



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., September 22, 2020

MINUTES

1. CALL TO ORDER

The CCU Chairman called the September 22, 2020 CCU Regular Meeting to order at 5:33 p.m. He said four [4] Commissioners were present for a quorum and that Comm. Sanchez was excused. 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

Executive Mgmt.:

John Benavente	GM / GPA
Melinda Mafnas	AGMA / GPA
Tricee Limtiaco	AGMA / GPA
Chris Budasi	AGMA / GWA
John Kim	CFO / GPA
Taling Taitano	CFO / GWA
Graham Botha	Legal Counsel / GPA
Kelly Clark	Legal Counsel / GWA

Management & Staff:

Vien Wong	IT Support / GPA
Vlad Novasca	IT Support / GPA
Patti Diego	Communications / GPA
Ann Borja-Gallarde	Management Analyst IV / GWA Ex. Office
Lou Sablan	Board Secretary / CCU

2. APPROVAL OF MINUTES

The Minutes of June 23, 2020 was presented for approval.

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

3. PUBLIC COMMENTS - None

4. GWA

4.1 GM Report

GM Miguel gave his usual GM Summary – highlights are noted below.

GWA Workforce availability as of September 11, 2020

Healthy	357	94.4%
Sick, not COVID-19 related	4	1.1%
COVID-19 Quarantined	2	0.5%
Employee diagnosed with COVID-19	1	0.3%
COVID-19 Medical Risk		0.0%
Military Leave	13	3.4%
LTD	1	0.3%
Total	378	100%

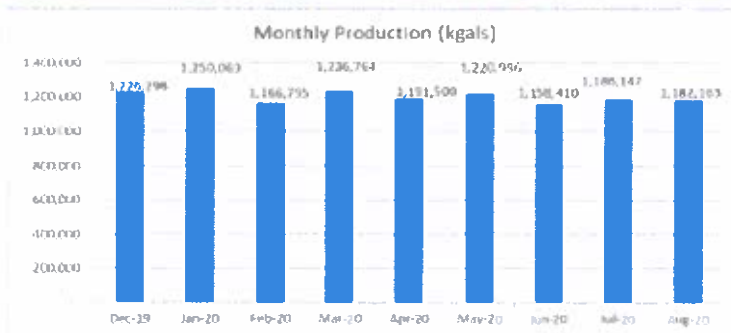
	Total	
Healthy/Reporting for duty at worksite	267	70.6%
Healthy/Reporting for duty - Part Teleworking and Part Reporting for duty at worksite	39	10.3%
Healthy/Reporting for duty - Teleworking	48	12.7%
Employee sick - symptoms unrelated to COVID-19	4	1.1%
Military Leave	13	3.4%
LTD/Workers Comp	1	0.3%
Employee wants to electively self-quarantine, status not considered vulnerable - does not report for duty	3	0.8%
Employee's direct exposure to a household member - COVID-19 confirmed case	1	0.3%
Employee diagnosed with COVID-19	1	0.3%
Employee's direct exposure to a household member being tested for COVID-19	1	0.3%
Total	378	100%

Operations Update

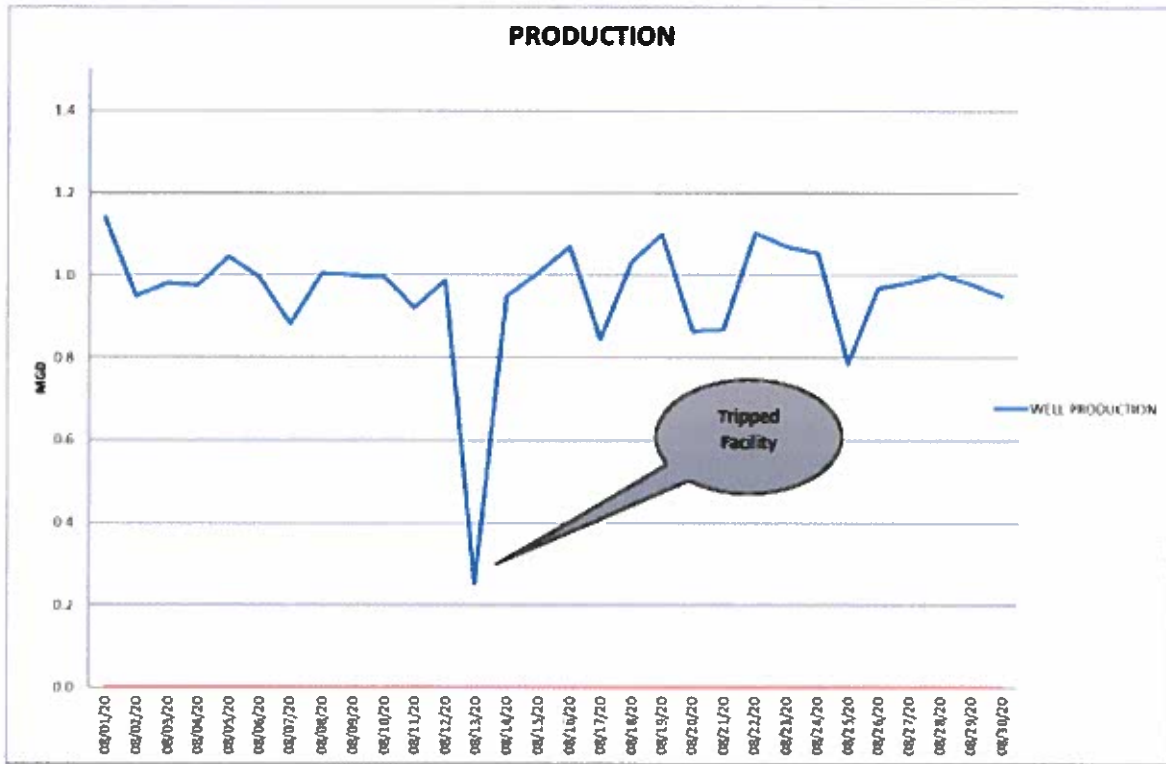
Production (August 2020)

