop a Standard Operating Procedure to deal with FOIA responses from the Commission. Currently there is nothing in the law that speaks about this relative to Boards and Commissions. Comm. Sanchez said that a policy should be formulated but for now the interim handlers for the FOIA responses should be our counsels.- for a GWA issue, the GWA counsel will respond; if for a GPA issue, the GPA's counsel will respond.

There was also discussion on who and what can be FOIA'd, it is Comm Duenas' position that FOIA's are for documents, a question cannot be part of a FOIA. Further the Commission can be FOIA'd but not individual commissioners. The CCU is a collective body made of (5) Commissioners and they Commission can be FOIA'd but the individual Commissioners cannot be FOIA'd.

Comm. Guthertz commented that she has worked with many boards and commissions and she has never had to respond as an individual for a FOIA. She agrees with Comm. Sanchez that the FOIA requests should be routed to the 2 legal counsels for a response.

Comm; Sanchez motioned to task the 2 legal counsels to develop a policy for the handling FOIA's for the Commission or its individual members, to research the legal standards therein and report back at the next regular meeting in August second by Comm. Guthertz.

It was mentioned that there are some FOIA's still pending responses and Counsel Kelly is already working with the Board Secretary to gather what was sent to the Commission after June 1.

On the motion, there was no further discussion and the motion carried. The vote was unanimous.

ACTION: Develop CCU SOP on how to respond to CCU FOIA's (Assignee(s): Kelly Clark, Graham Botha; Due Date: 08/27/2019)

6.3 GPA Drug Policy

GPA and GWA adopted a drug and alcohol policy in Oct. 2018 and then the AG, Barret-Anderson at the time opined that drug testing cannot be done to everyone. Her opinion was that you can test specific positions but not randomly test everyone.

Discussion followed Comm. Limtiaco said he has not seen any legal opinion and asked what is the opinion. Counsel Botha said that 80-90% of GPA's employees are randomly selected for testing via the DLS laboratory in Hawaii. Comm. Duenas said that GPA had a zero tolerance policy with the first offense being your last offense – 1x and you are out. Comm. Sanchez said that perhaps GPA should review GWA's policy to see if they want to something similar. Comm. Duenas said maybe counsel should go back to the AG to ask for his opinion re the 100% random testing.

ACTION: To get AG's opinion on 100% random testing (Assignee(s): Graham Botha; Due Date: 08/27/2019)

7. ANNOUNCEMENTS

7.1 Next CCU Meetings

The Chairman announced that the next meeting would be a work session for GWA on August 20 , a work session for GPA on August 22 and the regular monthly CCU meeting on August 27th.

8. ADJOURNMENT

There being no other business to bring before the Commission, the meeting adjourned at 6:41 p.m.

\\s\\

Bls

Attested

JOSEPH T. DUENAS, Chairman

MICHAEL T. LIMTIACO Secretary



Management Report

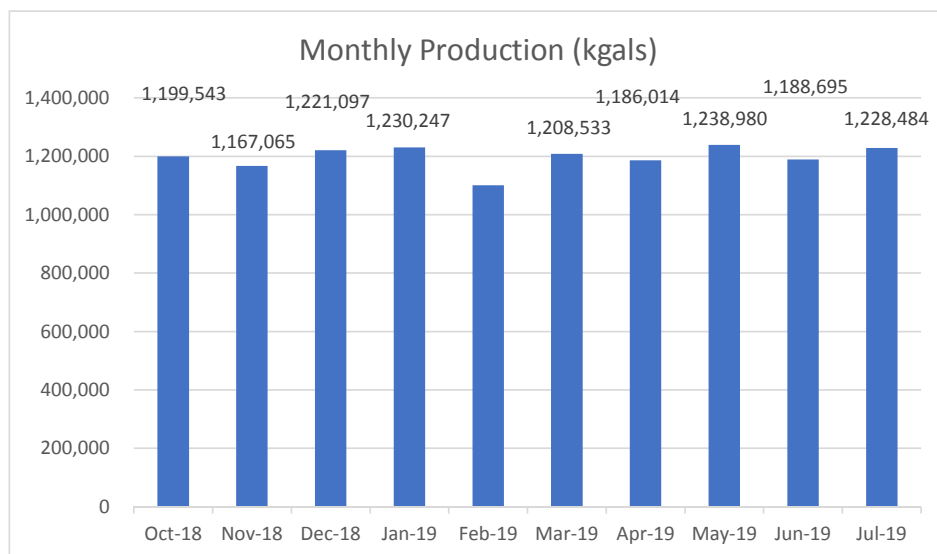
GWA CCU Board Meeting, August 27, 2019

Operations Update

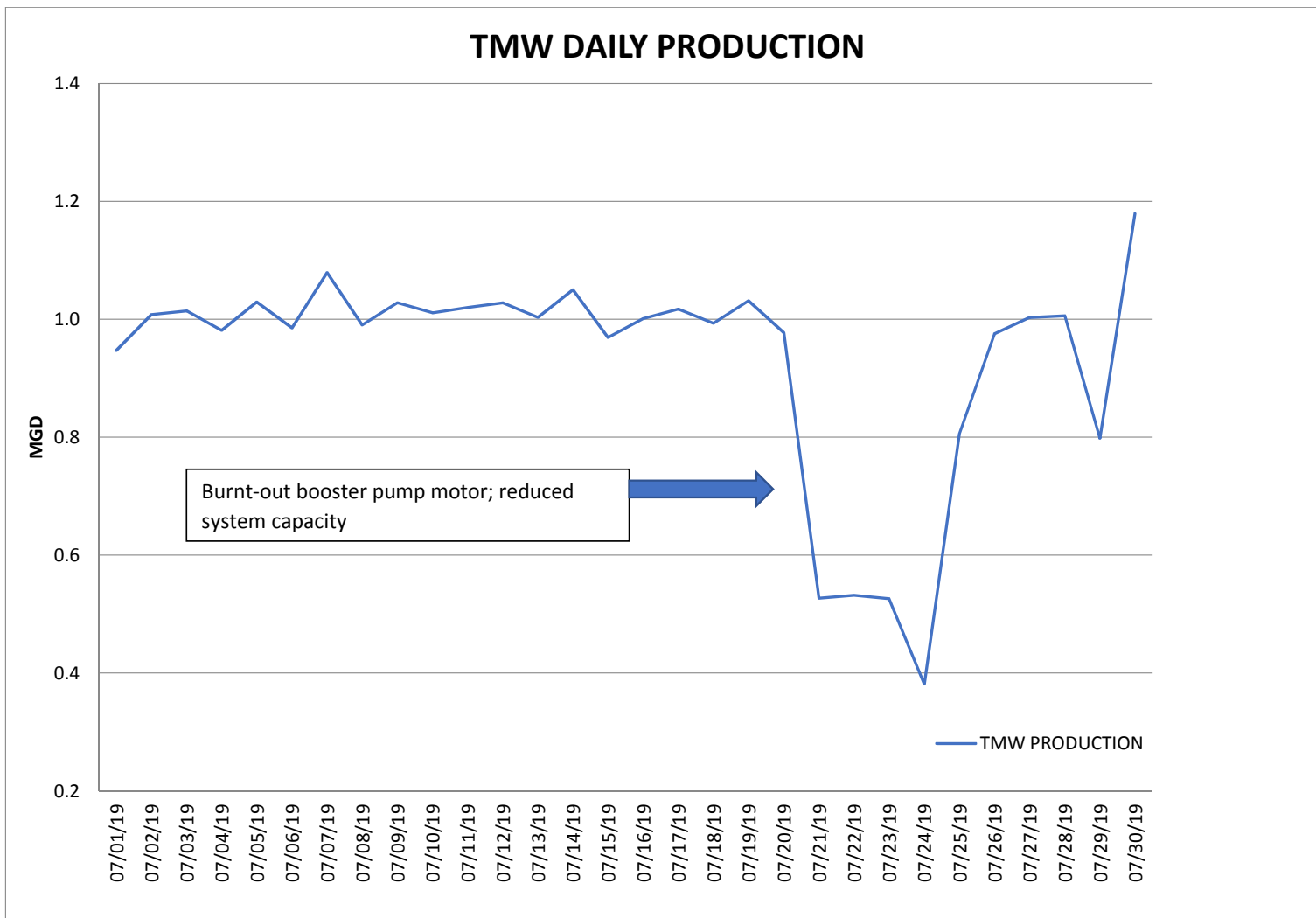
Production (July 2019)

Monthly Production Summary - July 2019				
Deep Wells		36.3 MGD		
Active wells =	102	of 120		
Avg days in operation =	31	days		
Total Production =	1,125,579	Kgals		
Springs		0.11 MGD		
Avg days in operation =	31	days		
Total Production =	3558	Kgals		
Ugum Surface Water Plant		2.3 MGD		
Avg days in operation =	31	days		
Total Production =	70,485	Kgals		
Tumon Maui Well		0.93 MGD		
Avg days in operation =	31	days		
Total Production =	28,862	Kgals		
		1,228,484	Kgals	39.6 MGD

DW Status as of 7/31/2019		
Active	102	
Grounded motor or Pump Failure	3	A26-D03-F06
Out of commission	8	A02-A07-A28-D05-D13-M14-MJ01-MJ05
Secured, PFOs	2	A23-A25
Standby	5	A29-D24-F09-F18-M17B
TOTAL	120	



Tumon Maui Well Production (July 2019)



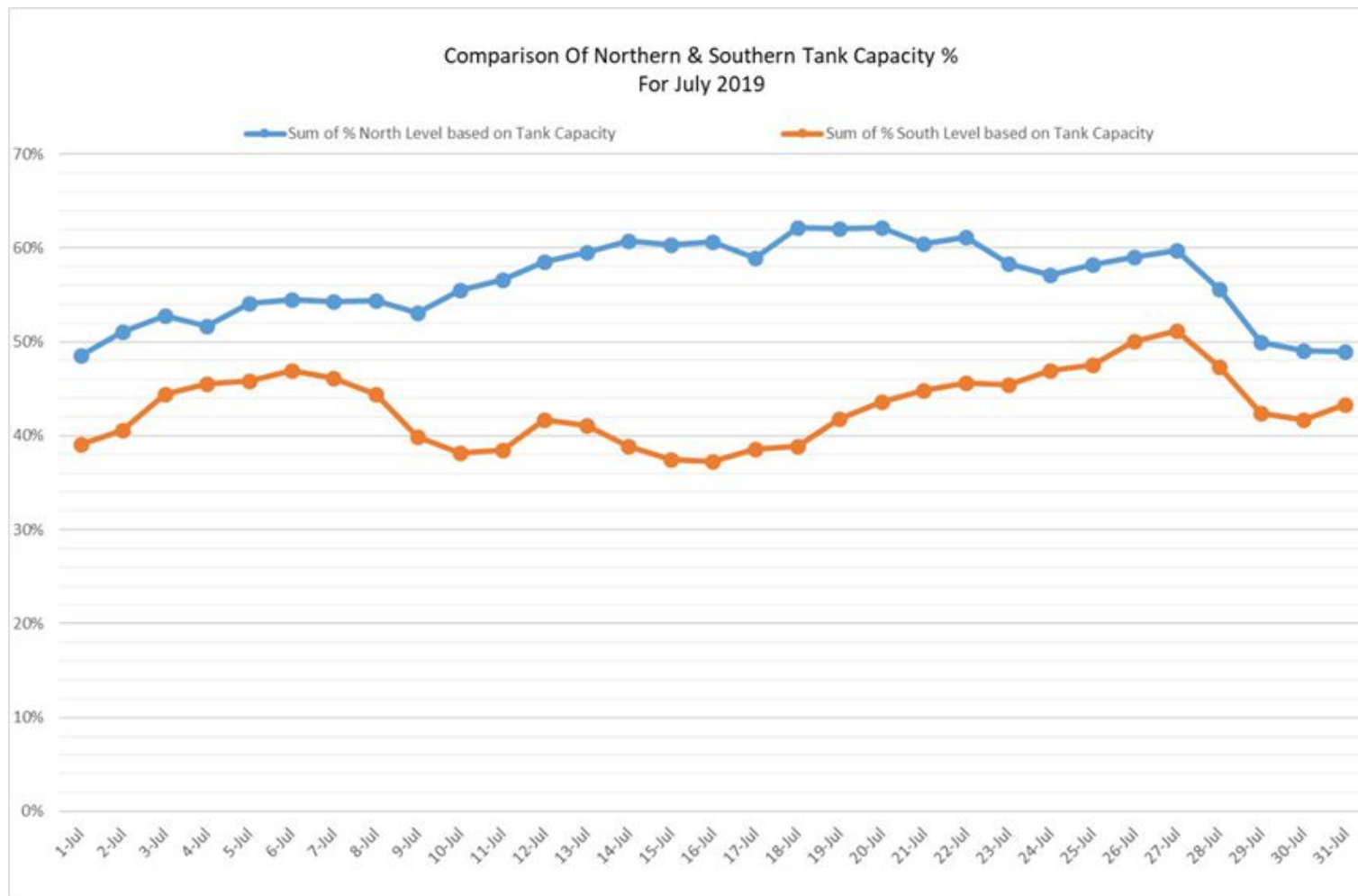
Distribution (July 2019)

Monthly Distribution Summary - July 2019**Water Booster Pump Stations**

	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	11	20	18	90.0%
	Central	7	15	15	100.0%
	Southern	7	15	15	100.0%
		25	50	48	96.0%

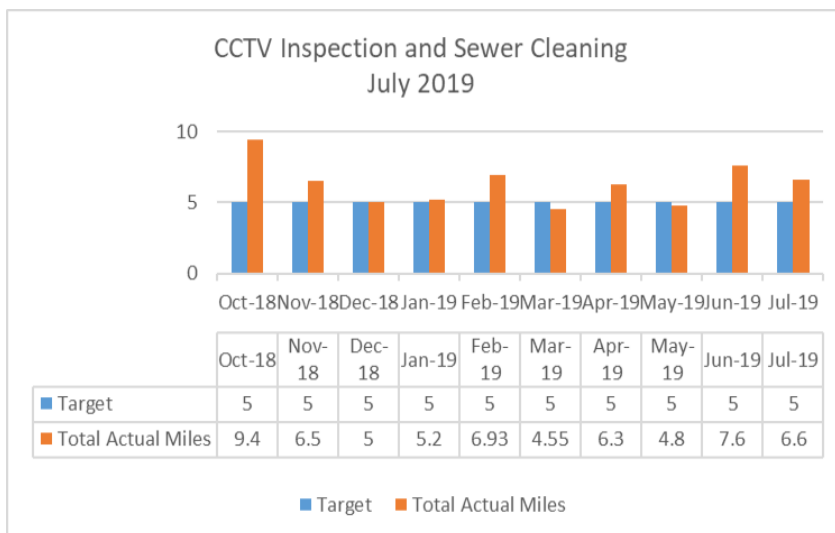
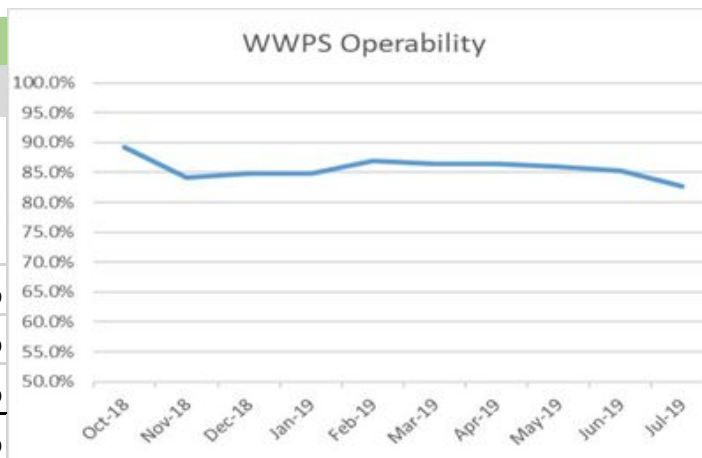


Distribution – Tank Levels (July 2019)



Wastewater Collections (July 2019)

Monthly Collections Summary - July 2019					
Wastewater Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	22	52	42	80.8%
	Central	29	63	52	82.5%
	Southern	27	58	49	84.5%
		78	173	143	82.7%

