



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

Regular Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., Tuesday, August 23, 2022

AGENDA

1. **CALL TO ORDER**
2. **APPROVAL OF MINUTES**
3. **PUBLIC COMMENTS [Limit to 2 minutes]**
4. **GPA**
 - 4.1 **GM Report**
 - 4.2 **Financials**
 - 4.3 **Resolution FY2022-27 Use of Grant Funds for the Energy Efficiency Upgrade at UOG School of Business and Public Administration Building Project under Siemens Contract**
 - 4.4 **Resolution FY2022-28 Relative to Macheche CT Turbine**
 - 4.5 **Resolution FY2022-29 Relative to Bond Financing Savings Utilization**
5. **GWA**
 - 5.1 **GM Report**
 - 5.2 **Financial**
 - 5.3 **Resolution 27-FY2022 Relative to Approving the Charge-Off of Guam Waterworks Authority Receivables Deemed Uncollectible**
 - 5.4 **Resolution 28-FY2022 Relative to Approving FY22 Budget Amendments and Rate Stabilization Fund Transfers**
 - 5.5 **Resolution 29-FY2022 Relative to Approval of Series 2016 and 2020A Bond Proceeds Reallocation**
6. **OTHER DISCUSSION**
 - 6.1 **CCU Vacancy**
7. **ANNOUNCEMENTS**
 - 7.1 **Next CCU Meetings: GWA Work Session: Tues., Sept. 20; GPA Work Session: Fri., Sept. 22; CCU Regular Monthly Meeting: Tues., Sept., 27**
8. **ADJOURNMENT**



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Regular Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., Tuesday, July 26, 2022

MINUTES

1. CALL TO ORDER

The Chairman opened the regular board meeting at 5:39 p.m. He announced the permanent vacancy of one [1] CCU seat vacated by Comm. Francis Santos who resigned. He said the Commission will address the vacancy created at the next CCU Meeting. In addition, he said the CCU Secretary, Comm. Michael Limtiaco is off-island and excused. This creates a temporary vacancy of the CCU Secretary and the CCU Rules and Regulations specifies that if this occurs the Chairman of the Rules Committee will become acting CCU Secretary. In this instance, this person is also Comm. Limtiaco and the CCU Rules further specifies that in this instance the Vice Chair for the Rules Committee will become the CCU Secretary. For tonight's meeting this will be Comm. Sanchez who is the Vice Chairperson for the CCU Committee on Rules. He announced for the record that three [3] Commissioners were present for a quorum – Comm. Martinez, Sanchez and himself. Others present include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Simon A. Sanchez	Commissioner
Peter Roy Martinez	Commissioner

Executive Mgmt.:

Miguel Bordallo	GM / GWA
John Benavente	GM / GPA
Christopher Budasi	AGM Administration / GWA
Tom Cruz	AGM Operations / GWA
Melinda Mafnas	AGM Operations / GPA
John Cruz	AGM Engineering & Technical / GPA – Online
Taling Taitano	Chief Financial Officer / GWA
John Kim	Chief Financial Officer / GPA
Therese Rojas	Legal Counsel / GWA
Graham Botha	Legal Counsel / GPA

Management & Staff:

Vangie Lujan	Senior Regulatory Analyst / GWA Compliance
Vlad Navaca	IT Support / GPA
Vien Wong	IT Support / GPA

James Borja	Utility Services Administrator / GPA
Jon Rey Aguigui	Personnel Administrator [A] / GPA
Joshua Manibusan	Human Resources / GPA
Ann Borja-Gallardes	Management Analyst / GWA GM's Office
Joyce Sayama	Public Information Officer [A] /GPA
B. Lou Sablan	CCU Recording Secretary / GPWA

Guest:

Annmarie Muna	AM Insurance
Tricia Grnillo	AM Insurance
Todd Presly	USGS
Dr. Jensen	WERI
Michael Carlson	Sen. Ridgell's Office – Online
Ross	Online

2. APPROVAL OF MINUTES

The Minutes of May 24, 2022 was presented for approval.

Comm. Sanchez motioned to approve the Minutes as presented subject to verification & written correction; second by Comm. Martinez. There was no further discussion or objection and the motion carried.

3. PUBLIC COMMENTS

There was no public comment.

4. GWA

4.1 GM Report

There was no updates the GM Report.

4.2 Financials

The GWA CFO said the press release was circulated relative to the rate release.

4.3 Resolution 22-FY2022 Relative to Tumon Chaot and Agana Heights Reservoir

The objective of the additional funding and subsequent contract modification, via a Change Order, is to comply with Court Order requirements and complete items necessary for the proper operation of the reservoirs and compliance with GWA agreement with CLTC. These items include the following:

1. Relocate the San Vitores Road 12" and 16" pressure reducing valve and flow meter vaults to the center lane. A new pressure reducing valve vault for the 16" line will also be added to the scope.
2. Install chain link fence and construct an earth berm for the Chamorro Land Trust Commission (CLTC) lot behind the Tumon reservoir as part of the right of entry agreement between GWA and CLTC for use of Lot 5075-REM-A NEW-1 during construction.

3. Replace chlorine injector system at the Agana Heights and Chaot Reservoir central chlorination buildings.
4. Installation of conduits, cables, sensors, pull boxes, power monitoring panels, and associated electrical and instrumentation work for the SCADA system at the Agana Heights and Chaot reservoir sites.

This project is a Court Order project that falls under the deadline requirements established. The reservoirs have been completed.

This project is located in the following areas:

1. San Vitores Road pressure reducing valve and flow meter work is located on San Vitores Road in front of the Bayview Hotel area.
2. The fence and earth berm work are located behind the Tumon reservoir located off Marine Drive.
3. The Chaot reservoir chlorination building is located at the Chaot reservoir site at the end of Dero Road.
4. The Agana Heights reservoir chlorination building is located at the Agana Heights reservoir site across Homeland Security building.

The price provided by AIC, International is \$554,844.00.

Breakdown

- San Vitores pressure reducing valve and flow meter work: \$321,844.00
- CLTC lot chain link fence and earth berm work: \$75,000.00
- Chlorine injectors (De Nora brand) work: \$3,000.000
- Agana Heights and Chaot Reservoir SCADA work: \$155,000.00

GWA Management also seeks approval of a 20% contingency in the amount of \$110,976.00.

Total requested additional funding: \$665,820.00 and the funding sources are
PW 09-11: Water System Reservoirs 2005 Improvements and EE 09-09: SCADA Improvements Phase 4

All work is anticipated to be completed by the end of December 2022.

Comm. Martinez motioned to approve Resolution 22-FY2022 second by Comm. Sanchez.

In discussion Comm. Sanchez asked if this part of original consent decree is mandated and the GM said yes. When the Commissioner asked how many more reservoirs are pending the GM responded Ugum, the airport and Piti still need to be constructed and also others still need to be repaired. The GM said the deadline is extended to June of 2023 and GWA is working hard to have this all done by then barring supply chain issues and several other factors but the team is working hard to get this done by this deadline. Comm. Sanchez said it is good to see these projects moving along. He said he knew GWA was close but want to know how far along. GM Bordallo said this is the final piece.

On motion, the resolution passed 3 ayes, 1 absent.

4.4 Resolution 23-FY2022 Relative to Authorizing GWA Management to Execute MOU/MOA for the One-Guam Water Information Program

At the onset, GM Bordallo introduced Dr. Jensen, a representative of WERI who was present.

The Guam Waterworks Authority (GWA) and the Department of the Defense (DoD), Department of the Navy have executed an updated 2016 MOU between the GWA and the Department of the Navy Relative to the Military Build-up, in which GWA committed to advancing the “One-Guam” vision for water and wastewater utility needs expected to increase as a result of military and civilian population growth, including the management of the Northern Guam Lens Aquifer (NGLA).

The 2016 MOU included provisions for cooperation “to enhance monitoring and management of the NGLA in order to mitigate impacts to potable water resources” and “share access to, responsibilities for, the maintenance” of the monitoring system assets.

GWA also received DoD grant funding to expand and rehabilitate the NGLA monitoring system to improve each entity’s ability to manage Guam’s water resources. The federal grant conditions require maintenance and sustainment of these monitoring system assets over their anticipated useful life. Accordingly, GWA, DoD, along with the Water and Environmental Research Institute (WERI) and the U.S. Geological Survey (USGS), developed the One-Guam Water Resource Information Program (OGWRIP) as the organizational framework under which to accomplish the stated objectives of the 2016 One-Guam MOU.

The objective is to establish and participate in the OGWRIP via the execution of a Memorandum of Agreement with the DoD as an Exhibit to the 2016 One-Guam MOU, and a Memorandum of Agreement with WERI-USGS to provide supplemental financial support for the OGWRIP. This is necessary to meet GWA’s obligations under the 2016 One-Guam MOU and DoD grant conditions for maintenance and sustainment of monitoring system assets constructed/rehabilitated under such grants. The execution of the MOAs is urgent as the wells are anticipated to be completed by the end of this fiscal year, and maintenance-sustainment requirements will follow thereafter.

The MOAs are intended to cover the NGLA monitoring system and other water resource monitoring locations Island-wide. The MOAs will be executed upon approval by the CCU and coordination of final minor edits. The MOAs will be reviewed every three (3) years.

The cost is to be determined because it depends on annual budgets for the OGWRIP and Guam Legislature appropriations which contribute to the annual funding. The funding course will be GWA and DOD funds.

Comm. Martinez motioned to approve Resolution 23-FY2022, second by Comm. Sanchez.

Comm. Maratinez asked if this MOA will be reviewed every 3 years and GM Bordallo said no the MOA will be reviewed every year and updated. The program projected cost is 10-20 years. All parties have finalized it and legal has reviewed it too. Once finalized it will be executed and will follow with 2 year reviews.

There was no further discussion or objection and the motion passed. The vote was 3 ayes and 1 absent.

4.5 GWA Resolution 24-FY2022 / GPA Resolution FY2022-24 Relative to Creation of the Classification Specifications for Utility Customer Care Series of Positions

AGMA Chris Budasi presented joint resolution 24-FY2022 for approval. He said The Customer Services Division for both Guam Waterworks Authority (GWA) and Guam Power Authority (GPA) has evolved throughout the years increasing the scope of work to not only service all ratepayers but to manage the day-to-day customer care activities and programs. The Customer Services Division is responsible for directly interacting with customers through various communication modes, requiring additional knowledge abilities, and skills for the position.

The Customer Services Representative (CSR) series was initially created in July 1980, which at the time was under the purview of the Civil Service Commission (CSC) with the intent of the CSR to respond to customer-related inquiries and perform basic administrative and clerical duties. The current GPA and GWA positions that will be replaced by the proposed creations are:

- Customer Service Representative
- Customer Service Supervisor

The current positions have not been updated to account for the modern-day duties and responsibilities, nor reflect the skill sets and standards for a Utility Customer Service Representative required to provide services to GPA and GWA customers. The use of the outdated job standards is not viable for GPA and GWA to meet the needs of its customers because the duties and responsibilities of a Utility Customer Care Representative is more complex than the Customer Service Representative positions developed in 1980 being utilized by both utilities and other government agencies today.

The role of a Customer Service Representative at GPA and GWA has evolved and requires additional knowledge, skills, and abilities specific to a utility organization. Customer inquiries are primarily about more difficult billing and consumption issues, meter installation requirements, connecting to utility systems and troubleshooting for service interruptions. Most of the requests handled by GPA and GWA Utility Representatives

take additional time and research to resolve and apply applicable utility rules, regulations, statutes, and rate changes.

Thus, the creation of the Utility Customer Care Series is for the efficient and effective performance of duties and functions for both GPA and the GWA Customer Services Division. The creation of this series of positions is necessary to explicitly identify the utility-based job specifications and complexity needed for the Customer Service Division. Additionally, the creation is also necessary to integrate and support CCU's initiative of "One Utility" within the Customer Services Division by aligning positions and pay scales for both utilities for the team responsible to support customers and resolve their issues.

The Utility Customer Care Representative series of positions will be organizationally based with the Customer Service Divisions of GPA and GWA.

The proposed pay ranges and demonstration of compliance with §6301 of this Title: GWA & GPA's compensation plan was authorized by P.L. 28-159 and approved by the CCU in October 2007. The proposed compensation is in accordance with the Strategic Pay Plan Methodology. There is no cost in creating the series of positions, however, the proposed salary range to fill the positions are as follows:

- **Utility Customer Care Representative I**
 - **Minimum:** \$35,366 per annum / \$17.00 per hour
 - **Maximum:** \$36,802 per annum / \$17.69 per hour
- **Utility Customer Care Representative II**
 - **Minimum:** \$41,743 per annum / \$20.07 per hour
 - **Maximum:** \$43,437 per annum / \$20.88 per hour
- **Utility Customer Care Representative III**
 - **Minimum:** \$51,132 per annum / \$24.58 per hour
 - **Maximum:** \$53,208 per annum / \$25.60 per hour
- **Utility Customer Care Representative Supervisor**
 - **Minimum:** \$59,686 per annum / \$28.70 per hour
 - **Maximum:** \$62,109 per annum / \$29.86 per hour

Public Law 28-159, Section 7.0.3 (c) requires GPA and GWA to post a petition on their respective websites for ten (10) days (*Saturdays, Sundays, and government of Guam holidays excepted*). GPA and GWA have met the posting requirements and the position creation can be acted upon by CCU at the July 26, 2022, Board meeting. Once adopted by the CCU, the creation of the Utility Customer Care Representative position will not be filled, until the thirty (30) days have elapsed from the date of filing the petition and resolution with the Legislative Secretary.

GPA and GWA are responsible for the funding available for these positions and are in compliance with all applicable laws, rules, and regulations regarding the creation, filling and retention of positions in certified, technical, and professional positions. The funding of this position has no financial impact on the Government of Guam General Fund.

Comm. Martinez motioned to approve Resolution-FY2022, second by Comm. Sanchez.

In discussion Comm. Sanchez asked clarification on the degrees noted. AGMA Budasi said diploma = high school; BA = collage for supervisory level.

There was no further discussion or objection and the motion passed 3 ayes, 1 absent

4.6 Resolution 25-FY2022 Additional Funding for Construction Mgmt. Contract for Sta. Rosa, Sinifa and Sta. Rita Tank and System Upgrades

The project is part of the 2011 Court Order Paragraph 29 – Storage Tank/Reservoir Repair, Replacement, and Relocation Program. As a Court Order project, it is necessary and urgent to work towards meeting the Court Order deadlines.

This contract is to provide construction management services for the construction of the Santa Rosa, Sinifa, and Santa Rita Tank and System Upgrade project. The continuation of construction management services is vital to the completion of the project.

The extension of the construction period is due to impacts resulting from COVID-19 pandemic, global supply chain issues, and a slope failure (landslide) event caused by severe weather, and will involve the following:

1. Santa Rosa Reservoir and Booster Pump Station: The reservoir is scheduled to be placed in service by the end of August 2022. Due to Covid-19 and material shortages, the new booster pump station, pump skid and generator will not arrive until year's end.
2. Sinifa Reservoir: The reservoir is scheduled to be placed in service by the end of August 2022. Remaining work onsite, including the control building, will be completed by year's end.
3. Santa Rita Reservoir: Test pre-cast piled foundation is scheduled to begin the week of July 11th, 2022. If successful, production for remaining piles will begin thereafter. The EOR is finalizing the redesign of the waterline, electrical, roadway, and ponding basin due to slope failure. Once completed, a change order with the contractor will need to be issued to implement the redesign.

The Santa Rosa reservoir and booster pump station is located in Yigo village. Sinifa and Santa Rita reservoirs are located in Santa Rita village.

The price provided by GHD is \$2,118,523.36. GWA Management also seeks approval of a 10% contingency in the amount of \$221,852.34. Total requested additional funding: \$2,340,375.70The project will be funded by the water system reservoirs 2005 Improvement funds.

All work is anticipated to be completed by the end of April 2023.

Comm. Martinez motioned to approve Resolution FY25-FY2022 second by Comm. Sanchez. There was no objection or further discussion and the motion passed. The vote was 3 ayes, 1 absent

4.7 Resolution 26-FY2022 Relative to Duenas Camacho & Assoc. Post Design Services Extension Change Order for

the Upgrade of Northern District Wastewater Treatment Plant Upgrades

Specifically, this change order is to increase the Design Engineer's post design portion of its contract to cover justified increases in the project scope caused by extensive structural shop drawing and submittal review, review and coordination of significant Requests for Information (RFIs), review and coordination of major equipment substitutions (resulting in project cost savings), additional design scope including design of additional drying beds, grading and asphalt changes to accommodate new water supply system and additional asphalt surrounding the mechanical shop, and support of SCADA communications between the NDWWTP and GWA's Office in Fadian. This requested increase will also enable post design services to continue supporting the project (project meetings, site visits, finish review of submittals, responses to RFIs, etc.) from the originally anticipated project completion date of December 31, 2021 through delays caused by COVID related issues, out to the end of August 2022. Finally, this increase also allows the Design Engineer to provide a week of on-site training for the GWA Operators for the newly constructed Auto Thermal Aerobic Digestion (ATAD) System.

The project is ongoing and necessary to upgrade the NDWWTP with secondary treatment in accordance with the conditions of federal grant funding, and as required to support the military build-up on Guam. This Change Order is necessary and urgent to allow the Design Engineer to continue supporting the project through its completion.

The NDWWTP is located on the northwest coast of the island of Guam, in the community of Dededo and the anticipated completion is October 31, 2022

This increase to the current Design Contract is \$400,000 and is an increase to the previously CCU authorized amount of \$317,837.39. The funding source is bond funds and/or SDC's

Comm. Martinez motioned to approve Resolution 26, FY2022, second by Comm. Sanchez.

Comm. Sanchez said the event is coming up on 1st week of August and asked if we are celebrating it coming on line – the GM responded that the secondary treatment happened in March; since May we have been operational, thus the ribbon cutting event.

Comm. Sanchez asked what is plants new capacity? GM said when completed 12 MGD capacity. Comm. Sanchez asked the amount of the total cost of the upgrade. GM Bordallo said not far off the original amount total 122M adding that this is GWA's largest CIP project. Comm. Sanchez and Chairman Duenas both congratulated GWA management for this project completion.

On the motion – the resolution passed 3 ayes / 1 absent.

The Chairman called for a 5-min recess @ 6:12 p.m.

5. GPA

5.1 GM Report

The Chairman called the meeting back to order at 6:20 p.m.

GM gave highlight - Ukudu ground breaking went well and relieved that that work has begun. The Commission of the Solar farm in Margo also went well and glad that consumers now have a better understanding of the importance of this project and that it will save ratepayers \$2M based on today's LEAC. The GM also reported that the legislature has signed the new legislation 325 and once signed by the Governor, we are prepared to act and confirm and implement asap. A credit of \$100 per month for 5 consecutive months will be granted each ratepayer. It was discussed to ensure the credit is clear on the billing statement.

Comm. Duenas said this is a non-refundable credit that it is only credited to ratepayer's bills and cannot be converted to cash.

The GM said that they have a few more steps before the credit is ready for application to ratepayer's bill. Some kinks still need to be worked out but GPA is ready to act and implement shortly.

Comm. Sanchez said everybody wants to help the ratepayers and to grant them relief. The Ukudu groundbreaking is a huge step towards helping our ratepayers and reducing their cost. This is about a billion dollars of public private partnership improvement and we did not have impact the ratepayer. The Commissioner congratulated management on this excellent accomplishment. He asked management to share the video that was presented at the Opening to our ratepayers because it tells a very good story about our direction.

Comm. Duenas said it is a good deal for our ratepayers and clean for the environment. it is a good way to cleaner energy. Comm. Sanchez said this is a big step toward

GM Benavente said it is a savings of 800,000 barrels less per year or \$80Million in savings

Comm. Sanchez said he would like to see how much lower will the power be if these two projects are in place already. At the next meeting show this scenario so people can begin to appreciate these projects.

5.2 Financial

CFO Kim gave update on LEAC. RFO prices have dropped but the last shipment of RFO as well as Diesel – both commodities have dropped but still high. The CFO said in January it will drop to \$22.8M. The Chairman said that this will help bring relieve to ratepayers and hopes this trend continues.

5.3 Resolution FY2022-22 Extension Term Lease Agreements for Pipeline & RFO Storage with Tristar Terminals Guam

The existing RFO Pipeline Agreement under TTGI-PI-2013 and RFO Storage Agreement under TTGI-SA-2013 is set to expire on August 31, 2022. GPA has determined that the contract extension will serve the best interest of the Authority and its ratepayers by ensuring uninterrupted supply of fuel to the GPA plants thru the use of the TTGI RFO pipeline and RFO Storage tanks for the transport and receiving bulk fuel shipments into the GPA storage facilities. The TTGI RFO pipeline is located between the F-1 Dock and the TTGI Terminal in Agat. The TTG RFO storage tanks are located at the TTGI Terminal in Agat.

The extension of the RFO Pipeline Agreement is estimated to cost about \$566,350 per year or \$1,699,051 for the 3-year extension period (Exhibit A) and is funded under the fuel revenue budget.

The extension of the RFO Storage Agreement is estimated to cost about \$2,812,470 for the 1st year extension; \$2,243,936 for the 2nd year extension; and \$2,243,936, for the 3rd year extension for a total of \$7,300,342 for the 3-year extension period (Exhibit A). The contract extension shall be for a period of three (3) years, commencing in September 1, 2022 and will expire in August 31, 2025.

It was noted that the TTGI is the sole source provider for the RFO Pipeline and RFO Storage Facility in Guam meeting GPA requirements.

Comm. Sanchez motioned to approve Resolution FY2022-22, second by Comm. Martinez. There was no further discussion or objection and the motion carried with 3 ayes and 1 absent.

5.4 Resolution FY2022-23 Agreement Extension Term with Tristar Terminals Guam, Inc. for the Dock Facility User Agreement

The existing Dock Agreement under TTGI-DA-2013 is set to expire on March 31, 2023. GPA has determined that the contract extension will serve the best interest of the Authority and its ratepayers by ensuring uninterrupted supply of fuel to the GPA plants thru the use of the F-1 Dock Facility for receiving bulk fuel shipments into the GPA storage facilities. The F-1 Dock Facility is located at the Port Authority of Guam (PAG).

The fee schedule shall remain at the prevailing PAG rates. The contract extension is estimated to cost about \$1,924,512 per year or \$5,773,536 for the three (3) year extension period (Exhibit A). The Dock fees will be funded under the fuel revenue budget. The contract extension shall be for a period of three (3) years, commencing in April 1, 2023 and will expire in March 31, 2026.

The F-1 Dock Facility is solely owned by the Port Authority of Guam (PAG) with TTGI as the current Operator until March 31, 2026.

Comm. Sanchez motioned to approve Resolution FY2022-23, second by Comm. Martinez. There was no discussion or objection and the motion passed. The vote was 3 ayes, 1 absent.

5.5 GPA Resolution FY2022-24 / GWA Resolution 24-FY2022 Approval of the Creation of the Classification Specifications for Utility Customer Care Series of Positions

This resolution is a combined resolution and was discussed and voted on earlier in the Agenda, section 4.5 above.

5.6 Resolution FY2022-25 Relative to Contract Award for Supply of Diesel Fuel Oil No.2 for GPA Water System Distribution [WSD] and GWA Generators

The Guam Power Authority's current contract for Supply of Diesel Fuel Oil No. 2 for the Water Systems Distribution (WSD) sites is expiring in September 30, 2022. The fuel supply contract is necessary to provide uninterrupted supply of fuel for the WSD sites.

The 3-year contract is estimated to cost about \$1,150,200 and funded by fuel revenue funds. The contract is for an initial period of three years, with the option to extend for two (2) additional one-year terms. Morrico Equipment, LLC has been determined to be the responsive and responsible bidder.

Comm. Sanchez motioned to approve Resolution FY2022-25 second by Comm. Martinez. There was no discussion or objection and the motion carried. The vote was 3 ayes and 1 absent

5.7 Resolution FY2022-26 Relative to Petitioning the Public Utilities Commission for the Contract Extension for Management, Operation and Maintenance of GPA's Fuel Storage Facility with ISLA Petroleum & Energy LLC

Resolution FY2022-26 if approved will enact the third (3rd) of the 3-year contract extension with IP&E for the Management, Operation, and Maintenance of the GPA Fuel Bulk Storage Facility under GPA-014-17 is set to expire on September 30, 2022. IP&E Guam LLC has been awarded the existing contract through a multi-step IFB process.

GPA issued a new solicitation under MS IFB GPA-015-22 but was canceled due to non-compliance of all the proponents on a required affidavit submittal document. GPA re-issued the solicitation but anticipate a delay in the award of the contract.

GPA negotiated and mutually agreed for a one (1) year extension of the existing contract with IP&E commencing in October 1, 2022. The objective is to ensure uninterrupted, reliable operation of the facility for the supply of fuel to the GPA plants.

The one (1) year contract extension is estimated to cost about \$1,118,000 for the required services under the contract (Exhibit A). The contract extension shall be for a period of one (1) year, commencing in October 1, 2022 and will expire in September 30, 2023. The contract fees for the Management, Operation, and Maintenance of the facility will be funded under the fuel budget. Other services will be funded through O&M, and some through CIP if it involves procurement of equipment, construction, modification and others.

Comm. Sanchez motioned to approve Resolution FY2022-26 second by Comm. Martinez. There was no further discussion or objection and the motion carried. The vote was 3 ayes and 1 absent.

6. OTHER DISCUSSION

***6.1 Resignation of Comm. Francis Santos**

Chairman Duenas said that Comm. Santos has resigned his position with the Consolidated Commission on Utilities and the CCU will address this vacancy at next month's meeting when Comm. Limtiaco returns and said this matter will remain on the Agenda for next month.

7. ANNOUNCEMENTS

7.1 Next CCU Meetings:

The next CCU Meeting was scheduled for GWA on August 16th, GPA on August 18th and the regular CCU monthly meeting on August 23rd.

The Chairman announced that the GWA Legal Counsel has filed an affidavit for an Executive Session to discuss a GWA litigation matter and asked for a motion.

Comm. Sanchez motioned to move the meeting to Executive Session, second by Comm. Martinez and carried.

The Chairman recessed the meeting for 5-minutes.

8. EXECUTIVE SESSION

8.1 GWA Litigation Matter

This matter was discussed.

9. ADJOURNMENT

There being no other business to bring before the Commission, Comm. Santos motioned to adjourn, second by Comm. Martinez. There was no objection.

It was 6:30 p.m.