Monthly Production Summary - August 2020		
Deep Wells		34.8 MGD
Active wells =	88 of 120	
Avg days in operation =	31 days	
Total Production =	1,078,387 Kgals	
Springs		0.18 MGD
Avg days in operation =	31 days	
Total Production =	5709 Kgals	
Ugum Surface Water Plant		2.2 MGD
Avg days in operation =	31 days	
Total Production =	68,309 Kgals	
Tumon Maui Well		0.96 MGD
Avg days in operation =	31 days	
Total Production =	29,758 Kgals	
Total	1,182,163 Kgals	28.1 MGD

DW Status as of 8/31/2020	
Active	88
Grounded motor or Pump Failure	8
Out of commission	8
Temporarily Secured	2
Standby	34
TOTAL	120

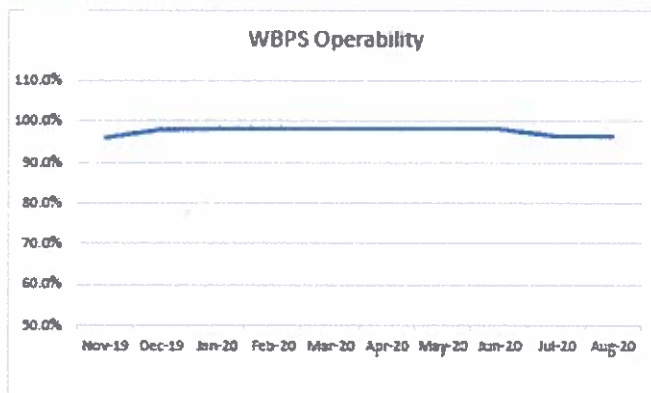


Tumon Maui Well Production (August 2020)



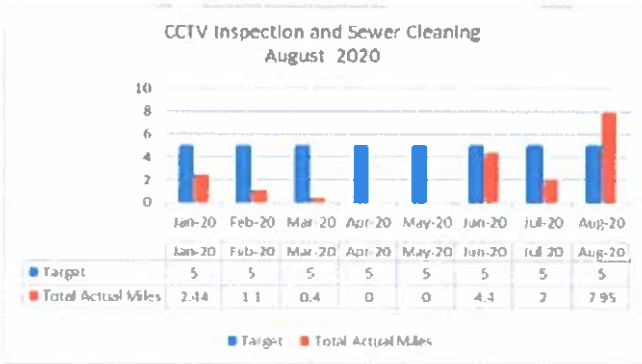
Distribution (August 2020)

Monthly Distribution Summary - August 2020					
Water Booster Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	13	26	24	92.3%
	Central	7	15	15	100.0%
	Southern	7	15	15	100.0%
		27	56	54	96.4%



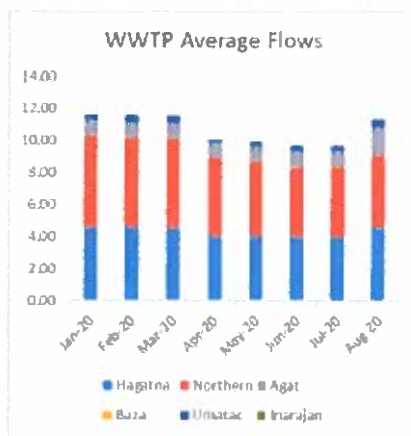
Wastewater Collections (August 2020)

Monthly Collections Summary - August 2020					
Wastewater Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	22	52	47	90.4%
	Central	29	63	57	90.5%
	Southern	26	56	53	94.6%
		77	171	157	91.8%



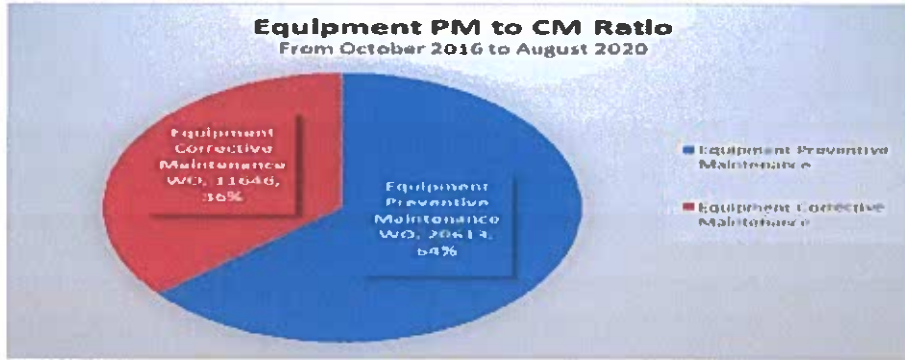
Wastewater Treatment (August 2020)

Monthly Wastewater Treatment Summary - August 2020			
WW Treatment Plants - Flows			
Facility	Avg. Daily Flows	Sludge (lbs)	Sludge Disp. (\$)
Hagatna	4.56	264,940	\$ 23,845
Northern	4.5	661,740	\$ 59,557
Agat	1.8	20,680	\$ 1,861
Baza	0		
Umatac	0.40		
Inarajan	0.09		
	11.35	947,360	\$ 85,263

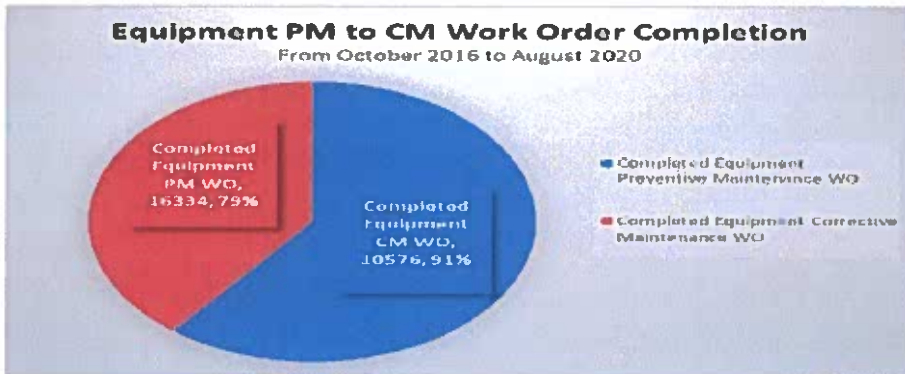


Asset Management (August 2020)

