

Gill Breeze Subdivision *(continuation)*

Relative to the Approval of Design Services Contract for the Gill Breeze Subdivision Water and Wastewater Infrastructure Project, GWA Project No. 22401

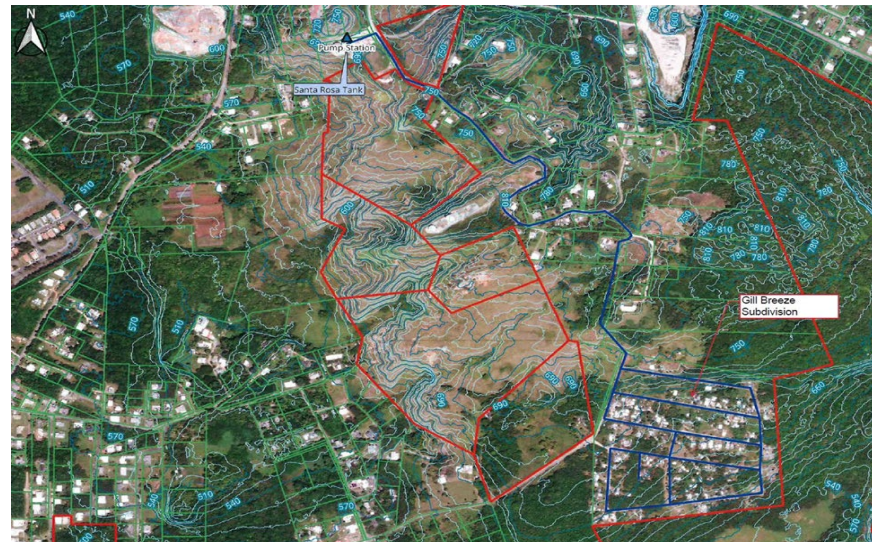
GWA Resolution No. 25-FY2024

What is the funding source?

- United States Environmental Protection Agency grants

The RFP/BID responses (if applicable):

- RFP-01-ENG-2024
- 25 registered for the project
- 4 proposals were received
- Duenas, Camacho & Associates is recommended for award



Gill Breeze Subdivision

FY2024 Operations & Maintenance Budget Amendments

Relative to the Approval of FY2024 Budget Adjustment to Address Navy Water Increase

GWA Resolution No. 31-FY2024

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

- The objective of this resolution is to obtain CCU authorization to increase GWA's FY2024 Operations & Maintenance Budget Expense by \$5 million to cover significant increases in Navy water costs.

How much will it cost?

- Navy water costs are projected to more than double GWA's approved budget from \$6 million to \$15.6 million. After identifying internal transfers of more than \$8 million from other cost categories, an additional \$5 million in authorized expenses is required to meet projected year-end expenses. The increase of \$5 million will increase the FY2024 O&M Budget from \$79.7 million to \$84.7 million excluding capitalized labor and non-cash depreciation expenses.

When will it be completed?

- Transfers will be applied upon approval to cover all FY2024 expenses up 9/30/2024.

What is the funding source?

- Increases in fund sources are also projected by year-end in comparison to the approved budget: revenue from lifeline and non-lifeline rates across all rate classes from water and wastewater sales net of bad debt are projected at \$129.4 million, an increase of \$1.7 million; \$2.4 million in investment income, an increase of \$2.1 million from approved budget; and \$950,000 from GWA's Rate Stabilization Fund, totaling \$132.8 million, an increase from the budget as originally approved by about \$4 million.

FY2025 Operations & Maintenance Budget

Relative to Approving an Interim First Quarter FY2025 Operations and Maintenance Budget

GWA Resolution No. 32-FY2024

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

- The objective of this resolution is to obtain CCU approval of a 3-month (1st Quarter) Operations and Maintenance budget for Fiscal Year 2025 to cover operational activities from October 1, 2024 thru December 31, 2024 pending adjudication by the Public Utilities Commission (PUC) of the GWA's Five Year Financial Plan for FY2025 through FY2029.

How much will it cost?

- The proposed interim budget provides fund sources of \$32.98 million (net of bad debt) based on current rates and projected investment income.
- Operating expenses are projected at \$21.30 million for the first 3 months. Debt service coverage will meet the required 1.25x

When will it be completed?

- The interim budget will be effective October 1, 2024. The PUC is currently scheduled for September 24, 2024. A budget based on the approved rate increases will be brought before the CCU following PUC action.

What is the funding source?

- Revenue generated by current service rates and fees for all water and wastewater customer classes as well as investment income.



Management Report CCU Board Meeting August 27, 2024

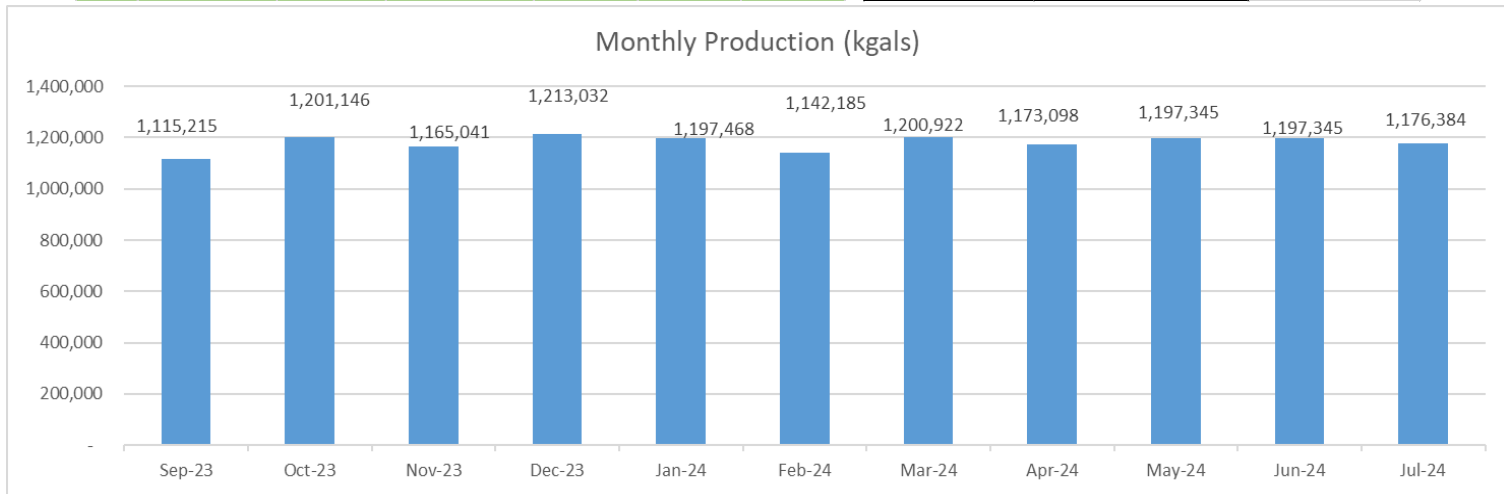




Operations Update
Water Production (July 2024)

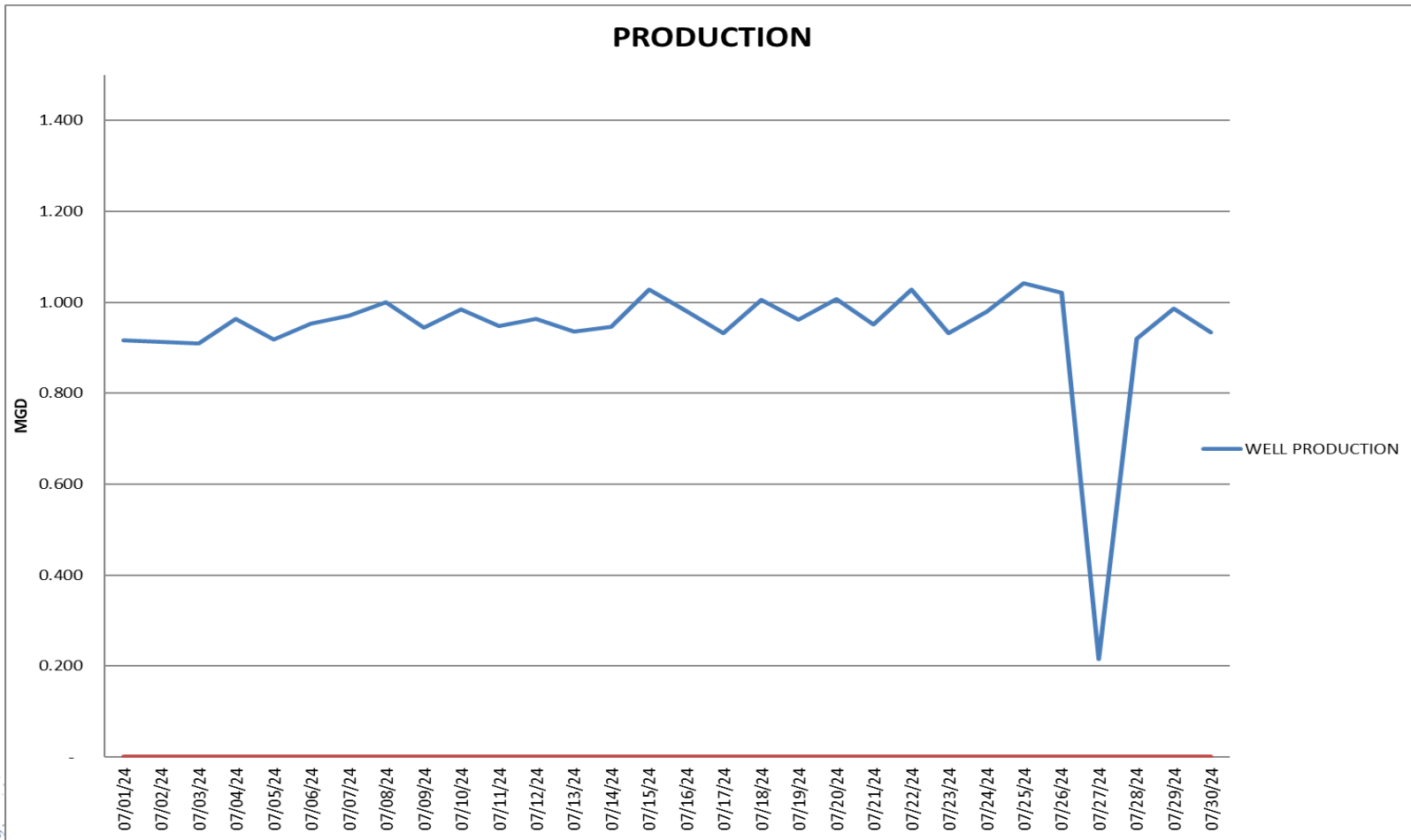
Monthly Production Summary - July 2024			
Deep Wells		43.7 MGD	
Active wells =	98 of 120		
Avg days in operation =	25 days		
Total Production =	1,093,332 Kgals		
Springs		0.06 MGD	
Avg days in operation =	31 days		
Total Production =	1,964 Kgals		
Ugum Surface Water Plant		1.7 MGD	
Avg days in operation =	31 days		
Total Production =	51,874 Kgals		
Tumon Maui Well		0.94 MGD	
Avg days in operation =	31 days		
Total Production =	29,214 Kgals		
		1,176,384 Kgals	46.4 MGD

DW Status as of 7/31/2024		REMARKS
Active	98	DW units on line
Standby	1	A29
Grounded Motors, Secured for Corrective Maintenance	10	A26, D01, D02, D03, D09, M05, M12, M17A, Y16, Y20
Out of Commission	9	A02, A07, A28, D05, D13, M01, M14, MJ01, MJ05
Secured - PFAs	2	A23 and-A25
TOTAL	120	





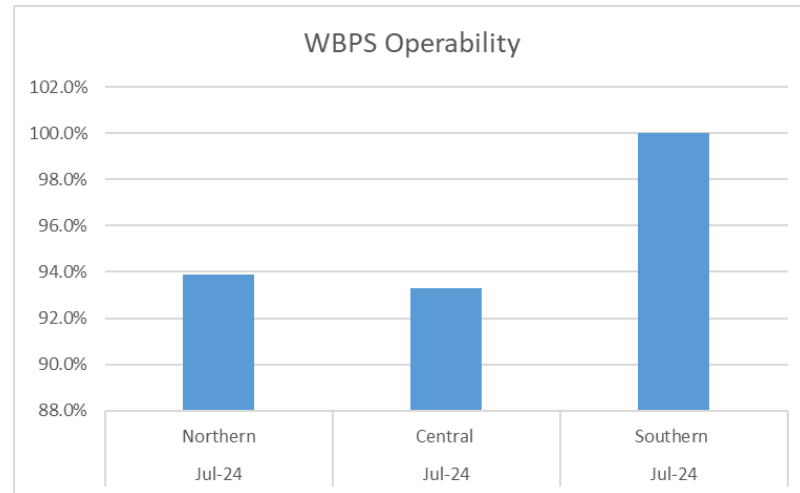
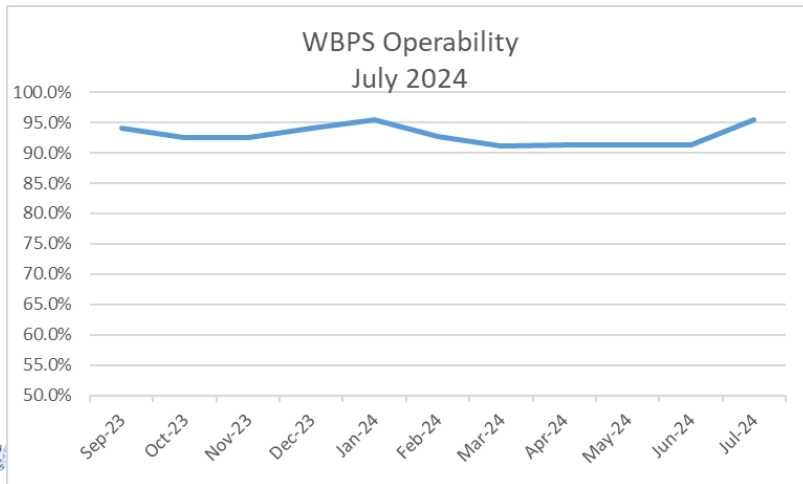
Tumon Maui Well Production (July 2024)





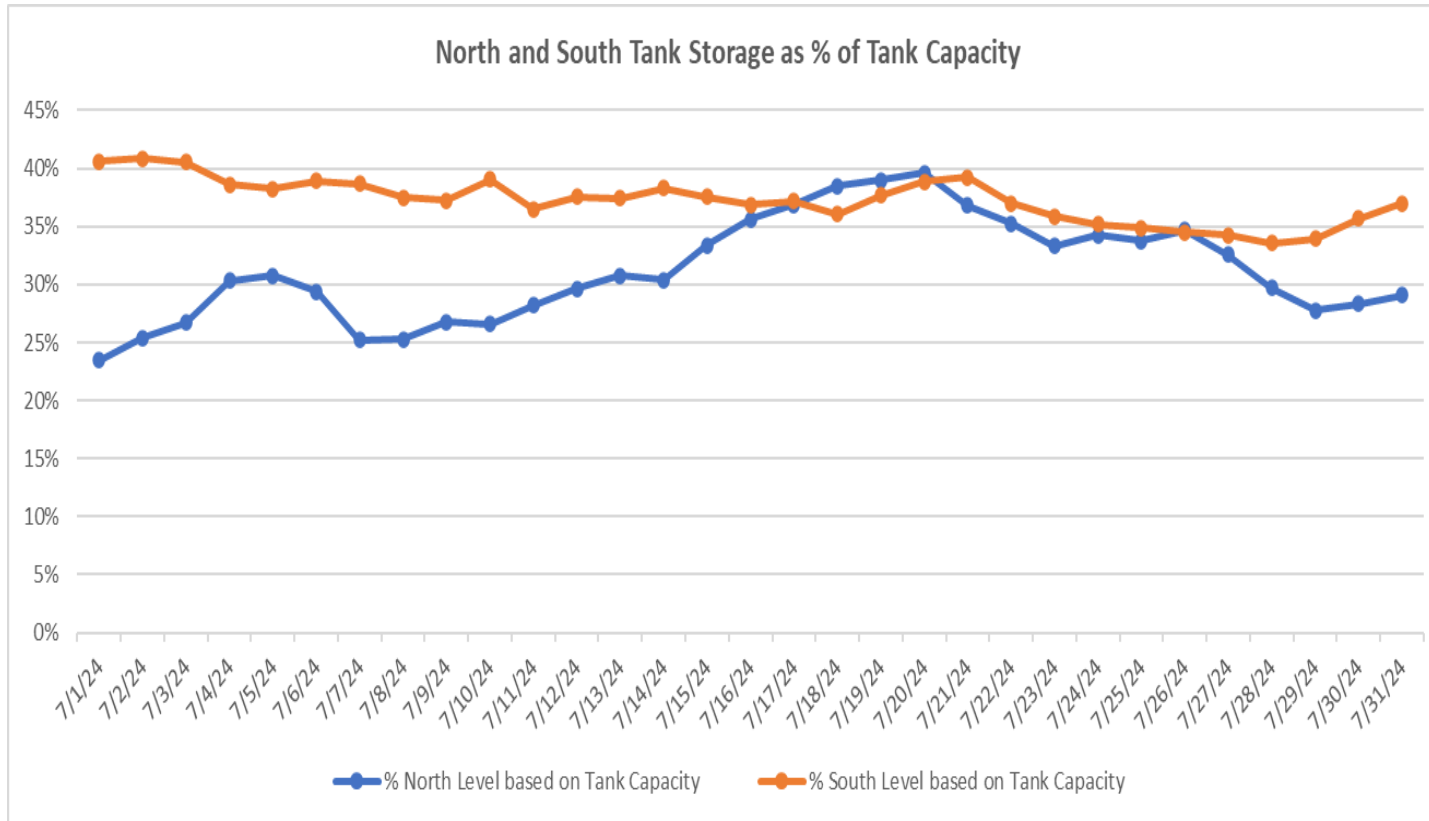
Water Distribution (July 2024)

Monthly Distribution Summary - July 2024					
Water Booster Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	14	33	31	93.9%
	Central	7	15	14	93.3%
	Southern	8	19	19	100.0%
		29	67	64	95.5%





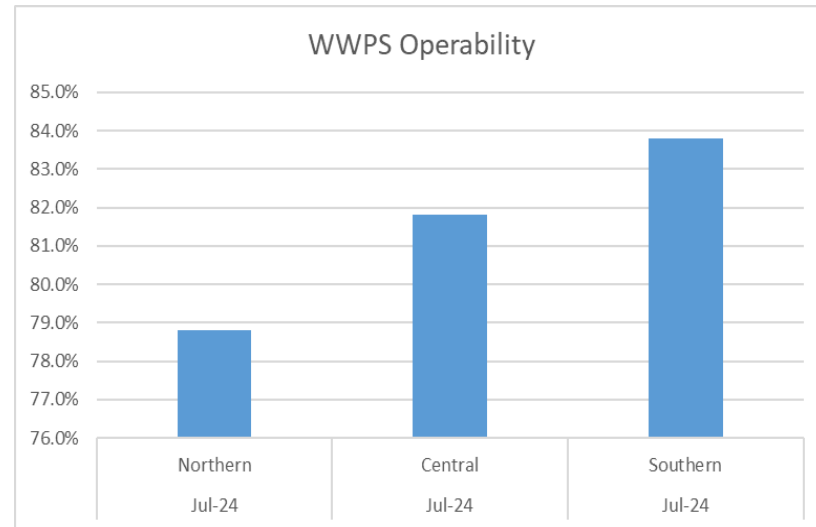
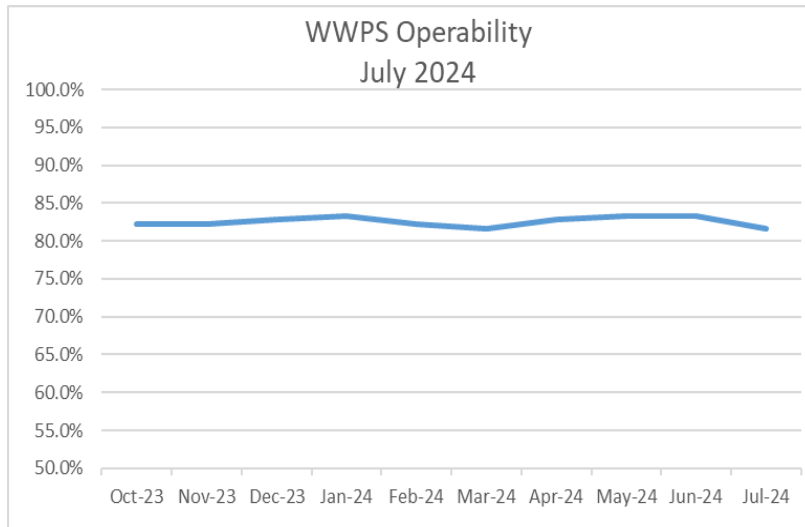
Water Distribution – Tank Levels (July 2024)





Wastewater Collections (July 2024)

Monthly Collections Summary - July 2024					
Wastewater Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	22	52	41	78.8%
	Central	30	66	54	81.8%
	Southern	32	68	57	83.8%
		84	186	152	81.7%





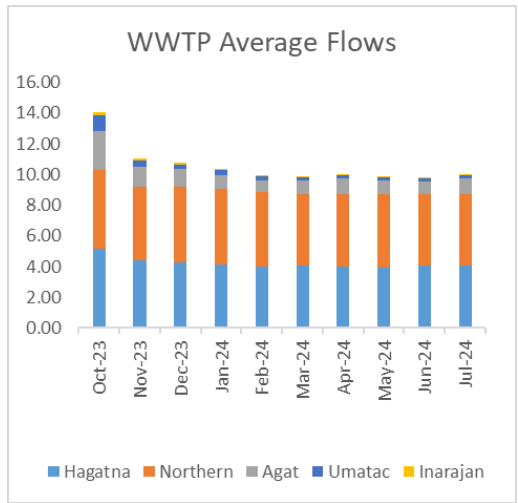
Wastewater Collections – CCTV (through July 2024)





Wastewater Treatment (July 2024)

