



**GWA RESOLUTION NO. 29-FY2022**

**RELATIVE TO APPROVAL OF SERIES 2020A BOND PROCEEDS REALLOCATION**

**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**, in accordance with the 2011 U.S. District Court Order, GWA has completed most of the Court Order compliance requirements with respect to the Repair, Rehabilitation, Relocation or Replacement of water storage reservoirs/tanks as recommended in the hydraulic analysis of GWA’s water distribution system; and

**WHEREAS**, there remain additional tanks that are required to be replaced or rehabilitated per the court order; and

**WHEREAS**, the last remaining new tank projects have been designed and GWA engineering will be ready to issue Invitations for Bid by September or October, and subsequently finalize contracts for this construction requiring fund certification; and

**WHEREAS**, the remaining tank rehabilitation and repair projects are being inspected and assessed to finalize the cost of repairs and rehabilitation, which will be authorized as required to meet the current Court Order deadline for completion; and

**WHEREAS**, as a result of global supply chain issues, increased demand in the local construction market resulting from the military buildup, and other geopolitical impacts on the

1 cost of energy and materials, the cost of the construction or rehabilitation of the water tanks has  
2 increased significantly since the development of the current Five-Year Capital Improvement  
3 Program (CIP); and

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5 **WHEREAS**, due to the economic impacts of COVID-19 on GWA's revenues and the  
6 delayed action on GWA's Comprehensive Review & Update (CR&U) in Docket 19-08, GWA  
7 has significantly less revenue-funded or internally funded capital improvement program (IFCIP)  
8 funds that might be used to make up for increased construction costs; and

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10 **WHEREAS**, GWA management has identified several non-Court Order projects in the  
11 current CIP that can be deferred; and

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13 **WHEREAS**, GWA management seeks to reallocate \$ 30,425,000 of the 2020A Bond  
14 proceeds from various deferred CIP line items to augment the CIP line items PW 09-11 "Water  
15 System Reservoirs 2005 Improvements" (See Exhibit A) for the purposes of covering the  
16 increased construction costs for the Court Order tank projects; and

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18 **WHEREAS**, funding for these deferred CIP projects will need to be obtained through  
19 future capital financing sources; and

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21 **WHEREAS**, the reallocation of the 2020A Bond as described above will likely cause the  
22 CIP to need adjustment to reflect the required movement of funding. Such adjustment will be  
23 included in the current and on-going Water Resource Master Plan 5-year review, which will also  
24 allow for additional modification of CIP line items to reflect current developments with  
25 additional compliance requirements, emerging water contaminants, changing grant fund  
26 allocations and changes to future bond borrowing for the CIP; and

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28 **WHEREAS**, GWA management seeks CCU approval to petition the PUC for approval  
29 to reallocate the 2020A bonds as indicated above.

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

- 3           1. The recitals set forth above hereby constitute the findings of the CCU.  
4           2. The CCU finds that the justification for the bond reallocation for the Court Ordered  
5           Water Tank Projects to be acceptable.  
6           3. The CCU hereby approves \$30,425,000 of 2020A Bond proceeds from various CIP  
7           line items to be reallocated to the CIP line items PW 09-11 "Water System Reservoirs  
8           2005 Improvements".  
9           4. The CCU further approves the management of GWA to complete documentation and  
10           consultation necessary to petition and obtain PUC approval of the bond fund  
11           reallocation as indicated herein.

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

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16           **DULY AND REGULARLY ADOPTED**, this 23<sup>rd</sup> day of August 2022.

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18           Certified by:

                  Attested by:

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20           



21           **JOSEPH T. DUENAS**

**MICHAEL T. LIMTIACO**

22           Chairperson

                  Secretary

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**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:	<u>4</u>
NAYS:	<u>Ø</u>
ABSENT:	<u>Ø</u>
ABSTAIN:	<u>Ø</u>

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Guam Waterworks Authority  
Bond Reallocation Schedule - CCU Resolution 29-FY2022

Exhibit A

<b>B2020A Bond Schedule and Reallocation</b>						
<b>CIP Number</b>	<b>CIP Name</b>	<b>Available Balance</b>	<b>Funding Reduction</b>	<b>Reallocated Funding</b>	<b>Adjusted Balance</b>	<b>Comment</b>
MP-Gen-EE-01	SCADA Implementation Phase A2 – Initial Project Completion	\$ 4,250,000	\$ (4,250,000)		\$ -	Deferred
MP-WW-FM-02	Replace Yigo Lift Station Force Main	\$ 200,000	\$ (200,000)		\$ -	Deferred
MP-WW-FM-04	Hagåtña WWTP Force Main Rehabilitation/Replacement	\$ 6,600,000	\$ (4,850,000)		\$ 1,750,000	Deferred
MP-WW-MH-01	Manhole Rehabilitation Program	\$ 350,000	\$ (350,000)		\$ -	Deferred
MP-WW-Misc-04	Fats, Oils, and Grease Study	\$ 50,000	\$ (50,000)		\$ -	Deferred
MP-WW-Pipe-03	Route 1 Piti Pipe Rehabilitation / Replacement	\$ 940,000	\$ (940,000)		\$ -	Deferred
MP-WW-Pipe-04	Southern Link Pump Station Pipe Rehabilitation/Replacement	\$ 657,000	\$ (657,000)		\$ -	Project Complete; DOD Funded
MP-WW-Pipe-17	Mamajanao Capacity Replacement	\$ 814,000	\$ (814,000)		\$ -	Deferred
MP-WW-Pipe-26	Finile Drive Rehabilitation - Agat	\$ 813,000	\$ (813,000)		\$ -	Deferred
MP-WW-Pump-02	Tumon Basin - Fujita Lift Station Analysis	\$ 9,600,000	\$ (9,600,000)		\$ -	Deferred
MP-WW-Pump-03	Replacement of Former Navy Pump Station (Donut Hole)	\$ 1,301,000	\$ (1,301,000)		\$ -	Deferred
MP-WW-WWTP-09	Ocean Outfall Inspection Program	\$ 100,000	\$ (100,000)		\$ -	Deferred
PW 12-06	Tank Replacement Piti & Hyundai	\$ 6,500,000	\$ (6,500,000)		\$ -	Deferred
Total Funding Reduction		\$(30,425,000)				
Total Reallocation		\$30,425,000				
PW 09-11	Water System Reservoirs 2005 Improvements	\$ 25,702,005		\$30,425,000	\$ 56,127,005	Court Ordered Projects