



**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. 24-FY2021**

**RELATIVE TO APPROVAL OF AMENDMENT FOR THE INDEFINITE DELIVERY/INDEFINITE QUANTITY PROFESSIONAL UTILITY MANAGEMENT AND FINANCIAL CONSULTING SERVICES CONTRACT**

**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 is a Guam Public Corporation established and existing under the laws of Guam; and

**WHEREAS**, in GWA Docket 19-08 FY20 Rate Decision, the Guam Public Utility Commission (PUC) ordered GWA to undertake various analytical studies, including Demand Forecasting, Water Loss Reduction, Cost of Service / Rate Design, Affordability, Financing & Alternatives to Bond Issuance, Capitalized Labor and Cesspool / Septic Tank Elimination, to support an FY2022 Comprehensive Review and Update to GWA’s Five-Year Financial Plan; and

**WHEREAS**, PUC Accounting Order, Docket 19-08, signed February 27, 2020, orders that GWA set up a regulatory asset to contain the cost of the analytical studies and associated regulatory costs and use the Working Capital Fund to pay for these costs. These costs will be amortized over a period determined by the PUC in 2021 and the amortization expense included in GWA rates established at the time of PUC action; and.

**WHEREAS**, the delay in the PUC rate order for Docket 19-08 and the prevailing market conditions affected the timing of refunding of the Series 2013 bonds (Series 2020B bonds), and as a result GWA was required to update the financial projections contained in the Official Statement; and

1           **WHEREAS**, the analytical studies were due to the PUC on March 31, 2021, and the Rate  
2 Application Model and Comprehensive Review and Update package were due on May 1, 2021;  
3 and

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5           **WHEREAS**, in anticipation of the needed utility management and financial consulting  
6 work to accomplish the PUC-ordered and related financial tasks, GWA issued RFP 2020-01  
7 Indefinite Delivery – Indefinite Quantity (ID-IQ) Utility Management and Financial Consulting  
8 Services, and subsequently awarded the Galardi Rothstein Group (GRG) a contract and issued  
9 task orders under the General Manager’s procurement authority in the amount of Nine Hundred  
10 Seventy-Nine Thousand Six Hundred Eighty-Nine Dollars (\$979,689); and

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12           **WHEREAS**, among the tasks contracted to GRG were.

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14           Program Management	\$100,000
15           Series 2020B Support	\$19,195
16           Rate Application Model	\$167,874
17           Demand Forecasting	\$176,411
18           Capital Financing Alternatives	\$177,567
19           Affordability / Rate Design	\$128,142
20           Coordination of CR&U package and responses to PUC	\$210,500

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22           **WHEREAS**, the scheduling order issued on May 3, 2021, by the PUC Administrative  
23 Law Judge required

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- 25           • Telephonic or web-conferences in May 2021
  - 26           • RFI responses on June 5 and July 3, 2021
  - 27           • Settlement conferences in July 2021
  - 28           • GWA Requests for Information in August in response to the PUC consultant’s  
29           report and testimony
  - 30           • Evidentiary hearings, if necessary, in September 2021
  - 31           • PUC public hearings in September 2021
  - 32           • Response to the ALJ report no later than September 22, 2021

1           **WHEREAS**, additional support will be needed to initiate alternative capital financing  
2 and affordability program options identified in the analytical studies, such as the tax-exempt  
3 commercial paper program as well as the customer assistance programs, if approved by the PUC  
4 as requested in the Comprehensive Review & Update; and

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6           **WHEREAS**, it is anticipated that, due to the schedule ordered by the PUC ALJ as well as  
7 the rollout of the tax-exempt commercial paper and customer assistance programs, additional  
8 services of no more than \$500,000 will be needed to support the filing of the Comprehensive  
9 Review and Update to GWA's Five-Year Financial Plan; and

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11           **WHEREAS**, this IDIQ contract will be paid with either bond funding (affordability  
12 study), Working Capital Fund, or revenues; and

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14           **NOW BE IT THEREFORE RESOLVED** that the Consolidated Commission on  
15 Utilities does hereby approve the following:

- 16           1. The recitals set forth above hereby constitute the findings of the CCU.
- 17           2. The CCU finds that proposed additional work under the Utility Management and  
18 Financial Consulting Services Contract is required to support the GWA FY2022  
19 Comprehensive Review and Update to GWA's Five-Year Financial Plan filing  
20 with the Public Utilities Commission as well as the Tax-Exempt Commercial  
21 Paper Program and Customer Assistance Program initiatives.
- 22           3. The CCU hereby approves the funding increase in an amount not to exceed  
23 \$500,000.
- 24           4. The CCU hereby further approves the total funding authorization for the IDIQ  
25 contract with Galardi Rothstein Group of no more than \$1,479,689.
- 26           5. The CCU hereby further approves the funding for the Utility Management and  
27 Financial Consulting Services Contract CER from GWA Bond funds applicable to  
28 the project and from Revenues and other funding sources as they become  
29 available.
- 30           6. The CCU hereby further authorizes management to provide any required  
31 notification to the PUC under the Contract Review Protocol.

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

3 **DULY AND REGULARLY ADOPTED**, this 27<sup>th</sup> day of July 2021.

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5 Certified by:

Attested by:

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8 **JOSEPH T. DUENAS**  
9 Chairperson

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8 **MICHAEL T. LIMTIACO**  
9 Secretary

10 **SECRETARY'S CERTIFICATE**

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

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

19 AYES: \_\_\_\_\_ 4  
20 NAYS: \_\_\_\_\_ ∅  
21 ABSENT: \_\_\_\_\_ 1  
22 ABSTAIN: \_\_\_\_\_ ∅  
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