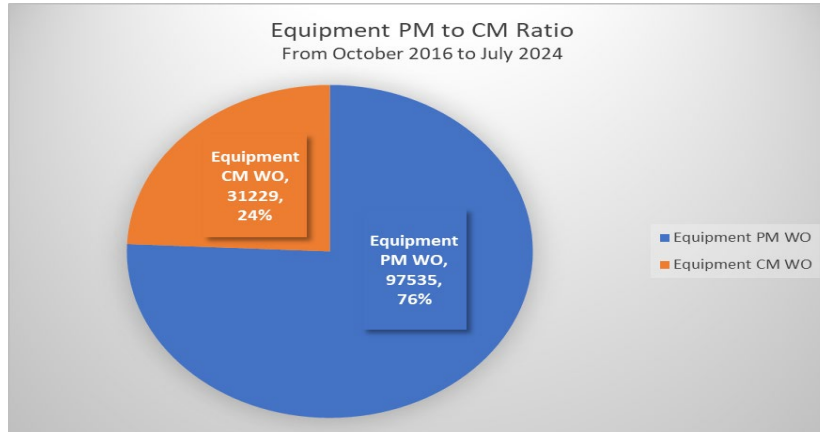
Monthly Wastewater Treatment Summary - July 2024				
WW Treatment Plants - Flows				
	Facility	Avg. Daily Flows	Sludge (lbs)	Sludge Disp. (\$)
	Hagatna	4.09	318,800	\$ 28,692
	Northern	4.65	548,520	\$ 49,367
	Agat	0.98	46,880	\$ 4,219
	Umatac	0.23		
	Inarajan	0.07		
		10.02	914,200	\$ 82,278



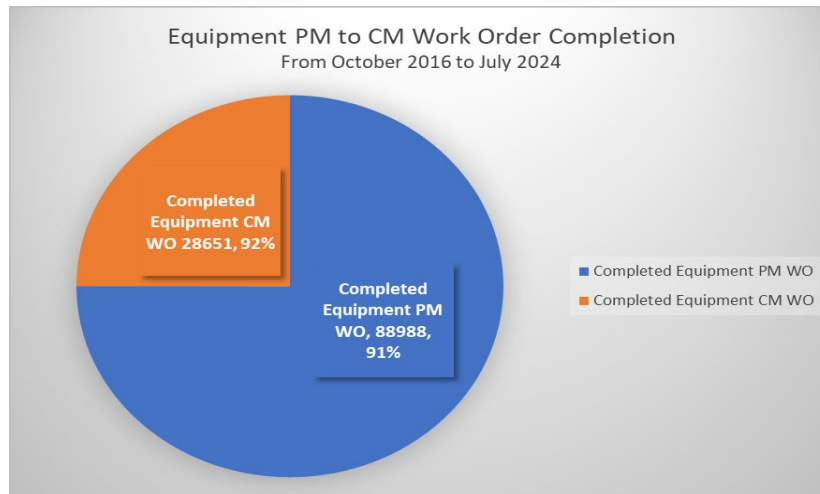


Asset Management (through July 2024)

I. Equipment Preventive Maintenance to Corrective Maintenance *Ratio*



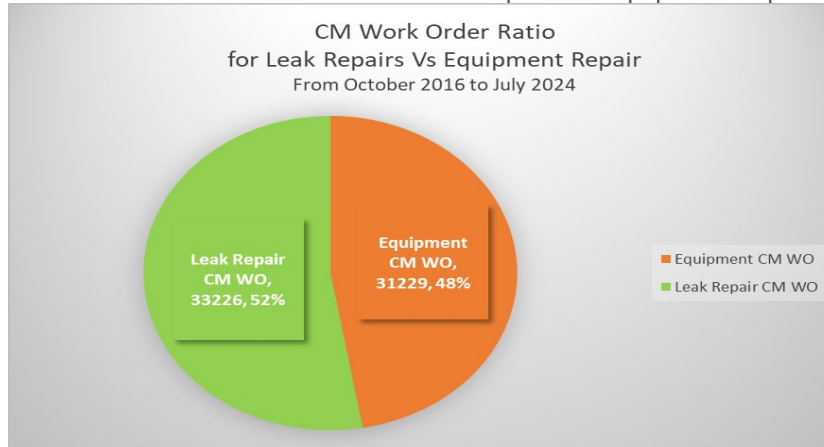
II. Equipment Preventive Maintenance to Corrective Maintenance *Work Order Completion*



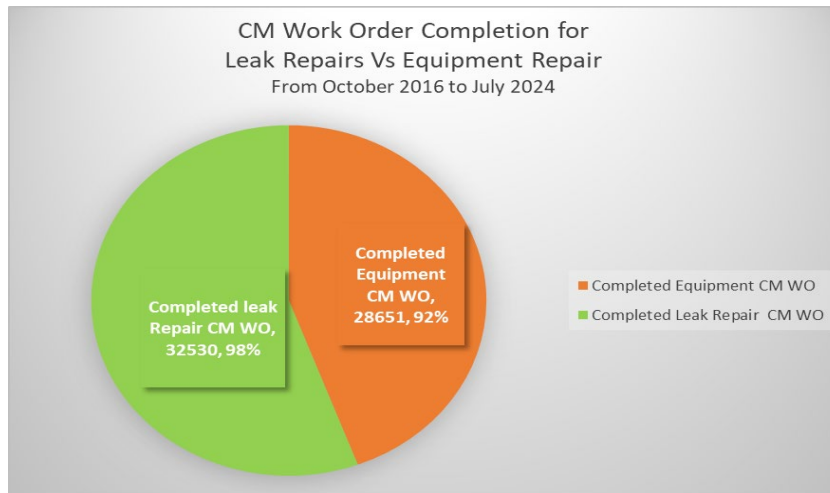


Asset Management (through July 2024)

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



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





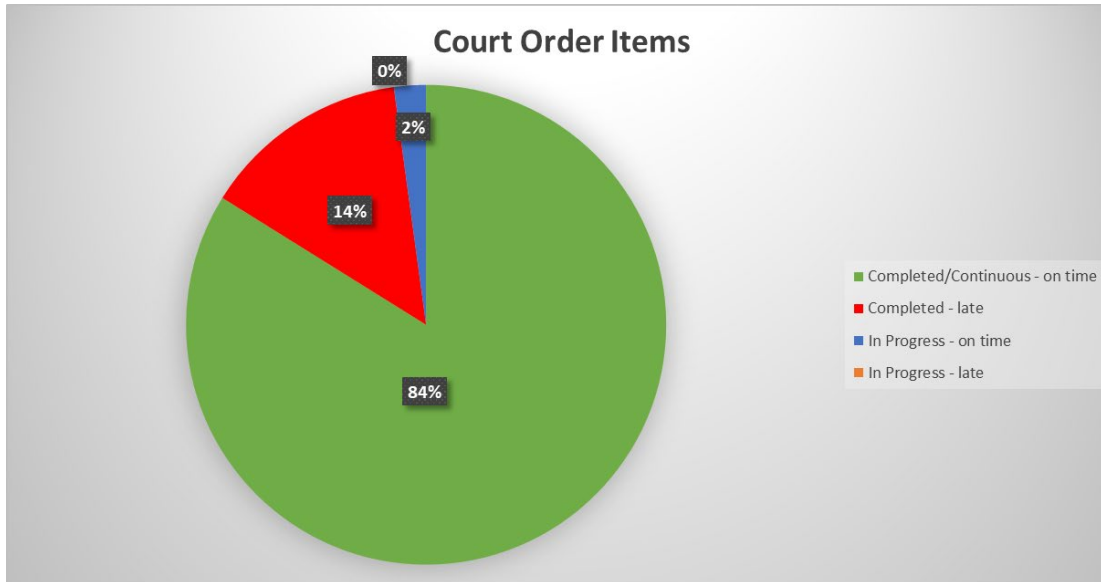
One Guam Update (through July 2024)

- No regular One Guam meeting in July.
- On July 12 GWA and DOD Engineering met to discuss opportunities for additional interties. The discussion included the intertie to GWA wells and Navy wells to use the SAFF treatment to address PFAS. GWA and DOD will continue to discuss and evaluate the possibility establishing an interconnection for combined treatment.





Court Order Summary (through July 2024 – no changes)



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 (July 2024)

- No CO delays since the Approval of CO time extension.

There were no Overflows or ByPass events reported for the month of July 2024.

The following Overflows or ByPass events were not previously sent to USEPA, but on July 16, 2024 they were submitted:

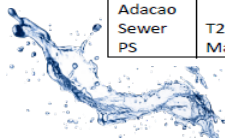
- April 24, 2024, SSO# 1440663, Mamajanao Sewer Pump Station, Tamuning - Infiltration/Inflow
- May 29, 2024, SSO# 1448721, Dairy Pump Station, Mangilao – Pump Station Failure





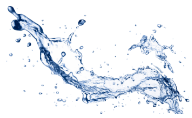
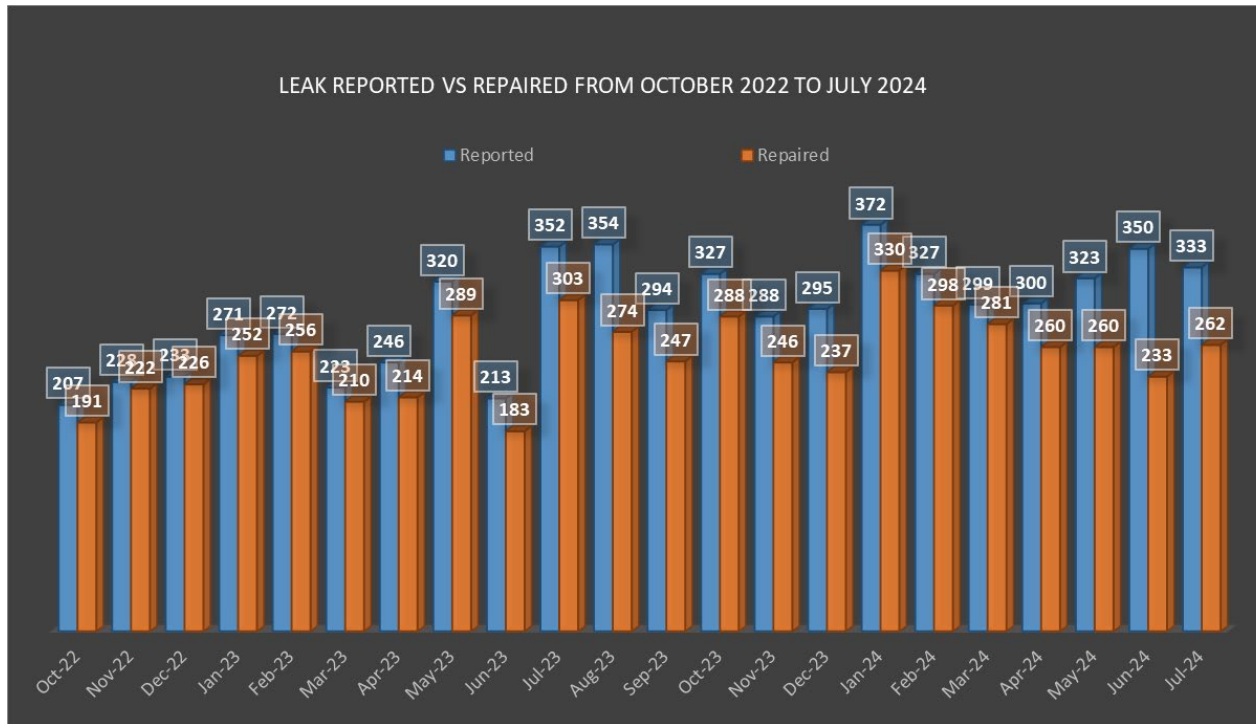
Land Acquisition Summary (through July 2024)

GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
Tanks	Astumbo-L10164	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 10/06/2021; 11/03/2021; 01/27/2022; 03/04/2022; 05/12/2022; 07/07/2022;09/12/2022; 12/27/2022; DLM response 07/11/2023 have not been able to meet with Assignment AG for LR proceedings. Land Agent has followed up and emailed multiple times with Margarita at DLM on meeting with DLM attorney on status of Land Registration proceedings 10/02/2023. This process is crucial for GWA to acquire property for GWA reservoir. 02/01/2024: Follow up sent to Margarita at DLM; 02/09/2024: Response from Margarita at DLM- Because it has almost been 4 years since we requested the assistance of the AG to initiate the Land Registration, I would recommend that a formal letter from GWA requesting the urgency of the registration and indicate the reasoning behind it. This would support our request for immediate processing with the AG.
	Piti-L259	Private/Federal	Received final comments from DoAg. Waiting on the archaeological report before we can submit 299 forms. Waiting for permission from NPS to access the lot and perform the Archeological survey.
	Ugum River Intake/Booster Pump Station	Private	When the UGUM Water treatment plant was built in 1990, no land reservations for the area by the booster pump station, the Ugum river intake and access road. Land Agent currently researching the area under Lot 292, owned by the Aguon Family. GWA would need to secure a Grant of Easement for the access road and booster pump facility along the river intake. 12/19/2023: GWA coordinating with DCA for survey services to perform a boundary retracement survey of the subject lot to establish the limits of the survey; as-built existing facilities, structures, and road, to obtain + 2,376 square meters for the parcel and create the easement for GWA reservation. 03/06/2024: DCA field survey work begins.
Deep Wells	AG-12-L10154-4	Dept. of Agriculture/Manhita Farms	Right of Entry Agreement sent to Manhita Farms for signature 05/24/18. 2 nd follow up sent on 04/10/19; 08/03/2021. ROE Agreement information sent to GWA legal counsel for further review and processing 01/28/2022; 08/11/2023 –GM signed and submitted to DCA for final review and processing at DLM; 09/26/2023-Submitted to DCA for final map processing; 03/2024: Re-submitted survey map to DLM last week to change the new acting CLTC Administrative Director.
Booster Pump Station	Agfayan-T3734 B19 L28	Private	TGE working on structural design for pump station area for L28, B19, T3734, Inarajan 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 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. Garrett stated updated appraisal report cost is \$2500 each. Funding needs to be requested 10/02/2023.
Asan Springs	Asan-L501	Federal	<ul style="list-style-type: none"> Revised Environmental Assessment report with NPS for review. 1/25/24 09/18/2023: The Office of Congressman Moylan has offered assistance to work with the NPS in completing the EA and Finding of No Significant Impact (FONSI) along with the Right of Way agreement to GWA, the EA is a prerequisite of the ROE agreement.
Adacao Sewer PS	T293 L19 Mangilao	Private	<ul style="list-style-type: none"> May 2, 2023: Right of Entry request sent to owners of properties for potential pump station sites May 15, 2023 – August 30, 2023: Right of Entry letters received by owners. Received responses from owners of Lot 19 Tract 293 (Natividad Trust & BME) and Lot 14-R2 Tract 293 (Angelita Sionosa). No response from Angelita after initial contact. September 15, 2023: DCA met with Natividad Trust & BME to discuss pump station on L19 T293 September 25, 2023: Right of entry for Natividad Trust & BME L19 T293 signed by GM January 26, 2024: DCA met with Natividad Trust & BME to progress with appraisal January 30, 2024: Appraisal conducted on L19 T293 March 13, 2024: Appraisal received May 3, 2024: Received Ownership and Encumbrance Report on L19 T293 May 15, 2024: Letters of Decision sent to property owners of T293 L19 June 03, 2024: Followed up on LOD, no response yet from property owners June 18, 2024: property owner responds with willing to sell June 20, 2024: GWA sends offer letter June 20, 2024: property owner responds with counter offer June 25, 2024: GWA sends revised offer letter June 26, 2024: property owner accepts GWA's revised offer June 26, 2024: land agent to draft land purchase and sale agreement (LPSA) for review July 24, 2024: GWA signed LPSA was dropped off to property owner for signature July 25, 2024: Acknowledgment and Acceptance of Escrow



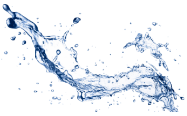
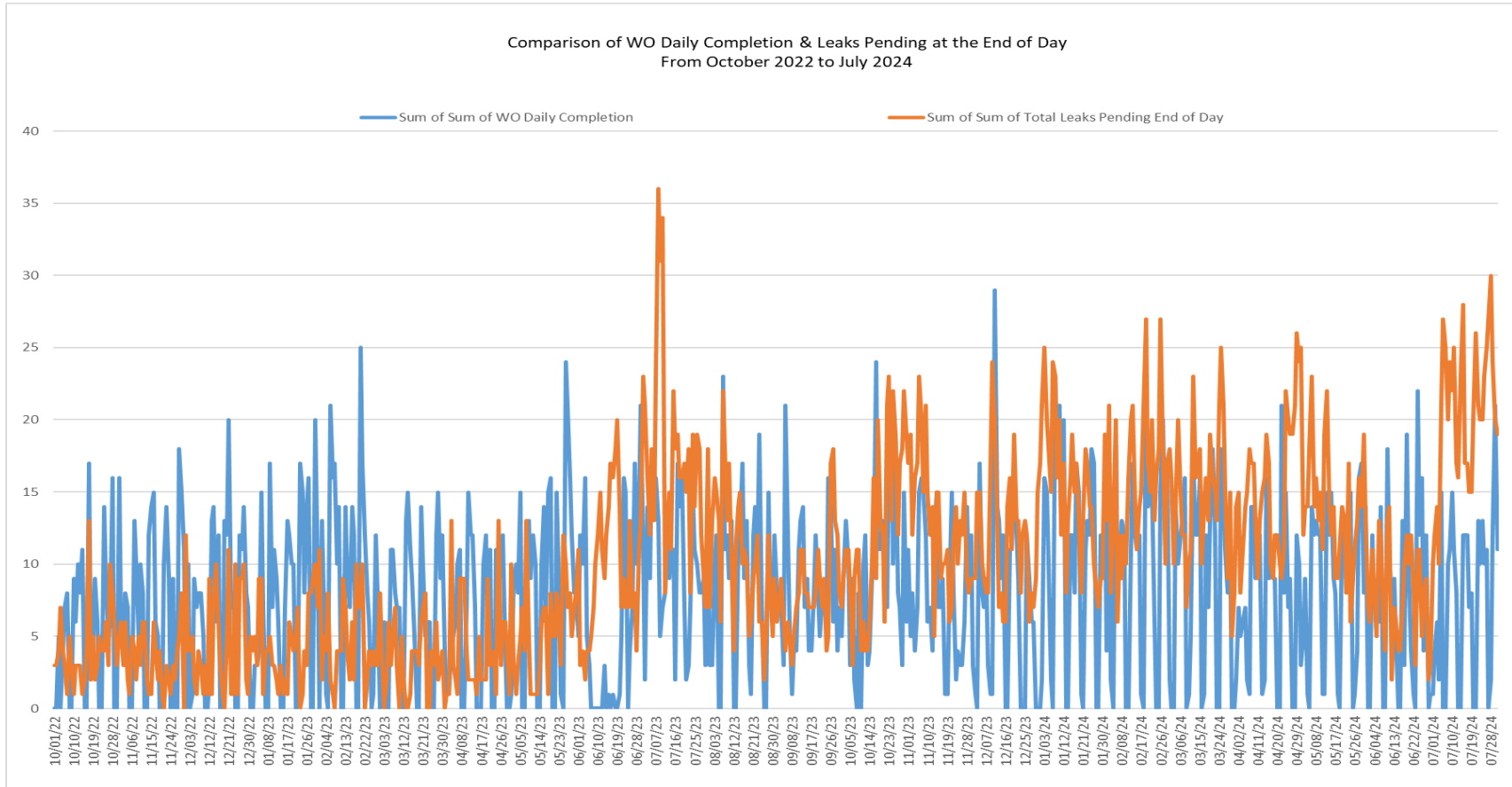


Comparison of Leaks Reported vs. Leaks Repaired (through July 2024)



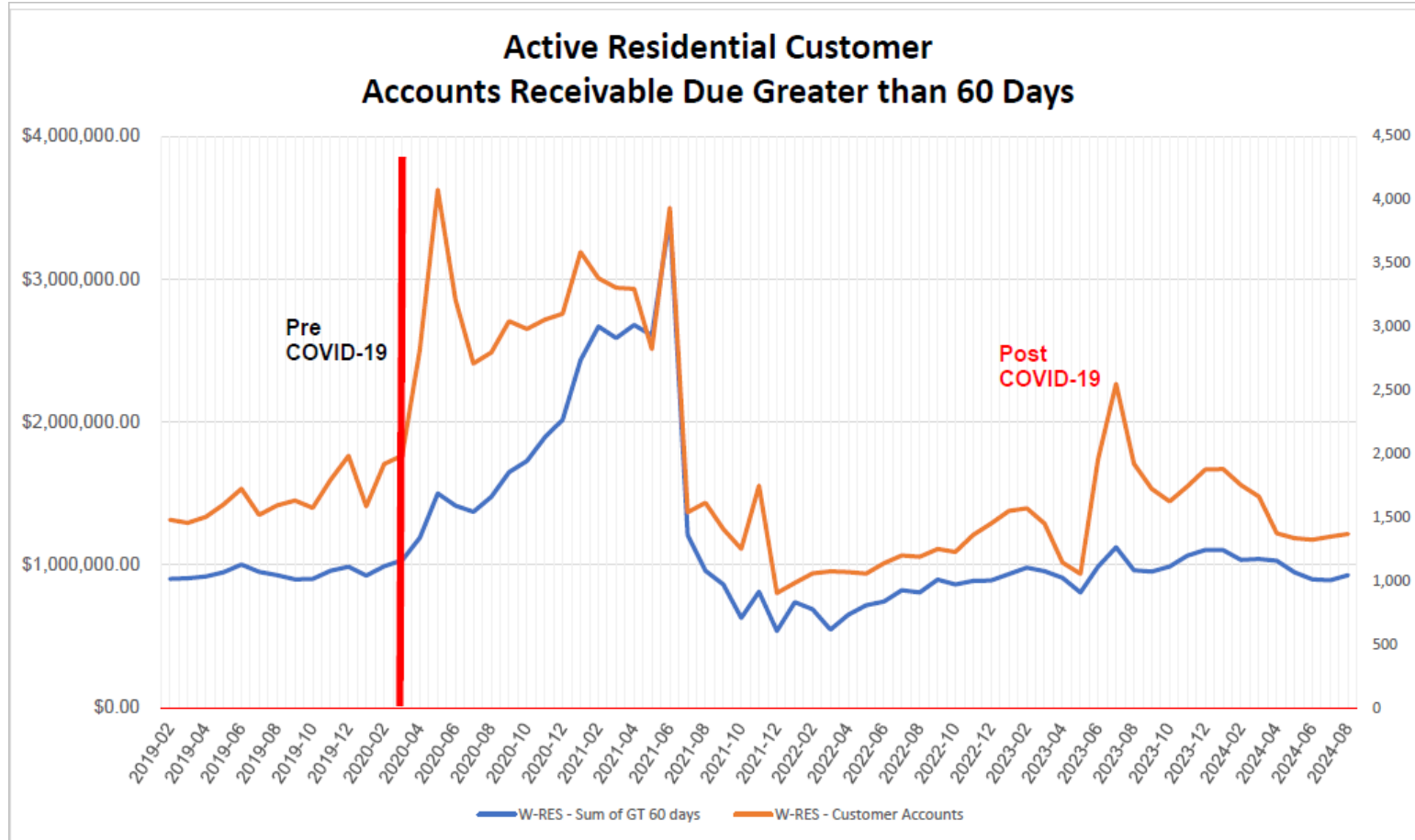


Daily Leak Repairs (through July 2024)



