



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
10:00 a.m., Tuesday, July 25, 2023

AGENDA

1. CALL TO ORDER
2. [APPROVAL OF MINUTES](#)
3. PUBLIC COMMENTS (*Limit to 2 minutes*)
4. GWA
 - 4.1 [GM Report](#)
 - 4.2 [Financial](#)
 - 4.3 **Resolution No. 18-FY2023** - Relative to Approval of the Indefinite Delivery/Indefinite Quantity Undersized Waterline Replacement Design and CM Contract
 - 4.4 [Resolution No. 29-FY2023 - Relative to Approval of the Ugum #2 Reservoir Construction Contract](#)
 - 4.5 [Resolution No. 32-FY2023 - Relative to Approval and Ratification of Conflicts/Legal Counsel Fees Pursuant to RFP 2018-01](#)
 - 4.6 [Resolution No. 34-FY2023 - Relative to Contract Approval for the Design and Construction Management Services for Waterline Replacement of Various Bridges](#)
 - 4.7 [Resolution No. 35-FY2023 - Relative to Approval of the Year 3 Task Order of the Water Loss Control Professional Services Contract](#)
 - 4.8 **Resolution No. 36-FY2023** - Relative to Approval of an Increase in Funding Scope of Work for the Pressure Zone Realignment Construction Phase 1 Project
 - 4.9 [Resolution No. 37-FY2023 - Relative to Adoption of the Electrician Supervisor Position to the Guam Waterworks Authority Certified, Technical, and Professional List](#)
5. GPA
 - 5.1 [GM Report](#)
 - 5.2 [Financial](#)
 - 5.3 [Resolution No. FY2023-22 – Increase of Contract Amount for Unarmed Security Guard](#)
 - 5.4 [Resolution No. FY2023-23 – Procurement of Bucket Trucks](#)
 - 5.5 [Resolution No. FY2023-24 – Hot Section Exchange for Yigo CT](#)
6. OTHER DISCUSSION
7. EXECUTIVE SESSION
 - 7.1 [GWA Litigation Matter](#)

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8. ANNOUNCEMENTS

- 8.1 Next CCU Meetings:
Tuesday, August 15, 2023 at 8:30 a.m. - GWA Work Session
Thursday, August 17, 2023 at 8:30 a.m. - GPA Work Session
Tuesday, August 22, 2023 at 5:30 p.m. - CCU Meeting

9. ADJOURNMENT



CONSOLIDATED COMMISSION ON UTILITIES

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CCU Regular Board Meeting

CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., Monday, February 21, 2023

MINUTES

1. CALL TO ORDER

The Chairman opened the meeting at 5:34 p.m. He announced that all five (5) Commissioners were present.

Commissioners:

Joseph (Joey) T. Duenas	CCU Chairman
Michael T. Limtiaco	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Francis Santos	CCU Board Member
Simon Sanchez	CCU Board Member

Executive Management:

GPA	GWA
John Benavente, GM (online)	Miguel Bordallo, GM
Melinda Mafnas, AGMO (online)	Thomas Cruz, AGMO
John J. Cruz, Jr., AGMETS (online)	Chris Budasi, AGMAS
Tricee Limtiaco, AGMA	Taling Taitano, CFO
John Kim, CFO	Therese Rojas, Legal Counsel
Graham Botha, Legal Counsel	

Management and staff:

GPA	GWA
Joyce Sayama, Communications Manager	Ann Borja-Gallardes, Management Analyst IV
Candice Ananich, Management Analyst IV	Mauryn McDonald, Senior Engineer Supervisor
Reginald Diaz, Management Analyst III	Brian Hess, Senior Engineer Supervisor
Vien Wong, Computer Technician II	Vangie Lujan, Senior Regulatory Analyst
Vladimir Navasca, Help Desk Technician	
Selma Blas, Administrative Officer	

Guests:

Mike Park, Ratepayer
Annmarie Muna, AM Insurance
Rino Manzano, MEC (online)

2. APPROVAL OF MINUTES

The minutes of November 14, 2022 SPECIAL meeting was presented for approval.

[Francis] Motion to Approve.

[Pedro Roy] Second.

[Joey] Any further discussion? Subject to written correction? All those in favor signify by saying "Aye"?

[Commissioners] "Aye"

[Joey] Motion 5 Ayes, 0 Nays – Motion carries.

3. PUBLIC COMMENT: Mike Park

[Mike Park] Hi, I am Mike Park, resident of Guam, ratepayer, and FD graduate.

I'm here to request to make a sewer line connection to my family's commercial building (Lot number 2105-1). Located across from AK Toyota, right behind where the new landowners for Auto Spot is, right next to that movie theater area. So we're kind of squished up against the big landowners on one side and Iriarte Road on the other side.

I have been working with Mr. Hess and Mauryn McDonald. They've been very helpful in letting me know the situation. I know currently there's been a cesspool elimination study. Mr. Duenas, a couple of weeks ago, you said "if we do this, there is going to be people coming in and we've got to make priorities". I understand you guys have your own priorities too but I'm here to make a request that you consider making a sewer line to my property.

I do have a planned use that will benefit Guam. I'm partnering with one of the doctors at FHP, Dr. Edwin Supit. He used to be the former owner of Heavenly Veggies. He did close down during COVID. We want to open something to serve healthy food for Guam but as you know, running a restaurant without a sewer line connection is very challenging. I do have Maps here. I didn't print enough, if anybody would want to take a look at it. I do have digital files floating around with Mauryn and Mr. Hess.

I'm kindly requesting that you guys consider my request for a commercial sewer line connection to my property.

[Joey] Okay, I just have one quick question, is this a new development you're going to put up?

[Mike Park] No, there is an existing building, built by my father it in the early 90s. He was planning to put a sewer line and I have all the correspondence from back then. DPW actually blocked it, saying that there was a Navy easement in the area. So we did have intentions to make a sewer line connection but upon moving forward to building it, it was blocked by DPW.

[Joey] So the building is existing?

[Mike Park] Yes.

[Joey] There's no restaurant in it yet?

[Mike Park] No. No restaurant.

[Joey] It's just a commercial building?

[Mike Park] Yes.

For the past 30 years since we built it in the 90s, we've been very limited by just having a septic tank so for the past 25 years. The building was occupied by a Korean church, but they have since moved out, during the pandemic.

I met with Dr. Supit, he wants to do something that's closer to where he works, which is at FHP. This is something that will benefit the island. So, I kindly request for your consideration.

[Simon] Have you discussed with GWA, what is the problem with connecting to the existing sewer lines near you? Is there a problem connecting with existing sewer lines by your property?

[Mike Park] There are no sewer lines within a 500-foot radius (holds up picture). There's no real way to connect through the public sector, for 30 years, this is not the first time we were approached GWA. My father did it, throughout the years but they always tell us, oh just go next door and talk to the landowners and maybe you can connect to their private sewer line. And so that's how it's kind of been pushed along through all these years. I've read all the reports it seems like you guys are taking action on eliminating cesspools.

[Simon] Have you brought this issue to GWA management and the process of applying to connect? And if you did, what did they say to you?

[Mike Park] It's never gone this far because I never met with Mr. Hess and Mauryn. In previous years, maybe about five years ago, when I came they did the same thing. They just looked and they go, the closest manhole is on the Mr. Del Carmen's property, so you need to go ask him if he can connect.

That's how they left it and I didn't really push it. I thought there was no other option but you know the more I did some reading, our studies are coinciding with the same intent, to eliminate cesspools. I think now is a good time for me to come before the CCU and at least make an official request so that at least it's on the record.

[Simon] Miguel maybe you can help me, isn't it our normal practice, we would tell a customer to connect to the nearest sewer line at their expense?

[Miguel] Under the service rules, if it's an area that's outside of our service area and the connection is desired, then the cost of that connection would be by the developers.

In this instance, the recommendation about having the nearest line (a private line) which we don't own and for which we understand there are no easements, so there would need to be an agreement between Mr. Park and owner of that private line to connect to that private line.

The request here is, if that is not an option, and GWA is in the process of extending its collection system, would we take this opportunity to extend in this area, such that you can connect to a public sewer?

The study that was done, the septic tank elimination study, and the recommendations within that study, call for us to prioritize extending the collection system in areas where it impacts our well heads. Unfortunately, this area is not on that basis going to be a priority based on the recommendations of the study.

However, there are other reasons to do it, if there's an economic benefit, that becomes a priority for the Board. But, that's not currently in the study nor the study's recommendations. So the way we would carry it out, would be to follow the recommendations in the study in terms of prioritizing projects. I think Mr. Park is just expressing that he considers this to be a priority, he may not align with ours, but he's asking for consideration.

[Simon] Do you have a recommendation from your point of view?

[Miguel] At this point, I still have questions for our engineering department. The other issue that comes up is, even if were to extend it, how would we get it? This goes through rights of ways, which I do not have defined yet. That's one of the questions that I have.

A little more research is needed for my part to understand what all of our options are but I think the engineering team has done a good job of presenting what they know as of now and what the recommended course of action would be without this particular request in place.

[Simon] And the recommended course of action is not to shift our priorities for line extensions?

[Miguel] For expediency, the recommended course of action is there is an existing private line that you can connect to which is within closer distance than any public line at this point, if there is an urgent need to connect to it, you would seek to obtain an easement from the owner of that.

[Simon] But in the meantime, we don't have immediate plans to extend the system in our list of extending the system, this particular area, is not in our immediate priorities?

[Miguel] It's not it has not been identified as an immediate priority.

[Simon] We are extending sewer lines but the first place we're going is where we pump up water, where the wells are. We want affect those wells from any kind of wastewater cross contamination or sewage. The challenge is we are extending the system but you know Guam's a small island then Guam's kind of a big island, in the sense that, as we plan to extend the system, we don't have immediate plans to extend the system in this area. He (Miguel) has to juggle that. We approve macro expenditures; we don't necessarily get involved with every individual customer's particular situation. You can still work with management and it's been unusual in all the years, that we order management to change their Capital Improvement plan to say, instead of being in this area, go be in this area for customer so and so. Not that we're against any customer but we have to prioritize

where we spend the money to extend the system. If I'm hearing management right, the area you're asking us to prioritize is not something that we're going to be doing in the next year, two or three years.

[Michael] Miguel in this area, are there any other owners of property that would benefit from this?

[Miguel] There are an existing 18 water accounts in the area, that if sewer service was extended, could potentially take advantage of that.

[Michael] Have we done the cost benefit analysis? What is it going to cost to put in? What would that wastewater revenue stream over time be?

[Miguel] Not for this particular case but in general, when we did the analytical study the general conclusion was that this is a cash flow negative proposition. The reasons for doing it and extending the collection system won't be justified by the amount of revenue that you're going to bring in, from a business perspective. But which is why the priorities are based on protecting the aquafer, which provides the other benefit. So even if it is cash flow negative, it still is something that needs to be done and can be justified specifically with respect to protecting the aquafer.

[Michael] And the cash flow negative is based on the purchase of the easement? Or is there no purchase of easements and its just the cost of extension?

[Miguel] That is just the cost of the extension, without property acquisition.

[Joey] Thank you (Mike Park), we heard your thoughts and we usually let management do their jobs.

[Miguel] There is still some additional information that I would seek first, if the board wanted me to get back to it on our findings or recommendations.

[Joey] We would ask our general manager to work on this to see where we can go, if possible.

[Mike Park] I appreciate the opportunity, thank you very much.

4. GWA

4.1 GM REPORT

[Joey] Do you have anything else for your GM report? Or did you cover it all?

[Miguel] There is no changes to the report. There is one correction on the graph that I pointed out so it's not anything that you guys aren't expecting.

[Joey] Okay, so you want to go through with the resolutions?

4.2 FINANCIAL

4.3 RESOLUTION NO. 10-FY2023*

* tabled

4.4 RESOLUTION NO. 11-FY2023

[Miguel] This resolution is seeking approval for the construction management contract for the Tamuning and Manenggon reservoirs. This is a court order project. It is necessary and urgent for us to complete the construction of these tanks. This would cover professional construction management services for a 3 million gallon Tamuning reservoir No. 2 and a 2 million gallon Manenggon reservoir No. 2.

Work includes a construction of the tanks and pipelines, bolts, valves, instrumentation and other improvements. The location as I mentioned, Tamuning, near the airport and the Manenggon reservoir near Leo Palace.

Proposed cost for the construction Management Services we've negotiated after the most qualified offer and that is at \$1.84 million and we're seeking that amount with the 10% contingency as is standard, for total funding requested of \$2.025 million.

We anticipate a 16-month construction period with an anticipated start date in April for the construction for the CM contract. We're still working also on the bringing you another resolution for the construction of the reservoirs themselves.

This would be funded from CIP line item PW 09-11 for water system reservoir improvements.

There were 12 firms who registered for the RFP for this particular procurement. Five firms submitted. Duenas, Camacho and Associates was selected and recommended for award.

[Francis] Motion to approve.

[Simon] Second.

[Joey] Any further discussion?

[Michael] Miguel this seems like a lot of interests, and more proposals submitted than normal, or is that about is it about average?

[Miguel] For the engineering procurements and the CM procurements, this is about average. We're having a tougher time with the construction contract.

[Joey] Any further discussion? All those in favor of the motion signify by saying "Aye"?

[Commissioners] "Aye"

[Joey] Motion carries, five (5) affirmative votes.

4.5 RESOLUTION NO. 12-FY2023

[Miguel] Next up, resolution number 12-FY2023 relative to another CM contract, adding contract authorization for the CM contract for the Santa Rosa, Sinifa, and Santa Rita Tanks. Also court ordered projects. The remaining work, we have had some delays on the Santa Rita project. So the construction on that project is going to be extended and therefore we would need additional time

for the CM to be on the site. For Santa Rosa and Sinifa, those tanks are constructed and are online but there is some remaining work for the booster pump station at Santa Rosa and for the Control building and some other site upgrades at Sinifa.

We're expecting those projects to wrap up July 2023 and May 2023, respectively, for Santa Rosa and Sinifa. We don't have a firm completion date yet on the Santa Rita, as I discussed, there are some issues with the foundations that we're still working with. But we are seeking to authorize the CM for the continued services necessary until these projects wrap up. So we are seeking an additional, not to exceed amount of \$955,000 in additional funding which would bring the total authorized funding to \$6.6 million.

We anticipate the work to be completed by January of 2024. That's for the anticipated project current projected schedule for Santa Rita. This is funded out of bonds with the CIP line item PW 09-11 for water system reservoir improvement.

[Joey] Questions? Discussion? Any motion?

[Santos] Motion to approve.

[Sanchez] Second.

[Joey] All those in favor of the motion signify by saying "Aye"?

[Commissioners] "Aye"

[Joey] Motion carries with five (5) Aye votes.

4.6 RESOLUTION NO. 13-FY2023

[Miguel] Next Mr. Chair is resolution number 13-FY2023 and this is additional construction funding for the Yigo sewer pump station mitigation.

During the work session I highlighted some of the issues that we've been having with the Yigo pump station in terms of flooding during heavy rain events. The additional construction work is needed to rectify some of those issues by changes in design for the motor control center, hoist and platform to be reconfigured, in order to fit in the space available.

The change order is in the amount of \$184,000 dollars which would bring the total authorized funding to \$1.1 million.

We also anticipate that this would be completed in 2023 in July. It is bond funded because we are now exceeding the original contract amount was under a million with this change order it would exceed a million. We would also be seeking your permission and approval to take this before the Public Utilities Commission in accordance with the contract review protocol.

[Joey] Any further discussion? Any questions?

[Francis] Move to approve.

[Pedro Roy] Second.

[Joey] There being no further discussion all those in favor of the motion signify by saying "Aye"?

[Commissioners] "Aye"

[Joey] Motion carries with five (5) Aye votes.

4.7 RESOLUTION NO. 14-FY2023

[Taling] Commissioners for your approval is resolution 14-FY2023 relative to authorizing management to invest funds. Guam Waterworks has cash balances that are not immediately needed and with interest rates rising, we believe that it would be prudent to invest available funds. Instruments like TCDs, treasuries and the like.

GWAs accounts are currently with the Bank of Guam and they would charge a fee of 0.25 percent of market value or a minimum annual fee of \$375 dollars per account.

We would work to identify funds not immediately needed and invest those funds and latter maturity dates to make sure that we would have adequate cash balances as needed.

We anticipate that we would invest funds out of our unrestricted funds, the sewer revolving loan fund, eligible non-bond CIP project funds, and the system development charge fund. And we would work with our existing bank, Bank of Guam.

[Santos] Motion to approve.

[Simon] Second.

[Joey] Questions?

[Michael] Do we have a rough magnitude of the dollar amount that you're looking at that comprises these various funds?

[Taling] For the sewer revolving loan fund we have about \$2 million dollars available. For the eligible non-bond CIP project funds, we have \$8.6 million. We have \$6 million in the sewer development charge fund. There is a cash schedule G as part of this CFO report. For the unrestricted funds we would be looking through those funds to make sure that we have what we need in the bank to fund our monthly O&M costs.

[Michael] What's the rough interest revenue that you are projecting by moving the money into the short term interest bearing accounts?

[Taling] When I looked a couple of weeks ago, I was seeing annual interest rates at more than 4 percent.

[Michael] The estimated revenue associated with that interest bearing account, what's that going to amount to roughly?

[Taling] I don't have a total amount, except for the unrestricted funds. I know generally how much we would have in the other three accounts.

[Michael] It sounding like in excess of \$20 million earning 4 percent short term.

[Joey] Taling, could you give an email to the commissioners to give us the breakdown so that we could understand. Any further questions? All those in favor of the motion signify by saying "Aye".

[Commissioners] "Aye"

[Joey] Motion carries with five (5) Aye votes.

4.8 RESOLUTION NO. 15-FY2023

[Miguel] The last resolution we have on the agenda is 15-FY2023 seeking the approval for an increase for the PM/CM contract related to the Guam water and wastewater infrastructure improvements program. This is the OEA grant funded projects.

As I discussed at the work session the extension is being sought so that we can wrap up the closeout of all the grants. There is a significant amount of documentation and closeout requirements that Brown and Caldwell is helping us with, so we are seeking a slight increase in their contract for about \$300,000 dollars, which would bring the total authorized contract amount to \$16.99 million. We anticipate that we'd be able to wrap up all of the closeout requirements by the end of March. This would be funded from applicable bond funds and system development charges. This should take care of all of the remaining work on closing out the grants.

[Santos] Motion to accept.

[Pedro Roy] Second.

[Joey] Any further discussion?

[Francis] How long have we had this relationship with Brown and Caldwell?

[Miguel] They've been working with the authority since 2006.

[Joey] Now, they were working for us though as a PMO originally? They are no longer a PMO, correct?

[Miguel] That's correct, the PUC asked us to bring that to them, which we did. Several years back, we transitioned to smaller contracts with several firms providing various services that were provided previously, just by one firm.

[Joey] But this is all the military projects?

[Miguel] Yes, that grant required us to have a PMC as a condition to the grant.

[Joey] All those in favor of the motion signify by saying "Aye"?

[Commissioners] "Aye"

[Joey] Motion carries unanimous with five (5) votes.

5. GPA

5.1 GM REPORT

[Joey] We have our acting General Manger, Tricee Limtiaco.

[Tricee] Thank you, Mr. Chair, our GM report has not changed with the exception of adding the financials. Did you want to have John Kim review the financials?

5.2 FINANCIAL

[John Kim] On the page here is the residential average. The residential average was about 882 kilowatt hours per resident for the month of January. Prior year was about 942, so the consumption went down but in actuality, if you look at the graph in January, it's actually greater than the pre-pandemic areas, at the time. Overall it's still good.

The other things that happened, the weather chart, we tend to have the weather average temperature was up, lower, pretty much low at the same time we had more rain than previously. So that contributed to the consumption being lower in January.

We looked at the hotel's consumption. We didn't get the hotel occupancy. Guam Visitors Bureau didn't have it for the last quarter. However, we see an increase in the hotel consumption. Compared to last year, it's little over a million kilowatt hours. So it's pretty good, it's growing.

A lot of things that happen in February that are impacting us will be, one, there was a military exercise, a lot of the officers were stationed in the hotels. And the other thing that happened in January was Camp Blas. One building that is online and eventually probably more. They are transmission level customer.

[Joey] There is a meter there?

[John Kim] Yes, we still have the meters on whatever substation that goes in there.

[Mike] So we're still like 25% off of a pre-pandemic consumption?

[John Kim] Yes, closer to 20%.

So the base rate in January, we did pretty good compared to last year. Then also very close to budget and also in kilowatt sales, very close. In terms of operations, fuel revenues, we did 38, that's probably because of, I guess much hotter than compared to last year. In Cost of Sales, O&M we did about 5.8, which is better than budget however it's higher than prior year and that's because of the at the insurances, other parent related items.

In terms of customers, we did increase residential, we have about 96 customers, residential is slowly our customer base is still increasing.

Our debt service is 1.61.

In terms of under recovery, its still high. In January, we have about \$32 million dollars under recovery. We did recur about 3 million in January but it's still slow progress.

[Simon] The LEAC for February 1, the expectation is the under recovery will begin to drop at a more aggressive rate. At \$3 million a month, we are 12 months away from \$36 million. My quick senses were cost plus six million is our goal. In the current LEAC, from February to August, where 6 times 6, is the 36 million comes back in and the hope, depending on oil, is that, after August, we just go to cost, instead of cost plus six.

So again, part of the reason the current LEAC is so high is because we are scheduled to recover almost all of the \$37 million we advanced during the COVID years in the next in the next six months. Then, our hope is there'll be some relief come August assuming oil behaves. By then we will have fully recovered. Hopefully we can do that for our ratepayers is to finally get them to a point where we can get them some relief by August.

5.3 GPA RESOLUTION NO. FY2023-09

[Tricee] Mr. Chair, if you will, we can go to GPA resolution FY2023-09. With that I'm going to turn that over to Attorney Botha.

[Graham] We're requesting that we extend the current contract, the ECA amend that, it is expiring January 2024. We would ask that it be extended until January 2029. That will allow us to bring online the Ukudu power plant which is scheduled to come online in sometime in 2024. The GM is projecting April 2024 but it may be delayed as a result of any of the transportation and other factors that have resulted in some slight delays, even though they're moving forward.

Additionally, in the last six months, they installed and changed from the residual fuel oil to ULSD. They're fine-tuning that and they are of course, now compliant with all of the EPA rules and regulations. Even after Ukudu is commissioned there will be a period of time for the new plant to shake down and work out all the bugs.

We anticipate that we would still be limited on capacity until that has come online along with the renewables. We believe that it's essential to continue the contract for an additional five years based on the needs that we have now.

Also, we have not operated this plant contrary to what we've done with Cabras 1 and 2 and Temes 7. We've not operated this plant at all, ever. It has not been with our own workers; it's been with the MEC workers. We do not have an established base of workers now that would be able to take over and run 8 and 9.

Simply, we are short of all generation workers at this time, not to mention the ones needed for 8 and 9. MEC has run that for the last 24 years, reliably and successfully, they have institutional knowledge with that. It is also the most efficient power plant that we have.

After we converted Cabras 1 and 2 to the 0.2% RFO, which is quite an expensive fuel, now Diesel 8 and 9 is the cheapest plant that we have. Once Ukudu comes online and more renewables come

online, then we would look at transitioning MEC from a baseload plant to a peaking plant, but not for the next several years.

I have also provided a copy that I was provide from MEC, from the Arriola Law Firm, that I believe closely tracks the opinion that I previously provided to the board as to why an extension is legally possible. Similarly, as we had done for the last one, the ECA does have a provision that allows for that. We exercised it the last time and even when the ECA was amended in Amendment 4, the last time it did allow for any additional ones as mutually agreed upon by the parties. The extension terms proposed by MEC are very reasonable in terms of inflationary costs, below three percent for the O&M, variable O&M, and their fixed costs as well.

Simply, GPA does not have the ability to either hire those workers or bring them on or to secure other workers in the time that we have that we have left for the current extension is up. Also, MEC has advised us that they would appreciate if we're going to do an extension that it be expedited. Given that workers, are like anybody else, if they see their employment expiring they may go elsewhere whether it's DZSP or any of the other contractors that hire electrical folks. So for those reasons I would request that we approve the extension in our GPA resolution FY 2023-09.

[Simon] Mr. Chairman, I moved to approve GPA resolution FY 2023-09 relative to the authorization of Piti 8 and 9 contract extension.

[Michael] Second.

[Joey] Any further discussion?

[Simon] I've been very comfortable with our history of public-private partnerships. I think GPA is a role model for exactly how to contract for partnerships. This is a classic case, originally under Osaka gas and MEC is the Guam corporation that emerged from it.

A private partner built it, has run it, has staffed it, and it's been very successful. We did extend it once already, in 2018 or 2019. I'm comfortable with the legal capacity to extend the agreement. Having reviewed counsels, and now the Arriola firm's review, I remain confident that this is in the best interest of the rate payer. The rate adjustment for the extension is reasonable, as counsel has just pointed out. They know how to run it.

We've been very good about getting out of the generation business. We have essentially outsourced it, other than Cabras and even Cabras, we've used private contractors over the years. So given the short window of time and the uncertainty that we would create if we don't approve it, we don't know what the result would be if we put out a bid? What would their price be? This one we know what the price will be. Relatively speaking the price adjustment is pretty modest, so for that reason I urge our colleagues and I'm going to support the contract extension.

[Michael] In our prior discussions, I know that you were concerned with what constitutes to Build/Operate/Transfer agreement? What terminates that agreement? You made a point that when you transfer over the ownership, that contract terminates. Based on the survivability Article 26 in the ECA, does that points it out that the survival of provision

So if one provision has expired, let's say that transfer section has now transferred over to GPA. I think what their what that provision allows for is that the remaining provisions of the contract can

exist. So now, you're done with the build, you're done with the transfer, you're just in that operate provision. I just wanted to see if that addresses your concerns because it addresses my concerns.

[Joey] Having just seen this now, it still doesn't address my concerns. I would pose a question, so you have a contract, with somebody, to do something, does the contract go on forever?

[Michael] I think that's what this article is saying and Graham, you want to jump in here from a legal opinion and talk about the Article 26 and the survival of provisions that exist in the ECA?

[Graham] Basically, what that had provided for, notwithstanding the other provisions which I think the chairman was focusing on too is, the transfer. We got the legal ownership back. We own the plant and have owned it since 2019.

The 20 years, at the time, we now are 25 years with the new Okkudu plant. It's 25 years plus one five-year option. The new contract, we succinctly wrote in an option. With this, there was no option other than the fact that you could amend the agreement based on the mutual agreement of the parties. Which is another way of writing an option, just not is calling it out as specific at the other one.

The survival section said that one part of it may terminate, in other words, we terminated the fixed capital lease payments we made for 20 years, because we now own the plant, but there was an operating provision in there that allowed us to mutually agree for a period of time. We could do that under that agreement to operate and maintain although we've owned it and not pay the ownership payments. And so that was the justification in 2019. Now, there is a cap on that. I hope I made that clear the last time is, the cap is, you cannot extend any contract past 30 years.

Our statute, we specifically amended that statute to allow for Power Plants, Long-Term Renewables because we were advised when we were trying to buy out the MEC contract was, they needed a longer period of time to amortize it to make it cheaper. 25 years is a better timeframe for that but yet we had put in 30 years, so any extension had to be limited to that 30-year max. With the 20 plus 5 years plus an additional 5 years for this we would still be under the 30 years that were allowed by statute.

[Joey] So you're saying that the contract is limited by law?

When we signed this contract originally with Enron, the authorization for us to get into a contract said that the contract cannot last more than, what? I thought I just heard you say that there's a limit of 30 years?

[Graham] Yes.

[Joey] Graham, what I'm trying to look at is, usually when you get into contracts, even an insurance contract, the insurance contract has a date, the policy is effective from this date to this date. Now you can always go in and extend the contract and do all sorts of things. There is usually is a date that is set where the policy is enforced from January of one year, it's good for two years, it's good for one year, and then the parties can extend that period.

I thought I heard you just say now, this is where you have to correct me, I want to make sure I'm hearing you correctly, that there is a part of our law for getting into these contracts that states that it cannot go past a period of 30 years?

[Graham] Yes, under 12 GCA section 8104(N), it says the Guam Power Authority may enter into long-term contracts for a period up to and not exceeding 30 years for renewable energy contracts, purchase power agreements, Re-Furbish/Operate/Maintain contracts, and Build/Operate/Transfer contracts that cost 30 million or more.

So in other words, it has to meet the dollar threshold.

[Joey] Is there any date in this current contract that we started with Enron that says this contract is valid from this date to this date? None?

[Graham] None that I am aware of.

It just had the original 20-year term. It didn't say you couldn't extend it.

This one was signed actually two years before the plant actually went into COD, so the 20 years actually didn't start from the date of the signing of the contract. It started from the date of operation.

[Joey] There was no specific date when the contract terminated?

[Graham] It just said the contract is for 20 years - from 1999 to 2019, then we extended it for five years.

It was actually signed a couple years before that.

[Michael] So we're basically in our 25th year?

[Joey] Well, that's what I'm trying make sure.

[Michael] And then the additional five years would put us at the maximum per statute, which would be 30.

[Joey] If I'm hearing you correctly, you're saying that when this contract hits the 30th year, from when it started operation, you have to build it first. So you could argue and say the first year when you're getting your financing, you're getting the plan drawn up, you're getting the permits that you need, the contract is for a period of operation of 20 years and then they operated for the 20 years. They built it, they operated for 20 years, and then they transfer at the end of 20 years. The transfer is a fixed date in that contract?

[Graham] Yes. At the last page, it's at a notary public on 30 September 1996, appeared a representative Enron, Richard Unpingco and Frank Shimizu as Chairman of the Board. So obviously, the plant didn't start running until January 1999.

[Michael] It's my understanding that all provisions terminated in 20 years. All provisions of the contract would have terminated in 20 years but certain provisions were extended. In the last 5-year iteration, the last 5-year extension, was the operate section.

[Graham] I think I was asked at one point, did we extend it prior to the expiration of the contract and clearly we did. Even the PUC order is in 2018, it would have expired January 2019 but in fact the PUC approved it. We came to CCU before that and then a couple months later the PUC approved it in May of 2018. So clearly before the expiration of the contract.

We amended the ECA to reflect that the capital payments would no longer be made but they would be operating it for the additional five-year period.

[Simon] So the PUC recognized the extension?

[Graham] Yes.

[Michael] On reading what is the project's objective, is it necessary and urgent, there's discussion here or reference to the conversion to Ultra Low Sulfur Diesel, that conversion, what are the ramifications? What would be the worst case scenario if we did not extend the contract? Was the current contractor responsible for the conversion?

[Graham] It was a \$15-million-dollar project and I might add, these are the slow speed diesel units. There is not a lot of them on land. I think there is less than half a dozen or something. So this particular project, they have converted some ship once because it has to burn out much cleaner fuel but not the ones on land. And so, MEC would be responsible for the warranty work under doing the fuel conversion.

Let's say we bid it out, and there was a different bidder, that bidder would say that had to do with the guy that installed this stuff, I'm just the operator, I'm not going to warranty it.

[Michael] What is the warranty, Graham?

[Graham] I believe it's a 1-year warranty on the work and everything.

[Michael] Oh so that's going to expire soon though, right?

[Graham] No, we just finished this conversion in September 2022.

[Michael] Okay, so another 20 months.

[Francis] But we paid them for this conversion?

[Graham] Yes, we did. So they hired BWSC who is one of the manufacturers.

[Francis] MEC won the bid and subcontracted it. So MEC is the record.

[Michael] The only reason why I bring that up is, we just bought new tractors for our company and if anybody other than the dealer works on those, the warranty is void. That's a financial concern.

[Francis] So Graham, now that we have an opinion from a law firm, who requested this?

[Graham] I did not.

[Francis] So why is it now in our hands?

[Graham] Well I was provided a copy by MEC.

[Francis] And they asked us to present this tonight to us?

[Graham] I spoke with my boss and my boss suggested that I'm presented to the five Commissioners, it is a different opinion. I didn't have anything to do with writing the opinion or consulting with them.

[Francis] My question is how did it surface when this was written February 15th.

[Graham] Mr. Benavente asked me to present a copy to the five Commissioners showing that there was another opinion out there. Obviously, it's done by MEC, for the benefit of MEC.

[Michael] It does answer some of your questions.

[Joey] Well, it addresses the question, I don't know if it answers the questions in my opinion.

[Graham] For the record, I did not speak with Mrs. Arriola, I did not solicit the opinion, I did not speak with Manzano regarding or anything else like that. It was provided to me, Mr. Benavente suggested that that would be helpful to have another opinion and present it to the board.

[Simon] So Graham did you say you are in general concurrence or do you want to take an opinion on this opinion? It seems to reflect some of the things that I that I've said.

[Graham] It does reflect some of the things that I have said before not as eloquently as Mrs. Arriola can do so, certainly not as lengthy of an opinion.

[Francis] So just to be clear, the next step, it goes to the PUC. What happens if OAG says, I don't agree with you?

[Graham] We cannot proceed.

[Francis] Does our Attorney General get involved with this? Can he get involved with this?

[Graham] No. This is not a new procurement. There is a policy that requires you send notice of all new procurements greater than \$500,000 dollars to the Attorney General's office. That has been in place for 30 to 40 years. Now what they have or haven't done with it, is a different matter.

They have never asked for amendments, extensions, anything else like that. It's just a new procurement and what I was advised as the policy years ago was, they had been caught when people basically didn't notify them. They did an entire procurement, they signed the contract, and then they sent to the AG, and say, "Mr. AG, would you please approve it".

So that was why they wanted to be advised at the beginning so if there were issues, they could correct them prior to trying to force them to sign the contract. I don't think that policy has changed now.

[Joey] So it doesn't go into effect until the PUC approves it?

[Graham] That is correct.

[Joey] I'm still trying to process all the newer information that you just provided. My thinking is, I'd probably vote for it and let's see what the PUC does with it. Relying on you and relying on your endorsement of this opinion, you stand by this opinion and Arriola?

[Graham] By the opinion, yes.

[Joey] I saw something, I wasn't sure, I had to ask the question, and I'm still a little confused on, when does the contract end? I've always been led to believe that a Build/Operate/Transfer is just that, you'll build it, you operate it, and then you transfer it, at that point, the other party owns it, and can do anything they want to do with it. At that point, if they wanted to continue with an operating agreement they would go out and bid one out. That's the traditional way I thought of it.

[Graham] That would have been one other option. As I said before, it's not that this was the only way of doing things. There were two choices, one was bid it out as an entirely brand new agreement and the other was an extension.

[Simon] The extension was in the original contract?

[Graham] Yes.

[Simon] So even in the implementation of the BOT, the parties, in particular GPA, gave themselves an option to extend the "O" part of the "B" and the "T" because you're right, the "B" is done and the "T" is done. Arguably the "O" is something you can extend and it was in way back in 1999.

The contract was approved with that language that you could amend it by a prior board.

[Graham] Could be amended both in 2019 obviously, or 2018, both the CCU and the PUC, at that time, thought that it could be extended.

[Simon] And we did pass the 20 years to 25 years and now it's just, do you want to take it out to 30 years? I think that the legal questions are very good and important to make sure. The other part of me that worries though is, we've got a good group running it, we know what the cost will be, the uncertainty of the bid. But that's the risk of not doing this then you risk, who is going to run it? What are they going to charge?

[Francis] I just want to note that Mr. Graham, since you stepped up, you are in support of the opinion written by outside counsel? I want to make that clear. It is not our opinion but you accept that this be submitted for the record of the CCU.

[Graham] I have no objection to that.

[Francis] Mr. Chairman is that a motion in order because I want that stated for the record that an opinion was given to the CCU, it was not proffered, it was not requested of us.

[Simon] It was provided by management.

[Francis] It was not, Mr. Sanchez. It was provided to them but like I said, how did this just surface, today? It was written on February 15th.

[Simon] Well the General Manager chose to submit it, just like in board books, he submits what he would like us to approve. We don't have to but...

[Francis] I'm sorry, someone got this and got it into the hands of the General Manager and now it's before our eyes. All I'm asking is, for the record, this is going to be submitted into our records, because it's giving Graham the pass.

[Simon] And we're publicly discussing it, it has to be.

[Francis] But it's giving Graham the pass to say he's all good because here's the other. I just want to make sure that's what we're being...

[Graham] I think it should be submitted with a record, it's part of what's being discussed.

[Simon] He (*Graham*) had his own opinion.

[Francis] That's why because we're now relying on page 305, titled "Survival of Provisions". That's the basis for us, at least for us, given...

[Simon] I'm relying on his earlier opinion at the work session instead, so I'm not relying on, I didn't see this till today either...

[Michael] I didn't see this till today either.

[Simon] I'm relying that council is recommending and management is recommending approval of the extension and we're debating it, which is our duty, and I'm okay with that.

[Michael] I don't think it's a coincidence though that a lot of the things were answered in here were what we discussed in our last meeting which was available to the public. I'm sure that they were watching and saying "hey, we should answer that question!"

[Graham] YouTube does allow it to be downloaded and viewed.

[Francis] I'm not questioning that. This just surfaced. If we're comfortable, are we also comfortable putting this on the record?

[Simon] I think we have to now that we've discussed it. I'm with you on that. That's full disclosure and that's exactly what we should do.

[Joey] This is what I suggest - that when the motion is made, the motion is made to approve the resolution, and to include in the approval of that resolution, this opinion.

[Simon] Frankly, the fact that we've discussed it makes it part of the record. I mean we're discussing it and I would not support any CCU opposition to a member of the public saying, you discussed this, I want this in the record. I'm with Commissioner Santos on this. This is included.

[Joey] I suggest that whoever wants to make a motion, make the motion to approve the resolution...

[Francis] Already.

[Michael] The resolution has already been passed, we are in discussion.

[Simon] It's either a yes or no. We can make another motion.

[Peter Roy] Wouldn't this be an automatic thing? It's already presented here?!

[Joey] Since we have a motion, we could always amend it and say that this be part of the record.

[Simon] If it will make you feel better, I think it's already part of the record because we're discussing it. Clearly, we are discussing it.

[Joey] I don't.

[Simon] I'm with Commissioner (*Santos*). We put it on board books.

[Francis] No, we just can't put it on. This is not part of our records, this is not part of our books. That's what I'm asking, now, because we are in discussion, we put it in.

[Simon] The way I think about it is, like when our public comment, that's on the record, that is to be included.

[Joey] I know but this is a little different.

[Simon] No, to me it's not, because it's unanticipated by the body. It wasn't on the agenda.

[Francis] Then they are going to ask Mr. Sanchez, who's presenting it, not the public.

[Simon] GPA is. GPA Management. Counsel said it was from Mr. Benavente to provide to the (*Board*), he's (*Graham*) on record for that.

[Joey] I think it's important that we just make amend the motion and I'll tell you why, because this is a legal opinion from an attorney to her client. It's not really a public document. We're making it a public document by discussing it.

[Simon] Once a government entity introduces it to its governing board, I don't care what the private party may have intended, I'm with Commissioner Santos, this is public record.

[Graham] Commissioners, we can certainly make note that we will add it to the minutes of this meeting reflecting that the document was produced, it was discussed by the Commissioners, and it will be attached to the minutes.

[Francis] So it's safe to say that Mr. Manzano gave authorization to Mr. Benavente to present this?

[Graham] Yes.

[Francis] And that was done in what manner? That's what I'm trying to say Graham.

[Graham] All I know is, Mr. Benavente asked me to provide it to the board today.

[Joey] Okay then that's the answer.

[Francis] How did Mr. Benavente get the document?

The fact that it shows up on the evening of our meeting, okay, I get that part but it went to Mr. Benavente from the client. An opinion offered from his legal firm to his client.

[Graham] Yes.

[Francis] So he's basically given authorization from his law firm to present this to us?

[Graham] Well, anytime you published it in the record and you give it to somebody it's no longer...

[Francis] You really know that?! What if they mark "confidential" on the top? What would we have done?

[Simon] Well maybe then it's confidential.

[Francis] Well no, but I mean it doesn't say but would we have done if a document surfaces in a public meeting marked "confidential"? What do we do?

[Graham] It would not be our document anyways.

[Francis] I'm okay guys, I'm just saying, the record needs to state that we just got this document.

[Michael] I think your concern is that, in discussing this contract, you have the beneficiary of the current contract submitting, what would be public testimony.

