



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. 28–FY2023

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 to meet the requirements of the 2011 Court Order; and

WHEREAS, the last remaining new tank projects have been tendered and bids for construction have been received; subsequent finalization of construction contracts for these projects require fund certification; and

WHEREAS, the remaining tanks requiring rehabilitation and repair are being inspected and assessed to finalize the scope and cost for repair and rehabilitation projects; the projects will be authorized as required to meet the current Court Order requirements pending fund certification; and

1 **WHEREAS**, as a result of global supply chain issues, increased demand in the local
2 construction market resulting from the military buildup, and other geopolitical impacts on the cost
3 of energy and materials, the cost of the construction and/or rehabilitation of GWA water tanks has
4 increased significantly since the development of the current Five-Year Capital Improvement
5 Program (CIP); and
6

7 **WHEREAS**, due to the economic impacts of COVID-19 on GWA’s revenues and the
8 delayed action on GWA’s Comprehensive Review & Update (CR&U) in Docket 19-08, GWA has
9 significantly less revenue-funded or internally funded capital improvement program (IFCIP) funds
10 that might be used to make up for increased construction costs; and
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12 **WHEREAS**, GWA management has identified several non-Court Order projects in the
13 current CIP that can be deferred; and
14

15 **WHEREAS**, in addition to reallocating bond funds to the Court Order Tank projects,
16 GWA managements seeks to reallocate funding from various water line projects to perform newly
17 prioritized inspection and replacement design of water and sewer utilities crossing bridges to
18 prevent critical failures, such as the Pago Bay Bridge waterline failure; and
19

20 **WHEREAS**, GWA management seeks to reallocate Eleven Million, Eight Hundred
21 Ninety-Three Thousand, Three Hundred Seventy-Six Dollars and Ninety-Four Cents
22 (\$11,893,376.94) of the 2020A Bond proceeds from various deferred and grant funded CIP line
23 items to augment the CIP line items PW 09-11 “Water System Reservoirs 2005 Improvements”
24 and MP-PW-Pipe-12 “Rehabilitation and Replacement Program” (See Exhibit A) for the purposes
25 of covering the increased construction costs for the Court Order tank projects and funding the
26 water and sewer bridge utility inspections and design; and
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28 **WHEREAS**, funding for these deferred CIP projects will need to be obtained through
29 future capital financing sources; and
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1 **WHEREAS**, the reallocation of the 2020A Bond as described above will likely cause the
2 CIP to need adjustment to reflect the required movement of funding. Such adjustment will be
3 included in the current and on-going Water Resource Master Plan 5-year review, which will also
4 allow for additional modification of CIP line items to reflect current developments with additional
5 compliance requirements, emerging water contaminants, changing grant fund allocations, and
6 changes to future bond borrowing for the CIP; and

7
8 **WHEREAS**, GWA management seeks CCU approval to petition the PUC for approval to
9 reallocate the 2020A bonds as indicated above.

10
11 **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities
12 does hereby approve and authorize the following:

- 13 1. The recitals set forth above hereby constitute the findings of the CCU.
- 14 2. The CCU finds that the justification for the bond reallocation for the Court Ordered
15 Water Tank Projects and bridge crossing utility line inspection-design project to be
16 acceptable.
- 17 3. The CCU hereby approves \$11,893,376.94 of 2020A Bond proceeds from various CIP
18 line items to be reallocated to the CIP line items PW 09-11 "Water System Reservoirs
19 2005 Improvements and MP-PW-Pipe-12 "Rehabilitation and Replacement Program".
20 (Exhibit A).
- 21 4. The CCU further approves the management of GWA to complete documentation and
22 consultation necessary to petition and obtain PUC approval of the bond fund
23 reallocation as indicated herein.

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

26
27 **DULY AND REGULARLY ADOPTED**, this 30th day of May 2023.

28 Certified by:

Attested by:

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30 

31 **JOSEPH T. DUENAS**
32 Chairperson

30 

31 **PEDRO ROY MARTINEZ**
32 Secretary

SECRETARY'S CERTIFICATE

I, Pedro Roy Martinez, 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>
ABSTAIN:	<u>Ø</u>
ABSENT:	<u>1</u>

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Guam Waterworks Authority
Bond Reallocation Schedule - CCU Resolution 28-FY2023

B2020A Bond Schedule and Reallocation						
CIP Number	CIP Name	Available Balance	Fund Reduction	Reallocated Funding	Adjusted Balance	Comment
MP-PW-Pipe-04	Hyundai Well Piping	\$ 500,000.00	\$ (500,000.00)		\$ -	Reallocate to MP-PW-Pipe-12
MP-PW-Pipe-05	Kaiser Zone Looping	\$ 400,000.00	\$ (400,000.00)		\$ -	Reallocate to MP-PW-Pipe-12
MP-PW-Pipe -13	2-Inch Pipe Replacement Program	\$ 3,330,000.00	\$ (3,130,000.00)		\$ 200,000.00	USEPA Grant Funded, Reallocate to PW 09-11
MP-PW-Pipe -15	PRV Rehab and Replacement	\$ 1,613,376.94	\$ (1,213,376.94)		\$ 400,000.00	USEPA Grant Funded, Reallocate to PW 09-11
MP-PW-Well-01	Well Rehabilitation Program	\$ 3,600,000.00	\$ (3,600,000.00)		\$ -	USEPA Grant Funded, Reallocate to PW 09-11
PW 09-02	Water Wells	\$ 3,458,085.00	\$ (3,050,000.00)		\$ 408,085.00	Deferred

Total Funding Reduction \$ (11,893,376.94)

Total Reallocation \$ 11,893,376.94

PW 09-11	Water Reservoir 2005 Improvements	\$ 51,291,040.55		\$ 10,993,376.94	\$ 62,284,417.49	Court Ordered Projects
MP-PW-Pipe-12	Rehabilitation and Replacement Program	\$ 980,401.00		\$ 900,000.00	\$ 1,880,401.00	Bridge Waterline/Sewerline Replacement Projects