I. Equipment Preventive Maintenance to Corrective Maintenance *Ratio*

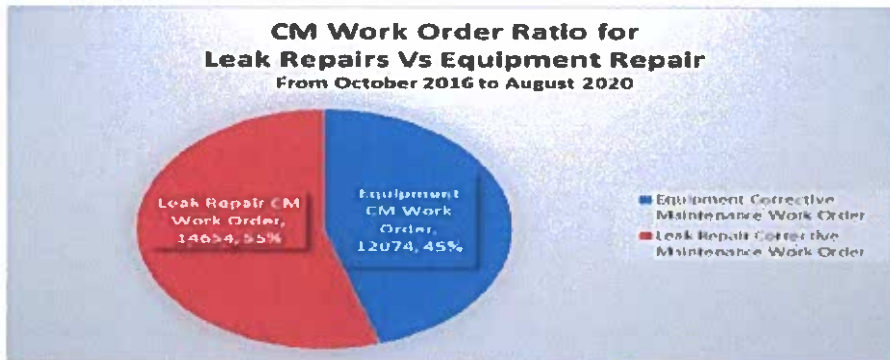


II. Equipment Preventive Maintenance to Corrective Maintenance *Work Order Completion*

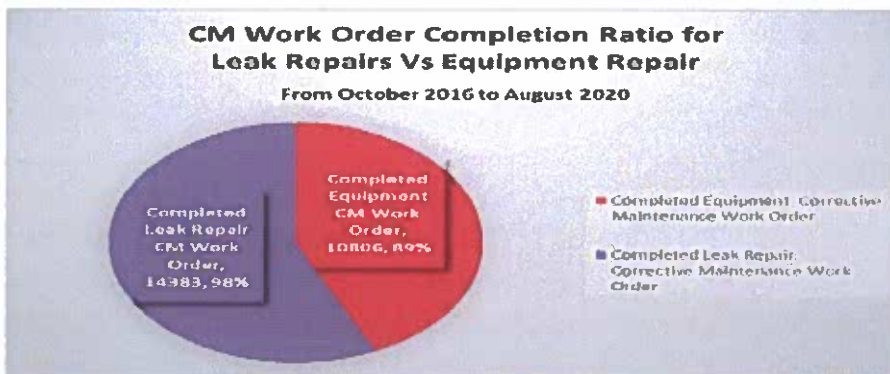


Asset Management (August 2020)

III. Corrective Maintenance Work Order *Ratio* for Leak Repairs vs. Equipment Repair

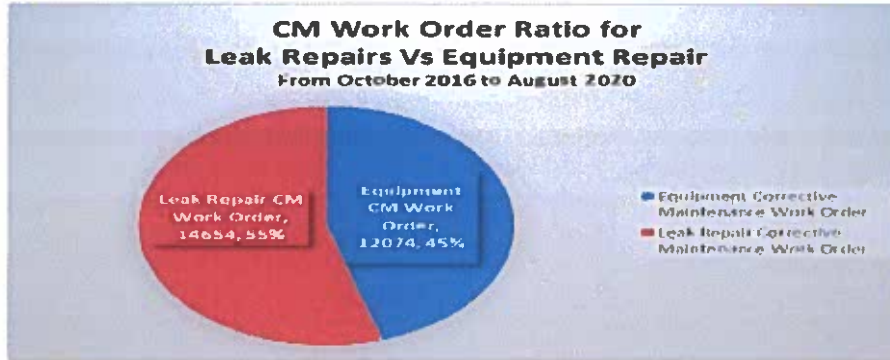


IV. Corrective Maintenance Work Order *Completion* for Leak Repairs vs. Equipment Repair

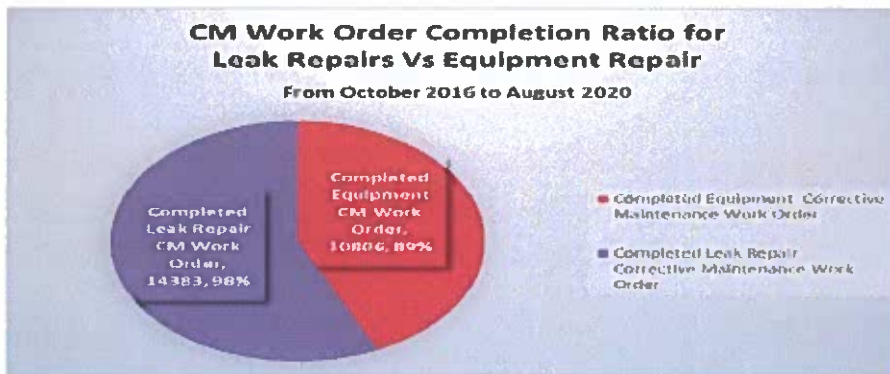


Asset Management (August 2020)

III. Corrective Maintenance Work Order Ratio for Leak Repairs vs. Equipment Repair



IV. Corrective Maintenance Work Order Completion for Leak Repairs vs. Equipment Repair



Backbilling through August 2020

Guam Waterworks Authority
 Collections Report¹ on Accounts Backbilled thru August 31, 2020
 For fiscal years 2015 thru 2020 (Aug)

Accounts Billed			Collection Status											
			Amounts Collected ¹			Amounts Adjusted			Total Uncollected (Active)			Total Uncollected (Inactive)		
FY Billed	No. of Accounts	Amount	No. of Accounts	Amount	%	No. of Accounts	Amount	%	No. of Accounts	Amount	%	No. of Accounts	Amount	%
FY2015														
FY2016	17	\$ 882	17	\$ 882	100%	0	\$ -		0	\$ -		0	\$ -	
FY2017	537	\$ 397,450	462	297,758	75%	18	38,437	10%	31	35,336	9%	26	25,069	7%
FY2018	1,374	\$ 742,109	1,299	558,140	75%	60	69,706	9%	67	71,743	10%	48	41,520	6%
FY2019	8,325	\$ 3,064,384	7,511	2,091,485	68%	185	169,997	6%	400	694,204	23%	228	108,697	4%
FY2020	2,980	\$ 903,704	2,158	385,973	43%	34	17,145	2%	742	488,903	54%	46	11,683	0%
Total	13,233	\$ 5,108,529	11,347	\$ 3,335,238	65%	297	\$ 295,336	6%	1,281	\$ 1,290,186	25%	348	\$ 187,769	4%