It would be no different if they came in like Mr. Park did and say "hey, I have a comment on what you guys were talking about at the working session, here's my opinion". It would be no different.

[Francis] It's very different Mr. Limtiaco, because the persons that are presenting this, happens to be the CCU, not the public. I'm not the public tonight Mr. Limtiaco, I'm the CCU.

[Michael] Well, I don't think we're presenting it. We're talking about it.

[Graham] I would argue that management presented it at the directive of Mr. Benavente to the Board. The Board is merely reviewing it, commenting, discussing on it, there's no presentation by the CCU.

[Francis] John (*Benavente*) is not here to tell us how he got the document.

[Michael] I think he (*Mr. Benavente*) is online, right?

[Candice] He's (*Mr. Benavente*) is online now.

[Francis] No, I don't want to do that. I'm just telling you. Why don't we just hold on the motions, we have done enough.

[Joey] John?!

[John Benavente - online] I can only say that there was a transmittal letter with the document. Like was noted earlier, in lieu of the previous CCU meetings and the on the discussions on the matter of legality, MEC themselves, asked their lawyer to come up with their opinion because that is prudent for them on their side.

We didn't ask for this. It just came, MEC Mr. Manzano, sent it to me and in fact, in the email, noted everything I am telling you. And said we can use it for the purpose of providing the CCU. So us presenting it to you makes it a public document. It is not a confidential document. This is all based on an open discussion that they were watching and then they decided to put in another opinion to that and that is what you have in front of you today.

[Joey] Okay John, would you be opposed to having an amendment to the motion acknowledging that this is being proffered in support of the resolution? And that you're the one who proffered it?

[John Benavente - online] I didn't proffer it. I'm not quite sure what this is trying to imply Mr. Chairman. All I'm saying is that, we have been given authorization by MEC to provide the CCU this document. Again, as a result of viewing the CCU meetings and the discussion of legality, they themselves, notice unto next year that they, you know, want it legally binding for themselves also.

So therefore, yes, so making it a matter of record just like earlier, I did a letter in the additional stages for Mr. Manzano was asking for a quicker resolution on this matter because he's concerned about losing manpower. It is a matter of record for the CCU.

So in my opinion, it could be a matter of record also, as was given to me, for sharing, on the issue. It has given MEC confidence that the contract will be legal and for me to provide the permission that provides you better confidence that there is a second opinion.

Then, I'd say it would be like a third opinion, because the OAG in the 2018 report get recommended approval of the contract with the provisions that, yes there needs to be a provision to allow.

[Joey] And I guess what we're saying is, if we adopt the resolution as the current motion states then we just adopt the resolution. Graham and you, will present the resolution and the requests to approve and you're not going to attach this. It's not necessary to attach this.

[Graham] So what goes with the documents is the resolution and generally I attach the copy of the proposed changes to the ECA and basically all the rest remain the same. But that the price would go up the 2.6%. I would provide the resolution, the contract changes, and provide what the General Manager provided as part of his handout, because that is part of the record, that's part of board books.

[Joey] So this part of his record? This is part of his handout, you would provide?

[Graham] That is not part of what the board books was submitted. It is part of now what I would propose, is that we include as the minutes of this particular hearing, which would reflect that a document was provided. Same as if any individual would provide a document.

[Joey] Then you would provide this to the PUC?

[Graham] If requested, I can.

[Simon] Well, we can take up that topic if it's a concern of ours.

If we don't approve it, it's moot - it's a good conversation and we vote. If we do approve it, we can take up the Chairman's concerns about whether we should include it. My sense of being on board meetings for many, many years is that, this isn't part of the record.

The fact that board books gets amended sometimes five minutes before we walk in and sometimes even after the fact, “hey this didn't make the board books, here it is”. Long before there was Board Books, when a GM hands a board a document in a legal published open government meeting properly done, it's all on the record. Just like that gentleman who asked for the sewer extension, that is on the record. We discussed it.

[Joey] Simon, the question is simple. I'm just saying that if we vote with the current motion, this will be part of the record that you will provide to the PUC. That's what I'm asking. It's a direct question, yes or no?

[Graham] Yes.

[Joey] Okay. Any further questions?

All those in favor of the motion signify by saying “Aye”?

Motion carries with five (5) Aye votes.

5.4 GPA RESOLUTION NO. FY2023-12

[Tricee] So Mr. Chairman, for GPA resolution FY 2023-12 solicitation of new bid for the bulk supply of diesel fuel no.2. So we've reviewed this in the work session. We're asking for permission to go out for bid for the bulk supply of diesel fuel oil no.2.

Our last bid, we had three bidders, Mobil, IP&E and Hyundai. From your last authorization, Mobil won. We'd like permission from the CCU to simply go out to bid.

[Francis] Motion to accept.

[Simon] Second.

[Joey] I just have a question, just clarify for me, the contract that exists right now, started when?

[Tricee] It would expire on January 31, 2024.

[Joey] It was a two-year contract?

[Simon] For an initial period of 2 years.

[Joey] What I'm trying to get that is, I just wanted to note that this bid will go out and you have time to get the bidders in before the expiration of January 2024?

[Tricee] Yes, we do and I believe that we discussed in the last meeting and we will also try to negotiate, that's still on the table.

[Joey] The reason why I'm asking is because my recent history on the commission is, it seems like our oil supplier always protests if they don't win.

[Simon] That's not untrue.

[Joey] I'm thinking we're going to testify on the bill at the legislature to limit protests on anything over \$5 million and this is way over \$5 million. I'm just saying there is a lot of zeros here.

I'm just saying you know, as we go forward with the testimony, I think you might want to add this one in that in the past this has happened and this is why this is important to limit protests.

We're not saying no protests at all, we're trying to say limit it so that you can't just automatically run in protest and you know pay your attorney and drag this out for two years. That has happened in the past on fuel oil contracts and its usually the current contractor that protests if he doesn't win.

[Tricee] In the event of a protest and there is a stay of procurement, we do negotiate with the with the incumbent.

[Joey] I'm aware, we've done this before. Six months, and then six months, but you might want to, as you prepare your testimony, this might be a good one to add in and say, we're in the middle right now of trying to go out to bid and you this has been our prior practice.

We're talking big numbers and it's the rate payers who have to pay, not us, not the politicians. The ones are risk are the ratepayers.

[Francis] Just to be clear, we are still talking to the current contractor?

[Tricee] Correct.

[Graham] That is correct. If we can reach a one-year extension, on terms that we feel are still reasonable, and bring it back to you. We just wanted to get started on the procurement because...

[Tricee] Because time is of the essence.

[Graham] We have to go here (CCU), next month we have to go to the PUC just to be able to put it out for bid. In the case we can't reach an agreement we like to at least like to get the process started.

[Joey] I'm just saying, this is a good one to highlight in your testimony so they get the full importance of what that bill is.

Any further discussion? All those in favor signify by saying "Aye"?

[Commissioners] "Aye"

[Joey] Motion carries with five (5) Aye votes.

5.5 GPA RESOLUTION NO. FY2023-13

[Tricee] Mr. Chair, our last resolution is GPA resolution number FY 2023-13. We are again, asking for an extension for our professional printing, mailing, processing and other services. Basically, our bill printing services. So speaking of procurement issues and protests, Graham and John Kim can explain more but it still is in the Superior Court.

[Graham] This is one, I mean, not that it normally takes a long time but Mr. Manahero, who is the plaintiff's lawyer, passed away. So then it took several months for them to get another lawyer and get the process started. We are moving along but you know hopefully we'll have a decision in the next six months. Sometimes things are delayed further.

[Joey] Another one for you to put in the testimony. That's the reason why, when you go to the court it's not the fastest place in the world to be. It's the rate peers that are on the hook.

[Francis] Motion to accept.

[Simon] Second.

[Joey] Any further discussion? All those in favor by saying "Aye"?

[Commissioners] "Aye"

[Joey] Motion carries with five (5) Aye votes. Anything else?

[Tricee] Would you like me to go through the GM report?

[Joey] No!

6. OTHER DISCUSSION

[Simon] There was no addition, there was just one slide was changed, updated.

[Francis] So the generators are moving?

[Michael] They move to the site tonight. Two gas turbines being delivered tonight.

[Simon] These are the expensive pieces.

[Michael] Six (6) units.

[Joey] Are we halfway through?

[Michael] No.

[Joey] When is our projected finish moving? Does anybody know?

[Tricee] The billboards say May.

[Michael] By the third week of March we'll have all the on-island stuff.

[Joey] So hopefully by April or May we'll finish moving them up.

[Simon] That's what the sign says.

[Michael] We would be waiting for additional equipment to come in by then.

[Joey] Okay, not everything would be in.

[Francis] The slow-moving stuff is still in April?

[Michael] There's still stuff that still hasn't come in.

[Joey] But the thing where we're using these creepy crawler things will be done with them?

[Michael] Oh no, we still have to finish in April. The IPs and LPs have to come in.

[Joey] You know, I do get asked by people, "when is this ending"?

[Simon] I think it's pretty good, the fact that they split it up now, take it out over two nights, a learning curve.

[Joey] We're not making the news which is good but it's still, you know, I do have people say to me, "you know, I was behind that thing, and what the hell is going on?" And I said, "well you know, you want power right?!" So anyway motion to adjourn?

7. ANNOUNCEMENTS

7.1 NEXT CCU MEETINGS:

Tuesday, March 21, 2023 at 8:30 a.m. – GWA Work Session

Thursday, March 23, 2023 at 8:30 a.m. – GPA Work Session

Tuesday, March 28, 2023 at 5:30 p.m. – CCU Meeting

8. ADJOURNMENT

[Francis] Motion to adjourn.

[Pedro Roy] Second.

[Joey] All in favor say "Aye"?

[Commissioners] "Aye"

[Joey] All in favor. We're done. Adjournment at 7:01 p.m.

\s\

R. Diaz

Attested

Joseph T. Duenas
CCU Board Chairman

Pedro Roy Martinez
CCU Board Secretary



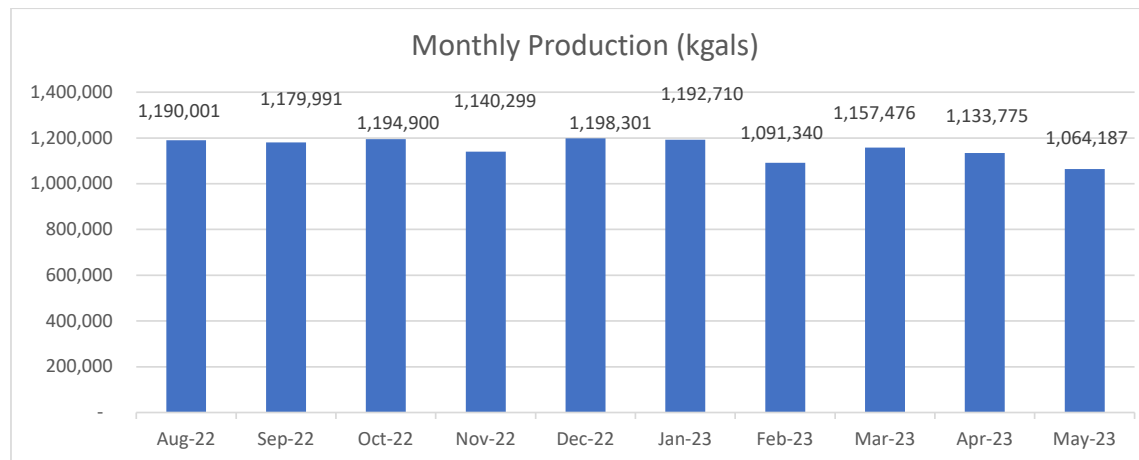
Management Report
CCU Regular Board Meeting
July 25, 2023



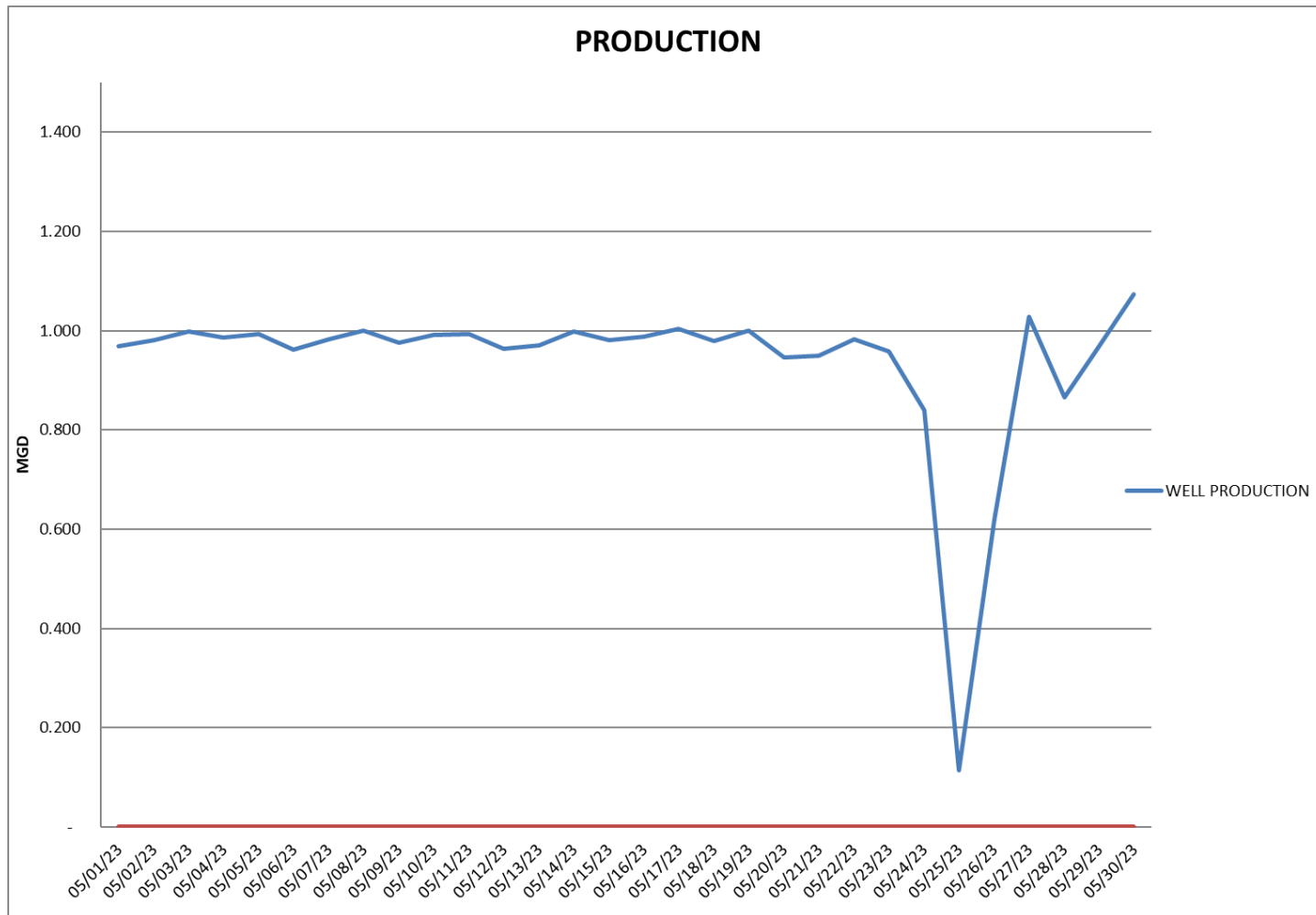
Operations Update

Production (May 2023)

Monthly Production Summary - May 2023				DW Status as of 5/31/2023		REMARKS	
Deep Wells			31.4 MGD		Active	DW units on line	
Active wells =	60 of 120			60		Off-line DW units: generator/power issues	
Avg days in operation =	31 days						
Total Production =	973,592 Kgals				Off Line	33	
Springs			0.34 MGD			Grounded Motors	16
Avg days in operation =	31 days						A26-D01-D03-D06-D20-D28-F01-F02-F10-F13-F20-G501-M12-Y01-Y16-Y20
Total Production =	10,437 Kgals						
Ugum Surface Water Plant			1.6 MGD		Out of Commission	9	
Avg days in operation =	31 days					A02-A07-A28-A29-D05-D13-M14-MJ01-MJ05	
Total Production =	51,071 Kgals						
Tumon Maui Well			0.94 MGD		Secured - PFO	2	
Avg days in operation =	31 days					A23-A25	
Total Production =	29,087 Kgals						
			1,064,187 Kgals	34.3 MGD	TOTAL	120	

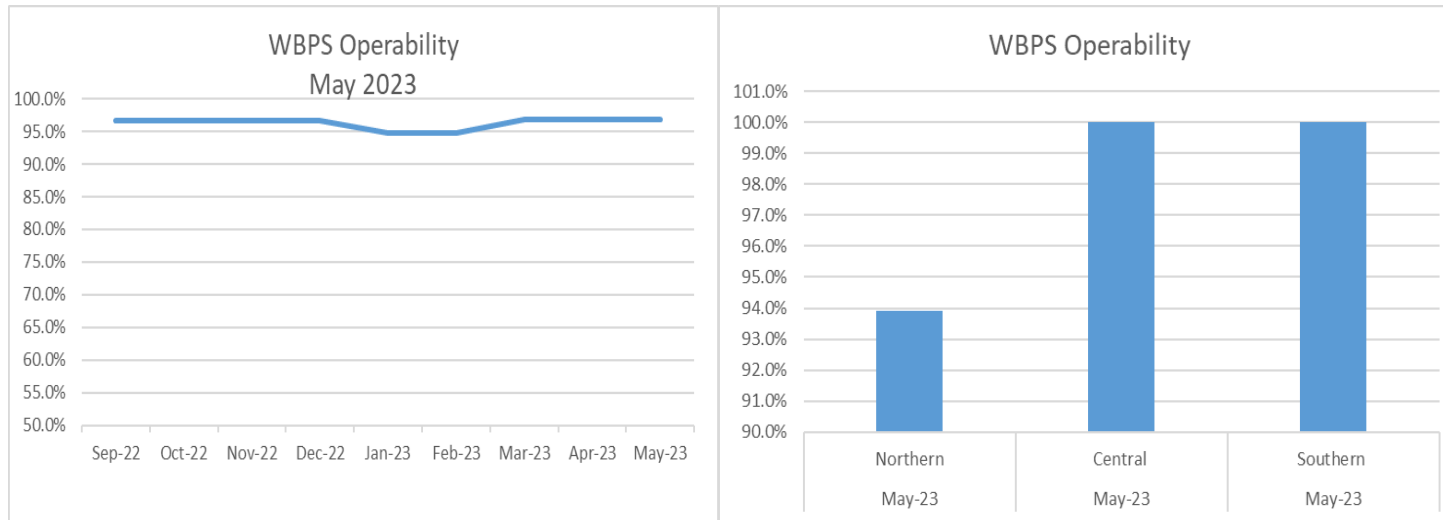


Tumon Maui Well Production (May 2023)



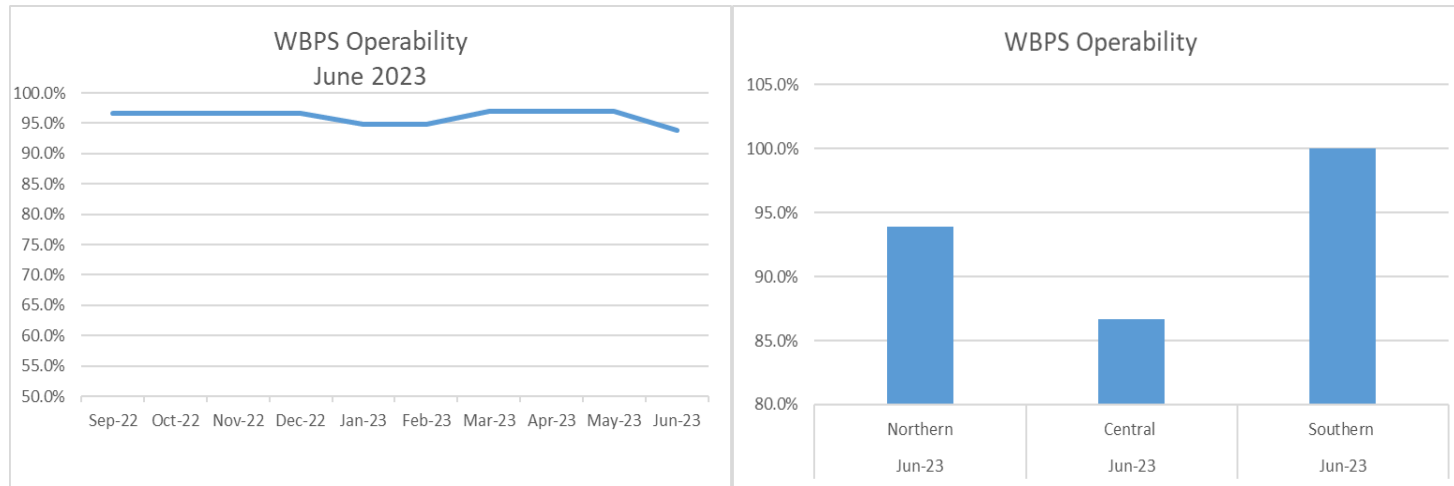
Distribution (May 2023)

Monthly Distribution Summary - May 2023					
Water Booster Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	14	33	31	93.9%
	Central	7	15	15	100.0%
	Southern	7	16	16	100.0%
		28	64	62	96.9%

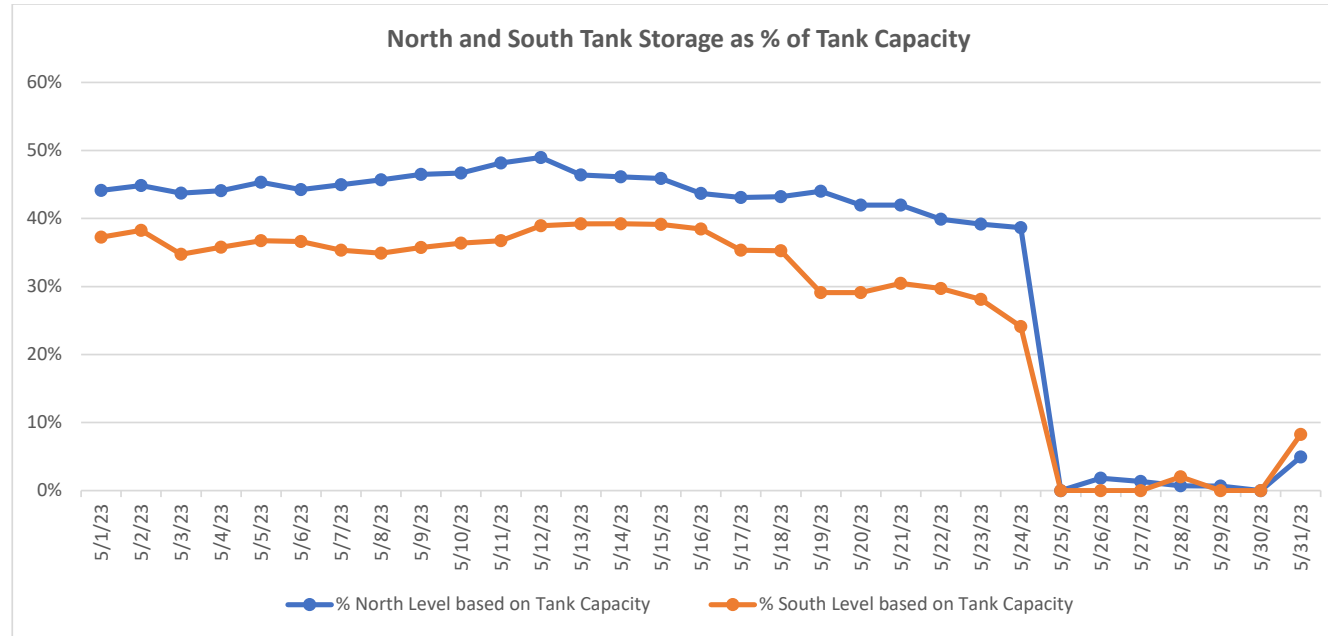


Distribution (June 2023)

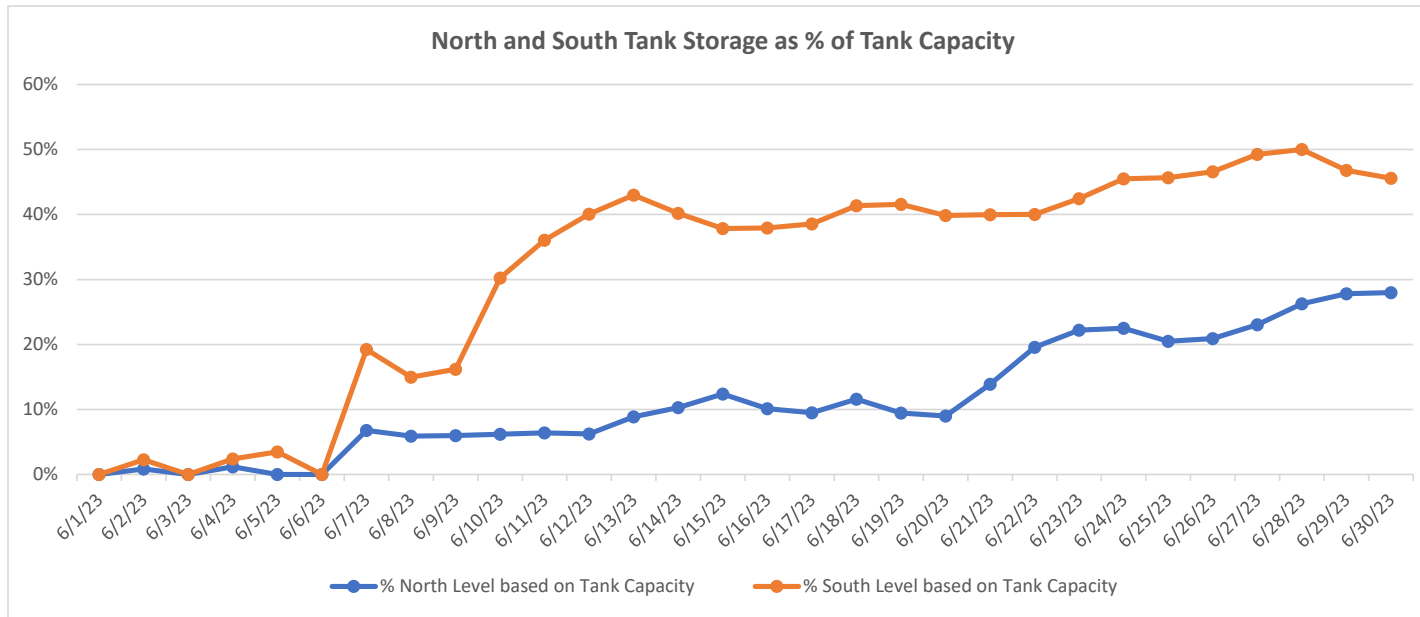
Monthly Distribution Summary - June 2023					
Water Booster Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	14	33	31	93.9%
	Central	7	15	13	86.7%
	Southern	7	17	17	100.0%
		28	65	61	93.8%



Distribution – Tank Levels (May 2023)

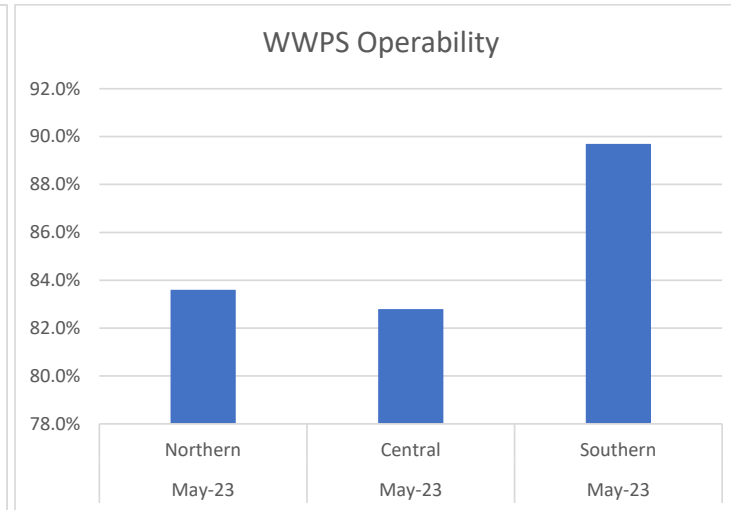
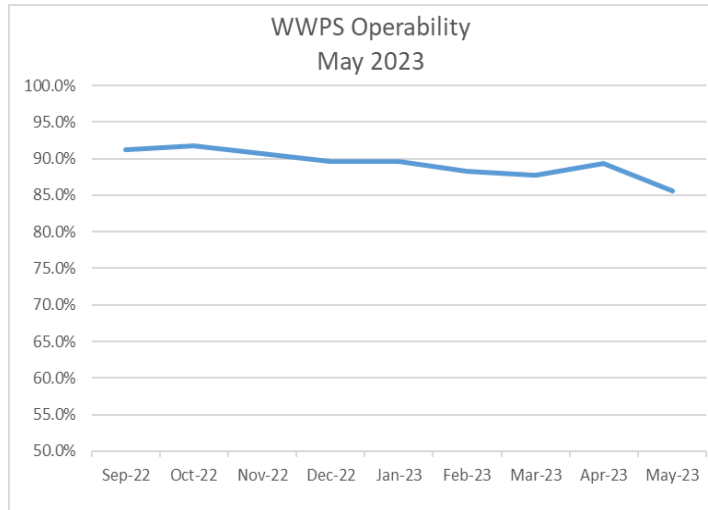


Distribution – Tank Levels (June 2023)



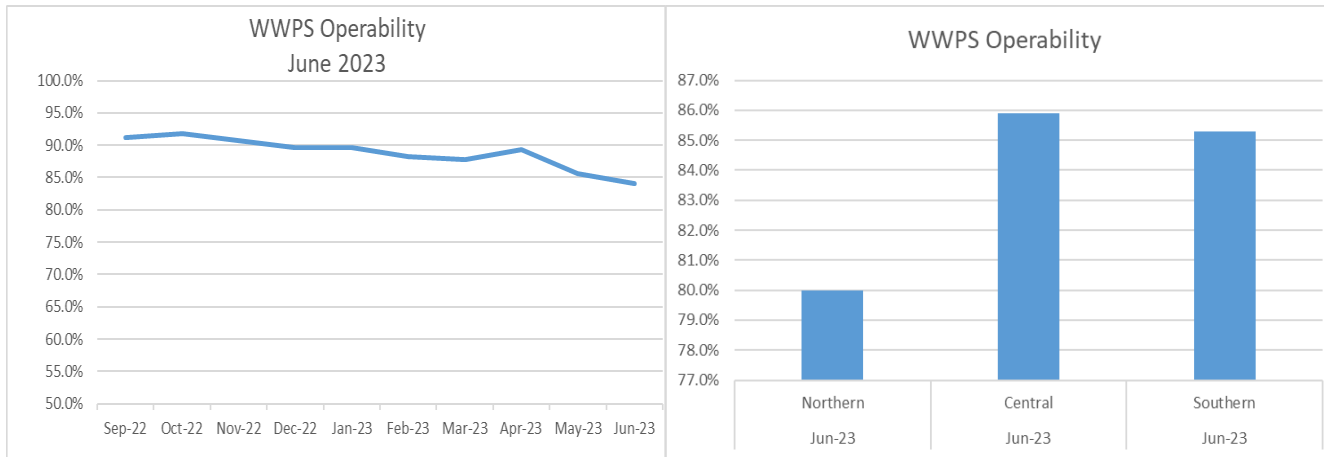
Wastewater Collections (May 2023)

Monthly Collections Summary - May 2023					
Wastewater Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	23	55	46	83.6%
	Central	29	64	53	82.8%
	Southern	32	68	61	89.7%
		84	187	160	85.6%

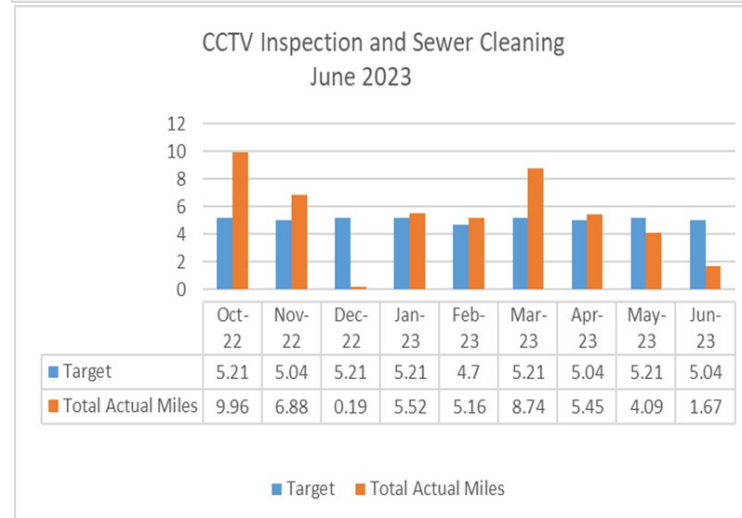
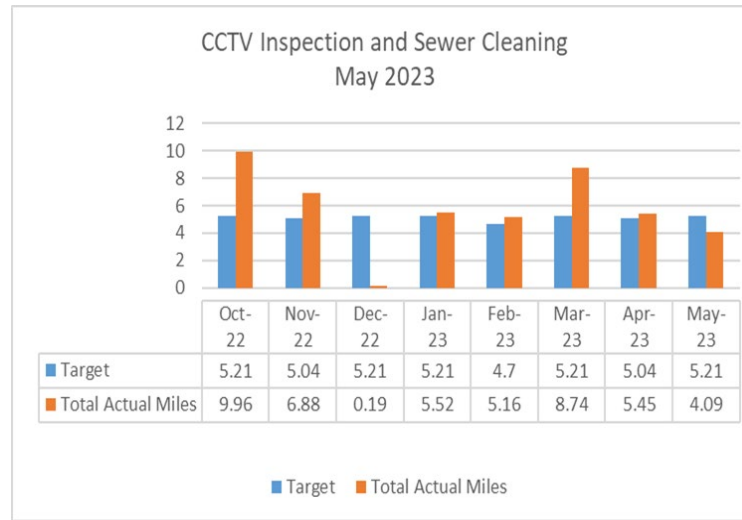


Wastewater Collections (June 2023)

Monthly Collections Summary - June 2023					
Wastewater Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	23	55	44	80.0%
	Central	29	64	55	85.9%
	Southern	32	68	58	85.3%
		84	187	157	84.0%



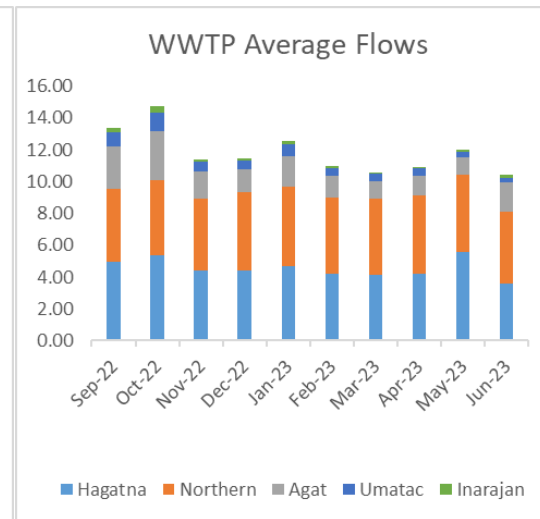
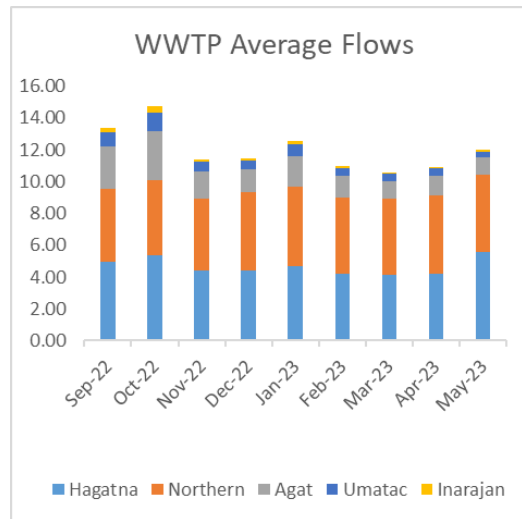
Wastewater Collections - CCTV (May and June 2023)



Wastewater Treatment (May and June 2023)

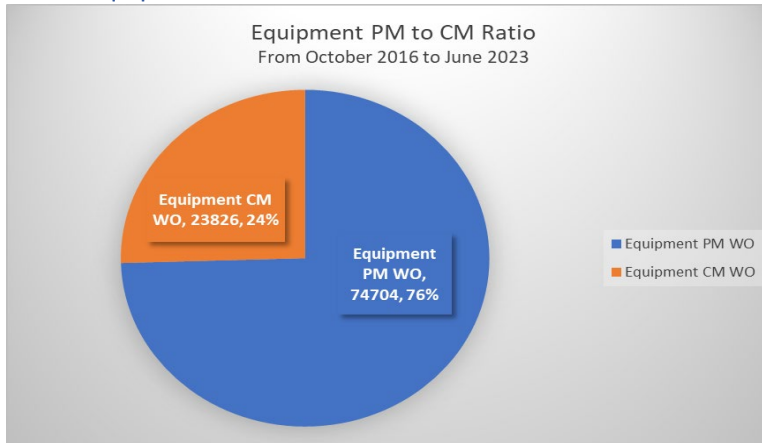
Monthly Wastewater Treatment Summary - May 2023				
WW Treatment Plants - Flows				
Facility	Avg. Daily Flows	Sludge (lbs)	Sludge Disp. (\$)	
Hagatna	5.57	220,040	\$ 19,804	
Northern	4.85	277,460	\$ 24,971	
Agat	1.14	60,360	\$ 5,432	
Umatac	0.29			
Inarajan	0.18			
	12.03	557,860	\$ 50,207	

Monthly Wastewater Treatment Summary - June 2023				
WW Treatment Plants - Flows				
Facility	Avg. Daily Flows	Sludge (lbs)	Sludge Disp. (\$)	
Hagatna	3.59	120,120	\$ 10,811	
Northern	4.53	146,400	\$ 13,176	
Agat	1.86	59,560	\$ 5,360	
Umatac	0.26			
Inarajan	0.18			
	10.42	326,080	\$ 29,347	

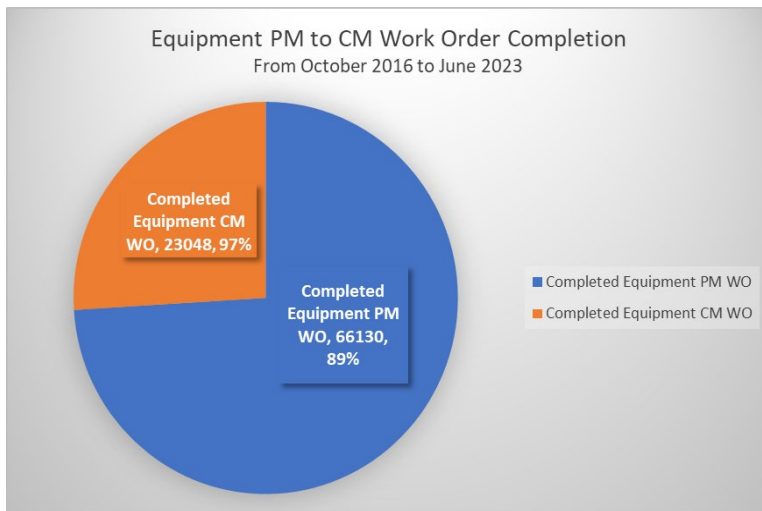


Asset Management (through June 2023)