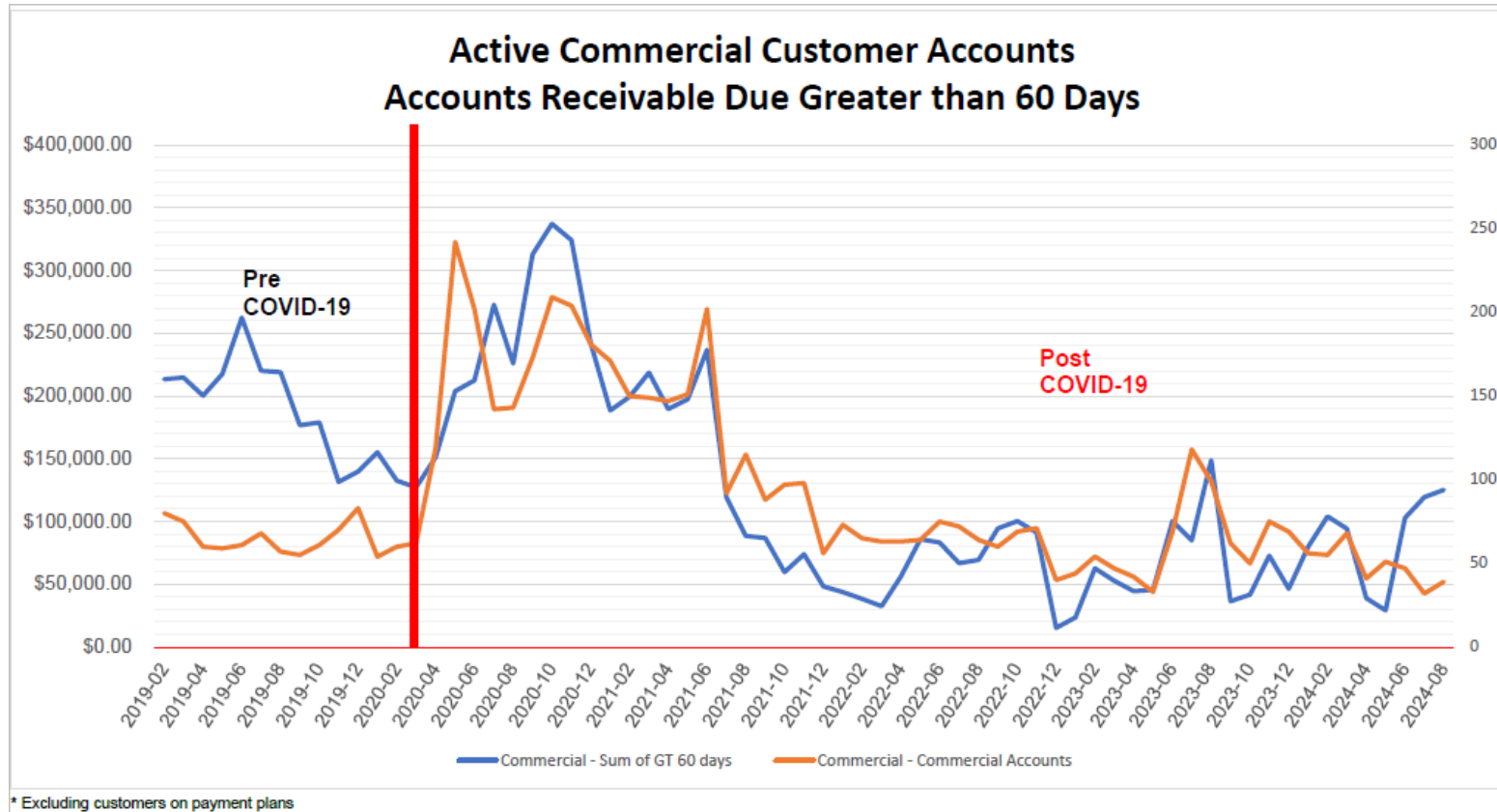


Accounts Receivables – Active Residential Customers (through July 2024)





Accounts Receivables – Active Commercial Customers (through July 2024)





Highlights of Customer Care Section Operations (July 2024)

- The average wait time for all 3 locations for the month of July 2024 @ 3.4 minutes compares similarly to the wait time recorded in June 2024 of 3 minutes.
- The number one reason for visit to each GPWA location for the month of July 2024 is:
 - Fadian office – Apply for water
 - Julale office – Bill Dispute
 - Upper Tumon – Apply for water
- The total number of Facebook visits in July 2024 is 6,591 as compared to 7400 in June 2024.
- Instagram profile visits for July 2024 is 347 which compares similarly to June 2024 @ 339.
- July 2024 average number of active pay plans is 404 as compared to 365 in June 2024.
- 798 total emails were received and responded to in July 2024 as compared to 733 total emails in June 2024.
- Meter Reading Unit reported a successful electronic read percentage average of 95.3% in July 2024 as compared to @ 94.3% for the month of June 2024. The decrease continues to be the result of depleted endpoint battery life and no meters in stock for replacement.
- 11.9% of GWA active meters recorded ongoing leakages for the month of July 2024 as compared to 12.6% in June 2024.
- One Utility Customer Experience weekly work sessions continue with both GPA and GWA Program Managers and Section Supervisors working diligently towards improving service to our ratepayers.





GWA Financial Overview

JUN 2024

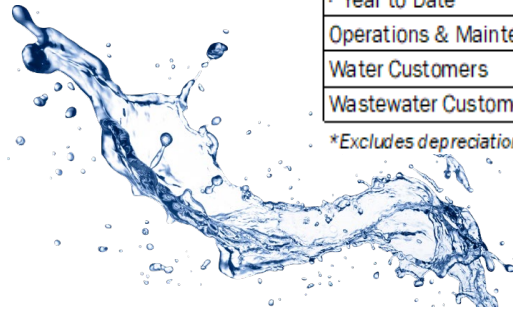




Key Financial Indicators

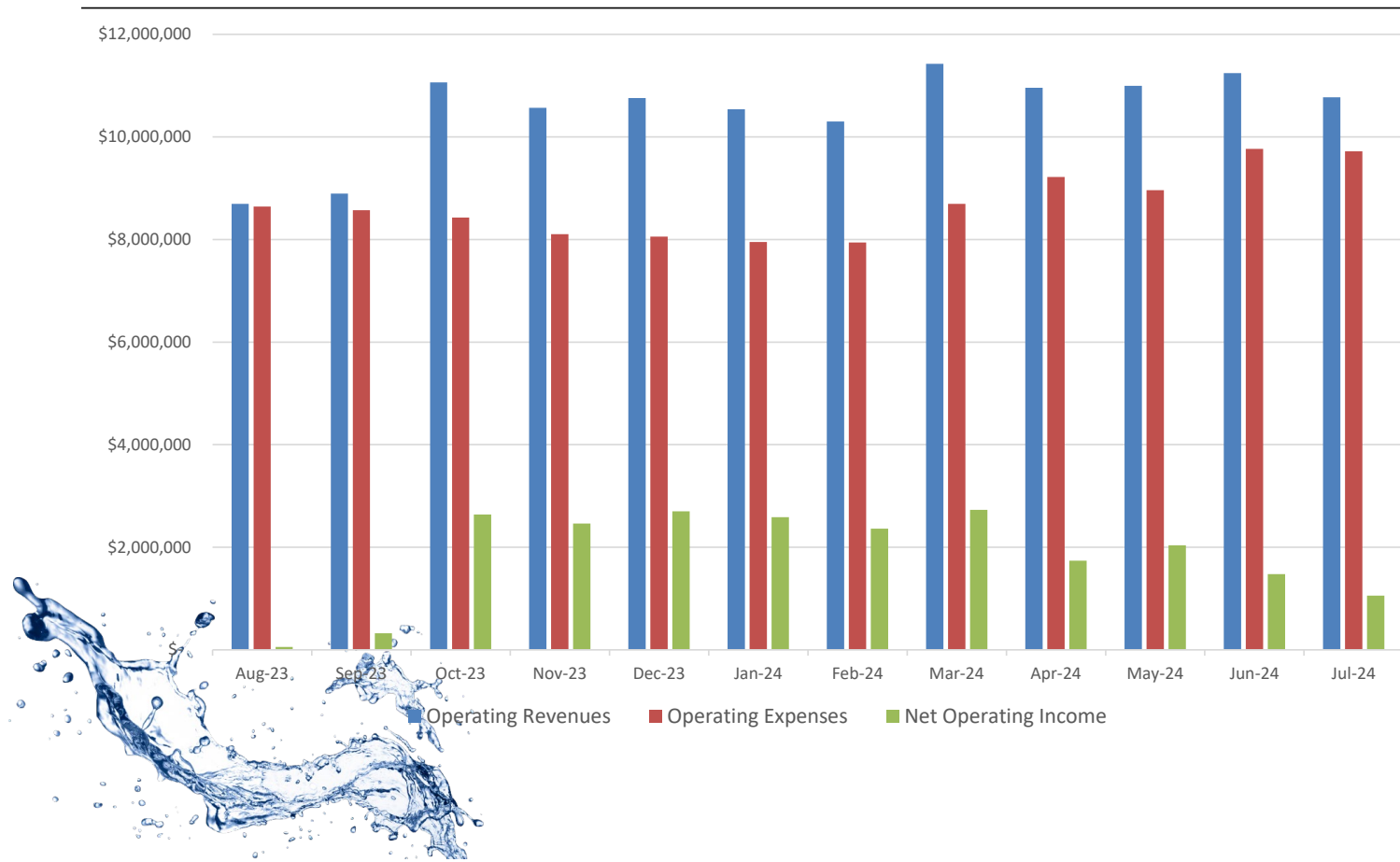
Indicator	Target	May-24	Jun-24	Jul-24
DSC YTD				
- Per Section 6.12 of Indenture	1.25	1.41	1.39	1.36
- Per PUC/ CCU	1.30	1.41	1.39	1.36
Days – Cash on Hand	120 days	279 days	287 days	266 days
Collection Ratio				
- Month to Date	99%	93%	90%	104%
- Year to Date	99%	91%	90%	92%
Days Billed	30 days	31 days	30 days	30 days
Account Receivable Days	30 days	40 days	42 days	41 days
Account Payable Days	45 days	33 days	32 days	35 days
Employee Count	400 FTE	347 FTE	351 FTE	347 FTE
Water Demand				
- Month to Date	451,933	441,340	429,506	411,884
- Year to Date	4,519,333	3,426,302	3,855,809	4,267,694
Wastewater Flow				
- Month to Date	317,500	320,257	337,832	302,155
- Year to Date	3,175,000	2,521,669	2,859,501	3,161,656
Operations & Maintenance Expense*	\$6,567,186	\$6,731,301	\$7,377,868	\$7,241,908
Water Customers	43,978	43,830	43,667	43,713
Wastewater Customers	30,781	31,161	31,111	31,119

*Excludes depreciation



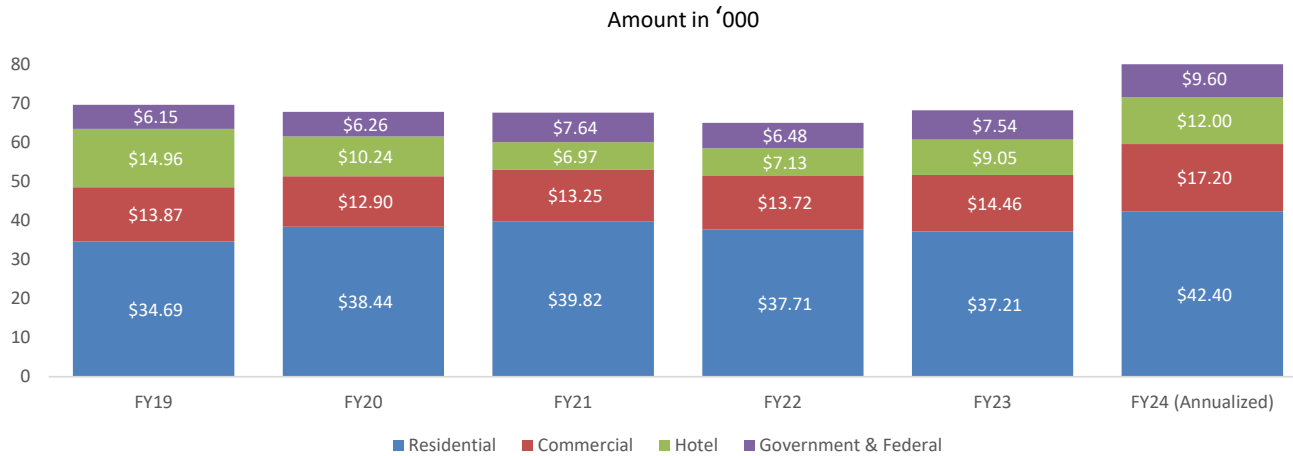
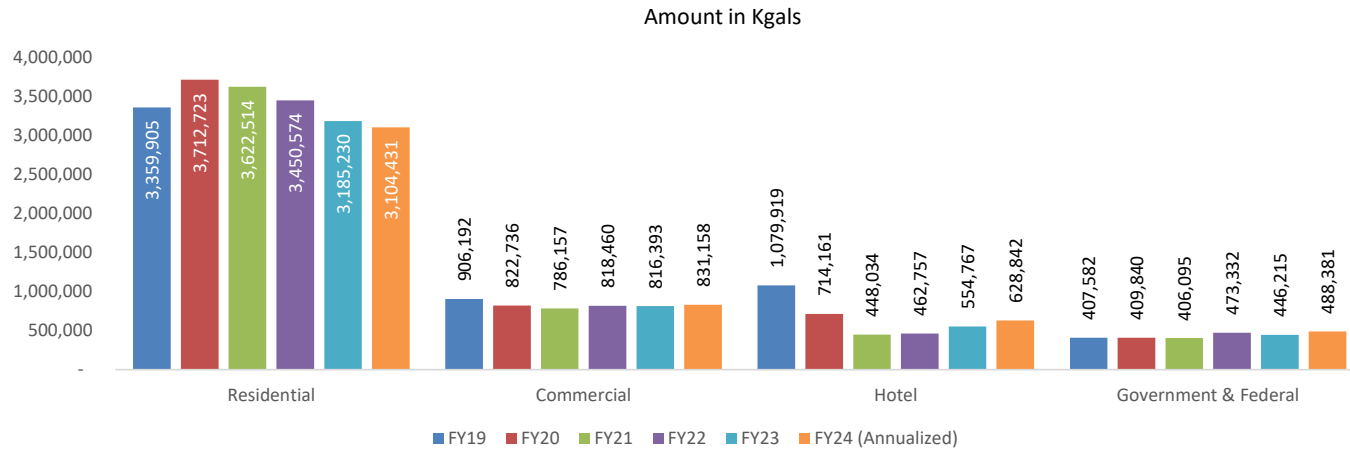


Income Statement



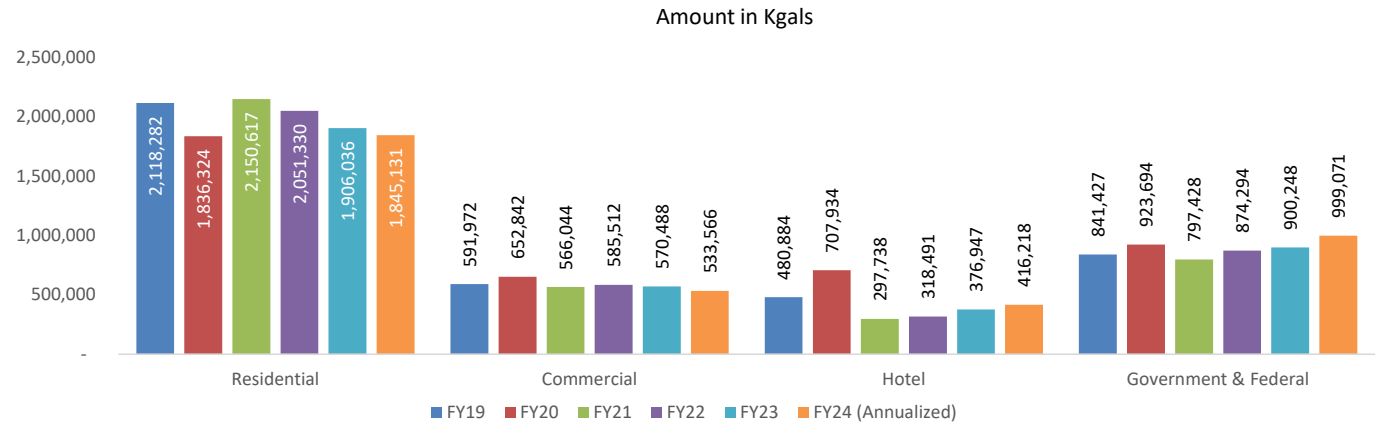


Annual Water Demand and Revenues by Rate Class



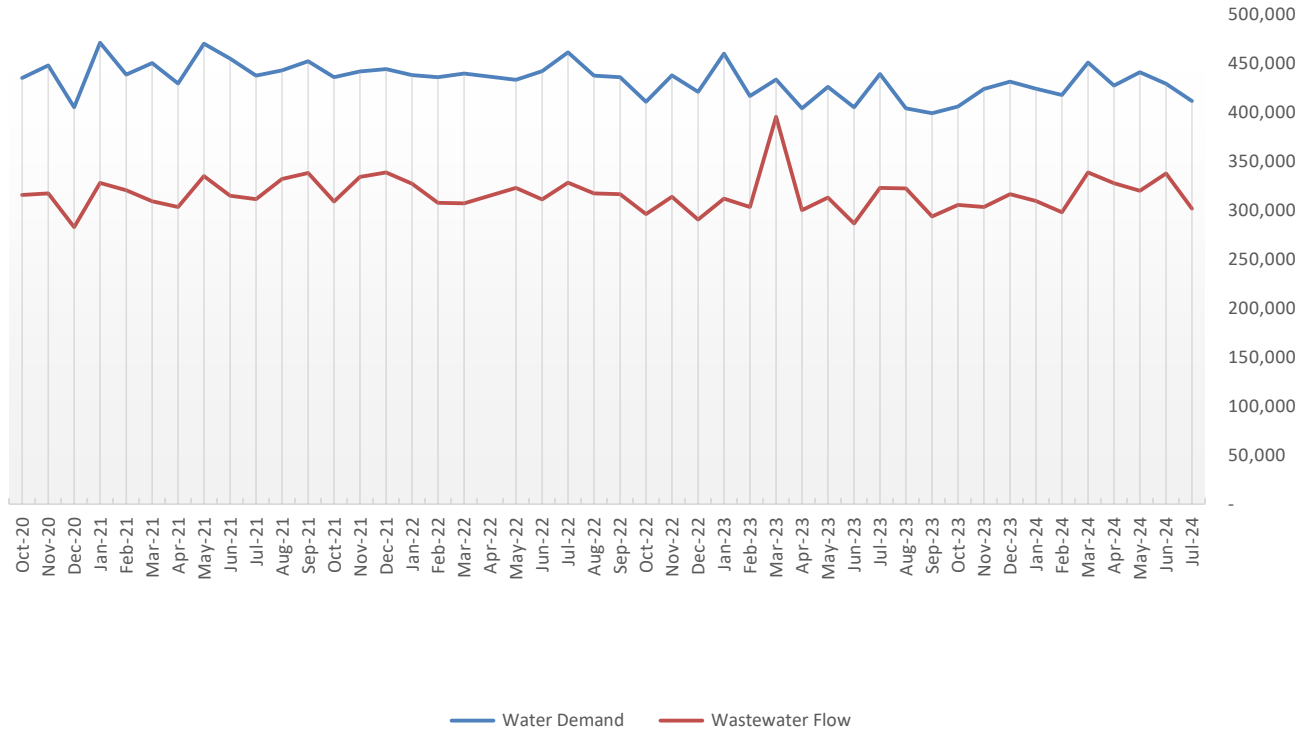


Annual Wastewater Billable Flows and Revenues by Rate Class





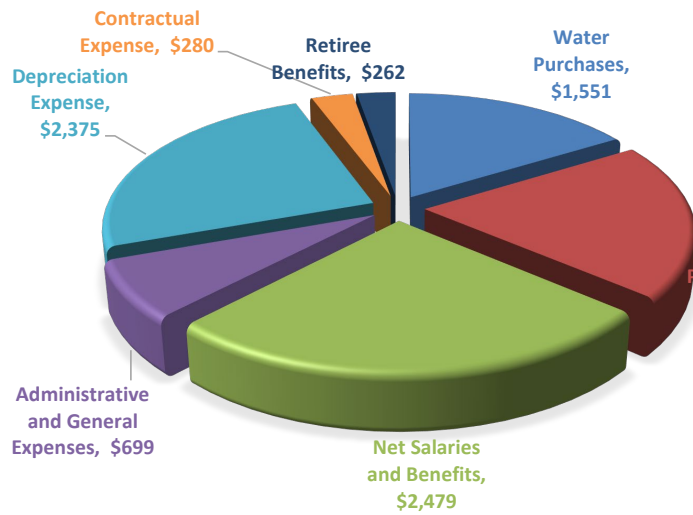
Water Demand & Wastewater Flow – 4 Years