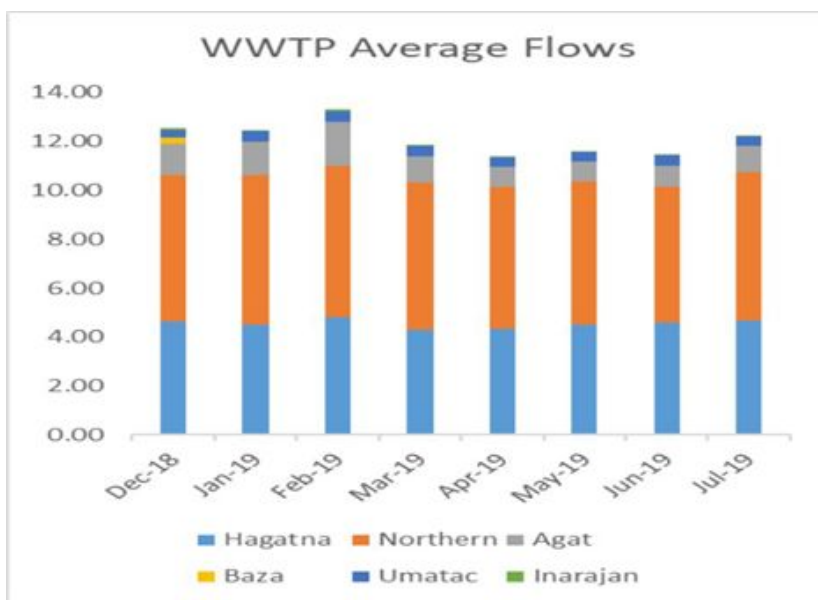


Wastewater Treatment (July 2019)

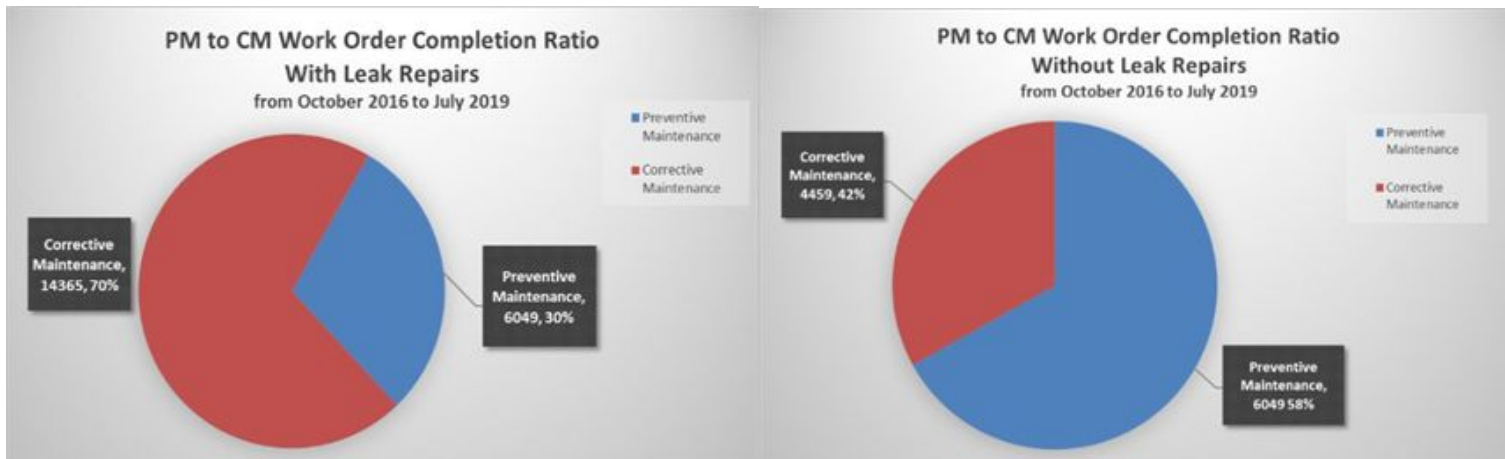
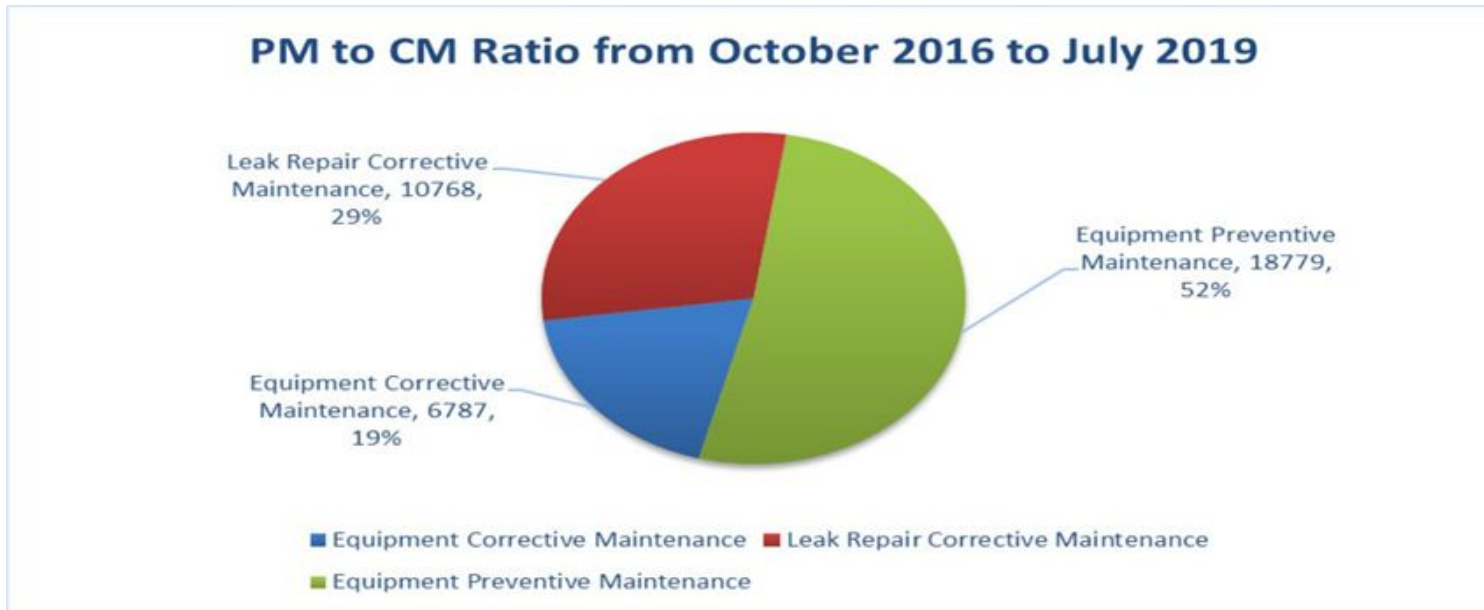
Monthly Wastewater Treatment Summary - July 2019

WW Treatment Plants - Flows

	Facility	Avg. Daily Flows (MGD)	Sludge (lbs)	Sludge Disp. (\$)
	Hagatna	4.69	511,700	\$ 46,053
	Northern	6.04	735,260	\$ 66,173
	Agat	1.06		
	Baza	0		
	Umatac	0.39		
	Inarajan	0.05		
		12.23	1,246,960	\$ 112,226



Asset Management (July 2019)



Operational Issues

Production & Distribution

- Issues with Yigo production were resolved end of June and reservoir level improvements seen in early July. No major production issues.
- Continuing with increased security monitoring after hours due to attempted wire thefts
- Ugum WTP:
 - Membrane changeouts on-going
 - CIP in planning stages

Wastewater Collection & Treatment

- Pump stations
 - Route 1 pump stations and bypasses continue to be an on-going challenge
 - Asan by-pass pumps were changed out in early July to larger pumps; GPA assisted with change to 3-phase service
 - Piti pump station being operated manually to manage flows and in coordination with contractor's work in Asan
 - WW Hills pump station required warranty repairs on two of three pumps; repairs completed.
- Collection System:
 - Piti Sewer / Storm Water Interconnection
 - DPW, GEPA and GWA Working to resolve interconnection which has resulted in impacts to private property
 - Wet-weather complicating efforts to maintain flows
 - Piti pump station manual operation and bypass pumping also make this issue challenging
- NDWWTP
 - Oil & Grease discharged into plant from neighboring lot (CoreTech)
 - Temporarily impacted treatment process at the plant
 - Investigation by GWA staff with cooperation from CoreTech identified their on-site lift station as source of oil & grease
- Hagatna WWTP
 - Corrective maintenance on process equipment is on-going (mixers, aerators and gates for effluent pumps)
 - Working to get resolved before any major storm events
- EPA Inspections: inspections were conducted at
 - Several pump stations,
 - Umatac-Merizo WWTP
 - Agat-Santa Rita WWTP: inspector commented that WWTP was best he has seen anywhere in U.S.

Meters from January 2017 through July 2019

COMPLETED FIELD ACTIVITY JAN 2017 THRU JULY 2019 (POSTED IN CIS)	2017	2018	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	TOTAL:	COMPLETED FIELD ACTIVITIES (IN PROCESS) TO BE POSTED IN CIS
GWA - Test Meter	5206	12191	1330	759	717	1317	664	703	326	23213	203
GWA - Meter Exchange	6487	13353	158	140	444	1583	1212	922	862	25161	5
TOTAL:	11693	25544	1488	899	1161	2900	1876	1625	1188	48374	208

# OF METERS TESTED AS PER METER TEST FACILITY REPORTS:	6079	12259	937	730	518	1231	1135	621	643	24153
--	------	-------	-----	-----	-----	------	------	-----	-----	-------

# OF FIELD CREW PERFORMING CHANGE OUTS:	19.4	16.1	1	1	10	8	7	7	7
# OF ADMIN STAFF TO CREATE AND POST FIELD ACTIVITIES IN CIS:	10	6.3	0	0	4	9	6	6	7
# OF SUPPLY STAFF TO ISSUE MATERIALS AND PROGRAM NEW METERS:	2	2	0	0	2	2	2	2	1
# OF TEST FACILITY PERSONNEL TESTING METERS:	3	2	2	2	2	2	3	3	3
TOTAL:	36.4	29.4	8	8	21	23	19	21	22

REMAINING ACTIVE BADGER LP MODELS AS OF July 31, 2019: 7165

Stock #	Size	Meter Description	New Meters	Passed Field Meters	MMP	Meters Available	Meters at MTF	Total Count
60484	3/4"	METER, Badger AMR 5/8" X 3/4" RCDL Model M25 Disc Meter	37	0	0	37	18	55
74131	3/4"	METER, Badger AMR 5/8" x 3/4" ***WARRANTY** RCDL Model M25	0	0		0	0	0
65293	3/4"	METER, Badger 5/8"x3/4" NSF61-G RCDL M25LL Disc Meter Integral	52	2	0	54	0	54
74131	3/4"	METER, Badger AMR 5/8" x 3/4" RCDL Model M25 ***RMI***	0			0	13	13
84769	3/4"	METER, Badger E-SERIES 5/8"X3/4" ULTRASONIC	975			975	5	980

Backbilling through July 31, 2019

Guam Waterworks Authority

Collections Report* on Accounts Backbilled thru July 31, 2019

For fiscal years 2015, 2016, 2017 and 2019 (Jul 31)

Meter Changeout Period										
FY2016		FY2017		FY2018		FY2019		TOTAL		
No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	
FY2015										
FY2016	17	\$ 882	0	\$ -	0	\$ -	0	\$ -	17	\$ 882
FY2017	0	\$ -	535	\$ 396,667	2	\$ 578	0	\$ -	537	\$ 397,245
FY2018	0	\$ -	1,335	\$ 732,446	39	\$ 9,664	0	\$ -	1,374	\$ 742,109
FY2019	0	\$ -	492	\$ 226,547	3,663	\$ 1,721,944	3,183	\$ 747,367	7,338	\$ 2,695,857
Total Billed	17	\$ 882	2,362	\$ 1,355,659	3,704	\$ 1,732,186	3,183	\$ 747,367	9,266	\$ 3,836,094

	Account Status														
	Total Collected			Current - Not Yet Due			Total Adjusted			Total Uncollected (Active)			Total Uncollected		
	No. of Accounts	Amount	%	No. of Accounts	Amount	%	No. of Accounts	Amount	%	No. of Accounts	Amount	%	No. of Accounts	Amount	%
FY2015															
FY2016	17	\$ 882	100%												
FY2017	486	310,431	78%	0	-	-	14	16,257	4%	16	50,244	13%	22	20,517	5%
FY2018	1,262	576,876	78%	0	-	-	41	50,543	7%	28	79,318	11%	43	35,373	5%
FY2019	6,346	1,380,171	51%	355	773,351	29%	69	61,273	2%	435	410,390	15%	134	70,745	3%
Total Collected	8,111	\$2,268,360		355	\$773,351		124	\$128,074		479	\$539,952		199	\$126,635	

Collection Ratio

59%

20%

3%

14%

3%

* Collections thru August 14, 2019

One Guam Update

- Santa Rosa Tank
 - No update on AAFB response to request for data substantiating operational improvements.
 - GWA to proceed with Santa Rosa Tank project with intertie up to AF property – no delay to the GWA project
- GAC Changeout
 - Scheduled after completion of GIAA; should be completed in August
- Navy Water Billing
 - Change in DoD funding: eliminated 'working capital fund' for FY20 to 'General Fund'
 - No more annual stabilized commodity rates
 - Funding **must be received in advance of service**; on quarterly basis for recurring products/services

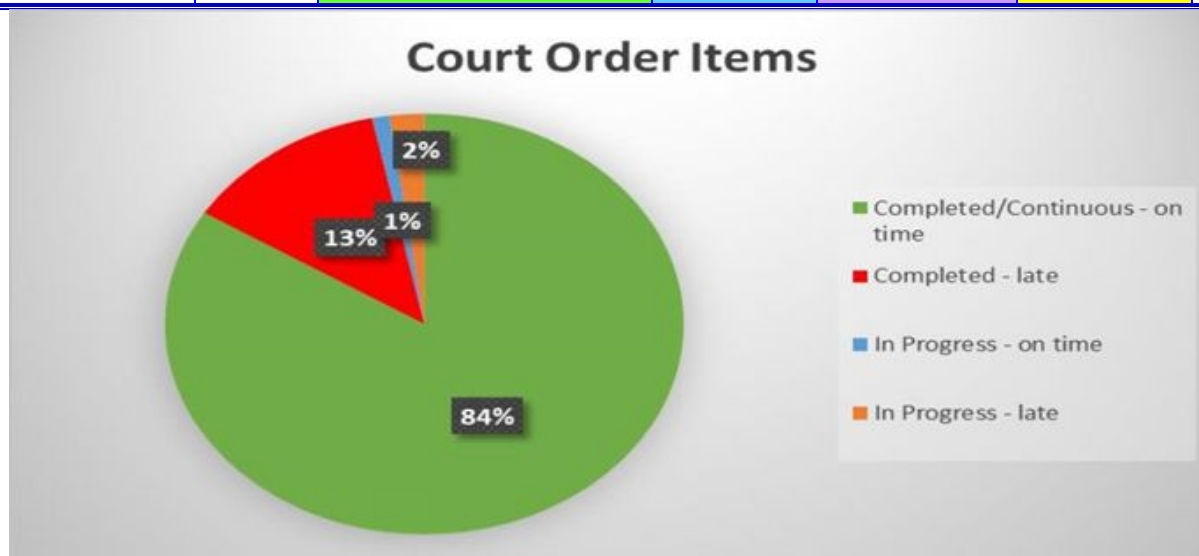
UTILITIES	FY19 Rate	FY20 WCF ¹	FY20 GF ²	FY20 WCF to GF Delta
Electricity (\$/MWH)	\$203.53	\$317.61	\$397.52	\$79.91
Potable Water (\$/KGAL)	\$10.18	\$10.66	\$9.13	(\$1.53)
Steam (\$/MBTU)	\$82.40	\$117.37	\$158.51	\$41.14
Sewage NBG (\$/KGAL)	\$18.09	\$22.75	\$33.57	\$10.82
Sewage AAFB (\$/KGAL)	\$18.09	\$22.75	\$21.19	(\$1.56)
Demin/Pure Water (\$/GAL)	\$0.47	-	\$0.38	

\$3.01/kgal GWA lifeline cost
\$10.73/kgal above 5k

- PUC Rate Case Intervention
 - Navy Consultant engaged to review the matter
 - GWA provided presentation on August 22nd
 - Still waiting on Navy's decision

Court Order

	Items	On-time Items Completed/Continuous	Items Delayed	Completed Late	Items on Schedule	Performance %
Court order total	93	78	2	12	1	97.8%