I. Equipment Preventive Maintenance to Corrective Maintenance *Ratio*

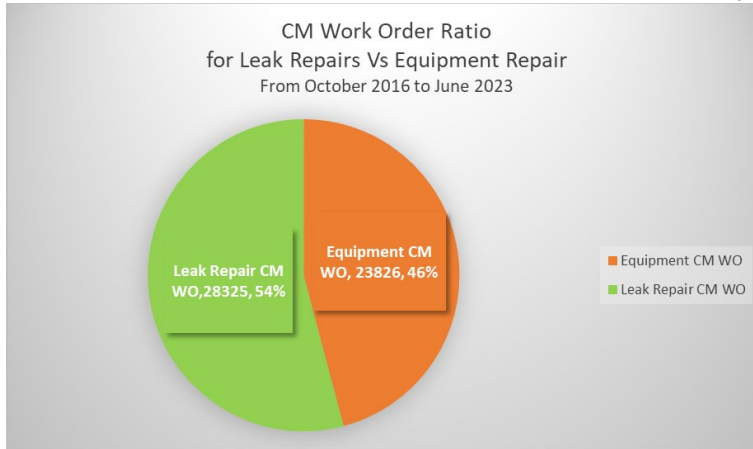


II. Equipment Preventive Maintenance to Corrective Maintenance *Work Order Completion*

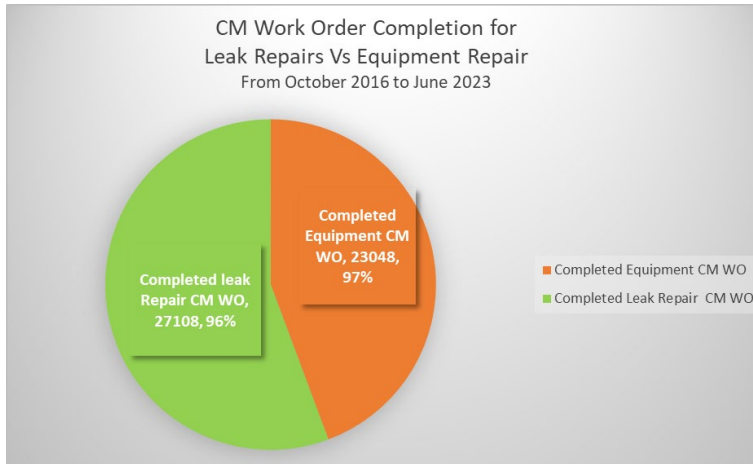


Asset Management (through June 2023)

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



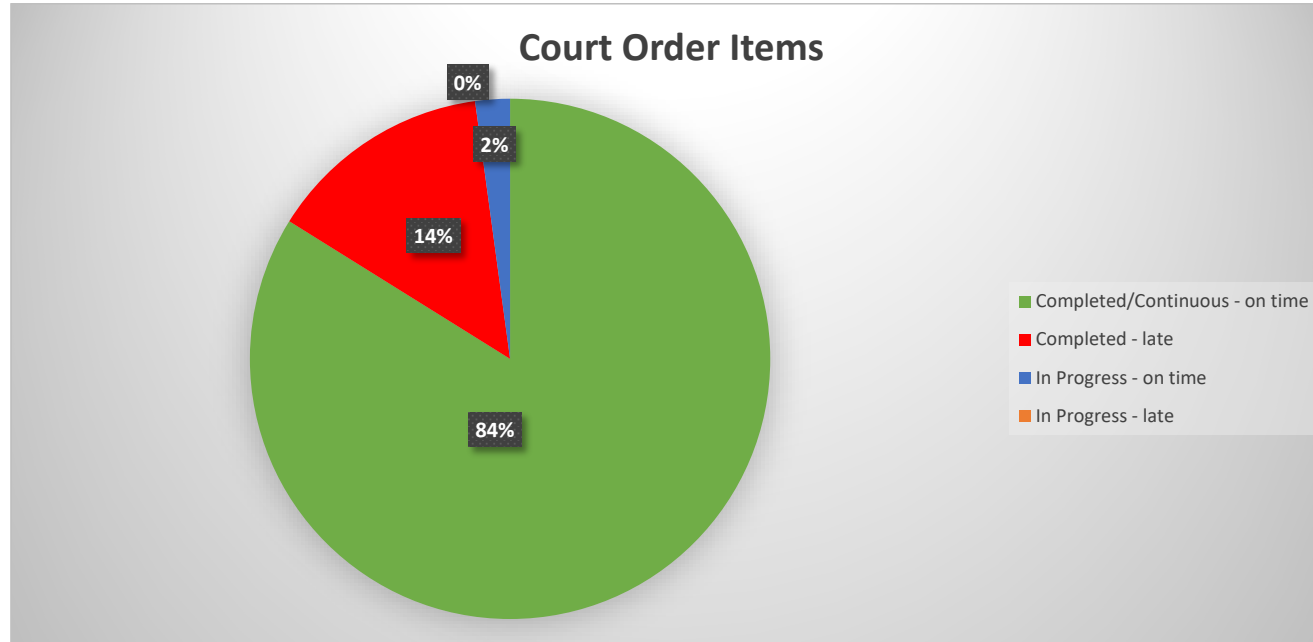
IV. Corrective Maintenance Work Order **Completion** for Leak Repairs vs. Equipment Repair



One Guam Update (May and June 2023)

- Tumon Maui Well
 - Lease/Licenses for 2022 (TMW, AG-1, Tarague, etc.) – No response from DOD Real Estate.
 - Change to inspections on a semi-annual basis – next inspection will be **July 19, 2023**
 - Request for Increase of Production Rates – Temporary (30-day) increase allowed for Mawar response; permanent increase still pending.
- No update on property issues for the following:
 - AG-1
 - Water Line Easement – No update.
 - Increase Production Request – Temporary (30-day) increase allowed for Mawar response; permanent increase still pending.
 - Transfer of Navy Laterals at Murray Road to GWA – No update.
 - Transfer of ACEORP – No update.
 - Cetti Bay Easement – Extension for the use of easement to DOD -No update (still at AG's Office);
 - GWA WW Collection System Easement Request for Marbo Property – No update.
 - Schoeffel Heights/Murray Road Access (ROE) – No update.
- Projects for Interoperability and collaboration
 - Water Line at Cabras
 - GWA requested an update on the water line at Cabras. GPA interested in obtaining water line and then transferring it to GWA. The Navy line is still used as a back-up for fire suppression.
 - Potential Military Connection Requests
 - There may be several locations that the military may request to tie in with GWA for both water and wastewater. Wanted to make GWA aware and if feasible at all; know that at some point would have to figure out how much they would require so can figure if have the capacity/supply. GWA will need to model it and will need the water demand.
 - Another potential connection will probably be a sewer connection on Cross Island, near the Tarzan Falls area. GWA will work with DOD to see where the nearest gravity section is; most is force main along that road.
 - Other Technology to address PFAS
 - DOD is conducting a study to test different technologies including GAC, ion exchange, SAP and another technology or a combination of technologies. Most probably the combination will be GAC and SAP. Once have the report (hope to get in about 5-6 months), Navy will share that with GWA.

Court Order Summary (through June 2023 – no updates)



Court Order Summary

	Court Order Items	%	Performance % Completed	Performance (on-time or completed)
Completed/Continuous - on time	78	84%	97.8%	100.0%
Completed - late	13	14%		
In Progress - on time	2	2%		
In Progress - late	0	0%		
Totals	93	100%		

Court Order – Status Information (May and June 2023)

No CO delays since the approval of CO time extension.

- Final Date to complete CO 29(b) - December 31, 2025.
- Overflow or Bypass events reported to USEPA (not storm related):
 - 5/04/2023, SSO#776, Rt. 1, Tamuning, manhole overflow-FOG, 355 gals
 - 5/18/2023, SSO#778, Harmon PS, Route 16, manhole overflow-FOG, 778 gals
 - 6/26/2023, SSO#821, Lefever St., Agana Heights, clean out, FOG, 830 gals
- Overflow or Bypass events reported to USEPA (Typhoon Mawar through June 26, 2023):
 - SSO#779 through SSO#820 – various locations island-wide (details to be provided in separate report).

Land Acquisition Summary (through June 2023 – no updates)

GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
Tanks	Astumbo	Gov't. - CLTC	Petition of Land Registration package forwarded to Attorney General by DLM 11/04/19. AG pending court filing 06/30/2021. Follow up status sent to DLM on 09/02/2021, 10/06/2021, 11/03/2021, 01/27/2022, 03/04/2022, 05/12/2022, 07/07/2022 and 09/12/2022. DLM response 09/26/2022 still pending with DLM legal counsel.
	Piti	Private	Received final comments from DoAg. Waiting on the archaeological report before we can submit 299 form. Waiting for permission from NPS to access the lot and perform the Archeological survey.
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 7/10/19. DCA submitted parceling map to DLM for review and comments on August 18, 2021, waiting for their review comments. ROE Agreement information sent to GWA legal counsel for further review and processing 01/28/2022; Follow up status sent to DCA 03/04/2022 and 07/08/2022.
Booster Pump Station	Agfayan	Private	TGE working on structural design for pump station area for L28, B19, T3734, Inalahan 11/07/19. Letter of Decision received by CLTC 06/09/2021. CLTC has responded for in-kind service letter 10/08/2021. 1 st Appraisal Report submitted to GWA on 05/11/2022. 2 nd appraisal submittal to GWA 09/20/2022. Appraisal report sent to GM/legal counsel for review, approval and response 09/22/2022.

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Land Acquisition Summary (through June 2023 – no updates – continuation)

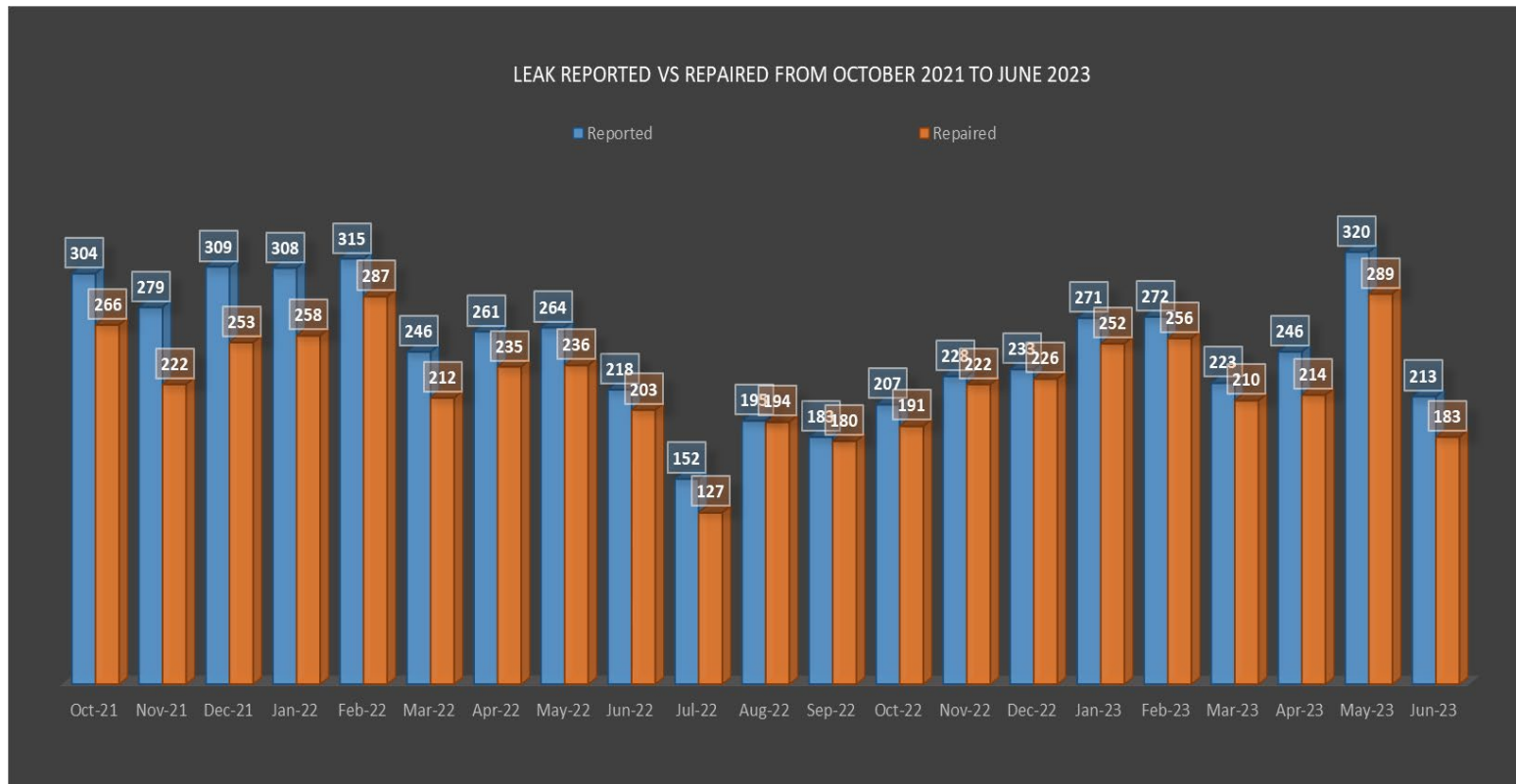
GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
Asan Springs	Asan	Federal	<p>In order for NPS to issue a land ROW agreement with GWA, NPS has to complete NEPA first. GWA has HDR under contract to perform this work and an Environmental Assessment (EA) will be developed. The permit for the biological survey was submitted on 6/12/2020 and was signed by NPS on 1/22/2021. Further coordination between NPS and SHPO is pending to determine necessary approach for an archaeological survey. New Chief of Resources for War in the Pacific National Historical Park, Timothy Clark, hired. Replacing Tahzay Jones, who was previously working with us. HDR working with Tim Clark on coordinating things with NPS.</p> <p><u>Biological Survey:</u></p> <ul style="list-style-type: none"> • Fieldwork completed, 2/10/2021. Based on a preliminary finding by HDR’s biologist they have found snails close to the site, and within NPS proposed ROW, and outside the proposed ROW. Draft report submitted to NPS, 4/1/2021. • Comments received from NPS, 6/4/2021. • Final Report submitted to NPS, 6/12/2021. • NPS submitted Biological Survey to USFWS, 9/28/2021. met with NPS, USFWS, DOAG on 10/22/2021 to discuss survey and possible Biological Assessment (BA). • HDR working with NPS to develop formal BA pending template of BA from USFWS; HDR completed draft Public Scoping Document for NPS review for NEPA process, 11/05/2021. Still waiting on NPS for edits/comments on Scoping documents/BA for NEPA. <p><u>DOAG Environmental Consultation Letter:</u></p> <ul style="list-style-type: none"> • HDR sent Request letter sent to DOAG (Dep of Ag) on 3/15/2021. • GWA followed up with DOAG on 6/25/2021. • DOAG responded on 7/1/2021, but did not reach GWA Eng. until 8/4/2021; HDR review response letter and will respond soon. • Pending response from HDR if they had previously sent over their Biological Survey <p><u>SHPO Letter:</u> Pending archaeological survey requirements from SHPO.</p> <ul style="list-style-type: none"> • SHPO Letter sent to NPS for review, 5/29/2021; rec’d. first comments on 7/1/2021. • Submitted revised letter on 7/12/2021; rec’d. comments on 8/9/2021. • Resubmitted letter to NPS on 9/15/2021. • NPS submitted Environmental Consultation Request to SHPO, 10/20/2021; SHPO responded to NPS on 12/28/2021 for NEPA.

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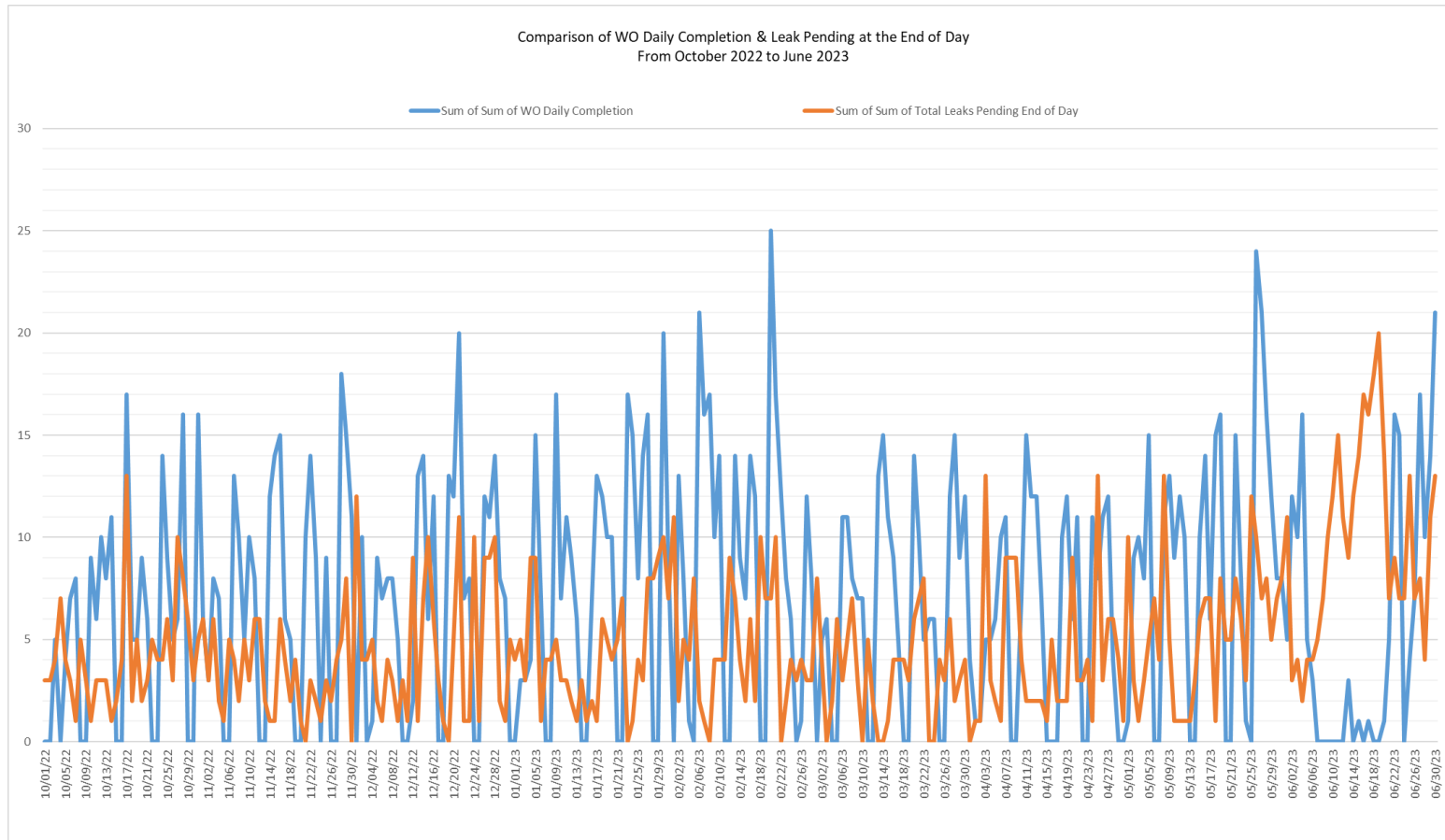
Land Acquisition Summary (through June 2023 – no updates – continuation)

GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
Asan Springs	Asan	Federal	<p><u>Asan Springs – Public Meeting:</u></p> <ul style="list-style-type: none"> Public engagement meeting was held at the Asan Mayor’s office on 4/19/2022. The purpose of the public meeting was to inform the public about the rehabilitation of Asan Spring project and its unique property condition being on NPS and GWA land. As of 6/24/2022, NPS has not received any public comments. <p><u>Biological Assessment Report:</u></p> <ul style="list-style-type: none"> A draft report reviewed by USFW was given to HDR and was issued to GWA and NPS for further input on 5/24/2022. The Final Report is pending comments from NPS; HDR to make revisions based on NPS and GWA comments to the report before sending it to USFW for review and acceptance. <p><u>Environmental Assessment:</u></p> <ul style="list-style-type: none"> HDR is in the beginning process of getting a draft to NPS for review. The EA will include the NEPA process and follow all necessary requirements for compliance to obtain a ROW agreement with NPS.

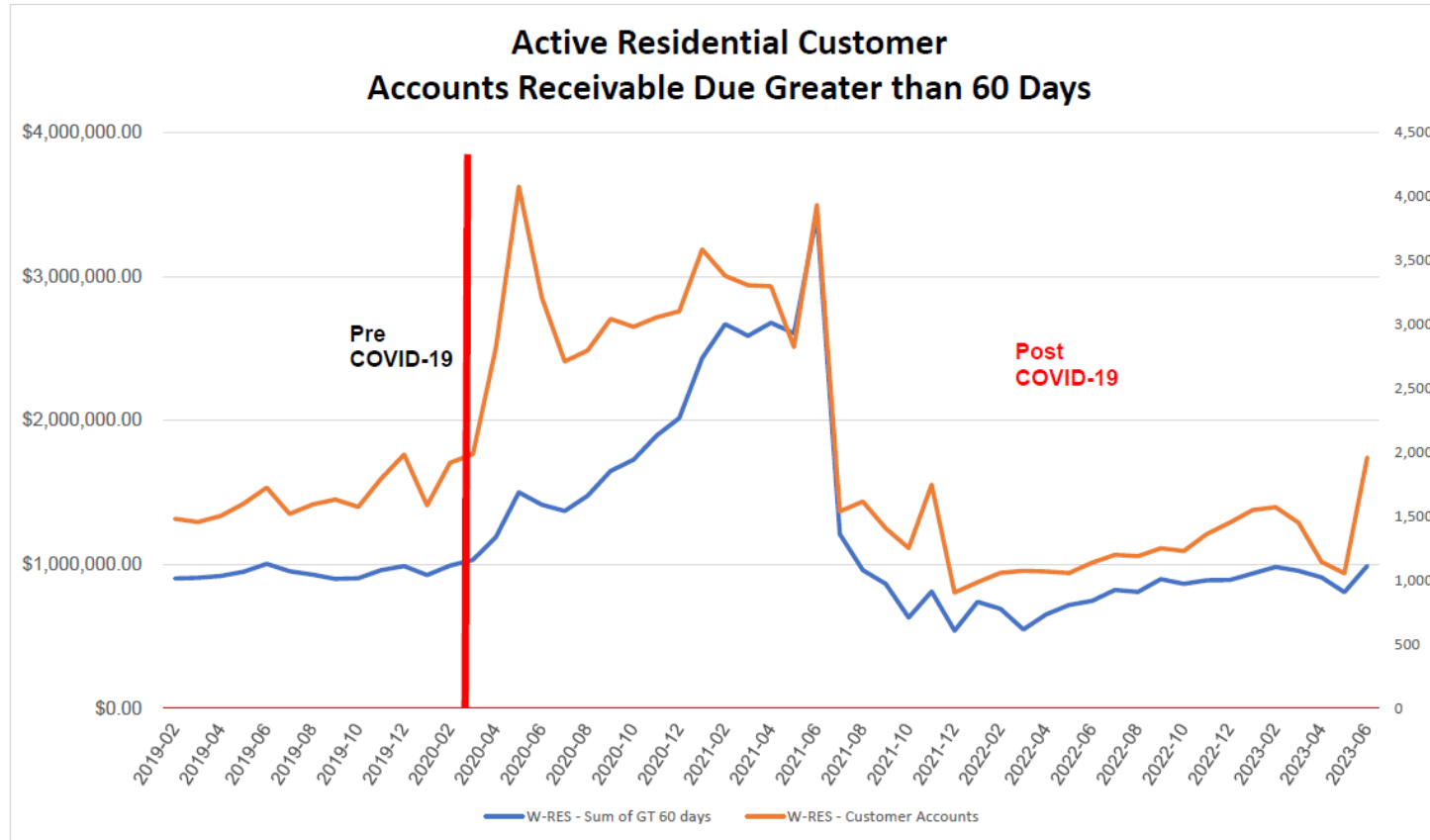
Comparison of Leaks Reported vs. Leaks Repaired (through June 2023)



Daily Leak Repairs (through June 2023)

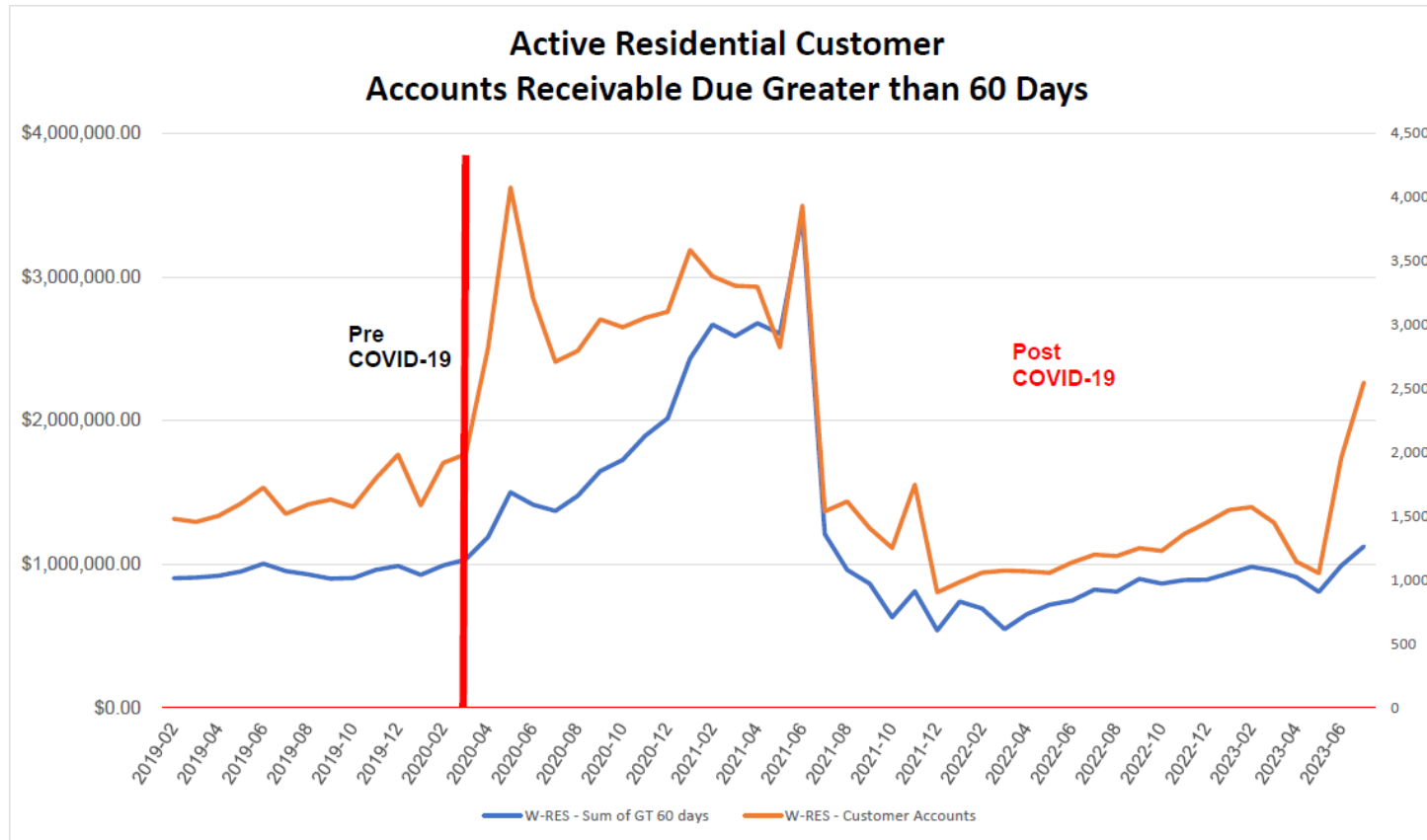


Accounts Receivables – Active Residential Customers (dated June 14, 2023)



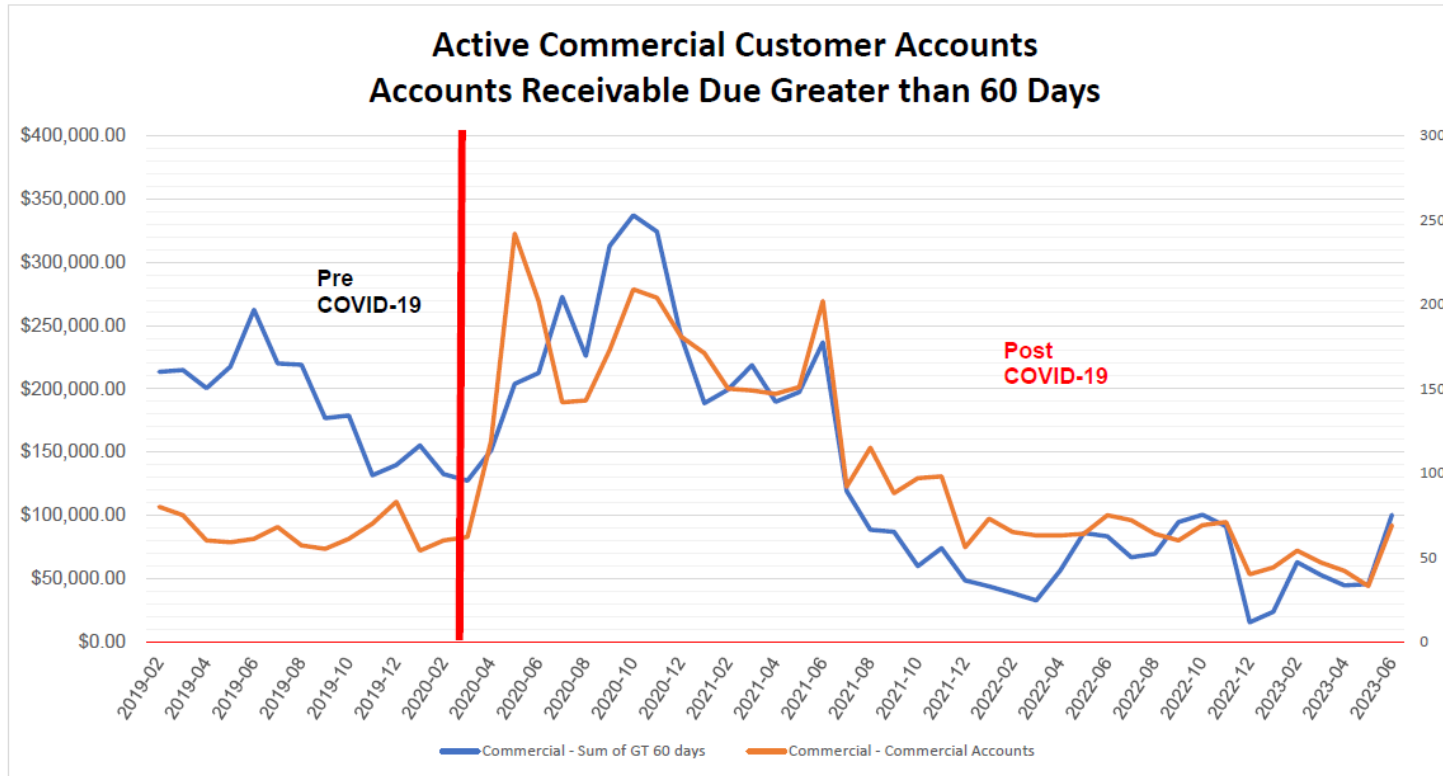
* Excluding customers on payment plans

Accounts Receivables – Active Residential Customers (dated July 13, 2023)



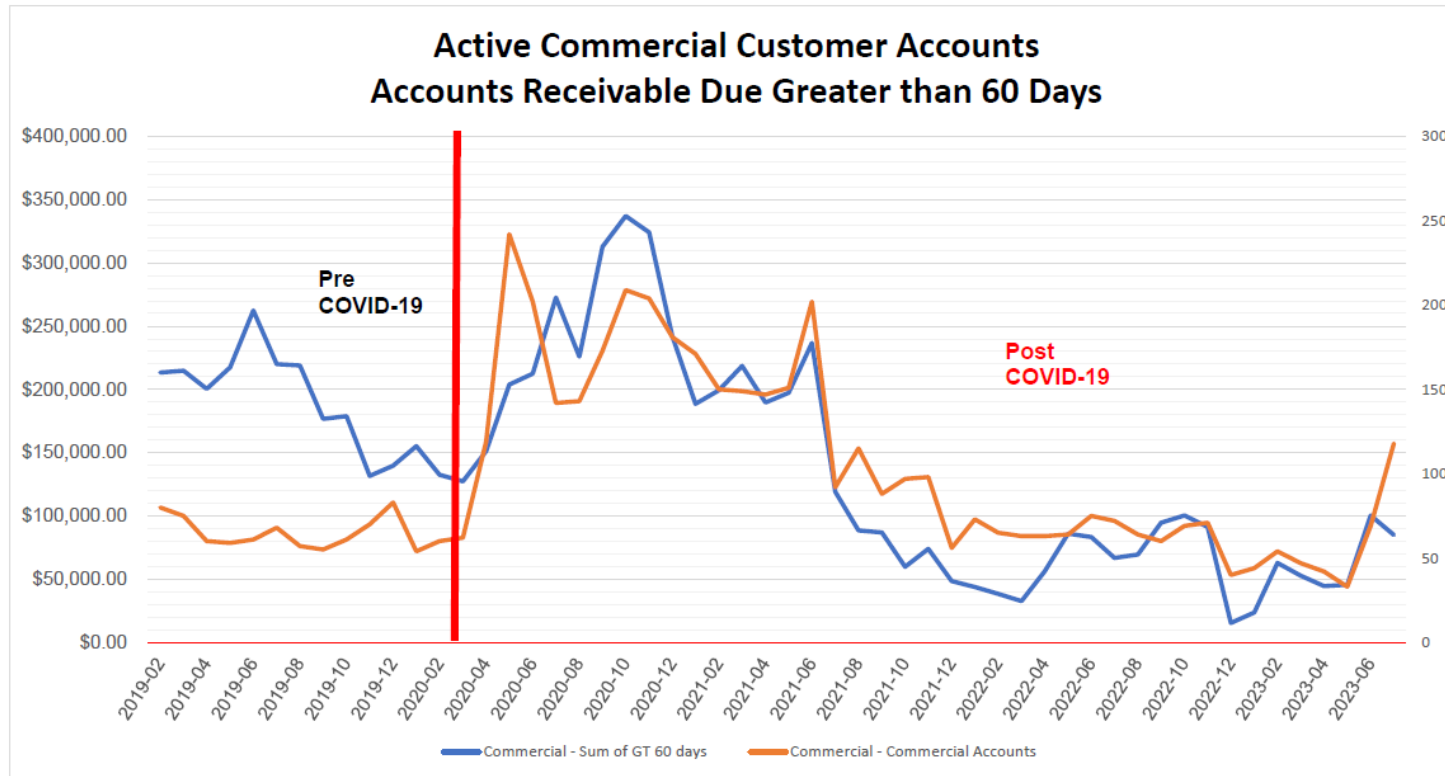
* Excluding customers on payment plans

Accounts Receivables – Active Commercial Customers (dated June 14, 2023)



* Excluding customers on payment plans

Accounts Receivables – Active Commercial Customers (dated July 13, 2023)



* Excluding customers on payment plans

Highlights of Customer Care Section Operations – May 2023:

- The average wait time for all 3 locations is 3.5 minutes, shorter wait time as compared to April 2023 @ 5 minutes on average.
- 3 Customer Service lobbies were closed the entire day on 05/22/23, 05/23/23, 05/24/23, & 05/25/23 due to Typhoon Mawar. Employees returned to work on Friday, 05/26/23 with Fadian and Upper Tumon opening on this day. Julale Satellite Office remained closed due to generator problems and reopened on Tuesday, 05/30/23.
- Customer Service lobbies were closed on May 29 for Memorial Day.
- Customer Service activity was less than a normal month due to operations closing down for 32 hours from Typhoon Mawar and Memorial Day.
- There was a 956% increase in Facebook page visits and 1100% increase in Instagram visits as compared to the previous month's numbers. Our Facebook page responsive rate is maintained @95.1% for the month of May 2023.
- The decrease in calls answered for the month of May 2023 can be attributed to the period GWA Customer Service Section was closed due to the Typhoon. There were issues with the Shoretel phone system after the storm however all voice mail messages left by customers were cleared and responded to by Friday, 05/26/23.
- May 2023 average number of active pay plans is 343 lower slightly from April 2023 @ 385. Activity for the last week of May was primarily restoration related as a result of Typhoon Mawar.
- There was a decrease in emails received @ 354 as compared to last month's total of 414.
- The decrease in field activities this month are due to the restoration work that started on the last week of May 2023 @ 955 as compared to 1175 in April 2023.
- Meter Reading Unit maintains a 99.32% successful electronic read percentage for the month of May 2023 as compared to 99.2% for April 2023.
- The same percentage of customers in May had ongoing leaks @ 13%. This percentage was the same for March, April & now May 2023. SMS, autodialer messages, emails, and letters continue to be sent to GWA customers with high consumption recording on their water meters and leakages recording on their meters.
- Bill cycles 18 and 19, which accounts for approximately 3,924 total customers received estimated readings for the month of May 2023. There are a total of 2,123 customers in bill cycle 18, with meters located in Yona & Talofoto areas and 1,801 total customers in bill cycle 19, with meters located in the Windward Hills, Baza Gardens, and Santa Rita areas.

Highlights of Customer Care Section Operations – June 2023:

- The average wait time for all 3 locations is 6 minutes. There was a slight increase in the number of customer visits in June 2023 largely due to questions about bills.
- The number of emails received and responded to this month doubled from May 2023. Many of the emails received were for Typhoon Mawar recovery questions and bill questions.
- There was a 119% increase in Facebook page visits and 303% increase in Instagram visits as compared to the previous month's numbers.
- June 2023 average number of active pay plans is 218 lower from May 2023 @ 343. Activity for most of June was primarily focused on restoration as a result of Typhoon Mawar.
- The total number of field activities completed for the month of June 2023 is 1056 which compares normally to May 2023.
- Meter Reading Unit maintains a 99.12% successful electronic read percentage for the month of June 2023 as compared to 99.32% for May 2023.
- The number of customers with ongoing leakages for the month of June was just 9% compared to 13% for the month of May 2023.
- Reverse flow incidents recorded on water meters are significantly higher because of the fluctuating water flows in the distribution system as part of the restoration work.