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Attested

JOSEPH T. DUENAS, Chairman

MICHAEL T. LIMTIACO, Secretary

GM REPORT

AUGUST 2022



Generation Status

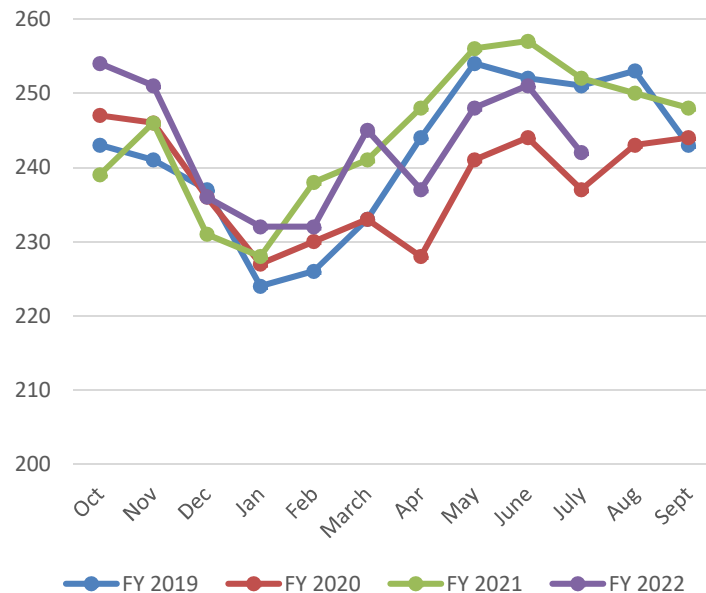
2

1. Reserve Margin Forecast for September 2022:

Projected Available Capacity: 324 MW
 Projected Demand: 248 MW
 Anticipated Reserve Margin: 76 MW
 Piti 9 ULSD Conversion completion by mid-September

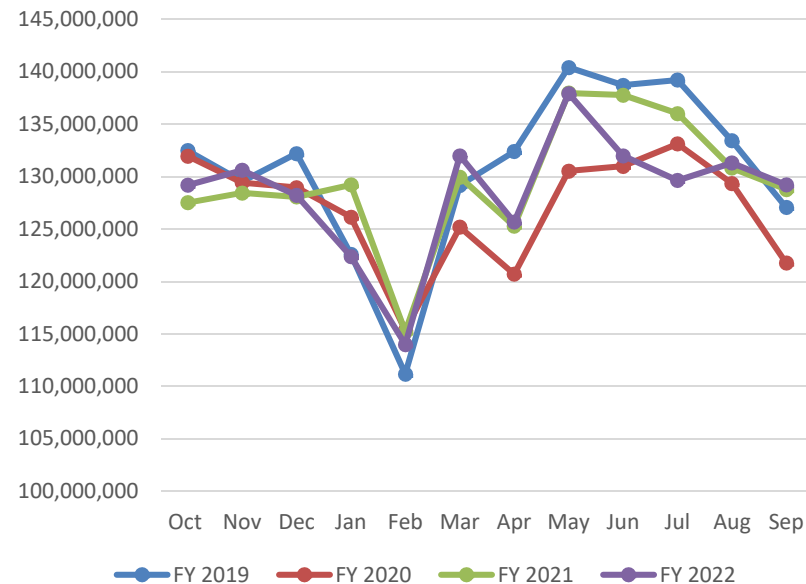
2. System Peak Demand:

PEAK MW DEMAND
Ending July 2022



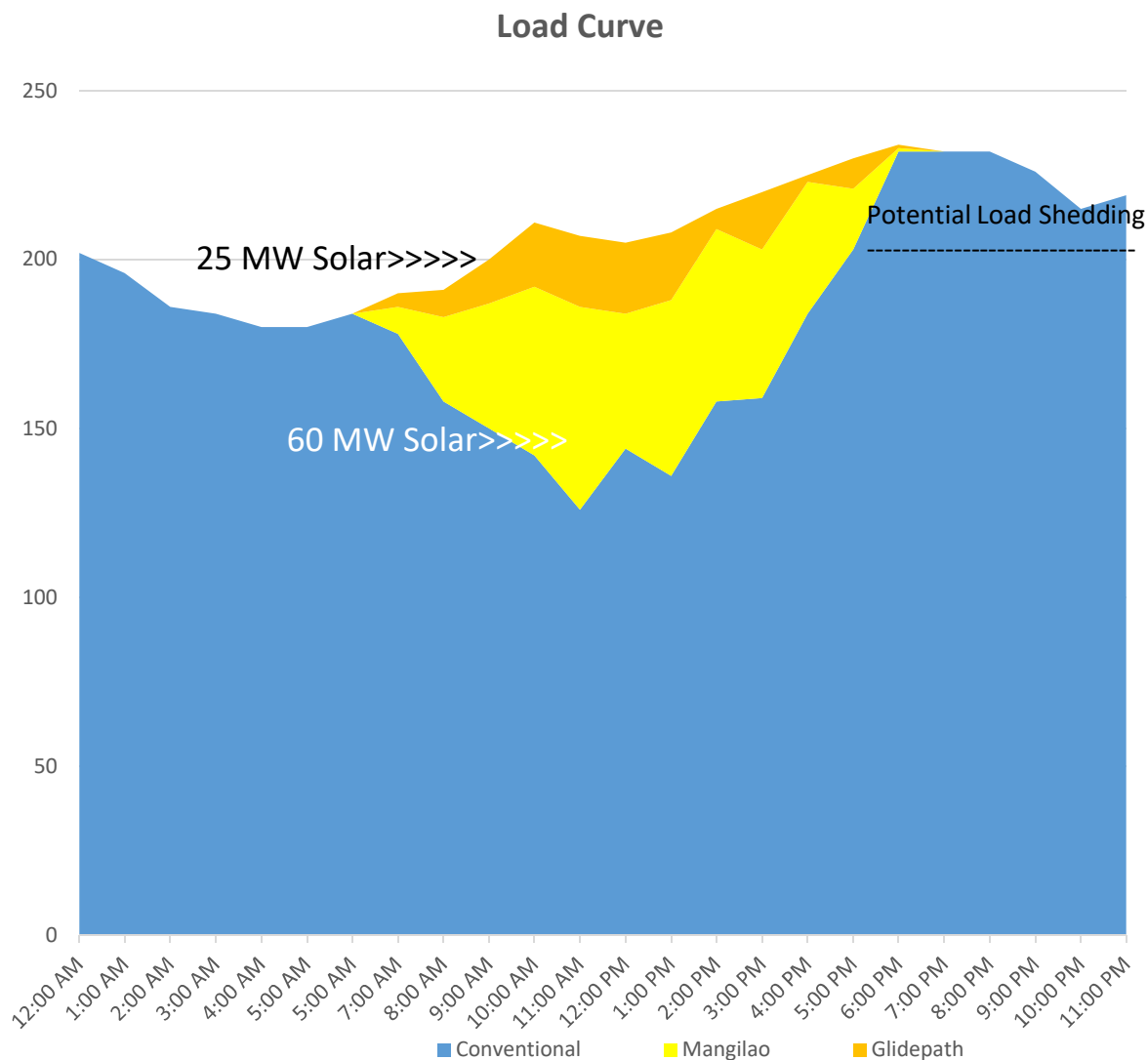
kWh Sales

Actuals thru July 2022; Projections thru Sept 2022



3. Supply Shortage August 12 thru 17th

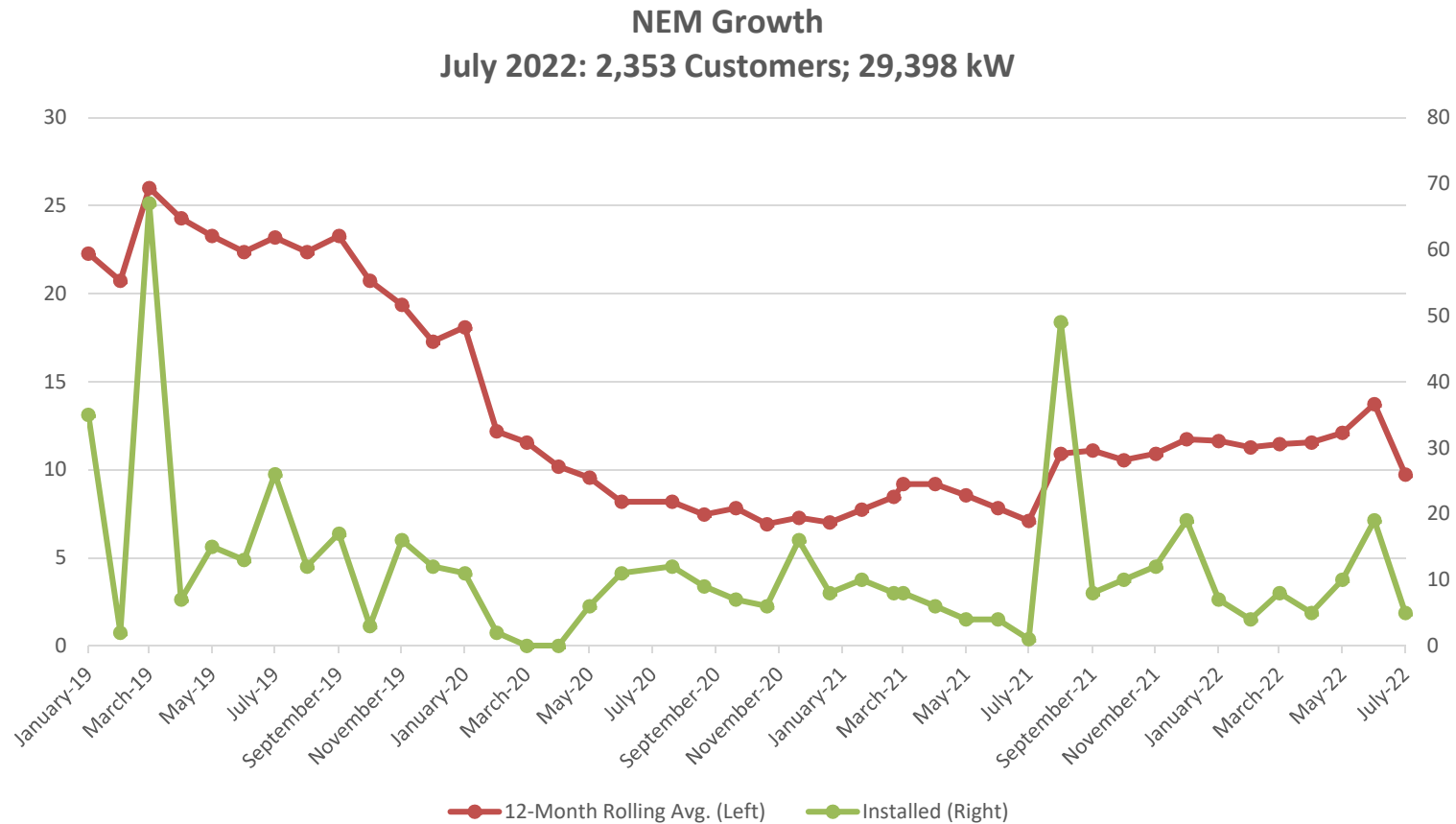
Time	Conventional	Mangilao	Glidepath	1-baseload Down	2-baseload Down	3-baseload Down
0:00	202			280	235	192
1:00	196			280	235	192
2:00	186			280	235	192
3:00	184			280	235	192
4:00	180			280	235	192
5:00	180			280	235	192
5:00	184			280	235	192
7:00	178	8	4	280	235	192
8:00	158	25	8	280	235	192
9:00	150	37	13	280	235	192
10:00	142	50	19	280	235	192
11:00	126	60	21	280	235	192
12:00	144	40	21	280	235	192
13:00	136	52	20	280	235	192
14:00	158	51	6	280	235	192
15:00	159	44	17	280	235	192
16:00	184	39	2	280	235	192
17:00	203	18	9	280	235	192
18:00	232	1	1	280	235	192
19:00	232			280	235	192
20:00	232			280	235	192
21:00	226			280	235	192
22:00	215			280	235	192
23:00	219			280	235	192



Net Metering

4

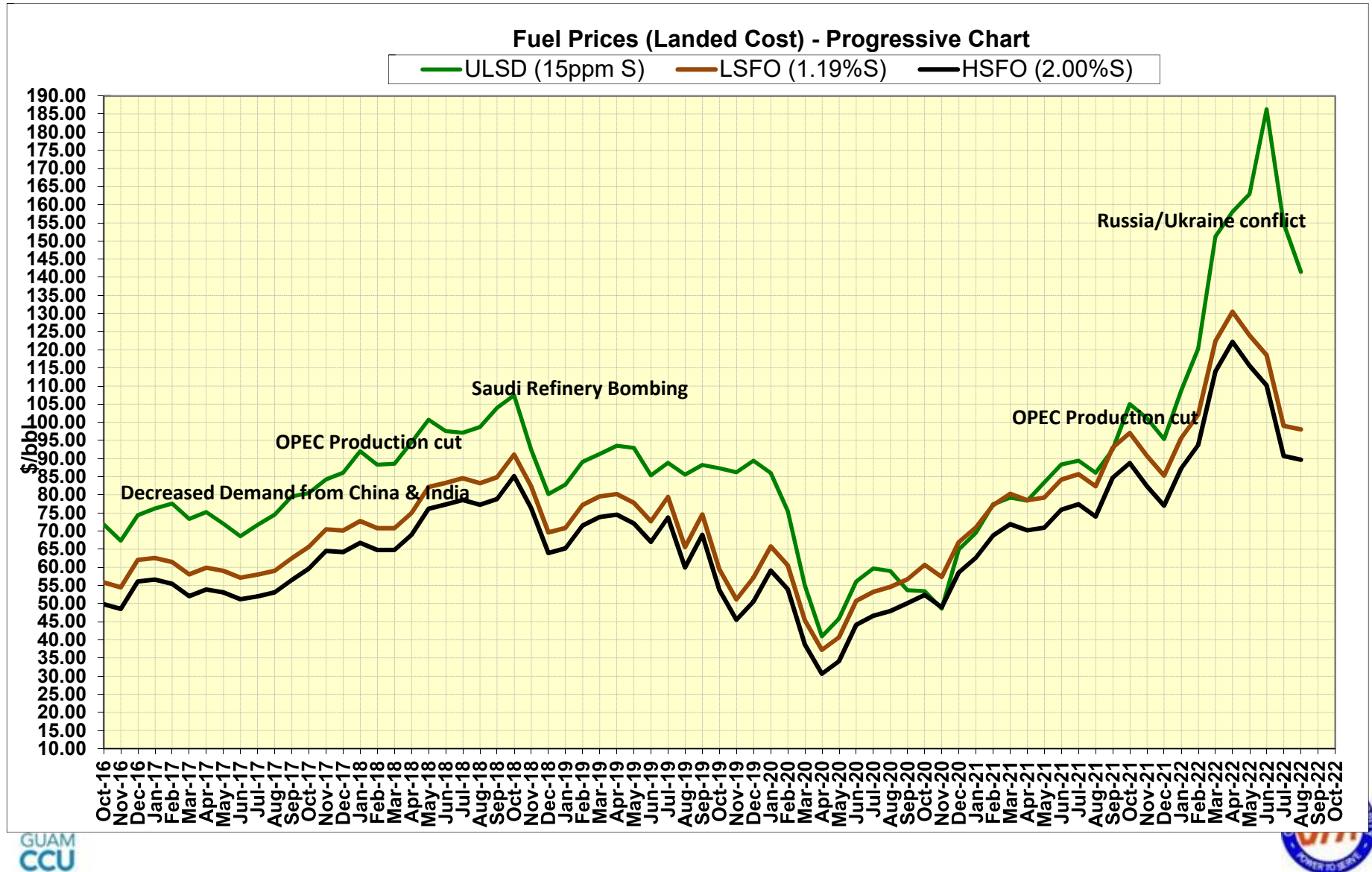
4. Net Metering (NEM) Growth Thru JULY 2022:



GPA Fuel Landed Cost (Per Barrel) Thru August 10, 2022

5

5. LSRFO \$97.87; ULSD \$141.42



General Manager's Report (cont'd)

6

6. PUC Update:

Thursday, August 25, 2022 Agenda Items (meeting cancelled till Sept 29th) :

- GPA Docket 22-16, Petition for Extension of the Term of the Lease Agreements for Pipeline and RFO Storage with Tristar Terminals
- GPA Docket 22-17, Petition Extension of Dock Facility Agreement with Tristar Terminals
- GPA Docket 22-18, Petition to Extend the Contract for the Management, Operation, and Maintenance of GPA's Fuel Storage Facility with ISLA Petroleum & Energy

7. Legislative Update:

- **Bill 325-36** was introduced by Senator San Agustin to provide \$500 funding for residential and commercial ratepayers to be credited to accounts at rate of \$100 each month for a total of 5 months was passed into law as PL-36-101. The **July and August** credits were applied to all applicable accounts on August 8. The credits will show up in their billing statements as bills are issued thru August.
- The next \$100 credit will be applied in the September billing.

8. Energy Sense Rebate Program (ESRP) Application Now Online

- Effective August 17th, residential and commercial customers are able to submit applications and track the status of their applications online.
- GPA's Energy Sense Rebate Program (ESRP), allows residential and commercial customers to avail of rebates from the purchase of energy efficient appliances.
- Going online not only provides faster information but also reduces the use of paper, ink and courier services. These benefits help save valuable time, expenses, and resources.
- As the online ESRP is new, currently only GPA customers under the **rate schedules R, J, and G** can apply online. Our existing paper application process is still available to our Large Commercial, Government, and Prepaid customers with hopes of including them in future updates.
- GPA has created a step-by-step Online Application Guide and FAQs to aid customers in the online process.



General Manager's Report (cont'd)

7

9. New Power Plant Update: GPA Activities

Completed:

- ECA Amendment: Signed on March 17, 2021.
- Resolution on Section 106 process between Navy/SHPO/GPA (cultural process)
- Archaeological Inventory Survey of Ukudu Site
- Cultural Survey for boring scope fuel/water/power project areas (outside of plant)
- Baseline noise study for Piti 41 MW diesel generator plant site.
- Water Supply and Discharge Agreement signed.
- Approval of research design for boring of proposed site in Piti for diesel generator relocation
- Approval of Archaeological Monitoring & Discovery Plan for pipeline construction
- Public Law 36-91 was signed on 4/11/22 for exemption of construction of Reserve Facility in Piti.
- GHPO Concurrence of Section 106 of the bull cart trails
- Land Lease Agreement was signed by Governor, Lt. Governor and Attorney General on July 6, 2022
- GEPA approves and issues Ukudu Air Permit on 7/20/22 during construction ground breaking ceremony.

Ongoing / Pending:

- Archaeological & Cultural Requirements:
 - ✓ Section 106 process for cultural survey on Navy properties (Harmon Substation) submitted to SHPO by Navy on July 18. Navy to complete NEPA documents once SHPO provides review response to allow for construction activities on the bull cart trails along pipeline route and in the Harmon Substation.
 - ✓ Archaeological monitoring for pipeline construction work (Chaot & Nimitz areas).
- Water & Wastewater Requirements:
 - ✓ Change of Law issues due to update GWA NPDES permit affecting discharge of wastewater from cooling system. Followup with GWA on the NPDES permit modification.



Critical Path & Risk Items

Cultural Survey

(SHPO Approvals Required)

- Section 106 process required for Navy properties

Delays on Permit Approvals

- Construction Permits
- Air Permits
- NPDES Permit

Construction Mitigation

- For any wetland, biological, cultural or other findings during construction (unknowns)

41 MW Reserve Facility

- Agreement on way forward because of increased contracting cost.



General Manager's Report (cont'd)

8

9. New Power Plant Update: GPA Activities (*continued*)

- Construction Permit & Drawing Reviews:
 - ✓ Several construction permits received: temporary power (office/construction), new pipeline construction, new plant construction (phases 1-5 of 6 permits submitted).
 - ✓ Phase 5-6 pending GPA approval
 - ✓ Interconnection drawings reviewed with comments, permit for construction approved.
 - ✓ Drawings and material specifications are being reviewed
- Air Permit Support:
 - ✓ Assisting with information to support the Reserve Facility permit. GPA to modify Piti 8&9 permit to reduce operating hours allowing planned operational support for the new Piti plant.
 - ✓ Discussing netting analysis and requirements for Piti 8&9 operating hours
- Other:
 - ✓ Geotechnical boring tests at the Piti site completed and waiting lab results/final report.
 - ✓ Project Schedule review is ongoing.
 - ✓ Coordination with Navy on excavation activities for pipeline construction
 - ✓ Discussion and finalizing reserve facility scope and costs.
 - ✓ Attending transportation logistic meetings for heavy transport to Ukudu from Port.



General Manager's Report (cont'd)

9

9. New Power Plant Update: GUP Activities (Contractor)

Completed:

- EPC Contract - Doosan
- Height Variance for Ukudu Site
- Financing Contracts Signed - Equity Bridge Loan in place. Senior loan requires air permit and land lease legislation for funds drawdown.
- Down payment to Siemens to secure Turbine Order (long lead item)
- Survey Maps for land lease recorded at Dept. of Land Management
- Phase I for Ukudu Plant construction permit approved. Foundation work is ongoing.
- GUP issues Notice to Proceed to EPC on May 31, 2022.
- Land Lease Agreement was signed by Governor, Lt. Governor and Attorney General on July 6, 2022
- GEPA approves and issues Ukudu Air Permit on 7/20/22 during construction ground breaking ceremony.

Ongoing / Pending:

- Design / Permitting
 - ✓ Construction
 - Power Plant - 6 phases of design under review for permitting. Phase 2-6 pending approvals
 - Pipeline - design and material specifications under review.
 - Transmission Line - design and material specifications under review.
 - ✓ Air Permits
 - Ukudu Power Plant - Under USEPA review for minor source permit. Draft conditions forwarded to KEPCO/GUP and under review for comment/clarification.
 - Piti Reserve Facility - Under USEPA review for minor source permit.
- Financial Close - pending air permit.
- Procurement - initiating other equipment procurement
- Existing Pipeline Cleaning & Demolition - Pending Route 16 (Airport) to Route 34 evaluation of abandonment plan.



General Manager's Report (cont'd)

10

9. New Power Plant Update: GUP Activities (Contractor) *continued*

Ongoing / Pending: *(continued)*

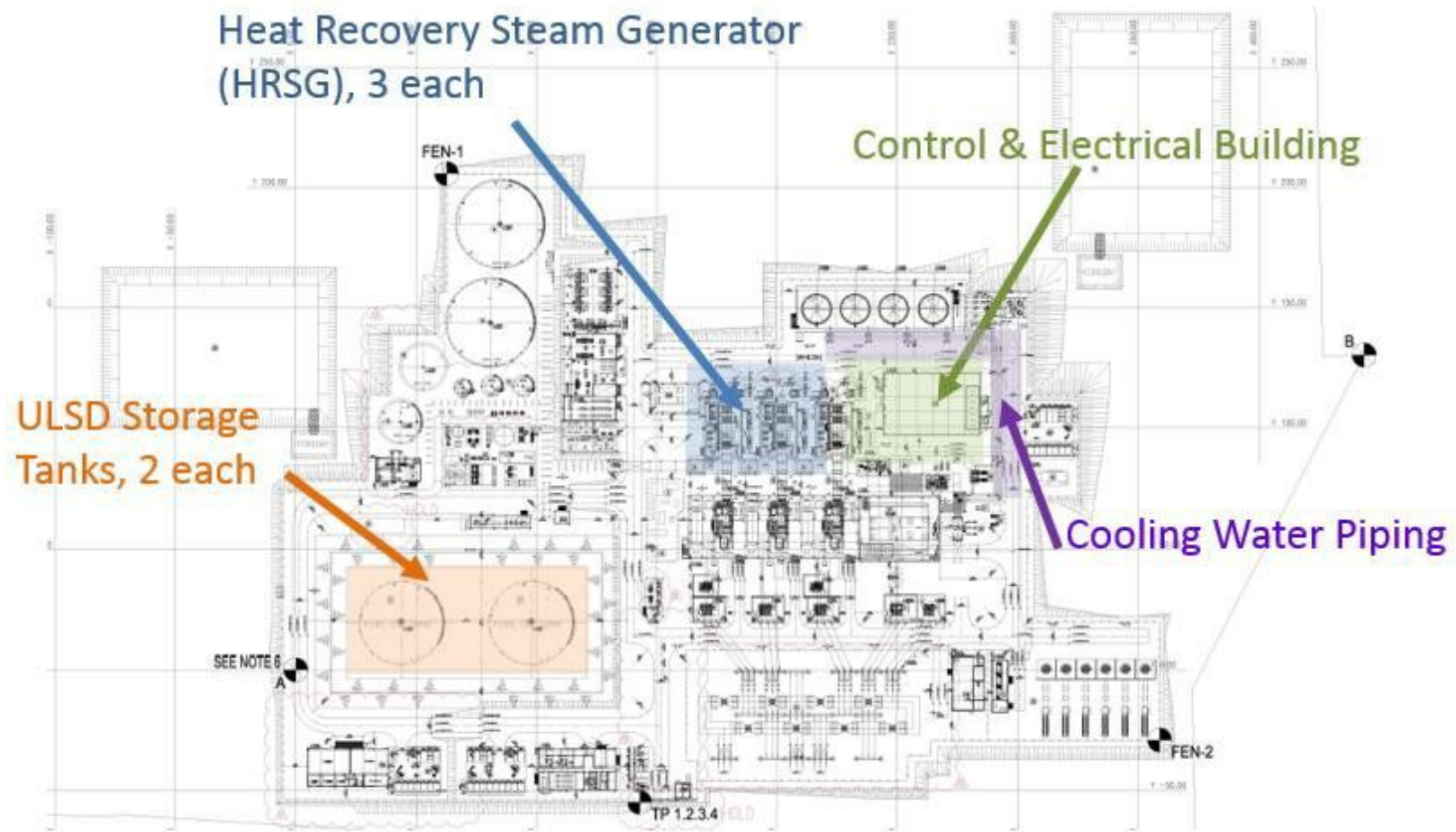
- Schedule Update - Discussions concluded major long lead items have been ordered reducing schedule from delays on financial close.
 - HRSG modules are read to ship end of August.
- Transportation Logistics - EPC continues to work with DPW on transport plan from Port to Ukudu site.
 - Bridge analysis dictating required transport equipment.
 - Transportation will take several hours over several days to move HRSG modules.
 - Weekly meetings being held to discuss plans and requirements.



Ukudu Power Plant Construction Status

11

Construction work ongoing with Control & Electric Building, Heat Recovery Steam Generator foundation, Fuel Storage Tanks, and Cooling Water Piping progressing



Ukudu Power Plant Construction Status

12

Heat Recovery System Generator (HRSG) Foundation work.

HRSG (#1 of 3) Rebar work



HRSG (#2 of 3) Rebar work



HRSG (#3 of 3) Foundation Pouring



Ukudu Power Plant Construction Status

13

Fuel Storage Tank and Cooling Water Piping

ULSD Storage Tank (1 of 2) – Rebar work for foundation

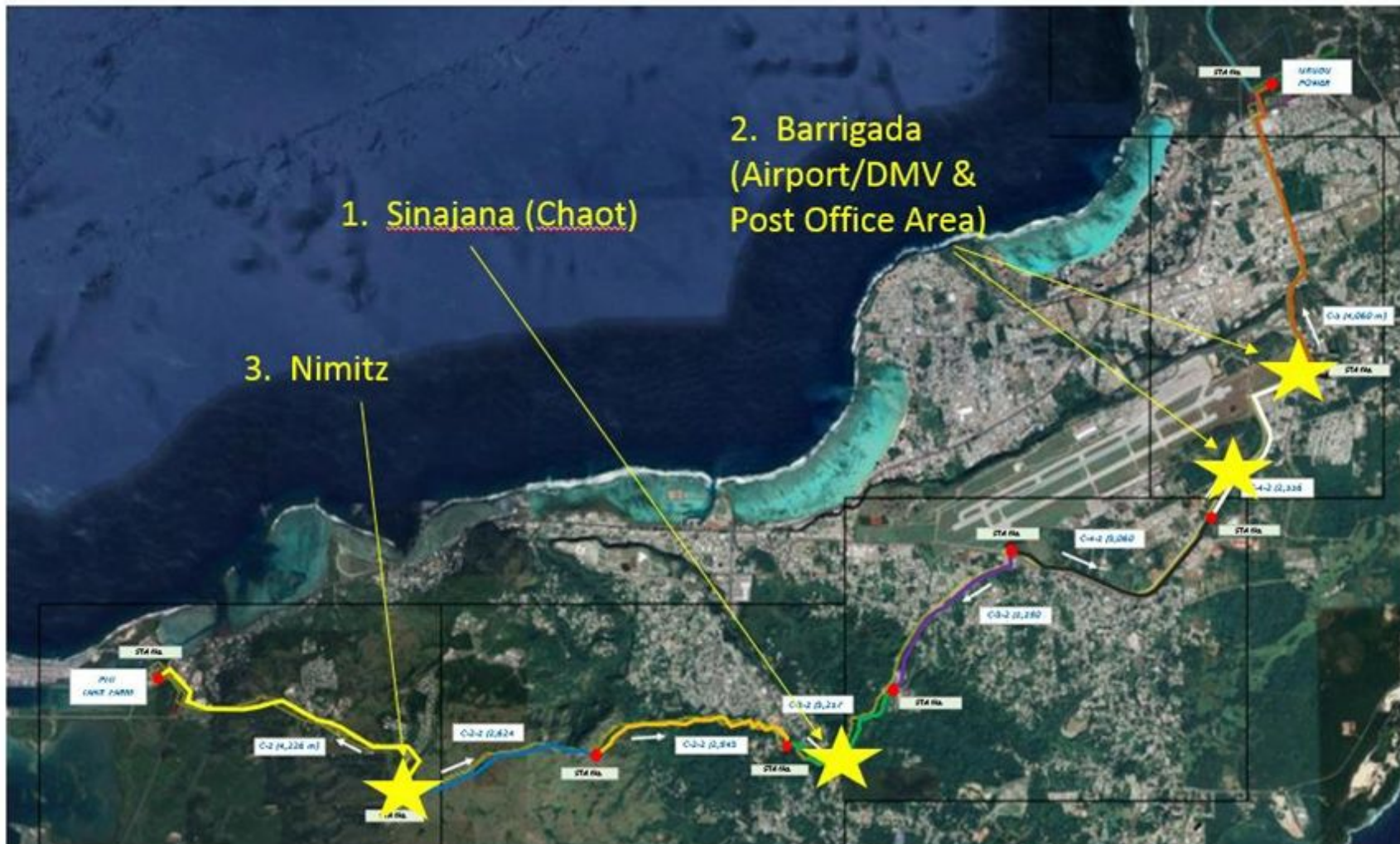


Cooling Water Piping – Installed pipe east of CEB and near cooling tower location



Fuel Pipeline Construction Status

14



Fuel Pipeline Construction Status

15

1. Chaot area (100 M)

*Pipe welding and testing completed.
Fiber optic cables installed and
tested. Final backfill ongoing*



2. Barrigada - Airport / Across DMV

Initial piping laid and testing ongoing



3. Barrigada – Near Post Office

Excavating toward Airport



Fuel Pipeline Construction Status

16

4. Nimitz

Initial 100m excavation completed. Cathodic protection ribbon being installed. Excavation continues towards Sinajana.