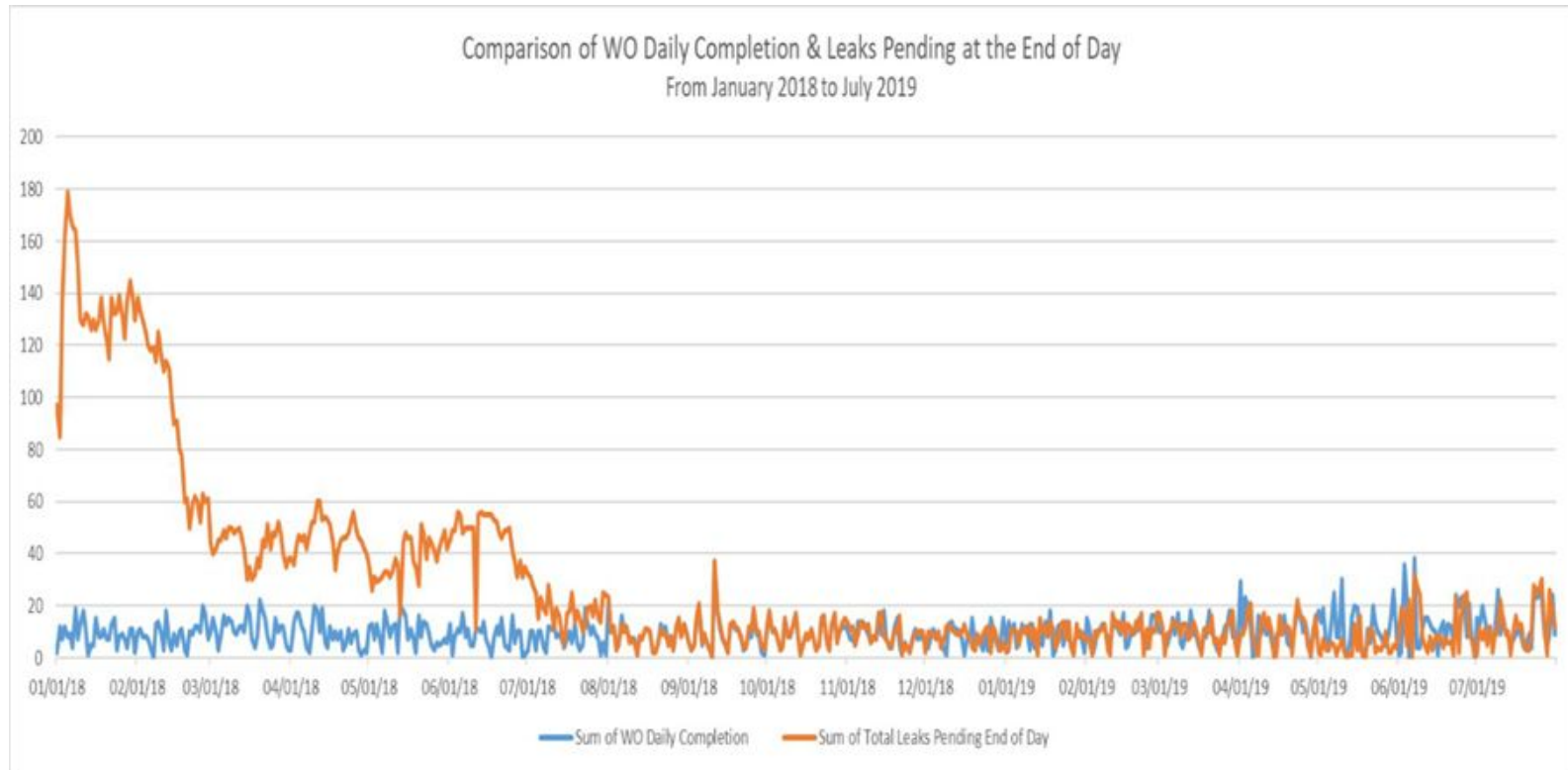
Status Information

- 2 items delayed
 - Water Reservoir Repair. Replacement or Relocation program, CO II C 29(b)(6)(i) – (10 additional tanks by 7th CO anniversary). (Affects final date of the Court Order.)
 - Umatac-Merizo Wastewater Treatment Plant – July/August 2019
- Final Date to complete all Court Order items may be delayed past December 31, 2020. [CO 29(b) has been expanded by 31% beyond the original Court Order Requirements (General Counsel is reviewing filing requirements and content).]
- Overflow or Bypass events reported to USEPA:
 - 08-03-2019, Umatac TP (Bypass) continues
 - 08-04-2019 Vietnam Veterans Memorial Highway, Barrigada [manhole across from Wendy's] (rain)
 - (Note: GWA has contracted security services that continue to prevent well-site break-ins.)

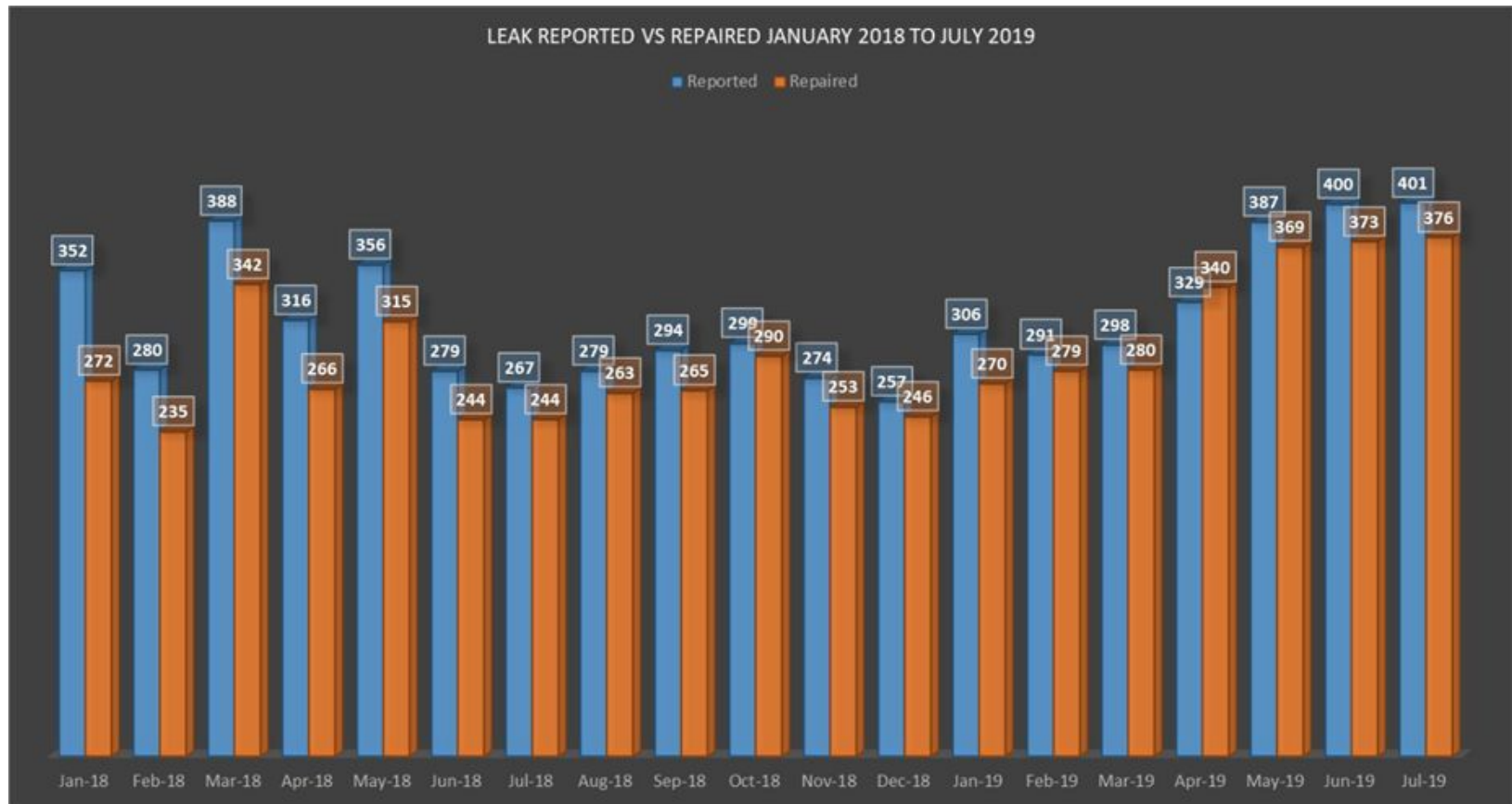
Land Acquisition Summary (as of July 2019)

GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
Tanks	Astumbo	Gov't. - CLTC	GWA and DLM working together on Land Registration process. Pending Notification of surrounding lot owner information from DLM.
	Piti	Private	License Agreement for Piti Tank that fall on Dept. of Park Services property currently under DOI review 07/17/19.
Deep Wells	AG-12	Dept. of Agriculture/Manhita Farms	Right of Entry Agreement sent to Dept of AG for signature 05/24/18. 2 nd follow up sent on 09/12/18. 3 rd follow up sent on 04/10/19. Retracement Survey Property Map with DLM for review 03/06/19. Retracement Survey Property Map with DLM for final approval 06/05/19.
Booster Pump Station	Agfayan	Private	Authorization Form to perform appraisal and investigative services for L28, B19, T3734, Inarajan signed by CLTC 10/29/2018.
Sewer Pump Stations	2 nd Adjacent Property to Southern Link	Private	Escrow & Title Land Purchase Accepted 06/03/19. Change Order 4 for Parceling Property Survey Map approved 06/26/19.
Asan Springs	Asan	Federal	License Agreement for Asan Springs facility that fall on Dept. of Park Services property currently under DOI review.

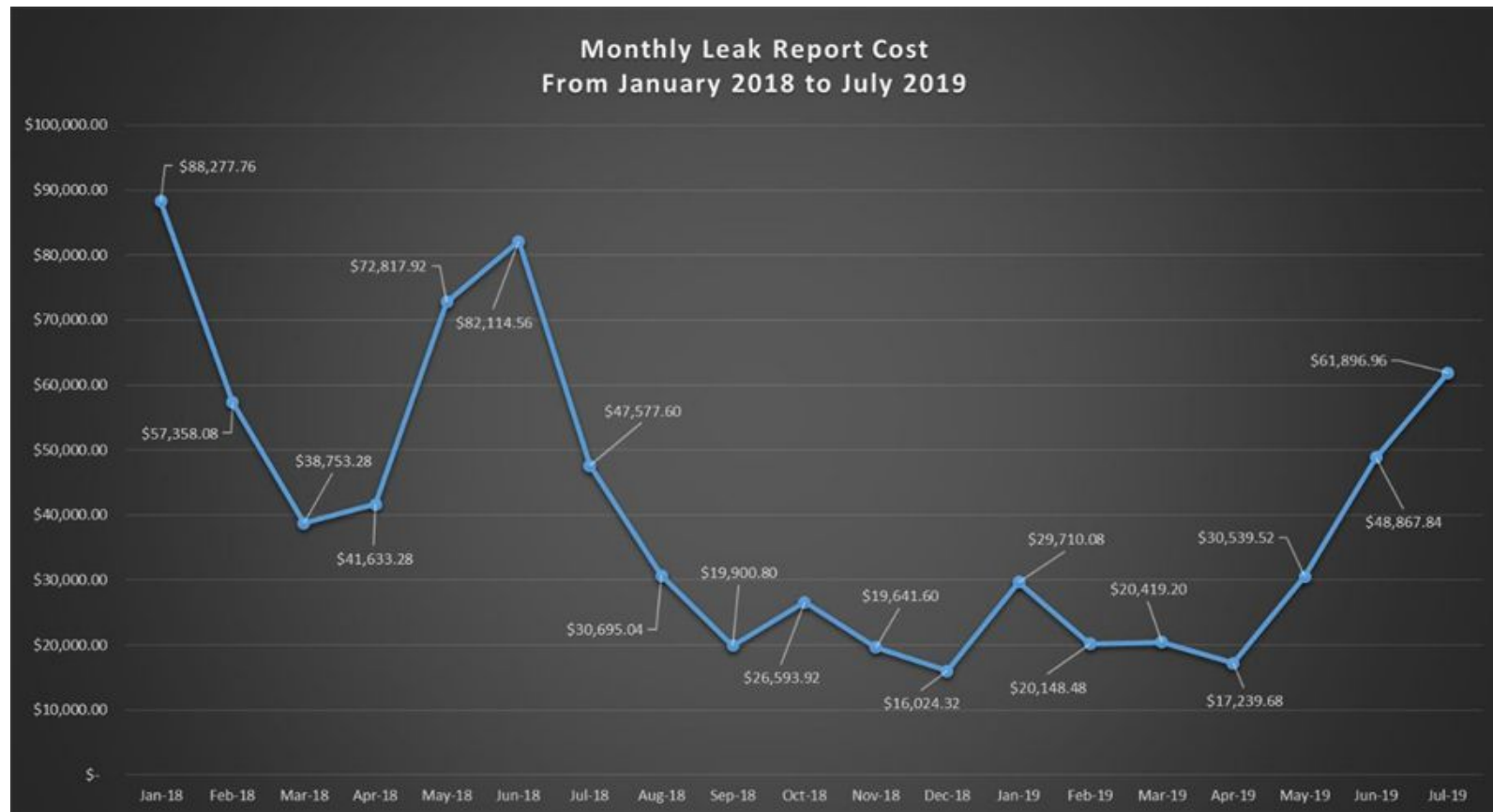
Leak Repair Summary (July 2019)



Comparison of Leaks Reported vs. Leaks Repaired (July 2019)



Monthly Leak Report Cost (July 2019)



Assumptions:

1. Leak rate = 4 gpm
2. Cost per kgal = \$4.00

**GUAM WATERWORKS AUTHORITY
JULY 31, 2019
FINANCIAL AND RELATED REPORTS
TABLE OF CONTENTS**

	SCHEDULES	PAGE
BALANCE SHEET	A	2
INCOME STATEMENT MTD ACTUALS VS MTD BUDGET	B	3
INCOME STATEMENT MTD ACTUALS FY19 VS FY18	C	4
INCOME STATEMENT YTD ACTUALS VS YTD BUDGET	D	5
INCOME STATEMENT YTD ACTUALS FY19 VS FY18	E	6
SCHEDULE of CASH RESTRICTED/UNRESTRICTED	F	7
AGING REPORT - GOVERNMENT RECEIVABLES	G	8
SYSTEM DEVELOPMENT CHARGES PROJECT STATUS	H	9

GUAM WATERWORKS AUTHORITY
Balance Sheet
July 31, 2019

SCHEDULE A

ASSETS AND DEFERRED OUTFLOWS of RESOURCES	Unaudited July 31, 2019	Audited September 30, 2018	Increase/ (Decrease)
<u>Current Assets</u>			
Cash			
Unrestricted (Schedule F)	6,434,778	3,094,379	3,340,399
Restricted Funds (Schedule F)	85,163,641	84,228,994	934,646
Accounts Receivable Trade, Net of Allowance for Doubtful Receivables of \$7,350,407 at Jul 31, 2019 and \$5,516,077 at Sep 30, 2018	13,989,289	16,610,663	(2,621,374)
Federal Receivable	514,564	3,837,148	(3,322,583)
Other Receivable	1,832,288.30	1,330,798	501,491
Materials & Supplies Inventory, Net of Allowance for Obsolescence of \$64,131 at Jul 31, 2019 and \$64,131 at Sep 30, 2018	2,866,419	3,342,557	(476,138)
Total Current Assets	110,800,979	112,444,540	(1,643,560)
<u>Property, Plant and Equipment</u>			
Utility plant in service			
Water system	369,153,475	348,812,303	20,341,171
Wastewater system	300,407,082	300,053,427	353,655
Non-utility property	22,080,853	21,720,023	360,830
Total property	691,641,409	670,585,753	21,055,656
Less Accumulated Depreciation	(320,518,942)	(303,019,447)	(17,499,495)
Land	3,914,815	3,681,120	233,695
Construction Work in Progress	223,898,113	178,443,926	45,454,187
Property, Plant and Equipment, net	598,935,395	549,691,352	49,244,042
<u>Other noncurrent assets</u>			
Restricted cash (Schedule F)	117,346,734	159,753,667	(42,406,933)
Investments (Schedule F)	38,001,295	43,097,913	(5,096,618)
Other Prepaid Expenses	954,555	677,828	276,727
Total other noncurrent assets	156,302,584	203,529,408	(47,226,823)
Total Assets	866,038,958	865,665,299	373,659
Deferred outflows of resources			
Debt defeasance due to bond refunding	12,115,448	12,810,787	(695,339)
Deferred outflows from pension	4,220,075	4,220,075	0
Deferred outflows from OPEB	9,070,814	9,070,814	(0)
Total Assets and Deferred Outflows of Resources	891,445,295	891,766,975	(321,680)
LIABILITIES, DEFERRED INFLOWS of RESOURCES AND NET ASSETS			
<u>Current Liabilities</u>			
Current maturities of long-term debt			
Series 2010 Bond	1,895,000	1,800,000	95,000
Series 2013 Bond	2,695,000	-	2,695,000
Series 2014 Refunding	3,760,000	3,620,000	140,000
Series 2016	420,000	-	420,000
Series 2017 Refunding	-	295,000	(295,000)
Notes Payable	2,866,745	3,203,870	(337,125)
Accounts Payable -Trade	2,832,866	4,467,102	(1,634,237)
Accrued and Other Liabilities	1,220,094	1,081,895	138,200
Interest Payable	2,117,099	6,427,669	(4,310,570)
Accrued Payroll and Employee Benefits	1,149,892	1,608,219	(458,327)
Accrued Annual Leave	1,059,161	1,059,161	-
Current portion of employee annual leave	607,382	607,382	-
Contractors' Payable	10,868,977	25,680,792	(14,811,815)
Customer and Other Deposits	2,353,445	2,131,242	222,203
Total Current Liabilities	33,845,661	51,982,331	(18,136,670)
<u>Long Term Debt, less current maturities</u>			
Series 2010 Revenue Bond	-	1,895,000	(1,895,000)
Series 2013 Revenue Bond	169,935,000	172,630,000	(2,695,000)
Series 2014 Refunding Bond	65,140,000	68,900,000	(3,760,000)
Series 2016 Revenue Bond	142,890,000	143,310,000	(420,000)
Series 2017 Refunding Bond	107,365,000	107,365,000	-
Unamortized Bond Premium/Discount	32,103,530	33,300,619	(1,197,089)
Notes Payable	-	2,325,154	(2,325,154)
Net pension liability	45,451,352	45,451,352	-
Net OPEB obligation	88,950,661	88,950,661	-
Employee Annual Leave, Less Current Portion	822,821	822,821	-
Total Liabilities	686,504,025	716,932,938	(30,428,913)
Deferred inflows of resources:			
Deferred inflows from pension	1,857,164	1,857,164	-
Deferred inflows from OPEB	8,741,900	8,741,900	(0)
Total Liabilities and Deferred Inflows of Resources	697,103,088	727,532,002	(30,428,914)
Net Assets	194,342,207	164,234,973	30,107,234
Total Liabilities, Deferred Inflows of Resources and Net Assets	891,445,295	891,766,975	(321,680)