GWA Financial Overview

JUNE 2023





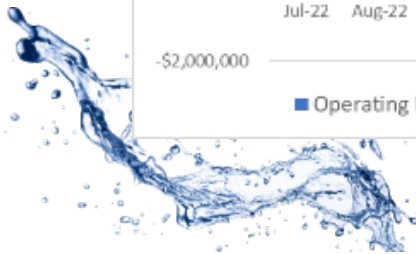
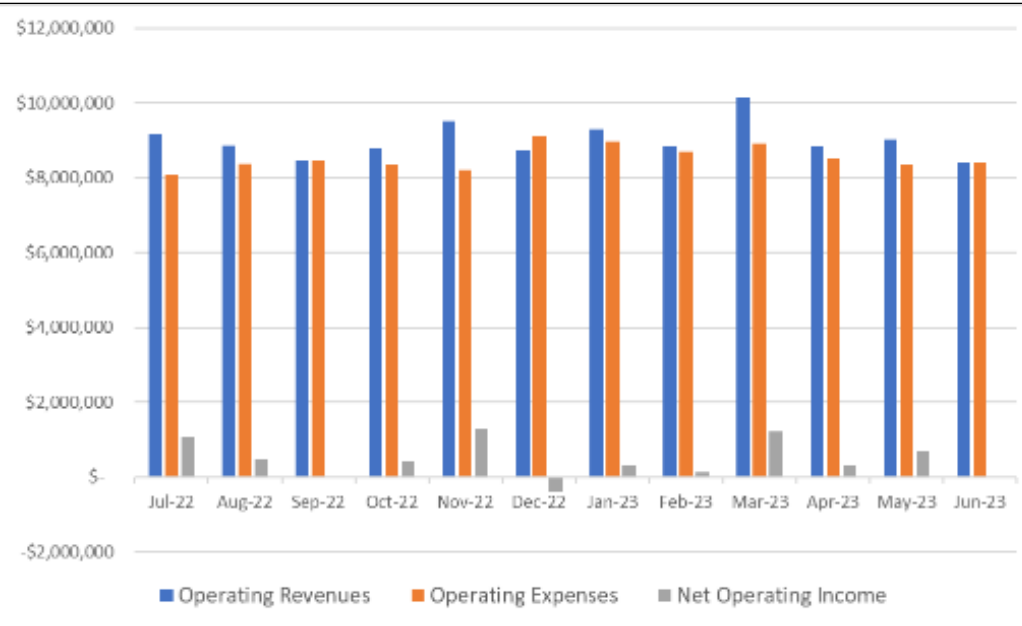
Key Financial Indicators

Indicator	Target	Apr 2023	May 2023	June 2023
DSC YTD				
• Per Section 6.12 of Indenture	1.25	1.35	1.35	1.34
• Per PUC / CCU	1.30	1.35	1.35	1.34
Days - Cash on Hand*	120 days	308 days	299 days	296 days
Collection Ratio				
• Month to Date	99%	114%	88%	101%
• Year to Date	99%	98%	97%	97%
Days Billed	30 days	29 days	29 days	31 days
Account Receivable Days	30 days	34 days	35 days	35 days
Account Payable Days	45 days	31 days	29 days	29 days
Employee Count	400 FTE	351 FTE	358 FTE	357 FTE
Water Demand				
• Month to Date	440,748	404,354	426,415	405,483
• Year to Date	3,966,729	2,986,955	3,413,371	3,818,596
Wastewater Flow				
• Month to Date	318,166	300,408	313,280	286,851
• Year to Date	2,863,497	2,213,696	2,526,976	2,813,827
Water Customers	43,658	43,596	43,606	43,477
Wastewater Customers	30,781	30,831	30,751	30,844



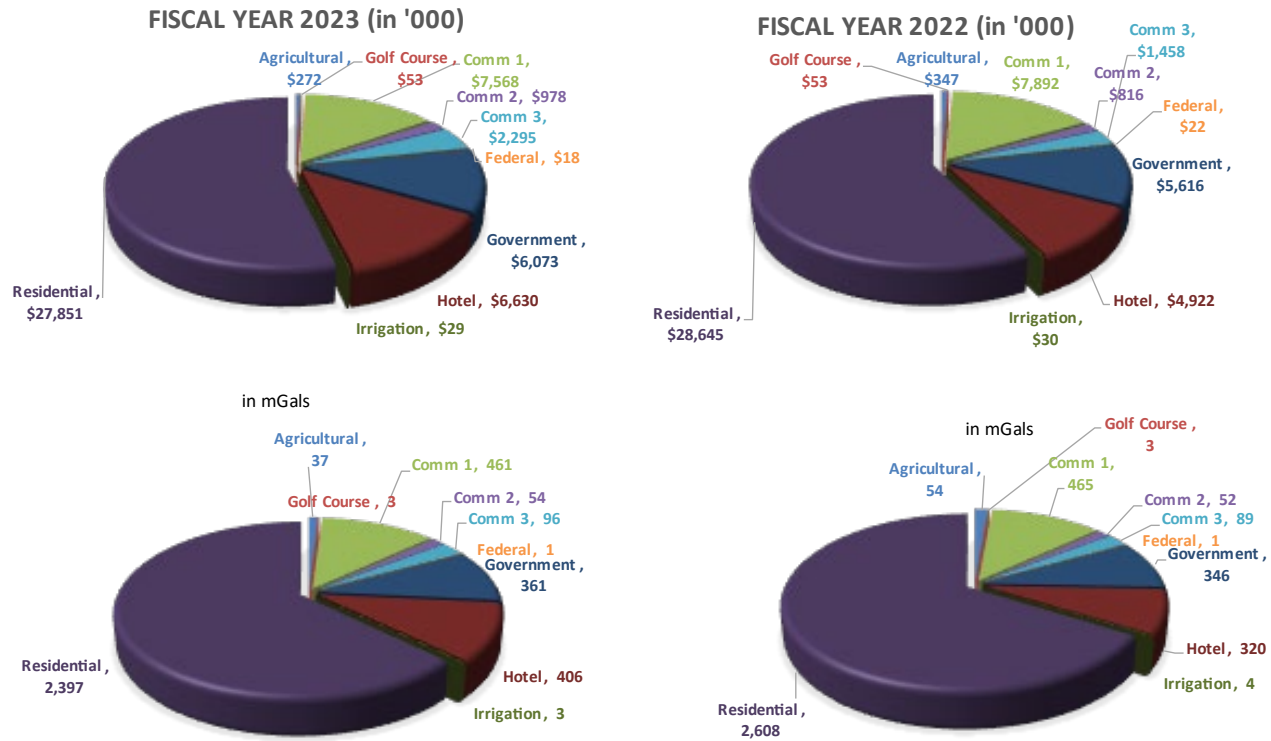


Income Statement



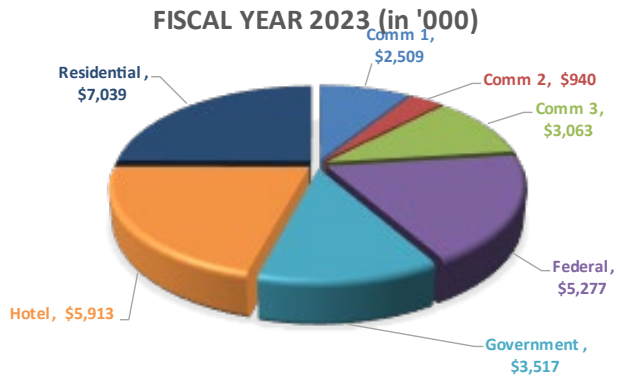


JUNE YTD Water Revenue/Demand by Rate Class

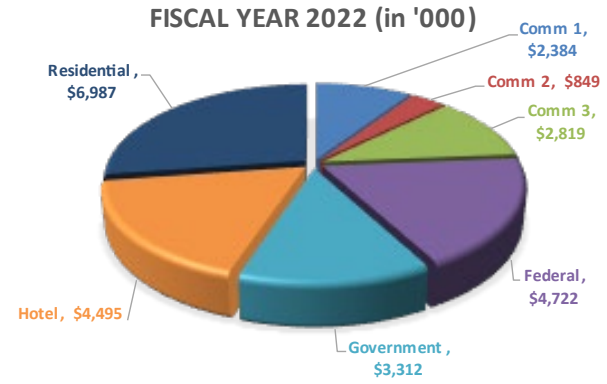




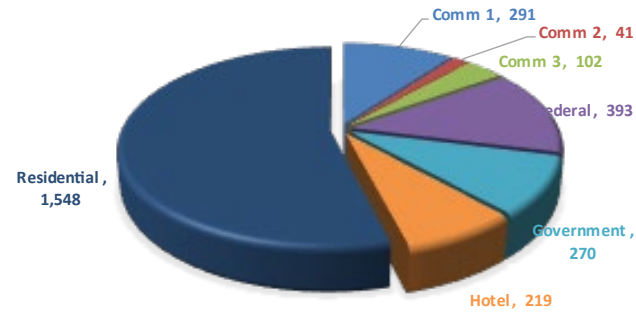
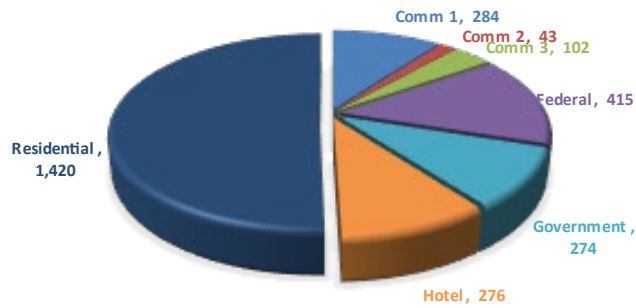
JUN YTD Waste Water Revenue/FLOW by Rate Class



in mGals

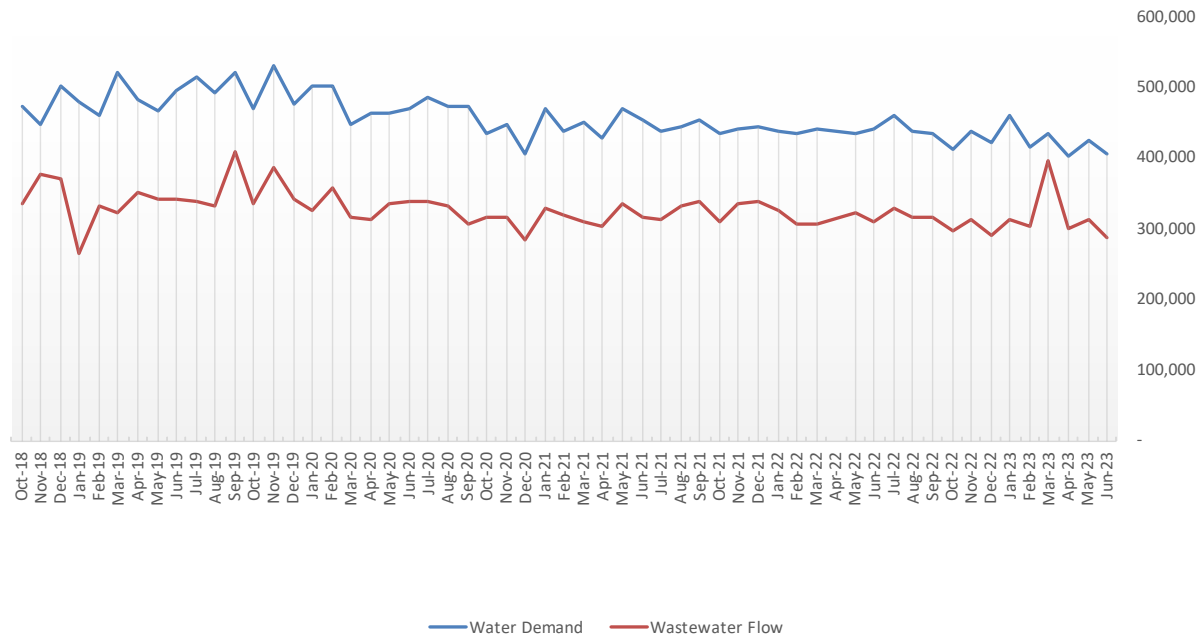


in mGals



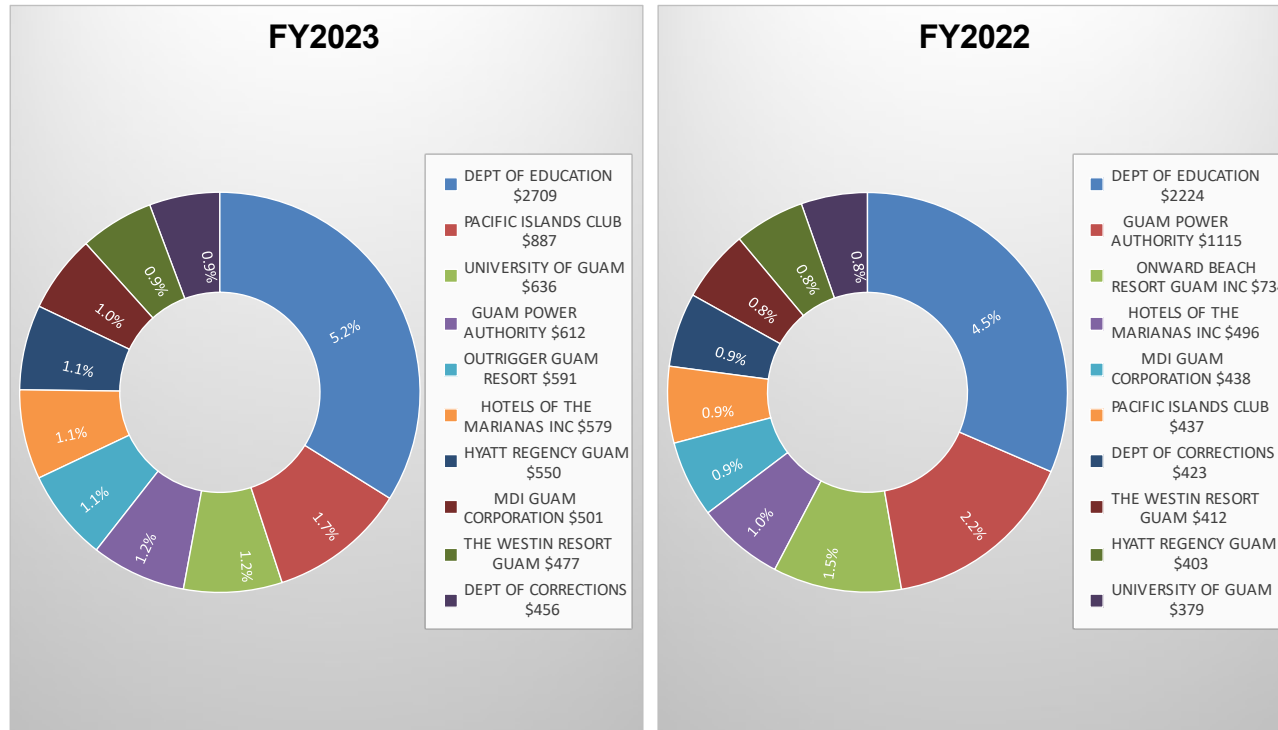


Water Demand & Wastewater Flow – 4 Years



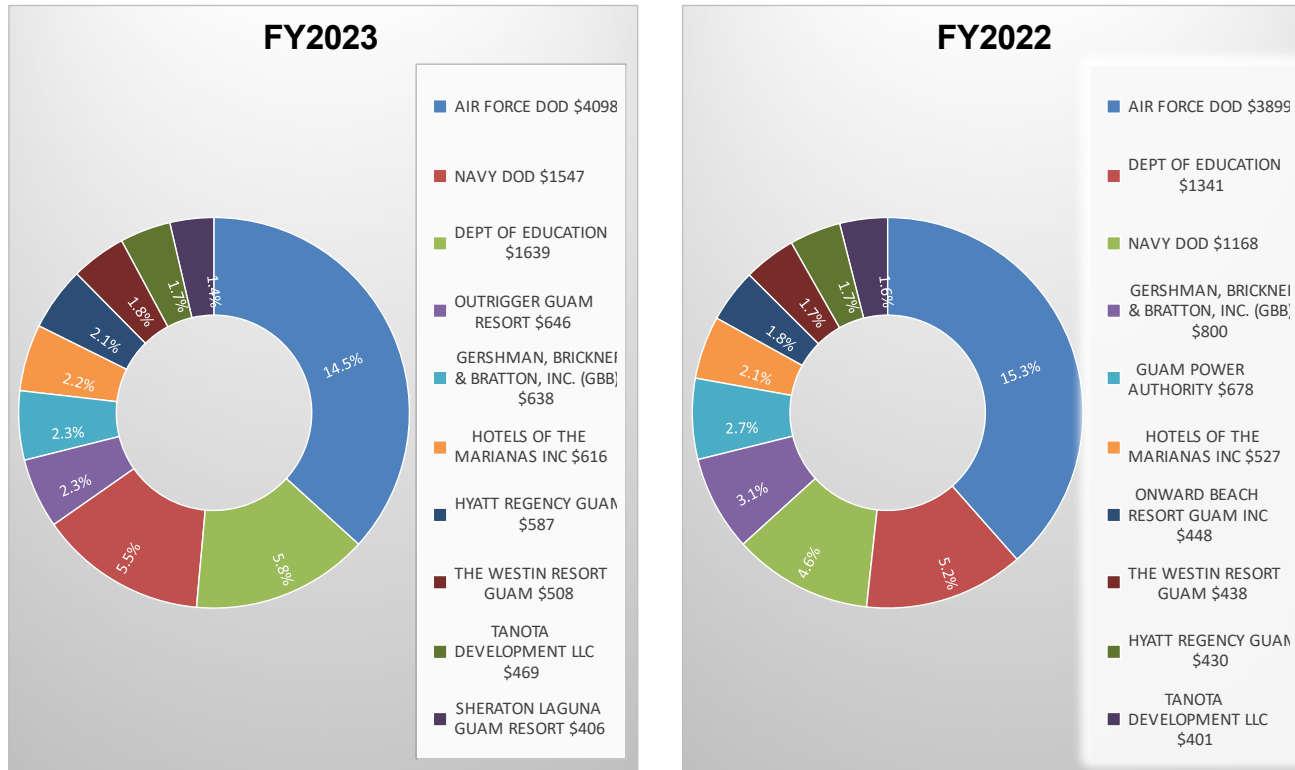


10 Largest Water Customers (JUN YTD)





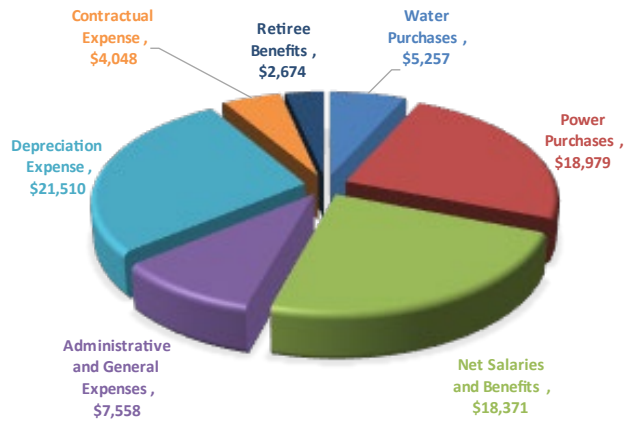
10 Largest Wastewater Customers (JUN YTD)



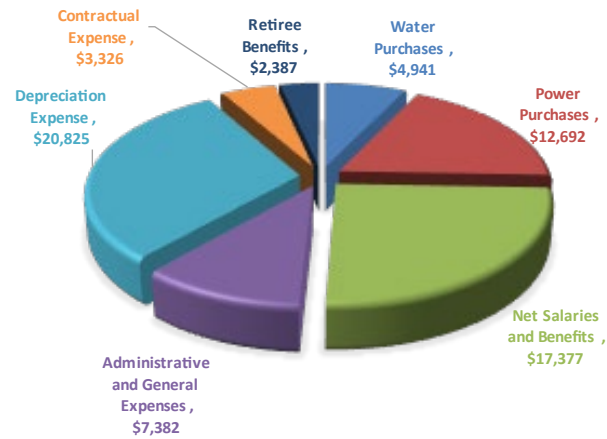


JUN YTD Expenses by Categories

FY2023 (IN '000)

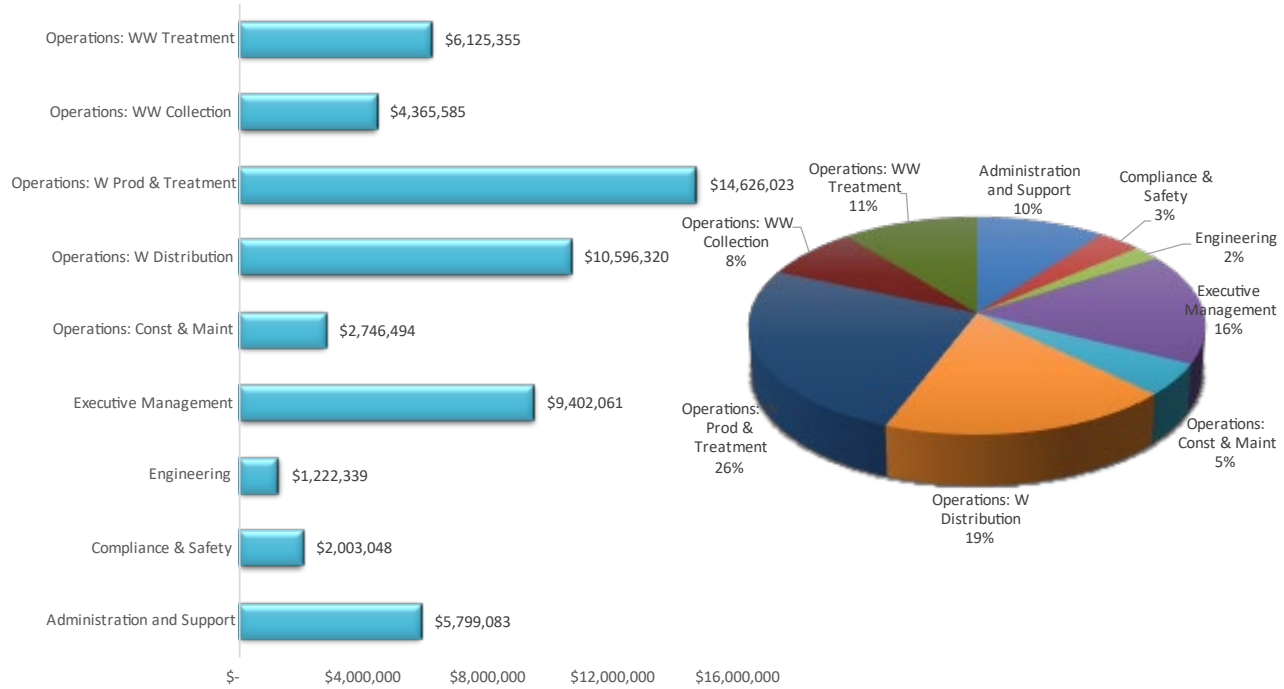


FY2022 (IN '000)



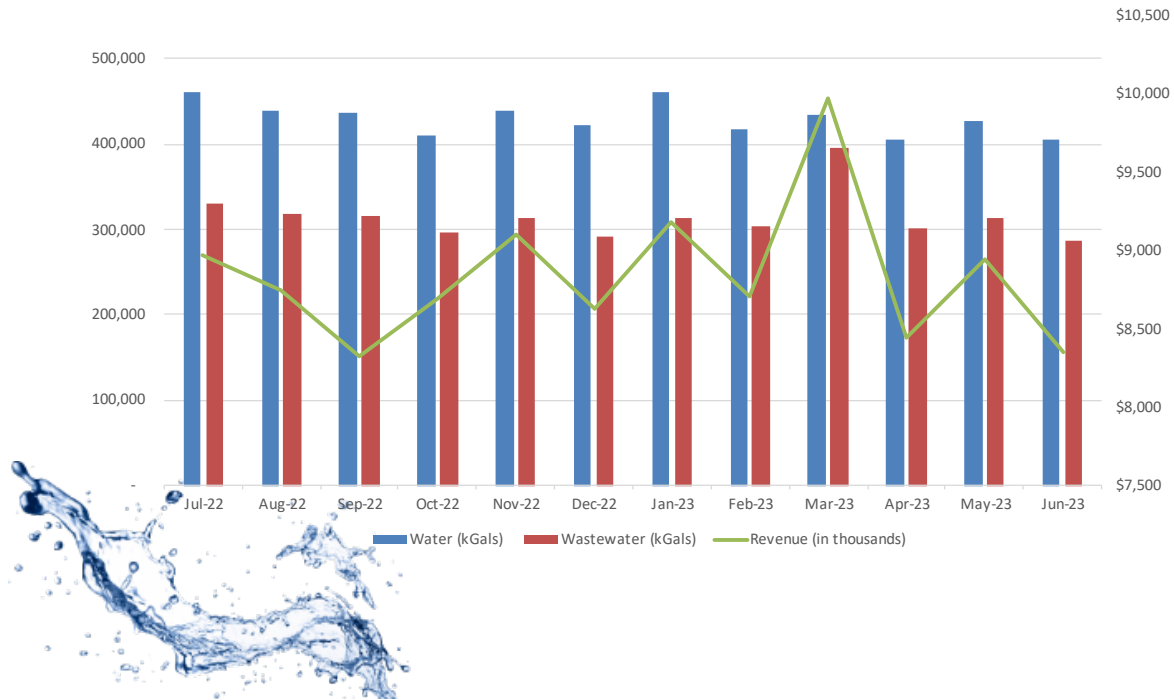


JUNE 2023 YTD O&M Expenses (Excluding Depreciation)



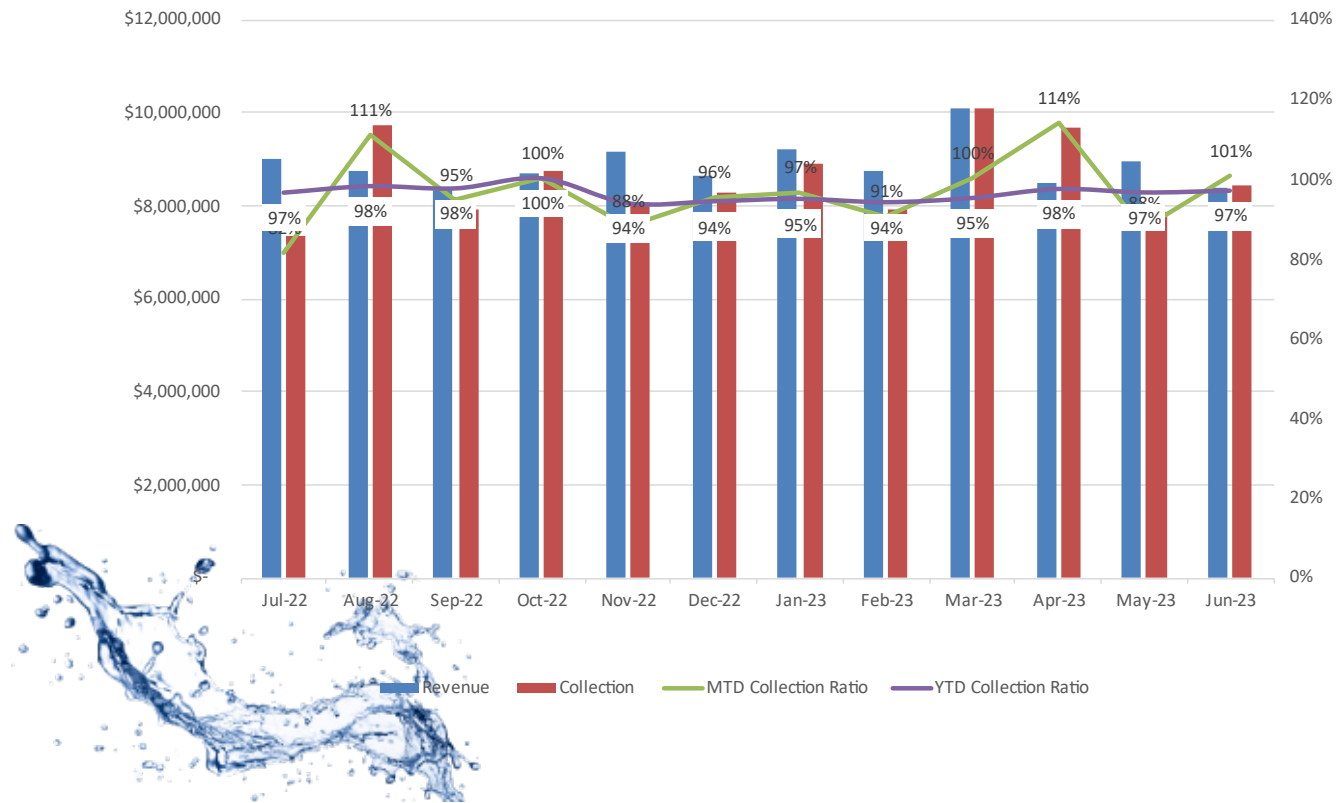


Overall Revenues and Demand



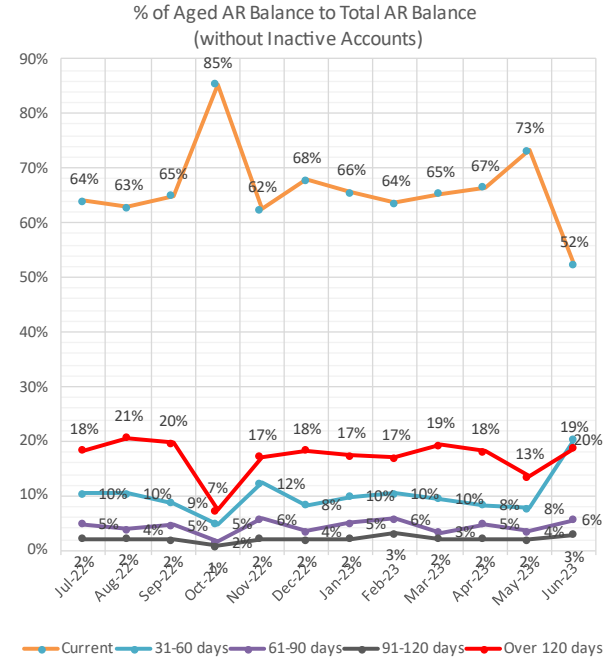
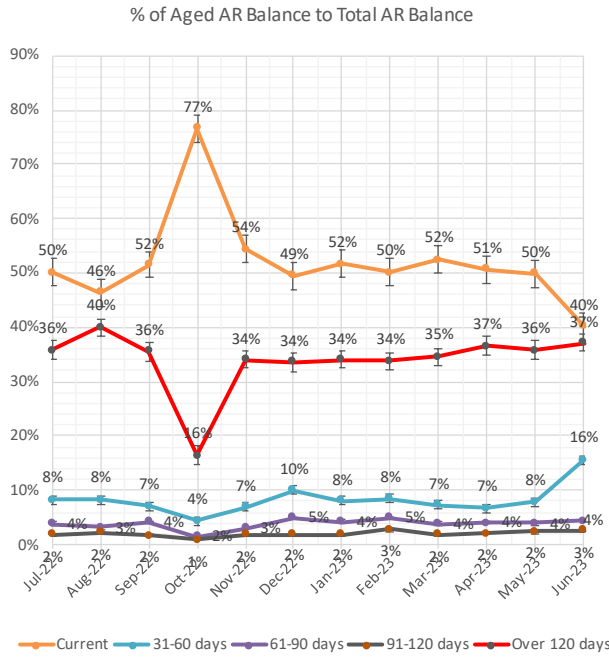


Overall Revenues and Collections



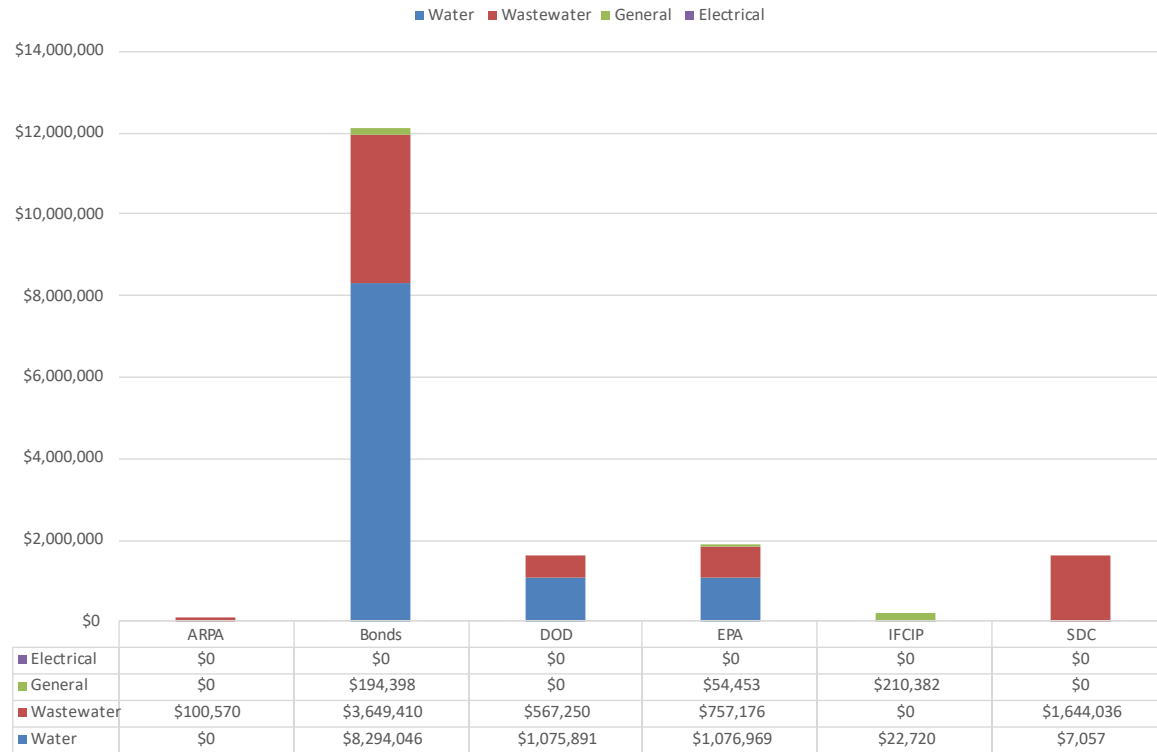


Overall – AR Aging

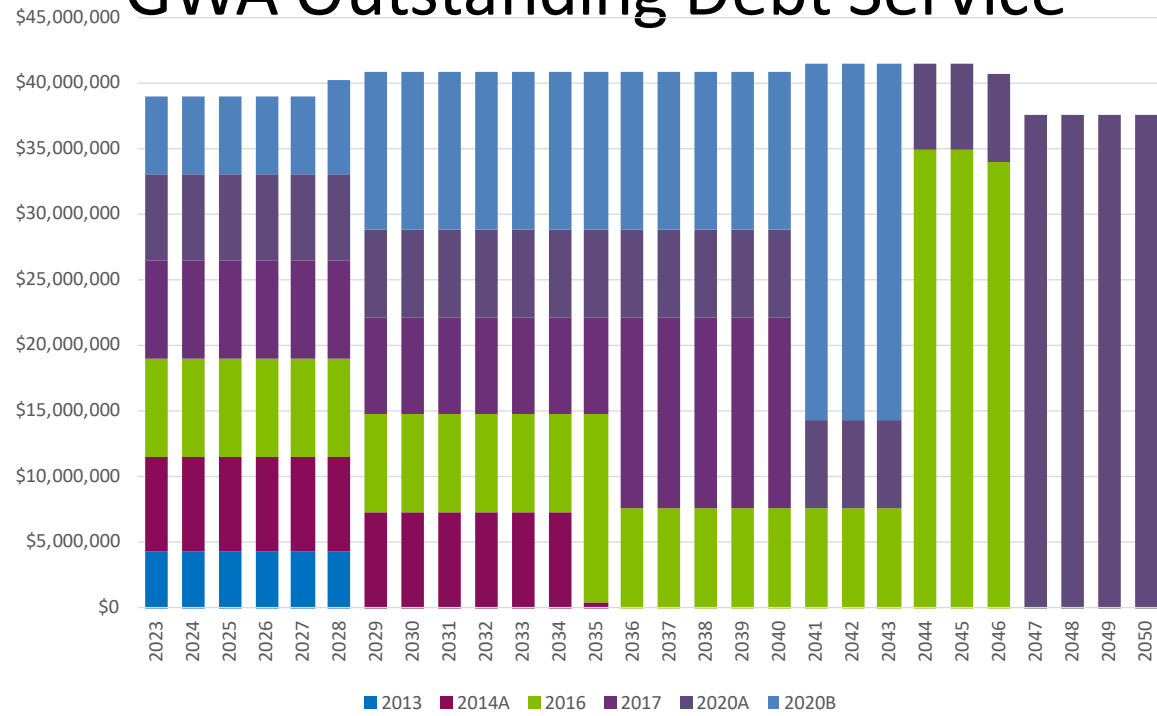




FY2023 YTD CIP Expenditures



GWA Outstanding Debt Service



Source: Guam Waterworks Authority.
 Aggregated by Fiscal Year Ending September 30.



Financial Statement Overview May 2023

Key Financial Indicators

Indicator	Target	Mar 2023	Apr 2023	May 2023
DSC YTD				
• Per Section 6.12 of Indenture	1.25	1.30	1.35	1.35
• Per PUC / CCU	1.30	1.30	1.35	1.35
Days – Cash on Hand*	120 days	306 days	308 days	299 days
Collection Ratio				
• Month to Date	99%	100%	114%	88%
• Year to Date	99%	95%	98%	97%
Days Billed	30 days	30 days	29 days	29 days
Account Receivable Days	30 days	36 days	34 days	35 days
Account Payable Days	45 days	30 days	31 days	29 days
Employee Count	400 FTE	349 FTE	351 FTE	358 FTE
Water Demand				
• Month to Date	440,748	433,888	404,354	426,415
• Year to Date	3,525,982	2,582,602	2,986,955	3,413,371
Wastewater Flow				
• Month to Date	318,166	395,795	300,408	313,280
• Year to Date	2,545,330	1,913,287	2,213,696	2,526,976
Water Customers	43,658	43,641	43,596	43,606
Wastewater Customers	30,781	30,638	30,831	30,751

Water and Wastewater Consumption

Water consumption is 2% less and wastewater flow is 3% less for the month of May compared to last year. Water consumption in the Commercial 2 and 3, and Hotel customer classes increased but not enough to offset reductions in Commercial 1, Agricultural, GovGuam (school ended a week earlier in 2023 compared to 2022) and Residential consumption. Wastewater flows decreased in GovGuam and Residential customer classes. Note that billing days in May this year and last year were 29 days.

Year to Date (YTD) water demand is down 2% while wastewater flows are down 1% as compared to last year. Increases in the Commercial, Hotel and GovGuam customer classes were not sufficient to offset decreases in the Residential and Agricultural customer classes. Wastewater flows decreased in Commercial 1 and Residential customer classes. Note that the number of YTD billing days through May 2023 of 236 days is 4 days less than the prior year's 240 days. See Schedule K for Water Demand for FY2015 to FY2023.

YTD average daily water consumption for May 2023 of 14,463 kgals is 1% less May 2022's 14,583 kgals. Increases in the Commercial, Hotel, and GovGuam customer classes were not enough to offset decreases in Agricultural and Residential average daily water consumption.

Balance Sheet (Schedule A)

- Total Assets & Deferred Outflows of Resources of \$1.22B in September 2022 increased by \$9.7M or 1% to \$1.23B in May 2023. Current Assets increased by \$13.1M primarily due to increases in cash which



includes American Rescue Plan Act (ARPA) funding from the Governor’s Office. Property, Plant and Equipment decreased by \$2.1M due to depreciation. Other Noncurrent Assets increased by \$53K as increases in investments offset decreases in restricted cash used to make payments to contractors and for debt service.

- Liabilities & Deferred Inflow of Resources of \$894.6M in September 2022 decreased by \$557.8K or less than 1% to \$894.1M in May 2023 primarily due to decreases in Contractors’ Payable offset by increases in Accrued and Other Liabilities for deferred revenues related to the ARPA grants.
- Accounts Receivable days in May 2023 were 35 days, compared to 34 days in April 2023. Accounts Payable days were 29 days in May 2023 and 31 days in April 2023. Schedule I presents Accounts Receivable Aging by Customer Class and Schedule H contains a breakdown of Government Receivables. Schedule J reports Accounts Payable Aging.

Statement of Operations and Retained Earnings (Schedules B-E)

- Total Operating Revenues for May 2023 of \$9.0M is \$42.3K less than the budget of \$9.1M. May 2023 Total Operating Revenues are 7% or \$569.3K more than May 2022’s \$8.5M.
- Total YTD Operating Revenues as of May 2023 of \$73.2M were \$503.4K more than the budget of \$72.7M. Total YTD Operating Revenues as of May 2023 were 8% or \$5.5M more than YTD Operating Revenues of May 2022 of \$67.7M. Note that a rate increase of 5.5% was effective in October 2022.
- Below are the percentages of operating revenues (water and wastewater) contributed by GWA’s customer classes for YTD FY2023 and FY2022 as well as the revenue totals:

Customer Class	FY2023		FY2022	
o Residential	\$30,937,398	43.16%	\$31,754,730	47.48%
o Commercial	15,664,345	21.85%	14,472,877	21.64%
o Hotel	11,329,125	15.81%	8,138,973	12.17%
o Government of Guam	8,663,514	12.09%	7,808,198	11.68%
o Federal Government	4,768,772	6.65%	4,321,550	6.46%
o Agriculture, Golf Course, Irrigation	312,492	0.44%	380,634	0.57%
TOTALS	\$71,675,646	100.00%	\$66,876,962	100.00%

- Total Operating Expenses for May 2023 of \$8.4M were \$587.2K or 7% less than budget of \$9.0M. May 2023 Total Operating Expenses were 9% or \$693.6K more than May 2022’s \$7.7M. The largest increase month over month was in power which increased by 16% or \$263.0K. Additionally, Net Salaries and Benefits were \$125.1K. and Chemicals were \$102.6K more in May 2023 compared to May 2022.
- YTD Operating Expenses as of May 2023 of \$69.8M were \$1.9M or 3% less than budget of \$71.7M. YTD Operating Expenses as of May 2023 were 15% or \$9.1M more than YTD Operating Expenses as of May 2022’s \$60.7M. The largest increase year over year was due to power purchases which were \$6.8M more or 61% of the increase.
- Earnings from Operations for May 2023 of \$664.6K were 455% or \$544.9K more than the budget of \$119.7K and 16% or \$124.3K less than May 2022’s \$788.9K. Change in Net Assets for May 2023 of \$238.1K was 78% or \$837.4K less than the \$1.1M budget and \$782.9K less than May 2022’s \$1.0M.