¹ Collections thru September 9, 2020

One Guam Update (August 2020)

- Tumon Maui Well
 - Quarterly Inspection - awaiting lab results
 - New log book for GPA generator maintenance placed at TMW for easy verification during inspections.
 - DOD unable to locate missing keys for property adjacent to St John's.
 - GWA was given permission to cut the locks, replace with their own, and provide Navy with a copy of the keys.
 - GWA and DoD in discussions on next steps when license renewals expire.
- 02-AG1
 - Fence proposal update (for independent GWA access to well)
 - GWA identified crew and equipment to locate water lines.
 - GWA and DoD in discussions on modification of license production rates
 - license allowance is 5M gallons/month (~115 gpm)
 - Permitted capacity is 7.6M gallons/month (~174 gpm)
 - Andersen will look at modifying the license.
- 04-OEA Projects
 - Observation Wells/NGLA
 - No update on TCEs.
 - Maria requested cost breakdown by well from WERI and USGS to develop the MOU for annual cost for monitoring and maintenance for the DOD wells.
- 05-Interagency Utility service agreement
 - GWA and DoD met to discuss how to move forward.
- 07-Property Transfers
 - Transfer of Navy Laterals at Murray Road to GWA – no update.
- 30-Other
 - Marine Corps Base – Forest Enhancement Irrigation (FEI)
 - Updated water requirements were received.
 - GWA to determine methods of delivery available.
 - Umatac / Cetti Bay Easement
 - GWA Legal to move forward on determining in-kind request options.
 - Intergovernmental Service Agreement / Bulk Water Sales
 - Maria met with Miguel to begin the process.

Court Order Summary (August 2020)

	Total Items	On-time Items Completed / Continuous	In Progress - late	Completed - Late	In Progress - on time	Performance %
Court order total	93	78	1	14	0	98.90%



	Court Order Items	%	Performance (on-time or completed)
Completed/Continuous - on time	78	84%	98.9%
Completed - late	14	15%	
In Progress - on time	0	0%	
In Progress - late	1	1%	
Totals	93	100%	

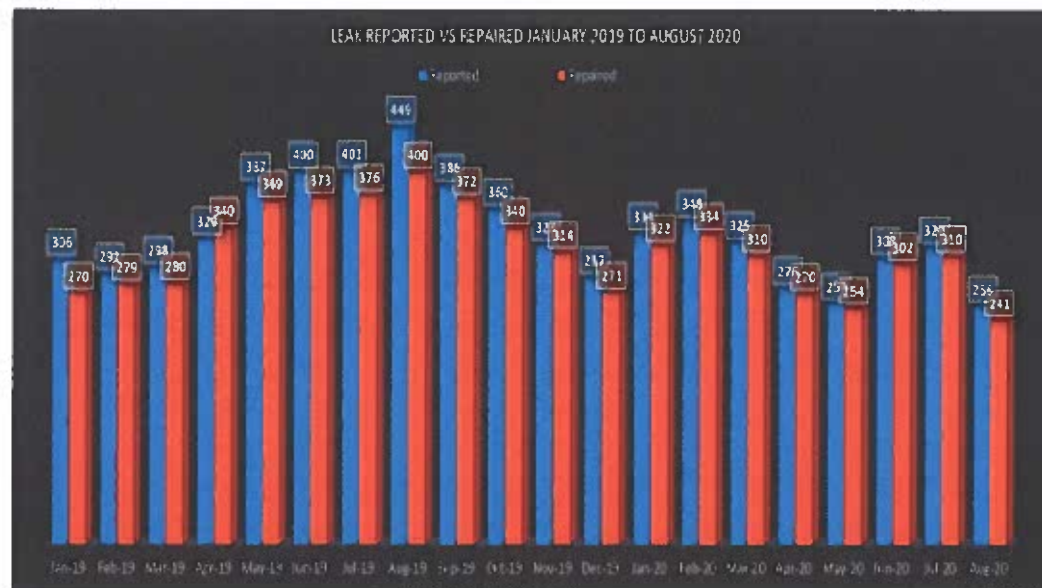
Court Order – Status Information (August 2020)

- 1 item delayed - The Court Order is down to one item remaining, § II, (C), (29) – Storage tank Repair, Restoration, Replacement or Relocation – which is the item that will take longer than the “end” of the court order. That makes us 98.9% done with the CO.
- Final Date to complete all Court Order items will be delayed past December 31, 2020.
 - CO 29(b) has been expanded by 31% beyond the original Court Order Requirements
 - General Counsel is drafting filing for submission to District Court
 - Additional impact resulted from delay of 2020 Bond issuance and there is also delay due to COVID-19 impacts
- Overflow or Bypass events reported to USEPA:
 - 8.27.20 - Vietnam Veterans Highway, Barrigada - sewer overflow SSO #220 - rain
 - 8.27.20 - Chalon Canton Tasi, Hagatña - sewer overflow SSO #221 - rain
 - 8.13.20 – Limtiaco Street, Asan - #210 - contractor pump capacity, insufficient - rain
 - 8.31.20 – Mendioka Street, Dededo - SO#230- manhole overflow - FOG
 - 9.05.20 - 209 Chalan Guagua, Dededo - sewer overflow SSO #232 – FOG
 - 9.05.20 - 132 Taigigao Street, Agaña Heights - sewer overflow SSO #235 – FOG
 - 9.07.20 - 136 Tun Justo Dungca Street, Tamuning - sewer overflow SSO#233 – FOG

Land Acquisition Summary (August 2020)

GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
Tanks	Astumbe	Gov't - CLTC	Petition of Land Registration package forwarded to Attorney General by DLM 11/04/19. Follow up update status request emailed to DLM 05/14/2020.
	Piti	Private	Received final comments from DoAg. Waiting on the archaeological report before we can submit 299 form.
	Airport	Private	Email response from property owners on GWA offer letter, pending review from family attorney 09/01/2020.
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 filed and recorded at DLM 7/30/19.
Booster Pump Station	Agfayan	Private	TGE working on structural design for pump station area for L28, B19, T3734, Inarajan 11/07/19.
Asan Springs	Asan	Federal	In order for NPS to issue a land ROW agreement with GWA, NPS has to complete NEPA first. GWA has HDR under contract to perform this work and an Environmental Assessment will be developed. The permit for the biological survey was submitted on 6/12/2020 and is currently still in the hands of NPS. NPS is waiting to confirm with USFWS on the threatened and endangered species that are of concern at the project location. They are just waiting on USFWS confirmation.

Comparison of Leaks Reported vs. Leaks Repaired (August 2020)



4.2 Financials

CFO Taitano submitted the following financial update:

In response to the jump in cases in July and August, the Governor issued Executive Order (EO) 2020-27 on August 16 placing the island back in PCOR 1 for two weeks, closing essential businesses and restricting public access to government agencies. On August 27, the Governor issued EO 2020-29, continuing the stay at home order on a modified basis while allowing the GPWA drive thru's to open as well as public access to customer service lobbies. Subsequent EOs have extended the stay at home order to September 18th. Operations employees have continued to report to work, while most other employees are teleworking.

Using social media, GWA continues to encourage customers to conduct business online or via the phone. GWA also joined the Going Online Together campaign in June with several other organizations. Additionally, GWA has launched an automated customer service online support portal on its website.

Payments made online, on the mobile app, and over the phone increased as a percentage of total payments from 33% in June to 41% in August. Payments made at our facilities decreased as a percentage of total payments from 47% to 31%.

Collections appeared to return to pre-pandemic levels in June but have declined in July and August; August collections were more than \$1M less than July. The closure of our cashiers' operations for a week after the PCOR 1 declaration likely influenced the decrease.

On April 28th, CCU Resolution 24-FY2020 granted the lifting of credit card limits on payments for non-residential accounts. Below is a summary of payments made and related fees exceeding the limit.

Month	Customer Count	Amount Paid	Fees	% of Fees to Payments
May 2020	18	\$22,011	\$543	2.46%
June 2020	21	\$34,919	\$702	2.01%
July 2020	35	\$53,191	\$1,069	2.01%
August 2020	32	\$59,558	\$1,197	2.01%

Year to Date consumption is slightly lower than last year (water consumption -1%, wastewater consumption 0%) and August 2020 consumption dipped below August 2019 (water consumption -3%, wastewater consumption 0%). Increases in residential demand continue to be offset by reductions in commercial demand. We continue to monitor bills as they drop to determine the impact of the closing of the economy. Visitors from low risk countries will not be quarantined if they stay less than 5 days. However, with the increase in COVID cases, their home countries may not be willing to ease quarantine requirements on their return.

Schools continue to remain closed during PCOR 1. This impacts demand as GDOE has been one of GWA's top ten customers for both water and wastewater services. See Schedule K for Water Demand for FY2015 to FY2020.

As revenues are monitored, the cost containment plan continues to be also adjusted as needed. While sufficient cash reserves are in place, management will continue to assess the situation and make any course corrections required to ensure continuity of services to our customers while keeping the safety of our staff the highest priority.

GWA refunded a portion of its Series 2013 Bonds and issued Series 2020B on August 26, 2020. The average coupon of the refunded bonds was 5.48% versus the average coupon of the new bonds at 3.61%. The net present value of savings is \$11.9 million. GWA will save almost \$1.5M in debt service in the first year and almost \$1.9M annually between 2022 and 2027.

Balance Sheet

- Total Assets & Deferred Outflows of Resources of \$915.7M in September 2019 grew by \$195M or 21% to \$1.1B in August 2020 largely due to funds from the sale of bonds. Current Assets decreased by \$5.9M, Property, Plant and Equipment increased by \$66.9M, and Other Noncurrent Assets increased by \$114.9M. Schedule G contains a schedule of restricted and unrestricted cash and investments.
- Liabilities & Deferred Inflow of Resources of \$714.2M in September 2019 similarly increased by \$143.4M or 20% to \$857.6M in August 2020 primarily due to the bond sales, increasing Long Term Debt by \$157.3M.
- Accounts Receivable days were 49 in August 2020 as compared to 50 in September 2019 and Accounts Payable days were 32 in August 2020 as compared to 38 in September 2019.

Statement of Operations and Retained Earnings

- Note that the budget was adjusted to reflect the forecast adopted in the Series 2020B Official Statement.
- Total Operating Revenues for August 2020 of \$8.4M were 5% or \$474K less than budget and 10% or \$911K less than August 2019 due to the impact of the COVID-19 public health emergency and offset by the 5% increase effective in March.
- Year to Date Operating Revenues as of August 2020 of \$97.5M were about the same as budget or \$258K more than budget and were \$4.8M or 5% less than last year.
- Total Operating Expenses for August 2020 of \$6.9M were \$169K or 2% below budget. Total Operating Expenses for August 2020 were 8% or \$591K less than August 2019 with decreases in most expense categories except for depreciation and retiree benefits.
- Year to Date Operating Expenses at August 2020 of \$78.8M were \$436K or 1% less than budget. Year to Date Operating Expenses at August 2020 were \$1.7M or 2% more than last year's \$77.1M mainly due to increases in Depreciation compared to the prior year.
- Earnings from Operations for August 2020 of \$1.4M were 18% or \$304K less than budget and 18% or \$320K less than August 2019. Change in Net Assets for August 2020 of \$5.2M were \$2M more than the \$3.2M budget mainly due to \$4M more in Grants and \$2.4M more than August 2019 due to \$5.9M more in Grants offsetting the \$3.2M decrease in Non-operating Revenues and Expenses.