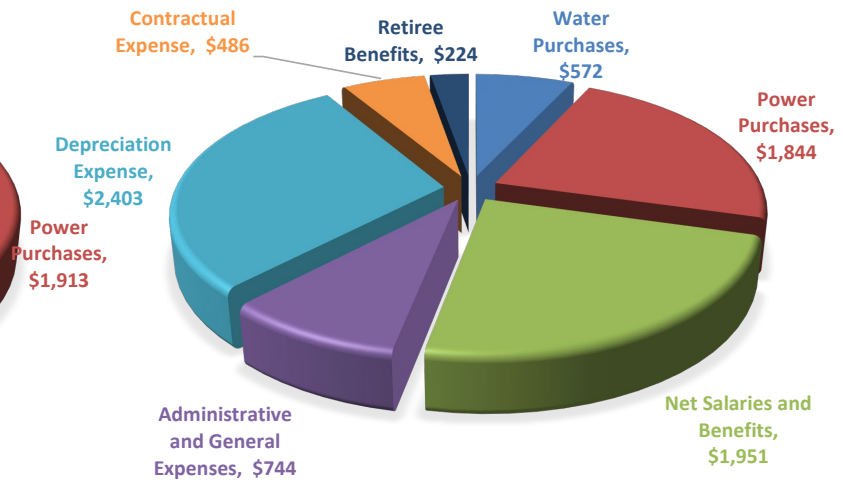


JULY YTD Expenses by Categories

FY2024 (in '000)

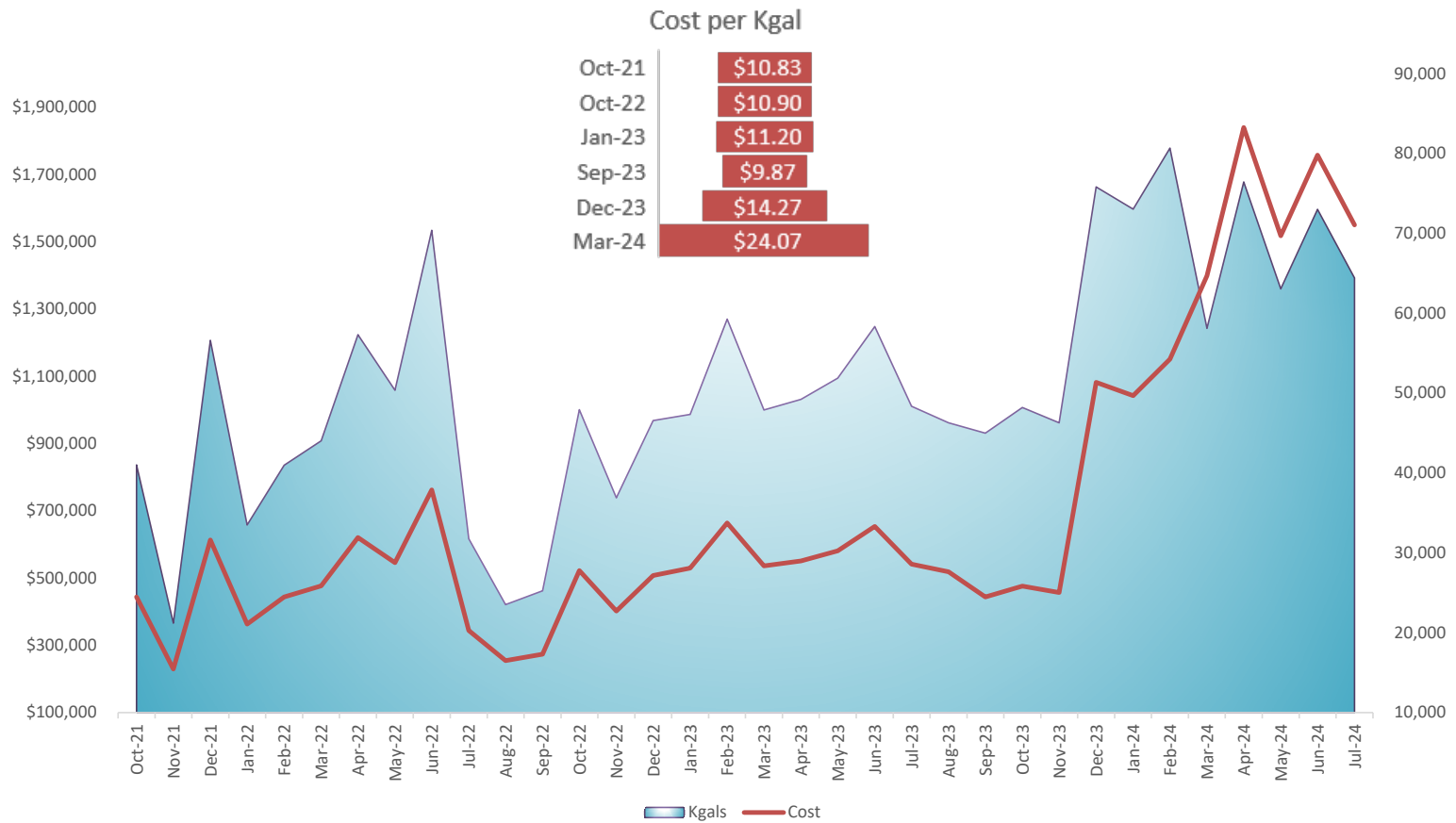


FY2023 (in '000)





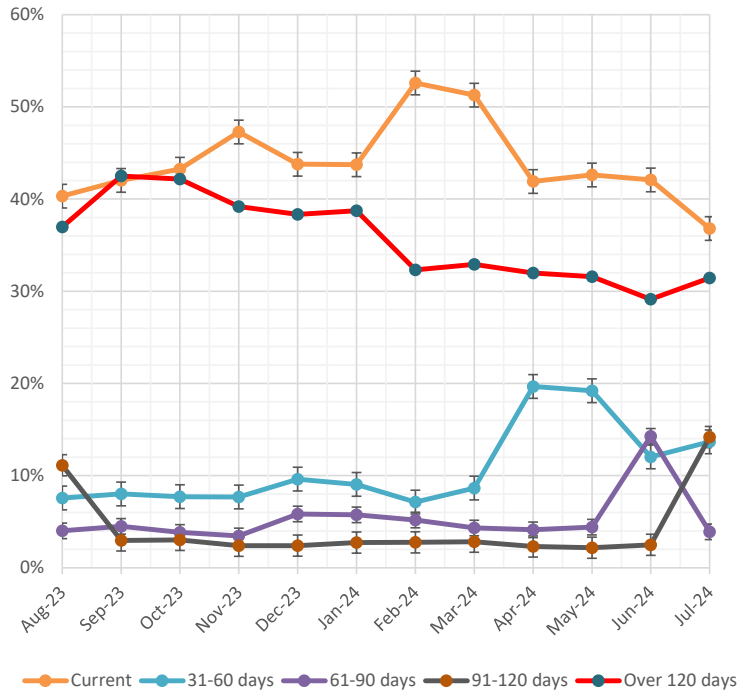
Navy Water Purchases



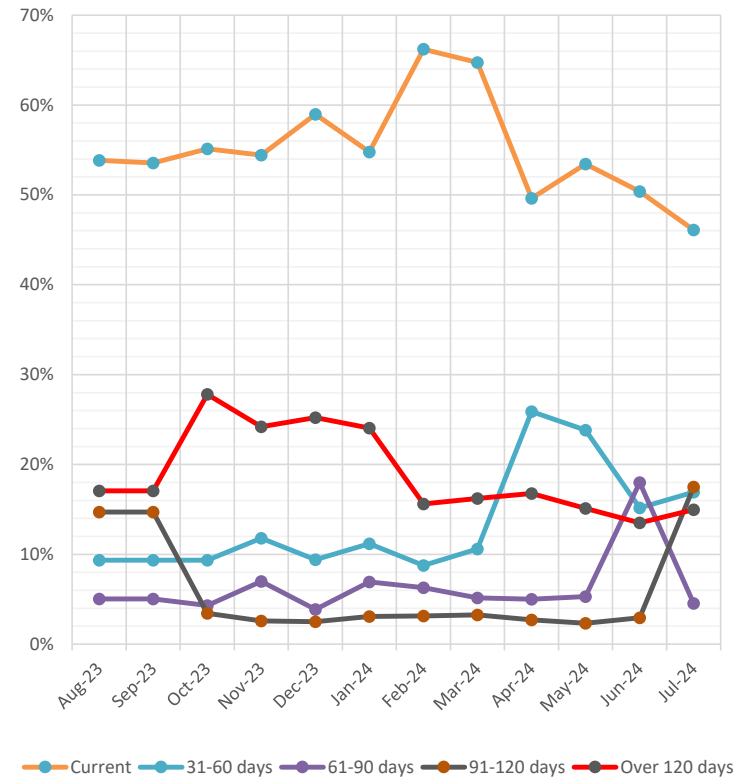


Overall – AR Aging

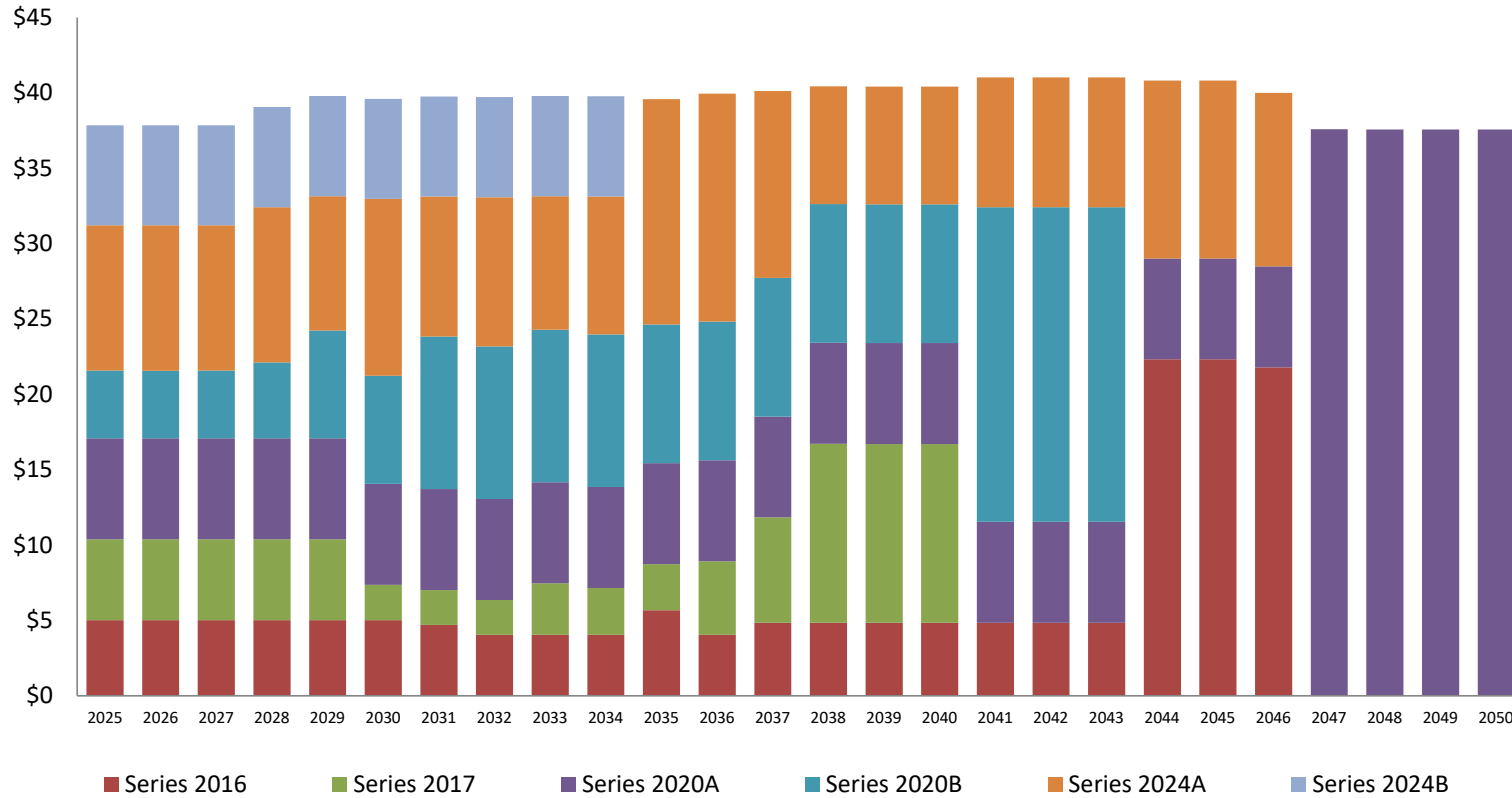
% of Aged AR Balance to Total AR Balance



% of Aged AR Balance to Total AR Balance (without Inactive Accounts)



GWA Debt Service After Series 2024A&B Issuance (\$mm) (Fiscal Year 9/30)





Financial Statement Overview July 2024

Key Financial Indicators

Indicator	Target	May 2024	June 2024	July 2024
DSC YTD				
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Wastewater Flow				
• Month to Date	317,500	320,257	337,832	302,155
• Year to Date		2,521,669	2,859,501	3,161,656
Operations & Maintenance Expense*	\$6,567,186	\$6,731,301	\$7,377,868	7,241,908
Water Customers	43,978	43,830	43,667	43,713
Wastewater Customers	30,781	31,161	31,111	31,119

*Excludes Depreciation

** Includes SDC Revenue and Collection

Water and Wastewater Consumption

Water consumption for July 2024 decreased by 6% compared to July 2023. Decreases in Residential and Commercial 1 consumption offset increases in Commercial 2, GovGuam and Hotel consumption. Wastewater flows decreased by 7% in the month of July compared to last year. Similarly, wastewater flow decreases in the Residential and Commercial 1 customer classes offset increases in other customer classes. Note that billing days in July 2024 were 30 days compared to 31 days in July 2023.

Year-to-date water consumption was about the same as the same period last year with increases in the Agriculture, Commercial, Hotel and GovGuam customer classes offsetting decreases in the residential customer class. Year-to-date wastewater flows as of July 2024 were 1% higher as compared to last year due to increases in the Government and Hotel customer classes.

Year-to-date average daily water consumption (ADC) as of July 2024 of 14,226 kgals is about the same as the prior year's 14,289 kgals. Decreases in the Residential customer class were offset by increases in the Hotel customer class. Year-to-date billing days at 300 days are two days more than the prior year.



Balance Sheet (Schedule A)

- Total Assets & Deferred Outflows of Resources of \$1.215B in September 2023* decreased by \$18.2M or 1% to \$1.197B in July 2024. Current Assets increased by \$7.9M primarily due to increases in restricted cash and accounts receivable. Property, Plant and Equipment decreased by \$8.5M due to increases in accumulated depreciation. Other Noncurrent Assets decreased by \$8.0M due to debt service payments.
- Liabilities & Deferred Inflow of Resources of \$880.8M in September 2023* decreased by \$26.0M compared to \$854.8 M in July 2024.

*September 2023 balances updated based on FY23 audit.

- Accounts Receivable days in July 2024 decreased to 41 days from 42 days in June 2024. Accounts Payable days in July 2024 were 35 days compared to 32 days in June 2024. 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 July 2024 of \$10.8M are \$55.4K or 1% less than the budget of \$10.8M. July 2024 Total Operating Revenues are 19% or \$1.7M more than July 2023's \$9.0M. Note there was a rate increase of 16.7% effective October 2023.
- Year-to-date Operating Revenues as of July 2024 of \$108.6M were \$334.1K more than budget and \$18.0M or 20% more than Year-to-date Operating Revenues as of July 2023 of \$90.6M.
- Below are the percentages of operating revenues (water and wastewater) contributed by GWA's customer classes for FY2024 and FY2023 as well as the revenue totals:

Customer Class	FY2024		FY2023	
o Residential	\$44,700,038	41.91%	\$39,053,540	43.89%
o Commercial	22,198,879	20.81%	19,211,815	21.59%
o Hotel	18,809,654	17.63%	14,005,962	15.74%
o Government of Guam	12,799,636	12.00%	10,450,717	11.74%
o Federal Government	7,666,644	7.19%	5,855,485	6.58%
o Agriculture, Golf Course, Irrigation	489,174	.46%	406,569	.46%
TOTALS	\$106,664,025	100.00%	\$88,984,088	100.00%

- Total Operating Expenses for July 2024 of \$9.6M were \$639.0K or 7% more than budget of \$9.0M. July 2024 Total Operating Expenses were 16% or \$1.3M more than July 2023's \$8.3M. We continue to monitor the Navy billing for water due to recent notices of substantial rate increases; the increases are related to the Base Operating Services Contract increases.
- Year-to-date Operating Expenses as of July 2024 of \$89.7M were 1% or \$940.8K more than the budget of \$88.7M and 3% or \$2.3M more than July 2023's YTD \$87.3M. Water purchases alone were \$6.0M more in this year compared to last year.
- Earnings from Operations for July 2024 of \$1.2M were 38% or \$694.4K less than the budget of \$1.9M and \$391.9K more than July 2023's \$764.1K. Change in Net Assets for July 2024 of -\$284.0K was \$2.0M less than the \$1.7M budget and \$526.9K less than July 2023's \$242.9K. The decrease in the



Change in Net Assets year over year was mostly due to bond and ARPA related transactions in the previous year.

- Year to Date Earnings from Operations as of July 2024 of \$19.0M is 3% or \$606.7K less than the budget of \$19.6M and \$15.7M more than prior year's \$3.3M. Year-to-date Change in Net Assets as of July 2024 of \$7.8M is \$10.7M less than budget of \$18.6M and \$3.0M less than prior year's \$10.8M. The decrease in the Change in Net Assets year over year was mostly due to the increase in Earnings from Operations being offset by the elimination of the ARPA funding and reduction in Grant contributions.
- No Rate Stabilization Funds were used in July 2024. There is a balance of \$950.0K in the RSF at the end of July 2024.

Cash Flow (Schedule F)

- FY2024 cash flows from operating activities were \$34.9M compared to FY2023 cash flows of \$43.6M. In FY2023, there was \$14.5M in cash from ARPA with no similar transactions in FY2024. Cash was used in capital and financing activities in FY2024 were \$52.3M compared to \$69.2M in FY2023 and cash provided by investing activities was \$13.3M in FY2024 compared to \$22.7M in FY2023. There was a net decrease in cash flows for FY2024 of \$4.0M compared to a \$11.5M increase for the same period in FY2023. Days Cash on Hand for July 2024 was calculated at 266 days compared to 286 days for June 2024 and 273 days for July 2023. Schedule G contains a schedule of restricted and unrestricted cash and investments.

Customer Payments

While only 7% of payments are made in cash, more than a third of payments continue to be made in person. The Upper Tumon 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 FY2024, approximately 53% 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 2022 -September 2023	783	\$3,420,468	\$66,158	1.93%
October - December 2023	192	\$1,035,322	\$20,816	2.01%
January -March 2024	234	\$1,102,942	\$22,176	2.01%
April - June 2024	216	\$1,151,835	\$23,159	2.01%
July 2024	77	\$ 422,874	\$ 8,502	2.01%



Resolution 21- FY2024 asks the CCU to approve the contract for the new Merchant Services Vendor, Bank of Hawaii (BOH); While the PUC approved the contract, the Office of the Attorney General has expressed concerns and has yet to sign.

The Upper Tumon office is open for payments on Saturdays. For the four Saturdays in July, 502 payments totaling \$89,845 were made towards GWA billings and 544 payments totaling \$187,464 were made for GPA.

For the month of July, Finance posted \$43,211 in utility payments from the Department of Administration (DOA) for eligible renters as part of the Guam Emergency Rental Assistance Program (GERAP). There were no payments received for eligible homeowners as part of the Guam Homeowners Assistance Fund (GHAFP); the Department of Administration website has posted that this program is closed.

Guam Solid Waste (GSW) Customer Payments

GPWA began to accept GSW payments on June 6, 2022. For the month of July 2024, GWA accepted \$75,530 in GSW payments at the Upper Tumon Office. GWA will bill \$1,299 to GSW for processing fees.

FY2025-FY2029 Financial Plan

In July, the PUC consultants issued five (5) sets of RFIs. GWA responded to 4 of the 5 sets. The last set was covered during a call on July 26, 2024 discuss any remaining issues. The PUC ALJ (Administrative Law Judge) issued a scheduling order on July 29, 2024 setting milestones that will end in the PUC rate hearing on September 24, 2024.

The PUC Consultants met GWA and its consultants from August 5th through the 12th in Guam to stipulate an agreement on the Financial Plan. The final stipulation is due to the PUC ALJ on August 16, later than the originally scheduled due date of August 12. PUC Public Hearings on the Financial Plan were held in the evenings on August 13, 14, and 15. Final testimony on the Financial Plan is due on August 21. Should hearings be required to discuss contested issues, the ALJ will issue a scheduling order on August 30 and the hearings will be held on September 4 and 5.

Legislative Updates

On July 5, 2024, the legislature introduced Bill 322-37 both of which appropriate \$15 million for wastewater infrastructure in parental subdivisions over the Northern Aquifer.

Bill 273-37 authorizing GWA to establish a Customer Assistance Program, introduced in April 2024, was passed by the legislature in July 2024.

Short Term Construction Financing

On July 2, 2024, additional information on alternative financing vehicles was requested from those organizations who responded to GEDA's RFI. 24-001 on Short Term Construction and Infrastructure Financing Program. Responses were received on July 9, 2024. GEDA plans to issue an RFP for short term financing before the calendar year end.

Tourism

Visitor arrivals in June 2024 were 52,757 compared to June 2023 arrivals of 17,310, an increase of 204.8%. Fiscal Year to Date arrivals in June 2024 were 575,079 up 33.6% from June FY2023's YTD 430,312. Calendar Year to Date arrivals for June 2024 were 386,397 up 30.7% from June CY2023's YTD 295,554.