The decrease in the Change in Net Assets year over year was mostly due to the reduction in Federal Grant Contributions of \$2.9M.

- YTD Earnings from Operations as of May 2023 of \$3.3M were 247% or \$2.4M more than the budget of \$957.4K and 52% or \$3.6M less than May 2022 YTD's of \$6.97M. YTD Change in Net Assets as of May of \$10.2M was 19% or \$1.6M more than the \$8.6M budget and \$42.1K or less than 1% more than YTD Change in Net Assets at May 2022's \$10.2M; the decrease in Federal Grant Contributions was offset by interest income and Contributions from the Local Government or ARPA funds.

Cash Flow (Schedule F)

- As of May 2023, cash flows from operating activities were \$32.9M, cash from noncapital financing activities was \$9.8M, cash used in capital and financing activities was \$33.2M, and cash from investing activities was \$307.2K resulting in a YTD increase in cash of \$9.8M. Days Cash on Hand for May 2023 was calculated at 299 days compared to April 2023's 308 days. Schedule G contains a schedule of restricted and unrestricted cash and investments.

Customer Payments

While only 6% of payments are made in cash, more than a third of payments continue to be made in person. Cashier operations have returned back to pre-pandemic conditions in Upper Tumon; the drive through continues to remain open.

On April 28, 2020, CCU Resolution 24-FY2020 granted the lifting of credit card limits on payments for non-residential accounts. In FY2023 (October through May), approximately 46% of payments were made with credit cards. Below is a summary of non-residential credit card payments and related fees.

Month	Customer Count	Amount Paid	Fees	% Of Fees to Payments
May - September 2020	140	\$241,335	\$4,952	2.05%
October 2020-September 2021	526	\$1,119,286	\$22,505	2.01%
October 2021- September 2022	738	\$3,076,971	\$61,588	2.00%
October -December 2022	203	\$878,486	\$16,756	1.91%
January - March 2023	212	\$894,615	\$17,063	1.91%
April 2023	62	\$264,882	\$5,052	1.91%
May 2023	49	\$217,774	\$4,154	1.91%

Credit card payments at GPWA offices use the FHB facility while BOH processes online payments. An RFP for merchant services should be issued in the upcoming months.

Since the suspension of disconnections for nonpayment was lifted, the Upper Tumon office has been open for payments on Saturdays. For the four Saturdays in May, 412 payments totaling \$62,762 were made towards GWA billings and 461 payments totaling \$190,614 were made for GPA.

For the month of May, Finance posted \$67,835 in utility payments from the Department of Administration (DOA) for eligible renters as part of the Guam Emergency Rental Assistance Program (GERAP). Additionally, GWA posted \$45,872 from eligible homeowners as part of the Guam Homeowners Assistance Fund (GHAFP).



A total of \$7,296 from the Guam Low Income Household Water Assistance Program was also received and posted for utility payments.

Guam Solid Waste (GSW) Customer Payments

GPWA began to accept GSW payments on June 6, 2022. For the month of May, GWA accepted \$49,474 in GSW payments at the Upper Tumon Office. GWA will bill \$872 to GSW for processing fees.

FY2022 Financial Audit / OPA Audit

The audit will be delayed beyond the June deadline for posting on the DAC (Digital Assurance Certification) website as per the bond indenture. Additionally, GWA will miss the June 30th deadline to provide audits to Federal grantors. The analysis of the OPEB (Other Post Employment Benefits) report has yet to be completed and will likely materially impact GWA statements. Ernst & Young is currently projecting that GWA will receive the final financial statement two weeks after information to complete the OPEB review is received.

The Office of Public Accountability is conducting a GovGuam wide audit on credit card usage to determine if purchases were conducted within applicable laws, rules, regulations, policies, and standard operating procedures. Supporting documents as requested have been provided and an initial meeting was held with the auditors on April 6, 2023. The draft report for both GWA and GPA was issued on May 17, 2023. Due to the typhoon, GWA has requested an extension to provide responses beyond the May 31, 2023, deadline.

GWA Budgets

The FY2023 true-up which includes proposed rate increase for FY2024 is due on June 1. The FY2023 true-up, FY2024 budget, proposed rate increase were approved in CCU Resolution 33-FY2023.

Work on the next five-year financial plan, FY2025-FY2029, has already started with the collection of FY2025 projected expenditures and the ongoing update of the Water Resources Master Plan. The five-year financial plan will be submitted in 2024.

Rating Agencies

On May 11, 2023, Moody's issued a rating action affirming GWA's Baa2 rating with a stable outlook. A trend of strong financial performance coupled with an improvement in the general credit quality of the Government of Guam could lead to an upgrade of the rating. Operating deficits, new regulatory requirements that significantly increase system capital needs and debt levels, and deterioration of the general credit quality of the Government of Guam could lead to a rating downgrade.

GVB Visitor Arrivals

Visitor Arrivals for April 2023 increased 388.9% over April 2022, from 11,323 to 55,354 and is 46% of April 2019 arrivals. Sixty-four percent of arrivals were from Korea, 11% originated from the United States, and 13% were from Japan. Calendar year arrivals were up 534.1% from 36,880 to 233,871 and fiscal year arrivals were up 500.2% from 61,675 to 370,197. First time visitors were 49.2% of the mix and 37.2% were repeat visitors.

**GUAM WATERWORKS AUTHORITY
May 31, 2023
FINANCIAL AND RELATED REPORTS
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CCU Regular Board Meeting - GWA

GUAM WATERWORKS AUTHORITY
Balance Sheet
May 31, 2023

SCHEDULE A

ASSETS AND DEFERRED OUTFLOWS of RESOURCES	Unaudited May 31, 2023	Unaudited September 30, 2022	Increase (Decrease)
Current Assets			
Cash			
Unrestricted (Schedule G)	42,961,164	33,173,824	9,787,340
Restricted Funds (Schedule G)	42,180,977	35,637,985	6,542,992
Accounts Receivable Trade, Net of Allowance for Doubtful Receivables of \$11,233,796 at May 31, 2023 and \$9,753,074 at Sept 30, 2022	10,467,815	10,453,822	13,993
Federal Receivable	294,116	5,468,327	(5,174,211)
Other Receivable	4,329,651	2,752,585	1,577,066
Prepaid Expenses	1,302,248	1,733,017	(430,770)
Materials & Supplies Inventory, Net of Allowance for Obsolescence of \$122,856 at May 31, 2023 and \$122,856 at Sept 30, 2022	5,425,987	4,667,734	758,254
Total Current Assets	106,961,959	93,887,295	13,074,664
Property, Plant and Equipment			
Utility plant in service			
Water system	427,264,029	420,470,606	6,793,422
Wastewater system	677,540,173	576,276,943	101,263,231
Non-utility property	33,463,201	33,353,690	109,512
Intangible Lease Asset	952,625	952,625	-
Total property	1,139,220,028	1,031,053,863	108,166,165
Less: Accumulated Depreciation	(413,921,087)	(395,119,979)	(18,801,108)
Land	5,287,305	5,287,305	-
Construction Work in Progress	81,766,918	173,276,251	(91,509,333)
Property, Plant and Equipment, net	812,353,164	814,497,440	(2,144,276)
Noncurrent assets			
Restricted cash (Schedule G)	152,472,163	164,999,269	(12,527,106)
Investments (Schedule G)	81,984,514	69,404,193	12,580,321
Total other noncurrent assets and deferred charges	234,456,677	234,403,462	53,215
Total Assets	1,153,771,800	1,142,788,197	10,983,604
Deferred outflows of resources			
Regulatory assets	2,648,683	2,614,722	33,961
Debt defeasance due to bond refunding	27,866,261	29,229,855	(1,363,594)
Deferred outflows from pension	7,405,025	7,405,025	-
Deferred outflows from OPEB	36,260,991	36,260,991	-
Total Assets and Deferred Outflows of Resources	1,227,952,760	1,218,298,789	9,653,970
LIABILITIES, DEFERRED INFLOWS of RESOURCES AND NET ASSETS			
Current Liabilities			
Current maturities of long-term debt			
Series 2013 Revenue Bond	3,145,000	3,145,000	-
Series 2014 Refunding Bond	4,005,000	4,005,000	-
Series 2016 Revenue Bond	835,000	835,000	-
Series 2017 Refunding Bond	2,250,000	2,250,000	-
Lease Liability	234,824	234,824	-
Accounts Payable -Trade	3,514,588	4,328,204	(813,616)
Accrued and Other Liabilities	17,026,767	2,597,735	14,429,032
Interest Payable	12,000,699	7,200,420	4,800,280
Accrued Payroll and Employee Benefits	1,712,609	1,118,809	593,800
Current portion of employee annual leave	725,007	725,007	-
Contractors' Payable	4,603,219	23,351,921	(18,748,703)
Customer and Other Deposits	2,436,065	2,275,313	160,752
Total Current Liabilities	52,488,778	52,067,234	421,544
Long Term Debt, less current maturities			
Series 2013 Revenue Bond	18,365,000	18,365,000	-
Series 2014 Refunding Bond	60,050,000	60,050,000	-
Series 2016 Revenue Bond	134,140,000	134,140,000	-
Series 2017 Refunding Bond	100,930,000	100,930,000	-
Series 2020A Revenue Bond	134,000,000	134,000,000	-
Series 2020B Refunding Bond	166,075,000	166,075,000	-
Unamortized Bond Premium/Discount	37,784,322	38,778,147	(993,824)
Lease Liability LT	300,279	300,279	-
Net pension liability	46,038,335	46,038,335	-
Net OPEB obligation	109,298,971	109,298,971	-
Employee Annual Leave, Less Current Portion	995,913	995,913	-
Employee Sick Leave	1,376,504	1,376,504	-
Total Liabilities	861,843,102	862,415,383	(572,281)
Deferred inflows of resources:			
Contribution in Aid of Construction	653,312	638,875	14,437
Deferred inflows from pension	5,176,746	5,176,746	-
Deferred inflows from OPEB	26,413,809	26,413,809	-
Total Liabilities and Deferred Inflows of Resources	894,086,969	894,644,813	(557,844)
Net Assets	333,865,791	323,653,976	10,211,814
Total Liabilities, Deferred Inflows of Resources and Net Assets	1,227,952,760	1,218,298,789	9,653,970

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative Budget vs. Actual for the period ending May 31, 2023

SCHEDULE B

	Month to Date		Variance
	Actual (Unaudited)	Budget*	Favorable /
	May-23	May-23	(Unfavorable)
OPERATING REVENUES			
Water Revenues	5,563,314	5,703,534	(140,220)
Wastewater Revenues	3,122,693	2,939,479	183,214
Legislative Surcharge	261,192	258,781	2,411
Other Revenues	31,343	39,245	(7,902)
System Development Charge	60,774	140,572	(79,798)
Total Operating Revenues	9,039,316	9,081,611	(42,295)
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	659,738	531,588	(128,150)
Power Purchases	1,860,101	2,322,592	462,491
Total Utility Costs	2,519,839	2,854,180	334,341
Salaries and Wages	1,660,578	1,561,128	(99,450)
Pension and Benefits	663,625	595,089	(68,536)
Total Salaries and Benefits	2,324,203	2,156,216	(167,987)
Capitalized Labor and Benefits	(358,404)	(189,453)	168,951
Net Salaries and Benefits	1,965,799	1,966,763	964
Administrative and General Expenses			
Sludge removal	48,860	59,582	10,722
Chemicals	182,143	149,109	(33,035)
Materials & Supplies	153,225	147,329	(5,896)
Transportation	35,517	58,457	22,940
Communications	7,522	14,636	7,114
Claims	3,086	5,204	2,119
Insurance	147,927	147,927	(0)
Training & Travel	1,834	12,233	10,399
Advertising	1,675	9,981	8,306
Miscellaneous	79,340	123,179	43,839
Regulatory Expense	10,659	37,297	26,638
Bad Debts Provision	174,744	176,568	1,824
Total Administrative and General Expense	846,532	941,502	94,970
Depreciation Expense	2,417,977	2,394,755	(23,222)
Contractual Expense			
Audit & Computer Maintenance	174,210	178,657	4,447
Building rental	48,327	48,263	(63)
Equipment rental	29,727	38,782	9,055
Legal	-	52,738	52,738
Laboratory	15,303	39,654	24,352
Other	71,196	133,678	62,482
Total Contractual Expense	338,762	491,773	153,011
Retiree Supp. Annuities and health care costs	229,719	256,868	27,149
Contribution to Government of Guam	56,100	56,100	-
Total Retiree Benefits	285,819	312,968	27,149
Total Operating Expenses	8,374,728	8,961,941	587,213
Earnings (Loss) from Operations			
Interest Income - 2010/13/14/16/17/20 Series Bond	901,337	647,004	254,333
Interest Income - Other Funds	157,662	89,327	68,335
Interest Income - SDC	6,620	873	5,747
Interest Expense - 2010/13/14/16/17/20 Series Bond	(2,400,140)	(2,400,140)	-
Contributions from Local Government	1,000,000	1,033,333	(33,333)
Loss on Asset Disposal	(58,216)	(56,499)	(1,717)
Amortization of Discount, Premium and Issuance Costs	124,228	124,228	-
Defeasance due to bond refunding	(170,449)	(170,449)	-
Prior Year Adjustment	(3,400)	(7,229)	3,829
Total non-operating revenues (expenses)	(442,359)	(739,552)	297,193
Net Income (Loss) before capital contributions	222,228	(619,882)	842,110
Capital Contributions			
Grants from US Government	15,876	1,686,437	(1,670,560)
Grants from GovGuam & Others	-	8,937	(8,937)
Total Capital Contributions	15,876	1,695,374	(1,679,497)
Change in Net Assets	238,105	1,075,492	(837,387)
Debt Service Calculation			
Earnings From Operations	664,588	119,670	
System Development Charge	(60,774)	(140,572)	
Retiree COLA	56,100	56,100	
Interest/Investment Income	157,662	89,327	
Depreciation	2,417,977	2,394,755	
Plus withdrawals (deposits) to Rate Stabilization Fund	-	675,000	
ARPA Grant	1,000,000	1,033,333	
Balance Available for Debt Service per Section 6.12	4,235,552	4,227,613	
Debt Service			
Principal	852,917	852,917	
Interest	2,400,140	2,400,140	
Total	3,253,056	3,253,056	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.30	1.30	
Debt Service Coverage (1.30X) (PUC)	1.30	1.30	

CCU Regular Board Meeting - GWA

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative for the period ending May 31, 2023 and 2022

SCHEDULE C

	Month to Date		Variance Increase / (Decrease)
	Actual (Unaudited) May-23	Actual (Unaudited) May-22	
OPERATING REVENUES			
Water Revenues	5,563,314	5,307,802	255,512
Wastewater Revenues	3,122,693	2,813,485	309,209
Legislative Surcharge	261,192	247,769	13,422
Other Revenues	31,343	45,899	(14,557)
System Development Charge	60,774	55,017	5,757
Total Operating Revenues	9,039,316	8,469,972	569,343
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	659,738	576,605	83,133
Power Purchases	1,860,101	1,597,071	263,031
Total Utility Costs	2,519,839	2,173,676	346,163
Salaries and Wages	1,660,578	1,516,378	144,201
Pension and Benefits	663,625	588,334	75,291
Total Salaries and Benefits	2,324,203	2,104,711	219,492
Capitalized Labor and Benefits	(358,404)	(264,025)	(94,379)
Net Salaries and Benefits	1,965,799	1,840,687	125,113
Administrative and General Expenses			
Sludge removal	48,860	23,457	25,404
Chemicals	182,143	79,508	102,635
Materials & Supplies	153,225	162,411	(9,186)
Transportation	35,517	30,159	5,358
Communications	7,522	11,790	(4,268)
Claims	3,086	-	3,086
Insurance	147,927	147,927	-
Training & Travel	1,834	3,837	(2,003)
Advertising	1,675	11,902	(10,227)
Miscellaneous	79,340	82,177	(2,837)
Regulatory Expense	10,659	9,861	798
Bad Debts Provision	174,744	167,381	7,363
Total Administrative and General Expense	846,532	730,408	116,123
Depreciation Expense	2,417,977	2,332,959	85,018
Contractual Expense			
Audit & Computer Maintenance	174,210	83,309	90,901
Building rental	48,327	42,397	5,930
Equipment rental	29,727	32,481	(2,754)
Legal	-	-	-
Laboratory	15,303	22,886	(7,584)
Other	71,196	158,765	(87,569)
Total Contractual Expense	338,762	339,838	(1,076)
Retiree Supp. Annuities and health care costs	229,719	211,704	18,015
Contribution to Government of Guam	56,100	51,833	4,267
Total Retiree Benefits	285,819	263,537	22,282
Total Operating Expenses	8,374,728	7,681,105	693,623
Earnings (Loss) from Operations	664,588	788,867	(124,280)
Interest Income - 2010/13/14/16/17/20 Series Bond	901,337	1,270	900,067
Interest Income - Other Funds	157,662	97	157,565
Interest Income - SDC	6,620	407	6,213
Interest Expense - 2010/13/14/16/17/20 Series Bond	(2,400,140)	(2,457,450)	57,310
Contributions from Local Government	1,000,000	-	1,000,000
Loss on Asset Disposal	(58,216)	(171,347)	113,131
Amortization of Discount, Premium and Issuance Costs	124,228	156,349	(32,121)
Defeasance due to bond refunding	(170,449)	(171,398)	949
Prior Year Adjustment	(3,400)	(16,942)	13,542
Total non-operating revenues (expenses)	(442,359)	(2,659,016)	2,216,657
Net Income (Loss) before capital contributions	222,228	(1,870,148)	2,092,377
Capital Contributions			
Grants from US Government	15,876	2,891,125	(2,875,249)
Total Capital Contributions	15,876	2,891,125	(2,875,249)
Change in Net Assets	238,105	1,020,977	(782,872)
Debt Service Calculation			
Earnings From Operations	664,588	788,867	
System Development Charge	(60,774)	(55,017)	
Retiree COLA	56,100	51,833	
Interest/Investment Income	157,662	97	
Depreciation	2,417,977	2,332,959	
Plus withdrawals (deposits) to Rate Stabilization Fund	-	750,000	
ARPA Grant	1,000,000	-	
Balance Available for Debt Service per Section 6.12	4,235,552	3,868,739	
Debt Service			
Principal	852,917	812,083	
Interest	2,400,140	1,976,089	
Total	3,253,056	2,788,172	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.30	1.39	
Debt Service Coverage (1.30X) (PUC)	1.30	1.39	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative Budget vs. Actual for the period ending May 31, 2023

SCHEDULE D

	Year to Date		Variance
	Actual (Unaudited)	Budget*	Favorable /
	May-23	May-23	(Unfavorable)
OPERATING REVENUES			
Water Revenues	44,808,934	45,628,269	(819,334)
Wastewater Revenues	24,777,390	23,515,835	1,261,555
Legislative Surcharge	2,089,322	2,070,245	19,077
Other Revenues	379,331	313,961	65,370
System Development Charge	1,101,328	1,124,578	(23,250)
Total Operating Revenues	73,156,305	72,652,887	503,418
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	4,498,809	4,252,703	(246,106)
Power Purchases	17,891,667	18,580,740	689,072
Total Utility Costs	22,390,476	22,833,443	442,966
Salaries and Wages	12,835,655	12,489,022	(346,633)
Pension and Benefits	5,030,494	4,760,708	(269,785)
Total Salaries and Benefits	17,866,149	17,249,730	(616,419)
Capitalized Labor and Benefits	(1,944,827)	(1,515,627)	429,200
Net Salaries and Benefits	15,921,322	15,734,103	(187,218)
Administrative and General Expenses			
Sludge removal	418,479	476,660	58,181
Chemicals	968,517	1,192,870	224,353
Materials & Supplies	919,577	1,178,629	259,052
Transportation	352,943	467,658	114,716
Communications	78,852	117,088	38,235
Claims	31,392	41,635	10,242
Insurance	1,183,415	1,183,415	0
Training & Travel	58,666	97,866	39,199
Advertising	39,774	79,845	40,072
Miscellaneous	783,977	985,430	201,453
Regulatory Expense	127,820	298,377	170,556
Bad Debts Provision	1,429,313	1,412,543	(16,769)
Total Administrative and General Expense	6,392,725	7,532,016	1,139,291
Depreciation Expense	19,099,639	19,158,040	58,401
Contractual Expense			
Audit & Computer Maintenance	1,329,661	1,429,257	99,596
Building rental	385,402	386,106	704
Equipment rental	319,533	310,255	(9,279)
Legal	429,236	421,905	(7,330)
Laboratory	185,660	317,233	131,573
Other	1,031,642	1,069,425	37,783
Total Contractual Expense	3,681,134	3,934,181	253,047
Retiree Supp. Annuities and health care costs	1,900,986	2,054,945	153,959
Contribution to Government of Guam	448,800	448,800	-
Total Retiree Benefits	2,349,786	2,503,745	153,959
Total Operating Expenses	69,835,083	71,695,528	1,860,445
Earnings (Loss) from Operations			
Interest Income - 2010/13/14/16/17/20 Series Bond	5,983,470	5,176,033	807,438
Interest Income - Other Funds	887,190	714,616	172,574
Interest Income - SDC	32,697	6,984	25,713
Interest Expense - 2010/13/14/16/17/20 Series Bond	(19,201,118)	(19,201,118)	-
Contributions from Local Government	9,800,000	8,266,667	1,533,333
Loss on Asset Disposal	(284,212)	(451,991)	167,779
Amortization of Discount, Premium and Issuance Costs	993,824	993,824	-
Defeasance due to bond refunding	(1,363,594)	(1,363,594)	-
Prior Year Adjustment	(154,545)	(57,833)	(96,712)
Total non-operating revenues (expenses)	(3,306,287)	(5,916,413)	2,610,126
Net Income (Loss) before capital contributions	14,935	(4,959,053)	4,973,988
Capital Contributions			
Grants from US Government	10,161,131	13,491,493	(3,330,362)
Grants from GovGuam & Others	35,749	71,497	(35,749)
Total Capital Contributions	10,196,879	13,562,990	(3,366,110)
Change in Net Assets	10,211,814	8,603,936	1,607,878
Debt Service Calculation			
Earnings From Operations	3,321,222	957,360	
System Development Charge	(1,101,328)	(1,124,578)	
Retiree COLA	448,800	448,800	
Interest/Investment Income	887,190	714,616	
Depreciation	19,099,639	19,158,040	
Plus withdrawals (deposits) to Rate Stabilization Fund	2,550,000	5,400,000	
ARPA Grant	9,800,000	8,266,667	
Balance Available for Debt Service per Section 6.12	35,005,524	33,820,904	
Debt Service			
Principal	6,823,333	6,823,333	
Interest	19,201,118	19,201,118	
Total	26,024,452	26,024,452	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.35	1.30	
Debt Service Coverage (1.30X) (PUC)	1.35	1.30	

CCU Regular Board Meeting - GWA

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative for the period ending May 31, 2023 and 2022

SCHEDULE E

	Year to Date		Variance Increase / (Decrease)
	Actual (Unaudited) May-23	Actual (Unaudited) May-22	
OPERATING REVENUES			
Water Revenues	44,808,934	42,769,167	2,039,768
Wastewater Revenues	24,777,390	22,128,239	2,649,151
Legislative Surcharge	2,089,322	1,979,556	109,766
Other Revenues	379,331	312,599	66,732
System Development Charge	1,101,328	462,801	638,527
Total Operating Revenues	73,156,305	67,652,362	5,503,943
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	4,498,809	4,359,620	139,189
Power Purchases	17,891,667	11,096,569	6,795,098
Total Utility Costs	22,390,476	15,456,189	6,934,287
Salaries and Wages	12,835,655	12,437,303	398,352
Pension and Benefits	5,030,494	4,810,944	219,550
Total Salaries and Benefits	17,866,149	17,248,247	617,902
Capitalized Labor and Benefits	(1,944,827)	(2,174,318)	229,491
Net Salaries and Benefits	15,921,322	15,073,929	847,393
Administrative and General Expenses			
Sludge removal	418,479	440,219	(21,740)
Chemicals	968,517	1,235,048	(266,531)
Materials & Supplies	919,577	1,162,993	(243,415)
Transportation	352,943	415,029	(62,087)
Communications	78,852	102,164	(23,312)
Claims	31,392	46,443	(15,051)
Insurance	1,183,415	707,486	475,929
Training & Travel	58,666	35,267	23,399
Advertising	39,774	39,414	359
Miscellaneous	783,977	846,111	(62,134)
Regulatory Expense	127,820	146,189	(18,369)
Bad Debts Provision	1,429,313	1,337,539	91,773
Total Administrative and General Expense	6,392,725	6,513,904	(121,179)
Depreciation Expense	19,099,639	18,496,383	603,256
Contractual Expense			
Audit & Computer Maintenance	1,329,661	915,768	413,893
Building rental	385,402	339,178	46,224
Equipment rental	319,533	250,264	69,269
Legal	429,236	285,586	143,650
Laboratory	185,660	171,304	14,356
Other	1,031,642	1,057,949	(26,307)
Total Contractual Expense	3,681,134	3,020,049	661,085
Retiree Supp. Annuities and health care costs	1,900,986	1,710,649	190,337
Contribution to Government of Guam	448,800	414,667	34,133
Total Retiree Benefits	2,349,786	2,125,316	224,470
Total Operating Expenses	69,835,083	60,685,769	9,149,313
Earnings (Loss) from Operations	3,321,222	6,966,593	(3,645,370)
Interest Income - 2010/13/14/16/17/20 Series Bond	5,983,470	21,385	5,962,086
Interest Income - Other Funds	887,190	5,843	881,347
Interest Income - SDC	32,697	3,520	29,178
Interest Expense - 2010/13/14/16/17/20 Series Bond	(19,201,118)	(19,659,602)	458,483
Contributions from Local Government	9,800,000	-	9,800,000
Loss on Asset Disposal	(284,212)	(191,873)	(92,339)
Amortization of Discount, Premium and Issuance Costs	993,824	1,250,792	(256,968)
Defeasance due to bond refunding	(1,363,594)	(1,371,188)	7,594
Prior Year Adjustment	(154,545)	89,837	(244,382)
Total non-operating revenues (expenses)	(3,306,287)	(19,851,286)	16,544,999
Net Income (Loss) before capital contributions	14,935	(12,884,694)	12,899,629
Capital Contributions			
Grants from US Government	10,161,131	23,054,419	(12,893,288)
Grants from GovGuam & Others	35,749	-	35,749
Total Capital Contributions	10,196,879	23,054,419	(12,857,540)
Change in Net Assets	10,211,814	10,169,725	42,089
Debt Service Calculation			
Earnings From Operations	3,321,222	6,966,593	
System Development Charge	(1,101,328)	(462,801)	
Retiree COLA	448,800	414,667	
Interest/Investment Income	887,190	5,843	
Depreciation	19,099,639	18,496,383	
Plus withdrawals (deposits) to Rate Stabilization Fund	2,550,000	2,350,000	
ARPA Grant	9,800,000	-	
Balance Available for Debt Service per Section 6.12	35,005,524	27,770,684	
Debt Service			
Principal	6,823,333	6,496,667	
Interest	19,201,118	15,808,713	
Total	26,024,452	22,305,379	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.35	1.25	
Debt Service Coverage (1.30X) (PUC)	1.35	1.25	

SCHEDULE F
**Guam Waterworks Authority
Statement of Cash Flows (Unaudited)
FY2023**
**YTD
May-23**
Cash flows from operating activities:

Cash received from trade and others	70,262,724
Cash payments to suppliers/contractors for goods and services	(17,732,655)
Cash payments to employees for services	(19,622,135)

Net cash provided by operating activities
32,907,934
Cash flows from noncapital financing activities:

Receipts from the Local Government operating grant	9,800,000
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Cash flows from capital and related financing activities:

Contributed capital received (grants)	15,371,090
Acquisition of utility plant	(34,043,451)
Repayment of Long Term Debt	369,770
Interest expense	(14,925,154)

Net cash provided by (used in) capital and related financing activities
(33,227,744)
Cash flows from investing activities:

Transfers from (to) restricted fund	(6,596,208)
Interest income received	6,903,358

Net cash provided by investing activities
307,150

Net increase (decrease) in cash

9,787,340

Unrestricted cash at beginning of the period

33,173,824

Unrestricted cash at end of period
42,961,164

Reconciliation of operating loss to net cash provided by
operating activities:

Operating Income (loss) 3,321,222

Adjustments to reconcile to net cash provided by operating activities:

Depreciation expense	19,099,639
Bad debts (recovery)	1,429,313
Capitalized labor and benefits	(1,944,827)
Recovery of provision for inventory obsolescence	-
Non-cash pension costs	-

(Increase) decrease in assets:

Accounts receivable	(3,020,372)
Materials and supplies inventory	(758,254)
Prepaid expenses	430,770
Regulatory Assets	(33,961)

Increase (decrease) in liabilities:

Accounts payable	(813,616)
Accrued payroll and employee benefits	593,800
Customer deposits	160,752
Other liabilities	14,443,468

Net cash provided by operating activities
32,907,934

GUAM WATERWORKS AUTHORITY
Restricted and Unrestricted Cash Summary
FY2023

SCHEDULE G

Description	Unaudited May 31, 2023	Unaudited September 30, 2022	Increase (Decrease)
UNRESTRICTED			
Change Fund	2,000	2,000	-
Petty Cash	3,930	3,930	-
BOG Deposit Accounts	23,029,875	12,033,170	10,996,705
BOG O & M Reserve	14,247,081	13,915,501	331,580
BOG CapEx Fund	5,678,279	7,219,224	(1,540,945)
Sub-total Unrestricted	42,961,164	33,173,824	9,787,340
RESTRICTED			
ANZ Bank	0	693	(693)
Bank Pacific	8,956	13,774	(4,818)
Bank of Hawaii	92,959	191,163	(98,204)
Community First FCU	1,454	4,044	(2,590)
First Hawaiian Bank	36,694	88,820	(52,126)
Bank Pacific Surcharge	2,256,729	87,530	2,169,198
Bank Pacific Escrow Deposit	958,678	843,058	115,621
BOG Customer Refunds	2,187,992	2,108,598	79,394
BOG Emergency Reserve Fund	-	6,246	(6,246)
BOG Sewer Hookup Revolving Fund	2,070,213	64,373	2,005,840
BOG Operation and Maintenance Fund	3,083,482	3,083,482	-
BOG Revenue Trust	937,284	850,831	86,453
BOG Revenue Trust Fund	11,314,591	7,749,670	3,564,921
BOG Capital Improvement Revenue Fund	11,047,197	7,487,283	3,559,914
BOG Rate Stabilization Fund	3,100,000	5,650,000	(2,550,000)
	37,096,229	28,229,565	8,866,664
BOG - SDC Deposit	1,334,748	1,158,420	176,328
BOG - SDC CDs	3,750,000	6,250,000	(2,500,000)
Total SDC	5,084,748	7,408,420	(2,323,672)
Total Restricted	42,180,977	35,637,985	6,542,992
Reserve Funds			
BOG Series 2013 Construction Fund	3,429,659	4,236,835	(807,176)
BOG Series 2016 Construction Fund	29,055,669	38,621,743	(9,566,074)
BOG Series 2017 Refunding Construction Fund	3,630,964	4,133,026	(502,062)
BOG Series 2020A Construction Fund	111,720,684	118,006,420	(6,285,736)
BOG CIF-Construction Fund Transfers	4,635,187	-	4,635,187
BOG Series 2020A Capitalized Interest Fund	-	1,245	(1,245)
Total Restricted - Held by Trustee	152,472,163	164,999,269	(12,527,106)
BOG OMRRRF Fund	17,423,213	17,423,213	-
USB Series 2013 Debt Service Fund	3,736,271	1,400,508	2,335,763
USB Series 2013 Debt Service Reserve Fund	12,031,688	12,031,688	-
USB Series 2014 Refunding Debt Service Reserve Fund	13,602,814	9,700,178	3,902,636
USB Series 2016 Debt Service Fund	3,705,180	1,967,736	1,737,443
USB Series 2016 Debt Service Reserve Fund	7,591,999	7,591,999	-
USB Series 2017 Refunding Debt Service Reserve Fund	7,566,460	7,566,460	-
USB Series 2017 Debt Service Fund	4,331,212	1,907,628	2,423,584
USB Series 2020A Debt Service Fund	2,840,116	1,678,906	1,161,210
USB Series 2020A Debt Service Reserve Fund	6,659,700	6,659,700	-
USB Series 2020B Debt Service Reserve Fund	2,495,860	1,476,176	1,019,685
Total Investments	81,984,514	69,404,193	12,580,321
Total Restricted and Unrestricted Cash	319,598,818	303,215,271	16,383,547

CCU Regular Board Meeting - GWA

Guam Waterworks Authority
Accounts Receivable - Government (Active)
May 31, 2023

SCHEDULE H

Customer Name	A G I N G						Total
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days	
Autonomous Agencies (Active)							
Guam Int'l Airport Authority	8	43,169	8,517	63	63	262,441	314,253
Guam Power Authority	25	21,432	20,127	-	-	-	41,560
Guam Housing & Urban Renewal Authority	10	6,374	-	-	-	-	6,374
Guam Solid Waste Authority	4	996	996	949	60	33	3,034
Port Authority of Guam	5	1,352	-	-	-	-	1,352
Guam Housing Corporation	1	36	35	-	-	-	72
Total Autonomous Agencies	53	73,359	29,675	1,012	124	262,474	366,644
Semi-Autonomous Agencies (Active)							
Guam Memorial Hospital Authority	3	37,217	40,246	41,582	36,469	13,801	169,315
University of Guam	48	129,168	8,248	-	-	-	137,416
Guam Community College	3	7,243	3,544	22,332	-	-	33,119
Guam Environmental Protection Agency	2	227	-	-	-	-	227
Total Semi-Autonomous Agencies	56	173,855	52,038	63,914	36,469	13,801	340,077
Line Agencies (Active)							
Department of Education	52	2,392,989	200,425	107,145	33,812	6,742	2,741,113
Department of Parks & Recreation	13	64,533	20,557	-	-	-	85,090
Department of Corrections	9	84,328	-	-	-	-	84,328
Department of Public Works	10	17,378	19,992	1,697	-	-	39,067
Department of Chamorro Affairs	7	17,690	-	-	-	-	17,690
Department of Public Health & Social Services	9	3,047	2,780	2,703	1,221	296	10,046
Guam Fire Department	11	6,834	1,564	0	-	-	8,398
Department of Agriculture	7	5,524	1,471	-	-	-	6,995
Guam Police Department	9	4,252	2,504	41	-	-	6,797
Office of the Governor	2	4,165	-	-	-	-	4,165
Department of Mental Health and Substance	4	1,923	1,198	348	-	-	3,469
Guam Veterans Affairs Office	2	2,299	959	111	-	-	3,369
Guam Homeland Security/Civil Defense	1	1,620	1,065	560	-	-	3,246
Department of Military Affairs/GUARNG	1	3,154	-	-	-	-	3,154
Department of Youth Affairs	3	1,589	-	-	-	-	1,589
Department of Customs & Quarantine	1	451	451	451	-	-	1,354
Guam Public Library	6	480	397	27	-	-	903
Department of Administration	3	224	136	296	122	-	778
Guam Visitors Bureau	2	715	-	-	-	-	715
Office of Technology	1	353	279	-	-	-	632
Guam Energy Office	1	142	133	146	-	-	421
Total Line Agencies	154	2,613,689	253,911	113,525	35,155	7,038	3,023,318
Other Government of Guam Entities (Active)							
Mayors Council of Guam	63	28,430	12,342	267	99	1	41,140
Agat Mayor's Office	1	2,890	1,027	-	-	-	3,917
The Office of the Dededo Mayor	1	469	-	-	-	-	469
Talofofo Mayors Office	1	161	-	-	-	-	161
Merizo Mayor	1	49	42	-	-	-	91
Total Other Government of Guam Entities	67	31,999	13,411	267	99	1	45,778
Total as of May 31, 2023 (Active)	330	2,892,903	349,035	178,718	71,846	283,315	3,775,817

CCU Regular Board Meeting - GWA

GUAM WATERWORKS AUTHORITY
Accounts Receivable Aging Summary by Rate Class
As of May 31, 2023

SCHEDULE I

ACTIVE AND INACTIVE

Rate Class	A G I N G							Total	
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days			
Government	447	\$ 2,627,813	\$ 357,699	\$ 178,718	\$ 71,846	\$ 546,853	\$ 3,782,928	17%	
Agriculture	421	38,701	5,092	1,733	1,084	30,326	76,937	0%	
Commercial I	2,691	1,468,449	237,529	132,525	71,299	541,625	2,451,427	11%	
Commercial II	38	283,432	47,875	933	824	12,348	345,412	2%	
Commercial III	295	605,722	75,766	46,647	37,649	265,233	1,031,017	5%	
Golf Course	16	4,341	836	607	2,165	2,379	10,327	0%	
Hotel	54	1,713,293	158,197	87,770	51,174	784,646	2,795,080	13%	
Irrigation	33	4,291	841	-	-	1,295	6,427	0%	
Residential	48,117	4,087,718	821,410	414,019	287,208	5,591,701	11,202,057	52%	
	52,112	10,833,760	1,705,246	862,950	523,249	7,776,407	21,701,611	100%	
		50%	8%	4%	2%	36%			
Less Allowance for Doubtful Accounts:								(11,233,796)	
Net Accounts Receivable:								10,467,815	
Days Receivables Outstanding								35	

ACTIVE ONLY

Rate Class	A G I N G							Total	
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days			
Government	440	\$ 2,627,813	\$ 357,699	\$ 178,718	\$ 71,846	\$ 544,296	\$ 3,780,372	23%	
Agriculture	397	38,586	5,055	1,696	1,050	2,535	48,923	0%	
Commercial I	2,536	1,467,456	237,062	132,043	70,861	280,803	2,188,225	13%	
Commercial II	38	283,432	47,875	933	824	12,348	345,412	2%	
Commercial III	282	605,722	75,766	31,779	37,169	228,722	979,158	6%	
Golf Course	16	4,341	836	607	2,165	2,379	10,327	0%	
Hotel	53	1,713,293	158,197	87,770	51,174	313,828	2,324,262	14%	
Irrigation	32	4,291	841	-	-	-	5,132	0%	
Residential	40,161	4,056,122	782,753	343,386	200,315	1,533,385	6,915,961	42%	
	43,955	10,801,056	1,666,084	776,931	435,404	2,918,296	16,597,770	100%	
		65%	10%	5%	3%	18%			
Less Allowance for Doubtful Accounts:								(11,233,796)	
Net Accounts Receivable:								5,363,975	

As of April 30, 2023

Rate Class	A G I N G							Total	
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days			
Government	447	\$ 2,971,226	\$ 567,768	\$ 226,812	\$ 48,548	\$ 582,731	\$ 4,397,086	21%	
Agriculture	421	27,808	2,874	1,327	998	30,234	63,240	0%	
Commercial I	2,698	1,405,476	69,769	110,799	47,472	514,694	2,148,210	10%	
Commercial II	37	313,500	963	824	2,129	11,995	329,411	2%	
Commercial III	294	517,306	50,020	42,574	17,045	275,149	902,094	4%	
Golf Course	16	4,113	607	2,165	2,435	567	9,886	0%	
Hotel	54	1,597,965	34,052	68,010	21,491	767,863	2,489,382	12%	
Irrigation	33	3,713	94	103	-	1,295	5,205	0%	
Residential	48,127	3,772,468	668,663	406,753	288,331	5,473,537	10,609,751	51%	
	52,127	10,613,575	1,394,809	859,366	428,450	7,658,066	20,954,266	100%	
		51%	7%	4%	2%	37%			
Less Allowance for Doubtful Accounts:								(11,054,852)	
Net Accounts Receivable:								9,899,414	
Days Receivables Outstanding								36	