- Year to Date Earnings from Operations as of August 2020 of \$18.7M were 1% or \$178K less than budget and 26% or \$6.5M less than YTD Earnings as of August 2019. Year to Date Change in Net Assets as of August 2020 of \$51.6M were \$16.4M or 47% more than budget mainly due to \$19.9M more in Grants than projected. Year to Date Change in Net Assets as of August 2020 were \$17.4M or 51% more than YTD as of August 2019 mainly due to \$43.1M more in Grants and \$12.7M less in AFUDC and \$3.3M less in interest income.

Key Financial Indicators

Indicator	Target	July 2020	August 2020
DSC YTD			
• Per Section 6.12 of Indenture	1.25	1.30	1.33
• Per PUC / CCU	1.40	1.30	1.33
YTD Month to Month Change in Net Assets		23%	13%
Days – Cash on Hand	120 days	296 days	291 days
Collection Ratio			
• Month to Date	*99%	101%	89%
• Year to Date	*99%	98%	98%
Days Billed	30	31	31
Account Receivable Days	*30	48	49
Account Payable Days	45	37	32
Employee Count	400 FTE	382 FTE	381 FTE
Water Demand			
• Month to Date	467,615	487,510	473,988
• Year to Date	3,740,923	4,794,023	5,268,011
Wastewater Flow			
• Month to Date	382,224	337,787	331,167
• Year to Date	2,775,095	3,394,712	3,725,878
Water Customers	42,724	42,904	42,992
Wastewater Customers	29,604	29,684	29,551

*Updated to reflect targets in Levels of Service

4.3 Resolution 36-FY2020 Relative to Approval of Amendment for the Indefinite Delivery/Indefinite Quantity Professional Project/Construction Management Services Contract for Task Order No. 7 Consent Decree and Hydraulic Modeling Assistance

GWA currently has an IDIQ contract with Brown and Caldwell. This Task Order would be added to the IDIQ Contract to provide technical input needed to complete the ongoing Consent Decree negotiations with the USEPA. The technical expertise is primarily required to define the criteria that will be used for the exiting capacity evaluations and for future expansion requirements for the wastewater collection system including the gravity sewer pipelines, pump stations and force mains. This work will also include updating of the existing wastewater collection system hydraulic models and calibration of the models for wet weather conditions.

Since the current USEPA negotiations are in progress the Consent Decree assistance is needed now. Also, since the hydraulic model analysis requires wet weather data that needs to be collected this wet season, work is needed to start on this component of the Task Order as well. The work anticipated under this task order will also include some work that is anticipated to be required under the expected Consent Decree later this year.

This Task Order will provide information exchange and a collection system Capacity Evaluation Report. The Consent Decree and hydraulic modeling work cover all of Guam. There are no construction activities associated with this Task Order.

The cost for this task Order No.7 is \$325,750.00 with a 10% contingency of \$32,575.00 for a total amount of \$358,325.

The current authorized IDIQ contract amount is \$1,742,860.00 that includes \$166,231.00 not yet allocated to a Task Order. Task Orders issued to date include:

- Task Order 1 for the Consulting Engineers Report
- Task Order 2 for Project Management of the Route 4 Sewer Rehabilitation Project
- Task Order 3 for Project Management of the Route 1 Asan-Adelup Sewer Rehabilitation Project
- Task Order 4 for Project Management of the Southern SSES Sewer Project
- Task Order 5 for the Cost of Service Study
- Task Order 6 for Water Meter Technical Assistance

An additional \$192,094.00 will be added to the IDIQ Contract to cover the Task Order 7 scope and a 10% contingency that will increase the IDIQ Contract amount to \$1,934,954.00 and the funding source will be from GWA bonds and internally generated funds.

The Consent Decree assistance is anticipated to be complete by December 31, 2020 and the hydraulic modeling assistance work is anticipated to be completed by September 30, 2021.

Comm. Guthertz motioned to approve Resolution 36-FY2021 second by Comm. Limtiaco. There was no further discussion or objection and the motion passed 4 ayes and 1 absent.

4.4 Resolution 39-FY2020 Relative to Approving an Increase in Funding for the Tumon No. 2, Hyundai, Chaot No. 2 Tank and System Upgrades CM Services Contract

The project is part of the 2011 Court Order Paragraph 29 – Storage Tank/Reservoir Repair, Replacement, and Relocation Program. As a Court Order project, it is necessary and urgent to work towards meeting the Court Order deadlines. The project’s objective is to provide construction management services for the construction of the Tumon No. 2, Hyundai, and Chaot No. 2 tanks and related distribution system upgrades, which include Hyundai booster pump station, transmission and distribution water lines for the Hyundai-Barrigada Heights area, St. John’s PRVs, San Vitores PRVs, Dero Rd PRV, SCADA upgrades, chlorination upgrade at the Chaot and Agana Heights chlorination buildings and A-Series wells.

The objective of this Construction Management (CM) contract is to oversee and manage the construction of the work described above. The CCU authorized the initial CM contract in October 2017. The construction contractor was issued a Notice to Proceed on February 07, 2018 to begin work at the Tumon No. 2 and Hyundai tank and Chaot offsite work.

Change Order No. 1 was issued to the construction contractor on January 16, 2019 to include the construction of the Chaot No. 2 tank, Hyundai booster pump station, an 8-in and 12-in transmission and distribution line for the Hyundai-Barrigada Heights area.

Due to various delays in the construction work, the construction has been extended to February 2021. The main delays are the following:

1. Construction permit and highway encroachment permit delays for each individual site, which include the Marine Corps Drive waterline work, St. John's PRVs, San Vitores PRVs, Dero Road PRVs, and Hyundai-Barrigada Heights Sabana Road waterline work, and A-series well work;
2. COVID-19 pandemic delays, which include work shutdown, contractor staffing hold ups, and permitting agency (DPW) shutdown;
3. Inaccurate as-builts and record drawings for Marine Corps Drive and Hyundai-Barrigada Heights water lines, which led to GWA and Contractor troubleshooting the system and changes in design to accommodate for actual site conditions;
4. Design changes initiated by GWA for the Hyundai Booster Pump Station, additional SCADA work at all sites, and modification to the chlorination system at the Chaot and Agana Heights central chlorination buildings and A-series wells;

The original RFP for the CM services included all sites. The scope and fee were negotiated for only Tumon No. 2 and Hyundai tank and Chaot offsite work matching the Contractor's original contract. The CM services construction work performance period was from February 07, 2018 to April 7, 2019.