**GUAM WATERWORKS AUTHORITY
July 31, 2024
FINANCIAL AND RELATED REPORTS
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GUAM WATERWORKS AUTHORITY
Balance Sheet
July 31, 2024

SCHEDULE A

ASSETS AND DEFERRED OUTFLOWS of RESOURCES	Unaudited July 31, 2024	Audited September 30, 2023	Increase (Decrease)
Current Assets			
Cash			
Unrestricted (Schedule G)	46,299,842	50,324,888	(4,025,046)
Restricted Funds (Schedule G)	38,896,796	32,707,733	6,189,063
Accounts Receivable Trade, Net of Allowance for Doubtful Receivables of \$9,677,684 at Jul 31, 2024 and \$10,894,003 at Sep 30, 2023	16,935,516	11,484,716	5,450,799
Federal Receivable	859,463	2,191,346	(1,331,883)
Other Receivable	1,623,867	1,561,619	62,247
Prepaid Expenses	2,965,888	1,206,948	1,758,940
Materials & Supplies Inventory, Net of Allowance for Obsolescence of \$122,856 at Jul 31, 2024 and \$122,856 at Sep 30, 2023	4,845,084	5,096,658	(251,574)
Total Current Assets	112,426,455	104,573,908	7,852,547
Property, Plant and Equipment			
Utility plant in service			
Water system	451,591,182	444,848,078	6,743,103
Wastewater system	683,638,364	679,249,470	4,388,895
Non-utility property	34,296,143	33,683,228	612,915
Total property	1,169,525,689	1,157,780,776	11,744,913
Less: Accumulated Depreciation	(448,285,979)	(424,928,727)	(23,357,252)
Land	5,737,168	5,287,305	449,863
Construction Work in Progress	76,850,458	74,149,217	2,701,241
Property, Plant and Equipment, net	803,827,336	812,288,571	(8,461,235)
Lease and subscription IT assets	614,418	614,418	-
Noncurrent assets			
Restricted cash (Schedule G)	145,840,720	150,366,788	(4,526,068)
Investments (Schedule G)	66,781,845	70,239,665	(3,457,820)
Total other noncurrent assets and deferred charges	212,622,565	220,606,453	(7,983,888)
Total Assets	1,129,490,774	1,138,083,350	(8,592,576)
Deferred outflows of resources			
Regulatory assets	3,174,728	3,174,728	-
Debt defeasance due to bond refunding	17,616,923	27,184,464	(9,567,541)
Deferred outflows from pension	18,328,045	18,328,045	-
Deferred outflows from OPEB	28,539,954	28,539,954	-
Total Assets and Deferred Outflows of Resources	1,197,150,424	1,215,310,541	(18,160,117)
LIABILITIES, DEFERRED INFLOWS of RESOURCES AND NET ASSETS			
Current Liabilities			
Current maturities of long-term debt			
Series 2013 Revenue Bond	-	3,315,000	(3,315,000)
Series 2014 Refunding Bond	-	4,205,000	(4,205,000)
Series 2016 Revenue Bond	-	875,000	(875,000)
Series 2017 Refunding Bond	-	2,365,000	(2,365,000)
Lease and subscription IT liabilities	375,103	375,103	-
Accounts Payable -Trade	5,104,638	4,329,683	774,956
Accrued and Other Liabilities	10,107,036	9,202,765	904,271
Interest Payable	2,284,112	7,070,516	(4,786,404)
Accrued Payroll and Employee Benefits	1,280,917	1,334,022	(53,105)
Current portion of employee annual leave	729,390	729,390	-
Contractors' Payable	5,375,413	8,565,009	(3,189,596)
Customer and Other Deposits	2,314,059	2,268,968	45,092
Total Current Liabilities	27,570,669	44,635,456	(17,064,787)
Long Term Debt, less current maturities			
Series 2013 Revenue Bond	-	15,050,000	(15,050,000)
Series 2014 Refunding Bond	-	55,845,000	(55,845,000)
Series 2016 Revenue Bond	81,890,000	133,265,000	(51,375,000)
Series 2017 Refunding Bond	57,660,000	98,565,000	(40,905,000)
Series 2020A Revenue Bond	134,000,000	134,000,000	-
Series 2020B Refunding Bond	125,835,000	166,075,000	(40,240,000)
Series 2024A Refunding Bond	133,575,000	-	133,575,000
Series 2024B Refunding Bond	51,275,000	-	51,275,000
Unamortized Bond Premium/Discount	46,948,794	37,287,410	9,661,384
Lease and subscription IT liabilities	192,245	192,245	-
Net pension liability	59,402,698	59,402,698	-
Net OPEB obligation	87,184,863	87,184,863	-
Employee Annual Leave, Less Current Portion	913,289	913,289	-
Employee Sick Leave	1,429,998	1,429,998	-
Total Liabilities	807,877,556	833,845,960	(25,968,404)
Deferred inflows of resources:			
Contribution in Aid of Construction	634,187	646,937	(12,750)
Deferred inflows from pension	3,009,820	3,009,820	-
Deferred inflows from OPEB	43,293,492	43,293,492	-
Total Liabilities and Deferred Inflows of Resources	854,815,055	880,796,209	(25,981,154)
Net Assets	342,335,369	334,514,332	7,821,037
Total Liabilities, Deferred Inflows of Resources and Net Assets	1,197,150,424	1,215,310,541	(18,160,117)

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative Budget vs. Actual for the period ending July 31, 2024

SCHEDULE B

	Month to Date		Variance Favorable / (Unfavorable)
	Actual (Unaudited) July-24	Budget July-24	
OPERATING REVENUES			
Water Revenues	6,551,702	6,706,635	(154,933)
Wastewater Revenues	3,687,690	3,652,565	35,125
Legislative Surcharge	334,892	327,945	6,947
Other Revenues	138,042	39,525	98,517
System Development Charge	60,911	102,000	(41,089)
Total Operating Revenues	10,773,236	10,828,670	(55,433)
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	1,550,546	491,667	(1,058,879)
Power Purchases	1,913,064	1,935,131	22,066
Total Utility Costs	<u>3,463,610</u>	<u>2,426,797</u>	<u>(1,036,813)</u>
Salaries and Wages	1,915,547	1,825,560	(89,987)
Pension and Benefits	763,597	649,877	(113,720)
Total Salaries and Benefits	<u>2,679,144</u>	<u>2,475,437</u>	<u>(203,707)</u>
Capitalized Labor and Benefits	(200,210)	(346,595)	(146,385)
Net Salaries and Benefits	<u>2,478,935</u>	<u>2,128,842</u>	<u>(350,092)</u>
Administrative and General Expenses			
Sludge removal	84,817	99,422	14,604
Chemicals	105,035	159,944	54,909
Materials & Supplies	90,236	220,785	130,549
Transportation	34,894	64,629	29,735
Communications	26,400	13,268	(13,132)
Claims	-	14,917	14,917
Insurance	154,434	161,333	6,899
Training & Travel	28,180	30,100	1,921
Advertising	4,052	10,903	6,851
Miscellaneous	131,154	113,626	(17,528)
Regulatory Expense	39,751	18,250	(21,501)
Bad Debts Provision	(0)	188,520	188,520
Total Administrative and General Expense	<u>698,951</u>	<u>1,095,696</u>	<u>396,745</u>
Depreciation Expense	<u>2,375,266</u>	<u>2,401,423</u>	<u>26,157</u>
Contractual Expense			
Audit & Computer Maintenance	53,043	205,303	152,260
Building rental	48,905	50,264	1,358
Equipment rental	39,168	45,663	6,495
Legal	45,263	87,696	42,433
Laboratory	4,832	47,121	42,289
Other	88,664	176,399	87,735
Total Contractual Expense	<u>279,875</u>	<u>612,445</u>	<u>332,570</u>
Retiree Supp. Annuities and health care costs	262,078	252,159	(9,919)
Contribution to Government of Guam	58,458	60,809	2,350
Total Retiree Benefits	<u>320,537</u>	<u>312,968</u>	<u>(7,568)</u>
Total Operating Expenses	<u>9,617,174</u>	<u>8,978,172</u>	<u>(639,002)</u>
Earnings (Loss) from Operations			
	<u>1,156,062</u>	<u>1,850,497</u>	<u>(694,435)</u>
Interest Income - Bond Funds	937,122	647,004	290,118
Interest Income - Other Funds	534,708	22,917	511,791
Interest Income - SDC	4,364	873	3,491
Interest Expense - Bonds	(1,015,952)	(2,356,839)	1,340,887
Loss on Asset Disposal	(29,265)	(56,499)	27,234
Amortization of Discount, Premium and Issuance Costs	(1,717,138)	124,228	(1,841,366)
Defeasance due to bond refunding	(168,795)	(170,449)	1,654
Prior Year Adjustment	(119,011)	(7,229)	(111,781)
Total non-operating revenues (expenses)	<u>(1,573,968)</u>	<u>(1,795,994)</u>	<u>222,026</u>
Net Income (Loss) before capital contributions	<u>(417,907)</u>	<u>54,503</u>	<u>(472,409)</u>
Capital Contributions			
Grants from US Government	133,943	1,686,437	(1,552,494)
Grants from GovGuam & Others	-	8,937	(8,937)
Total Capital Contributions	<u>133,943</u>	<u>1,695,374</u>	<u>(1,561,431)</u>
Change in Net Assets	<u>(283,964)</u>	<u>1,749,877</u>	<u>(2,033,841)</u>
Debt Service Calculation			
Earnings From Operations	1,156,062	1,850,497	
System Development Charge	(60,911)	(102,000)	
Retiree COLA	58,458	60,809	
Interest/Investment Income	534,708	22,917	
Depreciation	2,375,266	2,401,423	
Rate Stabilization Fund	-	79,167	
Balance Available for Debt Service per Section 6.12	<u>4,063,583</u>	<u>4,312,812</u>	
Debt Service			
Principal	896,667	896,667	
Interest	2,356,839	2,356,839	
Total	<u>3,253,505</u>	<u>3,253,505</u>	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	<u>1.25</u>	<u>1.33</u>	
Debt Service Coverage (1.30X) (PUC)	<u>1.25</u>	<u>1.33</u>	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
 Comparative for the period ending July 31, 2024 and 2023

SCHEDULE C

	Month to Date		Variance Increase / (Decrease)
	Actual (Unaudited) July-24	Actual (Audited) July-23	
OPERATING REVENUES			
Water Revenues	6,551,702	5,742,080	809,621
Wastewater Revenues	3,687,690	2,955,941	731,748
Legislative Surcharge	334,892	261,881	73,011
Other Revenues	138,042	34,766	103,276
System Development Charge	60,911	48,840	12,071
Total Operating Revenues	<u>10,773,236</u>	<u>9,043,509</u>	<u>1,729,727</u>
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	1,550,546	571,916	978,630
Power Purchases	1,913,064	1,843,717	69,348
Total Utility Costs	<u>3,463,610</u>	<u>2,415,632</u>	<u>1,047,978</u>
Salaries and Wages	1,915,547	1,529,849	385,698
Pension and Benefits	763,597	609,533	154,064
Total Salaries and Benefits	<u>2,679,144</u>	<u>2,139,381</u>	<u>539,763</u>
Capitalized Labor and Benefits	(200,210)	(188,326)	(11,884)
Net Salaries and Benefits	<u>2,478,935</u>	<u>1,951,056</u>	<u>527,879</u>
Administrative and General Expenses			
Sludge removal	84,817	79,091	5,726
Chemicals	105,035	101,917	3,118
Materials & Supplies	90,236	76,361	13,875
Transportation	34,894	35,513	(619)
Communications	26,400	10,771	15,628
Claims	-	914	(914)
Insurance	154,434	147,927	6,507
Training & Travel	28,180	3,700	24,480
Advertising	4,052	5,547	(1,495)
Miscellaneous	131,154	94,617	36,537
Regulatory Expense	39,751	8,667	31,084
Bad Debts Provision	(0)	179,198	(179,199)
Total Administrative and General Expense	<u>698,951</u>	<u>744,222</u>	<u>(45,271)</u>
Depreciation Expense	<u>2,375,266</u>	<u>2,403,160</u>	<u>(27,894)</u>
Contractual Expense			
Audit & Computer Maintenance	53,043	124,475	(71,432)
Building rental	48,905	48,377	529
Equipment rental	39,168	122,841	(83,673)
Legal	45,263	1,248	44,015
Laboratory	4,832	9,288	(4,455)
Other	88,664	179,293	(90,630)
Total Contractual Expense	<u>279,875</u>	<u>485,522</u>	<u>(205,646)</u>
Retiree Supp. Annuities and health care costs	262,078	223,693	38,385
Contribution to Government of Guam	58,458	56,100	2,358
Total Retiree Benefits	<u>320,537</u>	<u>279,793</u>	<u>40,744</u>
Total Operating Expenses	<u>9,617,174</u>	<u>8,279,385</u>	<u>1,337,789</u>
Earnings (Loss) from Operations	<u>1,156,062</u>	<u>764,124</u>	<u>391,937</u>
Interest Income - Bond Funds	937,122	910,843	26,279
Interest Income - Other Funds	534,708	154,343	380,365
Interest Income - SDC	4,364	9,237	(4,873)
Interest Expense - Bonds	(1,015,952)	(2,356,839)	1,340,887
Contributions from Local Government	-	850,000	(850,000)
Loss on Asset Disposal	(29,265)	(52,257)	22,992
Amortization of Discount, Premium and Issuance Costs	(1,717,138)	124,228	(1,841,366)
Defeasance due to bond refunding	(168,795)	(170,449)	1,654
Prior Year Adjustment	(119,011)	(16,580)	(102,430)
Total non-operating revenues (expenses)	<u>(1,573,968)</u>	<u>(547,475)</u>	<u>(1,026,493)</u>
Net Income (Loss) before capital contributions	<u>(417,907)</u>	<u>216,650</u>	<u>(634,556)</u>
Capital Contributions			
Grants from US Government	133,943	26,297	107,645
Total Capital Contributions	<u>133,943</u>	<u>26,297</u>	<u>107,645</u>
Change in Net Assets	<u>(283,964)</u>	<u>242,947</u>	<u>(526,911)</u>
Debt Service Calculation			
Earnings From Operations	1,156,062	764,124	
System Development Charge	(60,911)	(48,840)	
Retiree COLA	58,458	56,100	
Interest/Investment Income	534,708	154,343	
Depreciation	2,375,266	2,403,160	
ARPA Grant	-	850,000	
Balance Available for Debt Service per Section 6.12	<u>4,063,583</u>	<u>4,178,887</u>	
Debt Service			
Principal	896,667	852,917	
Interest	2,356,839	2,400,140	
Total	<u>3,253,505</u>	<u>3,253,056</u>	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	<u>1.25</u>	<u>1.28</u>	
Debt Service Coverage (1.30X) (PUC)	<u>1.25</u>	<u>1.28</u>	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative Budget vs. Actual for the period ending July 31, 2024

SCHEDULE D

	Year to Date		Variance Favorable / (Unfavorable)
	Actual (Unaudited) July-24	Budget July-24	
OPERATING REVENUES			
Water Revenues	66,251,753	67,066,345	(814,592)
Wastewater Revenues	37,024,833	36,525,649	499,184
Legislative Surcharge	3,387,439	3,279,451	107,988
Other Revenues	503,604	395,250	108,354
System Development Charge	1,453,196	1,020,000	433,196
Total Operating Revenues	108,620,825	108,286,695	334,130
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	11,847,208	4,916,667	(6,930,541)
Power Purchases	17,986,691	18,851,306	864,615
Total Utility Costs	<u>29,833,898</u>	<u>23,767,973</u>	<u>(6,065,926)</u>
Salaries and Wages	16,737,067	18,255,604	1,518,537
Pension and Benefits	6,880,409	6,498,767	(381,642)
Total Salaries and Benefits	<u>23,617,477</u>	<u>24,754,372</u>	<u>1,136,895</u>
Capitalized Labor and Benefits	(2,470,387)	(3,465,950)	(995,563)
Net Salaries and Benefits	<u>21,147,090</u>	<u>21,288,422</u>	<u>141,332</u>
Administrative and General Expenses			
Sludge removal	926,890	637,073	(289,817)
Chemicals	1,330,223	1,599,443	269,220
Materials & Supplies	1,056,398	2,057,140	1,000,742
Transportation	419,036	645,953	226,917
Communications	106,771	132,676	25,905
Claims	48,745	149,167	100,422
Insurance	1,505,167	1,613,333	108,167
Training & Travel	192,567	191,554	(1,013)
Advertising	22,861	109,153	86,292
Miscellaneous	1,288,845	1,136,256	(152,589)
Regulatory Expense	213,244	182,500	(30,744)
Bad Debts Provision	243,997	1,885,197	1,641,200
Total Administrative and General Expense	<u>7,354,744</u>	<u>10,339,443</u>	<u>2,984,699</u>
Depreciation Expense	<u>23,779,315</u>	<u>24,014,230</u>	<u>234,915</u>
Contractual Expense			
Audit & Computer Maintenance	1,439,189	1,969,754	530,565
Building rental	487,939	502,637	14,699
Equipment rental	289,551	460,540	170,989
Legal	356,325	914,263	557,938
Laboratory	649,825	471,208	(178,617)
Other	1,067,816	1,870,460	802,644
Total Contractual Expense	<u>4,290,645</u>	<u>6,188,862</u>	<u>1,898,217</u>
Retiree Supp. Annuities and health care costs	2,679,126	2,521,593	(157,533)
Contribution to Government of Guam	584,583	608,088	23,505
Total Retiree Benefits	<u>3,263,710</u>	<u>3,129,681</u>	<u>(134,029)</u>
Total Operating Expenses	<u>89,669,401</u>	<u>88,728,610</u>	<u>(940,791)</u>
Earnings (Loss) from Operations	<u>18,951,423</u>	<u>19,558,085</u>	<u>(606,661)</u>
Interest Income - Bond Funds	9,032,642	6,470,041	2,562,601
Interest Income - Other Funds	2,335,406	229,167	2,106,239
Interest Income - SDC	165,535	8,730	156,805
Interest Expense - Bonds	(22,227,501)	(23,568,388)	1,340,887
Loss on Asset Disposal	(381,230)	(564,989)	183,759
Amortization of Discount, Premium and Issuance Costs	(309,997)	1,242,281	(1,552,278)
Defeasance due to bond refunding	(1,687,954)	(1,704,493)	16,539
Prior Year Adjustment	(157,936)	(72,291)	(85,645)
Total non-operating revenues (expenses)	<u>(13,231,036)</u>	<u>(17,959,942)</u>	<u>4,728,907</u>
Net Income (Loss) before capital contributions	<u>5,720,387</u>	<u>1,598,142</u>	<u>4,122,245</u>
Capital Contributions			
Grants from US Government	1,957,620	16,864,366	(14,906,746)
Grants from GovGuam & Others	143,029	89,371	53,658
Total Capital Contributions	<u>2,100,649</u>	<u>16,953,737</u>	<u>(14,853,088)</u>
Change in Net Assets	<u>7,821,037</u>	<u>18,551,880</u>	<u>(10,730,843)</u>
Debt Service Calculation			
Earnings From Operations	18,951,423	19,558,085	
System Development Charge	(1,453,196)	(1,020,000)	
Retiree COLA	584,583	608,088	
Interest/Investment Income	2,335,406	229,167	
Depreciation	23,779,315	24,014,230	
Rate Stabilization Fund	-	791,667	
Balance Available for Debt Service per Section 6.12	<u>44,197,531</u>	<u>44,181,236</u>	
Debt Service			
Principal	8,966,667	8,966,667	
Interest	23,568,388	23,568,388	
Total	<u>32,535,054</u>	<u>32,535,054</u>	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	<u>1.36</u>	<u>1.36</u>	
Debt Service Coverage (1.30X) (PUC)	<u>1.36</u>	<u>1.36</u>	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
 Comparative for the period ending July 31, 2024 and 2023

SCHEDULE E

	Year to Date		Variance Increase / (Decrease)
	Actual (Unaudited) July-24	Actual (Audited) July-23	
OPERATING REVENUES			
Water Revenues	66,251,753	55,893,271	10,358,482
Wastewater Revenues	37,024,833	30,497,815	6,527,018
Legislative Surcharge	3,387,439	2,593,002	794,437
Other Revenues	503,604	439,716	63,887
System Development Charge	1,453,196	1,170,389	282,807
Total Operating Revenues	108,620,825	90,594,193	18,026,632
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	11,847,208	5,848,665	5,998,543
Power Purchases	17,986,691	20,822,747	(2,836,057)
Total Utility Costs	29,833,898	26,671,412	3,162,486
Salaries and Wages	16,737,067	16,692,038	45,030
Pension and Benefits	6,880,409	6,270,305	610,104
Total Salaries and Benefits	23,617,477	22,962,343	655,134
Capitalized Labor and Benefits	(2,470,387)	(2,295,547)	(174,841)
Net Salaries and Benefits	21,147,090	20,666,796	480,293
Administrative and General Expenses			
Sludge removal	926,890	532,733	394,157
Chemicals	1,330,223	1,294,425	35,798
Materials & Supplies	1,056,398	1,468,423	(412,024)
Transportation	419,036	465,779	(46,744)
Communications	106,771	95,899	10,872
Claims	48,745	33,636	15,109
Insurance	1,505,167	1,479,268	25,898
Training & Travel	192,567	86,270	106,296
Advertising	22,861	65,948	(43,087)
Miscellaneous	1,288,845	1,030,895	257,950
Regulatory Expense	213,244	147,187	66,057
Bad Debts Provision	243,997	1,779,682	(1,535,685)
Total Administrative and General Expense	7,354,744	8,480,146	(1,125,402)
Depreciation Expense	23,779,315	23,912,664	(133,349)
Contractual Expense			
Audit & Computer Maintenance	1,439,189	1,590,591	(151,403)
Building rental	487,939	478,121	9,817
Equipment rental	289,551	550,647	(261,097)
Legal	356,325	492,557	(136,231)
Laboratory	649,825	209,936	439,889
Other	1,067,816	1,314,403	(246,587)
Total Contractual Expense	4,290,645	4,636,256	(345,612)
Retiree Supp. Annuities and health care costs	2,679,126	2,392,591	286,535
Contribution to Government of Guam	584,583	561,000	23,583
Total Retiree Benefits	3,263,710	2,953,591	310,119
Total Operating Expenses	89,669,401	87,320,866	2,348,535
Earnings (Loss) from Operations	18,951,423	3,273,327	15,678,096
Interest Income - Bond Funds	9,032,642	7,926,094	1,106,547
Interest Income - Other Funds	2,335,406	1,204,382	1,131,024
Interest Income - SDC	165,535	56,364	109,171
Interest Expense - Bonds	(22,227,501)	(23,958,097)	1,730,596
Contributions from Local Government	-	12,400,000	(12,400,000)
Federal Expenditures	-	(25,000)	25,000
Loss on Asset Disposal	(381,230)	(336,469)	(44,761)
Amortization of Discount, Premium and Issuance Costs	(309,997)	1,242,281	(1,552,278)
Defeasance due to bond refunding	(1,687,954)	(1,704,493)	16,539
Prior Year Adjustment	(157,936)	(165,126)	7,189
Total non-operating revenues (expenses)	(13,231,036)	(3,360,063)	(9,870,973)
Net Income (Loss) before capital contributions	5,720,387	(86,736)	5,807,123
Capital Contributions			
Grants from US Government	1,957,620	10,806,600	(8,848,981)
Grants from GovGuam & Others	143,029	60,749	82,281
Total Capital Contributions	2,100,649	10,867,349	(8,766,700)
Change in Net Assets	7,821,037	10,780,613	(2,959,576)
Debt Service Calculation			
Earnings From Operations	18,951,423	3,273,327	
System Development Charge	(1,453,196)	(1,170,389)	
Retiree COLA	584,583	561,000	
Interest/Investment Income	2,335,406	1,204,382	
Depreciation	23,779,315	23,912,664	
Rate Stabilization Fund	-	2,550,000	
ARPA Grant	-	12,400,000	
Balance Available for Debt Service per Section 6.12	44,197,531	42,730,984	
Debt Service			
Principal	8,966,667	8,529,167	
Interest	23,568,388	24,001,398	
Total	32,535,054	32,530,565	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.36	1.31	
Debt Service Coverage (1.30X) (PUC)	1.36	1.31	