As of April 30, 2023

Rate Class	A G I N G							Total	
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days			
Government	440	\$ 2,971,226	\$ 567,768	\$ 226,812	\$ 48,548	\$ 580,175	\$ 4,394,529	28%	
Agriculture	398	27,781	2,848	1,300	939	2,493	35,362	0%	
Commercial I	2,545	1,405,003	67,206	110,417	47,063	258,378	1,888,067	12%	
Commercial II	37	313,500	963	824	2,129	11,995	329,411	2%	
Commercial III	281	517,306	35,153	42,072	14,399	241,205	850,135	5%	
Golf Course	16	4,113	607	2,165	2,435	567	9,886	0%	
Hotel	53	1,597,965	34,052	68,010	21,491	297,045	2,018,564	13%	
Irrigation	32	3,713	94	103	-	-	3,910	0%	
Residential	40,201	3,737,778	608,475	323,011	206,055	1,481,260	6,356,579	40%	
	44,003	10,578,386	1,317,164	774,715	343,060	2,873,118	15,886,443	100%	
		67%	8%	5%	2%	18%			
Less Allowance for Doubtful Accounts:								(11,054,852)	
Net Accounts Receivable:								4,831,591	

GUAM WATERWORKS AUTHORITY
Accounts Payable Aging

SCHEDULE J

As of	AGING						Total	Days Payable Outstanding
	Current	31 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days			
May 31, 2023	\$ 2,549,587 73%	\$ 278,945 8%	\$ 119,420 3%	\$ 47,017 1%	\$ 519,620 15%	3,514,588 100%	29	
April 30, 2023	\$ 3,241,041 77%	\$ 157,408 4%	\$ 209,103 5%	\$ 213,968 5%	\$ 382,717 9%	4,204,237 100%	31	
March 31, 2023	\$ 2,742,276 71%	\$ 438,902 11%	\$ 226,226 6%	\$ 81,441 2%	\$ 358,663 9%	3,847,508 100%	30	

CCU Regular Board Meeting - GWA

**GUAM WATERWORKS AUTHORITY
WATER DEMAND BY RATE CLASS
FY2015 - FY2023**

SCHEDULE K

CLASS	METER SIZE	AUDITED							UNAUDITED		Annualized Based on 8 months
		FY2015 TOTAL CONSUMPTION (kGal)	FY2016 TOTAL CONSUMPTION (kGal)	FY2017 TOTAL CONSUMPTION (kGal)	FY2018 TOTAL CONSUMPTION (kGal)	FY2019 TOTAL CONSUMPTION (kGal)	FY2020 TOTAL CONSUMPTION (kGal)	FY2021 TOTAL CONSUMPTION (kGal)	FY2022 CONSUMPTION (kGal)*	% Inc / (Dec.)	FY2023 TOTAL CONSUMPTION (kGal)
R	Residential	3,415,662	3,429,689	3,206,811	3,313,613	3,359,905	3,712,723	3,622,617	3,450,574	-5%	3,195,558
C	Commercial	1,020,089	1,022,890	964,639	910,905	906,192	822,029	786,054	818,460	4%	829,505
F	Federal	1,168	1,180	2,508	1,813	1,602	1,338	2,069	1,389	-33%	1,039
G	Government	515,974	475,366	448,430	450,165	405,980	408,502	404,026	470,581	16%	488,542
H	Hotel	999,116	1,008,087	1,004,525	989,723	1,079,919	714,161	448,034	462,757	3%	550,221
G	Golf	6,850	6,770	5,252	2,741	2,793	5,835	2,855	3,796	33%	3,807
A	Agriculture	67,376	78,628	69,482	81,127	90,803	84,492	68,805	65,719	-4%	46,711
I	Irrigation	10,385	11,351	10,143	8,504	7,896	8,654	5,404	4,888	-10%	4,286
GRAND TOTAL		6,036,620	6,033,960	5,711,790	5,758,590	5,855,091	5,757,733	5,339,864	5,278,164	-1%	5,119,671

**Guam Waterworks Authority
System Development Charges Project Status
As of May 31, 2023**

SCHEDULE L

Funding Summary

Total available project funds	\$ 17,217,503
Total project expenditures and encumbrances	12,520,455
Total unobligated project funds	\$ 4,697,048

Projects Funded

Project Description	Expenditures	Outstanding Encumbrances	Expenditures and Encumbrances
Agat-Santa Rita Wastewater Treatment Plant Replacement	1,202,006	-	1,202,006
Baza Gardens Wastewater Cross Island Pumping & Conveyance	1,151,116	2,854	1,153,971
Central Guam Reservoirs	276,008	4,032	280,040
Line Replacement Phase IV	256,937	-	256,937
Northern District WWTP	7,552,513	-	7,552,513
Northern District WWTP (Land Purchase)	1,000,000	-	1,000,000
Route 4 Relief Sewerline Rehab & Replacement	519,227	74,641	593,869
South Paulino Heights Waterline Upgrade	84,056	4,714	88,770
Talofofo Sewer Improvement	-	241,142	241,142
Groundwater Well Production Meter Rep.	136,087	15,121	151,207
	\$ 12,177,950	\$ 342,505	\$ 12,520,455

Future planned projects

FY 2023-2025

Water Distribution System Pipe Replacement & Upgrades	1,000,000
Capacity Enhancement - Well Development and Construction Progra	394,000
Well Repair Program	200,000
	\$ 1,594,000



Financial Statement Overview June 2023

Key Financial Indicators

Indicator	Target	Apr 2023	May 2023	June 2023
DSC YTD				
• Per Section 6.12 of Indenture	1.25	1.35	1.35	1.34
• Per PUC / CCU	1.30	1.35	1.35	1.34
Days – Cash on Hand*	120 days	308 days	299 days	296 days
Collection Ratio				
• Month to Date	99%	114%	88%	101%
• Year to Date	99%	98%	97%	97%
Days Billed	30 days	29 days	29 days	31 days
Account Receivable Days	30 days	34 days	35 days	35 days
Account Payable Days	45 days	31 days	29 days	29 days
Employee Count	400 FTE	351 FTE	358 FTE	357 FTE
Water Demand				
• Month to Date	440,748	404,354	426,415	405,483
• Year to Date	3,966,729	2,986,955	3,413,371	3,818,596
Wastewater Flow				
• Month to Date	318,166	300,408	313,280	286,851
• Year to Date	2,863,497	2,213,696	2,526,976	2,813,827
Water Customers	43,658	43,596	43,606	43,477
Wastewater Customers	30,781	30,831	30,751	30,844

Water and Wastewater Consumption

Water consumption and wastewater flows are 8% less for the month of June compared to last year due to the water outages caused by Typhoon Mawar. By June 22nd, water distribution to the island was fully restored. Water consumption and wastewater flows decreased in all customer classes except the Federal Government. Note that billing days in June this year was 31 days compared to 30 days in June last year.

Year to Date (YTD) water demand is down 3% while wastewater flows are down 2% as compared to last year. Increases in the Commercial 2 & 3, Hotel and GovGuam customer classes were not sufficient to offset decreases in the other customer classes. Wastewater flows decreased in Commercial 1 and Residential customer classes. Note that the number of YTD billing days through June 2023 of 267 days is 3 days less than the prior year's 270 days. See Schedule K for Water Demand for FY2015 to FY2023.

YTD average daily water consumption for June 2023 of 14,302 kgals is 2% less June 2022's 14,601 kgals. Increases in the Commercial, Hotel, and GovGuam customer classes were not enough to offset decreases in Agricultural and Residential average daily water consumption.

Balance Sheet (Schedule A)

- Total Assets & Deferred Outflows of Resources of \$1.22B in September 2022 increased by \$13.8M or 1% to \$1.23B in June 2023. Current Assets increased by \$12.5M primarily due to increases in cash which includes American Rescue Plan Act (ARPA) funding from the Governor's Office. Property, Plant and



Equipment decreased by \$564K due to depreciation. Other Noncurrent Assets increased by \$3.3M as increases in investments offset decreases in restricted cash used to make payments to contractors and for debt service.

- Liabilities & Deferred Inflow of Resources of \$894.6M in September 2022 increased by \$2.6M or less than 1% to \$897.2M in June 2023 primarily due to increases in Interest Payable and Accrued and Other Liabilities for deferred revenues related to the ARPA grants offset by decreases in Contractors' Payable.
- Accounts Receivable days in May and June 2023 were 35 days. Accounts Payable days were 29 days in May and June 2023. Schedule I presents Accounts Receivable Aging by Customer Class and Schedule H contains a breakdown of Government Receivables. Schedule J reports Accounts Payable Aging.

Statement of Operations and Retained Earnings (Schedules B-E)

- Total Operating Revenues for June 2023 of \$8.4M is \$685K less than the budget of \$9.1M. June 2023 Total Operating Revenues are 7% or \$618.7K less than June 2022's \$9.0M.
- Total YTD Operating Revenues as of June 2023 of \$81.6M were \$181.7K less than the budget of \$81.7M. Total YTD Operating Revenues as of June 2023 were 6% or \$4.9M more than YTD Operating Revenues of June 2022 of \$76.7M. Note that a rate increase of 5.5% was effective in October 2022.
- Below are the percentages of operating revenues (water and wastewater) contributed by GWA's customer classes for YTD FY2023 and FY2022 as well as the revenue totals:

Customer Class	FY2023		FY2022	
o Residential	\$34,889,722	43.60%	\$35,632,307	47.28%
o Commercial	17,353,196	21.68%	16,216,729	21.52%
o Hotel	12,542,637	15.67%	9,417,683	12.50%
o Government of Guam	9,589,395	11.98%	8,927,261	11.84%
o Federal Government	5,295,443	6.62%	4,743,377	6.29%
o Agriculture, Golf Course, Irrigation	353,792	0.44%	431,054	0.57%
TOTALS	\$80,024,185	100%	\$75,368,411	100.00%

- Total Operating Expenses for June 2023 of \$8.4M were \$552.5K or 6% less than budget of \$9.0M. June 2023 Total Operating Expenses were 6% or \$497.3K more than June 2022's \$7.9M. The largest increase month over month was in Salaries and Benefits, which increased by 21% or \$420.1K; This increase is largely due to premium and overtime pay related to the disaster. Power cost in June dropped by 500K compared to last year; likely also related to the disaster.
- YTD Operating Expenses as of June 2023 of \$78.4M were \$2.3M or 3% less than budget of \$80.7M. YTD Operating Expenses as of June 2023 were 14% or \$9.5M more than YTD Operating Expenses as of June 2022's \$68.9M. The largest increase year over year was Power which was \$6.3M more or ~~5070~~507% of the overall expenditure increase.
- Earnings from Operations for June 2023 of (\$12.9K) were 111% or \$132.6K less than the budget of \$119.7K and 101% or \$1.1M less than June 2022's \$1.1M. Change in Net Assets for June 2023 of \$1.1M was 5% or \$49.4K more than the \$1.1M budget and \$575.2K less than June 2022's \$1.7M. The decrease in the Change in Net Assets year over year was mostly due to the reduction in Federal Grant Contributions of \$2.2M.



- YTD Earnings from Operations as of June 2023 of \$3.2M were 193% or \$2.1M more than the budget of \$1.1M and 59% or \$4.6M less than June 2022 YTD's of \$7.7M. YTD Change in Net Assets as of June of \$11.2M was 16% or \$1.5M more than the \$9.7M budget and \$347.9K or 3% less than YTD Change in Net Assets at June 2022 of \$11.5M; the decrease in Federal Grant Contributions was offset by interest income and Contributions from the Local Government or ARPA funds.

Cash Flow (Schedule F)

- As of June 2023, cash flows from operating activities were \$34.1M, cash from noncapital financing activities was \$11.6M, cash used in capital and financing activities was \$34.6M, and cash used in investing activities was \$488.5K resulting in a YTD increase in cash of \$10.5M. Days Cash on Hand for June 2023 was calculated at 296 days compared to May 2023's 299 days. Schedule G contains a schedule of restricted and unrestricted cash and investments.

Customer Payments

While only 6% of payments are made in cash, more than a third of payments continue to be made in person. Cashier operations have returned back to pre-pandemic conditions in Upper Tumon; the drive through continues to remain open.

On April 28, 2020, CCU Resolution 24-FY2020 granted the lifting of credit card limits on payments for non-residential accounts. In FY2023 (October through May), approximately 46% of payments were made with credit cards. Below is a summary of non-residential credit card payments and related fees.

Month	Customer Count	Amount Paid	Fees	% Of Fees to Payments
May - September 2020	140	\$241,335	\$4,952	2.05%
October 2020-September 2021	526	\$1,119,286	\$22,505	2.01%
October 2021- September 2022	738	\$3,076,971	\$61,588	2.00%
October -December 2022	203	\$878,486	\$16,756	1.91%
January - March 2023	212	\$894,615	\$17,063	1.91%
April 2023	62	\$264,882	\$5,052	1.91%
May 2023	49	\$217,774	\$4,154	1.91%
June 2023	55	\$272,023	\$5,188	1.91%

Credit card payments at GPWA offices use the FHB facility while BOH processes online payments. An RFP for merchant services should be issued in the upcoming months.

The Upper Tumon office is open for payments on Saturdays. For the four Saturdays in June, 338 payments totaling \$50,004.38 were made towards GWA billings and 345 payments totaling \$127,164 were made for GPA.

For the month of June, Finance posted \$30,900 in utility payments from the Department of Administration (DOA) for eligible renters as part of the Guam Emergency Rental Assistance Program (GERAP). Additionally, GWA posted \$36,782 from eligible homeowners as part of the Guam Homeowners Assistance Fund (GHAFP). A total of \$5,274 from the Guam Low Income Household Water Assistance Program was also received and posted for utility payments.



Guam Solid Waste (GSW) Customer Payments

GPWA began to accept GSW payments on June 6, 2022. For the month of June, GWA accepted \$67,741 in GSW payments at the Upper Tumon Office. GWA will bill \$976 to GSW for processing fees.

FY2022 Financial Audit / OPA Audit

The Department of Administration (DOA) has provided updated information for Ernst & Young to assist with completing the OPEB (Other Post Employment Benefits) analysis for the FY2022 audit. Additional information has been requested from DOA that is needed to complete the analysis. GWA is following up regularly. A letter was sent to the Governor from the CCU Chair requesting her assistance in getting the audit completed. Because we missed the deadline to post the audit online at the Federal Audit Clearinghouse, GWA will lose its low-risk status in the next audit, i.e., FY2023.

The Office of Public Accountability is conducting a GovGuam wide audit on credit card usage to determine if purchases were conducted within applicable laws, rules, regulations, policies, and standard operating procedures. The findings were related to either travel or procurement. GWA has provided a response to the findings and has begun to put corrective actions in place. The audit will be released simultaneously with audits of the other agencies included in this audit.

PUC Filings / GWA Budgets

The FY2023 true-up, FY2024 budget, and proposed rate increase were approved in CCU Resolution 33-FY2023. The True-Up was filed as required on June 1st. Requests for information related to the filing were received on June 15 and responses provided on June 30. We hope to have the PUC hearing on the FY2024 rate relief in August or September.

Work on the next five-year financial plan, FY2025-FY2029, has already started with the collection of FY2025 projected expenditures and the ongoing update of the Water Resources Master Plan. The five-year financial plan will be submitted in 2024.

Rating Agencies

On June 1, S&P Global issued a bulletin related to Typhoon Mawar's impact. While not a rating action, S&P did list GWA's rating as A- Stable.

Subsequent to Typhoon Mawar, Moody's requested a virtual meeting with GWA, GPA, Port, Airport, DOA, GEDA, and BBMR for an update after the storm. Although GWA's Baa2 rating was affirmed, GWA was placed on negative outlook as service interruptions due to the typhoon might lead to lower revenue collections and lower debt service coverage in FY2023. The rating outlook also mentioned the challenge to increase rates to a level that will meet GWA's operating needs.

Fitch is conducting its annual surveillance. A conference call was held on June 29th to provide updates and answer questions. Fitch plans to issue its report before the end of July.

The Government Accountability Office (GAO) issued its report on Public Debt Outlook of the US Territories in June. A copy of the report was provided to the CCU members.

GVB Visitor Arrivals

Visitor Arrivals for May 2023 increased 117.2% over May 2022, from 20,008 to 43,449 and is 36% of May 2019 arrivals. Sixty-five percent of arrivals were from Korea, 12% originated from the United States, and 14% were from Japan. Calendar year arrivals were up 387.5% from 56,888 to 277,320 and fiscal year arrivals were up 406.4% from 81,683 to 413,646. First time visitors were 48.6% of the mix and 37.6% were repeat visitors.



Although June arrivals were down in the post-typhoon month of June, visitor arrivals nearly doubled fiscal 2022 arrivals. Guam saw the return of about a quarter of air traffic as compared to fiscal 2019. Guam is expected to 'top out' at 515,000 tourists through September, down from the post typhoon projections of 670,000.

**GUAM WATERWORKS AUTHORITY
June 30, 2023
FINANCIAL AND RELATED REPORTS
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CCU Regular Board Meeting - GWA

GUAM WATERWORKS AUTHORITY
Balance Sheet
June 30, 2023

SCHEDULE A

ASSETS AND DEFERRED OUTFLOWS of RESOURCES	Unaudited June 30, 2023	Unaudited September 30, 2022	Increase (Decrease)
Current Assets			
Cash			
Unrestricted (Schedule G)	49,312,045	38,823,824	10,488,220
Restricted Funds (Schedule G)	35,314,855	29,987,985	5,326,870
Accounts Receivable Trade, Net of Allowance for Doubtful Receivables of \$11,405,753 at Jun 30, 2023 and \$9,753,074 at Sept 30, 2022	10,054,162	10,453,822	(399,661)
Federal Receivable	897,412	5,468,327	(4,570,915)
Other Receivable	4,439,463	2,752,585	1,686,878
Prepaid Expenses	1,563,860	1,733,017	(169,158)
Materials & Supplies Inventory, Net of Allowance for Obsolescence of \$122,856 at Jun 30, 2023 and \$122,856 at Sept 30, 2022	4,827,754	4,667,734	160,021
Total Current Assets	106,409,550	93,887,295	12,522,256
Property, Plant and Equipment			
Utility plant in service			
Water system	427,437,797	420,470,606	6,967,191
Wastewater system	677,540,173	576,276,943	101,263,231
Non-utility property	33,463,201	33,353,690	109,512
Intangible Lease Asset	952,625	952,625	-
Total property	1,139,393,797	1,031,053,863	108,339,934
Less: Accumulated Depreciation	(416,330,952)	(395,119,979)	(21,210,973)
Land	5,287,305	5,287,305	-
Construction Work in Progress	85,583,128	173,276,251	(87,693,123)
Property, Plant and Equipment, net	813,933,278	814,497,440	(564,162)
Noncurrent assets			
Restricted cash (Schedule G)	152,196,122	164,999,269	(12,803,147)
Investments (Schedule G)	85,481,340	69,404,193	16,077,147
Total other noncurrent assets and deferred charges	237,677,462	234,403,462	3,274,001
Total Assets	1,158,020,291	1,142,788,197	15,232,094
Deferred outflows of resources			
Regulatory assets	2,685,415	2,614,722	70,692
Debt defeasance due to bond refunding	27,695,811	29,229,855	(1,534,044)
Deferred outflows from pension	7,405,025	7,405,025	-
Deferred outflows from OPEB	36,260,991	36,260,991	-
Total Assets and Deferred Outflows of Resources	1,232,067,532	1,218,298,789	13,768,743
LIABILITIES, DEFERRED INFLOWS of RESOURCES AND NET ASSETS			
Current Liabilities			
Current maturities of long-term debt			
Series 2013 Revenue Bond	3,145,000	3,145,000	-
Series 2014 Refunding Bond	4,005,000	4,005,000	-
Series 2016 Revenue Bond	835,000	835,000	-
Series 2017 Refunding Bond	2,250,000	2,250,000	-
Lease Liability	234,824	234,824	-
Accounts Payable -Trade	3,281,084	4,328,204	(1,047,120)
Accrued and Other Liabilities	15,285,757	2,597,735	12,688,022
Interest Payable	14,400,839	7,200,420	7,200,419
Accrued Payroll and Employee Benefits	2,157,978	1,118,809	1,039,169
Current portion of employee annual leave	725,007	725,007	-
Contractors' Payable	6,996,131	23,351,921	(16,355,791)
Customer and Other Deposits	2,437,492	2,275,313	162,179
Total Current Liabilities	55,754,112	52,067,234	3,686,878
Long Term Debt, less current maturities			
Series 2013 Revenue Bond	18,365,000	18,365,000	-
Series 2014 Refunding Bond	60,050,000	60,050,000	-
Series 2016 Revenue Bond	134,140,000	134,140,000	-
Series 2017 Refunding Bond	100,930,000	100,930,000	-
Series 2020A Revenue Bond	134,000,000	134,000,000	-
Series 2020B Refunding Bond	166,075,000	166,075,000	-
Unamortized Bond Premium/Discount	37,660,094	38,778,147	(1,118,053)
Lease Liability LT	300,279	300,279	-
Net pension liability	46,038,335	46,038,335	-
Net OPEB obligation	109,298,971	109,298,971	-
Employee Annual Leave, Less Current Portion	995,913	995,913	-
Employee Sick Leave	1,376,504	1,376,504	-
Total Liabilities	864,984,208	862,415,383	2,568,826
Deferred inflows of resources:			
Contribution in Aid of Construction	653,312	638,875	14,437
Deferred inflows from pension	5,176,746	5,176,746	-
Deferred inflows from OPEB	26,413,809	26,413,809	-
Total Liabilities and Deferred Inflows of Resources	897,228,075	894,644,813	2,583,262
Net Assets	334,839,457	323,653,976	11,185,480
Total Liabilities, Deferred Inflows of Resources and Net Assets	1,232,067,532	1,218,298,789	13,768,743

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative Budget vs. Actual for the period ending June 30, 2023

SCHEDULE B

	Month to Date		Variance
	Actual (Unaudited)	Budget*	Favorable /
	June-23	June-23	(Unfavorable)
OPERATING REVENUES			
Water Revenues	5,342,256	5,703,534	(361,277)
Wastewater Revenues	2,764,484	2,939,479	(174,996)
Legislative Surcharge	241,799	258,781	(16,982)
Other Revenues	27,767	39,245	(11,478)
System Development Charge	20,220	140,572	(120,352)
Total Operating Revenues	8,396,526	9,081,611	(685,085)
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	669,901	531,588	(138,313)
Power Purchases	1,087,363	2,322,592	1,235,229
Total Utility Costs	1,757,265	2,854,180	1,096,916
Salaries and Wages	1,910,379	1,561,128	(349,251)
Pension and Benefits	638,252	595,089	(43,164)
Total Salaries and Benefits	2,548,631	2,156,216	(392,414)
Capitalized Labor and Benefits	(162,394)	(189,453)	(27,060)
Net Salaries and Benefits	2,386,237	1,966,763	(419,474)
Administrative and General Expenses			
Sludge removal	35,164	59,582	24,419
Chemicals	207,986	149,109	(58,877)
Materials & Supplies	310,760	147,329	(163,432)
Transportation	77,324	58,457	(18,867)
Communications	6,276	14,636	8,360
Claims	1,329	5,204	3,875
Insurance	147,927	147,927	(0)
Training & Travel	23,904	12,233	(11,671)
Advertising	20,628	9,981	(10,647)
Miscellaneous	152,301	123,179	(29,122)
Regulatory Expense	10,700	37,297	26,597
Bad Debts Provision	171,171	176,568	5,397
Total Administrative and General Expense	1,165,469	941,502	(223,967)
Depreciation Expense	2,409,865	2,394,755	(15,110)
Contractual Expense			
Audit & Computer Maintenance	100,977	178,657	77,680
Building rental	44,343	48,263	3,921
Equipment rental	40,762	38,782	(1,980)
Legal	62,072	52,738	(9,334)
Laboratory	14,989	39,654	24,665
Other	103,468	133,678	30,210
Total Contractual Expense	366,611	491,773	125,162
Retiree Supp. Annuities and health care costs	267,912	256,868	(11,044)
Contribution to Government of Guam	56,100	56,100	-
Total Retiree Benefits	324,012	312,968	(11,044)
Total Operating Expenses	8,409,459	8,961,941	552,482
Earnings (Loss) from Operations			
Interest Income - 2010/13/14/16/17/20 Series Bond	1,031,781	647,004	384,777
Interest Income - Other Funds	162,849	89,327	73,522
Interest Income - SDC	14,430	873	13,557
Interest Expense - 2010/13/14/16/17/20 Series Bond	(2,400,140)	(2,400,140)	-
Contributions from Local Government	1,750,000	1,033,333	716,667
Loss on Asset Disposal	-	(56,499)	56,499
Amortization of Discount, Premium and Issuance Costs	124,228	124,228	-
Defeasance due to bond refunding	(170,449)	(170,449)	-
Prior Year Adjustment	6,000	(7,229)	13,229
Total non-operating revenues (expenses)	518,700	(739,552)	1,258,251
Net Income (Loss) before capital contributions	505,766	(619,882)	1,125,648
Capital Contributions			
Grants from US Government	619,172	1,686,437	(1,067,265)
Grants from GovGuam & Others	-	8,937	(8,937)
Total Capital Contributions	619,172	1,695,374	(1,076,202)
Change in Net Assets	1,124,938	1,075,492	49,446
Debt Service Calculation			
Earnings From Operations	(12,933)	119,670	
System Development Charge	(20,220)	(140,572)	
Retiree COLA	56,100	56,100	
Interest/Investment Income	162,849	89,327	
Depreciation	2,409,865	2,394,755	
Plus withdrawals (deposits) to Rate Stabilization Fund	-	675,000	
ARPA Grant	1,750,000	1,033,333	
Balance Available for Debt Service per Section 6.12	4,345,660	4,227,613	
Debt Service			
Principal	852,917	852,917	
Interest	2,400,140	2,400,140	
Total	3,253,056	3,253,056	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.34	1.30	
Debt Service Coverage (1.30X) (PUC)	1.34	1.30	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative for the period ending June 30, 2023 and 2022

SCHEDULE C

	Month to Date		Variance Increase / (Decrease)
	Actual (Unaudited) June-23	Actual (Unaudited) June-22	
OPERATING REVENUES			
Water Revenues	5,342,256	5,446,065	(103,808)
Wastewater Revenues	2,764,484	2,792,898	(28,414)
Legislative Surcharge	241,799	252,487	(10,688)
Other Revenues	27,767	50,500	(22,734)
System Development Charge	20,220	473,290	(453,069)
Total Operating Revenues	8,396,526	9,015,239	(618,714)
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	669,901	581,637	88,264
Power Purchases	1,087,363	1,595,734	(508,370)
Total Utility Costs	<u>1,757,265</u>	<u>2,177,371</u>	<u>(420,106)</u>
Salaries and Wages	1,910,379	1,561,438	348,940
Pension and Benefits	638,252	591,334	46,918
Total Salaries and Benefits	<u>2,548,631</u>	<u>2,152,773</u>	<u>395,858</u>
Capitalized Labor and Benefits	(162,394)	(186,617)	24,223
Net Salaries and Benefits	<u>2,386,237</u>	<u>1,966,156</u>	<u>420,081</u>
Administrative and General Expenses			
Sludge removal	35,164	91,867	(56,703)
Chemicals	207,986	54,939	153,047
Materials & Supplies	310,760	163,534	147,226
Transportation	77,324	96,389	(19,065)
Communications	6,276	12,057	(5,781)
Claims	1,329	14,479	(13,150)
Insurance	147,927	147,927	-
Training & Travel	23,904	1,719	22,185
Advertising	20,628	4,331	16,297
Miscellaneous	152,301	98,587	53,714
Regulatory Expense	10,700	12,035	(1,334)
Bad Debts Provision	171,171	169,829	1,342
Total Administrative and General Expense	<u>1,165,469</u>	<u>867,693</u>	<u>297,776</u>
Depreciation Expense	<u>2,409,865</u>	<u>2,332,959</u>	<u>76,906</u>
Contractual Expense			
Audit & Computer Maintenance	100,977	128,955	(27,978)
Building rental	44,343	42,398	1,945
Equipment rental	40,762	42,404	(1,642)
Legal	62,072	-	62,072
Laboratory	14,989	7,106	7,883
Other	103,468	85,034	18,434
Total Contractual Expense	<u>366,611</u>	<u>305,896</u>	<u>60,715</u>
Retiree Supp. Annuities and health care costs	267,912	210,255	57,658
Contribution to Government of Guam	56,100	51,833	4,267
Total Retiree Benefits	<u>324,012</u>	<u>262,088</u>	<u>61,924</u>
Total Operating Expenses	<u>8,409,459</u>	<u>7,912,162</u>	<u>497,297</u>
Earnings (Loss) from Operations	<u>(12,933)</u>	<u>1,103,077</u>	<u>(1,116,010)</u>
Interest Income - 2010/13/14/16/17/20 Series Bond	1,031,781	112,196	919,585
Interest Income - Other Funds	162,849	18,367	144,483
Interest Income - SDC	14,430	1,784	12,646
Interest Expense - 2010/13/14/16/17/20 Series Bond	(2,400,140)	(2,457,450)	57,310
Contributions from Local Government	1,750,000	-	1,750,000
Amortization of Discount, Premium and Issuance Costs	124,228	156,349	(32,121)
Defeasance due to bond refunding	(170,449)	(171,398)	949
Prior Year Adjustment	6,000	67,815	(61,815)
Total non-operating revenues (expenses)	<u>518,700</u>	<u>(2,272,337)</u>	<u>2,791,037</u>
Net Income (Loss) before capital contributions	<u>505,766</u>	<u>(1,164,643)</u>	<u>1,670,410</u>
Capital Contributions			
Grants from US Government	619,172	2,864,793	(2,245,621)
Total Capital Contributions	<u>619,172</u>	<u>2,864,793</u>	<u>(2,245,621)</u>
Change in Net Assets	<u>1,124,938</u>	<u>1,700,150</u>	<u>(575,211)</u>
Debt Service Calculation			
Earnings From Operations	(12,933)	1,107,694	
System Development Charge	(20,220)	(473,290)	
Retiree COLA	56,100	51,833	
Interest/Investment Income	162,849	18,367	
Depreciation	2,409,865	2,328,342	
Plus withdrawals (deposits) to Rate Stabilization Fund	-	1,100,000	
ARPA Grant	1,750,000	-	
Balance Available for Debt Service per Section 6.12	<u>4,345,660</u>	<u>4,132,946</u>	
Debt Service			
Principal	852,917	812,083	
Interest	2,400,140	1,976,089	
Total	<u>3,253,056</u>	<u>2,788,172</u>	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	<u>1.34</u>	<u>1.48</u>	
Debt Service Coverage (1.30X) (PUC)	<u>1.34</u>	<u>1.48</u>	

CCU Regular Board Meeting - GWA

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative Budget vs. Actual for the period ending June 30, 2023

SCHEDULE D

	Year to Date		Variance Favorable / (Unfavorable)
	Actual (Unaudited) June-23	Budget* June-23	
OPERATING REVENUES			
Water Revenues	50,151,190	51,331,802	(1,180,612)
Wastewater Revenues	27,541,874	26,455,315	1,086,559
Legislative Surcharge	2,331,121	2,329,025	2,095
Other Revenues	404,972	353,206	51,766
System Development Charge	1,123,675	1,265,150	(141,476)
Total Operating Revenues	81,552,831	81,734,498	(181,667)
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	5,256,801	4,784,291	(472,510)
Power Purchases	18,979,031	20,903,332	1,924,301
Total Utility Costs	24,235,832	25,687,623	1,451,791
Salaries and Wages	14,808,312	14,050,150	(758,163)
Pension and Benefits	5,669,649	5,355,797	(313,852)
Total Salaries and Benefits	20,477,961	19,405,947	(1,072,014)
Capitalized Labor and Benefits	(2,107,221)	(1,705,080)	402,140
Net Salaries and Benefits	18,370,740	17,700,866	(669,874)
Administrative and General Expenses			
Sludge removal	453,642	536,242	82,600
Chemicals	1,176,503	1,341,979	165,476
Materials & Supplies	1,230,338	1,325,958	95,620
Transportation	430,267	526,116	95,849
Communications	85,128	131,723	46,596
Claims	32,722	46,839	14,117
Insurance	1,331,341	1,331,342	0
Training & Travel	82,570	110,099	27,528
Advertising	60,401	89,826	29,425
Miscellaneous	936,278	1,108,609	172,331
Regulatory Expense	138,521	335,674	197,153
Bad Debts Provision	1,600,484	1,589,111	(11,372)
Total Administrative and General Expense	7,558,195	8,473,518	915,324
Depreciation Expense	21,509,504	21,552,795	43,291
Contractual Expense			
Audit & Computer Maintenance	1,430,638	1,607,915	177,276
Building rental	429,745	434,369	4,624
Equipment rental	360,296	349,036	(11,259)
Legal	491,308	474,644	(16,664)
Laboratory	200,649	356,887	156,238
Other	1,135,110	1,203,103	67,993
Total Contractual Expense	4,047,745	4,425,954	378,208
Retiree Supp. Annuities and health care costs	2,168,898	2,311,813	142,915
Contribution to Government of Guam	504,900	504,900	-
Total Retiree Benefits	2,673,798	2,816,713	142,915
Total Operating Expenses	78,395,814	80,657,469	2,261,655
Earnings (Loss) from Operations	3,157,017	1,077,030	2,079,987
Interest Income - 2010/13/14/16/17/20 Series Bond	7,015,252	5,823,037	1,192,215
Interest Income - Other Funds	1,050,039	803,943	246,096
Interest Income - SDC	47,127	7,857	39,270
Interest Expense - 2010/13/14/16/17/20 Series Bond	(21,601,258)	(21,601,258)	-
Contributions from Local Government	11,550,000	9,300,000	2,250,000
Federal Expenditures	(25,000)	-	(25,000)
Loss on Asset Disposal	(284,212)	(508,490)	224,278
Amortization of Discount, Premium and Issuance Costs	1,118,053	1,118,053	-
Defeasance due to bond refunding	(1,534,044)	(1,534,044)	-
Prior Year Adjustment	(148,545)	(65,062)	(83,483)
Total non-operating revenues (expenses)	(2,812,588)	(6,655,965)	3,843,377
Net Income (Loss) before capital contributions	344,429	(5,578,935)	5,923,364
Capital Contributions			
Grants from US Government	10,780,303	15,177,929	(4,397,627)
Grants from GovGuam & Others	60,749	80,434	(19,686)
Total Capital Contributions	10,841,051	15,258,364	(4,417,312)
Change in Net Assets	11,185,480	9,679,428	1,506,052
Debt Service Calculation			
Earnings From Operations	3,157,017	1,077,030	
System Development Charge	(1,123,675)	(1,265,150)	
Retiree COLA	504,900	504,900	
Interest/Investment Income	1,050,039	803,943	
Depreciation	21,509,504	21,552,795	
Plus withdrawals (deposits) to Rate Stabilization Fund	2,550,000	6,075,000	
ARPA Grant	11,550,000	9,300,000	
Balance Available for Debt Service per Section 6.12	39,197,786	38,048,517	
Debt Service			
Principal	7,676,250	7,676,250	
Interest	21,601,258	21,601,258	
Total	29,277,508	29,277,508	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.34	1.30	
Debt Service Coverage (1.30X) (PUC)	1.34	1.30	

CCU Regular Board Meeting - GWA

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative for the period ending June 30, 2023 and 2022

SCHEDULE E

	Year to Date		Variance Increase / (Decrease)
	Actual (Unaudited) June-23	Actual (Unaudited) June-22	
OPERATING REVENUES			
Water Revenues	50,151,190	48,215,231	1,935,959
Wastewater Revenues	27,541,874	24,921,137	2,620,736
Legislative Surcharge	2,331,121	2,232,043	99,078
Other Revenues	404,972	363,099	41,873
System Development Charge	1,123,675	936,091	187,583
Total Operating Revenues	81,552,831	76,667,601	4,885,230
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	5,256,801	4,941,257	315,544
Power Purchases	18,979,031	12,692,303	6,286,727
Total Utility Costs	24,235,832	17,633,560	6,602,272
Salaries and Wages	14,808,312	14,330,392	477,920
Pension and Benefits	5,669,649	5,407,091	262,558
Total Salaries and Benefits	20,477,961	19,737,483	740,478
Capitalized Labor and Benefits	(2,107,221)	(2,360,935)	253,714
Net Salaries and Benefits	18,370,740	17,376,549	994,191
Administrative and General Expenses			
Sludge removal	453,642	532,086	(78,443)
Chemicals	1,176,503	1,289,987	(113,484)
Materials & Supplies	1,230,338	1,326,527	(96,189)
Transportation	430,267	511,419	(81,152)
Communications	85,128	114,221	(29,093)
Claims	32,722	60,923	(28,201)
Insurance	1,331,341	855,412	475,929
Training & Travel	82,570	36,986	45,584
Advertising	60,401	43,745	16,656
Miscellaneous	936,278	944,698	(8,420)
Regulatory Expense	138,521	158,224	(19,703)
Bad Debts Provision	1,600,484	1,507,368	93,115
Total Administrative and General Expense	7,558,195	7,381,597	176,598
Depreciation Expense	21,509,504	20,824,725	684,779
Contractual Expense			
Audit & Computer Maintenance	1,430,638	1,044,723	385,915
Building rental	429,745	381,576	48,169
Equipment rental	360,296	292,668	67,628
Legal	491,308	285,586	205,722
Laboratory	200,649	178,410	22,239
Other	1,135,110	1,142,983	(7,873)
Total Contractual Expense	4,047,745	3,325,945	721,800
Retiree Supp. Annuities and health care costs	2,168,898	1,920,904	247,994
Contribution to Government of Guam	504,900	466,500	38,400
Total Retiree Benefits	2,673,798	2,387,404	286,394
Total Operating Expenses	78,395,814	68,929,778	9,466,035
Earnings (Loss) from Operations	3,157,017	7,737,823	(4,580,806)
Interest Income - 2010/13/14/16/17/20 Series Bond	7,015,252	133,581	6,881,671
Interest Income - Other Funds	1,050,039	24,209	1,025,830
Interest Income - SDC	47,127	5,304	41,823
Interest Expense - 2010/13/14/16/17/20 Series Bond	(21,601,258)	(22,117,052)	515,794
Contributions from Local Government	11,550,000	-	11,550,000
Federal Expenditures	(25,000)	-	(25,000)
Loss on Asset Disposal	(284,212)	(191,873)	(92,339)
Amortization of Discount, Premium and Issuance Costs	1,118,053	1,407,141	(289,088)
Defeasance due to bond refunding	(1,534,044)	(1,542,587)	8,543
Prior Year Adjustment	(148,545)	157,652	(306,197)
Total non-operating revenues (expenses)	(2,812,588)	(22,123,624)	19,311,036
Net Income (Loss) before capital contributions	344,429	(14,385,801)	14,730,230
Capital Contributions			
Grants from US Government	10,780,303	25,919,212	(15,138,909)
Grants from Gov/Guam & Others	60,749	-	60,749
Total Capital Contributions	10,841,051	25,919,212	(15,078,161)
Change in Net Assets	11,185,480	11,533,411	(347,931)
Debt Service Calculation			
Earnings From Operations	3,157,017	7,737,823	
System Development Charge	(1,123,675)	(936,091)	
Retiree COLA	504,900	466,500	
Interest/Investment Income	1,050,039	24,209	
Depreciation	21,509,504	20,824,725	
Plus withdrawals (deposits) to Rate Stabilization Fund	2,550,000	3,450,000	
ARPA Grant	11,550,000	-	
Balance Available for Debt Service per Section 6.12	39,197,786	31,567,166	
Debt Service			
Principal	7,676,250	7,308,750	
Interest	21,601,258	17,784,802	
Total	29,277,508	25,093,552	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.34	1.26	
Debt Service Coverage (1.30X) (PUC)	1.34	1.26	