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative Budget vs. Actual for the period ending July 31, 2019

SCHEDULE B

	Month to Date		Variance
	Budget	Actual (Unaudited)	Favorable/
	July-19	July-19	(Unfavorable)
OPERATING REVENUES			
Water Revenues	5,813,246	5,903,203	89,956
Wastewater Revenues	3,247,265	3,614,959	367,694
Legislative Surcharge	294,667	313,711	19,044
Other Revenues	38,254	40,290	2,036
System Development Charge	97,773	98,196	424
Total Operating Revenues	9,491,205	9,970,360	479,155
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	592,577	501,096	91,481
Power Purchases	1,326,315	1,322,496	3,819
Total Utility Costs	1,918,892	1,823,592	95,300
Salaries and Wages	1,782,365	1,461,055	321,310
Pension and Benefits	562,238	458,157	104,081
Total Salaries and Benefits	2,344,603	1,919,212	425,391
Capitalized Labor and Benefits	(308,333)	(280,661)	(27,672)
Net Salaries and Benefits	2,036,269	1,638,551	397,719
Administrative and General Expenses			
Sludge removal	143,771	142,100	1,672
Chemicals	179,801	179,005	796
Materials & Supplies	130,606	130,329	277
Transportation	75,648	75,393	255
Communications	25,054	24,935	120
Claims	8,417	5,469	2,948
Insurance	79,461	77,860	1,601
Training & Travel	15,417	14,971	446
Advertising	2,500	1,637	863
Miscellaneous	80,632	79,716	916
Regulatory Expense	31,029	30,960	69
Bad Debts Provision	202,148	201,719	429
Total Administrative and General Expense	974,483	964,094	10,389
Depreciation Expense	1,759,065	1,667,910	91,155
Contractual Expense			
Audit & Computer Maint.	90,783	89,019	1,764
Building rental	38,361	35,412	2,949
Equipment rental	79,980	72,872	7,108
Legal	512	-	512
Laboratory	34,862	27,188	7,674
Other	181,458	164,930	16,527
Total Contractual Expense	425,956	389,421	36,535
Retiree Supp. Annuities and health care costs	249,871	238,872	10,999
Contribution to Government of Guam	51,975	50,000	1,975
Total Retiree Benefits	301,846	288,872	12,974
Total Operating Expenses	7,416,512	6,772,440	644,072
Earnings (Loss) from Operations	2,074,693	3,197,920	1,123,227
Interest Income-2010/13/14/16/17 Series Bond	84,943	319,552	234,609
Interest Income-Other Funds	13,856	70,010	56,154
Interest Income-SDC	2,072	14,294	12,222
Interest Expense- 2010/13/14/16/17 Series Bond	(2,387,785)	(2,117,099)	270,686
Interest Expense- ST BOG	(19,762)	(13,991)	5,771
Federal Expenditures	-	-	-
Loss on Asset Disposal	-	-	-
AFUDC	1,157,306	1,157,306	0
Amortization of Discount, Premium and Issuance Costs	(17,798)	119,709	137,507
Defeasance due to bond refunding	(16,201)	(69,534)	(53,333)
Deferred outflows from pension	-	-	-
Prior Year Adjustment	-	(31,680)	(31,680)
Total non-operating revenues (expenses)	(1,183,369)	(551,432)	631,936
Net Income (Loss) before capital contributions	891,324	2,646,487	1,755,163
Capital Contributions			
Grants from US Government	5,533,205	1,714,737	(3,818,468)
Grants from GovGuam & Others	-	2,500	2,500
Total Capital Contributions	5,533,205	1,717,237	(3,815,968)
Change in Net Assets	6,424,529	4,363,725	(2,060,805)
Debt Service Calculation			
Earnings From Operations	2,074,693	3,197,920	
System Development Charge	(97,773)	(98,196)	
Retiree COLA	51,975	50,000	
Interest/Investment Income	13,856	70,010	
Depreciation	1,759,065	1,667,910	
Balance Available for Debt Service per Section 6.12	3,801,817	4,887,644	
Working Capital Reserve Available for Debt Service	934,811	960,540	
Transfer to Working Capital- Debt Service Reserve	-	-	
Transfer to Working Capital- O&M Reserve	-	-	
Balance Available for Debt Service inclusive of reserves	4,736,628	5,848,184	
Debt Service			
Principal	476,250	476,250	
Interest	2,137,785	2,137,785	
Total	2,614,035	2,614,035	
Debt Service Coverage (1.25X)- per Section 6.12 (Indenture)	1.45	1.87	
Debt Service Coverage (1.75X) inclusive of reserves (PUC)	1.81	2.24	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative for the period ending July 31, 2019 and 2018

SCHEDULE C

	Month to Date		Variance
	Actual (Unaudited)	Actual (Audited)	Increase/
	July-19	July-18	(Decrease)
OPERATING REVENUES			
Water Revenues	5,903,203	5,531,297	371,906
Wastewater Revenues	3,614,959	3,191,784	423,176
Legislative Surcharge	313,711	289,209	24,502
Other Revenues	40,290	43,294	(3,004)
System Development Charge	98,196	89,249	8,947
Total Operating Revenues	9,970,360	9,144,833	825,527
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	501,096	723,748	(222,652)
Power Purchases	1,322,496	1,223,874	98,622
Total Utility Costs	1,823,592	1,947,622	(124,030)
Salaries and Wages	1,461,055	1,464,423	(3,368)
Pension and Benefits	458,157	376,266	81,891
Total Salaries and Benefits	1,919,212	1,840,689	78,523
Capitalized Labor and Benefits	(280,661)	(296,147)	15,486
Net Salaries and Benefits	1,638,551	1,544,542	94,009
Administrative and General Expenses			
Sludge removal	142,100	125,638	16,462
Chemicals	179,005	182,625	(3,620)
Materials & Supplies	130,329	180,995	(50,666)
Transportation	75,393	64,001	11,392
Communications	24,935	14,756	10,179
Claims	5,469	10,803	(5,334)
Insurance	77,860	76,005	1,855
Training & Travel	14,971	22,652	(7,681)
Advertising	1,637	14,226	(12,589)
Miscellaneous	79,716	84,564	(4,848)
Regulatory Expense	30,960	22,121	8,839
Bad Debts Provision	201,719	180,246	21,473
Total Administrative and General Expense	964,094	978,632	(14,538)
Depreciation Expense	1,667,910	1,606,687	61,223
Contractual Expense			
Audit & Computer Maint.	89,019	58,815	30,204
Building rental	35,412	36,603	(1,191)
Equipment rental	72,872	89,207	(16,335)
Legal	-	-	-
Laboratory	27,188	34,441	(7,253)
Other	164,930	200,655	(35,725)
Total Contractual Expense	389,421	419,721	(30,300)
Retiree Supp. Annuities and health care costs	238,872	662,581	(423,709)
Contribution to Government of Guam	50,000	49,833	167
Total Retiree Benefits	288,872	712,414	(423,542)
Total Operating Expenses	6,772,440	7,209,618	(437,178)
Earnings (Loss) from Operations	3,197,920	1,935,214	1,262,706
Interest Income-2010/13/14/16/17 Series Bond	319,552	255,374	64,178
Interest Income-Other Funds	70,010	45,645	24,365
Interest Income-SDC	14,294	13,852	442
Interest Expense- 2010/13/14/16/17 Series Bond	(2,117,099)	(2,177,468)	60,369
Interest Expense- ST BOG	(13,991)	(30,702)	16,711
Federal Expenditures	-	(62,220)	62,220
Loss on Asset Disposal	-	(162,136)	162,136
AFUDC	1,157,306	1,041,766	115,540
Amortization of Discount, Premium and Issuance Costs	119,709	(42,691)	162,400
Defeasance due to bond refunding	(69,534)	(62,043)	(7,490)
Deferred outflows from pension	-	32,592	(32,592)
Prior Year Adjustment	(31,680)	13,219	(44,899)
Total non-operating revenues (expenses)	(551,432)	(1,134,813)	583,380
Net Income (Loss) before capital contributions	2,646,487	800,402	1,846,086
Capital Contributions			
Grants from US Government	1,714,737	1,244,712	470,025
Grants from GovGuam & Others	2,500	22,681	(20,181)
Total Capital Contributions	1,717,237	1,267,392	449,845
Change in Net Assets	4,363,725	2,067,794	2,295,931
Debt Service Calculation			
Earnings From Operations	3,197,920	1,935,214	
System Development Charge	(98,196)	(89,249)	
Retiree COLA	50,000	49,833	
Interest/Investment Income	70,010	45,645	
Depreciation	1,667,910	1,606,687	
Balance Available for Debt Service per Section 6.12	4,887,644	3,548,131	
Working Capital Reserve Available for Debt Service	960,540	945,164	
Transfer to Working Capital- Debt Service Reserve	-	-	
Transfer to Working Capital- O&M Reserve	-	-	
Balance Available for Debt Service inclusive of reserves	5,848,184	4,493,295	
Debt Service			
Principal	476,250	433,333	
Interest	2,137,785	1,794,910	
Total	2,614,035	2,228,243	
Debt Service Coverage (1.25X)- per Section 6.12 (Indenture)	1.87	1.59	
Debt Service Coverage (1.75X) inclusive of reserves (PUC)	2.24	2.02	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative Budget vs. Actual for the period ending July 31, 2019

SCHEDULE D

	Year to Date		Variance
	Budget	Actual (Unaudited)	Favorable/
	July-19	July-19	(Unfavorable)
OPERATING REVENUES			
Water Revenues	58,132,464	56,188,056	(1,944,408)
Wastewater Revenues	32,472,650	32,582,906	110,255
Legislative Surcharge	2,946,668	2,940,443	(6,225)
Other Revenues	382,538	561,508	178,970
System Development Charge	977,725	753,705	(224,020)
Total Operating Revenues	94,912,046	93,026,618	(1,885,428)
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	5,955,772	5,110,179	845,593
Power Purchases	13,233,151	13,224,957	8,194
Total Utility Costs	19,188,923	18,335,136	853,787
Salaries and Wages	17,823,651	16,019,541	1,804,109
Pension and Benefits	5,622,377	5,092,893	529,484
Total Salaries and Benefits	23,446,028	21,112,434	2,333,594
Capitalized Labor and Benefits	(3,083,333)	(2,660,368)	(422,965)
Net Salaries and Benefits	20,362,695	18,452,066	1,910,628
Administrative and General Expenses			
Sludge removal	1,257,713	1,246,801	10,912
Chemicals	1,723,014	1,722,415	599
Materials & Supplies	1,886,056	1,844,862	41,193
Transportation	531,475	531,167	308
Communications	150,541	136,793	13,748
Claims	74,167	49,901	24,265
Insurance	794,608	759,705	34,903
Training & Travel	274,166	238,992	35,175
Advertising	125,000	102,441	22,559
Miscellaneous	838,317	837,059	1,258
Regulatory Expense	250,290	168,810	81,480
Bad Debts Provision	1,839,483	1,834,228	5,254
Total Administrative and General Expense	9,744,831	9,473,177	271,654
Depreciation Expense	17,590,650	17,499,495	91,154
Contractual Expense			
Audit & Computer Maint.	602,833	599,128	3,706
Building rental	377,610	352,309	25,301
Equipment rental	950,796	946,851	3,945
Legal	11,121	10,754	367
Laboratory	227,624	227,096	528
Other	2,089,580	2,036,140	53,440
Total Contractual Expense	4,259,564	4,172,279	87,286
Retiree Supp. Annuities and health care costs	2,498,708	2,376,257	122,451
Contribution to Government of Guam	519,750	500,000	19,750
Total Retiree Benefits	3,018,458	2,876,257	142,201
Total Operating Expenses	74,165,121	70,808,410	3,356,710
Earnings (Loss) from Operations	20,746,925	22,218,208	1,471,282
Interest Income-2010/13/14/16/17 Series Bond	849,430	3,410,842	2,561,412
Interest Income-Other Funds	138,562	698,586	560,024
Interest Income-SDC	20,718	145,239	124,521
Interest Expense- 2010/13/14/16/17 Series Bond	(23,877,846)	(21,357,160)	2,520,686
Interest Expense- ST BOG	(197,620)	(173,406)	24,213
Federal Expenditures	-	-	-
Loss on Asset Disposal	-	-	-
AFUDC	11,573,060	11,573,060	(0)
Amortization of Discount, Premium and Issuance Costs	(177,979)	1,197,089	1,375,068
Defeasance due to bond refunding	(162,010)	(695,339)	(533,329)
Deferred outflows from pension	-	-	-
Prior Year Adjustment	-	(311,072)	(311,072)
Total non-operating revenues (expenses)	(11,833,684)	(5,512,162)	6,321,522
Net Income (Loss) before capital contributions	8,913,241	16,706,046	7,792,805
Capital Contributions			
Grants from US Government	55,332,051	13,319,909	(42,012,141)
Grants from GovGuam & Others	-	81,279	81,279
Total Capital Contributions	55,332,051	13,401,188	(41,930,863)
Change in Net Assets	64,245,292	30,107,234	(34,138,058)
Debt Service Calculation			
Earnings From Operations	20,746,925	22,218,208	
System Development Charge	(977,725)	(753,705)	
Retiree COLA	519,750	500,000	
Interest/Investment Income	138,562	698,586	
Depreciation	17,590,650	17,499,495	
Balance Available for Debt Service per Section 6.12	38,018,162	40,162,584	
Working Capital Reserve Available for Debt Service	9,348,111	9,605,396	
Transfer to Working Capital- Debt Service Reserve	-	-	
Transfer to Working Capital- O&M Reserve	-	-	
Balance Available for Debt Service inclusive of reserves	47,366,273	49,767,980	
Debt Service			
Principal	4,762,500	4,762,500	
Interest	21,377,846	21,377,846	
Total	26,140,346	26,140,346	
Debt Service Coverage (1.25X)- per Section 6.12 (Indenture)	1.45	1.54	
Debt Service Coverage (1.75X) inclusive of reserves (PUC)	1.81	1.90	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative for the period ending July 31, 2019 and 2018