Guam Waterworks Authority Statement of Cash Flows FY2024	SCHEDULE F		
	Unaudited YTD Jul-24	Audited YTD Sep-23	Increase (Decrease)
Cash flows from operating activities:			
Cash received from trade and others	102,908,872	120,965,897	(18,057,025)
Cash payments to suppliers/contractors for goods and services	(41,076,180)	(46,755,481)	5,679,301
Cash payments to employees for services	(23,670,582)	(27,081,802)	3,411,220
Cash payments for retiree healthcare costs and other benefits	(3,263,710)	(3,560,495)	296,785
Net cash provided by operating activities	34,898,401	43,568,119	(8,669,718)
Cash flows from noncapital financing activities:			
Receipts from the Local Government operating grant	-	14,460,048	(14,460,048)
	-	14,460,048	(14,460,048)
Cash flows from capital and related financing activities:			
Contributed capital received (grants)	3,432,532	10,208,987	(6,776,455)
Acquisition of utility plant	(16,418,518)	(41,331,452)	24,912,934
Repayment of Long Term Debt	(10,096,076)	(10,235,000)	138,924
Interest expense	(29,169,793)	(28,801,678)	(368,115)
Legal proceeds	-	950,000	(950,000)
Net cash provided by (used in) capital and related financing activities	(52,251,855)	(69,209,143)	16,957,288
Cash flows from investing activities:			
Transfers from (to) restricted fund	1,794,825	11,077,261	(9,282,436)
Interest income received	11,533,582	11,604,779	(71,197)
Net cash provided by investing activities	13,328,407	22,682,040	(9,353,633)
Net increase (decrease) in cash	(4,025,046)	11,501,064	(15,526,110)
Unrestricted cash at beginning of the period	50,324,888	38,823,824	11,501,063
Unrestricted cash at end of period	46,299,842	50,324,888	(4,025,047)
Reconciliation of operating loss to net cash provided by operating activities:			
Operating Income (loss)	18,951,423	1,872,603	17,078,820
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation expense	23,779,315	30,911,997	(7,132,682)
Bad debts (recovery)	243,997	421,467	(177,470)
Capitalized labor and benefits	(2,470,387)	(3,075,928)	605,541
Recovery of provision for inventory obsolescence	-	-	-
Non-cash pension and OPEB costs	-	1,335,785	(1,335,785)
Other Non-cash adjustments	-	(323,071)	323,071
(Increase) decrease in assets:			
Accounts receivable	(5,757,044)	4,519,295	(10,276,339)
Materials and supplies inventory	251,574	(623,993)	875,567
Prepaid expenses	(1,758,940)	526,069	(2,285,009)
Regulatory Assets	-	(377,969)	377,969
Increase (decrease) in liabilities:			
Accounts payable	774,956	(45,808)	820,764
Accrued payroll and employee benefits	(53,105)	136,972	(190,077)
Customer deposits	45,092	(6,345)	51,437
Other liabilities	891,521	8,297,045	(7,405,524)
Net cash provided by operating activities	34,898,401	43,568,119	(8,669,717)

GUAM WATERWORKS AUTHORITY
Restricted and Unrestricted Cash Summary
FY2024

SCHEDULE G

Description	Unaudited July 31, 2024	Audited September 30, 2023	Increase (Decrease)
UNRESTRICTED			
Change Fund	2,000	2,000	-
Petty Cash	3,930	3,930	-
BOG Deposit Accounts	20,145,153	26,112,801	(5,967,648)
BOG O & M Reserve	15,088,402	14,477,230	611,172
BOG CapEx Fund	10,110,357	8,778,927	1,331,430
BOG Rate Stabilization Fund	950,000	950,000	-
Sub-total Unrestricted	46,299,842	50,324,888	(4,025,046)
RESTRICTED			
Bank Pacific	10,908	6,345	4,563
Bank of Hawaii	115,476	167,390	(51,914)
Community First FCU	2,775	2,538	237
First Hawaiian Bank	141,936	82,921	59,015
Bank Pacific Surcharge	789,639	6,863	782,775
Bank Pacific Escrow Deposit	958,784	958,711	73
BOG Customer Refunds	2,312,562	2,157,517	155,045
BOG Sewer Hookup Revolving Fund	2,167,725	2,079,769	87,955
BOG Operation and Maintenance Fund	3,083,482	3,083,482	-
BOG Revenue Trust	510,739	(137,922)	648,661
BOG Revenue Trust Fund	9,444,930	10,471,820	(1,026,890)
BOG Capital Improvement Revenue Fund	12,351,786	8,452,503	3,899,283
	31,890,741	27,331,937	4,558,804
BOG - SDC Deposit	756,055	1,125,796	(369,740)
BOG - SDC CDs	6,250,000	4,250,000	2,000,000
Total SDC	7,006,055	5,375,796	1,630,260
Total Restricted	38,896,796	32,707,733	6,189,063
Reserve Funds			
BOG Series 2013 Construction Fund	3,253,563	3,459,448	(205,885)
BOG Series 2016 Construction Fund	22,934,434	27,091,177	(4,156,743)
BOG Series 2017 Refunding Construction Fund	3,670,429	3,648,718	21,711
BOG Series 2020A Construction Fund	111,023,495	111,457,380	(433,885)
BOG CIF-Construction Fund Transfers	4,908,905	4,710,065	198,840
BOG Series 2024AB COI Funds	49,894	-	49,894
Total Restricted - Held by Trustee	145,840,720	150,366,788	(4,526,068)
BOG OMRRRF Fund	19,560,351	17,423,213	2,137,138
USB Series 2013 Debt Service Fund	-	1,494,615	(1,494,615)
USB Series 2013 Debt Service Reserve Fund	-	12,031,688	(12,031,688)
USB Series 2014 Refunding Debt Service Reserve Fund	1,470,467	10,100,975	(8,630,508)
USB Series 2016 Debt Service Fund	456,997	2,061,782	(1,604,785)
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	499,768	2,015,191	(1,515,423)
USB Series 2020A Debt Service Fund	724,604	1,753,543	(1,028,940)
USB Series 2020A Debt Service Reserve Fund	-	6,659,700	(6,659,700)
USB Series 2020B Debt Service Reserve Fund	477,285	1,540,498	(1,063,213)
USB Series 2024A Debt Service Fund	1,192,762	-	1,192,762
USB Series 2024A Debt Service Fund	556,573	-	556,573
USB Series 2024A Debt Service Reserve Fund	41,843,038	-	41,843,038
Total Investments	66,781,845	70,239,665	(3,457,820)
Total Restricted and Unrestricted Cash	297,819,202	303,639,073	(5,819,871)

Guam Waterworks Authority
Accounts Receivable - Government (Active)
July 31, 2024

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	\$ 103	\$ 139	\$ 131	\$ 104	\$ 262,155	\$ 262,631
Port Authority of Guam	6	54,522	-	-	-	-	54,522
Guam Power Authority	25	40,898	-	-	-	-	40,898
Guam Housing & Urban Renewal Authority	10	6,592	-	-	-	-	6,592
Guam Solid Waste Authority	4	1,142	893	73	4	-	2,111
Guam Housing Corporation	1	58	-	-	-	-	58
Total Autonomous Agencies	54	\$ 103,314	\$ 1,032	\$ 203	\$ 108	\$ 262,155	\$ 366,812
Semi-Autonomous Agencies (Active)							
Guam Memorial Hospital Authority	3	\$ 45,242	\$ 47,356	\$ 45,792	\$ 45,922	\$ 146,004	\$ 330,316
University of Guam	48	109,593	14,898	-	-	-	124,492
Guam Environmental Protection Agency	2	1	-	-	-	-	1
Total Semi-Autonomous Agencies	53	\$ 154,836	\$ 62,254	\$ 45,792	\$ 45,922	\$ 146,004	\$ 454,808
Line Agencies (Active)							
Department of Education	51	\$ 357,236	\$ 280,397	\$ 49,653	\$ 5,662	\$ 15,763	\$ 708,711
Department of Corrections	9	127,395	129,539	141,805	93,119	231	492,090
Department of Parks & Recreation	13	77,917	68,657	48,511	18,334	163	213,583
Department of Public Works	10	19,525	19,659	1,331	-	-	40,515
Department of Public Health & Social Services	9	3,211	3,316	1,946	2,003	4,451	14,926
Guam Fire Department	11	8,093	334	316	-	-	8,744
Department of Military Affairs/GUARNG	1	3,603	1,591	-	-	-	5,194
Department of Agriculture	7	2,027	2,666	120	49	-	4,862
Guam Police Department	9	4,765	44	34	-	-	4,843
Guam Homeland Security/Civil Defense	1	1,302	1,280	919	1,079	-	4,579
Office of the Governor	2	1,370	1,437	0	-	-	2,807
Department of Mental Health	4	2,320	-	-	-	-	2,320
Guam Veterans Affairs Office	2	916	770	439	-	-	2,125
Guam Public Library	6	1,555	65	13	-	-	1,634
Department of Administration	4	1,342	140	65	27	-	1,574
Guam Visitors Bureau	2	701	765	-	-	-	1,466
Department of Customs & Quarantine	1	528	528	-	-	-	1,056
Guam Energy Office	1	208	-	-	-	-	208
Total Line Agencies	143	\$ 614,014	\$ 511,190	\$ 245,151	\$ 120,273	\$ 20,608	\$ 1,511,237
Other Government of Guam Entities (Active)							
Mayors Council of Guam	63	\$ 19,470	\$ 1,633	\$ 237	\$ -	\$ -	\$ 21,339
Superior Court of Guam	2	1,199	-	-	-	-	1,199
The Office of the Dededo Mayor	1	627	-	-	-	-	627
Umatac Mayors Office	1	530	-	-	-	-	530
Judiciary of Guam	4	437	-	-	-	-	437
Merizo Mayor	1	54	-	-	-	-	54
Total Other Government of Guam Entities	72	\$ 22,317	\$ 1,633	\$ 237	\$ -	\$ -	\$ 24,187
Total as of July 31, 2024 (Active)	322	\$ 894,481	\$ 576,109	\$ 291,384	\$ 166,304	\$ 428,766	\$ 2,357,043

CCU Regular Board Meeting, August 27, 2024 - GWA

GUAM WATERWORKS AUTHORITY
Accounts Receivable Aging Summary by Rate Class
As of July 31, 2024

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	442	\$ 874,379	\$ 2,108,280	\$ 298,877	\$ 3,339,312	\$ 679,965	\$ 7,300,814	27%	
Agriculture	403	32,811	8,381	3,364	1,029	39,635	85,219	0%	
Commercial I	2,712	1,481,410	214,541	65,451	68,905	549,975	2,380,283	9%	
Commercial II	55	253,758	196,949	13,825	9,815	60,843	535,189	2%	
Commercial III	292	580,861	78,710	115,357	33,936	364,514	1,173,379	4%	
Golf Course	14	13,819	-	115	74	5,968	19,976	0%	
Hotel	55	2,254,018	187,336	59,405	28,757	714,004	3,243,520	12%	
Irrigation	30	2,667	1,557	622	396	1,295	6,538	0%	
Residential	48,147	4,301,548	840,760	482,495	293,998	5,949,480	11,868,282	45%	
	52,150	\$ 9,795,273	\$ 3,636,513	\$ 1,039,512	\$ 3,776,222	\$ 8,365,679	\$ 26,613,199	100%	
		37%	14%	4%	14%	31%			
		Less Allowance for Doubtful Accounts: (9,677,684)							
		Net Accounts Receivable: 16,935,516							
		Days Receivables Outstanding: 41							

As of June 30, 2024

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	\$ 1,346,870	\$ 1,848,468	\$ 3,263,956	\$ 68,857	\$ 1,282,204	\$ 7,810,354	28%	
Agriculture	402	39,575	7,984	2,197	2,061	38,719	90,536	0%	
Commercial I	2,701	1,497,091	186,499	117,010	44,648	542,713	2,387,961	9%	
Commercial II	55	420,238	13,825	9,815	60,843	-	504,721	2%	
Commercial III	292	657,374	160,182	42,489	60,645	344,786	1,265,475	5%	
Golf Course	15	13,997	206	74	129	5,873	20,279	0%	
Hotel	53	2,536,270	97,280	37,430	15,194	58,287	2,744,462	10%	
Irrigation	30	3,365	622	401	40	1,306	5,734	0%	
Residential	48,015	5,068,705	997,790	454,190	435,578	5,745,646	12,701,909	46%	
	52,009	\$11,583,484	\$ 3,312,856	\$ 3,927,563	\$ 687,996	\$ 8,019,533	\$ 27,531,431	100%	
		42%	12%	14%	2%	29%			
		Less Allowance for Doubtful Accounts: (9,582,684)							
		Net Accounts Receivable: 17,948,748							
		Days Receivables Outstanding: 42							

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	441	\$ 874,288	\$ 2,108,249	\$ 298,877	\$ 3,339,312	\$ 679,965	\$ 7,300,691	35%	
Agriculture	381	32,742	8,225	3,167	671	4,030	48,835	0%	
Commercial I	2,565	1,480,429	213,739	61,152	61,012	288,741	2,105,073	10%	
Commercial II	37	253,758	196,949	13,825	9,815	60,843	535,189	3%	
Commercial III	274	579,348	78,535	115,018	33,873	317,115	1,123,888	5%	
Golf Course	12	13,819	-	-	-	-	13,819	0%	
Hotel	53	2,254,018	187,336	59,405	28,757	73,482	2,602,998	12%	
Irrigation	28	2,585	1,511	582	353	-	5,030	0%	
Residential	40,223	4,237,074	775,911	403,953	217,231	1,734,028	7,368,197	35%	
	44,014	\$ 9,728,060	\$ 3,570,454	\$ 955,978	\$ 3,691,024	\$ 3,158,204	\$ 21,103,720	100%	
		46%	17%	5%	17%	15%			
		Less Allowance for Doubtful Accounts: (9,677,684)							
		Net Accounts Receivable: 11,426,037							

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	443	\$ 585,042	\$ 1,848,468	\$ 3,263,956	\$ 68,857	\$ 641,682	\$ 6,408,005	30%	
Agriculture	380	39,534	7,965	2,111	1,895	3,945	55,450	0%	
Commercial I	2,559	1,496,490	182,938	108,757	40,727	285,120	2,114,032	10%	
Commercial II	37	420,238	13,825	9,815	60,843	-	504,721	2%	
Commercial III	274	656,923	160,150	42,458	56,871	302,000	1,218,402	6%	
Golf Course	12	13,997	-	-	-	-	13,997	0%	
Hotel	53	2,536,270	97,280	37,430	15,194	58,287	2,744,462	13%	
Irrigation	29	3,365	622	401	40	11	4,439	0%	
Residential	40,216	5,012,607	931,670	378,815	384,031	1,593,688	8,300,811	39%	
	44,003	\$10,764,466	\$ 3,242,917	\$ 3,843,743	\$ 628,458	\$ 2,884,732	\$ 21,364,318	100%	
		50%	15%	18%	3%	14%			
		Less Allowance for Doubtful Accounts: (9,582,684)							
		Net Accounts Receivable: 11,781,634							

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			
July 31, 2024	\$ 4,009,803 79%	\$ 134,790 3%	\$ 264,694 5%	\$ 256,064 5%	\$ 439,287 9%	\$ 5,104,638 100%	35	
June 30, 2024	\$ 3,660,813 85%	\$ 50,995 1%	\$ 62,384 1%	\$ 13,419 0%	\$ 496,585 12%	\$ 4,284,196 100%	32	
May 31, 2024	\$ 3,522,925 82%	\$ 217,950 5%	\$ 16,043 0%	\$ 43,084 1%	\$ 487,838 11%	\$ 4,287,840 100%	33	

GUAM WATERWORKS AUTHORITY
 WATER DEMAND BY RATE CLASS
 FY2015 - FY2024

SCHEDULE K

CLASS	AUDITED										% Inc / (Dec.)
	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)*	FY2023 TOTAL CONSUMPTION (kGal)	Annualized Based on 10 months FY2024 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	3,185,230	3,104,431	-3%
C Commercial	1,020,089	1,022,890	964,639	910,905	906,192	822,029	786,054	818,460	816,393	831,158	2%
F Federal	1,168	1,180	2,508	1,813	1,602	1,338	2,069	1,389	1,099	1,373	25%
G Government	515,974	475,366	448,430	450,165	405,980	408,502	404,026	470,581	445,116	487,008	9%
H Hotel	999,116	1,008,087	1,004,525	989,723	1,079,919	714,161	448,034	462,757	554,767	628,842	13%
G Golf	6,850	6,770	5,252	2,741	2,793	5,835	2,855	3,796	6,415	844	-87%
A Agriculture	67,376	78,628	69,482	81,127	90,803	84,492	68,805	65,719	49,748	63,996	29%
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>	<u>3,242</u>	<u>3,579</u>	10%
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>	<u>5,062,012</u>	<u>5,121,232</u>	1%

**Guam Waterworks Authority
System Development Charges Project Status
As of July 31, 2024**

SCHEDULE L

Funding Summary

Total available project funds	\$ 19,149,944
Total project expenditures and encumbrances	12,445,814
Total unobligated project funds	\$ 6,704,130

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	-	519,227
South Paulino Heights Waterline Upgrade	84,056	4,714	88,770
Talofofo Sewer Improvement	-	241,142	241,142
Groundwater Well Production Meter Rep.	143,647	7,560	151,207
	\$ 12,185,510	\$ 260,303	\$ 12,445,814

Future planned projects

Water & Wastewater Hydraulic Modeling	2,145,556
Adacao Construction	4,492,186
	\$ 6,637,742



Issues for Decision

Resolution No. 25-FY2024

Relative to Approval of Design Service Contract for the Gill Breeze Water and Wastewater Infrastructure Project, GWA Project No. 22401

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

The residents of the Gill Breeze Subdivision currently do not have access to water utilities or wastewater disposal systems. The lack of access to water and wastewater utilities for proper sanitation poses a major health risk to the residents of the Gill Breeze Subdivision and has been the subject of considerable work by the U.S. Environmental Protection Agency (US EPA) to resolve. The intent of this project is to remediate the situation by providing the residents of the Gill Breeze Subdivision with properly designed and constructed water infrastructure and onsite or public wastewater disposal systems.

Where is the project located?

The Gill Breeze Subdivision is located in Yigo, Guam.

How much will it cost?

GWA Management seeks CCU approval of the negotiated Scope and Fee Proposal for Design Services, from the selected respondent of Dueñas Camacho & Assoc. at a total of Three Million Three Hundred Ninety-Six Thousand One Hundred Three Dollars (\$3,396,103.00), plus a ten percent (10%) contingency of Three Hundred Thirty-Nine Thousand Six Hundred Ten Dollars and Thirty Cents (\$339,610.30), to bring the total authorized funding amount to Three Million Seven Hundred Thirty-Five Thousand Seven Hundred Thirteen Dollars and Thirty Cents (\$3,735,713.30).

Contract Amount:	\$3,396,103.00
Contingency (10%):	<u>\$ 339,610.30</u>
Total Authorized Amount:	\$3,735,713.30

When will it be completed?