10. RISK MANAGEMENT & FINANCIAL HEDGING

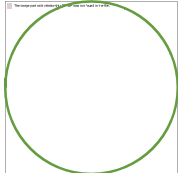


GPA Road Map – Integrated Resource Plan

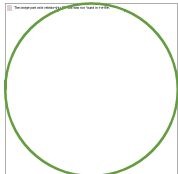
18



Renewables with Energy Storage System (ESS)



Utility-Scale Energy Storage Battery



198MW Combined Cycle – New Efficient Baseload Units



Clean Fuel – Ultra Low-Sulfur Fuel (ULSD), Explore Liquified Natural Gas (LNG)



Compliance – Consent Decree, USEPA Air Quality Standards



Lower bills – Using the renewables and new combined cycle plant to provide efficient and clean energy while resulting in overall lower rate

Risk Management

GPA is active in physical hedging

Physical Hedge

- ☐ Inventory Management
 - 30 to 90 days of storage
 - Acquire more when price is low
 - Reduce days of storage when price is high
- ☐ Fuel suppliers
 - Price is 11 days average of MOPS
- ☐ Renewables
 - 85MW of solar as long term hedge with 1% escalator
 - 40MW ESS
 - Wind
- ☐ Fuel Diversity
 - ULSD or LNG can be used in the new combined cycle plant
- ☐ Demand Side Management
 - Rebates are available for energy efficient appliances which helps consumers reduce energy load and consumption

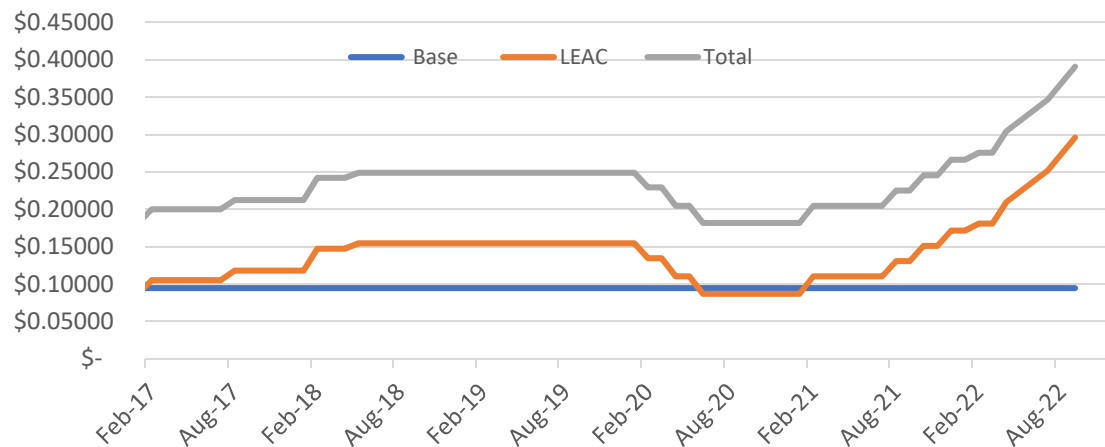


Risk Management (continued)

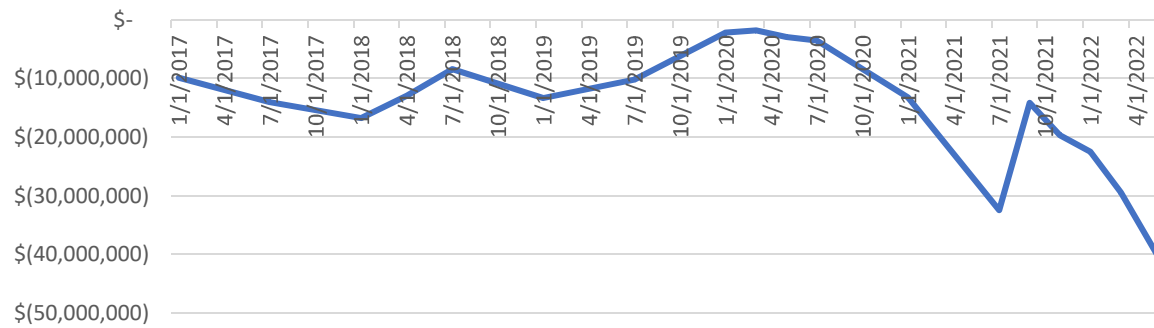
20

Working Capital Fund is used for rate stabilization

Working Capital Fund is being used to defer rate increases when the cost exceeds the existing rate revenue



Under Recovery



Change in Power Generation Required by Consent Decree

21



Piti 8

- Conversion completed and started using ULSD on July 19, 2022.

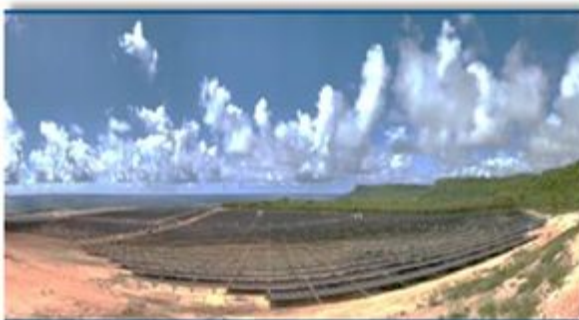
Piti 9

- Conversion to ULSD from July 15th Thru Sept 1st
- Return to service in September 2022



Cabras 1 & 2

- HSRFO (2.0%) - Deliveries stopped April 2022
- LSRFO (1.19%) - Last delivery was on June 2022
- Begin using 0.2% ULSRFO in November 2022.



KEPCO 60 MW solar

- Fully operational on June 18, 2022.
- \$0.085/kWh energy, 141,000,000 kWh annually
- Equivalent to \$52/Bbl. oil price
- Produce equivalent annual energy for 14,000 Average Residential Customers

Financial Hedging

GPA is working with The Energy Authority (TEA) to outsource financial hedging

TEA is a public power-owned, nonprofit corporation with offices in Jacksonville, Florida and Bellevue (Seattle), Washington. They are a national portfolio management company that evaluate challenges, manage risks and execute solutions.

TEA currently works with over 50 public power clients and represent over 30,000 MW of peak demand and 24,000 MW of installed generation capacity across the U.S.

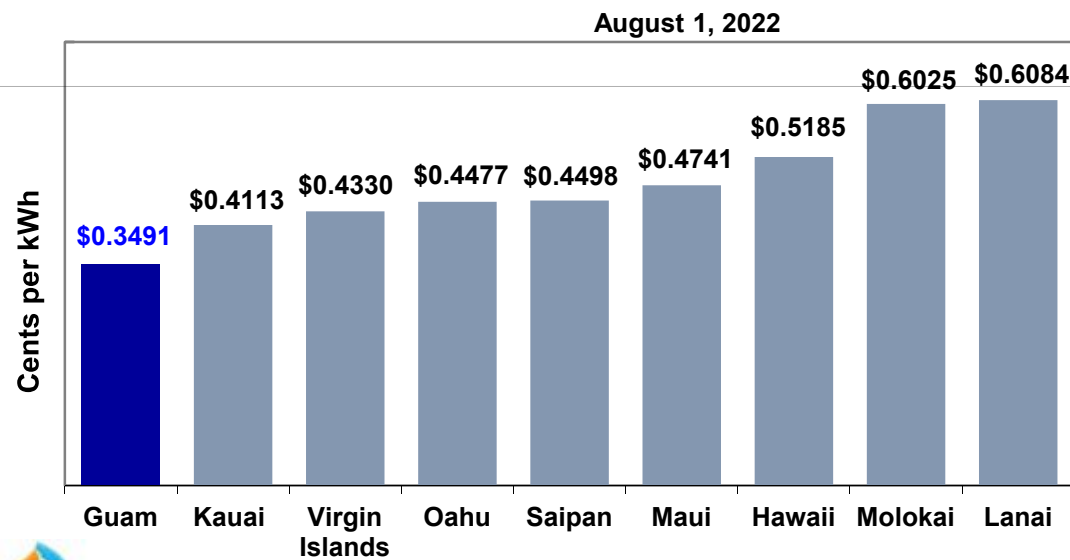
Services provided are:

- Portfolio risk management
- Hedging recommendations and technical analysis
- Risk Reporting and Cash Flow at Risk ("CFaR") modeling
- Daily/Term Trading
- Settlement and invoicing
- Regulatory monitoring and compliance reporting



Regional Rate Comparison

Rate increased for all islands
however Guam remained the
lowest



Notes:

1. Rates for Guam effective July 1, 2022
2. Rates for Saipan effective August 1, 2022
3. Rates for Virgin Islands effective as of March 1, 2022
4. Rates for Kauai effective August 1, 2022
5. Rates for Oahu, Hawaii, Maui, Molokai, Lanai effective August 1, 2022