SCHEDULE E

	Year to Date		Variance
	Actual (Unaudited)	Actual (Audited)	Increase/
	July-19	July-18	(Decrease)
OPERATING REVENUES			
Water Revenues	56,188,056	55,312,970	875,086
Wastewater Revenues	32,582,906	31,917,838	665,068
Legislative Surcharge	2,940,443	2,892,090	48,353
Other Revenues	561,508	432,941	128,568
System Development Charge	753,705	892,488	(138,782)
Total Operating Revenues	93,026,618	91,448,325	1,578,293
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	5,110,179	7,237,478	(2,127,299)
Power Purchases	13,224,957	12,238,739	986,218
Total Utility Costs	18,335,136	19,476,217	(1,141,081)
Salaries and Wages	16,019,541	14,644,233	1,375,308
Pension and Benefits	5,092,893	3,762,660	1,330,233
Total Salaries and Benefits	21,112,434	18,406,893	2,705,541
Capitalized Labor and Benefits	(2,660,368)	(2,961,470)	301,102
Net Salaries and Benefits	18,452,066	15,445,423	3,006,643
Administrative and General Expenses			
Sludge removal	1,246,801	1,256,378	(9,577)
Chemicals	1,722,415	1,826,255	(103,839)
Materials & Supplies	1,844,862	1,809,948	34,914
Transportation	531,167	640,008	(108,841)
Communications	136,793	147,555	(10,762)
Claims	49,901	108,034	(58,133)
Insurance	759,705	760,050	(345)
Training & Travel	238,992	226,521	12,470
Advertising	102,441	142,257	(39,816)
Miscellaneous	837,059	845,641	(8,582)
Regulatory Expense	168,810	221,212	(52,402)
Bad Debts Provision	1,834,228	1,802,458	31,770
Total Administrative and General Expense	9,473,177	9,786,319	(313,142)
Depreciation Expense	17,499,495	16,066,874	1,432,621
Contractual Expense			
Audit & Computer Maint.	599,128	588,150	10,978
Building rental	352,309	366,030	(13,721)
Equipment rental	946,851	892,068	54,783
Legal	10,754	-	10,754
Laboratory	227,096	344,413	(117,317)
Other	2,036,140	2,006,548	29,592
Total Contractual Expense	4,172,279	4,197,209	(24,931)
Retiree Supp. Annuities and health care costs	2,376,257	6,625,806	(4,249,548)
Contribution to Government of Guam	500,000	498,333	1,667
Total Retiree Benefits	2,876,257	7,124,139	(4,247,882)
Total Operating Expenses	70,808,410	72,096,182	(1,287,772)
Earnings (Loss) from Operations	22,218,208	19,352,143	2,866,064
Interest Income-2010/13/14/16/17 Series Bond	3,410,842	2,553,742	857,101
Interest Income-Other Funds	698,586	456,448	242,137
Interest Income-SDC	145,239	138,518	6,722
Interest Expense- 2010/13/14/16/17 Series Bond	(21,357,160)	(21,774,678)	417,518
Interest Expense- ST BOG	(173,406)	(307,022)	133,616
Federal Expenditures	-	(622,203)	622,203
Loss on Asset Disposal	-	(1,621,358)	1,621,358
AFUDC	11,573,060	10,417,664	1,155,396
Amortization of Discount, Premium and Issuance Costs	1,197,089	(426,912)	1,624,001
Defeasance due to bond refunding	(695,339)	(620,435)	(74,905)
Deferred outflows from pension	-	325,920	(325,920)
Prior Year Adjustment	(311,072)	132,190	(443,263)
Total non-operating revenues (expenses)	(5,512,162)	(11,348,127)	5,835,966
Net Income (Loss) before capital contributions	16,706,046	8,004,016	8,702,030
Capital Contributions			
Grants from US Government	13,319,909	12,447,118	872,791
Grants from GovGuam & Others	81,279	226,805	(145,526)
Total Capital Contributions	13,401,188	12,673,923	727,265
Change in Net Assets	30,107,234	20,677,939	9,429,295
Debt Service Calculation			
Earnings From Operations	22,218,208	19,352,143	
System Development Charge	(753,705)	(892,488)	
Retiree COLA	500,000	498,333	
Interest/Investment Income	698,586	456,448	
Depreciation	17,499,495	16,066,874	
Balance Available for Debt Service per Section 6.12	40,162,584	35,481,312	
Working Capital Reserve Available for Debt Service	9,605,396	9,451,639	
Transfer to Working Capital- Debt Service Reserve	-	-	
Transfer to Working Capital- O&M Reserve	-	-	
Balance Available for Debt Service inclusive of reserves	49,767,980	44,932,951	
Debt Service			
Principal	4,762,500	4,333,333	
Interest	21,377,846	17,949,100	
Total	26,140,346	22,282,433	
Debt Service Coverage (1.25X)- per Section 6.12 (Indenture)	1.54	1.59	
Debt Service Coverage (1.75X) inclusive of reserves (PUC)	1.90	2.02	

GUAM WATERWORKS AUTHORITY
Restricted and Unrestricted Cash Summary
FY2019

SCHEDULE F

Description	Unaudited July 31, 2019	Audited September 30, 2018	Variance Increase/ (Decrease)
UNRESTRICTED			
Change Fund	2,000	2,000	-
Petty Cash	4,450	5,000	(550)
BOG Deposit Accounts	6,428,328	3,087,379	3,340,949
Sub-total Unrestricted	6,434,778	3,094,379	3,340,399
RESTRICTED			
Bank Pacific	11,153	11,864	(711)
Bank of Hawaii	161,470	189,144	(27,674)
Community First FCU	2,854	4,392	(1,538)
First Hawaiian Bank	12,674	22,105	(9,431)
Bank Pacific Surcharge	763,090	298,898	464,192
Bank Pacific Escrow Deposit	836,212	660,254	175,958
BOG Customer Refunds	1,868,380	1,860,120	8,259
BOG Emergency Reserve Fund	6,235	6,229	6
BOG Sewer Hookup Revolving Fund	66,615	65,499	1,116
BOG Subordinate Security Fund	859,233	859,233	-
BOG Operation and Maintenance Fund	3,083,482	3,083,482	-
BOG OMRRRF Fund	17,423,213	17,423,213	-
BOG Revenue Trust	251,510	360,569	(109,059)
BOG Revenue Trust Fund	8,141,147	6,535,779	1,605,368
BOG Capital Improvement Revenue Fund	6,386,311	1,582,278	4,804,033
BOG O & M Reserve	13,888,427	13,666,109	222,318
BOG Debt Service Reserve	11,526,476	11,341,967	184,509
BOG CapEx Fund	9,762,777	16,073,011	(6,310,233)
	75,051,260	74,044,147	1,007,114
BOG - SDC Deposit	2,362,380	2,934,848	(572,467)
BOG - SDC CDs	7,750,000	7,250,000	500,000
Total SDC	10,112,380	10,184,848	(72,467)
Total Restricted	85,163,641	84,228,994	934,646
Reserve Funds			
BOG Series 13 Construction Fund	15,697,276	36,222,062	(20,524,787)
BOG Series 14 Refunding Construction Fund	322,911	741,895	(418,984)
BOG Series 16 Construction Fund	94,540,641	116,036,000	(21,495,359)
BOG Series 17 Refunding Construction Fund	6,785,906	6,753,709	32,197
Total Restricted - Held by Trustee	117,346,734	159,753,667	(42,406,933)
USB Series 2013 Debt Service Fund	1,073,736	2,360,451	(1,286,715)
USB Series 2013 Debt Service Reserve Fund	12,031,688	12,031,688	-
USB Series 2014 Refunding Debt Service Fund	682,279	1,833,235	(1,150,956)
USB Series 2014 Refunding Debt Service Reserve Fund	7,698,328	7,972,243	(273,915)
USB Series 2016 Debt Service Fund	679,976	1,805,556	(1,125,579)
USB Series 2016 Debt Service Reserve Fund	7,591,999	7,594,603	(2,603)
USB Series 2010 Debt Service Fund	191,023	503,751	(312,728)
USB Series 2017 Refunding Debt Service Reserve Fund	7,566,460	7,566,460	-
USB Series 2017 Debt Service Fund	485,804	1,429,927	(944,122)
Total Investments	38,001,295	43,097,913	(5,096,618)
Total Restricted and Unrestricted Cash	246,946,447	290,174,953	(43,228,506)

Guam Waterworks Authority
Accounts Receivable - Government (Active)
July 31, 2019

SCHEDULE G

A G I N G

<u>Customer Name</u>	No of Accounts	Current	31-60 days	61-90 days	91-120 days	Over 120 days	Total
Guam Int'l Airport Authority	8	\$ 49,959	\$ 55,668	\$ 30,728	\$ 8,828	\$ 224,298	\$ 369,480
Guam Power Authority	24	125,090	0	-	-	-	125,090
Guam Community College	3	3,269	3,524	2,411	-	-	9,204
Guam Memorial Hospital Authority	3	2,463	2,054	-	-	-	4,518
Port Authority of Guam	5	1,257	-	-	-	-	1,257
Guam Housing & Urban Renewal Authority	9	613	-	-	-	-	613
Total Autonomous Agencies	52	\$ 182,652	\$ 61,246	\$ 33,139	\$ 8,828	\$ 224,298	\$ 510,163
Department of Education	53	\$ 194,880	\$ 213,552	\$ 204,516	\$ 163,091	\$ 6,834	\$ 782,873
Mayors Council of Guam	60	23,098	5,947	3,577	21,841	38,877	93,341
Department of Public Health & Social Services	8	1,500	1,132	531	479	86,184	89,827
Department of Corrections	8	69,787	107	-	-	-	69,894
Department of Parks & Recreation	17	36,408	4,439	1,302	733	-	42,881
Office of the Governor	2	12,731	9,634	2,076	-	-	24,442
University of Guam	44	14,000	-	-	-	-	14,000
Guam Fire Department	11	12,204	-	-	-	-	12,204
Guam Waterworks Authority	71	12,045	47	-	-	-	12,093
Sanctuary Inc	1	3,364	-	-	-	-	3,364
Department of Military Affairs/GUARNG	1	2,795	-	-	-	-	2,795
Department of Agriculture	6	2,162	-	-	-	-	2,162
Department of Public Works	11	1,563	-	-	-	-	1,563
Guam Police Department	7	1,042	-	-	-	-	1,042
Division of Senior Citizens, DPH&SS	2	581	181	170	-	-	932
Department of Chamorro Affairs	7	868	-	-	-	-	868
Office of Civil Defense	2	444	75	-	-	-	519
Guam Public Library	6	465	-	-	-	-	465
Department of Administration	2	415	-	-	-	-	415
Guam Veterans Affairs Office	2	405	-	-	-	-	405
The Office of The Dededo Mayor	1	166	-	-	-	-	166
Merizo Mayor	1	52	-	-	-	-	52
Vietnam Veteran of America	1	29	-	-	-	-	29
Guam Housing Corporation	1	29	-	-	-	-	29
Total Line Agencies	325	\$ 391,034	\$ 235,115	\$ 212,171	\$ 186,144	\$ 131,895	\$ 1,156,360
Total as of July 31, 2019	377	\$ 573,686	\$ 296,361	\$ 245,310	\$ 194,973	\$ 356,193	\$ 1,666,523
Total as of September 30, 2018	326	\$ 793,948	\$ 424,797	\$ 324,413	\$ 190,444	\$ 975,977	\$ 2,709,580
	16%	-28%	-30%	-24%	2%	-64%	-38%

**Guam Waterworks Authority
System Development Charges Project Status
As of July 31, 2019**

SCHEDULE H

PROJECT NAME	Available Project Funds	Total Expenditures	Total Outstanding Encumbrances	Total Expenditures and Encumbrances	Total Unobligated Funds
<u>SDC - Water</u>					
Central Guam Reservoirs		-	280,040	280,040	
Line Replacement Phase IV		-	256,937	256,937	
South Paulino Heights Waterline Upgrade		60,372	3,263	63,635	
Northern District Wastewater Treatment Plant			3,936,874	3,936,874	
	\$ 6,003,416	\$ 60,372	\$ 4,477,114	\$ 4,537,486	\$ 1,465,930
<u>SDC - Wastewater</u>					
Agat-Santa Rita Wastewater Treatment Plant Replacement		671,691	948,351	1,620,043	
Baza Gardens Wastewater Cross Island Pumping & Conveyance		944,975	196,301	1,141,276	
Route 4 Relief Sewerline Rehab & Replacement		-	399,869	399,869	
Northern WWTP (Land Purchase)		1,000,000	-	1,000,000	
Talofofo Sewer Improvement		-	241,142	241,142	
Northern District Wastewater Treatment Plant		-	1,485,725	1,485,725	
	\$ 6,150,440	\$ 2,616,667	\$ 3,271,387	\$ 5,888,054	\$ 262,386
Grand Totals	\$ 12,153,856	\$ 2,677,039	\$ 7,748,502	\$ 10,425,540	\$ 1,728,315

Future planned projects	2019
Water Wells	\$ 1,850,000
Water Dist Sys Pipe Replacement & Upgrades	1,850,000
WWTP Priority 1 Upgrades	1,000,000
Umatac Merizo STP Replacement	1,000,000
Wastewater Sewer System Expansion	1,000,000
	\$ 6,700,000



Issues for Decision

Resolution No. 40-FY2019

Relative to the Approval of the Contract with JMI-Edison for the Purchase of Submersible Cables and Splicing Gels for Water Production Division deepwell facilities Island-wide.

What is the project's objective and is it necessary and urgent?

This approval requested in this resolution will authorize the purchase splicing gels and submersible cables of various sizes utilized for pump and motor maintenance activities at the over 100 existing water wells at various locations island wide. The purchases under this authorization will be used to replenish stock levels of these gels and submersible cables at the warehouse to ensure adequate quantities are available at all times to repair production wells and insure consistent and stable water supply. The project is necessary and urgent to maintain critical inventory levels.

Where is the location?

The materials to be procured under this authorization will be utilized at GWA Deep-well Production Facilities Island-wide.

How much will it cost?

Seven Hundred Fifty-Four Thousand Three Hundred Seventy-One Dollars (\$754,371.00).

Bid Item No	Description	UOM	Est Qty	Unit Cost	Amount	Notes
1.0	Splicing Gel 3M 21.8 oz	case	5	\$1,115.00	\$5,575.00	10 pack per case
2.0	Splicing Gel 3M 10.0 oz	case	5	\$630.00	\$3,150.00	10 pack per case
3.0	Paige Part No. 020076 2 AWG Conductor Size 3 Insulated Conductors 6 AWG Grounding Conductor Size	spool	4	\$2,665.00	\$10,660.00	500 ft per spool
4.0	Paige Part No. 020078 1 AWG Conductor Size 3 Insulated Conductors 6 AWG Grounding Conductor Size	spool	4	\$6,082.00	\$24,328.00	500 ft per spool
5.0	Paige Part No. 020106 3/0 AWG Conductor Size 3 Insulated Conductors 6 AWG Grounding Conductor Size	spool	4	\$9,263.00	\$37,052.00	500 ft per spool
6.0	Paige Part No. 070002 2 AWG Conductor Size 3 Insulated Conductors 5 AWG Grounding Conductor Size	spool	4	\$6,160.00	\$24,640.00	500 ft per spool
7.0	Paige Part No. 070040 4/0 AWG Conductor Size 3 Insulated Conductors 1/0 AWG Grounding Conductor Size	spool	4	\$17,020.00	\$68,080.00	500 ft per spool
8.0	Paige Part No. 070250 250 AWG Conductor Size 3 Insulated Conductors 2/0 AWG Grounding Conductor Size	spool	4	\$19,493.00	\$77,972.00	500 ft per spool
			Annual Estimated Total Cost		\$251,457.00	
	Three Year Contract		3 Year Estimated Total Cost		\$754,371.00	

* Item 1.0 to 8.0 Delivery Date: 10-12 weeks.

** Item 1.0 to 8.0 Warranty; 1 year upon delivery date.

When will it be completed?

The indefinite quantity contract will be in place for an initial term of three (3) years with two (2) one-year options to renew. Purchases will be on an as-needed basis over the contract term.

What is the funding source(s)?

FY2019 / FY2020 GWA Water Production and Treatment Operations and Maintenance Budget (revenue funded).

The RFP / Bid Responses

IFB 2019-18 Submersible Cables and Splicing Gels. Ten (10) bidders registered for the procurement. Of the ten (10) entities, only one (1) submitted a bid: JMI Edison.



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

GWA RESOLUTION NO. 40-FY2019

**RELATIVE TO APPROVAL OF THE CONTRACT WITH JMI-EDISON FOR THE
PURCHASE OF SPLICING GELS AND SUBMERSIBLE CABLES FOR ISLANDWIDE
DEEPWELL WATER PRODUCTION**

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 advertised an Invitation for Bid (IFB) 2019-18 soliciting bid proposals from experienced and responsive bidders to provide submersible cables of various sizes and splicing gels for GWA deepwell production facilities and to provide adequate stock replenishment as needed to maintain continuity of island wide water services; and

WHEREAS, ten entities registered for the bid procurement, and there was one responsive and responsible bidder who met the bid requirements of IFB 2019-18; and

WHEREAS, the IFB 2019-18 offers were evaluated by GWA’s review committee, who determined that the offer for splicing gels and submersible cables made by JMI-Edison is fair and reasonable on the basis of comparison to historical procurement data [EXHIBIT A]; and

WHEREAS, GWA accepted JMI-Edison’s indefinite quantity bid proposal Submersible Cables and Splicing Gels [EXHIBIT B] for the quantities estimated for the initial three-year term at an estimated total amount of Seven Hundred Fifty-Four Thousand Three Hundred Seventy-One Dollars (\$ 754,371.00) [EXHIBIT B]; and

WHEREAS, GWA Management seeks CCU Approval of the estimated three-year Contract amount of Seven Hundred Fifty-Four Thousand Three Hundred Seventy-One Dollars (\$ 754,371.00) for the purchase of Submersible Cables and Splicing Gels; and

WHEREAS, the source of funding for the Splicing Gels and Submersible Cables will be from FY 2019 / FY 2020 GWA Water Production and Treatment Operations and Maintenance Budget.