In order to reduce costs, GWA required the CM to adjust staffing without increasing the CM fee to cover the Chaot No. 2, Hyundai booster pump station, and waterline work. The adjustment covered the CM work for an additional 6-month period and allowed GWA to enter into negotiations with the CM last year to continue services to completion. The CM's original proposal included a fee for the work at Chaot No.2, which was not authorized at the time of CM contract issuance. GWA asked the CM to revisit this proposed amount, and include the additional work to match the construction contractor's scope. While negotiations were ongoing, the CM worked under the adjusted staffing levels and has nearly exhausted the original contract amount. The negotiations went through several iterations, over \$200,000 in reductions and was agreed upon at \$1,260,592.95 as detailed in Exhibit B.

A change order is required to continue the construction management construction phase services through to completion of the expanded construction scope.

Tumon No. 2 Reservoir

The existing steel reservoir will be replaced with a new concrete reservoir (1.0 MG). The work will also include upgrading three PRVs on Pale San Vitores Road and Marine Corps. Drive.

Tumon No. 2 is located off Marine Corps. Drive next to the Nissan dealership.

Hyundai Reservoir

The existing steel reservoir will be replaced with a new concrete reservoir (1.0 MG). The work will also include a new booster pump station at the reservoir site and water line upgrades in the surrounding service area.

Hyundai is located at the top of Barrigada Heights off of North Sabana Drive.

Chaot Reservoir

A new reservoir (0.5 MG) will be constructed adjacent to the Chaot No. 1 reservoir (0.5 MG). This will bring the capacity of the site back to 1.0 MG. The A-series wells that feed the Chaot and Agana Heights system will be disconnected from the distribution line; making the wells feed directly to the Sinjana-Agana Heights transmission lines. The chlorination systems at the central chlorination building will be modified. The Dero Road PRV will be rehabilitated.

Chaot No. 2 is located at the end of Dero Road. The A-series wells are located along Route 8.

Relative to cost, TGE's current contract is \$1,954,089.00; TGE's change order no. 1 fee proposal is \$1,260,592.95 and there is \$195,408.90 contingency available in the current authorization. GWA is requesting \$1,065,184.05 to supplement the available contingency to bring the available funding to \$3,214,681.95. The funding source is from the Water System Reservoirs 2005 Improvements. The project completion is estimated for February 21, 2021.

Comm. Guthertz motioned to approve Resolution 39-FY2021 second by Comm. Limtiaco

In discussion Comm. Limtiaco asked if there was an additional 10% contingency on the cost and GM Bordallo said yes.

On the motion there was no further discussion or objection and the notion passed 4 ayes, 1 absent.

4.5 Resolution 40-FY2020 Relative to Approving an Increase in Funding for the Pressure Zone Realignment Construction Phase I Project

The project is part of the Guam Waterworks Authority's Master Plan as developed by Brown and Caldwell. The project's objective is to install (i.e. repair, rehabilitate, replace, relocate, or develop) pressure regulating or sustaining valves and their appurtenances in strategic locations to improve areas with inadequate service pressures and to develop defined pressure zones throughout the island.

Site construction has not started due to construction permitting and COVID-19 pandemic delays. The COVID-19 pandemic forced certain permitting agencies to halt permit review from March to June 2020. The building permit review process is still ongoing and approval is expected within the coming weeks.

While the permit has been pending, the urgency of improving the service pressure within zones affected by the additive bid PRV locations has become more pressing, thus urging us to award the additive bid work.

There are seven sites in this project's base bid: Carnation PRVs, Marbo PRVs, Okkodo PRV, Ysengsong PRV, Clara PRV, Kaiser Bypass PRV and Kaiser PRV (both near GWA Kaiser Reservoir), and electrical work at Yigo and Astumbo Reservoirs. All sites are located within the villages of Yigo, Dededo, and Mangilao. There are **two additive bid** sites that we are requesting funding to award: Terao PRV in Mangilao and Maimai PRV in Chalan Pago/ Ordot.

SMCC's cost estimate for the two sites is \$962,000 and includes the following: Contractor furnishing all labor, tools, equipment and material necessary to complete the construction of Terao PRV(s) and Maimai PRV(s) to include but not be limited to: traffic control, demolition of current vaults and piping, construction and installation of meter vault(s) and meter device(s) with all necessary piping and appurtenances, construction and installation of PRV vault(s) and PRV(s) with all necessary appurtenances,

installation of electrical systems and SCADA instrumentation, and site and pavement restoration under the provision of the bid documents and in accordance with applicable GWA standards.

There is \$412,000 of contingency available in the current authorization. GWA is requesting \$550,000 to supplement the available contingency plus an additional contingency of \$467,000.00 to replenish available contingency, bringing the total authorized funding to \$5,549,000.00. Funding sources will be the Water Audit Program, the Master Metering Program and the USEPA Grant. The project completion is estimated at 365 days from the notice to proceed.

Comm. Limtiaco motioned to approve Resolution 40-FY2020 second by Comm. Santos. There was no further discussion or objection and the motion passed 4 ayes 1 absent.