11. Generation KPIs Update July 2022



Historical Monthly Peak Demand July 2015 - July 2022

COVID 19 Pandemic

PCOR1 - Mar 15, 2020

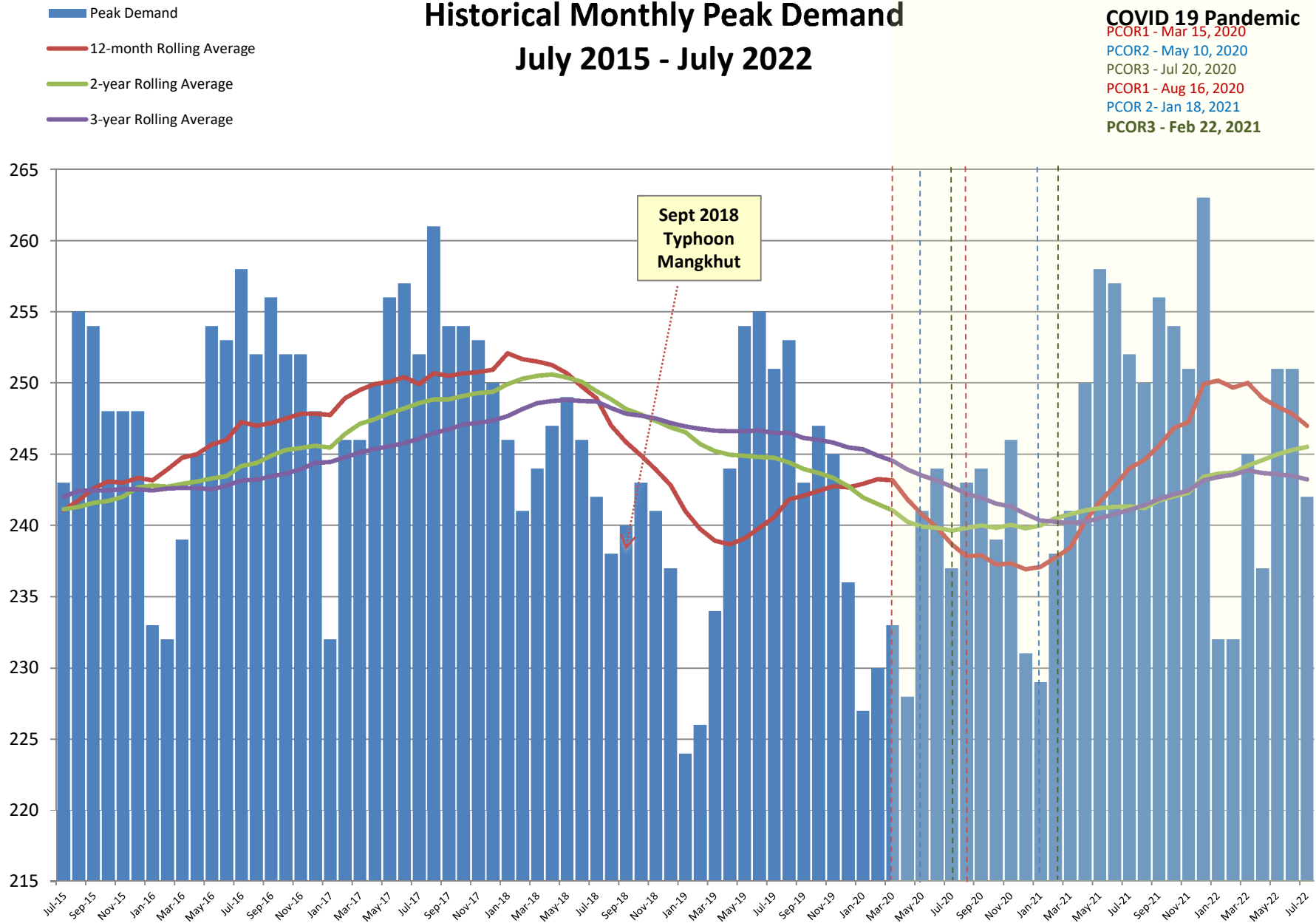
PCOR2 - May 10, 2020

PCOR3 - Jul 20, 2020

PCOR1 - Aug 16, 2020

PCOR 2 - Jan 18, 2021

PCOR3 - Feb 22, 2021



Historical KWH Sales July 2018 - July 2022

COVID 19 Pandemic

PCOR1 - Mar 15, 2020

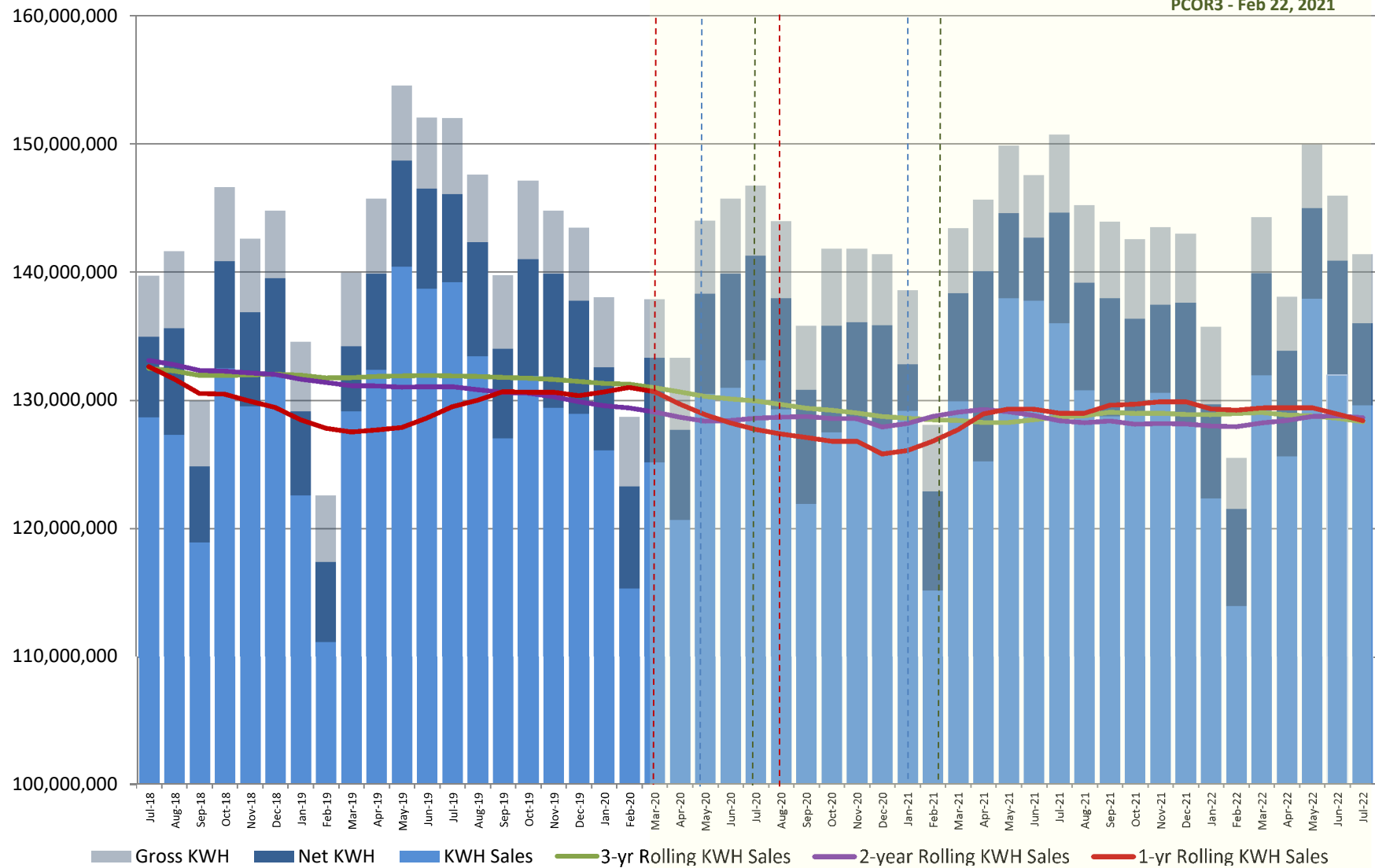
PCOR2 - May 10, 2020

PCOR3 - Jul 20, 2020

PCOR1 - Aug 16, 2020

PCOR2 - Jan 18, 2021

PCOR3 - Feb 22, 2021



Gross and Net Generation (KWH) July 2018 - July 2022

COVID 19 Pandemic

PCOR1 - Mar 15, 2020

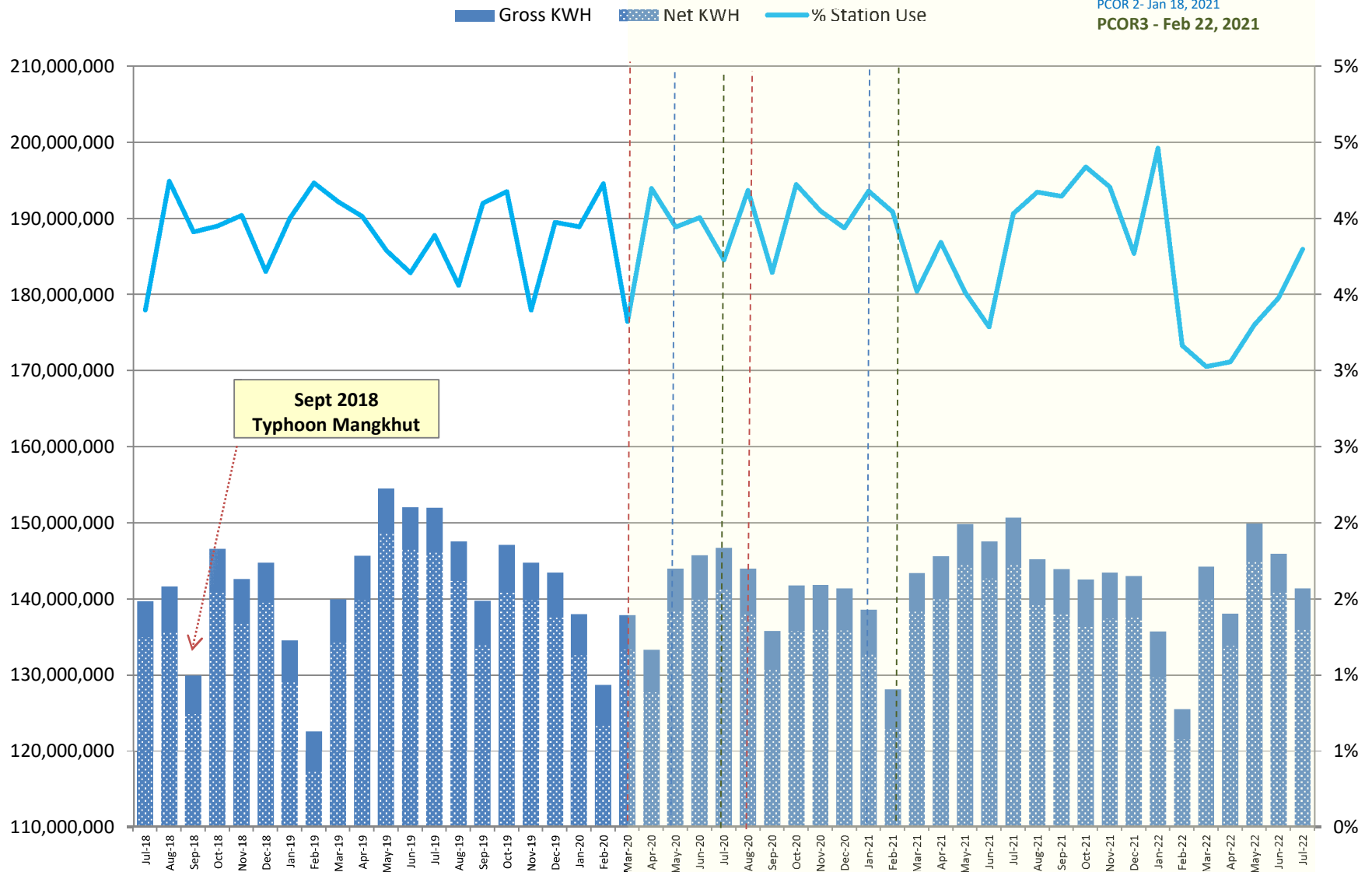
PCOR2 - May 10, 2020

PCOR3 - Jul 20, 2020

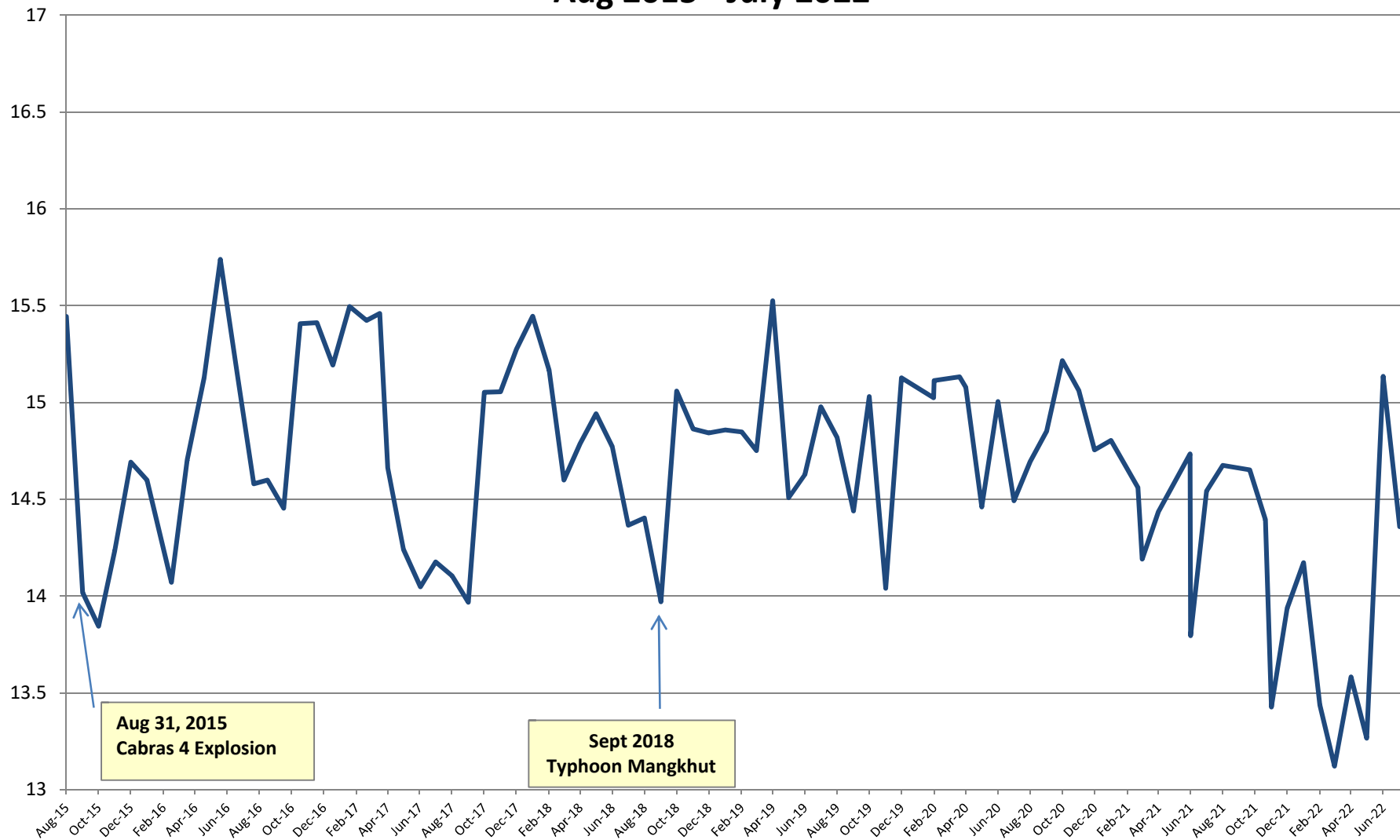
PCOR1 - Aug 16, 2020

PCOR 2- Jan 18, 2021

PCOR3 - Feb 22, 2021



SYSTEM GROSS HEAT RATE (KWH/Gal) Aug 2015 - July 2022



Fuel Cargo and Fuel Consumption Costs (\$/bbl) July 2018 - July 2022

COVID 19 Pandemic

PCOR1 - Mar 15, 2020

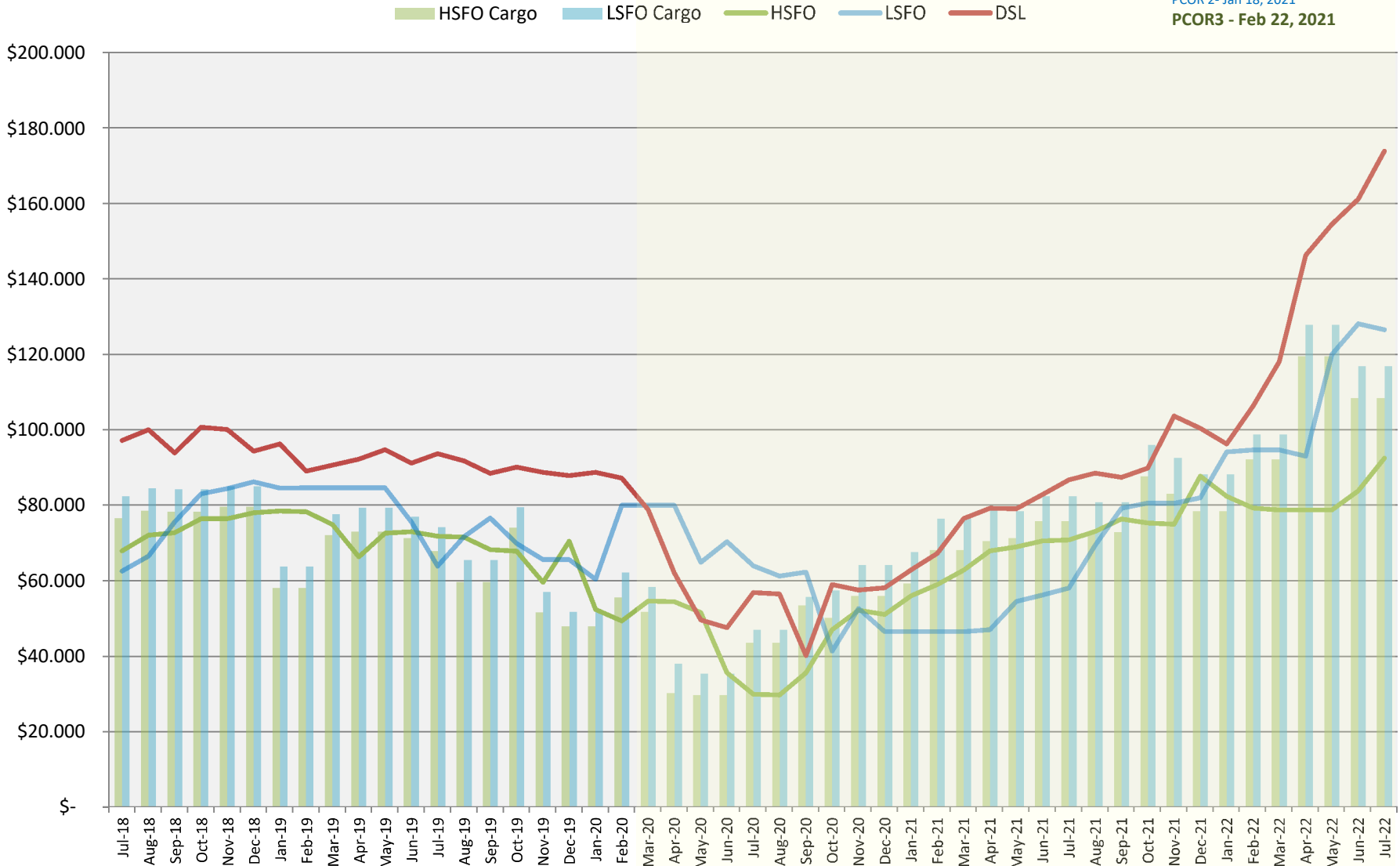
PCOR2 - May 10, 2020

PCOR3 - Jul 20, 2020

PCOR1 - Aug 16, 2020

PCOR2 - Jan 18, 2021

PCOR3 - Feb 22, 2021



CFO

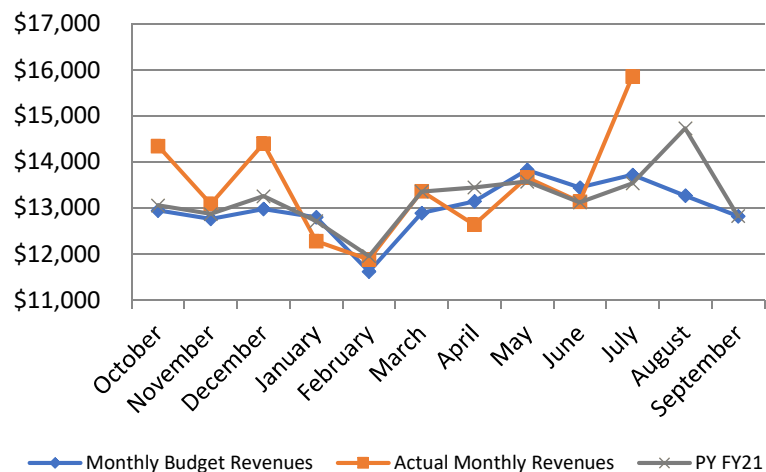
FINANCIAL HIGHLIGHTS

July 2022



July 2022 Monthly Financial Highlights

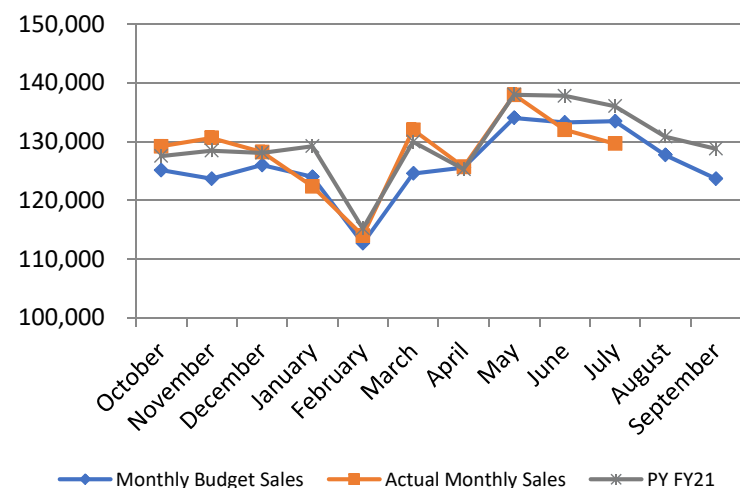
Base Rate Revenue (in '000)



Through July 31, 2022

	Monthly Budget Revenues	Actual Monthly Revenues	Variance		PY FY21	CY vs PY Variance	
October	\$ 12,946	\$ 14,345	\$ 1,400	↑	\$ 13,053	\$ 1,292	↑
November	12,762	13,085	\$ 323	↑	12,869	\$ 216	↑
December	12,975	14,396	\$ 1,421	↑	13,254	\$ 1,143	↑
January	12,796	12,278	\$ (518)	↓	12,712	\$ (434)	↓
February	11,615	11,879	\$ 264	↑	11,954	\$ (75)	↓
March	12,891	13,364	\$ 473	↑	13,357	\$ 7	↑
April	13,142	12,636	\$ (506)	↓	13,444	\$ (808)	↓
May	13,826	13,661	\$ (166)	↓	13,574	\$ 87	↑
June	13,443	13,134	\$ (309)	↓	13,121	13	↑
July	13,719	15,859	\$ 2,140	↑	13,534	2,325	↑
August	13,264				14,729		
September	12,822				12,825		
Total	\$ 156,200	\$ 134,637	\$ 4,523		\$ 158,427	\$ 3,764	

MWH Sales (in 'mWh)



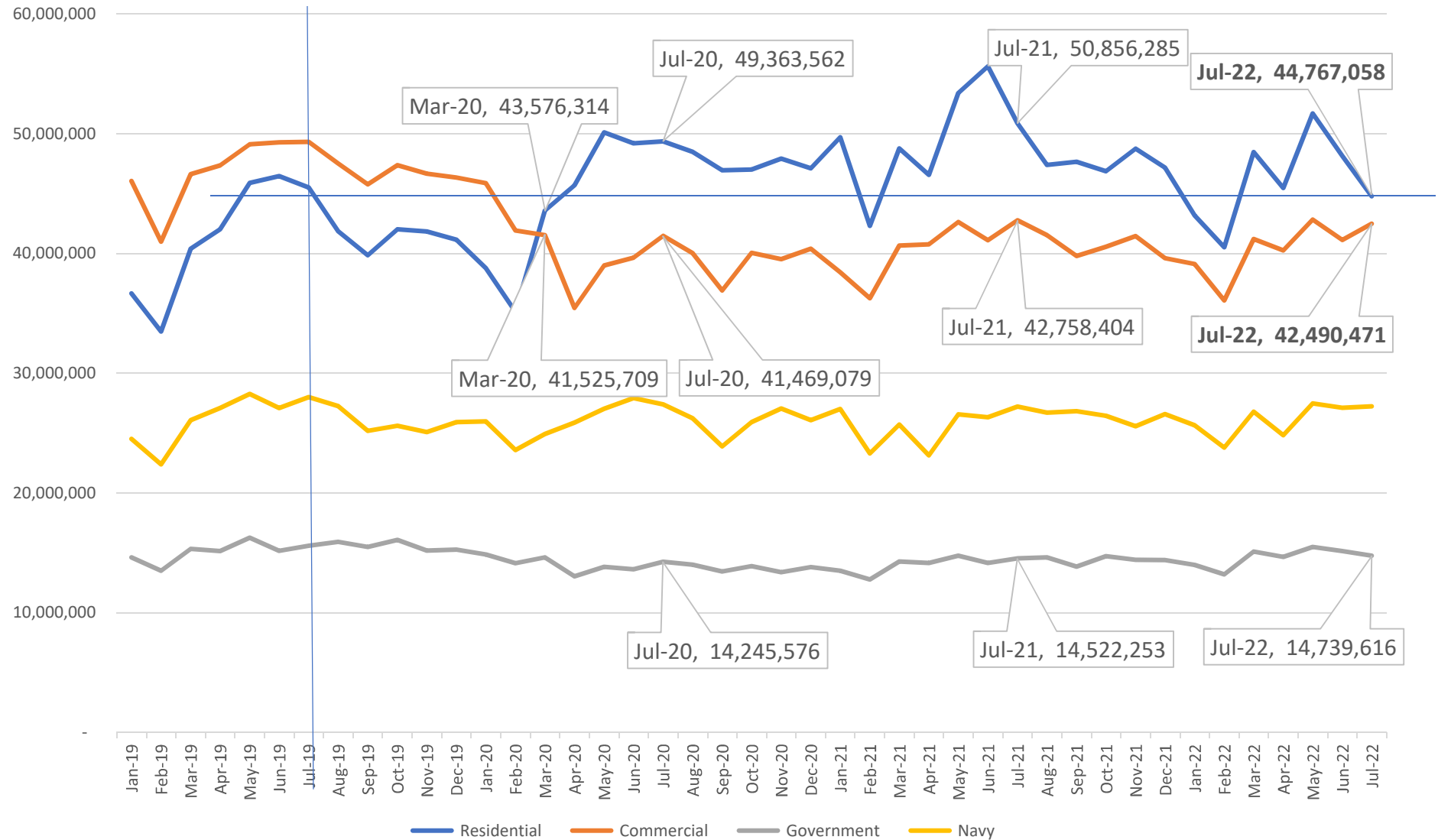
Through July 31, 2022

	Monthly Budget Sales	Actual Monthly Sales	Variance		PY FY21	CY vs PY Variance	
October	125,120	129,175	4,055	↑	127,515	1,660	↑
November	123,655	130,597	6,943	↑	128,440	2,157	↑
December	125,973	128,204	2,231	↑	128,053	152	↑
January	123,970	122,367	(1,603)	↓	129,208	(6,841)	↓
February	112,638	113,980	1,341	↑	115,199	(1,219)	↓
March	124,550	131,984	7,434	↑	129,958	2,026	↑
April	125,540	125,661	121	↑	125,268	393	↑
May	133,995	137,915	3,920	↑	137,960	(45)	↓
June	133,212	131,980	(1,232)	↓	137,774	(5,794)	↓
July	133,451	129,637	(3,814)	↓	136,012	(6,375)	↓
August	127,675				130,812		
September	123,646				128,768		
Total	1,513,425	1,281,500	19,396		1,554,967	(13,887)	



July 2022 Monthly Financial Highlights

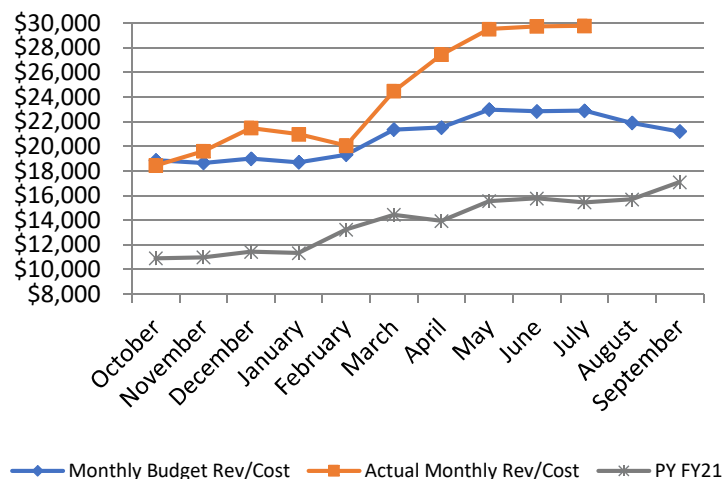
kWh Sales by Rate Class



July 2022 Monthly Financial Highlights (Continued)

4

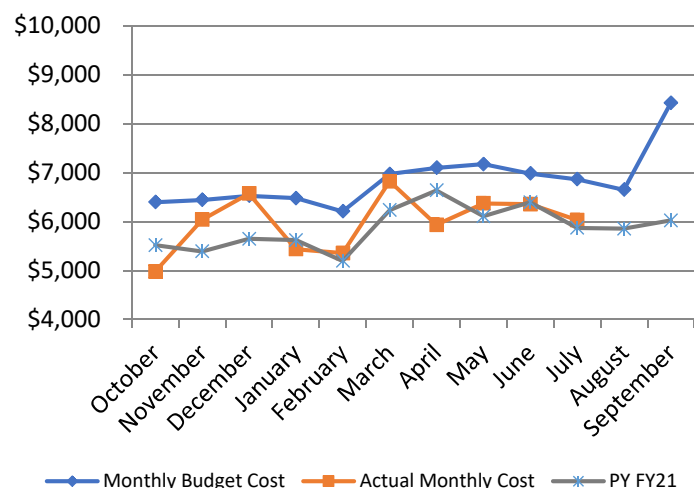
Fuel Revenues (in '000)



Through July 31, 2022

	Monthly Budget \$000 Rev/Cost	Actual Monthly Rev/Cost	Variance		PY FY21	CY vs PY Variance	
October	\$ 18,868	\$ 18,431	(437)	↓	\$ 10,910	7,521	↑
November	18,647	19,600	953	↑	10,984	8,616	↑
December	18,997	21,475	2,479	↑	11,435	10,041	↑
January	18,695	20,978	2,283	↑	11,335	9,643	↑
February	19,313	20,043	731	↑	13,241	6,803	↑
March	21,355	24,465	3,110	↑	14,442	10,023	↑
April	21,525	27,433	5,908	↑	13,932	13,501	↑
May	22,975	29,517	6,542	↑	15,547	13,970	↑
June	22,840	29,731	6,891	↑	15,770	13,961	↑
July	22,881	29,770	6,888	↑	15,446	14,323	↑
August	21,891				15,685		
September	21,200				17,080		
Total	\$ 249,186	\$ 241,444	\$ 35,348		\$ 165,807	\$ 108,402	

O&M Costs (in '000)



Through July 31, 2022

	Monthly Budget \$000 Cost	Actual Monthly Cost	Variance		PY FY21	CY vs PY Variance	
October	\$ 6,394	4,979	1,415	↑	5,515	536	↑
November	6,439	6,039	400	↑	5,389	(650)	↓
December	6,524	6,569	(46)	↓	5,645	(924)	↓
January	6,474	5,434	1,041	↑	5,620	186	↑
February	6,206	5,353	853	↑	5,193	(160)	↓
March	6,969	6,818	150	↑	6,231	(588)	↓
April	7,095	5,931	1,163	↑	6,634	703	↑
May	7,171	6,369	802	↑	6,106	(263)	↓
June	6,978	6,353	625	↑	6,390	37	↑
July	6,863	6,028	835	↑	5,871	(157)	↓
August	6,648				5,852		
September	8,421				6,023		
Total	\$ 82,182	\$ 59,874	\$ 7,239		\$ 70,469	\$ (1,280)	



July 2022 Monthly Financial Highlights (Continued)

5

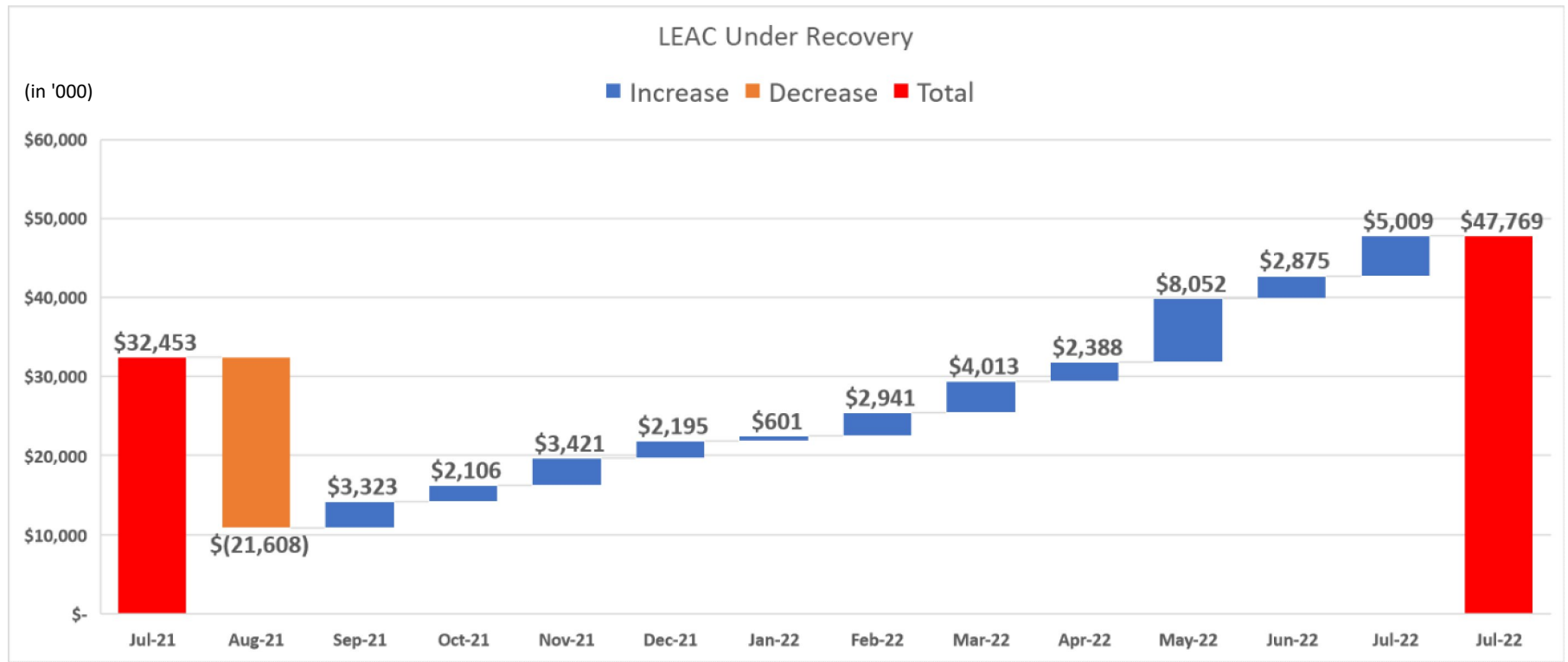
Through January 31, 2022											
	1Q2020	2Q2020	3Q2020	4Q2020	1Q2021	2Q2021	3Q2021	4Q2021	1Q2022	2Q2022	3Q2022
Residential	44,203	44,509	45,069	44,191	44,503	44,575	45,247	45,229	45,224	45,283	45,261
Commercial	5,154	5,352	5,309	5,366	5,301	5,307	5,330	5,336	5,349	5,367	5,368
Government	1,072	1,059	1,061	1,081	1,063	1,060	1,049	1,056	1,069	1,077	1,079
Streetlights	1,135	1,128	1,139	1,132	1,133	1,132	1,132	1,131	1,160	1,158	1,156
Navy	1	1	1	1	1	1	1	1	1	1	1
Total	51,565	52,049	52,579	51,771	52,001	52,075	52,759	52,753	52,803	52,886	52,865

Debt service coverage (DSC) calculation-indenture	2018	2019	2020	2021	2022
Senior lien coverage	2.53	1.78	1.42	1.54	1.66
Debt service coverage (DSC) calculation-IPP as O&M					
Senior lien coverage	1.65	1.46	1.23	1.49	1.66



July 2022 Monthly Financial Highlights (Continued)

6





GUAM POWER AUTHORITY
ATURIDÂT ILEKTRESEDÂT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Issues for Decision

Resolution No. FY2022-27:

AUTHORIZATION THE USE OF GRANT FOR THE ENERGY EFFICIENCY UPGRADES AT UOG SCHOOL OF BUSINESS AND PUBLIC BUILDING PROJECT UNDER SIEMENS CONTRACT

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

To provide energy efficient measures, include LED lighting retrofit, HVAC control retrofit and Solar PV at the UOG School of Business and Public Administration to help in reducing UOG's recurring energy and operational costs and deploying additional renewable power generating assets.

Where is the location?

UOG School of Business and Public Administration (Jesus and Eugenia Leon Guerrero Building)

How much will it cost?

\$1,291,938

When will it be completed?

Scheduled to be completed by December 31, 2023

What is its funding source?

DOI EIC Grant



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

RESOLUTION NO. FY2022-27

**AUTHORIZATING THE USE OF GRANT FOR THE ENERGY EFFICIENCY
UPGRADES AT UNIVERSITY OF GUAM (UOG) SCHOOL OF BUSINESS AND
PUBLIC BUILDING PROJECT UNDER SIEMENS CONTRACT**

WHEREAS, currently GPA has a contract with Siemens as its Utility Energy Services Contract (UESC) partner and as well as large Demand Side Management (DSM); and

WHEREAS, GPA and Siemens have completed the Phase I Investment Grade Audit for University of Guam in which Siemens have recommended implementation of several energy efficiency projects that will improve UOG's infrastructure and operational efficiencies and UOG will realize over \$500,000 in projected savings; and

WHEREAS, UOG has approved implementation of recommended projects and has seek a loan to fund them. Additionally, GPA has applied for grants to help supplement the cost of the projects under the Best Schools Program; and

WHEREAS, GPA was awarded \$1,291,938 grant from DOI to fund one of the projects specifically the Energy Efficiency Upgrades at UOG School of (Jesus & Eugenia Leon Guerrero) Business and Public Building School; and

WHEREAS, the grant is a pass through payment to Siemens and exceeds the GPA General Manager's approval authority.

**NOW, THEREFORE, BE IT RESOLVED, by the CONSOLIDATED COMMISSION
ON UTILITIES, the GOVERNING BODY of the GUAM POWER AUTHORITY as
FOLLOWS:**

1. The CCU authorizes GPA to use the \$1,291,938 DOI grant to fund the Energy Efficiency Upgrades at UOG School of (Jesus & Eugenia Leon Guerrero) Business and Public Building project.

29

30 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption of
31 this Resolution.

32 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 23rd DAY OF**
33 **AUGUST 2022.**

34

35 Certified by:

Attested by:

36

37

38

39 _____
JOSEPH T. DUENAS

MICHAEL T. LIMTIACO

40 Chairperson

Secretary

41 Consolidated Commission on Utilities

Consolidated Commission on Utilities

42

43 **I, Michael T. Limtiaco**, Secretary for the Consolidated Commission on Utilities (CCU), as
44 evidenced by my signature above do certify as follows:

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

49

50 Ayes: _____

51 Nays: _____

52 Absent: _____

53 Abstain: _____

54 _____

55 _____

56 _____

ATTACHMENT A:
EIC (Award) Letter to GPA dated 09/27/2021



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

September 27, 2021

Mr. John M. Benavente, PE
General Manager
Guam Power Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913

Dear Mr. Benavente:

I am pleased to award the Guam Power Authority \$1,446,464 in Fiscal Year 2021 grant funding through the Office of Insular Affairs' Energizing Insular Communities (EIC) program. This funding will be used for high-priority energy projects, as detailed in your EIC grant applications submitted this year. The following grants are awarded:

- \$1,291,938 for energy upgrades at the University of Guam, including LED lighting upgrades, energy-efficient HVAC controls, and solar PV generation, and
- \$154,526 towards LED lighting upgrades at Tamuning Elementary School.

At this time, OIA has exhausted all available resources for the EIC program for FY 2021 and is unable to fund any more projects. Please feel free to contact me directly if you have any questions or concerns. You may also have your staff contact Krystina Alfano by e-mail at Krystina_Alfano@ios.doi.gov or by phone at 202-219-8536 should there be any issues regarding these grants.

Sincerely,

Nikolao Pula
Director
Office of Insular Affairs

GPA UESC Contract:

Siemens Task Summary

	Task Description	Fund Source	Task Cost	Running Total	Status	Annual Projected Energy Saving (KWH)
1	DSM Model House @ UOG Sea Grant Office	GPA - DSM Funds	\$ 12,274	\$ 12,274	Completed	5,789
2	GDOE Feasibility Study & Carbullido Pilot	GPA - Bond Refinancing Savings	\$ 500,000	\$ 512,274	Completed August 2019	6,744
3	GW Lighting Retrofit	Grant (DOI, 2018)	\$ 295,315	\$ 807,589	Completed August 2019	133,171
4	SHS Lighting Retrofit	Grant (DOI, 2018)	\$ 954,685	\$ 1,762,274	Completed August 2019	497,721
5	Guam Energy Office Energy Smart School Grant	DOE Grant (thru GEO)	\$ 61,100	\$ 1,823,374	Completed December 2020	-
6	Maria A. Ulloa Elem. School LED Lighting Retrofit	Grant (DOI, 2019)	\$ 522,616	\$ 2,345,990	Substantially Completed, pending final report and closeout.	73,319
7	Agueda Johnston Middle School LED Lighting	Grant (DOI, 2019)	\$ 586,771	\$ 2,932,761	Completed	128,960
8	Andersen Air Force Base Street & Parking Lighting Upgrade	AAFB Funded	\$ 193,878	\$ 3,126,639	Completed	15,549
9	UOG Investment Grade Audit	UOG Funded	\$ 248,835	\$ 3,375,474	Report completed, UOG preparing financing for proposed project costs totaling \$4.5M for projected savings of \$654K annually.	-
10	UOG energy upgrades including LED lighting upgrades, Water Conservation Measures, Equipment Coatings, Building Envelope Improvements, Vending Misers, and Recommission Existing Solar PV Arrays	UOG Funded	\$4,288,269	\$ 7,663,743	Pending UOG Loan Award	1,363,821
10a	UOG energy upgrades for School of Business and Public Administration, including LED lighting upgrades, energy-efficient HVAC controls, and solar PV generation	Grant (DOI, 2021)	\$1,291,938	\$ 8,955,681	NTP issued.	340,955

11	Tamuning Elementary LED Lighting Retrofit	Grant (DOI, 2021)	\$154,526	\$ 9,110,207	Pending SHPO approval and DOI Authorization to Proceed	82,487
12	Andersen Air Force Base Preliminary Audit	NA	\$ -	\$ 9,110,207	Draft PA provided in March 2022. Presentation to AAFB in April 2022. (9 Energy Conservation Measures, total project costs potentially \$52M & projected \$1.9M savings annually. Further detailed analysis required through an Investment Grade Audit)	-
13	Naval Base Guam Preliminary Audit	NA	\$ -	\$ 9,110,207	Assessment Complete. Document being drafted. Coordinating schedule in September/October 2022 for Navy Presentation.	-

Total: \$ 9,110,207
Grant Funded: \$ 3,866,951
Customer Funded: \$ 442,713
GPA Funded: \$ 512,274

Total Projected Annual KWH Savings: 2,648,516
Total Project Annual KWH Savings (Grant): 1,256,613
Total Project Annual KWH Savings (Customer): -
Total Project Annual KWH Savings (GPA): 12,533

GPA's Bringing Energy Savings To (BEST) ¹

Calculated (Pre-5 intersections)				2020 Billing Period	
Project	Description	Annual Projected Energy Saving (KWH) ²	Projected Annual Cost Savings (\$) ³	Annual Projected Energy Saving (KWH) ⁴	Projected Annual Cost Savings (\$)
1 George Washington High School Lighting Retrofit	Lighting upgrade for ~1488 light fixtures to LED	133,171	\$ 31,961	97,490,549	\$
2 Southern High School Lighting Retrofit	Lighting upgrade for ~4389 light fixtures to LED	497,723	\$ 119,433	343,361,930/972	\$
3 Main Ulen Elementary School Lighting Retrofit	Lighting upgrade for ~1439 light fixtures to LED throughout the school.	73,319	\$ 17,596		
4 Alameda Johnson Middle School Lighting Retrofit	Lighting upgrade for ~2153 light fixtures to LED throughout the school.	126,960	\$ 30,951		

Grant Funded Projects

NOTES:
1. Projected Energy Savings is the calculated lighting energy consumption based on estimate
2. Annual Saving is the projected energy savings multiplied
3. Based on actual meter data from August '19 - November '19 and projected for one year savings. (Full year data was not used since it
4. Based on actual billing information from August '19 - November '19 and projected for one year savings. (Full year data was not used



GUAM POWER AUTHORITY

ATURIDÄT ILEKTRESEDÄT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Issues for Decision

Resolution No. FY2022-28

Relative to Authorizing Management of the Guam Power Authority to implement and complete the turbine exchange for the Macheche Combustion Turbine Power Plant

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

The project's objective is to replace the existing Macheche CT turbine, which has exceeded its safe running hours with a refurbished, low-hours GE certified unit. The project is urgent because the reliability of the Macheche CT is critical to support the demands of the island wide power system.