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 bid proposal submitted by “JMI-Edison” are fair and reasonable.
3. The CCU hereby authorizes the management of GWA to proceed based on the notice of award to “JMI-Edison” attached hereto as EXHIBIT B, and which is incorporated into this Resolution in its entirety.
4. The CCU hereby further authorizes the management of GWA to enter into a contract with “JMI Edison”, to purchase up to Seven Hundred Fifty-Four Thousand Three Hundred Seventy-One Dollars (\$ 754,371.00) worth of Splicing Gels and Submersible Cables on as needed basis for the contract amount on IFB 2019-18, for the duration of the initial contract term of three (3) years as specified in the IFB 2019-18 “Indefinite Quantity Bid”, and two (2) one-year options to renew, subject to availability of funds and agreement between the parties.
5. The CCU hereby approves the funding total of Seven Hundred Fifty-Four Thousand Three Hundred Seventy-One Dollars (\$ 754,371.00) [EXHIBIT B];
6. GWA Management is hereby authorized to seek PUC approval in the event the contract value exceeds One Million Dollars (\$1,000,000.00) as required by Docket 00-04.

//

DULY AND REGULARLY ADOPTED, this 27th day of August, 2019.

Attested by:

MICHAEL T. LIMTIACO
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:

ABSENT:

11

EXHIBIT A



GUAM WATERWORKS AUTHORITY

Gloria B. Nelson Public Service Building
688 Route 15, Mangilao GU, 96913

NOTICE OF CONDITIONAL AWARD

Date: JUL 19 2019

JMI Edison
125 North Marine Drive
P.O. Box 6577
Tamuning, Guam 96931
Phone- #671-646.6400
Fax- #671-649.4835

Re: Invitation for Bid Number: GWA IFB-2019-18
For: Splicing Gels and Submersible Electrical Cables (IDQ)

Hafa Adai Mr. Romeo Oriondo,

The Guam Waterworks Authority ("GWA") has considered the bid submitted by JMI Edison Guam, for the above described reference in response to its Advertisement for Bids dated April 30, 2019 you are hereby notified of your bid offer on all Item Numbers 1.0, 2.0, 3.0, 4.0, 5.0, 6.0, 7.0 and 8.0, been accepted by GWA. Please be advised that you must now deliver all other documents required by the bid, including, but not limited to:

- Proof of Insurance: (if applicable/required part of the bid requirements.)
- Performance and Payment Bond: (if applicable/required part of the bid requirements.)

(Which must remain in full force and effect until all performance has ended, which includes all warranty periods).

You are also advised that any obligation incurred by your firm prior to execution of the contract is entirely at your own risk and GWA shall have no obligation to reimburse costs incurred prior to execution of the contract.

Please note this Notice of Award is conditional on obtaining the approval of the Guam Consolidated Commission on Utilities for any award over \$750,000 and the approval of the Guam Public Utilities Commission where the total value over the life of the contract could exceed \$1M. Also, award is conditional upon providing proof of business license required to be submitted to GWA under the Bid or Guam law.

/

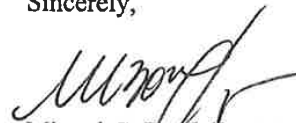
/

/

/

You are required to return an acknowledged copy of this Conditional Notice of Award to GWA Procurement Office.

Sincerely,


Miguel C. Bordallo, P.E.
General Manager

ACCEPTANCE OF CONDITIONAL NOTICE OF AWARD

Receipt of the above Notice of Conditional Award for GWA IFB No. GWA 2019-18 is hereby acknowledged

By:


Signature

Title:


(Please Print)

Dated this 23rd day of July, 2019.

***** END OF CONDITIONAL NOTICE OF AWARD *****



"Better Water. Better Lives."
Gloria B. Nelson Public Services Building
688 Route 15, Mangilao, Guam 96913

EXHIBIT B

MEMORANDUM

TO: General Manager
VIA: Supply Management Administrator
FROM: Evaluation Committee Members
SUBJECT: Invitation to Bid No. GWA 2019-18
Ref: Splicing Gels & Submersible Electrical Cables (IDQ)
REF: Recommendation of Award
DATE:

Invitation for Bid No: GWA 2019-18 was officially announced and advertised in the Pacific Daily News, The Guam Daily Post and Guam Waterworks Authority Website on April 30, 2019 and open as scheduled on May 21, 2019 @ 10:00 am. Ten (10) prospective bidders expressed interest, they are as follow:

Bidders Register:

- | | |
|--------------------------------------|-----------------------------------|
| 1. dsdsfas | 6. Indigo Piping Systems |
| 2. bid | 7. adada |
| 3. America's Best Electricmart, Inc. | 8. Guam Pacific Enterprises, Inc. |
| 4. ajay | 9. Engineered Systems Inc. |
| 5. Ab | 10. JMI Edison |

Of the ten (10) only One (1) submitted a sealed bid, namely:

- JMI Edison Guam

An evaluation committee convene on May 28, 2019 @ 2:00 pm, and after clarifying with JMI Edison's Total Cost on Line Item No. 8 and Delivery Date, the committee members recommend to consider and request your approval to waive, authorized by Procurement Law Policy and procedures JMI Edison's Date of Delivery offer of 10-12 weeks ARO a total of 80 calendar days from 60 days Date of Delivery as stated on the bid. Since JMI Edison is the only bidder who submitted a bid package and based on the reason given by JMI ". *Lead time is six weeks plus transit*

Ref: GWA IFB 2019-18

time to Guam. Would it be possible to request for 10-12 weeks delivery to Guam?”. Therefore, the committee members respectfully recommend to move forward with the award set forth in the IFB.

I. BID ITEM(s)

<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>EST. QTY</u>	<u>UNIT COST</u>	<u>EXTENSION</u>
1.0	SPLICING GEL 3M 21.8 OZ	5 CASE (10 pack/case)	<u>\$1,115.00</u>	<u>\$5,575.00</u>
2.0	SPLICING GEL 3M 10.0 OZ	5 CASE (10 pack/case)	<u>\$630.00</u>	<u>\$3,150.00</u>

BIDDING ON:

MFG: 3M Electric

BRAND: 3M

PLACE OF ORIGIN: U.S.A.

DATE OF DELIVERY: 8 weeks
(AFTER RECEIPT OF PURCHASE ORDER)

<u>ITEM NO</u>	<u>DESCRIPTION</u>	<u>EST. QTY</u>	<u>UNIT COST</u>	<u>EXTENSION</u>
3.0	SUBMERSIBLE ELECTRICAL CABLE (500 ft. per spool) Paige Part No. 020076 2 AWG Conductor Size 3 Insulated Conductors 6 AWG Grounding Conductor Size	4 EA	<u>\$2,655.00</u>	<u>\$10,660.00</u>
4.0	SUBMERSIBLE ELECTRICAL CABLE (500 ft. per spool) Paige Part No. 020078 1 AWG Conductor Size 3 Insulated Conductors 6 AWG Grounding Conductor Size	4 EA	<u>\$6,082.00</u>	<u>\$24,328.00</u>
5.0	SUBMERSIBLE ELECTRICAL CABLE (500 ft. per spool) Paige Part No. 020106	4 EA	<u>\$9,263.00</u>	<u>\$37,052.00</u>

Ref: GWA IFB 2019-18

	3/0 AWG Conductor Size 3 Insulated Conductors 6 AWG Grounding Conductor Size			
6.0	SUBMERSIBLE ELECTRICAL CABLE (500 ft. per spool) Paige Part No. 070002 2 AWG Conductor Size 3 Insulated Conductors 5 AWG Grounding Conductor Size	4 EA	<u>\$6,160.00</u>	<u>\$24,640.00</u>
7.0	SUBMERSIBLE ELECTRICAL CABLE (500 ft. per spool) Paige Part No. 070040 4/0 AWG Conductor Size 3 Insulated Conductors 1/0 AWG Grounding Conductor Size	4 EA	<u>\$17,020.00</u>	<u>\$68,080.00</u>
8.0	SUBMERSIBLE ELECTRICAL CABLE (500 ft. per spool) Paige Part No. 070250 250 AWG Conductor Size 3 Insulated Conductors 2/0 AWG Grounding Conductor Size	4 EA	<u>\$19,493.00</u>	<u>\$77,972.00</u>

BIDDING ON:MFG: Paige ElectricBRAND: PaigePLACE OF ORIGIN: U.S.A.DATE OF DELIVERY: 8 TO 10 WEEKS

(AFTER RECEIPT OF PURCHASE ORDER)

CONTRACT TERM:

Initial contract term for three (3) years.

Grand Total: \$251,457.00 (Annually)**Three (3) Year Contract: \$754,371.00**

Ref: GWA IFB 2019-18

End of Evaluation.

NOTE: Subject for CCU approval.

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

Ref: GWA IFB 2019-18

Concurred and accepted by the committee members:



Barbara Ann C. Cruz, Senior Engineer Supervisor, PE



7/19/2019

Ron Topasna, Operations and Maintenance Water Productions



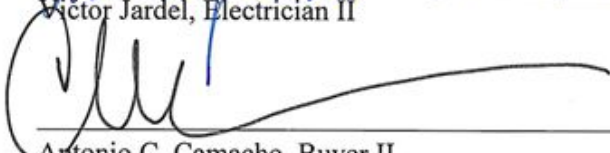
July 17, 2019

Karen Cheryl O. Grape, Management Analyst III

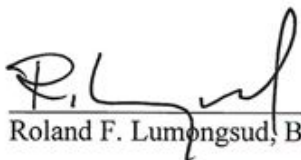


#481 7/19/19

Victor Jardel, Electrician II



Antonio C. Camacho, Buyer II



Roland F. Lumongsud, Buyer II

Your approval is greatly appreciated.

Reviewed by legal:






Ref: GWA IFB 2019-18


In consideration of the foregoing, please indicate your approval of this recommendation by your signature below.

☒ CONCURRED ☐ UNCONCURRED



VINCENT ED. GUERRERO, SMA

☒ APPROVED ☐ DISAPPROVED



MIGUEL C. BORDALLO, P.E. GENERAL MANAGER

7-19-19



Gloria B. Nelson Public Service Building | 688 Route 15 | Mangilao, Guam 96913
Tel: (671) 300-6846

Issues for Decision

Resolution No. 41-FY2019

Relative to Approving the Construction Contract for the Santa Rosa, Santa Rita, and Sinifa Reservoir Replacement

What is the project's objective and is it necessary and urgent?

The project is spread across three different water reservoir sites, including a new booster pump station and various control valve and line upgrades. The reservoirs are listed under the U.S. District Court Order. The following describes the project locations and general scope of work.

Santa Rosa Reservoir

Base Bid Items 1 to 6:

- A new Santa Rosa Reservoir (1.0 MG) will be constructed adjacent to the existing steel tank. Work will include the new reservoir, new booster pump station, off-site improvements and various site upgrades.
- The existing booster pump station will be demolished and replaced with a new building structure, piping, pump system, instrumentation, controls, and a SCADA system.
- Once the new reservoir has been constructed, the existing steel reservoir will be taken offline for inspection. After the API and structural inspection, the steel tank will be either repaired or demolished.
- Work will also occur at several off-site locations (6 locations). The work consists of line interconnections and installation of new valves. The work is in line with the Pressure Zone Realignment plan.

Additive Bid Items 7 and 8:

- The work includes the construction of the Department of Defense inter-tie on GWA and possibly DoD property. Work is separated into two bid items. Additive Bid Item 7 is for work within GWA property, while Additive Bid Item 8 is for work within DoD property.

Additive Bid Item 9:

- The work includes the construction of 4,042 L.F. of 12" waterline on Route No. 1.

Additive Bid Item 10 and 11:

- The work includes the demolition of the existing steel tank and disposal of the oiled sand foundation in accordance with applicable regulations.
- The inclusion of the additive work will be determined after the API and structural inspections have been conducted.

Santa Rita Reservoir

Base Bid Items 1 to 6:

- The existing steel reservoir will be demolished and replaced with a new concrete reservoir (1.0 MG). Work will include the construction of the new reservoir, repair of the existing reservoir driveway entrance, construction of a new control building, and various site upgrades.

Additive Bid Item 7:

- The work includes construction of Pressure Zone Realignment sites 1 to 12. The work consists of:
 - repairing or replacing PRV vaults, piping and valves
 - construction of new PRV vaults, piping, and valves
 - new lines to interconnect existing lines

The work is in line with the Pressure Zone Realignment plan.

Additive Bid Item 8:

- Removal and disposal of existing steel tank foundation oiled sand in accordance with applicable regulations. This will be determined after the new reservoir has been constructed and the existing reservoir taken offline for demolition.

Sinifa Reservoir

Base Bid Items 1 to 5:

- A new Sinifa reservoir (1.0 MG) will be constructed adjacent to the existing steel tank. Work include the new reservoir, construction of a new control building, and various site upgrades.
- Once the new reservoir has been constructed, the existing steel reservoir will be taken offline for inspection. After the API and structural inspection, the steel tank will be either repaired or demolished.

Additive Bid Items 6 and 7:

- The work includes demolition of the existing steel tank and disposal of the oiled sand foundation in accordance with applicable regulations.
- The inclusion of the additive work will be determined after the API and structural inspections have been conducted.

Where is the project located?

- Santa Rosa Reservoir and Booster Pump Station is located in Yigo.
- Santa Rita Reservoir is located in Santa Rita.
- Sinifa Reservoir is located in Santa Rita.

How much will it cost?

The Base bid proposal submitted by AIC International, Inc. is \$26,417,650.00, with a 10% contingency of \$2,641,765.00, the total project funding amount will be \$29,059,415.00.

When will it be completed?

One Notice to Proceed (NTP) shall be issued for the entire project.

Santa Rosa Reservoir

1. Santa Rosa Reservoir, Base Bid Substantial Completion: The Contractor shall begin work upon issuance of the Notice to Proceed (NTP) and the base bid work shall be substantially completed as specified no later than 395 calendar days from NTP.
2. Santa Rosa Bid Items 7 & 8 (Additive), if awarded, will add thirty (30) calendar days from the NTP to the Santa Rosa Reservoir Base Bid Substantial Completion.
3. Santa Rosa Bid Item 9 (Additive), if awarded, will add thirty (30) calendar days from the NTP to the Santa Rosa Reservoir No. 2 Base Bid Substantial Completion.
4. Santa Rosa Bid Item 10 (Additive), if awarded, will add thirty (30) calendar days from the NTP to the Santa Rosa Reservoir Base Bid Final Completion.
5. Santa Rosa Bid Item 11 (Additive), if awarded, will add zero (0) calendar days from the NTP to the Santa Rosa Reservoir Base Bid Substantial Completion.

Santa Rita Reservoir

1. Santa Rita Reservoir Base Bid Substantial Completion: The Contractor shall begin work upon issuance of the Notice to Proceed (NTP) and the base bid work shall be substantially completed as specified no later than 425 calendar days from NTP.
2. Santa Rita Bid Item 7 (Additive), if awarded, will add thirty (30) calendar days from the NTP to the Santa Rita Reservoir Base Bid Substantial Completion.
3. Santa Rita Bid Item 8 (Additive), if awarded, will add zero (0) calendar days from the NTP to the Santa Rita Reservoir Base Bid Substantial Completion.

Sinifa Reservoir

1. Sinifa Reservoir Base Bid Substantial Completion: The Contractor shall begin work upon issuance of the Notice to Proceed (NTP) and the base bid work shall be substantially completed as specified no later than 365 calendar days from NTP.
2. Sinifa Bid Item 6 (Additive), if awarded, will add thirty (30) calendar days from the NTP to the Sinifa Reservoir Base Bid Final Completion.
3. Sinifa Bid Item 7 (Additive), if awarded, will add zero (0) calendar days from the NTP to the Sinifa Reservoir Base Bid Substantial Completion.

What is the funding source?