4.6 Resolution 41-FY2020 Approval of Contract for Construction of Northern Guam Lens Aquifer (NGLA) Monitoring System Rehabilitation Project for the Guam Water and Wastewater Infrastructure Improvement Projects, Project No. W20-002-OEA

The ten (10) monitoring wells to be rehabilitated are located in various locations in Northern Guam, including the villages of Dededo, Barrigada, Chalan Pago, and Mangilao and used to monitor water level and other groundwater characteristics of the NGLA. This project is necessary to ensure GWA, in partnership with WERI and USGS, can continue to monitor the NGLA under its Comprehensive Water Monitoring Program, and the effects of increased water supply demand resulting from the relocation of U.S. Marines and their dependents to Guam to ensure a sustainable NGLA. The intent of this project is to perform rehabilitation activities on each monitoring well that will help prolong the life of each facility. The rehabilitation activities include the construction of new concrete structures, casing material upgrades, providing new wellhead enclosures and improvements. Additionally, since this project is funded by a U.S Department of Defense, Office of Economic Assistance (OEA) Grant, the project needs to be completed before the Grant deadline.

The cost of this construction contract is \$965,204.04 with a 5% contingency of \$48,260.20 for a total amount of \$1,013,464.24 funded by OEA General Assistance Grants. Project completion is no later than August 31, 2021. Bids were received by ProPacific Builders Corporation and HDCC Guam.

GM Bordallo said that 52% of the total funding is grant funds.

Comm. Guthertz motioned to approve Resolution 41-FY2020, second by Comm. Santos. There was no further discussion or objection and the motion passed. The vote was 4 ayes, 1 absent.

4.7 Resolution 42-FY2020 Approval of Contract for Construction of Northern Guam Lens Aquifer (NGLA) Monitoring System Expansion Project for the Guam Water and Wastewater Infrastructure Improvement Projects, Project No. W20-002-OEA

If approved Resolution 42-FY2020 will expand the ability to monitor and protect the NGLA through constructing seven (7) new monitoring wells in sub-basins of the aquifer for which there is very limited groundwater data available, and rehabilitate two (2) existing wells for the purposes of monitoring the water level and other groundwater characteristics of the NGLA. This project is necessary to build a more complete model of the NGLA and monitor the effects of increased water supply demand resulting from GWA's production and the relocation of U.S. Marines and their dependents to Guam to ensure a sustainable NGLA. General project activities include the construction of new concrete structures, well development, casing material upgrades, providing new wellhead enclosures and improvements.

Additionally, since this project is funded by a U.S Department of Defense, Office of Economic Assistance (OEA) Grant, the project needs to be completed before the Grant deadline.

The seven (7) new wells and two (2) existing wells for rehabilitation are located at various sites in Northern Guam on Department of Defense Property, including Anderson Air Force Base, Naval Computer and Telecommunications Site (NCTS), and Naval Communication Station Barrigada.

The cost of this construction contract is \$3,489,092.84 with a 5% contingency of \$174,454.64 for a total amount of \$3,663,547.48 and will be funded from the OEA General Assistance Grants subject to an inter-grant transfer. The Construction Contract is anticipated to be complete no later than September 31, 2021. Out of 9 interested parties, only one bid was received for the project from HDCC Guam LLC.

Comm. Santos motioned to approve Resolution 42-FY2020 second by Comm. Guthertz.

There was discussion about WERI the GM said they are very interest in this well to get a better picture. Having this info and having WERI do the work is better to practice sustainable resource management. Comm. Duenas said WERI needs some funding and WERI works for us. Comm. Santos said UOG charges them an administrative fee so GWA should lead any discussion with WERI. The Chairman asked the GK to work on this, to put something together and to get back to the CCU. Comm. Santos added rather than ratepayers funding this cost, perhaps consider using SDC funds or the military.

On the motion there was no further discussion or objection and the motion passed r ayes, 1 absent.

5. GPA

5.1 GM Report

There was no GM Summary at this meeting.

5.2 Financials

The financials were not discussed at this meeting.

5.3 Resolution 2020-19 PMC Extension with TEMES for Dededo CT, Macheche CT & Yigo CT

The GPA Combustion Turbine Power Plants in Dededo, Macheche and Yigo provide 80 MW of additional capacity to support GPA's daily MW requirements, especially during major outages for the baseload units. Additionally, the Macheche and Yigo CT units are being dispatched daily to support system stability during the operation of GPA's 25-MW Solar Power Plant. The current PMC ensured that critical projects such as the rehabilitation of the Dededo CT #1 and #2, and turbine exchanges for Macheche CT and Yigo CT were completed, providing 80 MW of reliable additional capacity during critical periods beginning May 2016, through today. Partnering with the PMC allows for more efficient completion of critical projects, receiving technical advice on operations and maintenance, and sourcing of materials and resources. This request is to extend the PMC for three (3) years, starting March 1, 2021, with an option to extend for another two (2) years after February 28, 2024. Fixed Management Fees and O&M Budgets will be funded through revenue funds – O&M. CIP will also be funded through revenue funds, but will subject first to GPA review and approval.

Negotiations with TEMES as provided for in existing contract.

	<u>Current</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Fixed Mgmt	\$703,687	\$774,056	\$797,278	\$821,196	\$845,832	\$871,207
Routine O&M	\$549,756	\$604,731	\$622,873	\$641,560	\$660,806	\$680,631
TOTAL COST	\$1,253,443	\$1,378,788	\$1,420,151	\$1,462,756	\$1,506,638	\$1,551,838
% Increase		10%	3%	3%	3%	3%

In discussion Comm. Limtiaco asked the outcome of the negotiations – were they higher. GM Benavente said yes by 39% with escalating cost of #% for the 5-year option.

Comm. Santos motioned to approve Resolution 2020-19, second by Comm. Guthertz. There were no further questions or objection and the notion passed.

6. OTHER DISCUSSION

6.1 CCU Rules Update

There was no discussion on this matter.

7. ANNOUNCEMENTS

7.1 Next CCU Meetings

The Chairman announced that the next meeting would be a GWA Work Session on October 20; a GPA Work Session on October 22 and the regular monthly CCU Meeting on October 27.

8. ADJOURNMENT

There being no other business to bring before the Commission.

Comm. Santos motioned to adjourn the meeting second by Comm. Guthertz. There was no objection or discussion and the meeting adjourned at 6:14 p.m.

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BlS

Attested 

JOSEPH T. DUENAS, Chairman



MICHAEL T. LIMTIACO Secretary