Where is it at?

Harmon Loop

How much will it cost?

The replacement of the engine is \$3,953,417.60.

When will it be completed?

The engine will be delivered within 100 days with site installation scheduled for 3 weeks.

What is its funding source?

Revenue Funds

The RFP/BID responses:

All services will be provided through TEMES, Inc.

Three bids were received from

Bidder	Total Cost	Exceptions
Field Source-Energy Services	\$5,408,747.49	Not providing liquid fuel/water injection nozzles and manifolds or primary and secondary flow tubes
Trans Canada	\$6,063,055.76	No performance or emission testing provided, no borescope inspection
GTI – Gas Turbine Investments	\$3,953,417.60	No exceptions noted



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

RESOLUTION NO. FY2022-28

AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY TO IMPLEMENT AND COMPLETE THE TURBINE EXCHANGE FOR THE MACHECHE COMBUSTION TURBINE POWER PLANT

WHEREAS, the Macheche Combustion Turbine (CT) power plant was commissioned in 1993 and has been in operation for approximately 29 years; and

WHEREAS, the Macheche CT is used to support peak loads and base load unit outages as well as to respond to the intermittency of solar generation when necessary; and

WHEREAS, the power plant is rated at 22 MW and consists of one GE LM2500 combustion turbine generator with 26,757 operating hours which is beyond the recommended service life of 25,000 hours; and

WHEREAS, the Macheche unit is available but limited in operation to only emergency use; and

WHEREAS, TEMES, the Performance Management Contractor (PMC) for the CT has recommended the replacement of the turbine package with a fully refurbished gas turbine to prevent catastrophic failure caused by extending operations over the maximum run time; and

WHEREAS, TEMES issued a request for bids for this project and 3 bids were submitted for consideration from Field Source-Energy Services, TransCanada Turbine, and Gas Turbine Investments; and

WHEREAS, a GPA/TEMES evaluation committee determined Gas Turbine Investments to be the lowest responsive bidder at a cost of \$3,953,417.60; and

WHEREAS, GPA and the PMC intend to minimize the downtime of the unit, complete the necessary work, and return the unit to service as soon as possible to support the IWPS; and

WHEREAS, GPA has identified revenue funds to support this project; and

WHEREAS, approval is requested to allow the General Manager to petition the PUC to approve the Gas Turbine Exchange project for the Macheche CT.

NOW, THEREFORE, BE IT RESOLVED, by the Consolidated Commission on Utilities, subject to the review and approval of the Public Utilities Commission as follows:

1. The General Manager is authorized an increase in obligating authority in the amount of \$3,953,417.60 to implement and complete the Gas Turbine Exchange project for the Macheche CT through the CT PMC contract with TEMES, Inc.
2. The General Manager is authorized to utilize capital improvement project funds for the Macheche CT Turbine Exchange project.

RESOLVED, that the Chairman of the Commission certifies and the Secretary of the Commission attests the adoption of this Resolution.

DULY AND REGULARLY ADOPTED THIS 23rd DAY OF AUGUST 2022.

Certified by:

Attested by:

JOSEPH T. DUENAS
Chairman
Consolidated Commission on Utilities

MICHAEL T. LIMTIACO
Secretary
Consolidated Commission on Utilities

SECRETARY'S CERTIFICATE

I, MICHAEL T. LIMTIACO, Secretary for the Consolidated Commission on Utilities do hereby certify that the foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of the members of Guam's Consolidated Commission on Utilities, duly and legally held at the meeting place thereof on August, 2022, at which meeting of all said members had due notice and at which at least a majority thereof were present, and

At said meeting said resolution was adopted by the following vote:

Ayes: _____

Nays: _____

Absent: _____

Abstain: _____



GUAM POWER AUTHORITY
ATURIDĀT ILEKTRESEDĀT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Issues for Decision

Resolution No. FY2022-29

RELATIVE TO BOND FINANCING SAVINGS UTILIZATION

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

Guam Power Authority's (GPA) Bond Refunding Program will result in a cumulative debt service reduction of \$10,056,536 from year 2024 to 2034 and a cumulative debt service reduction of \$4,297,438 from year 2031 to 2034. As per Guam PL 36-80, Section 2(h), GPA must notify I Liheslaturan within ninety (90) days of refinancing of its intent and plan regarding the savings achieved from refinancing.

GPA desires to reserve these savings for the benefit of the community by making a strategic investment in Ukudu Power Project. GPA proposes to use the Bond Refunding Program savings towards the capital lease and Operating and Maintenance Expense of Ukudu Power Project.



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

Resolution No. FY2022-29

RELATIVE TO BOND FINANCING SAVINGS UTILIZATION

WHEREAS, Guam Power Authority's (GPA) Bond Refunding Program will result in a cumulative debt service reduction of \$10,056,536 from year 2024 to 2034 and a cumulative debt service reduction of \$4,297,438 from year 2031 to 2034; and

WHEREAS, as per Guam PL 36-80, Section 2(h), GPA must notify I Liheslaturan within ninety (90) days of refinancing of its intent and plan regarding the savings achieved from refinancing; and

WHEREAS, GPA desires to reserve these savings for the benefit of the community by making a strategic investment in Ukudu Power Project; and

WHEREAS, GPA proposes to use the Bond Refunding Program savings towards the capital lease and Operating and Maintenance Expense of Ukudu Power Project; and

NOW, THEREFORE, BE IT RESOLVED, by the CONSOLIDATED COMMISSION ON UTILITIES, the GOVERNING BODY of the GUAM POWER AUTHORITY as FOLLOWS:

1. The CCU authorizes GPA to petition the PUC for approval of using the savings toward the investment of Ukudu Power Project.
2. The CCU authorizes GPA to notify I Liheslaturan in compliance with Public Law 36-80, section 2(h) the decision on this matter.

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

DULY AND REGULARLY ADOPTED AND APPROVED THIS 23RD DAY OF AUGUST 2022.

Certified by:

Attested by:

JOSEPH T. DUENAS

Chairperson

Consolidated Commission on Utilities

MICHAEL T. LIMTIACO

Secretary

Consolidated Commission on Utilities

I, MICHAEL T. LIMTIACO, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by my signature above do certify as follows:

The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular meeting of the members of 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: _____

Bond Refunding

PL 36-80

- Section 2(h) – GPA *shall* notify *Liheslatura* within ninety (90) days of refunding of its intent and plan regarding the savings achieved from refinancing.

Summary of Savings:

Final Refunding Par Amount:	\$ 257,570,000
Final Refunded Par Amount:	\$ 285,795,000
Avg. Annual Cashflow Savings (2024-2030):	\$ 10,056,536
Avg. Annual Cashflow Savings (2031-2034):	\$ 4,297,438
NPV Savings:	\$ 5,772,263
NPV Savings as % of Refunded Par:	2.02%
All-In True Interest Cost:	4.29%

Bond Refunding (Continued)

- Cashflow savings from 2024 to 2034 to be used to offset annual debt service cost of new 198 MW Ukudu power plant.



Management Report
GPWA CCU Board Meeting
August 23, 2022



GWA Workforce availability as of August 10, 2022

Healthy	341	94.7%
Sick, not COVID-19 related	7	1.9%
COVID-19 Quarantined	4	1.1%
Employee with COVID-19, active case	3	0.8%
Military Leave	4	1.1%
LTD	1	0.3%
	360	100%

Total		
Healthy/Reporting for duty at worksite	317	88.1%
Healthy/Reporting for duty - Part Teleworking and Part Reporting for duty at worksite	4	1.1%
Healthy/Reporting for duty - Teleworking	4	1.1%
Healthy on annual leave	16	4.4%
Employee sick - symptoms unrelated to COVID-19	7	1.9%
Military Leave	4	1.1%
Employee diagnosed with COVID-19	3	0.8%
LTD/Workers Comp	1	0.3%
Employee's direct exposure to a household member - COVID-19 confirmed case	2	0.6%
Employee sick - symptoms related to COVID-19	2	0.6%
	360	100.00%

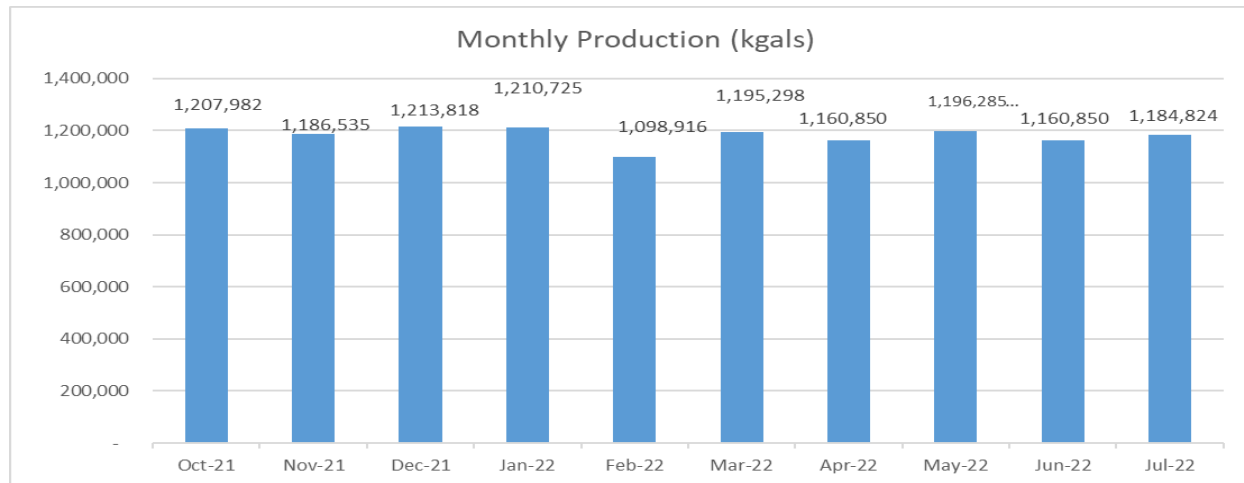
GWA Workforce Vaccine Status as of August 10, 2022

Fully Vaccinated	340	94%
Did Not Receive Shot	20	6%
	360	100%

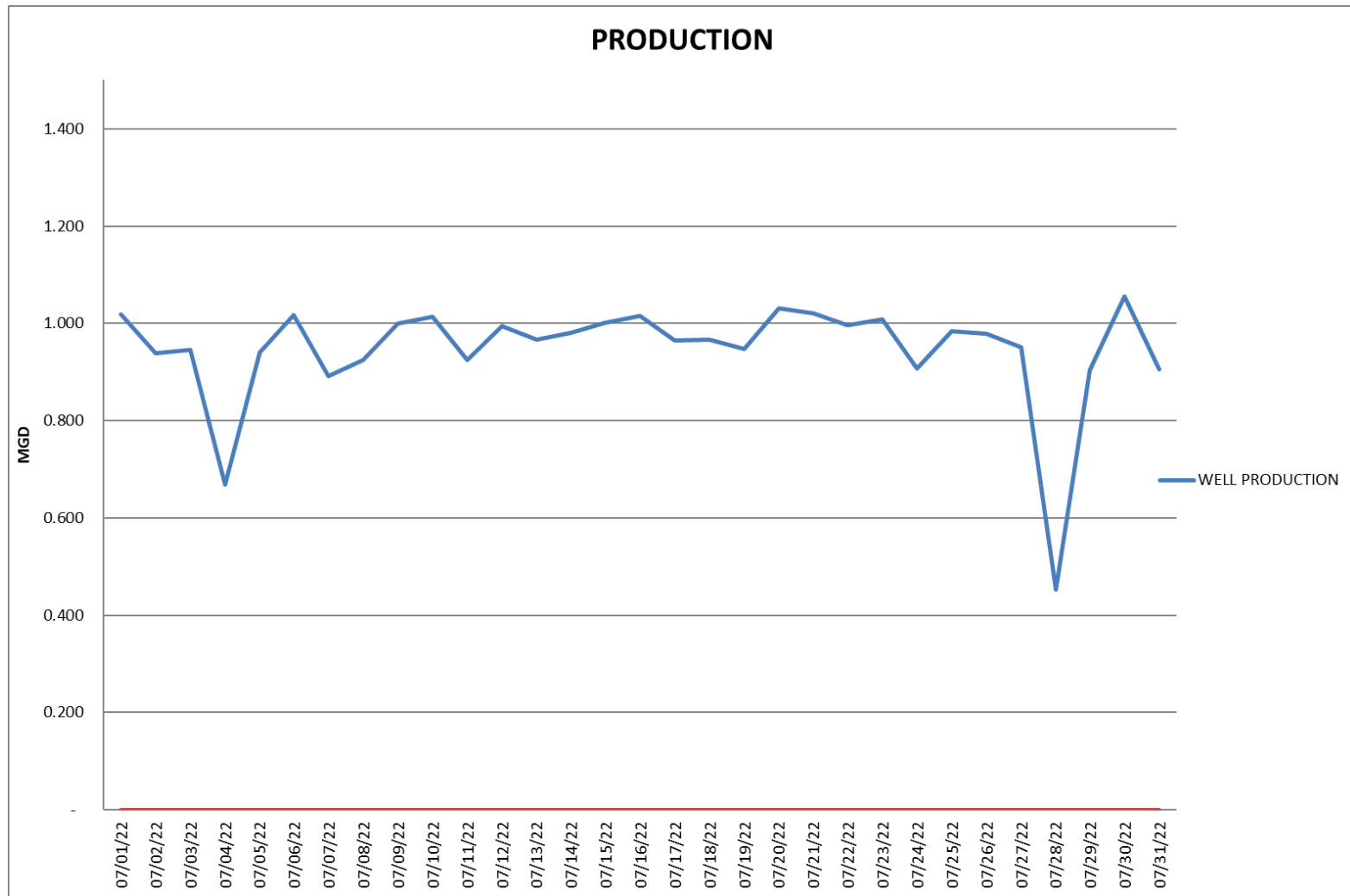
Operations Update

Production (July 2022)

Monthly Production Summary - July 2022					DW Status, July 2022			
Deep Wells					35.0 MGD			
	Active wells =	91	of 120				A26-D01-D03-D06-D10-D14-D28-F02-F10-F13-F15-F20-G501-M06-M12-Y04-Y16-Y19	
	Avg days in operation =	31	days					
	Total Production =	1,083,974	Kgals					
Springs					0.16 MGD			
	Avg days in operation =	31	days				A02-A07-A28-A29-D05-D13-M14-MJ01-MJ05	
	Total Production =	5044	Kgals					
Ugum Surface Water Plant					2.1 MGD			
	Avg days in operation =	31	days					
	Total Production =	66,492	Kgals				A23-A25	
Tumon Maui Well					0.95 MGD			
	Avg days in operation =	31	days					
	Total Production =	29,314	Kgals					
1,184,824 Kgals					38.2 MGD			

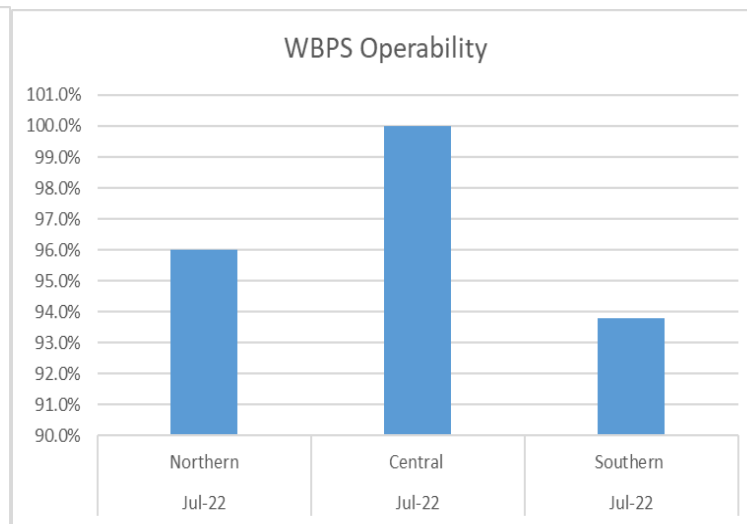
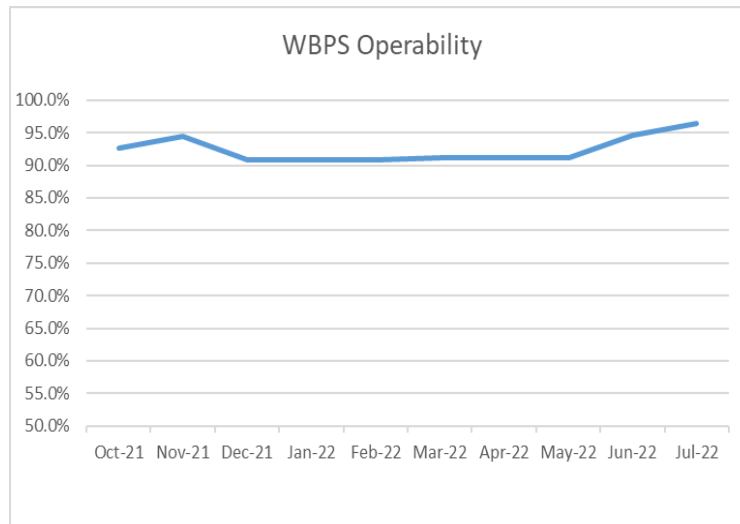


Tumon Maui Well Production (July 2022)

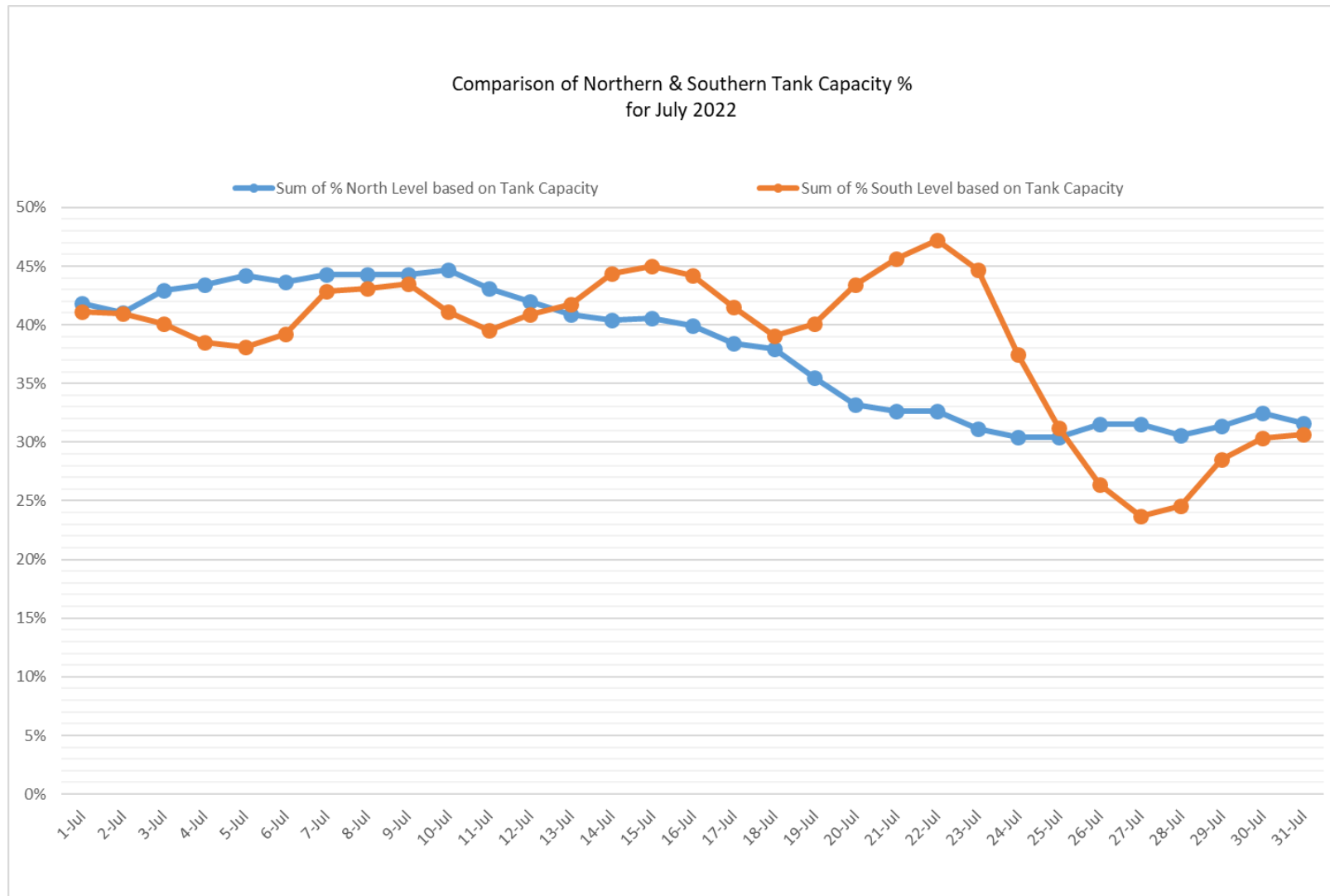


Distribution (July 2022)

Monthly Distribution Summary - July 2022					
Water Booster Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	13	25	24	96.0%
	Central	7	15	15	100.0%
	Southern	7	16	15	93.8%
		27	56	54	96.4%

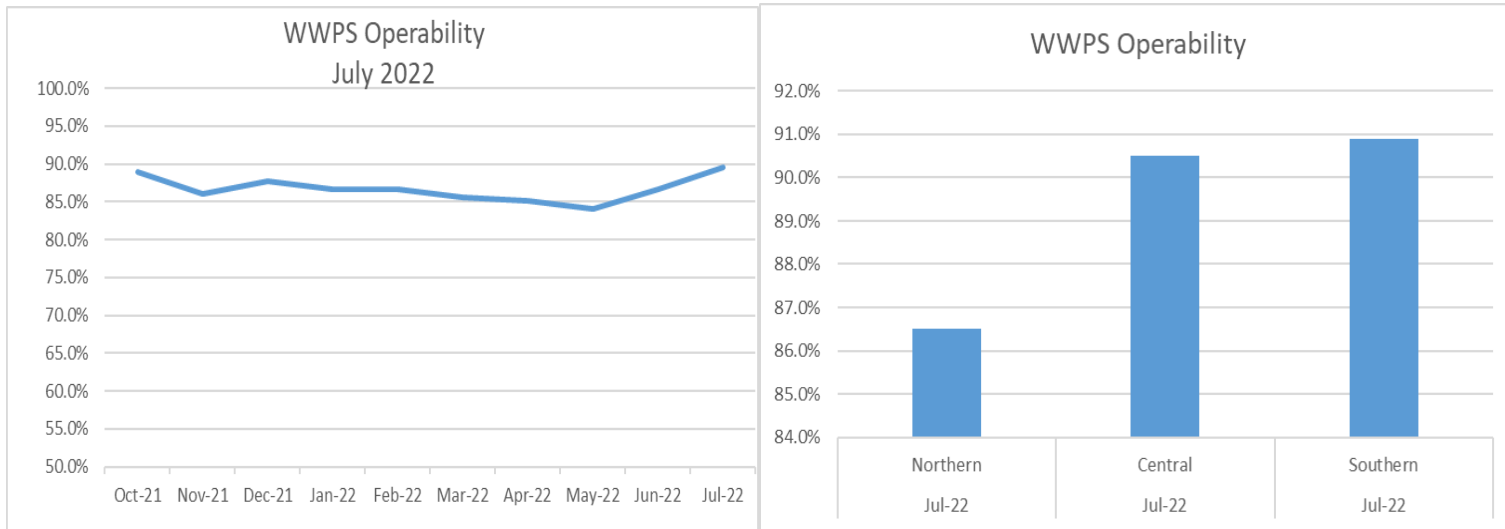


Distribution – Tank Levels (July 2022)

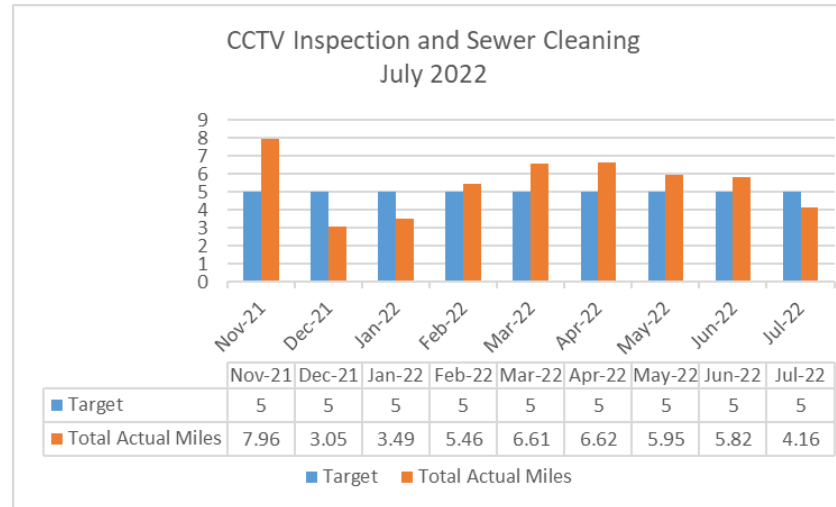


Wastewater Collections (July 2022)

Monthly Collections Summary - July 2022					
Wastewater Pump Stations					
	District	No. of Stations	Total Pumps	Pumps Operating	% Operational
	Northern	22	52	45	86.5%
	Central	29	63	57	90.5%
	Southern	31	66	60	90.9%
		82	181	162	89.5%

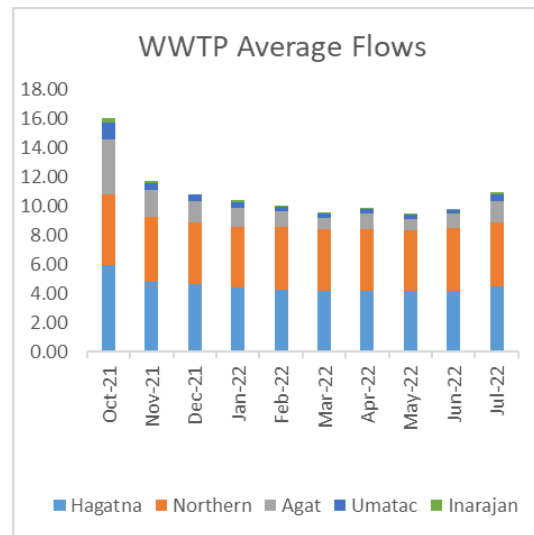


Wastewater Collections - CCTV (July 2022)



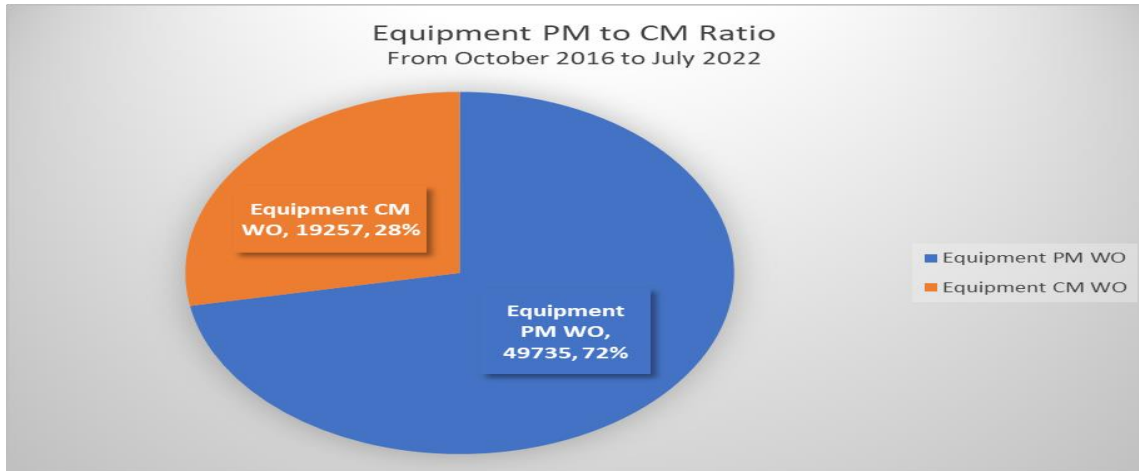
Wastewater Treatment (July 2022)