SCHEDULE F

Guam Waterworks Authority Statement of Cash Flows (Unaudited) FY2023	YTD Jun-23
Cash flows from operating activities:	
Cash received from trade and others	78,756,616
Cash payments to suppliers/contractors for goods and services	(22,576,813)
Cash payments to employees for services	(22,112,590)
Net cash provided by operating activities	<u>34,067,213</u>
Cash flows from noncapital financing activities:	
Receipts from the Local Government operating grant	11,550,000
Cash flows from capital and related financing activities:	
Contributed capital received (grants)	15,411,967
Acquisition of utility plant	(35,478,123)
Repayment of Long Term Debt	415,991
Interest expense	(14,990,375)
Net cash provided by (used in) capital and related financing activities	<u>(34,640,540)</u>
Cash flows from investing activities:	
Transfers from (to) restricted fund	(8,600,871)
Interest income received	8,112,418
Net cash provided by investing activities	<u>(488,453)</u>
Net increase (decrease) in cash	10,488,220
Unrestricted cash at beginning of the period	38,823,824
Unrestricted cash at end of period	<u>49,312,045</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating Income (loss)	3,157,017
Adjustments to reconcile to net cash provided by operating activities:	
Depreciation expense	21,509,504
Bad debts (recovery)	1,600,484
Capitalized labor and benefits	(2,107,221)
Recovery of provision for inventory obsolescence	-
Non-cash pension costs	-
(Increase) decrease in assets:	
Accounts receivable	(2,887,701)
Materials and supplies inventory	(160,021)
Prepaid expenses	169,158
Regulatory Assets	(70,692)
Increase (decrease) in liabilities:	
Accounts payable	(1,047,120)
Accrued payroll and employee benefits	1,039,169
Customer deposits	162,179
Other liabilities	12,702,458
Net cash provided by operating activities	<u>34,067,213</u>

GUAM WATERWORKS AUTHORITY
Restricted and Unrestricted Cash Summary
FY2023

SCHEDULE G

Description	Unaudited June 30, 2023	Unaudited September 30, 2022	Increase (Decrease)
UNRESTRICTED			
Change Fund	2,000	2,000	-
Petty Cash	3,930	3,930	-
BOG Deposit Accounts	26,408,993	12,033,170	14,375,823
BOG O & M Reserve	14,303,327	13,915,501	387,826
BOG CapEx Fund	5,493,795	7,219,224	(1,725,429)
BOG Rate Stabilization Fund	3,100,000	5,650,000	(2,550,000)
Sub-total Unrestricted	49,312,045	38,823,824	10,488,220
RESTRICTED			
ANZ Bank	-	693	(693)
Bank Pacific	16,815	13,774	3,041
Bank of Hawaii	147,934	191,163	(43,229)
Community First FCU	4,134	4,044	90
First Hawaiian Bank	88,163	88,820	(658)
Bank Pacific Surcharge	2,527,889	87,530	2,440,358
Bank Pacific Escrow Deposit	958,687	843,058	115,629
BOG Customer Refunds	2,190,326	2,108,598	81,728
BOG Emergency Reserve Fund	-	6,246	(6,246)
BOG Sewer Hookup Revolving Fund	2,070,768	64,373	2,006,396
BOG Operation and Maintenance Fund	3,083,482	3,083,482	-
BOG Revenue Trust	473,432	850,831	(377,399)
BOG Revenue Trust Fund	7,549,061	7,749,670	(200,609)
BOG Capital Improvement Revenue Fund	11,090,297	7,487,283	3,603,014
	30,200,987	22,579,565	7,621,422
BOG - SDC Deposit	1,363,868	1,158,420	205,448
BOG - SDC CDs	3,750,000	6,250,000	(2,500,000)
Total SDC	5,113,868	7,408,420	(2,294,552)
Total Restricted	35,314,855	29,987,985	5,326,870
Reserve Funds			
BOG Series 2013 Construction Fund	3,443,345	4,236,835	(793,490)
BOG Series 2016 Construction Fund	28,564,530	38,621,743	(10,057,213)
BOG Series 2017 Refunding Construction Fund	3,645,300	4,133,026	(487,726)
BOG Series 2020A Construction Fund	111,889,461	118,006,420	(6,116,959)
BOG CIF-Construction Fund Transfers	4,653,487	-	4,653,487
BOG Series 2020A Capitalized Interest Fund	-	1,245	(1,245)
Total Restricted - Held by Trustee	152,196,122	164,999,269	(12,803,147)
BOG OMRRRF Fund	17,423,213	17,423,213	(0)
USB Series 2013 Debt Service Fund	4,103,998	1,400,508	2,703,490
USB Series 2013 Debt Service Reserve Fund	12,031,688	12,031,688	-
USB Series 2014 Refunding Debt Service Reserve Fund	14,384,367	9,700,178	4,684,189
USB Series 2016 Debt Service Fund	4,350,717	1,967,736	2,382,981
USB Series 2016 Debt Service Reserve Fund	7,591,999	7,591,999	-
USB Series 2017 Refunding Debt Service Reserve Fund	7,566,460	7,566,460	-
USB Series 2017 Debt Service Fund	4,964,595	1,907,628	3,056,967
USB Series 2020A Debt Service Fund	3,408,771	1,678,906	1,729,865
USB Series 2020A Debt Service Reserve Fund	6,659,700	6,659,700	-
USB Series 2020B Debt Service Reserve Fund	2,995,832	1,476,176	1,519,656
Total Investments	85,481,340	69,404,193	16,077,147
	-	-	0
Total Restricted and Unrestricted Cash	322,304,362	303,215,271	19,089,091

CCU Regular Board Meeting - GWA

Guam Waterworks Authority
Accounts Receivable - Government (Active)
June 30, 2023

SCHEDULE H

A G I N G							
Customer Name	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days	Total
Autonomous Agencies (Active)							
Guam Int'l Airport Authority	8	26,885	63	63	63	262,441	289,516
Guam Power Authority	25	31,325	291	-	-	-	31,616
Guam Housing & Urban Renewal Authority	10	6,586	-	-	-	-	6,586
Guam Solid Waste Authority	4	1,337	282	56	68	37	1,780
Port Authority of Guam	5	612	-	-	-	-	612
Guam Housing Corporation	1	38	-	-	-	-	38
Total Autonomous Agencies	53	66,783	637	119	131	262,478	330,148
Semi-Autonomous Agencies (Active)							
University of Guam	48	75,991	129,168	8,248	-	-	213,407
Guam Memorial Hospital Authority	3	34,520	37,217	40,246	41,582	50,270	203,835
Guam Community College	3	2,072	7,243	3,544	22,332	-	35,191
Guam Environmental Protection Agency	2	227	-	-	-	-	227
Total Semi-Autonomous Agencies	56	112,811	173,628	52,038	63,914	50,270	452,661
Line Agencies (Active)							
Department of Education	52	285,941	2,066,281	110,180	470	2,751	2,465,622
Department of Parks & Recreation	13	100,494	1,174	-	-	-	101,667
Department of Corrections	9	90,029	-	-	-	-	90,029
Department of Public Works	10	34,225	2,267	5,516	-	-	42,008
Department of Chamorro Affairs	7	14,370	15,679	-	-	-	30,049
Department of Public Health & Social Services	9	4,452	3,047	2,780	2,703	1,517	14,498
Guam Fire Department	11	7,398	3,874	-	-	-	11,272
Department of Agriculture	7	5,250	1,223	360	-	-	6,833
Guam Police Department	9	3,830	1,544	1,016	41	-	6,431
Department of Military Affairs/GUARNG	1	5,505	-	-	-	-	5,505
Guam Veterans Affairs Office	2	4,069	956	115	-	-	5,140
Guam Homeland Security/Civil Defense	1	578	1,620	1,065	560	-	3,823
Department of Mental Health and Substance	4	3,423	282	-	-	-	3,705
Guam Visitors Bureau	2	1,105	-	-	-	-	1,105
Department of Youth Affairs	3	894	-	-	-	-	894
Department of Administration	3	199	133	136	296	122	886
Guam Energy Office	1	258	-	133	146	-	536
Department of Customs & Quarantine	1	451	-	-	-	-	451
Guam Public Library	6	296	53	26	-	-	374
							-
Total Line Agencies	151	562,766	2,098,134	121,325	4,216	4,389	2,790,830
Other Government of Guam Entities (Active)							
Mayors Council of Guam	63	13,143	352	16	-	-	13,511
Agat Mayor's Office	1	2,392	-	-	-	-	2,392
Talofofo Mayor's Office	1	58	-	-	-	-	58
Merizo Mayor	1	46	-	-	-	-	46
Judiciary of Guam	4	2	-	-	-	-	2
Total Other Government of Guam Entities	70	15,641	352	16	-	-	16,009
Total as of June 30, 2023 (Active)	330	758,001	2,272,751	173,498	68,260	317,137	3,589,648

CCU Regular Board Meeting - GWA

GUAM WATERWORKS AUTHORITY
Accounts Receivable Aging Summary by Rate Class
As of June 30, 2023

SCHEDULE I

ACTIVE AND INACTIVE

Rate Class	A G I N G							Total	
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days			
Government	446	\$ 1,092,035	\$ 2,283,450	\$ 176,004	\$ 68,260	\$ 580,675	\$ 4,200,424	20%	
Agriculture	422	32,260	11,249	3,013	1,547	31,186	79,256	0%	
Commercial I	2,705	1,361,547	84,796	113,830	46,449	557,349	2,163,971	10%	
Commercial II	39	270,004	8,384	3,567	698	10,291	292,943	1%	
Commercial III	294	527,165	35,355	35,901	45,235	271,167	914,823	4%	
Golf Course	16	4,031	841	624	607	4,543	10,646	0%	
Hotel	54	1,526,325	68,194	142,625	66,415	804,598	2,608,156	12%	
Irrigation	33	3,788	326	146	-	1,295	5,555	0%	
Residential	48,279	3,793,155	870,304	485,251	322,452	5,712,979	11,184,140	52%	
	52,288	8,610,309	3,362,898	960,961	551,663	7,974,085	21,459,915	100%	
		40%	16%	4%	3%	37%			
Less Allowance for Doubtful Accounts:								(11,405,753)	
Net Accounts Receivable:								10,054,162	
Days Receivables Outstanding								35	

ACTIVE ONLY

Rate Class	A G I N G							Total	
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days			
Government	439	\$ 1,091,059	\$ 2,283,450	\$ 176,004	\$ 68,260	\$ 578,119	\$ 4,196,892	26%	
Agriculture	397	30,721	11,135	2,976	1,511	3,410	49,753	0%	
Commercial I	2,548	1,359,885	83,525	112,834	45,967	296,510	1,898,721	12%	
Commercial II	39	270,004	8,384	3,567	698	10,291	292,943	2%	
Commercial III	282	527,165	35,355	35,901	30,429	234,181	863,032	5%	
Golf Course	16	4,031	841	624	607	4,543	10,646	0%	
Hotel	53	1,526,325	68,194	142,625	66,415	333,780	2,137,338	13%	
Irrigation	32	3,788	326	146	-	-	4,260	0%	
Residential	40,212	3,753,452	833,315	446,288	260,927	1,596,856	6,890,837	42%	
	44,018	8,566,429	3,324,523	920,964	474,814	3,057,691	16,344,422	100%	
		52%	20%	6%	3%	19%			
Less Allowance for Doubtful Accounts:								(11,405,753)	
Net Accounts Receivable:								4,938,668	

As of May 31, 2023

Rate Class	A G I N G							Total	
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days			
Government	447	\$ 2,627,813	\$ 357,699	\$ 178,718	\$ 71,846	\$ 546,853	\$ 3,782,928	17%	
Agriculture	421	38,701	5,092	1,733	1,084	30,326	76,937	0%	
Commercial I	2,691	1,468,449	237,529	132,525	71,299	541,625	2,451,427	11%	
Commercial II	38	283,432	47,875	933	824	12,348	345,412	2%	
Commercial III	295	605,722	75,766	46,647	37,649	265,233	1,031,017	5%	
Golf Course	16	4,341	836	607	2,165	2,379	10,327	0%	
Hotel	54	1,713,293	158,197	87,770	51,174	784,646	2,795,080	13%	
Irrigation	33	4,291	841	-	-	1,295	6,427	0%	
Residential	48,117	4,087,718	821,410	414,019	287,208	5,591,701	11,202,057	52%	
	52,112	10,833,760	1,705,246	862,950	523,249	7,776,407	21,701,611	100%	
		50%	8%	4%	2%	36%			
Less Allowance for Doubtful Accounts:								(11,233,796)	
Net Accounts Receivable:								10,467,815	
Days Receivables Outstanding								35	

As of May 31, 2023

Rate Class	A G I N G							Total	
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days			
Government	440	\$ 2,627,813	\$ 357,699	\$ 178,718	\$ 71,846	\$ 544,296	\$ 3,780,372	23%	
Agriculture	397	38,586	5,055	1,696	1,050	2,535	48,923	0%	
Commercial I	2,536	1,467,456	237,062	132,043	70,861	280,803	2,188,225	13%	
Commercial II	38	283,432	47,875	933	824	12,348	345,412	2%	
Commercial III	282	605,722	75,766	31,779	37,169	228,722	979,158	6%	
Golf Course	16	4,341	836	607	2,165	2,379	10,327	0%	
Hotel	53	1,713,293	158,197	87,770	51,174	313,828	2,324,262	14%	
Irrigation	32	4,291	841	-	-	-	5,132	0%	
Residential	40,161	4,056,122	782,753	343,386	200,315	1,533,385	6,919,961	42%	
	43,955	10,801,056	1,666,084	776,931	435,404	2,918,296	16,597,770	100%	
		65%	10%	5%	3%	18%			
Less Allowance for Doubtful Accounts:								(11,233,796)	
Net Accounts Receivable:								5,363,975	

GUAM WATERWORKS AUTHORITY
Accounts Payable Aging

SCHEDULE J

As of	AGING						Total	Days Payable Outstanding
	Current	31 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days			
June 30, 2023	\$ 2,582,620 79%	\$ 149,308 5%	\$ 96,287 3%	\$ 89,287 3%	\$ 363,582 11%	\$ 3,281,084 100%	29	
May 31, 2023	\$ 2,549,587 73%	\$ 278,945 8%	\$ 119,420 3%	\$ 47,017 1%	\$ 519,620 15%	\$ 3,514,588 100%	29	
April 30, 2023	\$ 3,241,041 77%	\$ 157,408 4%	\$ 209,103 5%	\$ 213,968 5%	\$ 382,717 9%	\$ 4,204,237 100%	31	

CCU Regular Board Meeting - GWA

GUAM WATERWORKS AUTHORITY
WATER DEMAND BY RATE CLASS
FY2015 - FY2023

SCHEDULE K

CLASS	AUDITED						UNAUDITED	Annualized Based on 9 months		
	FY2015 TOTAL CONSUMPTION (kGal)	FY2016 TOTAL CONSUMPTION (kGal)	FY2017 TOTAL CONSUMPTION (kGal)	FY2018 TOTAL CONSUMPTION (kGal)	FY2019 TOTAL CONSUMPTION (kGal)	FY2020 TOTAL CONSUMPTION (kGal)	FY2021 TOTAL CONSUMPTION (kGal)	FY2022 CONSUMPTION (kGal)*	% Inc / (Dec.)	FY2023 TOTAL CONSUMPTION (kGal)
R Residential	3,415,662	3,429,689	3,206,811	3,313,613	3,359,905	3,712,723	3,622,617	3,450,574	-5%	3,195,869
C Commercial	1,020,089	1,022,890	964,639	910,905	906,192	822,029	786,054	818,460	4%	816,007
F Federal	1,168	1,180	2,508	1,813	1,602	1,338	2,069	1,389	-33%	1,060
G Government	515,974	475,366	448,430	450,165	405,980	408,502	404,026	470,581	16%	476,788
H Hotel	999,116	1,008,087	1,004,525	989,723	1,079,919	714,161	448,034	462,757	3%	541,870
G Golf	6,850	6,770	5,252	2,741	2,793	5,835	2,855	3,796	33%	3,583
A Agriculture	67,376	78,628	69,482	81,127	90,803	84,492	68,805	65,719	-4%	48,019
I Irrigation	<u>10,385</u>	<u>11,351</u>	<u>10,143</u>	<u>8,504</u>	<u>7,896</u>	<u>8,654</u>	<u>5,404</u>	<u>4,888</u>	-10%	<u>4,326</u>
GRAND TOTAL	<u>6,036,620</u>	<u>6,033,960</u>	<u>5,711,790</u>	<u>5,758,590</u>	<u>5,855,091</u>	<u>5,757,733</u>	<u>5,339,864</u>	<u>5,278,164</u>	-1%	<u>5,087,521</u>

**Guam Waterworks Authority
System Development Charges Project Status
As of June 30, 2023**

SCHEDULE L

Funding Summary

Total available project funds	\$ 17,253,921
Total project expenditures and encumbrances	12,520,455
Total unobligated project funds	\$ 4,733,466

Projects Funded

Project Description	Expenditures	Outstanding Encumbrances	Expenditures and Encumbrances
Agat-Santa Rita Wastewater Treatment Plant Replacement	1,202,006	-	1,202,006
Baza Gardens Wastewater Cross Island Pumping & Conveyance	1,151,116	2,854	1,153,971
Central Guam Reservoirs	276,008	4,032	280,040
Line Replacement Phase IV	256,937	-	256,937
Northern District WWTP	7,552,513	-	7,552,513
Northern District WWTP (Land Purchase)	1,000,000	-	1,000,000
Route 4 Relief Sewerline Rehab & Replacement	519,227	74,641	593,869
South Paulino Heights Waterline Upgrade	84,056	4,714	88,770
Talofof Sewer Improvement	-	241,142	241,142
Groundwater Well Production Meter Rep.	136,087	15,121	151,207
	\$ 12,177,950	\$ 342,505	\$ 12,520,455

Future planned projects

FY 2023-2025

Water Distribution System Pipe Replacement & Upgrades	1,000,000
Capacity Enhancement - Well Development and Construction Progra	394,000
Well Repair Program	200,000
	\$ 1,594,000



GUAM WATERWORKS AUTHORITY

"Better Water, Better Lives."

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

Tel: (671) 300-6846

Issues for Decision

Resolution 29-FY2023

Relative to Approval of the Construction Contract for Ugum Reservoir No. 2

What is the projects' objective and is it necessary and urgent?

The project is part of the 2011 Court Order under 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 objective and deadline.

The objective of this project is to construct and repair the following:

1. Construct Ugum Reservoir No. 2 (2.0 MG) – concrete construction
2. Repair Ugum Reservoir No. 1 (2.0 MG) – steel construction

Where is the project located?

The Ugum Reservoirs are located at the Ugum Water Treatment Plant located in Inarajan.

How much will it cost?

The bid proposal submitted by AIC International, Inc. is \$22,834,768. With a 5% contingency of \$1,141,738.00, the total to fund the construction of the Ugum No. 2 project will be \$23,976,506.00.

After construction of the Ugum No. 2 reservoir, structural inspections will be performed on the existing steel Ugum No. 1 reservoir. Once a major repair scope of work has been developed from the inspection reports and price negotiated with contractor, GWA management will request additional funding for the major repair work. Estimated major repair cost for Ugum No. 1 reservoir is in \$3,000,000.00 range.

When will it be completed?

Contract performance period for base bid work is 515 calendar days from Notice to Proceed.

What is the funding source?

Bond funds.



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. 29–FY2023

RELATIVE TO APPROVAL OF CONSTRUCTION CONTRACT FOR THE UGUM NO. 2 RESERVOIR

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, GWA currently has a number of critical Court Order (“CO”) Projects, including the construction (i.e. repair, rehabilitate, replace or relocate) of the Ugum Reservoir, 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 a new Ugum No. 2 (2.0 MG) to increase storage capacity at the Ugum Water Treatment Plant site; and
2. The repair of existing Ugum No. 1 (2.0 MG) (modification to contract after construction of Ugum Reservoir No. 2 and inspection of Ugum Reservoir No. 1); and

//

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GWA RESOLUTION NO. 29-FY2023

1 **WHEREAS**, the Base Bid work consists of the Contractor furnishing all labor, tools,
2 equipment and materials necessary to complete the construction of the Ugum No. 2 Reservoir to
3 include, but not limited to pile foundation, earthwork, pipework, storm water detention basin,
4 concrete work, electrical work, fences and gates, protective coatings, onsite SCADA, disinfection,
5 testing and start-up under the provisions of the bid documents and in accordance with applicable
6 GWA standards; and

7
8 **WHEREAS**, Invitation for Bid (IFB-06-ENG-2023) packages were picked up by 26
9 interested parties, from which GWA received bid proposals from 4 of the 26 parties before the bid
10 proposal deadline (Exhibit A – Abstract of Bids); and

11
12 **WHEREAS**, the Project Team analyzed all bid proposals received on April 14, 2023 and
13 determined that AIC International, Inc., who submitted the lowest Base Bid as being the responsive
14 and responsible bidder and met all the bid requirements set forth by GWA; and

15
16 **WHEREAS**, GWA Management finds that AIC International, Inc. Base Bid proposal of
17 Twenty-Two Million Eight Hundred Thirty-Four Thousand Seven Hundred Sixty Eights Dollars
18 (\$22,834,768.00) to be acceptable (Exhibit B – Bid Proposal); and

19
20 **WHEREAS**, GWA management will assess any additional funding availability from the
21 latest Capital Improvement Plan to ascertain if any or all the Additive Bid items as part of this IFB
22 can be awarded later through a change order or via a subsequent CCU approval process as a means
23 of maximizing system improvements efficiently; and

24
25 **WHEREAS**, GWA Management is seeking approval to enter into contract with AIC
26 International, Inc. for IFB-06-ENG-2023 in the amount of Twenty Two Million Eight Hundred
27 Thirty Four Thousand Seven Hundred Sixty Eights Dollars (\$22,834,768.00), along with a five
28 percent (5%) contingency of One Million One Hundred Forty One Thousand Seven Hundred
29 Thirty Eight Dollars (\$1,141,738.00), bringing the total requested funding amount to Twenty
30 Three Million Nine Hundred Seventy Six Thousand Five Hundred Six Dollars (\$23,976,506.00);
31 and

GWA RESOLUTION NO. 29-FY2023

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WHEREAS, the funding sources for the construction project will be from Bond funds;

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 hereby authorizes the management of GWA to accept the bid from AIC International, Inc. attached hereto as Exhibit B, and which is also incorporated into this Resolution in its entirety.
- 3. The CCU hereby authorizes the management of GWA to enter into a contract with AIC International, Inc. in the amount of Twenty-Two Million Eight Hundred Thirty-Four Thousand Seven Hundred Sixty Eights Dollars (\$22,834,768.00).
- 4. The CCU hereby approves the funding total of Twenty-Two Million Eight Hundred Thirty-Four Thousand Seven Hundred Sixty Eights Dollars (\$22,834,768.00), along with a 5% contingency of One Million One Hundred Forty-One Thousand Seven Hundred Thirty-Eight Dollars (\$1,141,738.00), bringing the total requested funding amount to Twenty-Three Million Nine Hundred Seventy-Six Thousand Five Hundred Six Dollars (\$23,976,506.00).
- 5. The CCU hereby approves the use of Bond funds.

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

DULY AND REGULARLY ADOPTED, this 25th day of July 2023.

Certified by:

Attested by:

JOSEPH T. DUENAS

PEDRO ROY MARTINEZ

Chairperson

Secretary

GWA RESOLUTION NO. 29-FY2023

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: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

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IFB No. IFB-06-ENG-2023
 Project: Uigum Reservoir No. 2 Construction
 GWA Project No. W14-007-BND
 Job number W247

ABSTRACT OF BIDS

NO.	BIDDERS NAME	BID BOND	ADDENDUM				BID AMOUNT
			01	02	03	04	
1.	A&R PACIFIC	THE CONTINENTAL INSURANCE COMPANY \$15% OF BID BOND, SHENEO INS. CO. OF AMERICA	✓	✓	✓	✓	\$ 29,649,000.00 (BASE)
2.	CORE TECH INTERNATIONAL	SHENEO INSURANCE COMPANY 15% OF BID BOND	✓	✓	✓	✓	\$ 30,155,000.00 (BASE+ADDIT)
3.	SUMITOMO MITSUBI CONSTRUCTION	SHENEO INSURANCE COMPANY 15% OF BID BOND	✓	✓	✓	✓	\$ 26,344,500.00 (BASE)
4.	AIC INTERNATIONAL, INC.	FIDELITY AND DEPOSIT CO. OF MARYLAND 15% OF BID BOND	✓	✓	✓	✓	\$ 22,833,758.00 (BASE BID)
5.	BME & SONS, INC.	SHENEO INSURANCE COMPANY OF AMERICA 15% OF BID BOND	✓	✓	✓	✓	\$ 25,175,158.00 (BASE + ADDIT)
6.	IAN CORPORATION	SHENEO INSURANCE COMPANY OF AMERICA 15% OF BID BOND	✓	✓	✓	✓	\$ 11,705,872.00 (BASE)
7.							\$ 11,705,872.00 (BASE)
8.							\$ 11,705,872.00 (BASE)
9.							\$ 11,705,872.00 (BASE)
10.							\$ 11,705,872.00 (BASE)
11.							\$ 11,705,872.00 (BASE)
12.							\$ 11,705,872.00 (BASE)
	GWA ENGINEER'S ESTIMATE						\$ 20,883,344.00 (BASE) \$ 21,795,000.00 (BASE + ADDIT)

Bids Opened and Read by: *Garrett Yan J.*
 Roland F. Lumonsung
 (Name and Signature)
 GWA Buyer I

Tabulated by: *Annith*
 Josephine E. Smith, PMBA
 (Name and Signature)
 GWA Management Analyst

GWA Procurement Representative:
 Roland F. Lumonsung
 (Name and Signature)
 GWA Buyer II

Witnesses:
 Gale L. Teoh
 (Name and Signature)
 GWA Project Manager

Witnesses:
 Socrates L. Jimenez
 (Name and Signature)
 GWA Senior Engineer

Jun Park IAN Corporation
 Abby
 ADARIVE

Abby Elampara CPT

Joe Mariano PWD AIC

SHOZA REZUANI

Attachment 1 – Unit Price Bid Form

UGUM RESERVOIR NO. 2 CONSTRUCTION

GWA Project No. W14-007-BND

UNIT PRICE BID FORM

Bidders will complete the work for the following price(s) as broken down per scope item:

BID SCHEDULE

Interested Bidders must complete Table A. All blanks in the tables must be filled out.

Definitions:

LS = lump sum

TABLE A UGUM RESERVOIR NO. 2 BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, & ADDITIVE BID ITEM 7)				
Item No.	Description	Quantity	Unit	Extended Amount
1.	Mobilization, as specified in the Contract Documents. Item 1 Breakdown: 1.1 Move onto Site 1.2 Field Offices, fit out and utilities 1.3 Project Scheduling 1.4 Provisions for GWA inspection of Ugum Reservoir No. 1 1.5 All other mobilization items 1.6 Bonds and Insurance 1.7 Permits	1	LS	\$ <u>2,171,911.00</u> \$ <u>692,073.00</u> \$ <u>177,885.00</u> \$ <u>10,780.00</u> \$ <u>57,653.00</u> \$ <u>220,129.00</u> \$ <u>598,035.00</u> \$ <u>415,356.00</u>

TABLE A UGUM RESERVOIR NO. 2 BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, & ADDITIVE BID ITEM 7)				
Item No.	Description	Quantity	Unit	Extended Amount
2.	Demolition of existing facilities, including the indicated drainage systems, retaining walls, pavements, chain link fences and gates, piping, and appurtenances, as shown and/or specified in the Contract Documents.	1	LS	\$ <u>94,035.00</u>

TABLE A UGUM RESERVOIR NO. 2 BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, & ADDITIVE BID ITEM 7)				
Item No.	Description	Quantity	Unit	Extended Amount
3.	Construction of Ugum Reservoir No. 2, including a 2.0 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, Including one of the following: CIDH Piles or Square Precast Piles or Round Precast Piles 3.3 Tank Piping & Valving 3.4 Pre-stressed Concrete Tank 3.5 Tank Appurtenances 3.6 Tank Coating 3.7 Tank & Piping Disinfection 3.8 Testing & Startup 3.9 Electrical System 3.10 Instrumentation and Controls 3.11 Yard Piping & Valving 3.12 Reservoir No 2 Inlet/Outlet Vault, Meters, Valves & Piping 3.13 Reservoir No. 1 Inlet Vault, Meter, Valves and Piping 3.14 Replace/Add Various Meters, Backflow Preventors, Air Relief Valves	1	LS	\$ <u>780,179.00</u> \$ <u>5,814,528.00</u> \$ <u>377,730.00</u> \$ <u>7,508,223.00</u> \$ <u>392,864.00</u> \$ <u>100,218.00</u> \$ <u>33,574.00</u> \$ <u>42,605.00</u> \$ <u>321,965.00</u> \$ <u>578,450.00</u> \$ <u>564,761.00</u> \$ <u>578,035.00</u> \$ <u>173,215.00</u> \$ <u>83,028.00</u>

TABLE A UGUM RESERVOIR NO. 2 BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, & ADDITIVE BID ITEM 7)				
Item No.	Description	Quantity	Unit	Extended Amount
	<u>Item 3 Breakdown Continued</u> 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 All other appurtenant work Subtotal	1	LS	\$ <u>306,079.00</u> \$ <u>158,156.00</u> \$ <u>189,730.00</u> \$ <u>193,842.00</u> \$ <u>53,921.00</u> \$ <u>18,251,103.00</u>
4.	Site Grading and pavement including retaining walls, curbs, concrete gutters, headwalls, stormwater swales, stormwater infiltration basin and outlet structures, access road, and riprap.	1	LS	\$ <u>2,005,967.00</u>
5.	Construction of Control Building, including earthwork, instruments, electrical and lighting, piping and valves, and all appurtenant work, complete and operable as shown and specified in accordance with the Contract Documents. <u>Item 5 Breakdown</u> 5.1 Control Building 5.2 Instrumentation 5.3 Electrical & Lighting 5.4 Piping and Valves 5.5 All other appurtenant work	1	LS	\$ <u>224,724.00</u> \$ <u>78,611.00</u> \$ <u>90,955.00</u> \$ <u>12,054.00</u> \$ <u>39,455.00</u> \$ <u>3,649.00</u>
6.	Commissioning, including work by Contractor, Subcontractors, and Commissioning Authority, as specified in Specification Section 019100 - Commissioning	1	LS	\$ <u>87,028.00</u>

TABLE A UGUM RESERVOIR NO. 2 BID SCHEDULE (BASE BID ITEMS NO. 1 – 6, & ADDITIVE BID ITEM 7)				
Item No.	Description	Quantity	Unit	Extended Amount
7.	Additive Bid Item: Demolition of Inarajan Water Storage Tank and foundation, fencing, piping, vaults, and appurtenances, and including survey staking, grading and gravel surfacing, new fencing, gates, setting property corner monuments, and all appurtenant work, complete as shown and specified in accordance with the Contract Documents. <u>Item 7 Breakdown</u> 7.1 Demolish Tank and Foundation 7.2 Demolish Piping, Valves and Appurtenances 7.3 Grading and Resurfacing 7.4 Fencing and Gates 7.5 Property Boundary Monumentation 7.6 All other appurtenant work	1	LS	\$ <u>641,190.00</u> \$ <u>316,529.00</u> \$ <u>67,730.00</u> \$ <u>49,051.00</u> \$ <u>194,621.00</u> \$ <u>5,713.00</u> \$ <u>7,546.00</u>

Table A Base Bid and Additive Bid Total

\$ 23,475,958.00

TOTAL BASE BID PRICE (BASE BID ITEMS NO. 1 – 6):

For the lump sum of

\$ 22,834,768.00
(Price in Figures)

Twenty Two Million Eight Hundred Thirty Four Thousand Seven Hundred Sixty Eight Dollars
(Price in Words)

This Contract will be awarded to the lowest responsive and responsible bidder based on the total Base Bid Schedule. Determination of the lowest responsive and responsible bidder will be in accordance with the provisions of the Bid Documents.

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.



GUAM WATERWORKS AUTHORITY

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

Tel: (671) 300-6846/7

Issues for Decision

Resolution 32-FY2023

Relative To the Approval and Ratification of Conflicts / Legal Counsel Fees Under RFP 2018-01

What is the projects' objective and is it necessary and urgent?

GWA, together with the CCU and GPA, through Request for Proposal (RFP) 2018-01, entered into a contract for legal services with law firm of Vincent E. Leon Guerrero on May 21, 2018. The contract was intended to augment GPA and GWA's in-house staff attorneys to provide additional and conflict legal services by any of the utilities and the CCU when needed. Both utilities and the CCU request and are billed separately for any legal services received. In total, and since May 2018, GWA has spent \$1.4M under the contract. The contract expired in May 2023; however, an open and active attorney-client agreement with Attorney Vincent E. Leon Guerrero, and any of his contracted co-counsels, for a single matter in the Superior Court, in CV1198-18, has survived and is outside the contract's expiration until the specific litigation concludes. The CV1198-18 litigation has cost GWA approximately \$1.15 million in legal fees of \$1.4M spent since May 2018. The \$1.4M and any additional expenses exceed the GM's obligating authority as permitted by the CCU and GWA will now require CCU ratification on the amounts above \$1M and an approved contract amount to ensure the board approvals are attached to all litigation costs going forward for CV1198-18.

Where is the project located?

Superior Court of Guam

How much will it cost?

GWA is seeking to ratify the amount of \$438,021.20 but is also seeking to increase the total funding authorization on the contract by \$1M for any additional legal fees billed for CV1198-18 and for a total authorized funding amount up to no more than \$2,438,021.20 unless additional and express CCU approval permits a higher amount.

When will it be completed?

CV1198-18 is ongoing so the terms of the specific engagements will end once the case and any and all related appeals conclude OR until the attorney-client agreements with the Law Offices of Vincent E. Leon Guerrero and all co-counsels are terminated; therefore, a timeline is unknown.

What is the funding source?

GWA Revenue Funds



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. 32-FY2023

**RELATIVE TO THE APPROVAL AND RATIFICATION OF CONFLICTS / LEGAL
COUNSEL FEES PURSUANT TO RFP 2018-01**

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 Power Authority ("GPA") and 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, together with the CCU and GPA, through Request for Proposal (RFP) 2018-01, entered into a contract for legal services with law firm of Vincent E. Leon Guerrero on May 21, 2018;

WHEREAS, GWA, GPA, and the CCU separately request and pay for legal services from their respective agency funds except that GPA and GWA are to share and pay 50% for all outside legal fees billed to the CCU;

WHEREAS, subsequent to the award made under RFP 2018-01, and as authorized under its professional services agreement at Section II(g), GWA authorized the law firm of Vincent Leon Guerrero to represent GWA and appear as co-counsel with GWA's in-house attorney in its litigation in *CV1198-18 Gov Guam/ Michael B. Borja as Director of the Department of Land Management and Guam Waterworks Authority v. Core Tech International Corporation and Younex Enterprises Corporation*, before the Superior Court of Guam;

WHEREAS, the professional services agreement with law firm of Vincent E. Leon Guerrero expired May 21, 2023, but separate engagements as permitted at Section VI(b) of the agreement, and entered in 2021 and 2022 for GWA's CV1198-18 case, remain active and

1 ongoing until the attorney-client relationship is terminated OR until Superior Court case
2 CV1198-18 or any related appeals conclude;

3
4 **WHEREAS**, since May 2018, GWA has approved and paid legal fees to law firm of
5 Vincent E. Leon Guerrero for a total amount of One Million Four Hundred Thirty-Eight
6 Thousand Twenty-One Dollars and 20/100 Cents (\$1,438,021.20) for necessary legal work;

7
8 **WHEREAS**, the legal fees paid by GWA in each contract year were:

- 9 • \$6,316.50 for Year 1 (5/2018 – 5/2019)
- 10 • \$235,643.00 for Year 2 (6/2019 – 5/2020)
- 11 • \$85,337.20 for Year 3 (6/2020 – 5/2021)
- 12 • \$429,672.47 for Year 4; (6/2021 – 5/2022) and
- 13 • \$681,052.00 for Year 5. (6/2022 – to present)

14
15 **WHEREAS**, these total charges of \$1,438,021.20 exceed the GM’s contract authority of
16 \$1,000,000.00; and

17
18 **WHEREAS**, 83% or \$1.16M of the total \$1,438,021.20, and largely billed in Year 4 and
19 Year 5 above, was a direct result of the legal services billed for CV1198-18;

20
21 **WHEREAS**, legal fees passed the \$1M mark after November 2022, where filing
22 deadlines in CV1198-18 to Supplements opposing Core Tech’s Motions to Dismiss and Motions
23 for Summary Judgment, and new filings requesting leave to amend GWA’s earlier reply to Core
24 Tech’s counterclaims, and leave to amend and file separate new summary judgment motions, and
25 Orders requiring further briefing on newly converted Motions to Dismiss into summary
26 judgment motions attached, requiring immediate, ongoing, and continued competent
27 representation;

28
29 **WHEREAS**, 15% or \$205K of the \$1,438,021.20 was largely billed in Year 2 for
30 ongoing negotiations towards a Consent Decree with USEPA.;

31

1 **WHEREAS**, GWA requests the CCU to ratify the additional expenses of \$438,021.20 in
2 excess of \$1,000,000.00 and;

3
4 **WHEREAS**, GWA requests the CCU approve an additional funding amount of
5 \$1,000,000, for a total authorization of up to \$2,438,021.20 to fund ongoing legal expenses to the
6 law firm of Vincent E. Leon Guerrero as GWA’s CV1198-18 remains active and ongoing;

7
8 **WHEREAS**, GWA Management further seeks CCU the approval to petition the Public
9 Utilities Commission (“PUC”) for any ratified and additional funding amounts granted, if
10 needed, given these contract amounts may now meet the PUC’s Contract Review Protocol
11 requirements requiring additional review;

12
13 **NOW THEREFORE BE IT RESOLVED**; by the Consolidated Commission on
14 Utilities AND it does hereby approve and authorize the following:

- 15 1. The foregoing recitals hereto are hereby ratified, confirmed, and incorporated
16 herein by reference.
- 17 2. GWA’s additional expenses and payments to the Law Offices of Vincent
18 Leon Guerrero in the amount of \$438,021.20 on the following grounds;
- 19 a. There was no indication of bad faith or fraud in any of the
20 procurements or amounts paid herein;
- 21 b. According to GWA management, the legal services were required to
22 ensure filing deadlines in CV1198-18;
- 23 c. The procurements herein are in the best interest of the Territory of
24 Guam and the Guam Waterworks Authority;
- 25 3. GWA to increase the total funding authorization by \$1,000,000 for additional
26 legal fees billed for CV1198-18 and for a total authorized funding amount up
27 to no more than \$2,438,021.20.
- 28 4. GWA management to request approval or provide any required notification to
29 the PUC under the Contract Review Protocol, as needed.
- 30

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

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DULY AND REGULARLY ADOPTED, this 25th day of July, 2023.

Certified by:

Attested by:

JOSEPH T. DUENAS

PEDRO ROY MARTINEZ

Chairperson

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: _____
NAYS: _____
ABSENT: _____
ABSTAIN: _____

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GUAM WATERWORKS AUTHORITY

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

Tel: (671) 300-6846

Issues for Decision

Resolution No. 34-FY2023

Relative to Contract Approval for the Design and Construction Management Services for Water and Sewer Line Replacement of Various Bridges

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

The objective of the project is for GWA to assess the conditions, replace or repair existing water and sewer lines crossing bridges. The design services will include site investigations and condition assessment, basis of design report, topographic surveys, preparation of plans, specifications, and estimate to construct recommended bridge pipeline repair or replacement, and construction management services. Following the completion of assessment, it is necessary replace or repair bridge crossings identified as critical. Any failure or collapse of a water or sewer line bridge crossing could cut-off service to the other side of the bridge or result in adverse environmental and regulatory impacts.

Where is the location?

The thirty (30) bridges are located in the central and southern villages of Guam.

How much will it cost?

The cost of Design and CM services for water and sewer line replacement at various bridges is One Million Two Hundred Thirty-Two Thousand Nine Hundred Nine Dollars (\$1,232,909.00). GWA management is also seeking a ten percent (10%) contingency of the said amount or One Hundred Twenty-Three Thousand Two Hundred Ninety Dollars and Ninety Cents (\$123,290.90) to bring the total authorized funding request to One Million Three Hundred Fifty-Six Thousand One Hundred Ninety-Nine Dollars and Ninety Cents (\$1,356,199.90).

When will it be completed?

The design services is 365 calendar days after an NTP is issued to the Consultant.

What is the funding source?