The funds for this project will be bond, grant, SDC and/or internally funded CIP funds from the various CIP line items identified below:

1. PW 09-11: Water System Reservoirs 2005 Improvements
2. PW 05-06: Water Booster Pump Station
3. PW 09-03: Water Distribution System Pipe Replacement and upgrades
4. PW 09-04: Pressure Zone Realignment/Development 2005 Improvements



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

GWA RESOLUTION NO. 41-FY2019

RELATIVE TO APPROVING THE CONSTRUCTION CONTRACT FOR THE SANTA ROSA, SANTA RITA, AND SINIFA RESERVOIR REPLACEMENT

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 the construction (i.e. repair, rehabilitate, replace or relocate) of the Santa Rosa, Santa Rita, and Sinifa Reservoirs, as stated in Paragraph 29 (b) (4), (5), and (6) of the Court Order; and

WHEREAS, in compliance with the Court Order, GWA intends to execute a construction project to address the following:

1. The construction of the new Santa Rosa reservoir (1.0 MG) and booster pump station; and
2. The construction of the new Santa Rita reservoir (1.0 MG) to replace the existing Santa Rita steel tank; and
3. The construction of the new Sinifa reservoir (1.0 MG) to replace the existing Sinifa steel tank; and

WHEREAS, GWA has advertised an Invitation for Bid (IFB) soliciting bid proposal from experienced, responsible, and responsive bidders to construct the Santa Rosa reservoir and booster pump station, Santa Rita reservoir, Sinifa reservoir, and off-site work in the Base Bid, and to construct the Department of Defense (DoD) inter-tie, Route 1 waterline improvements,

1 construction of Pressure Zone Realignment Sites 1-12, and existing Santa Rosa and Sinifa
2 reservoir demolition and foundation oiled sand disposal in the Additive Bid; and
3

4 **WHEREAS**, the Base Bid work consists of the Contractor furnishing all labor, tools,
5 equipment and materials necessary to complete the construction of the Santa Rosa reservoir and
6 booster pump station, Santa Rita reservoir, and Sinifa reservoir to include, but not limited to
7 foundation, earthwork, pipework, retaining wall, storm water detention basin, Santa Rita
8 roadway repair, off-site PRVs, concrete work, electrical work, fences and gates, protective
9 coatings, SCADA, disinfection, testing and start-up under the provisions of the bid documents
10 and in accordance with applicable GWA standards; and
11

12 **WHEREAS**, IFB packages were picked up by eighteen (18) interested parties, from
13 which GWA received bid proposals from three (3) of the 18 parties before the bid proposal
14 deadline (See Exhibit A – Abstract of Bids); and
15

16 **WHEREAS**, GWA engineering and the construction management team analyzed all bid
17 proposals received on April 30th, 2019 and determined that AIC International, Inc. as being the
18 responsive and responsible bidder and met all the bid requirements set forth by GWA (See
19 Exhibit B – Recommendation Memorandum); and
20

21 **WHEREAS**, GWA Management finds that AIC International, Inc.'s Base Bid proposal
22 of Twenty-Six Million Four Hundred Seventeen Thousand Six Hundred Fifty Dollars
23 (\$26,417,650.00) to be acceptable (See Exhibit C – Bid Form); and
24

25 **WHEREAS**, GWA Management will assess any additional funding availability from the
26 latest Capital Improvements Plan to ascertain if any or all the Additive bid items as part of this
27 IFB can be awarded later through a change order or via a subsequent CCU approval as a means
28 of maximizing system improvements efficiently; and
29

30 **WHEREAS**, GWA Management is seeking approval to enter into contract for the Base
31 Bid work with AIC International, Inc. (IFB-01-ENG-2019) in the amount of Twenty-Six Million
32 Four Hundred Seventeen Thousand Six Hundred Fifty Dollars (\$26,417,650.00), along with a ten

percent (10%) contingency of Two Million Six Hundred Forty-One Thousand Seven Hundred Sixty-Five Dollars (\$2,641,765.00), bringing the total requested funding amount to Twenty-Nine Million Fifty-Nine Thousand Four Hundred Fifteen Dollars (\$29,059,415.00); and

WHEREAS, the funding sourced for the construction project will be from bond, grant, SDC and internally funded CIP funds as detailed in the following CIP line items:

- CIP PW 09-11: Water System Reservoirs 2005 Improvements
- CIP PW 05-06: Water Booster Pump Station
- CIP PW 09-03: Water Distribution System Pipe Replacement and Upgrades
- CIP PW 09-04: Pressure Zone Realignment/Development 2005 Improvements

NOW BE IT THEREFORE RESOLVED, the Consolidated Commission on Utilities does hereby approve and authorize the following:

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the bid proposal submitted by AIC International, Inc. are fair and reasonable.
3. The CCU hereby authorizes the management of GWA to accept the bid from AIC International, Inc. attached hereto as Exhibit C, and which is also incorporated into this Resolution in its entirety.
4. The CCU hereby further authorizes the management to enter into a contract with AIC International, Inc. in the amount of Twenty-Six Million Four Hundred Seventeen Thousand Six Hundred Fifty Dollars (\$26,417,650.00).
5. The CCU hereby approves the funding total of Twenty-Six Million Four Hundred Seventeen Thousand Six Hundred Fifty Dollars (\$26,417,650.00), along with a ten percent (10%) contingency of Two Million Six Hundred Forty-One Thousand Seven Hundred Sixty-Five Dollars (\$2,641,765.00), bringing the total requested funding amount to Twenty-Nine Million Fifty-Nine Thousand Four Hundred Fifteen Dollars (\$29,059,415.00)
6. The CCU hereby approves the use of funding sources from the following CIP line items:

- CIP PW 09-11: Water System Reservoirs 2005 Improvements
- CIP PW 05-06: Water Booster Pump Station
- CIP PW 09-03: Water Distribution System Pipe Replacement and Upgrades
- CIP PW 09-04: Pressure Zone Realignment/Development 2005 Improvements

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

DULY AND REGULARLY ADOPTED, this 27th day of August 2019.

Certified by:

Attested by:

JOSEPH T. DUENAS
Chairperson

MICHAEL T. LIMTIACO
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: _____

NAYS: _____

ABSTENTIONS: _____

ABSENT: _____

Exhibit A

ORIGINAL

GUAM WATERWORKS AUTHORITY
ABSTRACT OF BIDSProject Name: SANTA ROSA, SANTA RITA AND SINIFA RESERVOIR REPLACEMENT
Project Number: W14-007-BNDBid Opening Date: April 30, 2019
Time: 3:00 p.m.

	Bidders Name	Section A-5 Bid Bond	CERTIFICATIONS												Table A - Base Bid		Table B - Base Bid		Table C - Base Bid		TABLE A+B+C	
			Qualification Statement	New Construction	EEO Certification	New Employees	Site Officer	Certification	Safety and Health	Major Accidents	Major Accidents	Major Accidents	Major Accidents	Addendum				Table A - Base Bid and Additive Bid	Table B - Base Bid and Additive Bid	Table C - Base Bid and Additive Bid	TABLE A+B+C BASE BID TOTAL	TABLE A+B+C ADDITIVE BID TOTAL
														1	2	3	4					
1.	CANTON CONSTRUCTION	NO Bid																				
2.	CORE TECH INTERNATIONAL	NO Bid																				
3.	ECC	NO Bid																				
4.	BLACK CONSTRUCTION CORP.	NO Bid																				
5.	AIC	Excluded b.s. company of insufficient 15% of accompanying bid	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$ 9,004,011	\$ 4,708,331	\$ 8,600,308	\$ 24,417,650				
6.	DN TANKS	NO Bid													\$ 11,057,125	\$ 9,396,872	\$ 8,711,150	\$ 29,345,297				
7.	VALCON GUAM	NO Bid																				
8.	HDCC GUAM	NO Bid																				
9.	GRANITE CONSTRUCTION COMPANY GUAM	Federal Ins. Company 15% of bid amount	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$ 13,670,650	\$ 13,625,000	\$ 11,594,600	\$ 38,895,250				
10.	MCS CONSTRUCTION	NO Bid													\$ 14,670,650	\$ 14,225,000	\$ 11,594,600	\$ 40,695,250				
11.	JMI EDISON	NO Bid																				
12.	HES MICRONESIA	NO Bid																				

Bids Opened and Read by: GLORIA P. BENSAN
(Name and Signature)

Tabulated By: Rayan Dora B. D.
(Name and Signature)

GWA Procurement Representative: ROLAND F. LUMDUGO
Witnesses: [Signature] [Signature]

Exhibit B



Date: August 15, 2019

Reference No.: GHD/GWA LTR-13

To: Brett Railey
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913

Project: GWA Project: W14-007-BND
IFB-01-ENG-2019
Northern and Southern Guam Reservoir Replacement

Subject: Recommendation for Award, AIC International

Dear Mr. Railey:

GWA submitted a Request for Information to AIC International (AIC) on August 06, 2019. AIC responded as requested, submitting their response on August 09, 2019. GHD has reviewed the response and detailed our review comments in our August 13, 2019, GHD/GWA LTR-12. To summarize this review, AIC's responses were complete and all items were addressed.

AIC confirmed that:

- AIC confirmed that the reason they did not provide a listing safety citations in the 'Statement of Contractor's 5-year record of OSHA citations or violations' as required by the Bid Documents as these citations had been deleted. Four citations shown on the OSHA website and we asked for further details. AIC provided copies of an email and Informal Settlement Agreement with OSHA showing that these citations had been deleted and therefore they did not need to list them as part of their bid.
- Form 'Appendix G Employment Data' from the Bid was provided.

AIC provided further information and clarifications for:

- AIC extended terms and conditions of the Instruction to Bidders from the 60 calendar days to 120 calendar days
- Confirmed that two bid items that were less than 45% of the engineer's estimate were inclusive of all work in accordance with the plans and specifications.
- Adjusted mobilization bid amount to conform with Specifications that limit bid item amount to 5% of total contract.
- Provided information for review for proposed Commissioning Agent, and Driller of Concrete Piers and Shafts.
- Provided designation of and resumes for AIC's three full time site superintendents, three full time Safety Officers, and one project QC Officer.
- DN Tanks provided more information regarding the number and location of their strand wrapping and automated shotcrete machines.
- Provided list of suppliers and subcontractors, identifying scope of work for each.

- DN Tanks provided resumes for Tanks Superintendents on Guam.
- Provided updated Contractor's recent license renewal.
- Confirmed that DN Tanks is the only contractor or supplier performing work having a value greater than 10%.
- Provided certificate from their insurance company verifying that AIC continues to have adequate available bonding capacity for this project.

We did request further information from the Commissioning Agent and DN Tanks, but these items that are still in question can be addressed after award. Based on AIC's response, we believe that AIC International has submitted a bid which generally conforms in all material respects to the Invitation for Bids. Based on this, we recommend award of the contract to AIC International.

Regards,



Bryan J. Ryley
Project Coordinator

Cc: Nancy Heuman, P.E., Project Manager GHD
Garrett Yeoh, GWA, Senior Engineer

Exhibit C

BID FORM**BID RECIPIENT**

This Bid is submitted to:

Guam Waterworks Authority
Engineering Division, Room 202
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913

The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into a Contract with Buyer in the form included in the Bidding Documents to furnish the Goods and Special Services as specified or indicated in the Bidding Documents, for the prices and within the times indicated in this Bid, and in accordance with the other terms and conditions of the Bidding Documents.

BIDDER'S ACKNOWLEDGMENTS

Bidder accepts all of the terms and conditions of the Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for 60 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Buyer.

BIDDER'S REPRESENTATIONS

In submitting this Bid, Bidder represents that:

Bidder has examined and carefully studied the Bidding Documents, the related data identified in the Bidding Documents, and the following Addenda, receipt of which is hereby acknowledged:

Addendum No.	Addendum Date
01	23 JANUARY 2019
02	22 FEBRUARY 2019
03	29 MARCH 2019
04	25 APRIL 2019

Bidder has visited the Point of Destination and site where the Goods are to be installed or Special Services will be provided and become familiar with and is satisfied as to the observable local conditions that may affect cost, progress, or the furnishing of Goods and Special Services, if required to do so by the Bidding Documents, or if, in Bidder's judgment, any local condition may affect cost, progress, or the furnishing of Goods and Special Services.

Bidder is familiar with and is satisfied as to all Laws and Regulations in effect as of the date of the Bid that may affect cost, progress, and the furnishing of Goods and Special Services.

Bidder has carefully studied, considered, and correlated the information known to Bidder; information commonly known to sellers of similar goods doing business in the locality of the Point of Destination and the site where the Goods will be installed or where Special Services will be provided; information and observations obtained from Bidder's visits, if any, to the Point of Destination and the site where the Goods will be installed or where Special Services will be provided; and any reports and drawings identified in the Bidding Documents regarding the Point of Destination and the site where the Goods will be installed or where Special Services will be provided, with respect to the effect of such information, observations, and documents on the cost, progress, and performance of Seller's obligations under the Bidding Documents.

Bidder has given Engineer written notice of all conflicts, errors, ambiguities, and discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution (if any) thereof by Engineer is acceptable to Bidder.

The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for furnishing the Goods and Special Services for which this Bid is submitted.

BIDDER'S CERTIFICATIONS

Bidder certifies that:

This Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation;

Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid;

Bidder has not solicited or induced any individual or entity to refrain from bidding; and

Bidder has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract. For the purposes of this Paragraph 4.01.D:

1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process;
2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process to the detriment of Buyer, (b) to establish bid prices at artificial non-competitive levels, or (c) to deprive Buyer of the benefits of free and open competition;
3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Buyer, a purpose of which is to establish bid prices at artificial, non-competitive levels; and
4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process.

BASIS OF BID

Bidder will furnish the Goods and Special Services in accordance with the Contract Documents for the following price(s):

BID SCHEDULE

Interested Bidders must complete Table A, Table B, and Table C. All blanks in the tables must be filled out.

Definitions:

LS = lump sum

TABLE A SANTA ROSA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, ADDITIVE BID ITEMS 7, 8, 9, 10 & 11)				
Item No.	Description	Quantity	Unit	Extended Amount
1.	Mobilization, as specified in the Contract Documents. <u>Item 1 Breakdown:</u> 1.1 Move onto Site 1.2 Field Offices, fit out and utilities 1.3 Project Scheduling 1.4 Assessment of existing reservoir per SP C-4 1.5 Other mobilization items	1	LS	\$ 662,749.00 \$ 254,896.00 \$ 171,924.00 \$ 24,349.00 \$ 36,178.00 \$ 175,402.00
2.	Demolition of existing facilities, including the booster pump building and foundation, fuel system and containment, paving, chain link fences and gates, piping, and appurtenances, as shown and specified in the Contract Documents.	1	LS	\$ 72,398.00

437,349.00

154,890.00

50,008.00

87,798.00

TABLE A SANTA ROSA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, ADDITIVE BID ITEMS 7, 8, 9, 10 & 11)				
Item No.	Description	Quantity	Unit	Extended Amount
3.	Construction of Santa Rosa Reservoir No. 2, including a 1.0 million gallon (MG) nominal capacity pre-stressed concrete tank, earthwork, yard piping, fences and gates, coatings, electrical, instrumentation and controls, site lighting, disinfection, testing, startup, and all appurtenant work, complete and operable, as shown and specified in the Contract Documents.			
	<u>Item 3 Breakdown</u>			
	3.1 Earthwork			\$ 204,988.00 224,988.00
	3.2 Tank Foundation			\$ 122,098.00 147,098.00
	3.3 Tank Piping & Valving			\$ 85,801.00 115,801.00
	3.4 Pre-stressed Concrete Tank			\$ 3,822,348.00
	3.5 Tank Appurtenances			\$ 208,356.00
	3.6 Tank Coating			\$ 55,065.00 70,065.00
	3.7 Tank & Piping Disinfection			\$ 31,150.00 31,150.00
	3.8 Testing & Startup			\$ 2,219.00 12,219.00
	3.9 Electrical System			\$ 119,846.00
	3.10 Instrumentation and Control			\$ 274,752.00
	3.11 Yard Piping & Valving			\$ 313,015.00
	3.12 Inlet Vault, Meter, Valves & Piping			\$ 329,168.00
	3.13 Outlet Vault, Meter, Valves and Piping			\$ 131,837.00
	3.14 Drain Vault, Valves and Piping			\$ 54,744.00
	3.15 Check Valve Vault, Valves and Piping			\$ 108,460.00
	3.16 Overflow Manhole, and Piping			\$ 65,289.00
	3.17 Site Poles & Lighting			\$ 61,965.00
	3.18 Fencing and Gates			\$ 94,313.00
	3.19 All other appurtenant work			\$ 189,896.00
	Subtotal	1	LS	\$ 6,375,252.00 6,375,252.00

TABLE A SANTA ROSA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, ADDITIVE BID ITEMS 7, 8, 9, 10 & 11)				
Item No.	Description	Quantity	Unit	Extended Amount
4.	Site Grading and pavement including retaining walls, curbs, concrete gutters, headwalls, sidewalk, stormwater swales, stormwater infiltration basin and outlet structures, access road, and riprap.	1	LS	\$ 868,792.00 928,792.00
5.	Construction of Control/Pump Station Building, including pumps, hydro-pneumatic tank, electrical and controls, earthwork, and all appurtenant work, complete and operable as shown and specified in accordance with the Contract Documents.	1	LS	\$ 716,350.00 756,350.00
	<u>Item 5 Breakdown</u>			
	5.1 Control/Pump Station Building			\$ 93,234.00
	5.2 Pump System			\$ 277,301.00
	5.3 Hydro-pneumatic Tank			\$ 97,365.00
	5.4 Electrical			\$ 143,437.00 153,437.00
	5.5 Controls			\$ 30,398.00 40,398.00
	5.6 Piping and Valves			\$ 0,160.00 28,160.00
	5.7 All other appurtenant work			\$ 76,455.00

TABLE A SANTA ROSA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, ADDITIVE BID ITEMS 7, 8, 9, 10 & 11)				
Item No.	Description	Quantity	Unit	Extended Amount
6.	Construction of Pressure Zone Realignment (PZR) Sites 1 through 6, including survey staking, potholing, trenching, pipe connections, piping and fittings, valves and valve boxes, backfill and paving, disinfection, testing, traffic control, and all appurtenant work, complete and operable, as shown and specified in accordance with the Contract Documents.			
	<u>Item 6 Breakdown</u>	1	LS	\$ <u>430,470.00</u>
	6.1 Site 1			\$ <u>111,576.00</u>
	6.2 Site 2			\$ <u>66,564.00</u>
	6.3 Site 3			\$ <u>68,064.00</u>
	6.4 Site 4			\$ <u>60,716.00</u>
	6.5 Site 5			\$ <u>56,706.00</u>
	6.6 Site 6			\$ <u>66,844.00</u>