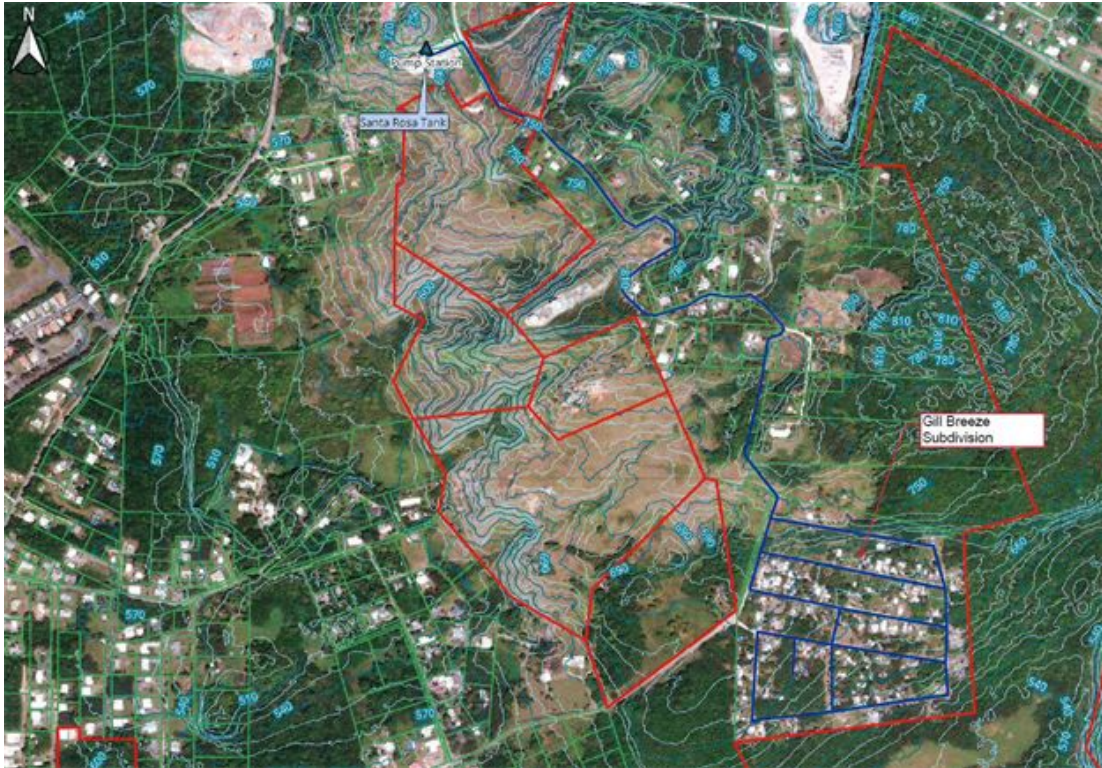
The anticipated design will be completed in June of 2026, and construction procurement will begin upon completion of the design.

What is the funding source?

United States Environmental Protection Agency grants

The RFP/BID responses (if applicable):

- RFP-01-ENG-2024
- 25 registered for the project
- 4 proposals were received
- Duenas, Camacho & Associates is recommended for award



Gill Breeze Subdivision



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

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GWA RESOLUTION NO. 25-FY2024

RELATIVE TO THE APPROVAL OF DESIGN SERVICE CONTRACT FOR THE GILL BREEZE SUBDIVISION WATER AND WASTEWATER INFRASTRUCTURE PROJECT, GWA PROJECT NO. 22401

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, The Gill Breeze Subdivision located in Yigo, Guam does not have access to water utilities or wastewater disposal systems; and

WHEREAS, the lack of access to water and wastewater utilities for proper sanitation poses a major health risk to the residents of the Gill Breeze Subdivision; and

WHEREAS, the U.S. Environmental Protection Agency (US EPA) has expended considerable resources to address this issue and approved the use of US EPA grant funding to resolve this long-standing issue for this underserved community; and

WHEREAS, the intent of the project is to provide the Gill Breeze Subdivision with properly designed and constructed water infrastructure and onsite or public wastewater system disposal system to meet the needs of the residents; and

WHEREAS, GWA advertised the Request for Proposal (RFP-01-ENG-2024) soliciting a statement of qualification from experienced and qualified engineering firms to provide engineering design services for the Gill Breeze Subdivision Water and Wastewater Infrastructure project; and

1 **WHEREAS**, Request for Proposal (RFP) packages were downloaded by multiple
2 interested parties, from which GWA received proposal submittals from four (4) engineering
3 firms before the RFP submittal deadline of March 12, 2024; and
4

5 **WHEREAS**, the GWA Selection Committee reviewed and evaluated all four (4)
6 proposals, making a top three (3) ranking list of the most qualified firm (SEE EXHIBIT A –
7 Evaluation Summary), which indicated Duenas Camacho & Associates, Inc. (“DCA”) as the
8 highest ranked firm; and
9

10 **WHEREAS**, the GWA Selection Committee submitted for the General Manager’s
11 (“GM”) determination of selection, the ranking of firms evaluated from which GWA could
12 begin scope and fee negotiations with the selected firm (SEE EXHIBIT B – GM
13 Determination); and
14

15 **WHEREAS**, after selection, GWA engineering began and completed extensive
16 negotiations with DCA on the proposed Scope and Fees (SEE EXHIBIT C – Scope and Fee
17 Proposal) for the Gill Breeze Subdivision Water and Wastewater Infrastructure Design Services,
18 resulting in a final proposal of a total of Three Million Three Hundred Ninety-Six Thousand One
19 Hundred Three Dollars and Zero Cents (\$3,396,103.00); and
20

21
22 **WHEREAS**, GWA Management seeks CCU approval of DCA’s Scope and Fee Proposal
23 for the Design Services, for a total of Three Million Three Hundred Ninety-Six Thousand One
24 Hundred Three Dollars (\$3,396,103.00), plus a ten percent (10%) contingency of Three Hundred
25 Thirty-Nine Thousand Six Hundred Ten Dollars and Thirty Cents (\$339,610.30), to bring the
26 total authorized funding amount to Three Million Seven Hundred Thirty-Five Thousand Seven
27 Hundred Thirteen Dollars and Thirty Cents (\$3,735,713.30).
28

29 **WHEREAS**, funding for this project will be from the USEPA Grant funds awarded to
30 GWA for this project; and
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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 finds that the terms of the Scope and Fee Proposal as described in EXHIBIT C, are fair and reasonable.
3. The CCU hereby authorizes the management of GWA to accept the Scope and Fee Proposal from DCA in the amount of Three Million Three Hundred Ninety-Six Thousand One Hundred Three Dollars (\$3,396,103.00).
4. The CCU hereby further approves the funding total of Three Million Three Hundred Ninety-Six Thousand One Hundred Three Dollars (\$3,396,103.00), plus a ten percent (10%) contingency of Three Hundred Thirty-Nine Thousand Six Hundred Ten Dollars and Thirty Cents (\$339,610.30), to bring the total authorized funding amount to Three Million Seven Hundred Thirty-Five Thousand Seven Hundred Thirteen Dollars and Thirty Cents (\$3,735,713.30).
5. The CCU further approves management to duly notify the Public Utilities Commission that this contract will exceed One Million Dollars (\$1,000,000.00), and is funded by USEPA Grant Funds.

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

DULY AND REGULARLY ADOPTED, this 27th day of August 2024.

Certified by:

Attested by:

JOSEPH T. DUENAS

PEDRO ROY MARTINEZ

Chairperson

Secretary

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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

April 18, 2024

To: Jeanet Babauta Owens
Assistant General Manager, Engineering

From: Josephine E. Smith, PMBA
Chairperson, Consultant Selection Board

Subject: RFP-01-ENG-2024
Gill Breeze Subdivision Water and Wastewater Infrastructure
GWA Project No. 22401

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

EVALUATION COMMITTEE MEMBERS	
Name	Title
Vincent EC Pangelinan	Operations and Maintenance Manager
Garrett K.A. Yeoh	Senior Engineer
George J. Watson	Senior Engineer
Rylma Nida A. Carino	Junior Engineer
Jude G. Calvo	Planner IV

Offerors	Evaluation Score					Total	Rank
1. Duenas, Camacho & Associates, Inc.	87	76	81	93	81	418	1
2. EMPSCO	90	75	83	92	75	415	2
3. GHD Inc.	84	76	79	91	75	405	3
4. E.M. Chen & Associates, Inc.	85	78	78	90	73	404	4

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:



Jeanet Babauta Owens

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: Jeanet Babauta Owens *JBO*
Assistant General Manager, Engineering

Subject: RFP-01-ENG-2024
Gill Breeze Subdivision Water and Wastewater Infrastructure
GWA Project No. 22401

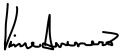
Date: April 19, 2024

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. Duenas, Camacho & Associates, Inc.
2. EMPSCO
3. GHD Inc.

Concurred:



Vincent E. Guerrero
Supply Management Administrator

4/22/2024


Date

GENERAL MANAGER'S DETERMINATION

Consultant Firm Selected:

Duenas Camacho & Assoc.

Remarks:



Miguel C. Bordallo, P.E.
General Manager

2024.4.22

Date



Website: www.dcaguam.com
 Email: dca@dcaguam.com

July 29, 2024
 Miguel C. Bordallo, P.E.
 General Manager, Guam Waterworks Authority
 Gloria B. Nelson Public Service Building
 688 Route 15
 Mangilao, Guam, 96913

Attn: George Watson, GWA Project Engineer

Subject: **Request for Proposal RFP-01-ENG-2024 Gill Breeze Subdivision Water and Wastewater Infrastructure GWA Project No. 22401**

Re: **Fee Proposal, Supporting Narrative**

Hafa Adai Mr. Watson,

At GWA’s request Dueñas, Camacho & Associates (DCA) is providing supporting narrative for the proposed subject project fee.

Alt, Assessment and BOD	\$ 530,568.00
Water System Design	\$ 975,947.00
Waste Water System Design	\$ 1,389,588.00
Post Design*	\$ 500,000.00
Total:	\$ 3,396,103.00

1. The projected infrastructure for this project is over 26,000f of water and sewer line, 1 new water pump station, up to two sewer lift stations and/or a new package wastewater treatment plant to serve the Gill Breeze area. The rough order magnitude of construction for this is at \$50M. Design fees range typically ranges between 6-12% not including post design or environmental works. DCA’s design fee includes environmental works and is at 6%. This is within industry standards.
2. In 2022, DCA negotiated the Adacao Water and WW improvements with a design fee of \$1.6M. This project is at 90% design with an estimated construction cost of \$24M. Our proposed design fee for subject project is in the same order as Adacao.
3. We have estimated 375 design sheets for this project. This equates to \$6,300/sheet which is within industry standards.
4. This fee proposed is approximately \$280,000 (8%) less that our initial fee.

We believe the proposed fee fees are fair and reasonable.

Sincerely,

Kenneth M. Rekdahl, P.E.
 Vice-President
 Dueñas, Camacho & Associates, Inc.

<u>1. Introduction.....</u>	<u>2</u>
<u>1.1. Water.....</u>	<u>2</u>
<u>1.2. Wastewater.....</u>	<u>3</u>
<u>1.3. Alternative Analysis.....</u>	<u>6</u>
<u>2. Post Assessment.....</u>	<u>6</u>
<u>2.1. Easement and Land Acquisition Assistance.....</u>	<u>6</u>
<u>2.2. Environmental and Biological.....</u>	<u>7</u>
<u>2.3. Topographic and As-Built Survey:.....</u>	<u>7</u>
<u>2.4. Geotechnical Investigations.....</u>	<u>8</u>
<u>3. Design.....</u>	<u>8</u>
<u>3.1. Water/Wastewater Pump Stations.....</u>	<u>8</u>
<u>3.2. Water.....</u>	<u>9</u>
<u>3.3. Wastewater Collection.....</u>	<u>9</u>
<u>3.4. Wastewater Treatment.....</u>	<u>9</u>
<u>3.5. Water/Wastewater.....</u>	<u>10</u>
<u>Civil.....</u>	<u>10</u>
<u>Structural.....</u>	<u>10</u>
<u>Mechanical.....</u>	<u>10</u>
<u>Electrical.....</u>	<u>10</u>
<u>Instrumentation and Control.....</u>	<u>11</u>
<u>3.6. Drawings, Specifications, Cost Estimates, Construction Schedule.....</u>	<u>11</u>
<u>4. Construction Bid Support.....</u>	<u>13</u>
<u>5. Services During Construction.....</u>	<u>13</u>
<u>6. Design Schedule.....</u>	<u>14</u>

Exhibits

- Exhibit A Water Option 1
- Exhibit B Water Option 2
- Exhibit C Sewer Option 1
- Exhibit D Sewer Option 2
- Exhibit E Sewer Option 3

Design Schedule

1. Introduction

The Gill Breeze Subdivision does not have water utilities or wastewater disposal systems. The lack of proper sanitation poses a major health risk for residents. The intent of the project is to provide water service to this area and provide onsite or public wastewater disposal systems.

This project will provide the engineering design, construction bid support, and associated services to accomplish the following goals:

1. Design a potable water system.
2. Evaluate wastewater disposal options.
3. Design the selected wastewater disposal option.

1.1. Water

Two projected options for booster pump station and waterline locations are identified below and shown in Exhibits A and B.

Water Option 1: Construction of a water main from the Santa Rosa Tank and future booster pump to the top of Mt. Santa Rosa to connect to the Gill Breeze water system. An easement will be required for this option.

Waterline	15,000	ft
Pump Station	1	
Bld	6,400	sqft
Total hp	40	hp
Power needs		
Standby Power	TBD	
New Lot Purchase	40,000	sqft
New Easement	30,000	sqft

Estimated Infrastructure Needs

Water Option 2: Construction of a water main from a hydrant on Gayinero Road to the Gill Breeze water system. A booster pump station and land will be required for this option. From the evaluations, the A/E firm shall develop plans and specifications to implement the improvements, which may include new water lines, new booster

stations, new control valves, valve vaults, flow metering, SCADA, and all other required system upgrades necessary for the system to function properly. Topographical survey, boundary survey, property acquisition, and construction support services will be required under this task.

Waterline	12,000	ft
Pump Station		
Bld	6,400	sqft
Total hp	30	hp
Break tank	200,000	gal
Power needs		
Standby Power	TBD	
New Lot Purchase	45,000	sqft
New Easement	N/A	sqft

Estimated Infrastructure Needs

1.2. Wastewater

Three projected options for wastewater pump station and sewer location, septic tank and onsite treatment systems are identified below and shown in Exhibits C, D and E.

Wastewater Option 1: Install a public wastewater system and pump station in the Gill Breeze Subdivision. The nearest public wastewater system is located along Gayinero Road, west of the Route 15/Gayinero Road intersection.

Gravity Sewer Line	13,500	ft
Forcemain	5,000	ft
Lift Station-1	6,400	sqft
Total hp	30	hp
Lift Station-2	6,400	sqft
Total hp	30	hp
Power needs		
Standby Power	TBD	
New Lot Purchase	40,000X2	sqft
New Easement	NA	sqft

Estimated Infrastructure Needs

Wastewater Option 2: Installation of septic tank/leaching field systems on Gill Breeze Subdivision lots. The analysis shall include the following considerations:

- A. Current and proposed laws governing septic tank installations and minimum lot sizes.
- B. Current and proposed laws governing the Groundwater Protection Zone.
- C. Impacts that onsite wastewater disposal systems at the Gill Breeze Subdivision may have on the Northern Guam Lens Aquifer in that area, as a drinking water source.

Gravity Sewer Line	NA	ft
Forcemain	NA	ft
Lift Station	NA	sqft
Total hp	NA	hp
Power needs		
Standby Power		
New Lot Purchase	NA	sqft
New Easement	NA	sqst

Estimated Infrastructure Needs

Wastewater Option 3: Install a public wastewater system pump station and centralized wastewater treatment plant in the Gill Breeze Subdivision.

Gravity Sewer Line	9,000	ft
Forcemain	30	ft
Lift Station	Part of WWIP	sqft
New Lot Purchase	Part of WWIP	sqft
Total hp	10	hp
Power needs		
Standby Power	TBD	
Treatment Plant	40	hp
Headworks	15	hp
control/generator		
Treatment Tank/pond	15	hp
Drying Bed	4	ea
Treatment Lot Purchase	174,240 (4 acres)	sqft

Estimated Infrastructure Needs

1. Under this option only limited wastewater characterization will be done. Samples will be collected from influent to the NDWWTP and analyzed and/or send to no less than two package type treatment system suppliers.
2. No outfall or disinfection design will be provided for. It is expected that overland disposal will be the means for effluent discharge.
3. Pre-treatment will consist of mechanical screen and grit removal similar to that of the Baza Gardens pump station.
4. Treatment is anticipated to be secondary package type system similar to the Inarajan WWTP or an extended aeration treatment system.

An initial desktop assessment with site visits and interviews will be conducted. Desktop resources will include GIS data for property boundaries, lidar for contour needs, and aerial imagery for land use.

DCA will deploy aerial drone equipment to better ascertain existing land uses and vegetation types.

Items for to be reviewed though this assessment will include:

- a. Existing GWA systems and operations
- b. Existing site conditions and facilities
- c. Existing site operation
- d. Propose site improvements or development
- e. Preliminary site layout
- f. Existing property ownership and property acquisition needs
- g. Grading requirements
- h. Drainage requirements and stormwater management.
- i. Piping, manhole, and valving requirements
- j. Operational requirements
- k. Fire and emergency storage requirements
- l. Electrical power supply
- m. Construction access
- n. Construction sequencing
- o. Future expandability
- p. Laydown area for proposed and future building infrastructure
- q. Ingress/Egress Requirements

Water and wastewater loadings will be determined using the current and future land uses. Water and wastewater system hydraulic analysis will be performed to determine initial line

sizes and alignment, sewerline slopes, force main location(s). The analysis shall include evaluation of the required storage, fire, and emergency flows for the service zones, reservoir elevations, and system control valve locations. Design consultant shall utilize EPANET or other modeling software (GWA approval is required). The consultant shall use the GWA's hydraulic model as the basis point.

1.3. Alternative Analysis

An alternative analysis will be conducted on the options listed above. This alternatives analysis will use the following to compare options:

- Capital and operating cost
- Operations complexity
- Future capacity
- Land Requirements
- Environmental Matters (federal and local permitting needs)

These analyses will be presented in a draft Site Assessment and alternatives analysis report (Assessment Report). This report will include:

1. Results from desktop analysis
2. Conceptual system layouts to include waste and wastewater system layout/sizes, pump and lift station location and sizes
3. Construction estimates developed for alternatives comparison
4. Option recommendations
5. Environmental permitting needs
6. Land acquisition needs

A Final Site Assessment and alternatives analysis report (30% Design) will be issued with comments from GWA addressed.

2. Post Assessment

Once GWA approves the Site Assessment and alternatives analysis report DCA will begin the following post assessment activities needed for design development.

2.1. Easement and Land Acquisition Assistance

Research property ownership and begin dialog with owner to secure property. This work will include:

- Property research
- Communication with landowners
- Right of entry letters and coordination
- Draft property mapping
- Encumbrance reports
- Appraisal reports
- Re-zoning support through draft legislation. GLUC support excluded.

Estimated number of lots to be acquired: 3

2.2. Environmental and Biological

Provide environmental services to determine any adverse impact of the project on cultural and biological resources and to make recommendations regarding their historical and biological resources. This shall include a technical report, which defines background research, field methodology, results of survey and mitigation recommendations.

The archeological subconsultant will conduct cultural resource inventory and evaluation of historic resources that might be affected by this project. This will require preparing and submitting an inventory survey plan, conducting inventory survey, and reporting to the Department of Parks and Recreation/Guam Historic Preservation Office and all other required agencies (which may include Department of Agriculture, Guam Environmental Protection Agency, U.S. Fish and Wildlife Services, and etc.) regarding the project and recommendations as to eligibility and effect from the undertaking. The technical report will include background research, field methodology, results of survey and mitigation recommendations.

Biological support will include a site assessment and coordination with local department of agriculture and federal fish and wildlife agencies.

Letters of no significant findings will be prepared for both archeological and biological resources.

If significant findings are present, DCA will work with GWA to identify alternate means or rescope for EA/EIS and further consultation needs.

2.3. Topographic and As-Built Survey:

DCA will conduct topographic surveying and mapping of the project area where existing water and sewer facilities are located/situated. DCA will also conduct topographic and as-built surveys and mapping of any additional areas where temporary/new or relocated water and sewer facilities are expected to be located. Survey for new water and sewer lines will be based on a 60ft corridor. Units will be in US Feet

- Areas identified as certain needs for infrastructure and with no adverse land matters will be surveyed immediately after NTP.
- Areas identified in the assessment report and with no adverse land matters will be surveyed immediately after approval of assessment report.
- Remaining areas will be surveyed either upon right of entry or after receiving land ownership.

2.4. Geotechnical Investigations

Geotechnical investigations will be performed to assess the stability of the sub-grade and develop a soils report, including field exploration and laboratory tests, corrosion, and seismic investigations. The geotechnical investigations will assess the general conditions of the project site and provide design recommendations for the proposed water and wastewater system, including the following:

- a. Characterization of earth materials and ground water level
- b. Development of seismic design criteria per 2009 IBC
- c. Determination of bearing pressure and settlement
- d. Lateral earth pressures – static and seismic
- e. Assessment of liquefaction potential
- f. Foundation design of the proposed structures
- g. Earthwork requirements

3. Design

3.1. Water/Wastewater Pump Stations

The Basis of Design Report at the minimum shall address the following:

- Geotechnical report and recommendations
- Structural characteristics (Seismic Zone 4)
- Hydraulic system analysis assumptions
- Site operational flexibility
- Proposed construction schedule with major work items

- Intrusion alarms, site security, site development, maintenance, and all other necessary criteria required for a fully function water booster pump station. If a station is included in the design, conduits for future telecommunications cables (for SCADA, etc.) will be included in the design.
- Design a ventilation system for the pump station with adequate air changes.

3.2. Water

- Water booster station criteria shall include site location, current and future system demand requirement, pump and motor sizing, VFD requirements, pump skid unit requirements, pump system control, flow metering and pressure indicator instrumentation, power requirements and power surge protection, site access, emergency power, SCADA,
- Proposed locations for system control valves (PRV, PRSV, etc.), including the need for new waterline in the system to convey to water to service zone(s).

3.3. Wastewater Collection

- Perform hydraulic calculations and provide all hydraulic information, including pump curves and system curves using Flygt or Sulzer pumps. These pump manufacturers are required, as GWA's critical spare parts inventory consists of Flygt and Sulzer parts.
- Design a solids removal system/screening for the pump station with the intention to prevent large solids from damaging pumps and consider the need for grinder pumps.
- Design a permanent lifting system within the pump station to lift up pumps for maintenance purposes.
- Design pump station to include worker accessibility to controls, pumps, valves, etc. (e.g., valves are not to be placed in the wet well).
- Design a ventilation system for the pump station with adequate air changes.
- Recommend other components that will improve operation and maintenance efficiency, such as variable frequency drive, solar lighting or reusable materials.

3.4. Wastewater Treatment

Septic tank and leaching field systems

Septic tank and leaching field systems shall be designed per applicable standards and requirements including Guam Environmental Protection Agency and Department of Public Works regulations.