Funding for this project will be from Bond funds, CIP Line-Item MP-PW-Pipe-12 Rehabilitation and Replacement Program, or any other CIP line item applicable to the project intent

The RFP/BID responses (if applicable):

Seventeen (17) interested parties downloaded RFP packages, from which GWA received proposal submittals from six (6) firms before the RFP submittal deadline.



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. 34-FY2023

**RELATIVE TO CONTRACT APPROVAL FOR THE DESIGN AND CONSTRUCTION
MANAGEMENT SERVICES FOR WATER AND SEWER LINE REPLACEMENT OF
VARIOUS BRIDGES**

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 projects as part of GWA’s Capital Improvement Plan, including the replacement of old and persistently leaking waterlines, as well as old sewer lines, in various diameter, length, and locations island wide; and

WHEREAS, the existing water and sewer networks include pipelines crossing existing bridges; and

WHEREAS, exposed waterlines crossing bridges constitute a vulnerable portion of the distribution network often subjected to additional environmental forces including atmospheric and weather conditions; and

WHEREAS, exposed sewer lines crossing bridges constitute a potential environmental risk if the lines are damaged and leaks occur; and

WHEREAS, GWA has advertised the Request For Proposals (RFP-03-ENG-2023) soliciting statement of qualifications from experienced and qualified engineering firms for the preparation of design plans and specifications for utility line replacement at bridges; and

//

1 **WHEREAS**, the Water and Sewer Line Replacement of Various Bridges project includes
2 site investigations and condition assessment, basis of design report, topographic surveys,
3 preparation of plans, specifications, and estimate to construct recommended bridge pipeline
4 repair or replacement, and construction management services; and
5

6 **WHEREAS**, RFP packages were downloaded by seventeen (17) interested parties, from
7 which GWA received proposal submittals from six (6) firms before the RFP submittal deadline;
8 and
9

10 **WHEREAS**, the GWA A-E Selection committee reviewed and evaluated the six (6)
11 proposals (see EXHIBIT A – Evaluation Score) and generated a short list of the top three (3)
12 firms with a recommendation to award a contract to the firm GHD, Incorporated (see EXHIBIT
13 B – Evaluation Summary and GM Determination); and
14

15 **WHEREAS**, GHD, Incorporated and GWA negotiated the price for the services to be
16 provided in the amount of One Million Two Hundred Thirty-Two Thousand Nine Hundred Nine
17 Dollars (\$1,232,909.00) (see EXHIBIT C – Fee Proposal); and
18

19 **WHEREAS**, GWA management seeks approval of the fee proposal amount of One
20 Million Two Hundred Thirty-Two Thousand Nine Hundred Nine Dollars (\$1,232,909.00), plus a
21 ten percent (10%) contingency of One Hundred Twenty-Three Thousand Two Hundred Ninety
22 Dollars and Ninety Cents (\$123,290.90) to bring the total authorized funding amount to a
23 maximum of One Million Three Hundred Fifty-Six Thousand One Hundred Ninety-Nine dollars
24 and Ninety Cents (\$1,356,199.90); and
25

26 **WHEREAS**, GWA Management further seeks CCU approval to petition the Public
27 Utilities Commission approval of the contract given this project meets the Contract Review
28 Protocol requirements for GWA projects for which the use of Bond funds is intended; and
29

30 //

1 **WHEREAS**, the funding sources for the construction project will be from Bond funds;
2 and

3
4 **WHEREAS**, GWA management recommends that a contract be entered into with GHD,
5 Incorporated in the aforementioned amount.

6
7 **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities
8 does hereby approve the following:

- 9 1. The recitals set forth above hereby constitute the findings of the CCU.
- 10 2. The CCU finds that the terms of the fee proposal submitted by GHD,
11 Incorporated is fair and reasonable (Exhibit C).
- 12 3. The CCU finds that the standard contract terms and conditions set by GWA
13 relative to execution of the project are fair and reasonable and serve as a
14 measure of Quality Assurance/Quality Control (QA/QC).
- 15 4. The CCU hereby authorizes the management of GWA to enter into a contract
16 with GHD, Incorporated, in the amount of One Million Two Hundred Thirty-
17 Two Thousand Nine Hundred Nine Dollars (\$1,232,909.00).
- 18 5. The CCU hereby further approves the total funding amount for this project of
19 One Million Two Hundred Thirty-Two Thousand Nine Hundred Nine Dollars
20 (\$1,232,909.00), plus a ten percent (10%) contingency of One Hundred
21 Twenty-Three Thousand Two Hundred Ninety Dollars and Ninety Cents
22 (\$123,290.90) to bring the total authorized funding amount to a maximum of
23 One Million Three Hundred Fifty-Six Thousand One Hundred Ninety-Nine
24 Dollars and Ninety Cents (\$1,356,199.90).
- 25 6. The CCU hereby further approves funding for this project from Bond Funds
26 under the line items CIP MP-PW-Pipe-12.

27
28 **RESOLVED**, that the Chairman certified, and the Board Secretary attests to the adoption
29 of this Resolution.

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DULY AND REGULARLY ADOPTED, this 25th day of July, 2023.

Certified by:

Attested by:

JOSEPH T. DUENAS

PEDRO ROY MARTINEZ

Chairperson

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: _____
NAYS: _____
ABSENT: _____
ABSTAIN: _____

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EXHIBIT A

GUAM WATERWORKS AUTHORITY

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

January 19, 2023

To: Mauryn Q. McDonald, P.E.
Acting Assistant General Manager - Engineering

From: Ryan Diaz
Chairperson, Consultant Selection Board

Subject: RFP-03-ENG-2023
Design and CM Services for Waterline Replacement of Various Bridges
GWA Project No. W22-08-BND

The following information is intended to document the evaluation process undertaken for the referenced solicitation:

EVALUATION COMMITTEE MEMBERS	
Name	Title
Garrett Yeoh	Senior Engineer, P.E.
George J. Watson	Senior Engineer
Vince Pangelinan	Operations & Maintenance Manager
Ryan Diaz	Associate Engineer

Offerors	Evaluation Score				Total	Rank
GHD, Inc.	84	89	86	87	346	1
AECOM Technical Services, Inc.	82	87	89	85	343	2
Duenas, Camacho, and Associates, Inc.	81	85	86	82	334	3
TG Engineers, P.C.	75	82	85	76	318	4
SSFm, International, Inc.	75	81	82	76	314	5
EMPSCO Engineering Consultants	75	77	78	79	309	6

Scores were evaluated based on the sum of individual scores. The recommendation of the Evaluation Committee is shown in the ranking above.

For your review and approval. Notification letters will be issued thereafter.

Approved by:

Mauryn Q. McDonald, P.E.



EXHIBIT B

GUAM WATERWORKS AUTHORITY

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

MEMORANDUM

To: Miguel C. Bordallo, P.E.
General Manager

From: Mauryn Q. McDonald, P.E. *MMcD*
Acting Assistant General Manager – Engineering

Subject: RFP-03-ENG-2023
Design and CM Services for Waterline Replacement of Various Bridges
GWA Project No. W22-08-BND

Date: January 19, 2023

The Selection Committee has completed all necessary actions for selecting the most qualified consultants for the referenced solicitation. All proposals were reviewed and scored according to the conditions established in the solicitation. The Evaluation Summary is attached for your information.

The committee recommends the following top three (3) firms in order of preference for the project:

1. GHD, Inc.
2. AECOM International, Inc.
3. Duenas, Camacho, and Associates, Inc.

Concurred:

Vincent Guerrero

 Vincent E. Guerrero
 Supply Management Administrator

1-19-2023

 Date

GENERAL MANAGER'S DETERMINATION

Consultant Firm Selected:

GHD Inc.

Remarks:

Miguel C. Bordallo

 Miguel C. Bordallo, P.E.
 General Manager

2023. 1. 20

 Date

EXHIBIT C



GWA Design and CM Services for Waterline Replacement of Various Bridges Scope of Work and Fee Proposal

1. General

GHD will provide design and construction management services for the Waterline Replacement of Various Bridges Project. The water and sewer line conditions found under various bridges has been determined to have severe corrosion. The design services consist of site investigations and condition assessment, Basis of Design report, topographic surveys, preparation of plans, specifications, and estimates to construct the recommended bridge pipeline renovations or replacements. The packages will be prepared for bid following the conventional design-bid-build process. Services will include construction bid support and construction management. Design, construction bid support and construction management tasks are described in detail below.

The preliminary list of bridges that are part of the project are included in Table 1. The list may change based on a bridge list to be provided by the Department of Public Works and confirmation that pipelines belong to GWA.

Table 1 *Bridge List and Preliminary Assessment of Pipelines*

Bridge	Water/Sewer	Replace (RPL)/Repair (rpr)	Bridge	Water/Sewer	Replace (RPL)/Repair (rpr)	Bridge	Water/Sewer	Replace (RPL)/Repair (rpr)
1. Agana 1	Yes	WL rpr SL rpr	11. Lygog 1	Yes	WL rpr	20. Santa Rita	Yes	WL RPL SL RPL
2. Agfayan	Yes	WL rpr	12. Lygog 2	Yes	WL RPL	21. Sumay (Namo)	Yes (Navy?)	WL rpr SL rpr
3. Asan Inland 2	Yes	WL rpr	13. Lygog 3	Yes	WL RPL	22. Talifak	Yes	WL rpr SL RPL
4. Asan Inland 3	Yes	WL rpr	14. Maina	Yes	WL rpr	23. Talofoko	Yes	WL RPL
5. As-Linget	Yes	WL RPL SL rpr	15. Masso	Yes	WL rpr	24. Togcha	Yes	WL RPL
6. Bile	Yes	WL rpr	16. Merizo Inland	Yes	WL RPL	25. Toguan	Yes	WL RPL
7. Chaot	Yes	WL RPL SL rpr	17. Minondo	Yes	WL RPL SL RPL	26. Umatac	Yes	WL RPL
8. Geus	Yes	WL rpr	18. Pauliloc	Yes	WL RPL SL RPL	27. Ylig	Yes	WL rpr SL rpr
9. .Inarajan	Yes	WL RPL	19. Pigua	Yes	WL rpr	28. Maina Upper	Yes	WL RPL
10. .Inarajan South	Yes	WL RPL				29. As-Linget North	Yes	WL RPL

Note: The repair or replacement assessment are preliminary assumptions for scoping and fee. The recommendation may change after a more thorough investigation and discussion with GWA engineering and operations.

2. Design Services

2.1 Condition Assessment and Priority List

The design services will begin with site investigations and condition assessments of the water and sewer lines to develop recommendations for rehabilitation or replacement. GHD will create a priority list with GWA engineering and operations input. Bridges will be prioritized based on established criteria, such as condition, age, material, breakage/leak rates, service area, costs, and other relevant factors. GWA will select sites from the priority list to proceed with a complete design and bid package.

Based on our preliminary assessment of bridge pipelines we estimate 16 waterlines require replacement, 13 waterlines require repairs/maintenance, 4 sewer lines require replacement, 5 sewer lines require repairs/maintenance, and 7 pipelines require structural support repairs or replacement (As-Linget, Inarajan N, Inarajan S, Lygog 3, Pauliloc, Santa Rita, and Talofoko). Structural support repairs or replacement involve design of new or rehabilitated utility supports. No bridge structural repairs are included.

2.2 Project Planning and Management

Management of the project shall consist of the following:

- Prepare monthly progress reports to GWA in digital format.
- Conduct bi-weekly design meetings with team members and GWA to discuss design issues, progress of work, and coordination. GHD shall prepare meeting minutes for all design progress meetings. The meeting minutes shall include action items from week to week.
- Coordination meetings as needed with proper local and/or federal government agencies including, but not limited to:
 - DPW
 - GEPA
 - SHPO
 - USCG
 - USACE
- Conduct project design review meetings at BOD, 60%, 90%, and 100% levels with GWA.
- Update record drawings based on new information, if necessary
- Maintain an electronic project record which will include all project correspondence, reports, meeting minutes, deliverables, and other items required to document the project.

2.3 Basis of Design (BOD)

The design shall conform to the Safe Water Drinking Act, all relevant codes, standards, environmental regulations, and all other applicable local and federal laws that will be incorporated in the design.

The BOD Report shall address the following at the minimum:

- Recommended bridge priority list of waterline rehabilitation and replacement.
- Bridge pipeline condition assessment report.
- Includes the condition assessment of GWA water and sewer lines under or on various bridges.
- Recommended GWA water and sewer line replacement/maintenance/repair schedule for new and existing pipeline condition.
- Perform lifecycle analysis and cost effectiveness on different pipe material for pipe replacement.
- Methodology for water and sewer line replacement.
- Include geotechnical and soil report if historical reports are available. New geotechnical investigations are assumed not to be needed.
- Define the type of bridge structural repair as needed where removal and replacement of pipe section is proposed. The structural engineer shall be a registered licensed P.E. with Guam PEALS and will reside on island.
- Design standard specification requirements for GWA water and sewer line replacement of bridges. Include any necessary isolation valves and/or bypass line before and after the bridge to assist with site operation and construction.
- Summarize all local and/or federal permitting requirements necessary for project execution and construction completion.
- Preliminary construction schedule showing minor and major work items.
- Develop design recommendations and alternatives for each water and sewer line replacement or repair.

2.4 Design

GHD will prepare construction drawings, specifications, cost estimates, supporting design calculations, construction schedule, a list of all required permits, and other documents necessary for project construction.

The drawings will include necessary piping, valving, fittings, and appurtenances for the bridge pipeline and to connect to the existing water system as indicated in the BOD. The plan will also include necessary erosion control measures such as erosion control seeding, silt fencing, protection of stockpiled materials, and other necessary measures to mitigate the impact of erosion and sedimentation.

Field Surveys: GHD shall conduct surveying services for the purposes of a topographic survey and right-of-way locating for the proposed GWA water and sewer line replacement. The survey must indicate easements, property lines, existing utilities, existing water meters, edges of pavement, driveways, existing buildings, structures, trees, etc. within the vicinity of the project.

GHD will prepare and submit the following:

1. Multidiscipline plans to the 60%, 90%, and 100% completion levels.
2. Specifications at 60%, 90%, and 100% completion levels, which will include technical specifications applicable to the indicated completion levels. GHD will review GWA' front end documents and may propose changes for GWA's legal counsel to review if a possible conflict with the division 1 or technical specifications is determined.
3. A basis of estimate trend log.
4. Construction cost estimate at 60% completion level. This estimate will be a Class 3 estimate in accordance with the AACE International Cost Estimate Classification System. All costs will be in current dollars and escalated to the estimated midpoint of construction.
5. Construction cost estimate update at 90% completion level. This estimate will be a Class 2 estimate in accordance with the AACE International Cost Estimate Classification System. All costs will be in current dollars and escalated to the estimated midpoint of construction.
6. Final construction cost estimate based on midpoint of construction and quantity take-offs and the requirements of the 100% design plans and specifications. This estimate will be a Class 1 estimate in accordance with the AACE International Cost Estimate Classification System. All costs will be in current dollars and escalated to the estimated midpoint of construction.

GHD shall coordinate with relevant agencies such as Guam Environmental Protection Agency, Department of Public Works, and other relevant agencies at the BOD, 60%, 90% and 100% submittals. This includes submitting design documents (11x17 plans and specifications at each phase) and maintaining communication throughout the duration of the project and incorporating any relevant regulation requirements in the design.

2.5 Deliverables

Deliverables to GWA will be provided in accordance with the following:

1. BOD
 - a. 2 hard copies – if requested
 - b. Digital copy
2. 60% phase
 - a. 2 hard copies of the 60% design documents (plan submittal shall consist of 2 sets of 11"x17" sized drawings if requested)
 - b. Digital copy of the 60% design documents
3. 90% phase
 - a. 2 hard copies of the 90% design documents (plan submittal shall consist of 2 sets of 11"x17" sized drawings if requested)

- b. Digital copy of the 90% design documents
- 4. 100% phase
 - a. 2 hard copies of the 100% design documents (plan submittal shall consist of 2 sets of 11"x17" sized drawings)
 - b. Digital copy of the final design documents

3. Construction Management Services

GHD will assume a budget for time and material construction management services for the Waterline Replacement of Various Bridges Project. The budget assumes a full-time construction manager for the first construction package of priority bridges. If the assumed budget is depleted and additional construction management services are required, then GHD will negotiate a change order to the contract with GWA.

3.1 Bid Support Services

GHD will provide the following services during the bid period:

- Assist with responding to bid questions during the bidding phase.
- Assist with conducting the Pre-Bid Conference and respond to technical questions involving design and specifications that prospective bidders may have during the Pre-Bid Conference.
- Prepare Pre-Bid Conference meeting minutes and provide official formal responses to technical questions.
- Assist with the preparation of bid addenda.
- Assist with reviewing construction proposals received. This shall include a bid analysis, review of bid proposals prices, and conformance with contract requirements and the Guam Procurement Code. A letter of recommendation of award shall be prepared.
- Prepare Pre-Bid Conference meeting agenda and prospective bidder sign-in sheets.
- Record Pre-Bid Conference.
- Prepare Final (100%) "Issued for Construction" conformed plans and specifications incorporating addenda and changes during the bid phase.

3.2 Pre-Construction

Pre-construction phase occurs from the time of issuance of the Contractor Notice to Proceed (NTP) (NTP for pre-construction activities prior to the issuance of the DPW permit), GHD shall perform the following:

- Prepare agenda for and conduct a pre-construction conference.
- Conduct weekly meetings.
- Review Contractor's submittals and construction schedule for conformance with plans and specifications.
- Review Contractor's master submittal log.
- Review Contractor's safety and traffic control plans.
- Review the Storm Water Pollution Prevention Plan.
- Verify that Contractor has applied for all required permits to begin the project.
- Setup and maintain construction management software (ProCore).
- Evaluate substitution requests to determine acceptability of substitute materials and/or equipment proposed by the Contractor and provide recommendations to GWA.

3.3 Construction

Construction phase occurs once the DPW permit has been issued. GHD shall perform the following construction management services during the construction stage of the project.

- Implementation and maintenance of project controls.
- Monitor and inspect daily construction activities in compliance with the contract, plans and specifications, and applicable codes and regulations.
- Witness all quality control testing by the Contractor.
- Maintain Construction Management Software (ProCore). All submittals shall be submitted through the management software.
- Conduct quality assurance testing and surveying as required by the plans and specifications.
- Prepare correspondences as requested by GWA.
- Conduct Davis-Bacon interviews if the construction project is grant funded (excluded).
- Review progress payment requests for accuracy and proper reflection of actual work performed and make recommendations to GWA regarding appropriateness and approval.
- Review contractor submitted payroll records for each payment request according to contract requirements.
- Issue directives and corrective action notices dealing with quality of workmanship, non-compliance, safety, and performance.
- At GWA's request, prepare field orders to change specific scope of work requirements.
- Coordinate inspection of contractor's surveys and material testing.
- Review updated contractor's progress schedule and recommend approval or rejection to GWA.
- Verify Contractor's material supply list with regard to delivery timetable, progress schedule, and justification for payment.
- Analyze and participate in negotiating claims and contract change requests; recommend action deemed appropriate.
- Prepare for GWA approval, change orders to modify the terms of the contract (change in cost, performance time, or technical provisions). Make changes to the design documents as necessary.
- Provide daily construction reports which includes pictures of construction highlighting deficient work, safety violations, examples of acceptable work, and other critical items. Reports shall be in ProCore.
- Maintain a set of as-built drawings recording all installed facilities, deviations from the original plans, details of installation, encountered subsurface features and utilities, and critical dimensions. This set of As-Built drawings is to be separate from the Contractor's As-Built drawing set. The purpose of this task is to ensure that the CM has their own set to check against the Contractor's set of drawings.
- Conduct weekly (or specified meeting interval) progress meetings with the contractor and GWA to discuss work progress and any concerns relating to the construction. Prepare meeting minutes for the progress meetings.
- Witness field tests performed by the construction contractor or his representative for compliance with the contract drawings and specifications.
- Inspect construction, installation, and assemblage of work agreed to with GWA. Verify conformance to the contract provisions and check for acceptable workmanship. Report acceptable and unacceptable work to GWA.

3.4 Engineering Services During Construction

GHD shall provide the following engineering services during the construction stage of the project.

- Review submittals, shop drawings, design calculations, samples, test results, RFI's, schedule updates, and other data required to be submitted by the Contractor for conformance with the contract documents.

- Maintenance of project records and document management.
- Provide special inspections as required.
- Address GEPA's and/or any government agency concerns and requirements with GWA input. Oversee and prepare meeting minutes of any meeting.

3.5 Post-Construction

GHD shall provide the following post-construction services during the project.

- Punch list development
- Punch list Inspections
- Review closeout submittals
- Procore records (electronic)
- Final CM report after written acceptance of the work by GWA. The final report shall include a narrative documentation of all significant design and construction events and issues and shall become a historical record for the project. The Final Report shall include:
 - All communication documentation
 - All design documentation
 - All construction documentation
 - Warranty information
 - Operation and maintenance information
 - Asset management registry

4. CLARIFICATIONS AND ASSUMPTIONS

1. The fee assumes that funding for the project or construction is not through a federal grant.
2. The fees are based on assumed replacement or repairs from initial site investigations. The repair or replacement assessment are preliminary assumptions for scoping and fee. The recommendation may change after a more thorough investigation.
3. Design of sewer siphons and separate utility bridge structures is excluded.
4. It is assumed Project Planning and Management will last for two years (104 weeks). If the project must extend past that duration, GHD will negotiate a contract adjustment with GWA.
5. A budget for construction management has been assumed. The budget amount was provided by GWA. The budget will be invoiced on a time-and-materials basis. It will be used for the high priority bridges selected by GWA.
6. The fee assumes that the waterline and sewer line bridge repairs and replacements will be divided up to three construction bid packages.
7. The topographic survey fees are estimated at 2 days in the field per bridge. It consists of an as-built survey of the bridge pipeline and the current water level. Channel cross-sections, vegetation clearing, and a full topography survey of the bridge are excluded.
8. Property investigation, appraisals, boundary surveys, and preparation of plats and legal descriptions for additional right-of-way or utility easements are excluded and are assumed not required.
9. Archaeological surveys and reviews, environmental permitting and biological surveys are excluded and are assumed not required due to funding. Additionally, the excavation is expected to be in existing trench boundaries and no SHPO review will be required.

10. Geotechnical investigations and reports are excluded and are assumed not required. If a need for these services is identified during the project, GHD will notify GWA.
11. Ground penetrating radar is excluded and assumed not required. If a need for this service is identified during the project, GHD will notify GWA.
12. It is assumed that the Contractor will prepare the construction permit applications, route the permit applications through the required government agencies, and pay permit fees.
13. GHD will create three (3) separate bid packages.
14. Budget are not included for GHD to revise or update bid packages that have expired due to a delay in bid advertisement. GWA agrees to negotiate with GHD for change orders for additional work that may include such services as restamping plans and specifications, verifying design based on a change in the adopted building code or design standards, and pre-printing of the bid packages.
15. GWA agrees to negotiate with GHD for change orders for additional design phase services due to additional work, delays or any other reason not due to errors/omissions or issues beyond GHD's control.
16. GHD has included a budget for pressure logging and flow metering equipment procurement, which will be used upon GWA's approval.

5. Fee Schedule

See Attached.

CCU Regular Board Meeting - GWA

FEE PROPOSAL - R1

5-8-2023

GWA Waterline Replacement Various Bridges

Phase Letter and Task Number	Task Description	Project Principal Mart Kennedy	Project Manager Aaron Sulton	Structural Designer Andre Tenorio	Civil Engineer Jocelia Llegado	Mechanical Engineer Terry Wong	Field Engineer Joresa Oilet / Ross Binuya	Corrosion Engineer Chelsea Labanowski	Sr. Corrosion Engineer Jeff Krauer	Sr. CADD Designer Mark Pachkoski	CADD Designer	Quality Control Steve McHane	Surveyor Prudencio Balagtas & Assoc.	Geotechnical Engineering ENGEO	Environmental/Permitting EA Engineering Science & Technology	Archaeological & Historical Investigations IARI	Utility Locating Oyo Pacific	Admin Malou Castro or Eq.	Assumed Budget Amount	Amount
HOURLY LABOR RATES																				
		310	195	195	170	263	145	185	295	155	120	315	1.15	1.15	1.15	1.15	1.15	85	1	
Waterline/Sewerline Replacement on Bridges																				
Design Tasks																				
2.1	Condition Assessment and Priority List																			
1	Site visits		2		112		112													35,670
2	Condition assessment	4	2	16	37		37	75	22											36,770
3	Condition discussions with GWA	4	2	2	8			4	4											5,300
4	Priority list	1	1	2	8		4	4	4											4,755
	SUBTOTAL	9	7	20	165	-	153	83	30	-	-	-	-	-	-	-	-	-	-	82,495
2.2	Project Planning and Management																			
1	Progress reports (24)		4		24															4,860
2	Design meetings bi-weekly (52)				78															13,260
3	Agency coordination and meetings (16)		4		24															4,860
4	Project design review meetings (12)		2		24															4,470
5	Pressure logger and flow meter budget				2														50,000	50,340
	SUBTOTAL	-	10	-	152	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	77,790
2.3	Basis of Design																			
1	Bridge assessment report		8		38		29	29	16									8		22,990
2	Life cycle analysis of pipe				16															2,720
3	Geotechnical investigation & report (excluded)																			
4	Structural support repair or rehab (7)			80	40					40	60									29,000
5	Prepare standard specifications/drawings	24						16	8	20	40									27,460
6	Archaeological investigation and permitting (excluded)				44															7,480
7	Waterway permitting USACE, USCG																			
8	Environmental/Permitting (excluded)																			
9	Construction schedule		8		40															8,360
10	Design alternatives (16 replacements)	11		32	64			32	24											33,530
11	Property acquisition Services (excluded)																			
	SUBTOTAL	35	16	112	242	-	29	77	48	60	100	-	-	-	-	-	-	8	-	131,540
2.4	Design																			
1	Plans	8	23	20	23		150	16	16	226	828	16								183,635
2	Specifications		6	24	40							8								15,170
3	Structural calculations and design	8		160	8															35,040
4	Topographic survey (29)												203,000							233,450
5	GPR and utility locating (excluded)																			
6	Pipeline design	15	22		112			75	75											63,980
7	Cost estimating	4			8		24													6,080
	SUBTOTAL	35	51	204	191	-	174	91	91	226	828	24	203,000	-	-	-	-	-	-	537,355
3	Construction Bid Support Services																			
1	Pre-bid conference (3)				9													9		2,295
2	RFI and addenda			12	24															6,420
3	Bid evaluation and recommendation (3)	6			8		56													11,340
4	Final conformance drawings	2			8		40	20	5	24	40									21,475
	SUBTOTAL	8	-	12	49	-	96	20	5	24	40	-	-	-	-	-	-	9	-	41,530
4	Construction Management Services																			
1	Time and material budget																		300,000	300,000
	SUBTOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000
	EXPENSES SUBTOTAL																			700
	WATERLINE DESIGN SERVICES HOUR SUBTOTAL	87	84	348	799	-	452	271	174	310	968	24	203,000	-	-	-	-	17	350,000	350,000
	WATERLINE DESIGN SERVICES SUBTOTAL	26,970	16,380	67,860	135,830	-	65,540	50,135	51,330	48,050	116,160	7,560	233,450	-	-	-	-	1,445	350,000	1,171,410
ALL	SUBTOTAL HOURS	87	84	348	799	-	452	271	174	310	968	24	203,000	-	-	-	-	17	350,000	
ALL	SUBTOTAL																			1,171,410
ALL	GRT AT 6.25%																			61,489
ALL	GRAND TOTAL																			1,232,909



GUAM WATERWORKS AUTHORITY

"Better Water, Better Lives."

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

Tel: (671) 300-6846

Issues for Decision

Resolution No. 35-FY2023

Relative to Approval of the Year 3 Task Order of the Water Loss Control Professional Services Contract

What is the projects' objective and is it necessary and urgent?

The Water Loss Control Program was established as a recommendation of one of the seven analytical studies required by the Guam Public Utilities Commission (PUC) in their February 2020 Rate Order to support the Comprehensive Review and Update of the FY2022-2024 Financial Plan. The on-going Water Loss Control Program remains a priority for the Guam PUC and GWA provides regular reporting on its progress. The objective of this contract is to comprehensively address water losses through the implementation of District Metered Areas (DMA's), oversee and guide ongoing and systematic leak detection and repair, and monitor/analyze water loss in order to achieve needed reductions in losses to acceptable levels. It is necessary to work towards reducing non-revenue water loss and make improvements to the system where service delivery has been below standard.

GWA has awarded the contract for Water Loss Control Professional Services to E-Source (formerly Water Systems Optimization, Inc. or WSO), and has issued two previous task orders for the first two years of the multi-year implementation of DMAs and Water Loss Control Program consulting:

Year 1 Services:	\$402,774.00
Year 2 Services:	<u>\$382,689.00</u>
Total to Date:	\$785,463.00

It is necessary and urgent for the Water Loss Control Program for GWA to continue the DMA implementation, for which Year 3 services are required. The additional amount, due to inflationary cost escalation, will cause the contract total to exceed the original estimate and the GM's current procurement authority and Guam PUC Contract Review Protocol threshold.

Where is the project located?

Island-wide

How much will it cost?

The year 3 proposed task order amount is \$422,289.00 for a total contract amount of \$1,207,752.00.

When will it be completed?

August 2024

What is the funding source?

GWA Operations and Maintenance Budget



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. 35–FY2023

RELATIVE TO APPROVAL OF THE YEAR 3 TASK ORDER OF THE WATER LOSS CONTROL PROFESSIONAL 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, GWA currently has a number of critical projects as part of GWA’s Capital Improvement Plan, including the Water Loss Control Program, that investigates and analyzes our system’s infrastructure, identifies old and persistently leaking waterlines island-wide, and coordinates the development of district metered areas (DMA’s) in order to manage non-revue water loss; and

WHEREAS, under the General Manager’s Authority, GWA entered into contract with E Source, formerly known as “Water Systems Optimization, Inc.” (WSO), on July 8th, 2021 in the amount of Four Hundred Two Thousand Seven Hundred Seventy-Four Dollars (\$402,774.00) (Exhibit A- Agreement); and

WHEREAS, GWA extended E Source’s services for the Water Loss Control Program-Island-wide Development & District Metered Area Implementation Plan in a Year 2 Task Order

GWA RESOLUTION NO. 35-FY2023

1 on August 26th, 2022, which increased the contract by Three Hundred Eighty-Two Thousand Six
2 Hundred Eighty-Nine Dollars (\$382,689.00) (See Exhibit B- Task Order No. 2); and

3
4 **WHEREAS**, GWA intends to continue the Water Loss Control Program as part of GWA’s
5 efforts to reduce non-revenue water and make improvements to the system where service delivery
6 has been below standard; and

7
8 **WHEREAS**, GWA Management is seeking approval to increase the authorized funding
9 by Four Hundred Twenty-Two Thousand Two Hundred Eighty-Nine Dollars (\$422,289.00) for
10 the execution of a Year 3 Task Order (Exhibit C – Task Order Proposal Year Three); and

11
12 **WHEREAS**, the funding source for the project will be from GWA Operations and
13 Maintenance (O&M) budget;

14
15 **WHEREAS**, GWA management further seeks CCU approval to petition the PUC for the
16 approval of amending the contract for the Water Loss Control Program with the Year 3 Task Order
17 as indicated above.

18
19 **NOW BE IT THEREFORE RESOLVED**; the Consolidated Commission on Utilities
20 does hereby approve the following:

- 21
22 1. The recitals set forth above hereby constitute the findings of the CCU.
23 2. The CCU hereby approves the total funding by Four Hundred Twenty-Two
24 Thousand Two Hundred Eighty-Nine Dollars (\$422,289.00) (Exhibit C) for a
25 total authorized funding of One Million Two Hundred Seven Thousand Seven
26 Hundred Fifty-Two Dollars (\$1,207,752.00) to enable the execution of the Year
27 3 Task Order.
28 3. The CCU hereby further approves management to pursue PUC approval for a
29 contract exceeding One Million Dollars (\$1,000,000) that will be amendment(s)
30 funded by GWA Operations and Maintenance Budget, as may be required under
31 the PUC’s Contract Review Protocol.

GWA RESOLUTION NO. 35-FY2023

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

DULY AND REGULARLY ADOPTED, this 25th day of July 2023.

Certified by:

Attested by:

JOSEPH T. DUENAS

PEDRO ROY MARTINEZ

Chairperson

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: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

///

///

///

EXHIBIT A

AGREEMENT
BETWEEN OWNER AND PROGRAM MANAGER

THIS IS AN AGREEMENT effective as of _____ “Effective Date” between
_____ Guam Waterworks Authority _____ (“Owner”) and
_____ Water Systems Optimization, Inc _____ (“Program Manager”).

Owner has begun a program of **Professional Utility Consulting Services for Water Loss Control** (“Program”). Owner hereby engages Program Manager to assist Owner with the management of the Program as set forth in this Agreement. This Agreement sets forth the general terms and conditions that shall govern the relationships and performance of Owner and Program Manager with respect to the Program.

Owner and Program Manager agree as follows:

ARTICLE 1 – SERVICES OF PROGRAM MANAGER

1.01 *Scope*

- A. The Basic Services to be provided by Program Manager include those services set forth in Exhibit A “Program Manager’s Services.”
- B. If Owner authorizes Program Manager to do so, then Program Manager shall provide specific additional services within the scope set forth in Exhibit A, paragraph A.1.02. Owner’s authorization of any such Additional Services shall be given in a Task Order, which shall include the tasks to be performed and the deliverables to be provided. A sample Task Order form is included for reference as Appendix 1 to Exhibit A.
- C. If Owner and Program Manager mutually agree, Program Manager shall provide other further services related to the Program. Any such mutual agreement shall be set forth in a written amendment to this Agreement, which shall specify the scope of services to be provided, the compensation to be paid, the time for performance, and any other terms applicable.

ARTICLE 2 – OWNER’S RESPONSIBILITIES

2.01 *General*

- A. Owner shall:
 - 1. Pay Program Manager as set forth in Exhibit C.
 - 2. As identified and requested by the Program Manager, provide Program Manager with all criteria and full information as to Owner’s requirements for the Program and for each Specific Project, including management and financial objectives and constraints, performance requirements, program flexibility, expandability, and any budgetary limitations; furnish copies of all regulatory requirements, indenture covenants and other standards which Owner will require to be met; and furnish

copies of any standard contract forms, conditions, and related documents applicable to the Program.

3. As identified and requested by the Program Manager, furnish to Program Manager any other relevant information in Owner's possession, including studies, financial data, analyses, operating results, financial reports, and data relative to previous financings and capital improvement programs.
4. Arrange for safe access to and make all provisions for Program Manager to enter upon public and private property as required for Program Manager to perform services.
5. Provide reasonable assistance to Program Manager in securing the release of documents and information held by private entities and by public agencies and like bodies as needed in the course of the Program.
6. Review all proposals, alternate solutions, studies, reports, financial models, and other documents presented by Program Manager (including obtaining advice of an attorney, insurance counselor, and other advisors or consultants as Owner deems appropriate with respect to such examination) and render in writing timely decisions pertaining thereto.
7. Advise Program Manager of the identity and scope of services of any independent consultants, contractors, or engineers employed by Owner to perform or furnish services in regard to the Program or a Specific Project, including, but not limited to, cost of service studies, project or program enhancement studies, demand forecasting, and alternative financing studies, and define and set forth the duties, responsibilities, and limitations of authority of such other parties and the relation thereof to the duties, responsibilities, and authority of Program Manager.

ARTICLE 3 – SCHEDULE FOR RENDERING SERVICES

3.01 *Commencement*

- A. Program Manager shall begin rendering services as of the Effective Date of the Agreement.

3.02 *Time for Completion*

- A. The general schedule of Owner's Program is as set forth in Exhibit A. Program Manager shall submit to Owner, for its approval, a schedule stating the times for performing services or providing deliverables. If no time is so stated for a particular task, or set forth in a Task Order, then Program Manager will perform services and provide deliverables within a reasonable time.
- B. If, through no fault of Program Manager, such periods of time or dates are changed, or the orderly and continuous progress of Program Manager's services is impaired, or Program Manager's services are delayed or suspended, then the time for completion of Program Manager's services, and the rates and amounts of Program Manager's compensation, shall be adjusted equitably.

- C. If Owner authorizes changes in the scope, extent, or character of the Program, then the time for completion of Program Manager's services, and the rates and amounts of Program Manager's compensation, shall be adjusted equitably.
- D. Owner shall make decisions and carry out its other responsibilities in a timely manner so as not to delay the Program Manager's performance of its services.
- E. If Program Manager fails, through its own fault, to complete the performance required in this Agreement within the time set forth, as duly adjusted, then Owner shall be entitled to the recovery of direct damages resulting from such failure.

ARTICLE 4 – INVOICES AND PAYMENTS

4.01 *Invoices*

- A. *Preparation and Submittal of Invoices.* Program Manager shall prepare invoices in accordance with its standard invoicing practices and the terms of Exhibit C. Program Manager shall submit its invoices to Owner on a monthly basis. Invoices are due and payable within 30 days of receipt.

4.02 *Payments*

- A. *Application to Interest and Principal.* Payment will be credited first to any interest owed to Program Manager and then to principal.
- B. *Failure to Pay.* If Owner fails to make any payment due Program Manager for services and expenses within 30 days after receipt of Program Manager's invoice, then:
 - 1. amounts due Program Manager will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day; and
 - 2. Program Manager may, after giving seven days written notice to Owner, suspend services under this Agreement until Owner has paid in full all amounts due for services, expenses, and other related charges. Owner waives any and all claims against Program Manager for any such suspension.
- C. *Disputed Invoices.* If Owner contests an invoice, Owner may withhold only that portion so contested, and must pay the undisputed portion.
- D. *Legislative Actions.* If after the Effective Date of the Agreement any governmental entity takes a legislative action that imposes taxes, fees, or charges on Program Manager's services or compensation under this Agreement, then the Program Manager may invoice such new taxes, fees, or charges as a Reimbursable Expense to which a factor of 1.0 shall be applied. Owner shall pay such invoiced new taxes, fees, and charges; such payment shall be in addition to the compensation to which Program Manager is entitled under the terms of Exhibit C.

ARTICLE 5 – GENERAL CONSIDERATIONS

5.01 *Standards of Performance*

- A. The standard of care for all professional services performed or furnished by Program Manager under this Agreement will be the care and skill ordinarily used by members of the subject profession providing similar services under similar circumstances. Program Manager and the Program Subcontractors shall comply with applicable professional licensing requirements. Program Manager makes no warranties, express or implied, under this Agreement or otherwise, in connection with Program Manager's services.
- B. Owner shall not be responsible for discovering deficiencies in the technical accuracy of Program Manager's services. Program Manager shall correct any such deficiencies in technical accuracy without additional compensation except to the extent such corrective action is directly attributable to deficiencies in Owner-furnished information.
- C. Program Manager may employ such Program Subcontractors as Program Manager deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objections by Owner. Program Manager shall be responsible to Owner for the acts and omissions of any such Program Subcontractors in performing or furnishing services under this Agreement.
- D. Program Manager and Owner shall comply with applicable Laws and Regulations and Owner-mandated standards. This Agreement is based on such requirements as of the Agreement's Effective Date. Changes to these requirements after the Effective Date may be the basis for modifications to Owner's responsibilities or to Program Manager's scope of services, times of performance, and compensation.
- E. Owner shall be responsible for, and Program Manager may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, and other information furnished by Owner to Program Manager pursuant to this Agreement. Program Manager may use such requirements, reports, data, and information in performing or furnishing services under this Agreement.
- F. If Program Manager provides services during the performance of a Specific Project by Owner's contractor, Program Manager shall not supervise, direct, or have control over a Contractor's work, nor shall Program Manager have authority over or responsibility for the means, methods, techniques, sequences, or procedures of performance selected or used by a Contractor, for safety precautions and programs incident to a Contractor's work in progress, or for any failure of a Contractor to comply with Laws and Regulations applicable to a Contractor's furnishing and performing the work.
- G. Program Manager neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform the work in accordance with the Contract Documents.
- H. Program Manager shall not be responsible for the acts or omissions of any Contractor, or of any of a Contractor's subcontractors, suppliers, agents, or employees or any other persons on such Project (except Program Manager's own employees and the Program