TABLE A SANTA ROSA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, ADDITIVE BID ITEMS 7, 8, 9, 10 & 11)				
Item No.	Description	Quantity	Unit	Extended Amount
7.	Additive Bid Item: Construction of Department of Defense (DoD) Inter-Tie, within the GWA property, including survey staking, potholing, excavation, trenching, concrete vaults, pipe connections, piping and fittings, operational valves, control valves and adjustments thereto, meter with remote readouts, instrumentation and conduit, backfill, grading and gravel surfacing, bollard, disinfection, testing, and all appurtenant work, complete and operable, as shown and specified in accordance with the Contract Documents. <u>Item 7 Breakdown</u> 7.1 Concrete Vaults 7.2 Piping and Valves 7.3 Instrumentation 7.4 Electrical 7.5 All other appurtenant work	1	LS	\$ <u>511,174.00</u> \$ <u>353,516.00</u> \$ <u>34,958.00</u> \$ <u>11,020.00</u> \$ <u>20,115.00</u> \$ <u>91,565.00</u>
8.	Additive Bid Item: Construction of Department of Defense (DoD) Inter-Tie, within the DoD property, including survey staking, potholing, excavation, trenching, pipe connections, piping and fittings, isolation valve, backfill, grading and reseeding, gate, disinfection, testing, and all appurtenant work, complete and operable, as shown and specified in accordance with the Contract Documents. <u>Item 8 Breakdown:</u> 8.1 Piping and Valves 8.2 All other appurtenant work	1	LS	\$ <u>83,534.00</u> \$ <u>23,812.00</u> \$ <u>59,722.00</u>

TABLE A SANTA ROSA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, ADDITIVE BID ITEMS 7, 8, 9, 10 & 11)				
Item No.	Description	Quantity	Unit	Extended Amount
9.	Additive Bid Item: Construction of Route 1 12" Waterline, 4,042 L.F., including tie-ins, valves, fittings, pipe jumpers, ARV's, excavation, backfill, resurfacing, testing, disinfection, traffic control, and all appurtenant work, complete and operable, as shown and specified in accordance with the Contract Documents.	1	LS	\$ <u>1,168,617.00</u>
10.	Additive Bid Item: Demolition and disposal of existing reservoir, including foundation and appurtenances thereto.	1	LS	\$ <u>113,123.00</u>
11.	Additive Bid Item: Remove and dispose of reservoir foundation oiled sand (6" thick over 6" base course) as hazardous waste.	1	LS	\$ <u>144,716.00</u>

Table A Base Bid Subtotal

\$ 9,016,011.00

Table A Base Bid and Additive Bid Subtotal

\$ 11,037,175.00

TABLE B SANTA RITA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, ADDITIVE BID ITEMS 7 & 8)				
Item No.	Description	Quantity	Unit	Extended Amount
1.	Mobilization, as specified in the Contract Documents. <u>Item 1 Breakdown:</u> 1.1 Move onto Site 1.2 Field Offices, fit out and utilities 1.3 Project Scheduling 1.4 Other mobilization items	1	LS	\$ 619,994.00 \$ 255,262.00 \$ 126,285.00 \$ 21,549.00 \$ 216,898.00
				427,465.00 155,262.00 124,369.00
2.	Repair Access Road, including removal of debris, grading, installation of two 12" water lines, installation of electrical ductbank, connections to existing water and electrical facilities at ends of repairs, testing, disinfection, and appurtenances, as shown and specified in the contract documents.	1	LS	\$ 515,427.00
				525,427.00
3.	Demolition of existing facilities, including the steel reservoir, its foundation and appurtenances thereto , paving, electrical vaults, chain link fences and gates, piping, concrete vaults, concrete swales, concrete curbs, and appurtenances, as shown and specified in the Contract Documents.	1	LS	\$ 236,254.00
				261,254.00

TABLE B SANTA RITA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, ADDITIVE BID ITEMS 7 & 8)				
Item No.	Description	Quantity	Unit	Extended Amount
4.	Construction of Santa Rita Reservoir, including a 1.0 million gallon (MG) nominal capacity pre-stressed concrete tank on pile foundation, earthwork, yard piping, fences and gates, protective coating, electrical, instrumentation and controls, site lighting, disinfection, testing, startup, and all appurtenant work, complete and operable, as shown and specified in the Contract Documents.			
	<u>Item 4 Breakdown</u> 4.1 Earthwork 4.2 Foundation Piles and Base 4.3 Tank Piping & Valving 4.4 Pre-stressed Concrete Tank 4.5 Tank Appurtenances 4.6 Tank Coating 4.7 Tank & Piping Disinfection 4.8 Testing & Startup 4.9 Electrical System 4.10 Instrumentation and Control 4.11 Yard Piping & Valving 4.12 Inlet Vault, Meter, Valves and piping 4.13 Outlet Vault, Meter, Valves and Piping 4.14 Overflow Manhole and Piping 4.15 Site Poles & Lighting 4.16 Fencing and Gates 4.17 All other appurtenant work Subtotal	1	LS	\$ 233,523.00 253,523.00 \$ 957,384.00 977,384.00 \$ 55,134.00 85,134.00 \$ 3,766,362.00 \$ 207,815.00 \$ 55,085.00 70,085.00 \$ 14,889.00 29,889.00 \$ 3,265.00 12,265.00 \$ 88,827.00 \$ 143,507.00 \$ 81,768.00 87,768.00 \$ 234,082.00 \$ 127,199.00 \$ 105,667.00 \$ 40,619.00 \$ 144,949.00 \$ 43,631.00 \$ 6,303,706.00 6,418,706.00

TABLE B SANTA RITA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, ADDITIVE BID ITEMS 7 & 8)				
Item No.	Description	Quantity	Unit	Extended Amount
5.	Site Grading and pavement including curbs, concrete gutters, sidewalks, stormwater swales, storm drainage inlets and piping, headwalls, riprap, and stormwater infiltration basins and outlet structures, access roads and fencing.	1	LS	\$ 884,347.00
6.	Construction of Control Building, complete and operable, as shown and specified in accordance with the Contract Documents.	1	LS	\$ 121,603.00

909,347.00

209,132.00

7.	<p>Additive Bid Item: Construction of Pressure Zone Realignment (PZR) Sites 1 through 12, including survey staking, demolition, potholing, trenching, pipe connections, piping and fittings, valves and vaults, backfill and paving, disinfection, testing, traffic control, and all appurtenant work, complete and operable, as shown and specified in accordance with the Contract Documents.</p> <p><u>Item 7 Breakdown</u></p> <p>7.1 Site 1</p> <p>7.1a Concrete Vault</p> <p>7.1b Pressure Reducing Valves</p> <p>7.1c Connections/Piping/Fittings</p> <p>7.1d Gate Valves</p> <p>7.2 Site 2</p> <p>7.2a Concrete Vault</p> <p>7.2b Pressure Reducing Valves</p> <p>7.2c Connections/Piping/Fittings</p> <p>7.2d Gate Valves</p> <p>7.3 Site 3</p> <p>7.4 Site 4</p> <p>7.4a Concrete Vault</p> <p>7.4b Pressure Reducing Valves</p> <p>7.4c Connections/Piping/Fittings</p> <p>7.4d Gate Valves</p> <p>7.5 Site 5</p> <p>7.6 Site 6</p> <p>7.7 Site 7</p> <p>7.7a Concrete Vault</p> <p>7.7b Pressure Reducing Valves</p> <p>7.7c Connections/Piping/Fittings</p> <p>7.7d Gate Valves</p> <p>7.8 Site 8</p> <p>7.8a Concrete Vault</p> <p>7.8b Pressure Reducing Valves</p> <p>7.8c Connections/Piping/Fittings</p> <p>7.8d Gate Valves</p> <p>7.9 Site 9</p> <p>7.10 Site 10</p> <p>7.11 Site 11</p> <p>7.12 Site 12</p>	1	LS	<p>\$ <u>500,921.00</u></p> <p>\$ <u>63,580.00</u></p> <p>\$ <u>15,864.00</u></p> <p>\$ <u>7,932.00</u></p> <p>\$ <u>2,645.00</u></p> <p>\$ <u>68,263.00</u></p> <p>\$ <u>14,489.00</u></p> <p>\$ <u>7,244.00</u></p> <p>\$ <u>2,416.00</u></p> <p>\$ <u>40,934.00</u></p> <p>\$ <u>28,882.00</u></p> <p>\$ <u>15,864.00</u></p> <p>\$ <u>7,932.00</u></p> <p>\$ <u>2,645.00</u></p> <p>\$ <u>32,850.00</u></p> <p>\$ <u>21,389.00</u></p> <p>\$ <u>22,937.00</u></p> <p>\$ <u>15,864.00</u></p> <p>\$ <u>7,932.00</u></p> <p>\$ <u>2,645.00</u></p> <p>\$ <u>22,937.00</u></p> <p>\$ <u>15,864.00</u></p> <p>\$ <u>7,932.00</u></p> <p>\$ <u>2,645.00</u></p> <p>\$ <u>11,415.00</u></p> <p>\$ <u>11,415.00</u></p> <p>\$ <u>11,415.00</u></p> <p>\$ <u>37,041.00</u></p>
----	--	---	----	--

8.	Additive Bid Item: Remove and dispose of reservoir foundation oiled sand (4" thick over 6" base course with oil surfacing) as hazardous waste.	1	LS	\$ <u>144,720.00</u>
----	--	---	----	----------------------

Table B Base Bid Subtotal \$ 8,751,331.00

Table B Base Bid and Additive Bid Subtotal \$ 9,396,972.00

<p align="center">TABLE C SINIFA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 5, ADDITIVE BID ITEMS 6 & 7)</p>				
Item No.	Description	Quantity	Unit	Extended Amount
1.	Mobilization, as specified in the Contract Documents. <u>Item 1 Breakdown:</u> 1.1 Move onto Site 1.2 Field Offices, fit out and utilities 1.3 Project Scheduling 1.4 Grant of Temporary Easement for Construction 1.5 Assessment of existing reservoir per SP C-4 1.6 Other mobilization items	1	LS	\$ 677,450.00 \$ 254,667.00 \$ 128,847.00 \$ 21,552.00 \$ 19,600.00 \$ 24,239.00 \$ 228,545.00
				426,591.00 154,667.00 77,686.00
2.	Demolition of existing facilities, including the pavement, electrical vaults, chain link fences and gates, piping, concrete vaults, concrete swales, concrete curbs, and appurtenances, as shown and specified in the Contract Documents.	1	LS	\$ 140,876.00
				158,876.00
3.	Construction of Sinifa Reservoir, including a 1.0 million gallon (MG) nominal capacity pre-stressed concrete tank, earthwork, yard piping, fences and gates, coatings, electrical, instrumentation and controls, site lighting, disinfection, testing, startup, and all appurtenant work, complete and operable, as shown and specified in the Contract Documents. <u>Item 3 Breakdown</u> 3.1 Earthwork 3.2 Tank Foundation 3.3 Tank Piping & Valving 3.4 Pre-stressed Concrete Tank 3.5 Tank Appurtenances 3.6 Tank Coating 3.7 Tank & Piping Disinfection	1	LS	\$ 6,434,340.00 \$ 63,743.00 \$ 42,894.00 \$ 126,865.00 \$ 4,460,016.00 \$ 207,979.00 \$ 53,811.00 \$ 16,006.00
				6,567,280.00 87,743.00 122,894.00 151,865.00 71,811.00 31,006.00

<p align="center">TABLE C SINIFA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 5, ADDITIVE BID ITEMS 6 & 7)</p>				
Item No.	Description	Quantity	Unit	Extended Amount
	3.8 Testing & Startup 3.9 Electrical System 3.10 Instrumentation and Control 3.11 Yard Piping & Valving 3.12 Inlet Vault, Meter, Valves & Piping 3.13 Outlet Vault, Meter, Valves and Piping 3.14 Drain Vault, Valves and Piping 3.15 Check Valve Vault, Valves and Piping 3.16 Overflow Manhole, and Piping 3.17 Site Poles & Lighting 3.18 Fencing and Gates 3.19 Fuel System Improvements 3.20 All other appurtenant work Subtotal	1	LS	\$ <u>37,487.00</u> \$ <u>65,076.00</u> \$ <u>161,811.00</u> \$ <u>143,835.00</u> \$ <u>250,180.00</u> \$ <u>132,251.00</u> \$ <u>55,182.00</u> \$ <u>127,308.00</u> \$ <u>127,725.00</u> \$ <u>171,618.00</u> \$ <u>75,419.00</u> \$ <u>45,716.00</u> \$ <u>20,356.00</u> \$ <u>6,434,346.00</u>
				85,076.00
				6,567,280.00
4.	Site Grading and pavement including retaining walls, curbs, off-site driveway, concrete gutters, headwalls, sidewalks, stormwater swales, storm drainage structures and piping, infiltration basins, riprap, and access roads.	1	LS	\$ <u>1,137,791.00</u>
				1,177,791.00
5.	Construction of Control Building, complete and operable, as shown and specified in accordance with the Contract Documents.	1	LS	\$ <u>319,770.00</u>
				319,770.00

TABLE C SINIFA RESERVOIR BID SCHEDULE (BASE BID ITEMS NO. 1 – 5, ADDITIVE BID ITEMS 6 & 7)				
Item No.	Description	Quantity	Unit	Extended Amount
6.	Additive Bid Item: Demolition and disposal of existing reservoir, including foundation and appurtenances thereto.	1	LS	\$ <u>113,122.00</u>
7.	Additive Bid Item: Remove and dispose of reservoir foundation oiled sand (6" thick over 6" base course) as hazardous waste.	1	LS	\$ <u>147,720.00</u>

Table C Base Bid Subtotal

\$ 8,650,308.00

Table C Base Bid and Additive Bid Subtotal

\$ 8,911,150.00

Table A, B, and C Base Bid Total

\$ 26,417,650.00

Table A, B, and C Base Bid and Additive Bid Total

\$ 29,345,297.00

TOTAL BASE BID PRICE FOR THE BID SCHEDULE (Table A, B and C)

For the lump sum of:

\$ 26,417,650.00

(Price in Figures)

TWENTY SIX MILLION FOUR HUNDRED SEVENTEEN THOUSAND

(Price in Words)

SIX HUNDRED FIFTY DOLLARS AND NO CENTS.

Bidder acknowledges that estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all unit price Bid items will be based on actual quantities, determined as provided in the Contract Documents. Bidder also acknowledges that each unit price includes an amount considered by Bidder to be adequate to cover Bidder's overhead and profit for each separately identified item.

TIME OF COMPLETION

Bidder agrees that the furnishing of Goods and Special Services will conform to the schedule set forth in Article 5 of the Agreement.

Bidder accepts the provisions of the Agreement as to liquidated damages.

ATTACHMENTS TO THIS BID

The following documents are attached to and made a condition of this Bid:

Required Bid security in the form of Bid Bond.

List of Proposed Major Suppliers;

Required Bidder Qualification Statement with Supporting Data.

DEFINED TERMS

The terms used in this Bid with initial capital letters have the meanings stated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

BID SUBMITTAL

This Bid submitted by:

If Bidder is:

An Individual

Name (typed or printed): Not Applicable

By: _____
(Individual's signature)

Doing business as: _____

Business address: _____

Phone: _____ Facsimile: _____

E-mail address: _____

A Partnership

Partnership Name: Not Applicable (SEAL)

By: _____
(Signature of general partner - attach evidence of authority to sign)

Name (typed or printed): _____

Business address: _____

Phone: _____ Facsimile: _____

E-mail address: _____

A Corporation

Corporation Name: AIC International, Inc.

State of Incorporation: Guam

Type (General Business, Professional, Service, other): General Contractor

By: _____
(Signature - attach evidence of authority to sign)

Name (typed or printed): Henry Stewart

Title: President

Attest _____ (CORPORATE SEAL)

(Signature of Corporate Secretary)

Business address: P.O. Box DR, Hagatña Guam 96932

Phone: (671) 565-9142 Facsimile: (671) 565-9145

E-mail address: henry@aicconstruction.com

A Limited Liability Company (LLC)

LLC Name: Not Applicable

State in which organized: _____

By: _____
(Signature - attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____

Business address: _____

Phone: _____ Facsimile: _____

E-mail address: _____

A Joint Venture

First Joint Venturer Name: Not Applicable (SEAL)

By: _____
(Signature - attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____

Business address: _____

Phone: _____ Facsimile: _____

E-mail address: _____

Second Joint Venturer Name: _____ (SEAL)

By: _____
(Signature - attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____

Business address: _____

Phone: _____ Facsimile: _____

E-mail address: _____

Phone and Facsimile Number, and Address for receipt of official communications to Joint Venture: _____

(Each joint venturer must sign. The manner of signing for each individual, partnership, corporation, and limited liability company that is a party to the joint venture should be in the manner indicated above.)