Monthly Wastewater Treatment Summary - July 2022				
WW Treatment Plants - Flows				
	Facility	Avg. Daily Flows	Sludge (lbs)	Sludge Disp. (\$)
	Hagatna	4.50	237,600	\$ 21,384
	Northern	4.38	363,380	\$ 32,704
	Agat	1.47	69,420	\$ 6,248
	Umatac	0.49		
	Inarajan	0.13		
		10.97	670,400	\$ 60,336

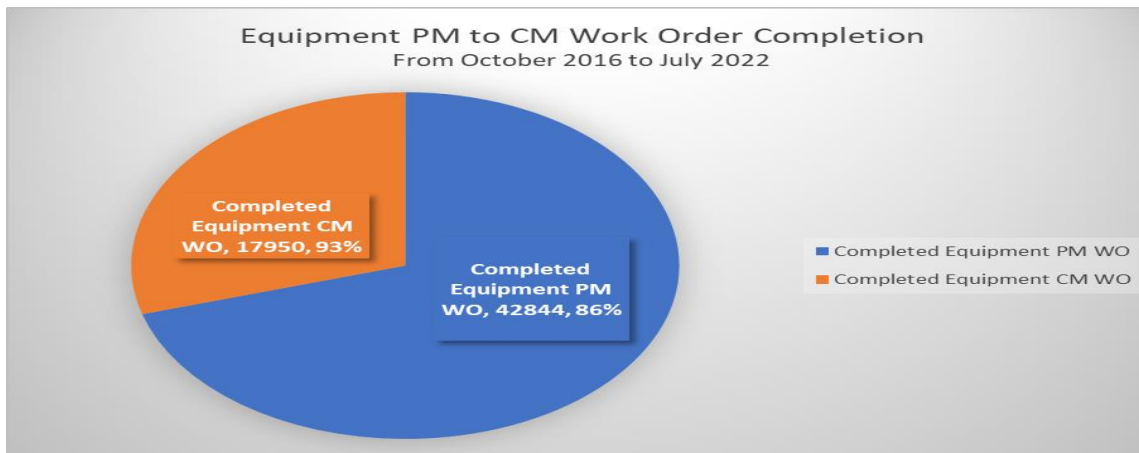


Asset Management (through July 2022)

I. Equipment Preventive Maintenance to Corrective Maintenance *Ratio*

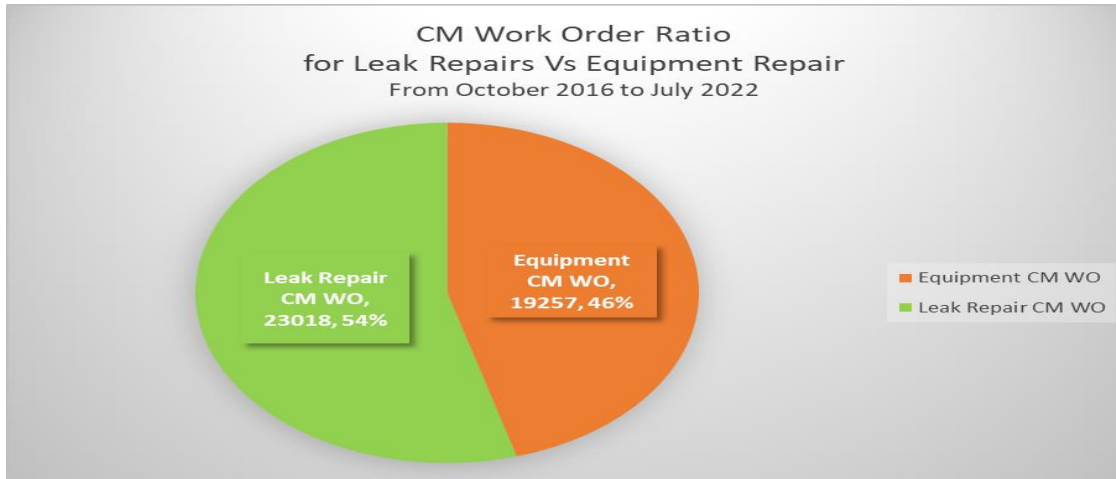


II. Equipment Preventive Maintenance to Corrective Maintenance *Work Order Completion*

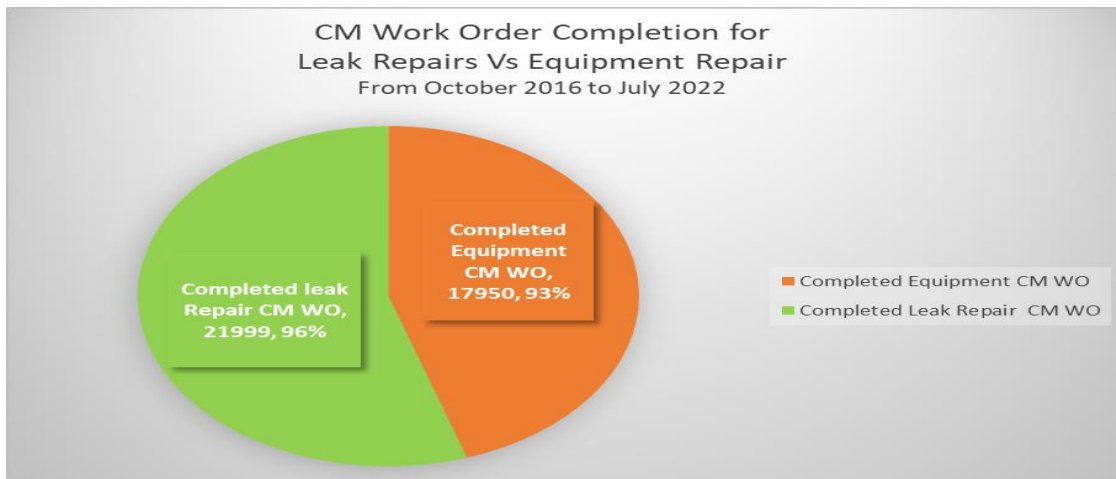


Asset Management (through July 2022)

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



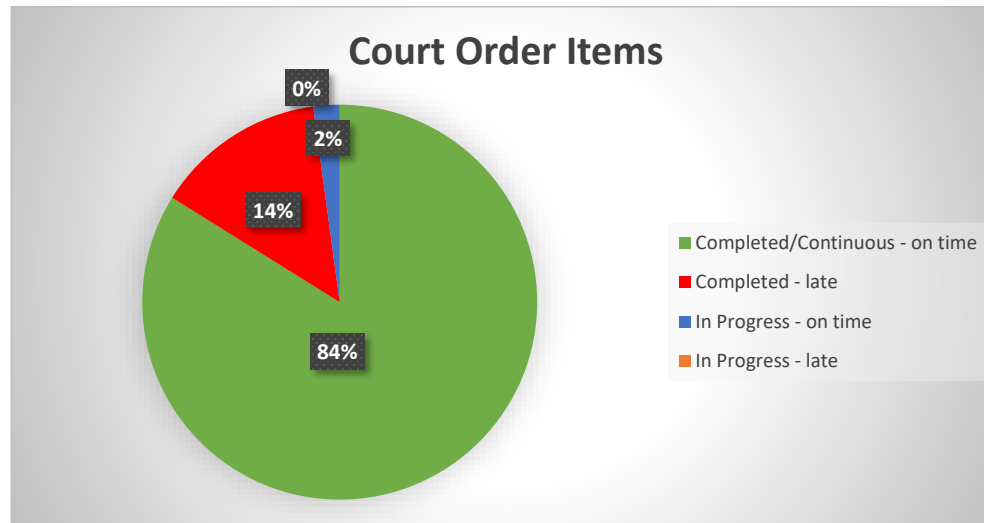
IV. Corrective Maintenance Work Order **Completion** for Leak Repairs vs. Equipment Repair



One Guam Update (through July 2022)

- **01-TMW**
 - Next Inspection will be August 18, 2022
- **02-AG-1**
 - GWA is waiting for the Grant of Easement - being routed for signature with Andersen Environmental.
- **04-OEA Projects - Observation Wells/NGLA**
 - New Wells Drilling Status- Yigo well drilling is going very well. Drilling reach 650 feet.
 - Outstanding: Northwest Field, Andersen and NCSF1 and rehab EX-8. (7 new & 2 rehab)
- **30-Other**
 - GWA WW Collection System Easement Request for Marbo Property
 - GWA is waiting on response from DOD regarding next steps for approval of easement
 - DoD Water Line Status – Two Lovers' Point Road / GWA interested in an interconnect as Redundancy for NDWWTP
 - Pending response from GPA

Court Order Summary (July 2022 – 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 2022)

No CO delays due to approval of CO extension.

- Final Date to complete CO 29(b) is June 30, 2023.
- Overflow or Bypass events reported to USEPA (through July 27, 2022):
 - July 1, 2022, SSO#653, E&L Laundromat, Chalan Canton Tasi, Yona – FOG
 - July 5, 2022, SSO#654, E&L Laundromat, Chalan Canton Tasi, Yona – Debris
 - July 7, 2022, SSO#659, Harmon Pump Station, Rojas Drive, Harmon - Pump Station Failure-due to power fluctuation
 - July 21, 2022, SSO#666, Mamajanao Pump Station – Pump Station Failure-defective switch
 - July 25, 2022, SSO#667, Mendioka Street, Harmon – FOG
 - July 27, 2022, SSO#669, Southern Link Pump Station – Pump Station Failure-due to power fluctuation
 - July 27, 2022, SSO#672, Aga Street, Santa Rita – Hydraulic Capacity-due to heavy rain

Land Acquisition Summary (through July 2022 – no changes)

GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
Tanks	Astumbo	Gov't. - CLTC	Petition of Land Registration package forwarded to Attorney General by DLM 11/04/19. AG pending court filing 06/30/2021. Follow up status sent to DLM on 09/02/2021, 10/06/2021, 11/03/2021, 01/27/2022, 03/04/2022, 05/12/2022 and 07/07/2022.
	Piti	Private	Received final comments from DoAg. Waiting on the archaeological report before we can submit 299 form. Waiting for permission from NPS to access the lot and perform the Archeological survey.
Deep Wells	AG-12	Dept. of Agriculture / Manhita Farms	Right of Entry Agreement sent to Dept of AG for signature 05/24/18. 2 nd follow up sent on 09/12/18. 3 rd follow up sent on 04/10/19. Retracement Survey Property Map filed and recorded at DLM 7/10/19. DCA submitted parceling map to DLM for review and comments on August 18, 2021, waiting for their review comments. ROE Agreement information sent to GWA legal counsel for further review and processing 01/28/2022; Follow up status sent to DCA 03/04/2022 and 07/07/2022.
Booster Pump Station	Agfayan	Private	TGE working on structural design for pump station area for L28, B19, T3734, Inalahan 11/07/19. Letter of Decision received by CLTC 06/09/2021. CLTC has responded for in-kind service letter 10/08/2021. 1 st Appraisal Report submitted to GWA on 05/11/2022.

(Continued on next page)

Land Acquisition Summary (through July 2022 – no changes - continuation)

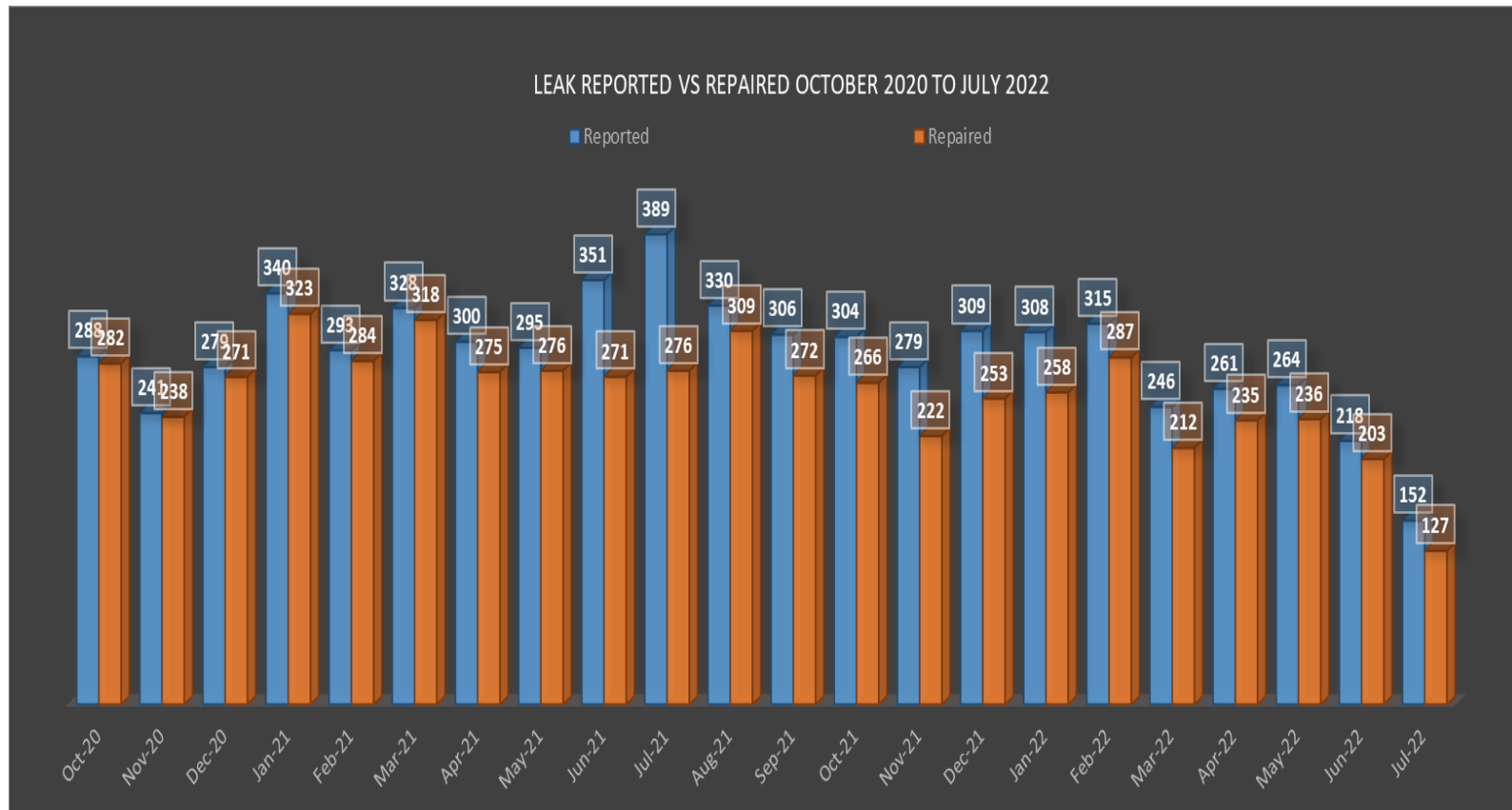
GWA Facility	Location	Gov. or Private Property	Land Acquisition Status
Asan Springs	Asan	Federal	<p>In order for NPS to issue a land ROW agreement with GWA, NPS has to complete NEPA first. GWA has HDR under contract to perform this work and an Environmental Assessment (EA) will be developed. The permit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

(Continued on next page)

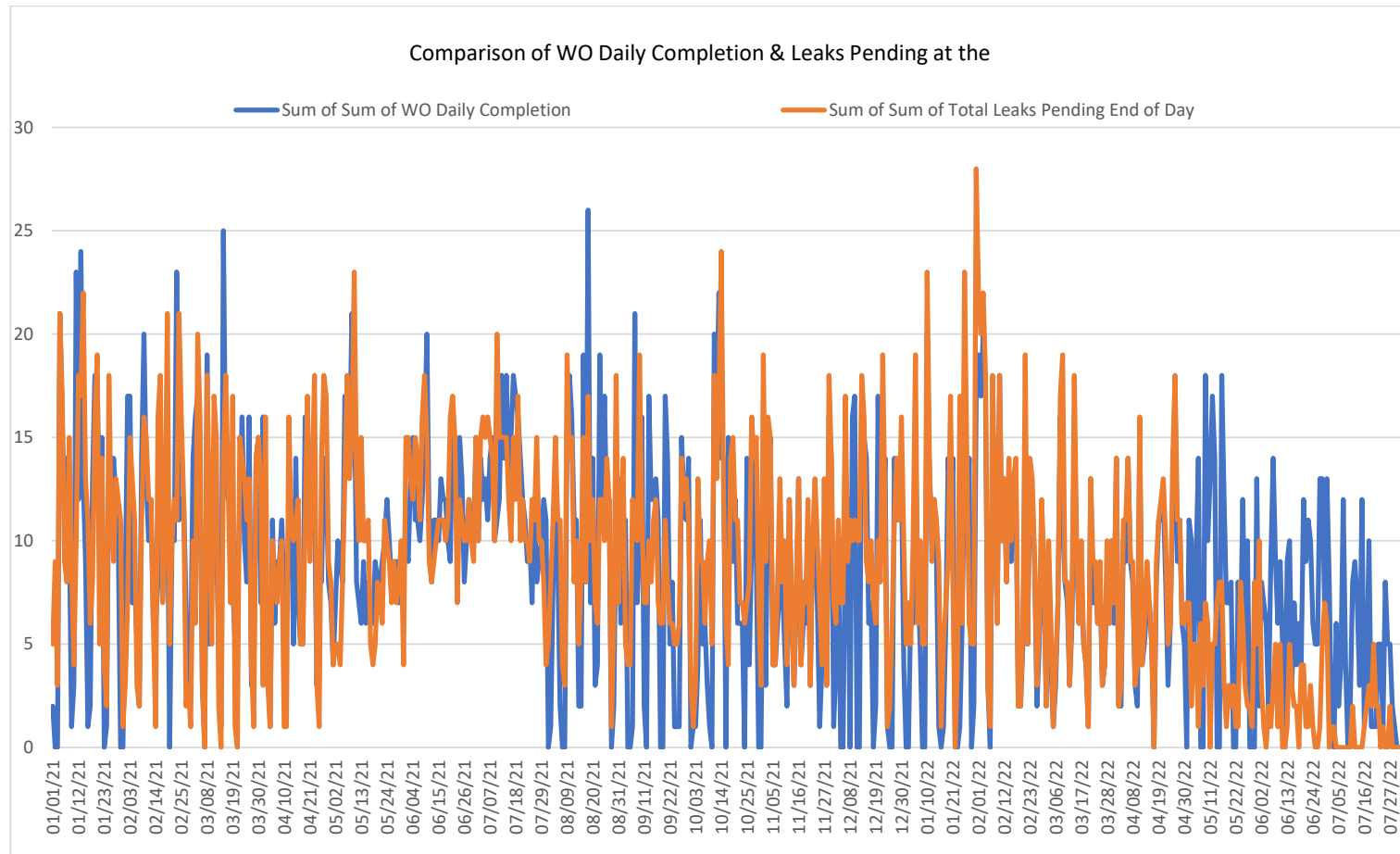
Land Acquisition Summary (through July 2022 – no changes – continuation)

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

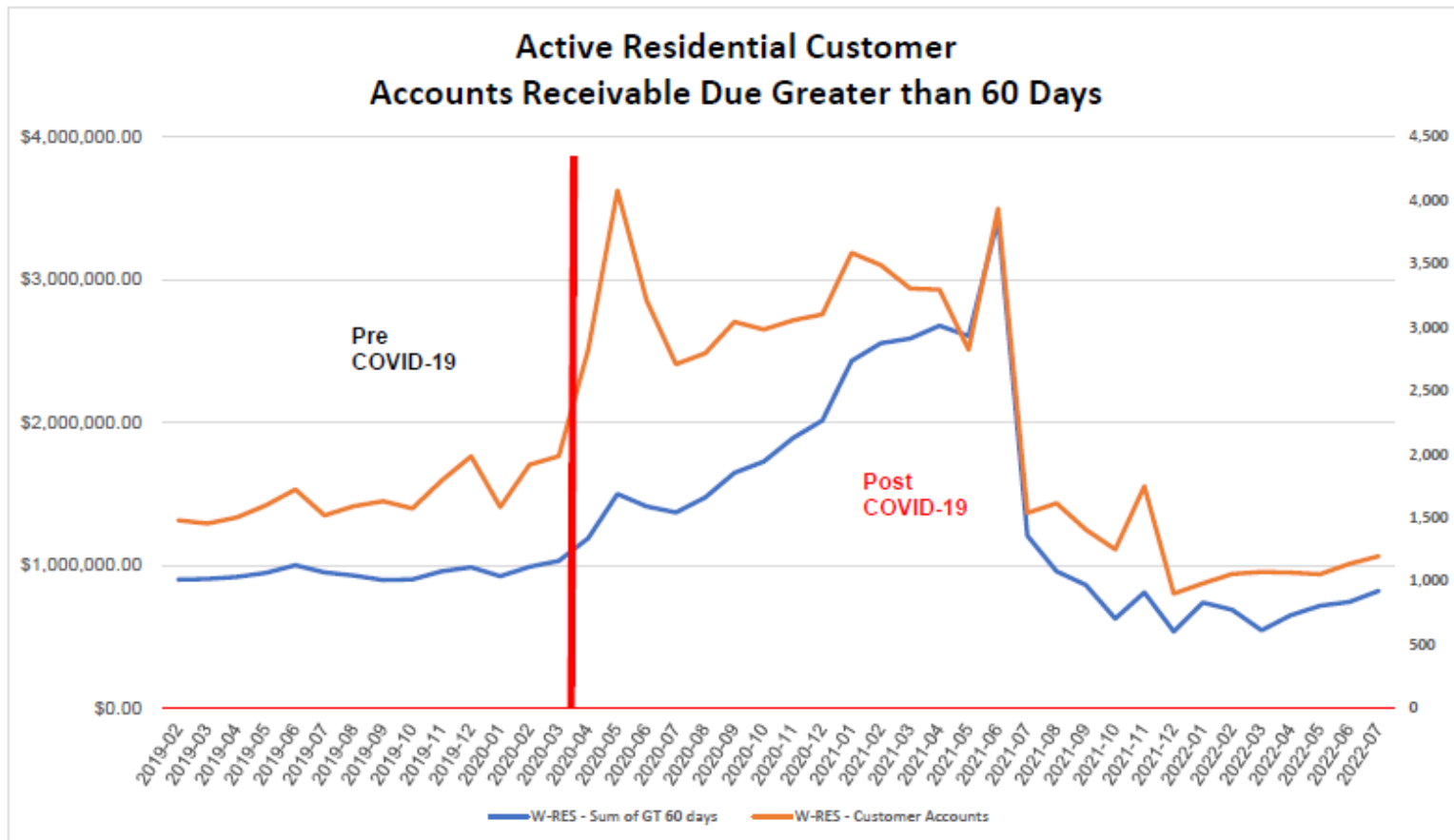
Comparison of Leaks Reported vs. Leaks Repaired (through July 2022)



Daily Leak Repairs (through July 2022)

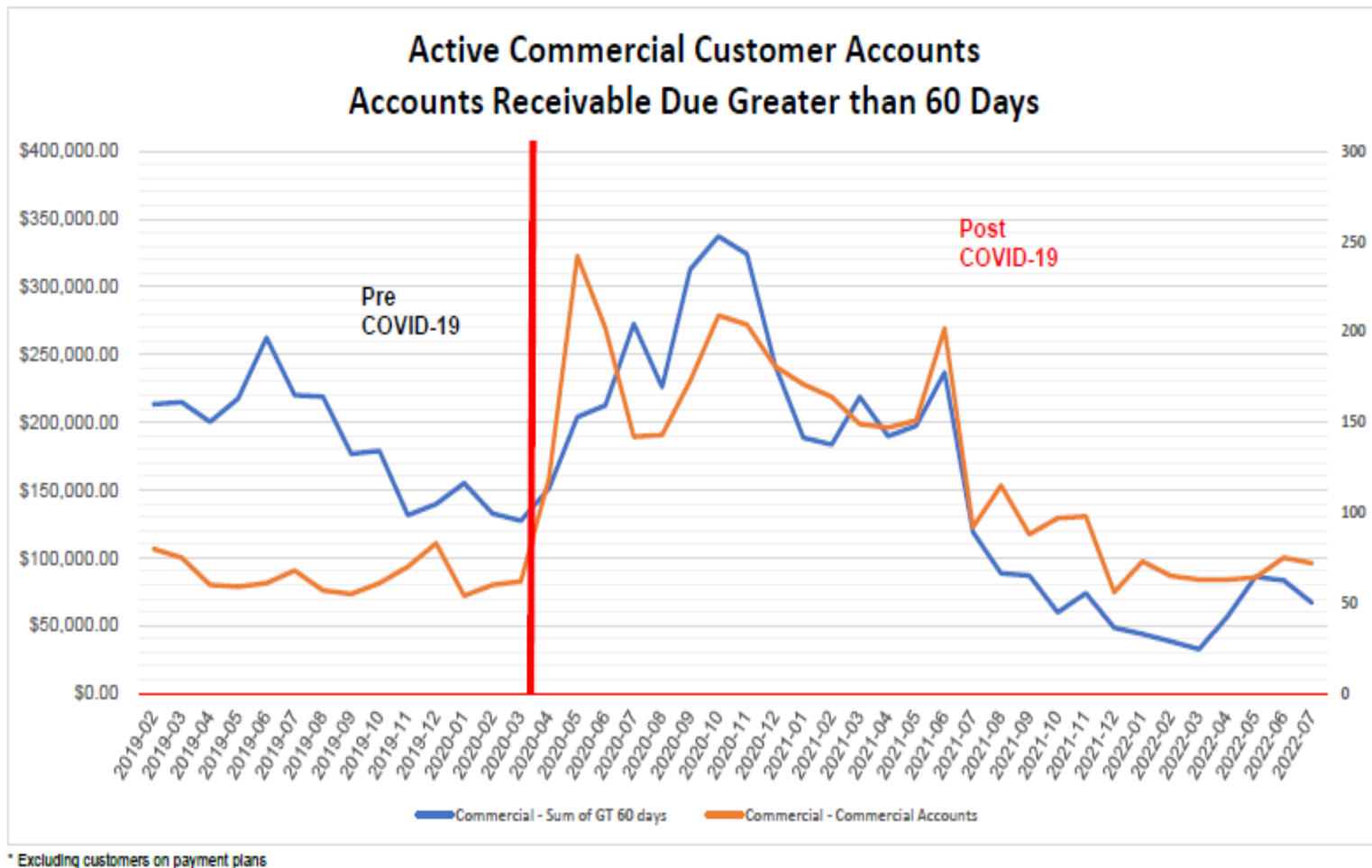


Accounts Receivables – Active Residential Customers (through July 2022)



* Excluding customers on payment plans

Accounts Receivables – Active Commercial Customers (through July 2022)