Central Treatment plant

Central treatment process will consist of a secondary treatment plan process to using extended aeration and/or treatment pond system. Pretreatment will consist of screening and grit removal using system currently within the GWA wastewater treatment systems. Solids handling will be provided by drying beds or offsite disposal. Effluent disposal will consist of onsite percolation.

3.5. Water/Wastewater

Civil

- a) Design access road to pump station with proper turn around clearance, so that vehicles can access the pump station easily and safely.
- b) Provide fencing to pump station site. The fenced area should enclose at least the controls and space for a portable generator pad.
- c) Provide storm water control and drainage system, as necessary.

Structural

- a) Perform structural design and calculation for the pump station structure, support system and containments, as required.
- b) Consider material for wet well longevity, with respect to environmental conditions (e.g., water table elevation and groundwater chloride content).

Mechanical

- a) Perform building mechanical analysis for HVAC, potable water supply and wastewater disposal
- b) Perform stand -by power analysis
- c) Perform energy saving analysis on building mechanical system.

Electrical

- a) Analyze the existing electrical system in the area to determine if an electrical system upgrade is required.
- b) Perform load calculations to size a backup power generator.
- c) Design an onsite generator equipped with sound enclosure and fuel containment. Provide at least 5 days of fuel storage in an above-ground tank, 7 days is preferred.

- d) Provide power to lighting, motors, SCADA system, instrumentation, as well as other items necessary for the pump station operations
- e) SCADA system for pump station. Include provisions for the location, housing and operations of the SCADA system.
- f) If a station is included in the design, conduits for future telecommunications cables (for SCADA, etc.) will be included in the design.

Instrumentation and Control

- a) Design the pump station with adequate instrumentation, such as flow meter, level sensors, and alarms.
- b) Design interlock between instrumentation and equipment so that the pump station can be operated as HAND-OFF-AUTO.
- c) Design a SCADA compatible pump controller and electrical panel with modem capable of communicating either wireless or by wired data service connection with GWA central data. The design will have an automatic level control. The controller will notify GWA via telephone text of any high-level conditions, pump failures or power outage.

3.6. Drawings, Specifications, Cost Estimates, Construction Schedule.

Prepare construction drawings, specifications, cost estimates, construction schedule, supporting design calculations, required permits, and all other documents necessary for project construction. Design drawings shall be completed in AUTO CAD 2019. Infrastructure will also be translated into separate ESRI water and wastewater shapefiles.

- a. The design plans will include water and wastewater systems, as indicated in the Basis of Design Report. 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.
- b. Based on the Basis of Design report approved by GWA, DCA will prepare and submit the following:
 - i. Multidiscipline plans to the 30% (preliminary design), 60%, 90%, and 100% (Final) completion levels.
 - ii. Specifications at 60%, 90%, and 100% completion levels, which will include front end documents and technical specifications applicable to the indicated completion levels. The Specification shall

include GWA standard specifications provided by the Project Team. DCA shall propose any changes to GWA's front end documents for Legal Counsel review.

- iii. Construction cost estimate update 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.
 - iv. Final construction cost estimate based on quantity takeoffs and the requirements of the 90% design plans and specifications. 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.
 - v. Final construction cost estimate based on quantity takeoffs 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.
 - vi. DCA shall coordinate with relevant agencies such as Guam Environmental Protection Agency, Department of Public Works, and other relevant agencies at the 30%, 60%, 90%, and 100% submittals. This includes submitting design documents (full size plans and specifications at each phase) and maintaining communication throughout the duration of the project and incorporating any relevant regulation requirements in the design.
- c. Deliverables to GWA will be provided in accordance with the following:
- i. 30% phase
 - (1) 4 sets (11"x17") hard copies of the design documents
 - (2) Digital copy of the design documents
 - (3) Digital copy of the Basis of Design
 - ii. 60% phase
 - (1) 4 sets (11"x17") hard copies of the design documents
 - (2) Digital copy of the design documents
 - iii. 90% phase
 - (1) 4 sets (11"x17") hard copies of the design documents

- (2) Digital copy of the design documents
- iv. Final, 100% phase (“Issued For Bid”)
 - (1) 4 sets (11”x17”) hard copies of the design documents
 - (2) Digital copy of the design documents

4. Construction Bid Support

1. Assist with preparing answers to questions regarding the bid packages during the bidding phase.
2. Assist with the Pre-Bid Conference and respond to technical question involving design and specifications that prospective bidders may have at the Pre-Bid Conference, including the preparation of meeting minutes and providing formal responses to technical questions.
3. Assist with preparation of bid addenda.
4. Assist with reviewing construction proposals received. This shall include a bid analysis, review of bid proposal prices, and conformance with contract requirements and the Guam Procurement Code. A letter of recommendation of award shall be prepared.

5. Services During Construction

1. Review of shop drawings, material submittals, samples, test results, and other data required to be submitted by the contractor for conformance with the contract documents. Document and provide responses to GWA. This shall include assisting in the review of the Quality Control Plan for complete content. DCA with GWA’s input shall address GEPA’s concerns and requirements, if any. DCA shall chair and record the meeting minutes with any other governmental agencies.
2. Review requests for clarification or interpretation submitted by contractor and provide responses to GWA.
3. Evaluate substitution requests to determine acceptability of substitute materials and equipment proposed by the contractor and provides recommendations to GWA.

4. If requested by the construction or project manager, attend the construction kickoff meeting and construction/final inspections.

6. Design Schedule

See attached



Issues for Decision

Resolution No. 31- FY2024

Relative to FY2024 Operations & Maintenance Budget Amendments

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

The objective of this resolution is to obtain CCU authorization to increase GWA's FY2024 Operations & Maintenance Budget Expense by \$5 million to cover significant increases in Navy water costs.

How much will it cost?

Navy water costs are projected to more than double GWA's approved budget from \$6 million to \$15.6 million. After identifying internal transfers of more than \$8 million from other cost categories, an additional \$5 million in authorized expenses is required to meet projected year-end expenses. The increase of \$5 million will increase the FY2024 O&M Budget from \$79.7 million to \$84.7 million excluding capitalized labor and non-cash depreciation expenses.

When will it be completed? Transfers will be applied upon approval to cover all FY2024 expenses up to 9/30/2024.

What is the funding source?

Increases in fund sources are also projected by year-end in comparison to the approved budget: revenue from lifeline and non-lifeline rates across all rate classes from water and wastewater sales net of bad debt are projected at \$129.4 million, an increase of \$1.7 million; \$2.4 million in investment income, an increase of \$2.1 million from approved budget; and \$950,000 from GWA's Rate Stabilization Fund, totaling \$132.8 million, an increase from the budget as originally approved by about \$4 million.



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. 31-FY2024

RELATIVE TO APPROVING FY2024 BUDGET AMENDMENTS

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", "Authority"); and

WHEREAS, the Guam Waterworks Authority ("GWA") is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, the CCU adopted Resolution 02-FY2024 Relative to Approving the FY24 Operations and Maintenance Budget following the approval by the Public Utilities Commission of a 16.7% rate increase for basic lifeline and non-lifeline rates across all rate classes, effective October 1,2023; and

WHEREAS, the approved rate increases set revenue projections at \$127.6 million derived from all water and wastewater sales net of bad debt, \$275,000 in investment income and \$950,000 from GWA's Rate Stabilization Fund (RSF) (transferred from GWA's Badger settlement) for a grand total of \$128.9 million in fund sources; and

WHEREAS, operating costs were projected at \$79.7 million excluding capitalized labor and non-cash expenditure for depreciation, comprised of \$29 million for utilities; \$29.7 million gross salaries and benefits; \$9.6 million for administrative and general expenses; \$7.4 million in contractual costs and \$3.7 million for retirees; and

WHEREAS, the budget was to provide for other cash flow requirements including \$39 million in debt service payments, \$8.7 million for revenue-funded capital expenses and conforming to rate covenants with debt service coverage of 1.35x; and

//

1 **WHEREAS**, the cost of Navy water has increased twice this fiscal year. The first, a 45%
2 increase effective January 2024 from \$9.87/kgal to \$14.07/kgal and the second up another 69% to
3 \$24.07/kgal effective April 2024. Coupled with an average 35% increase in monthly consumption
4 of Navy water, costs are projected to more than double the approved budget from \$6 million to
5 \$15.7 million; and

6
7 **WHEREAS**, despite prior internal budget transfers in excess of \$8 million from cost
8 containment efforts in other line items to maximize resources, the significant rate increases for
9 Navy water force GWA management to seek approval to increase in FY24 Operations and
10 Maintenance Budget expenses from \$79.7 million to \$84.7 million excluding depreciation and
11 capitalized labor; and

12
13 **WHEREAS**, GWA’s revised budget provides fund sources of \$129.4 million in water and
14 wastewater sales net of bad debt; \$2.4 million in investment income and \$950,000 in Rate
15 Stabilization Funds (RSF) (transferred from GWA’s Badger settlement) totaling \$132.8 million, a
16 \$4 million increase over the approved budget as outlined in Exhibit A attached; and

17
18 **WHEREAS**, these budget revisions provide for \$38.7 million in debt services payments,
19 \$8.7 million for revenue-funded capital expenses and debt service coverage of 1.28x, maintaining
20 conformance with GWA’s rate covenant.

21
22 **NOW BE IT THEREFORE RESOLVED**; the Consolidated Commission on Utilities
23 does hereby approve the following:

- 24
25 1. The recitals set forth above hereby constitute the findings of the CCU.
26 2. The CCU authorizes an increase in GWA’s FY24 Operating Expense Budget
27 by not more than \$5 million as reflected in Exhibit A to maintain operations
28 and maintenance activities.

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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 27th day of August 2024.

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
Resolution 31-FY2024

Schedule A

Historical and Forecasted Operating Results, Proposed Rates

	Historical Year	Approved Budget Docket 19-08	YEAR-END PROJECTIONS
	FY 2023	FY 2024	FY 2024
Non-Lifeline Rate Increase	5.5%	16.7%	16.7%
Lifeline Rate Increase	0.0%	16.7%	16.7%
CASH SOURCES			
Water Service Revenues	69,672,862	80,479,614	79,600,069
Legislative Surcharge	2,147,271	2,958,520	2,810,565
Water SDC Revenues		489,600	809,074
Water Rate Revenues	71,820,133	83,927,734	83,219,708
Wastewater Service Revenues	29,675,878	36,483,092	35,671,161
Legislative Surcharge	707,754	976,821	1,259,498
Navy Revenues (w/surcharge)	7,094,928	7,347,687	8,778,363
Wastewater SDC Revenues		734,400	1,047,306
Wastewater Rate Revenues	37,478,560	45,542,000	46,756,328
Other Revenues	567,167	474,300	487,416
Rate Revenue Adjustment		-	
Bad Debt Adjustment	(421,467)	(2,262,236)	(989,267)
Total Operating Revenues¹	109,444,392	127,681,798	129,474,185
Interest / Investment Income	1,972,141	275,000	2,400,930
Rate Stabilization Transfers Out (In) ²	18,050,000	950,000	950,000
TOTAL SOURCES	129,466,533	128,906,798	132,825,115
CASH USES			
Power Purchases ³	24,397,961	23,221,568	21,431,502
Water Purchases	7,038,954	5,900,000	15,696,662
Salaries & Benefits ⁴	27,272,268	29,705,247	27,944,629
Admin & General ⁵	9,023,292	9,687,858	9,326,494
Contractual Expense	5,575,264	7,464,494	6,411,266
Retiree Expense	3,560,495	3,755,617	3,924,231
O&M Subtotal	76,868,234	79,734,784	84,734,783
Debt Service	39,036,678	39,042,065	38,762,231
Internally Funded Capital (IFCIP)	2,836,370	8,784,879	8,784,879
TOTAL USES	118,741,281	127,561,728	132,281,893
Net Annual Cash Flow	10,725,252	1,345,070	543,222
DEBT SERVICE COVERAGE			
Net Revenues	52,598,299	49,172,014	48,090,332
Adjustment, SDC Revenues	-	(1,224,000)	(1,856,380)
Adjustment, Capitalized Labor	3,075,928	4,159,140	3,026,904
Adjustment, Other ⁶	673,200	715,649	701,500
Revenues Available for Debt Service	56,347,428	52,822,803	49,962,356
Total Debt Service	39,036,678	39,042,065	38,762,231
Debt Service Coverage	1.443	1.353	1.289

1 - Includes leachate and Navy revenues; excludes system development charge revenues

2 - FY 2023 value includes \$12.4 million of ARPA funds which was used to offset debt service coverage requirements

3 - Operational efficiencies related to Ukudu treatment plant are reflected in FY 2026 and beyond

4 - Capitalized labor, which does not represent a cash impact, is not included in this calculation of annual net cash flow

5 - Excludes bad debt expense since this line item is included as an offset to rate revenues (per audited financials)

6 - Includes retiree COLA and end-of-year pension and OPEB adjustments



Issues for Decision

Resolution No. 32- FY2024

Relative to approving an interim first quarter FY2025 Operations & Maintenance Budget.

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

The objective of this resolution is to obtain CCU approval of a 3-month (1st Quarter) Operations and Maintenance budget for Fiscal Year 2025 to cover operational activities from October 1, 2024, thru December 31, 2024, pending adjudication by the Public Utilities Commission (PUC) of the GWA's Five Year Financial Plan for FY2025 through FY2029.

How much will it cost?

The proposed interim budget provides fund sources of \$32.98 million (net of bad debt) based on current rates and projected investment income.

Operating expenses are projected at \$21.30 million for the first 3 months. Debt service coverage will meet the required 1.25x

When will it be completed?

The interim budget will be effective October 1, 2024. The PUC is currently scheduled for September 24, 2024. A budget based on the approved rate increases will be brought before the CCU following PUC action.

What is the funding source?

Revenue generated by current service rates and fees for all water and wastewater customer classes as well as investment income.



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-FY2024

**RELATIVE TO APPROVING AN INTERIM FY2025 FIRST QUARTER
OPERATIONS & MAINTENANCE BUDGET**

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", "Authority"); and

WHEREAS, the Guam Waterworks Authority ("GWA") is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, the CCU adopted Resolution 11-FY2024 Relative to Approving the Five-Year Financial Plan and Capital Improvement Program; and

WHEREAS, on March 8, 2024, GWA submitted an advanced draft petition to the Public Utilities Commission (PUC) to allow an earlier review by the PUC consultants and to meet GWA's request for PUC review and approval of GWA's rate application before the start of FY2025; and

WHEREAS, on June 6, 2024, GWA filed as Docket 24-05 its FY2025-FY2029 Five-Year Financial Plan and Rate Increase Request (final petition) to the PUC for review and approval; and

WHEREAS, GWA's Financial Plan addresses the FY2025 to FY2029 estimated annual budgets and capital improvement projects to provide for the continued modernization, operation, maintenance and repair of GWA's water and wastewater systems; and

WHEREAS, GWA requires sufficient revenues to meet projected costs driven primarily by obligatory investments for system reliability, federal regulatory compliance, the 2011 Federal Court Order, and the 2024 US EPA Partial Consent Decree which must concurrently meet rate covenants delineated by GWA's bond indenture; and

1 **WHEREAS**, GWA recently completed its stipulation meetings with the PUC consultants;
2 and

3
4 **WHEREAS**, barring any further changes to the planned schedule, the PUC rate hearing to
5 adjudicate the FY2025-FY2029 Five-Year Financial Plan and Rate Increase Request will be held
6 on September 24, 2024, and

7
8 **WHEREAS**, GWA is proposing a first quarter budget for CCU approval as rate action by
9 the PUC will occur on the same date as the CCU regularly scheduled meeting in September, not
10 providing sufficient time to develop a budget in response to the PUC rate order which will impact
11 the FY2025 budget; and

12
13 **WHEREAS**, having an FY2025 budget to fund GWA operations at the start of the new
14 fiscal year on October 1, 2024, is urgent and necessary; and

15
16 **WHEREAS**, the proposed first quarter budget projects fund sources of \$32.38 million (net
17 of bad debt) in water and wastewater service rates and fees across all customer classes, and
18 \$600,000 in investment income; and

19
20 **WHEREAS**, operating expenses are projected at \$21.30 million covering 3 months of
21 power at \$5.10 million, water at \$3.40 million, salaries and benefits at \$7.36 million,
22 administrative and general expense at \$2.15 million, contractual expense at \$1.34 million, and
23 retiree costs at \$1.96 million; and

24
25 **WHEREAS**, the short-term budget also allows for \$9.69 million in debt services payment,
26 \$1 million for Internally Funded Capital Improvement projects, and debt service coverage of 1.25
27 as presented in Exhibit A attached hereto.

28
29 **NOW BE IT THEREFORE RESOLVED**; the Consolidated Commission on Utilities
30 does hereby approve the following:

- 31 1. The recitals set forth above hereby constitute the findings of the CCU.

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- 2. The CCU authorizes an interim first quarter FY25 budget for GWA for operations and maintenance activities pending PUC approval of Docket 24-05
- 3. The CCU requests management to submit a revised FY2025 Operations & Maintenance Budget as soon as is practical following the PUC adjudication of the FY2025-FY2029 Five-Year Financial Plan and Rate Increase Request.

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

DULY AND REGULARLY ADOPTED, this 27th day of August 2024.

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
Resolution 32-FY2024

Schedule A

Historical and Forecasted Operating Results, Proposed Rates

	Historical Year	Approved Docket 19-08	PROPOSED 1ST QUARTER BUDGET	
	FY 2023	FY 2024	FY 2024	FY 2025
Non-Lifeline Rate Increase	5.5%	16.7%	16.7%	0.0%
Lifeline Rate Increase	0.0%	16.7%	16.7%	0.0%
CASH SOURCES				
Water Service Revenues	69,672,862	80,479,614	79,600,069	19,900,017
Legislative Surcharge	2,147,271	2,958,520	2,810,565	702,641
Water SDC Revenues		489,600	809,074	202,269
Water Rate Revenues	\$ 71,820,133	\$ 83,927,734	\$ 83,219,708	\$ 20,804,927
Wastewater Service Revenues	29,675,878	36,483,092	35,671,161	8,917,790
Legislative Surcharge	707,754	976,821	1,259,498	314,875
Navy Revenues (w/surcharge)	7,094,928	7,347,687	8,778,363	2,194,591
Wastewater SDC Revenues		734,400	1,047,306	261,826
Wastewater Rate Revenues	37,478,560	45,542,000	\$ 46,756,328	\$ 11,689,082
Other Revenues	567,167	474,300	487,416	128,750
Rate Revenue Adjustment		-		
Bad Debt Adjustment	(421,467)	(2,262,236)	(989,267)	(247,317)
Total Operating Revenues¹	\$ 109,444,392	\$ 127,681,798	\$ 129,474,185	\$ 32,375,442
Interest / Investment Income	1,972,141	275,000	2,400,930	600,233
Rate Stabilization Transfers Out (In) ²	18,050,000	950,000	950,000	
TOTAL SOURCES	\$ 129,466,533	\$ 128,906,798	\$ 132,825,115	\$ 32,975,675
CASH USES				
Power Purchases ³	24,397,961	23,221,568	21,431,502	5,100,000
Water Purchases	7,038,954	5,900,000	15,696,662	3,397,638
Salaries & Benefits ⁴	27,272,268	29,705,247	27,944,629	7,355,399
Admin & General ⁵	9,023,292	9,687,858	9,326,494	2,149,560
Contractual Expense	5,575,264	7,464,494	6,411,266	1,336,767
Retiree Expense	3,560,495	3,755,617	3,924,231	1,962,115
O&M Subtotal	\$ 76,868,234	\$ 79,734,784	\$ 84,734,783	\$ 21,301,479
Debt Service	39,036,678	39,042,065	38,762,231	9,690,558
Internally Funded Capital (IFCIP)	2,836,370	8,784,879	8,784,879	1,000,000
TOTAL USES	\$ 118,741,281	\$ 127,561,728	\$ 132,281,893	\$ 31,992,037
Net Annual Cash Flow	\$ 10,725,252	\$ 1,345,070	\$ 543,222	\$ 983,638
DEBT SERVICE COVERAGE				
Net Revenues	\$ 52,598,299	\$ 49,172,014	\$ 48,090,332	\$ 11,674,196
Adjustment, SDC Revenues	-	(1,224,000)	(1,856,380)	(464,095)
Adjustment, Capitalized Labor	3,075,928	4,159,140	3,026,904	756,726
Adjustment, Other ⁶	673,200	715,649	701,500	175,375
Revenues Available for Debt Service	\$ 56,347,428	\$ 52,822,803	\$ 49,962,356	\$ 12,142,202
Total Debt Service	39,036,678	39,042,065	38,762,231	9,690,558
Debt Service Coverage	1.443	1.353	1.289	1.253

1 - Includes leachate and Navy revenues; excludes system development charge revenues

2 - FY 2023 value includes \$12.4 million of ARPA funds which was used to offset debt service coverage requirements

3 - Operational efficiencies related to Ukudu treatment plant are reflected in FY 2026 and beyond

4 - Capitalized labor, which does not represent a cash impact, is not included in this calculation of annual net cash flow

5 - Excludes bad debt expense since this line item is included as an offset to rate revenues (per audited financials)

6 - Includes retiree COLA and end-of-year pension and OPEB adjustments



GUAM WATERWORKS AUTHORITY

"Better Water. Better Lives."

Suite 200, Gloria B. Nelson Public Service Building, 688 Route 15, Mangilao, Guam 96913
Tel. No. (671) 300-6848 Fax No. (671) 648-3290

August 23, 2024

Commissioners
Consolidated Commission on Utilities

RE: Written Recommendation to Discuss GWA Litigation Matters in Executive Session during
CCU Regular Board Meeting on August 27, 2024

Dear Commissioners,

As the legal counsel for the Guam Waterworks Authority (GWA), I hereby recommend pursuant to 5 G.C.A. § 8111, that the Commissioners discuss the following matters in Executive Session during the August 27, 2024, CCU Regular Board Meeting:

1. Litigation issues as stated in Agenda

Pursuant to 5 G.C.A. § 8111, the Commission must make an affirmative vote of a majority of the members of the Commission to discuss these matters in Executive Session. Please contact me at 671-300-6853 if you have any questions.

Sincerely,

Theresa G. Rojas
GWA Legal Counsel

TGR/abg