GWA Financial Overview

JULY 2022





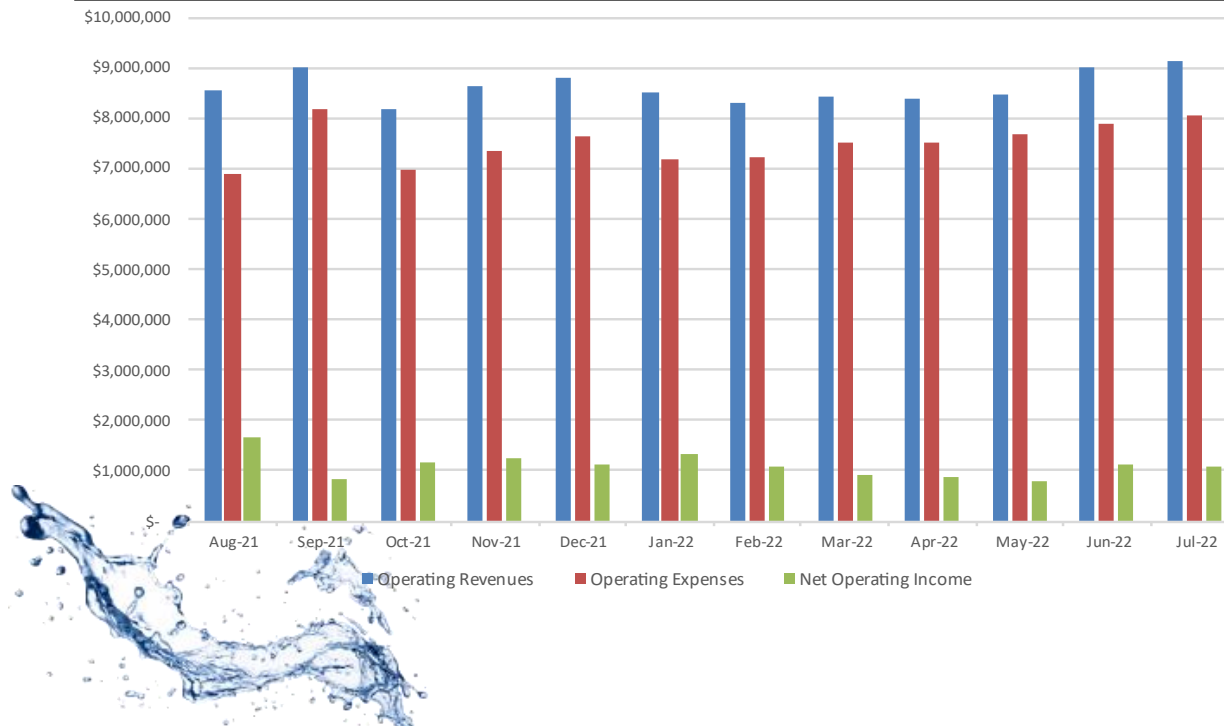
Key Financial Indicators

Indicator	Target	May-22	Jun-22	Jul-22
DSC YTD				
• Per Section 6.12 of Indenture	1.25	1.25	1.26	1.29
• Per PUC / CCU	1.40	1.25	1.26	1.29
Days – Cash on Hand	120 days	262 days	276 days	275 days
Collection Ratio				
• Month to Date	99%	94%	109%	82%
• Year to Date	99%	97%	98%	97%
Days Billed	30 days	29 days	30 days	32 days
Account Receivable Days	30 days	40 days	39 days	41 days
Account Payable Days	45 days	35 days	30 days	32 days
Employee Count	400 FTE	361 FTE	361 FTE	360 FTE
Water Demand				
• Month to Date	478,754	433,696	442,382	461,729
• Year to Date	4,787,542	3,499,841	3,942,223	4,403,952
Wastewater Flow				
• Month to Date	356,472	323,197	311,387	330,255
• Year to Date	3,564,723	2,554,170	2,865,557	3,195,014
Water Customers	42,839	43,320	43,281	43,420
Wastewater Customers	29,805	31,157	30,552	30,745





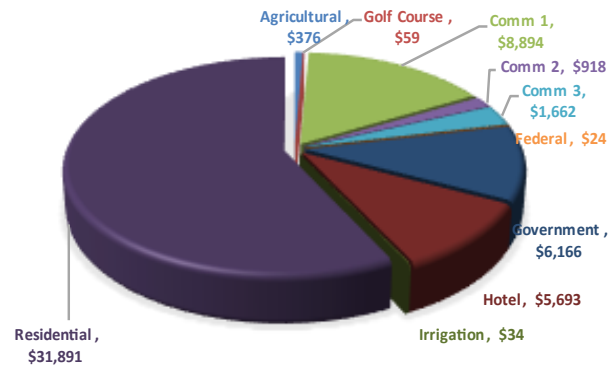
Income Statement



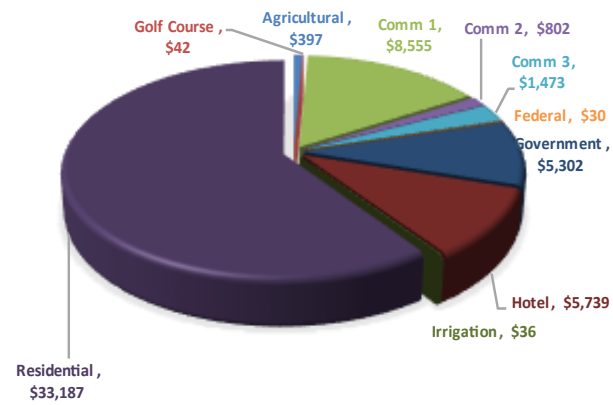


JULY 2022 YTD Water Revenue by Rate Class

FISCAL YEAR 2022 (in '000)

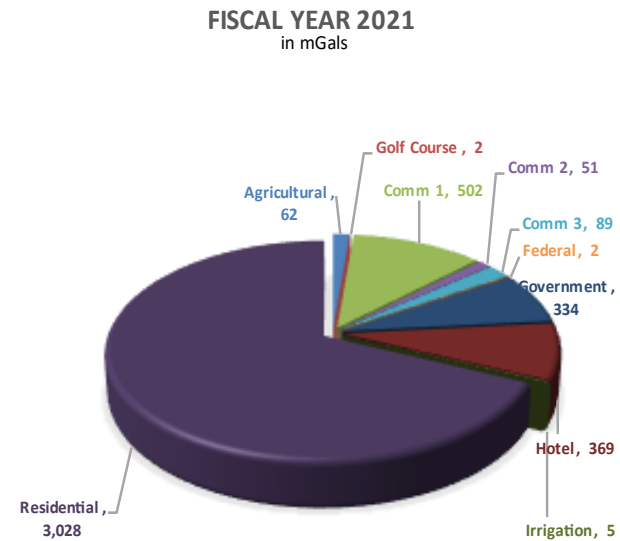
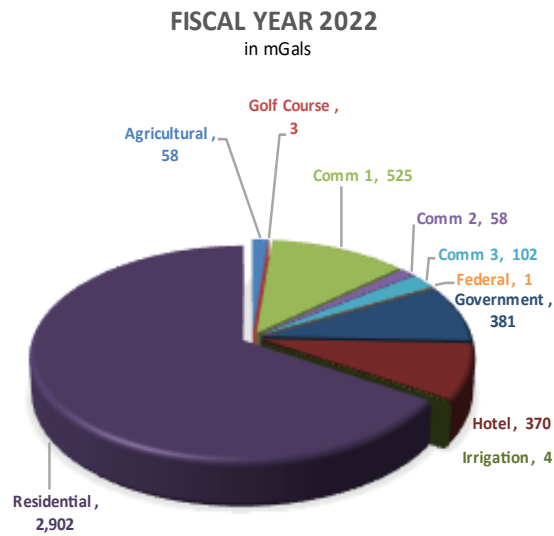


FISCAL YEAR 2021 (in '000)





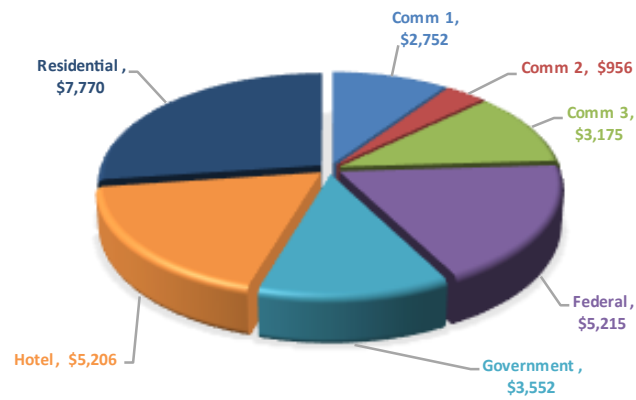
JULY 2022 YTD Demand



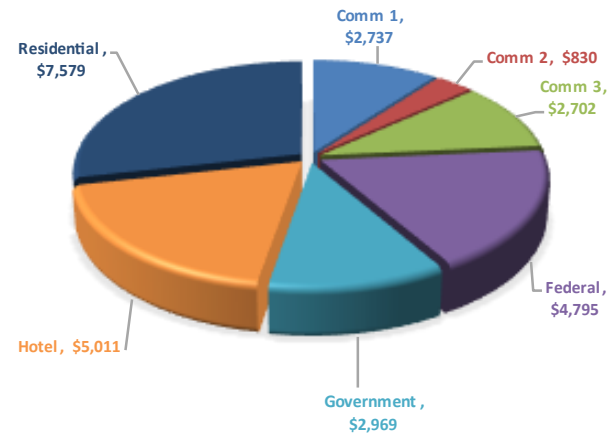


JULY 2022 YTD Waste Water Revenue by Rate Class

FISCAL YEAR 2022 (in '000)

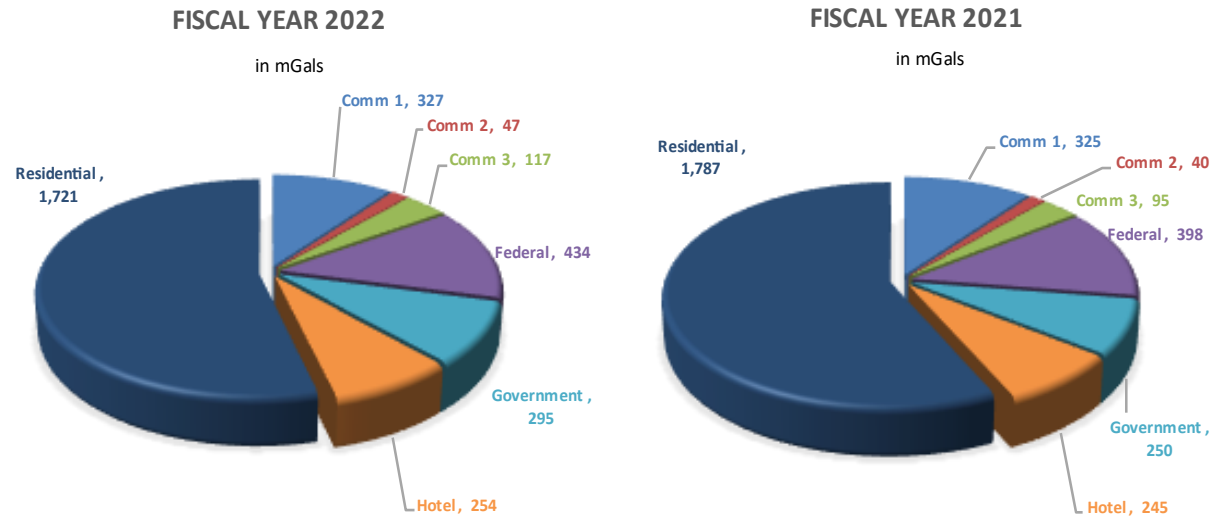


FISCAL YEAR 2021 (in '000)



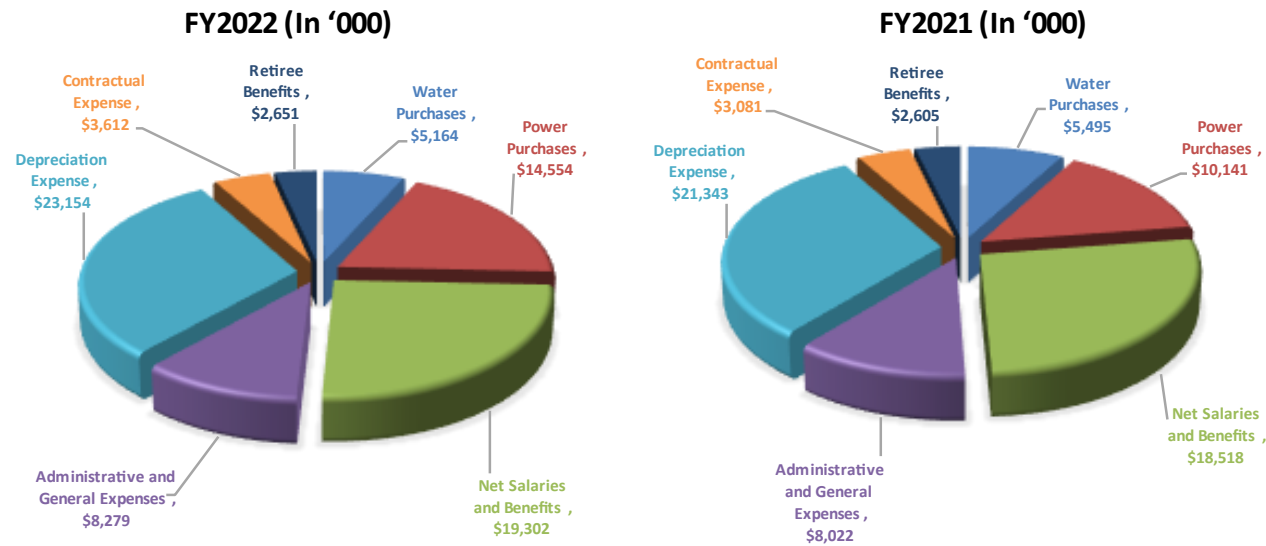


JULY 2022 YTD Flow



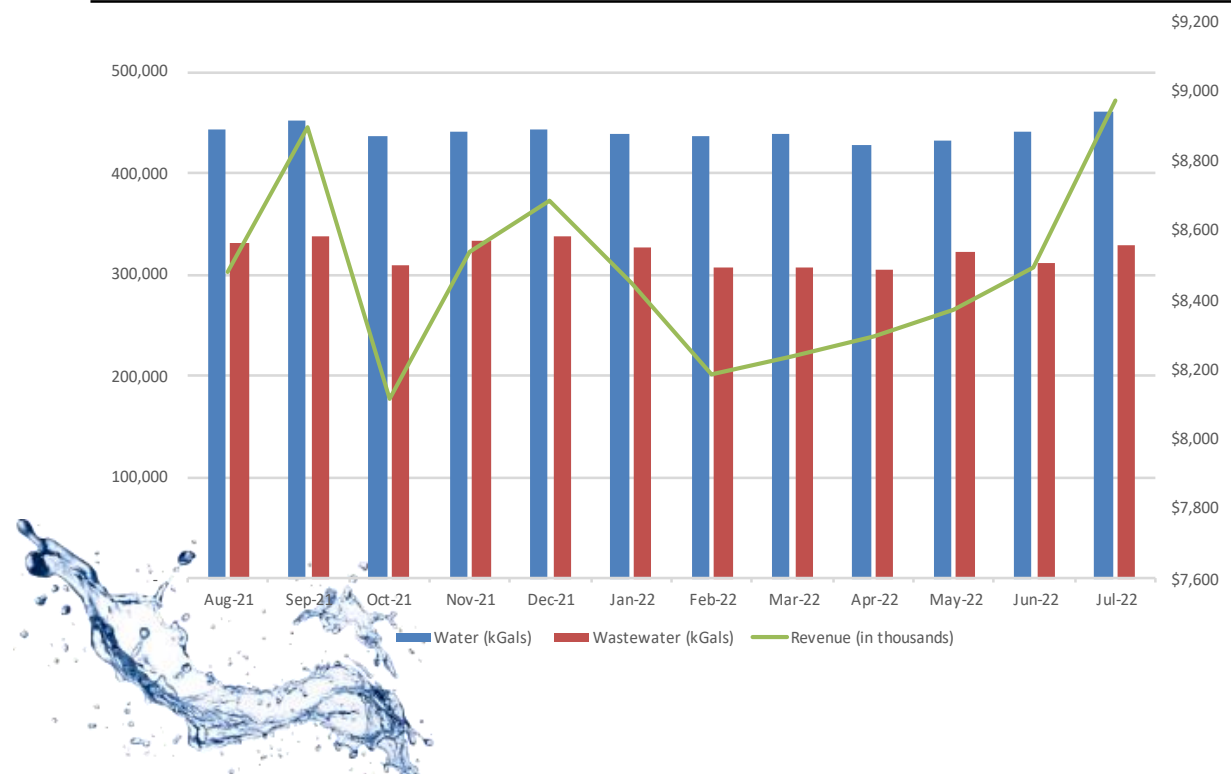


JULY 2022 YTD Expenses by Categories





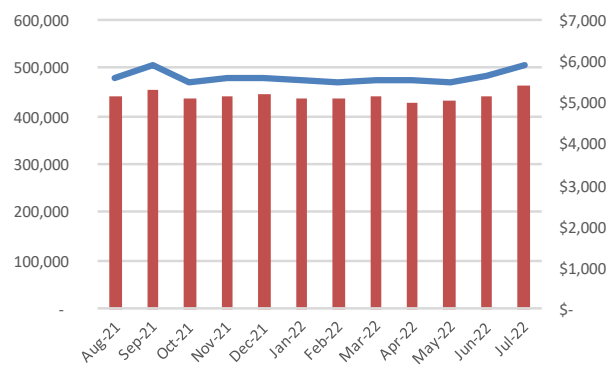
Overall Revenues and Demand



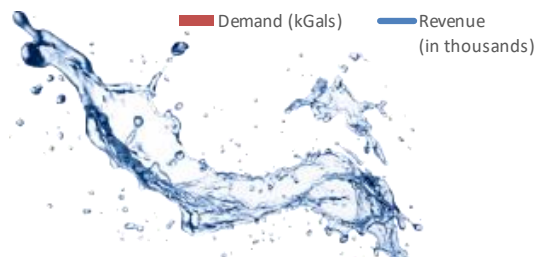
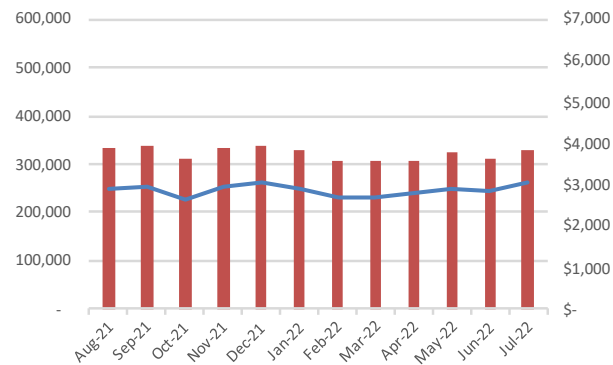


Revenues and Demand

Water Revenue and Demand



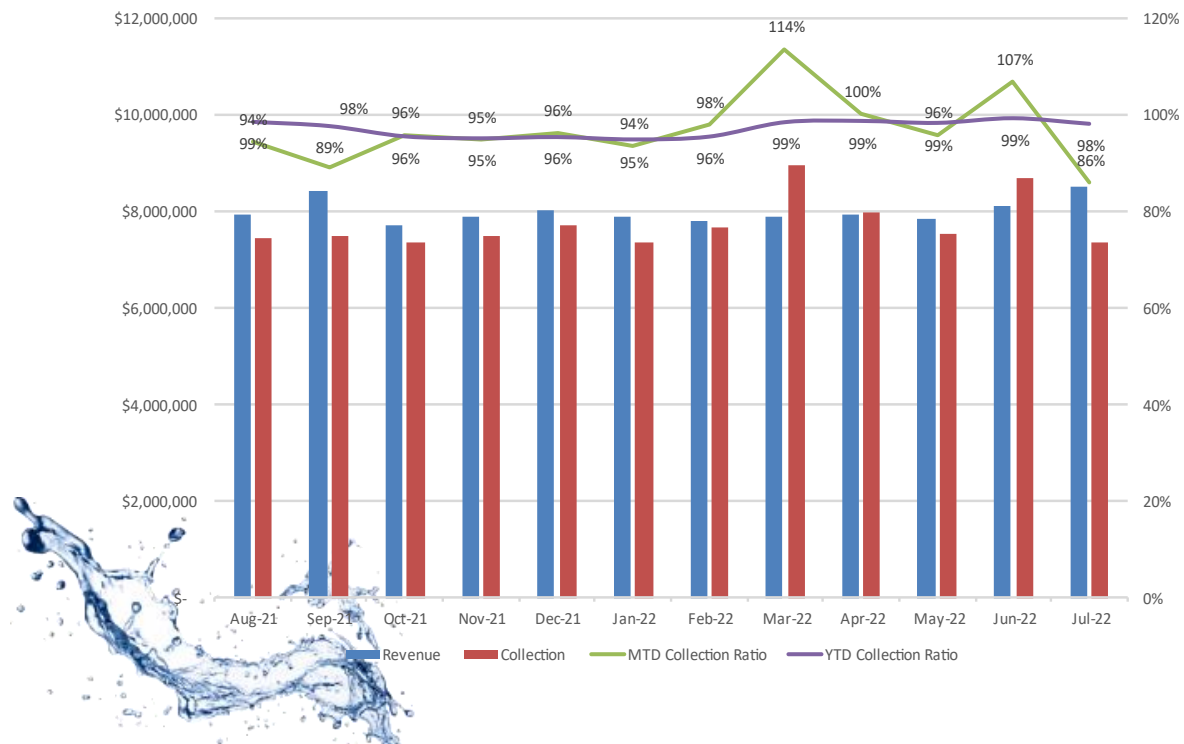
Wastewater Revenue and Flow



Flow (kGals) Revenue (in thousands)



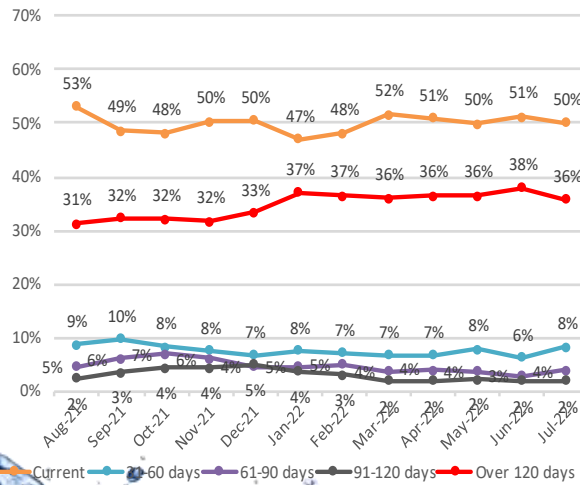
Overall Revenues and Collections



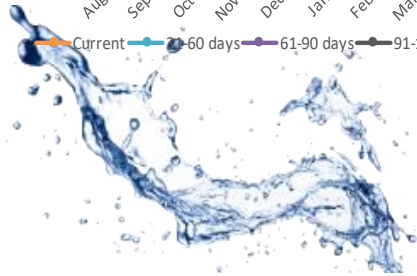
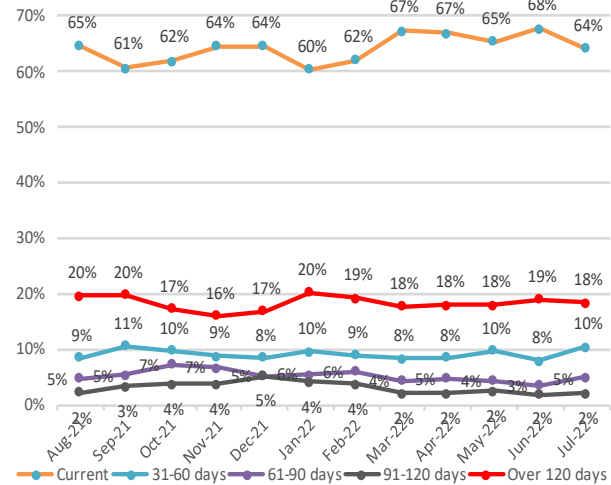


Overall – AR Aging

% of Aged AR Balance to Total AR Balance

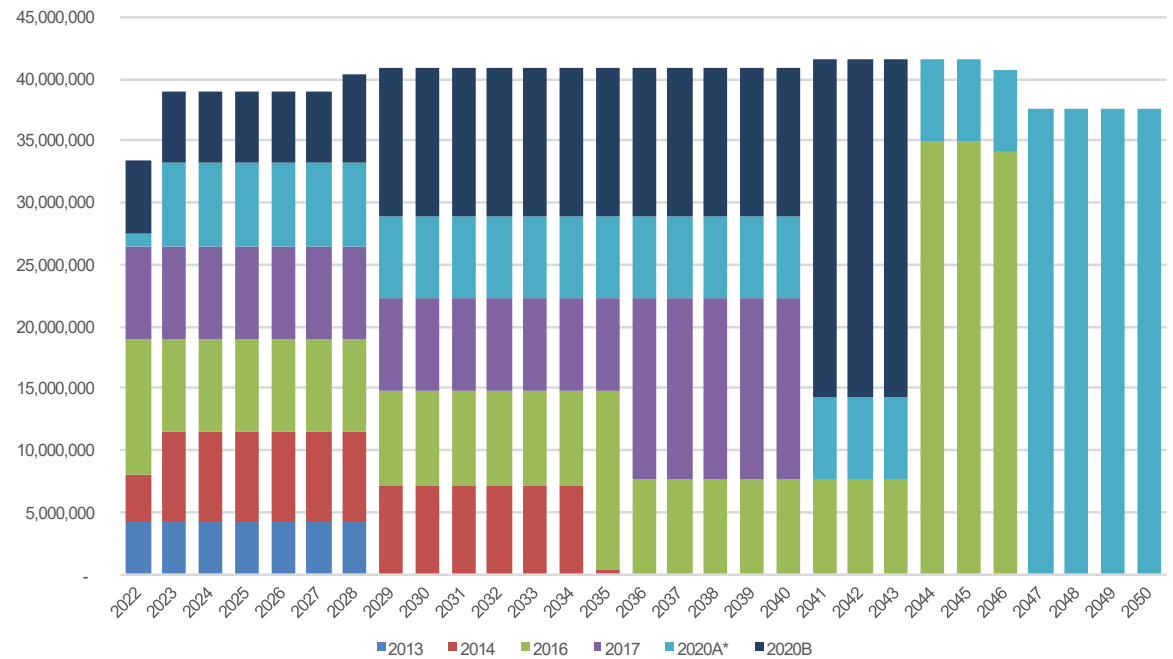


% of Aged AR Balance to Total AR Balance
(without Inactive Accounts)





GWA Outstanding Debt Service





Financial Statement Overview July 2022

Key Financial Indicators

Indicator	Target	May 22	Jun 22	Jul 22
DSC YTD				
• Per Section 6.12 of Indenture	1.25	1.25	1.26	1.29
• Per PUC / CCU	1.40	1.25	1.26	1.29
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Collection Ratio				
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Water Demand				
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Wastewater Flow				
• Month to Date	356,472	323,197	311,387	330,255
• Year to Date	3,564,723	2,554,170	2,865,557	3,195,014
Water Customers	42,839	43,320	43,281	43,420
Wastewater Customers	29,805	31,157	30,552	30,745

Water and Wastewater Consumption

Water consumption is 5% more and wastewater flow is up 6% for the month of July compared to prior year. The increases in water consumption and wastewater flows are due to increases in the residential, commercial and hotel customer classes.

Year to Date (YTD) water demand is down 1% while wastewater flows are up by 2% compared to last year. Increases in the Commercial and GovGuam customer classes offset decreases in the Residential while the Hotel customer class is slightly up. Note that the number of YTD billing days through July 2022 of 302 days is 5 days more than the prior year's 297 days. See Schedule K for Water Demand for FY2015 to FY2022.

YTD average daily water consumption for July 2022 of 14,583 kGals is 3% lower than July 2021's 14,963 kgals. Increases in the commercial and GovGuam customer classes were not enough to offset decreases in the Hotel and Residential average daily water consumption.

Balance Sheet (Schedule A)

- Total Assets & Deferred Outflows of Resources of \$1.23B in September 2021 decreased by \$11.5M or 1% in July 2022. Current Assets decreased by \$13.1M primarily due to decreases in federal receivables and restricted funds. Property, Plant and Equipment increased by \$33.7M due to increases in construction work in progress offset by increases in accumulated depreciation. Other Noncurrent Assets decreased by \$30.8 million as bond funds were used to pay contractors and debt service. Days Cash on



Hand was calculated at 275 days. Schedule G contains a schedule of restricted and unrestricted cash and investments.

- Liabilities & Deferred Inflow of Resources of \$920.0M in September 2021 decreased by \$25.9M or 3% to \$894.0M in July 2022 primarily due to reductions in contractors' payable, interest payables, and bonds.
- Accounts Receivable days in July and June 2022 were 41 days and 39 days respectively. Accounts Payable days were 32 days in July 2022, 2 days more than the 30 days in June 2022. 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 2022 of \$9.2M were 3% or \$327.0K less than budget of \$9.5M. July 2022 Total Operating Revenues is 6% or \$521.0K more than July 2021's \$8.6M.
- Total Year to Date Operating Revenues as of July 2022 of \$85.8M were 9% or \$9.0M less than the budget of \$94.8M. Total Year to Date Operating Revenues as of July 2022 were 2% or \$1.7M more than Year to Date Operating Revenues as of July 2021's \$84.1M.
- Below are the percentages of operating revenues (water and wastewater) contributed by GWA's customer classes for FY2022 and FY2021 Year to Date as of July as well as the revenue totals:

Customer Class	FY2022		FY2021	
o Residential	\$39,661,456	47.02%	\$40,766,748	49.60%
o Commercial	\$18,356,653	21.76%	\$17,098,849	20.80%
o Hotel	\$10,899,472	12.92%	\$10,750,108	13.08%
o Government of Guam	\$9,718,026	11.52%	\$8,271,162	10.06%
o Federal Government	\$5,238,409	6.21%	\$4,824,932	5.87%
o Agriculture, Golf Course, Irrigation	\$468,671	.56%	\$475,005	.58%
TOTALS	\$84,342,686	100.00%	\$82,186,803	100.00%

- Total Operating Expenses for July 2022 of \$8.1M were \$601.0K or 8% more than budget of \$7.5M. July 2022 Total Operating Expenses were 14% or \$960.0K more than July 2021's \$7.1M. The largest increase month over month was in power which increased by 74% or \$794.0K.
- Total Year to Date Operating Expenses as of July 2022 of \$76.7M were \$2.0M or 3% more than budget of \$74.7M. Total Year to Date Operating Expenses as of July 2022 were 11% or \$7.5M more than July 2021 YTD's \$69.2M. The largest increase year over year was due to power purchases which was \$4.4M more or more than half of the \$7.5M increase.
- Earnings from Operations for July 2022 of \$1.1M were 46% or \$928.0K less than the budget of \$2.0M and 29% or \$439.0K less than July 2021's \$1.5M. Change in Net Assets for July 2022 of \$2.6M was 6% or \$161.0K less than the \$2.8M budget and \$6.1M or 70% less than July 2021's \$8.7M. The decrease in the Change in Net Assets year over year was mostly due to the decrease in contributions from Federal Grants.



- Year to Date Earnings from Operations as of July 2022 of \$9.1M were 55% or \$11.0M less than the budget of \$20.1M and 39% or \$5.8M less than July 2021 YTD's \$14.9M. Year to Date Change in Net Assets as of July 2022 of \$14.5M was 48% or \$13.5M less than the \$27.9M budget and \$28.4M or 66% less than July 2021 YTD's \$42.9M.

Cash Flow (Schedule F)

As of July 2022, cash flows from operating activities were \$30.9M, the cash used in capital and financing activities were \$66.0M, and the cash from investing activities were \$36.0M resulting in an increase in cash of \$876.0K for the fiscal year.

Customer Payments

Despite the pandemic, while only 8% of payments are made in cash, more than a third of payments continue to be made in person. Beginning in August 2021, ratepayers were able to access one walkup window in Upper Tumon to make payments; the drive through continues to remain open.

On April 28, 2020, CCU Resolution 24-FY2020 granted the lifting of credit card limits on payments for non-residential accounts. In FY2022 (October through December), approximately 50% 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 – December 2021	160	\$649,270	\$13,055	2.01%
January – March 2022	177	\$753,282	\$15,146	2.01%
April - June 2022	186	\$766,544	\$15,412	2.01%
July 2022	69	\$310,921	\$6,251	2.01%

The new merchant service agreement will transfer credit card processing from Bank of Hawaii to First Hawaiian Bank (FHB). GWA Resolution 20-FY2022 authorized set up an FHB account to be used to deposit funds collected through this process. We are working with FHB to make the switch.

Since the suspension of disconnections for nonpayment was lifted, the Upper Tumon office has been open for payments on Saturdays. For the five Saturdays in July, 514 payments totaling \$83,928 were made towards GWA billings and 664 payments totaling \$220,286 were made for GPA.

For the month of July, Finance posted \$34,106 in utility payments from the Department of Administration (DOA) for eligible renters as part of the Guam Emergency Rental Assistance Program (GERAP). Additionally, GWA posted \$14,452 from eligible homeowners as part of the Guam Homeowners Assistance Fund (GHAFF). Furthermore, GWA posted \$2,801 payments from eligible Low Income Household Water Assistance Program. Note that the programs were on temporary hold and so the amounts paid were significantly less than previous months. Collections should pick back up as the programs recently reopened in August.

Guam Solid Waste (GSW) Customer Payments

GPWA began to accept GSW payments. June 6, 2022. For the month of July, GWA accepted \$44,549 in GSW payments at the Upper Tumon Office. GWA will bill \$837 to GSW for processing fees.

PUC Docket



The GWA Comprehensive Review and Update of its Five-Year Financial Plan & Capital Improvement Program (Financial Plan Update) and related Rate Application Model (RAM) were delivered to the PUC as required on May 1, 2021. The stipulated analytical studies were previously provided to the PUC as required on March 31, 2021.

The ALJ issued his proposed order on May 12, 2022. GWA provided an initial response on May 26, 2022, and an official response on May 27, 2022. The PUC consultants provided a report and recommended rate decision and order on June 14, 2022. Informal discussion indicate the PUC hearing will be scheduled in September, but we are waiting for formal confirmation.

FY2022 & FY2023 Budget

A request to modify the budget will be made once the PUC order on rates for FY2022 is issued. Because the order will be issued in September or later, it is anticipated that it will cover rates for FY2023 and FY2024. Due to the inaction by the PUC, a budget modification has been submitted for the CCU's consideration this month.

A budget update is issued monthly to the business unit managers to help them track and plan their expenditures based on the available budget.

GWA continues to monitor revenues and will adjust as needed to ensure continuity of services to our customers while keeping the safety of our staff the highest priority.

Rate Stabilization Fund

CCU Resolution 11-FY2021 authorized the establishment of a Rate Stabilization Fund (RSF) as a mechanism for managing future uncertainties and risks as well as to promote predictable rates. In September 2021, GWA transferred the authorized \$11.4 million from GWA's Working Capital Reserves into the RSF. These funds were originally transferred into the Working Capital Reserves from the Working Capital Reserves for Debt Service per CCU Resolution 17-FY2020 which dissolved the Working Capital Reserves for Debt Service fund.

On January 25, 2022, CCU Resolution 06-FY2022 authorized transfers up to \$2 million from the RSF into the GWA general fund. Resolution 19-FY2022 authorized transfers from the RSF to the general fund by \$3.3 million for a total of up to \$5.3 million. An \$800K transfer was made at the end of July 2022, bringing total transfers to \$4.25 million. Due to inaction by the PUC, a request to increase the authorized RSF transfers has been submitted for the CCU's consideration this month along with the budget modification mentioned above.

FY22 Audit

The only proposal was reviewed and deemed responsive and responsible, and a contract price agreed to. A noticed of conditional award was issued to Ernst & Young. GWA will work with the new auditors to ensure the audit is completed on schedule.

COVID Updates

There were 3,434 COVID-19 positive tests and 8 COVID-related fatalities reported during the month of July. For the month of July 2022, the average daily positive test rate was 111 compared to the 97 daily average in June. Executive Order 2022-20 extended the public health emergency to September 4, 2022.

By the end of July 2022, 139,472 residents were fully vaccinated, 67,292 had received their first booster, and 10,982 had received a second booster. Incentives are being offered to residents who take their last dose in the primary series or receive a booster. There were 22 persons hospitalized for COVID at the end of July.

GVB Visitor Arrivals

Visitor Arrivals for June 2022 increased 280.27% over June 2021, from 7,438 to 28,278. Fifty-eight percent of arrivals were from Korea and 25% originated from the United States. Calendar year arrivals were up 211.7% and fiscal year arrivals were up 220.2%. Free PCR COVID-19 testing will continue through September.



Hotels plan to increase employment in phases based on visitor demand. It is noted that Japan Airlines is planning to restart servicing Guam in August.

GUAM WATERWORKS AUTHORITY
July 31, 2022
FINANCIAL AND RELATED REPORTS
TABLE OF CONTENTS

	SCHEDULES	PAGE
BALANCE SHEET	A	2
INCOME STATEMENT MTD ACTUALS VS MTD BUDGET	B	3
INCOME STATEMENT MTD ACTUALS FY22 VS FY21	C	4
INCOME STATEMENT YTD ACTUALS VS YTD BUDGET	D	5
INCOME STATEMENT YTD ACTUALS FY22 VS FY21	E	6
STATEMENT OF CASH FLOWS	F	7
SCHEDULE OF CASH RESTRICTED/UNRESTRICTED	G	8
AGING REPORT - GOVERNMENT RECEIVABLES	H	9
AGING REPORT - RECEIVABLES BY RATE CLASS	I	10
AGING REPORT - ACCOUNTS PAYABLE	J	11
WATER DEMAND BY RATE CLASS FY2015 - FY2022	K	12
SYSTEM DEVELOPMENT CHARGES PROJECT STATUS	L	13

GUAM WATERWORKS AUTHORITY
Balance Sheet
July 31, 2022

SCHEDULE A

ASSETS AND DEFERRED OUTFLOWS of RESOURCES	Unaudited July 31, 2022	Audited September 30, 2021	Increase (Decrease)
<u>Current Assets</u>			
Cash			
Unrestricted (Schedule G)	35,921,526	35,044,630	876,896
Restricted Funds (Schedule G)	37,678,340	42,426,211	(4,747,871)
Accounts Receivable Trade, Net of Allowance for Doubtful Receivables of \$10,340,953 at Jul 31, 2022 and \$8,584,821 at Sept 30, 2021	11,626,276	11,392,368	233,908
Federal Receivable	732,597	11,436,000	(10,703,403)
Other Receivable	2,192,074	1,002,328	1,189,746
Prepaid Expenses	797,929	849,867	(51,939)
Materials & Supplies Inventory, Net of Allowance for Obsolescence of \$64,131 at Jul 31, 2022 and \$64,131 at Sept 30, 2021	4,380,670	4,284,336	96,333
Total Current Assets	93,329,411	106,435,741	(13,106,331)
<u>Property, Plant and Equipment</u>			
Utility plant in service			
Water system	418,750,333	415,123,284	3,627,048
Wastewater system	513,629,047	513,741,066	(112,019)
Non-utility property	33,302,480	33,051,603	250,877
Total property	965,681,860	961,915,953	3,765,907
Less: Accumulated Depreciation	(390,008,531)	(367,521,639)	(22,486,892)
Land	5,287,305	5,240,187	47,117
Construction Work in Progress	220,006,045	167,589,130	52,416,915
Property, Plant and Equipment, net	800,966,679	767,223,632	33,743,048
<u>Noncurrent assets</u>			
Restricted cash (Schedule G)	167,471,918	193,458,224	(25,986,306)
Investments (Schedule G)	62,853,759	67,678,709	(4,824,950)
Total other noncurrent assets and deferred charges	230,325,677	261,136,933	(30,811,256)
Total Assets	1,124,621,767	1,134,796,306	(10,174,539)
Deferred outflows of resources			
Regulatory assets	2,321,753	1,922,989	398,764
Debt defeasance due to bond refunding	29,572,652	31,286,637	(1,713,985)
Deferred outflows from pension	12,904,653	12,904,653	-
Deferred outflows from OPEB	48,780,079	48,780,079	-
Total Assets and Deferred Outflows of Resources	1,218,200,903	1,229,690,663	(11,489,761)
LIABILITIES, DEFERRED INFLOWS of RESOURCES AND NET ASSETS			
<u>Current Liabilities</u>			
Current maturities of long-term debt			
Series 2013 Revenue Bond	2,990,000	2,990,000	-
Series 2014 Refunding Bond	555,000	555,000	-
Series 2016 Revenue Bond	4,055,000	4,055,000	-
Series 2017 Refunding Bond	2,145,000	2,145,000	-
Accounts Payable -Trade	4,079,017	2,652,457	1,426,560
Accrued and Other Liabilities	2,654,901	2,011,179	643,721
Interest Payable	2,561,786	7,324,101	(4,762,315)
Accrued Payroll and Employee Benefits	1,606,223	918,403	687,819
Current portion of employee annual leave	660,125	660,125	-
Contractors' Payable	12,744,355	25,847,832	(13,103,478)
Customer and Other Deposits	2,385,189	2,237,010	148,179
Total Current Liabilities	36,436,595	51,396,108	(14,959,512)
<u>Long Term Debt, less current maturities</u>			
Series 2013 Revenue Bond	18,520,000	21,510,000	(2,990,000)
Series 2014 Refunding Bond	63,500,000	64,055,000	(555,000)
Series 2016 Revenue Bond	130,920,000	134,975,000	(4,055,000)
Series 2017 Refunding Bond	101,035,000	103,180,000	(2,145,000)
Series 2020A Revenue Bond	134,000,000	134,000,000	-
Series 2020B Refunding Bond	166,075,000	166,075,000	-
Unamortized Bond Premium/Discount	39,090,845	40,654,335	(1,563,490)
Net pension liability	56,364,779	56,364,779	-
Net OPEB obligation	106,433,894	106,433,894	-
Employee Annual Leave, Less Current Portion	1,185,813	1,185,813	-
Employee Sick Leave	1,339,208	1,339,208	-
Total Liabilities	854,901,134	881,169,137	(26,268,002)
Deferred inflows of resources:			
Contribution in Aid of Construction	571,729	244,720	327,009
Deferred inflows from pension	985,049	985,049	-
Deferred inflows from OPEB	37,575,154	37,575,154	-
Total Liabilities and Deferred Inflows of Resources	894,033,066	919,974,060	(25,940,994)
Net Assets	324,167,836	309,716,603	14,451,233
Total Liabilities, Deferred Inflows of Resources and Net Assets	1,218,200,903	1,229,690,663	(11,489,761)

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative Budget vs. Actual for the period ending July 31, 2022

SCHEDULE B

	Month to Date Actual (Unaudited) July-22	Budget* July-22	Variance Favorable / (Unfavorable)
OPERATING REVENUES			
Water Revenues	5,725,123	5,863,373	(138,250)
Wastewater Revenues	2,980,108	3,226,426	(246,318)
Legislative Surcharge	269,044	274,214	(5,170)
Other Revenues	35,115	35,895	(779)
System Development Charge	141,177	77,442	63,735
Total Operating Revenues	9,150,567	9,477,350	(326,783)
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	493,953	571,438	77,484
Power Purchases	1,861,516	1,205,155	(656,361)
Total Utility Costs	2,355,469	1,776,593	(578,877)
Salaries and Wages	1,630,802	1,680,210	49,407
Pension and Benefits	612,877	696,002	83,125
Total Salaries and Benefits	2,243,679	2,376,212	132,533
Capitalized Labor and Benefits	(318,116)	(308,333)	9,783
Net Salaries and Benefits	1,925,563	2,067,879	142,316
Administrative and General Expenses			
Sludge removal	64,783	127,518	62,735
Chemicals	233,870	154,647	(79,223)
Materials & Supplies	90,013	169,912	79,899
Transportation	56,876	59,260	2,383
Communications	12,214	27,135	14,921
Claims	-	14,331	14,331
Insurance	147,927	82,972	(64,954)
Training & Travel	8,555	23,501	14,946
Advertising	4,100	11,583	7,483
Miscellaneous	93,301	119,179	25,878
Regulatory Expense	17,103	30,183	13,081
Bad Debts Provision	180,794	139,113	(41,681)
Total Administrative and General Expense	909,537	959,335	49,799
Depreciation Expense	2,329,010	1,855,919	(473,091)
Contractual Expense			
Audit & Computer Maintenance	115,886	126,287	10,400
Building rental	42,397	41,412	(986)
Equipment rental	27,066	53,236	26,171
Legal	-	-	-
Laboratory	5,000	61,535	56,535
Other	98,054	241,889	143,835
Total Contractual Expense	288,404	524,359	235,956
Retiree Supp. Annuities and health care costs	211,395	233,386	21,990
Contribution to Government of Guam	51,833	52,768	934
Total Retiree Benefits	263,229	286,153	22,925
Total Operating Expenses	8,071,211	7,470,239	(600,972)
Earnings (Loss) from Operations	1,079,356	2,007,111	(927,755)
Interest Income - 2010/13/14/16/17/20 Series Bond	222,385	128,299	94,085
Interest Income - Other Funds	30,034	29,550	484
Interest Income - SDC	1,745	2,488	(742)
Interest Expense - 2010/13/14/16/17/20 Series Bond	(2,417,036)	(2,638,329)	221,294
Contributions from Federal Government	-	-	-
Federal Expenditures	-	-	-
Loss on Asset Disposal	-	-	-
AFUDC	-	-	-
Amortization of Discount, Premium and Issuance Costs	156,349	(23,078)	179,427
Defeasance due to bond refunding	(171,398)	(22,439)	(148,960)
Prior Year Adjustment	(26,102)	-	(26,102)
Total non-operating revenues (expenses)	(2,204,023)	(2,523,508)	319,485
Net Income (Loss) before capital contributions	(1,124,667)	(516,397)	(608,270)
Capital Contributions			
Grants from US Government	3,757,879	3,311,071	446,807
Grants from GovGuam & Others	-	-	-
Total Capital Contributions	3,757,879	3,311,071	446,807
Change in Net Assets	2,633,212	2,794,675	(161,463)
Debt Service Calculation			
Earnings From Operations	1,079,356	2,007,111	
System Development Charge	(141,177)	(77,442)	
Retiree COLA	51,833	52,768	
Interest/Investment Income	30,034	29,550	
Depreciation	2,329,010	1,855,919	
Plus withdrawals (deposits) to Rate Stabilization Fund	800,000	-	
Balance Available for Debt Service per Section 6.12	4,149,057	3,867,907	
Debt Service			
Principal	812,083	772,500	
Interest	1,976,089	1,996,663	
Total	2,788,172	2,769,163	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.49	1.40	
Debt Service Coverage (1.40X) inclusive of reserves (PUC)	1.49	1.40	

*Interim budget

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative for the period ending July 30, 2022 and 2021

SCHEDULE C

	Month to Date Actual (Unaudited) July-22	Actual (Audited) July-21	Variance Increase / (Decrease)
OPERATING REVENUES			
Water Revenues	5,725,123	5,358,900	366,223
Wastewater Revenues	2,980,108	2,693,468	286,640
Legislative Surcharge	269,044	246,174	22,870
Other Revenues	35,115	41,911	(6,795)
System Development Charge	141,177	288,640	(147,463)
Total Operating Revenues	9,150,567	8,629,093	521,474
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	493,953	693,967	(200,014)
Power Purchases	1,861,516	1,067,955	793,561
Total Utility Costs	2,355,469	1,761,922	593,547
Salaries and Wages	1,630,802	1,577,709	53,093
Pension and Benefits	612,877	609,527	3,350
Total Salaries and Benefits	2,243,679	2,187,237	56,443
Capitalized Labor and Benefits	(318,116)	(302,527)	(15,589)
Net Salaries and Benefits	1,925,563	1,884,709	40,853
Administrative and General Expenses			
Sludge removal	64,783	103,958	(39,175)
Chemicals	233,870	138,360	95,510
Materials & Supplies	90,013	136,530	(46,517)
Transportation	56,876	32,554	24,322
Communications	12,214	7,979	4,236
Claims	-	12,116	(12,116)
Insurance	147,927	86,938	60,989
Training & Travel	8,555	499	8,056
Advertising	4,100	2,334	1,767
Miscellaneous	93,301	114,821	(21,520)
Regulatory Expense	17,103	8,958	8,144
Bad Debts Provision	180,794	165,491	15,302
Total Administrative and General Expense	909,537	810,538	98,999
Depreciation Expense	2,329,010	2,141,736	187,274
Contractual Expense			
Audit & Computer Maintenance	115,886	63,318	52,568
Building rental	42,397	41,692	705
Equipment rental	27,066	12,653	14,413
Legal	-	-	-
Laboratory	5,000	28,990	(23,990)
Other	98,054	104,506	(6,452)
Total Contractual Expense	288,404	251,159	37,245
Retiree Supp. Annuities and health care costs	211,395	210,492	903
Contribution to Government of Guam	51,833	50,333	1,500
Total Retiree Benefits	263,229	260,826	2,403
Total Operating Expenses	8,071,211	7,110,889	960,321
Earnings (Loss) from Operations	1,079,356	1,518,631	(439,274)
Interest Income - 2010/13/14/16/17/20 Series Bond	222,385	2,456	219,929
Interest Income - Other Funds	30,034	1,187	28,848
Interest Income - SDC	1,745	363	1,382
Interest Expense - 2010/13/14/16/17/20 Series Bond	(2,417,036)	(2,441,367)	24,331
Contributions from Federal Government	-	-	-
Federal Expenditures	-	-	-
Loss on Asset Disposal	-	-	-
AFUDC	-	508,331	(508,331)
Amortization of Discount, Premium and Issuance Costs	156,349	156,349	-
Defeasance due to bond refunding	(171,398)	(172,097)	699
Prior Year Adjustment	(26,102)	(143,361)	117,258
Total non-operating revenues (expenses)	(2,204,023)	(2,088,139)	(115,884)
Net Income (Loss) before capital contributions	(1,124,667)	(569,508)	(555,158)
Capital Contributions			
Grants from US Government	3,757,879	9,293,992	(5,536,113)
Grants from GovGuam & Others	-	-	-
Total Capital Contributions	3,757,879	9,293,992	(5,536,113)
Change in Net Assets	2,633,212	8,724,483	(6,091,272)
Debt Service Calculation			
Earnings From Operations	1,079,356	1,518,631	
System Development Charge	(141,177)	(288,640)	
Retiree COLA	51,833	50,333	
Interest/Investment Income	30,034	1,187	
Depreciation	2,329,010	2,141,736	
Plus withdrawals (deposits) to Rate Stabilization Fund	800,000	-	
Balance Available for Debt Service per Section 6.12	4,149,057	3,423,247	
Debt Service			
Principal	812,083	772,500	
Interest	1,976,089	1,847,251	
Total	2,788,172	2,619,751	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.49	1.31	
Debt Service Coverage (1.40X) (PUC)	1.49	1.31	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative Budget vs. Actual for the period ending July 31, 2022

SCHEDULE D

	Year to Date Actual (Unaudited) July-22	Budget* July-22	Variance Favorable / (Unfavorable)
OPERATING REVENUES			
Water Revenues	53,940,354	58,633,732	(4,693,378)
Wastewater Revenues	27,901,245	32,264,257	(4,363,011)
Legislative Surcharge	2,501,087	2,742,142	(241,055)
Other Revenues	398,215	358,948	39,267
System Development Charge	1,077,268	774,420	302,848
Total Operating Revenues	85,818,168	94,773,498	(8,955,330)
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	5,164,228	6,035,477	871,249
Power Purchases	14,553,819	11,783,135	(2,770,684)
Total Utility Costs	19,718,047	17,818,612	(1,899,436)
Salaries and Wages	15,879,960	16,802,095	922,135
Pension and Benefits	6,101,202	6,960,025	858,823
Total Salaries and Benefits	21,981,163	23,762,120	1,780,957
Capitalized Labor and Benefits	(2,679,051)	(3,083,333)	(404,282)
Net Salaries and Benefits	19,302,111	20,678,787	1,376,675
Administrative and General Expenses			
Sludge removal	596,869	1,205,606	608,738
Chemicals	1,523,857	1,515,562	(8,295)
Materials & Supplies	1,418,875	1,746,879	328,004
Transportation	554,194	592,339	38,145
Communications	126,436	293,177	166,741
Claims	60,923	139,655	78,732
Insurance	1,003,339	829,724	(173,615)
Training & Travel	45,541	213,063	167,522
Advertising	47,845	112,954	65,108
Miscellaneous	1,037,999	1,151,583	113,584
Regulatory Expense	175,326	301,833	126,507
Bad Debts Provision	1,688,162	1,391,132	(297,030)
Total Administrative and General Expense	8,279,367	9,493,507	1,214,140
Depreciation Expense	23,153,735	18,559,193	(4,594,542)
Contractual Expense			
Audit & Computer Maintenance	1,160,609	1,265,538	104,929
Building rental	423,973	414,117	(9,856)
Equipment rental	319,733	538,636	218,903
Legal	285,586	7,200	(278,386)
Laboratory	183,410	630,026	446,617
Other	1,238,552	2,447,952	1,209,399
Total Contractual Expense	3,611,863	5,303,469	1,691,606
Retiree Supp. Annuities and health care costs	2,132,922	2,333,857	200,935
Contribution to Government of Guam	518,333	518,465	132
Total Retiree Benefits	2,651,255	2,852,322	201,066
Total Operating Expenses	76,716,379	74,705,890	(2,010,490)
Earnings (Loss) from Operations	9,101,789	20,067,608	(10,965,819)
Interest Income - 2010/13/14/16/17/20 Series Bond	355,966	1,282,994	(927,028)
Interest Income - Other Funds	54,244	295,504	(241,261)
Interest Income - SDC	7,049	24,875	(17,826)
Interest Expense - 2010/13/14/16/17/20 Series Bond	(24,534,088)	(26,383,292)	1,849,204
Contributions from Federal Government	-	-	-
Federal Expenditures	-	-	-
Loss on Asset Disposal	(191,873)	-	(191,873)
AFUDC	-	-	-
Amortization of Discount, Premium and Issuance Costs	1,563,490	(230,775)	1,794,265
Defeasance due to bond refunding	(1,713,985)	(224,386)	(1,489,599)
Prior Year Adjustment	131,550	-	131,550
Total non-operating revenues (expenses)	(24,327,647)	(25,235,079)	907,432
Net Income (Loss) before capital contributions	(15,225,858)	(5,167,471)	(10,058,387)
Capital Contributions			
Grants from US Government	29,677,091	33,110,714	(3,433,623)
Grants from GovGuam & Others	-	-	-
Total Capital Contributions	29,677,091	33,110,714	(3,433,623)
Change in Net Assets	14,451,233	27,943,243	(13,492,011)
Debt Service Calculation			
Earnings From Operations	9,101,789	20,067,608	
System Development Charge	(1,077,268)	(774,420)	
Retiree COLA	518,333	518,465	
Interest/Investment Income	54,244	295,504	
Depreciation	23,153,735	18,559,193	
Plus withdrawals (deposits) to Rate Stabilization Fund	4,250,000	-	
Balance Available for Debt Service per Section 6.12	36,000,833	38,666,351	
Debt Service			
Principal	8,120,833	7,725,000	
Interest	19,760,891	19,966,625	
Total	27,881,724	27,691,625	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.29	1.40	
Debt Service Coverage (1.40X) inclusive of reserves (PUC)	1.29	1.40	

*Interim budget

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative for the period ending July 31, 2022 and 2021

SCHEDULE E

	Actual (Unaudited) July-22	Year to Date Actual (Audited) July-21	Variance Increase / (Decrease)
OPERATING REVENUES			
Water Revenues	53,940,354	53,800,281	140,073
Wastewater Revenues	27,901,245	25,962,615	1,938,630
Legislative Surcharge	2,501,087	2,423,907	77,180
Other Revenues	398,215	413,509	(15,295)
System Development Charge	1,077,268	1,497,699	(420,431)
Total Operating Revenues	85,818,168	84,098,011	1,720,157
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	5,164,228	5,494,951	(330,723)
Power Purchases	14,553,819	10,141,142	4,412,677
Total Utility Costs	19,718,047	15,636,093	4,081,954
Salaries and Wages	15,879,960	15,608,026	271,935
Pension and Benefits	6,101,202	5,963,618	137,584
Total Salaries and Benefits	21,981,163	21,571,644	409,519
Capitalized Labor and Benefits	(2,679,051)	(3,053,842)	374,791
Net Salaries and Benefits	19,302,111	18,517,801	784,310
Administrative and General Expenses			
Sludge removal	596,869	1,269,827	(672,958)
Chemicals	1,523,857	1,255,030	268,827
Materials & Supplies	1,418,875	1,157,641	261,235
Transportation	554,194	370,026	184,168
Communications	126,436	123,688	2,748
Claims	60,923	67,706	(6,783)
Insurance	1,003,339	796,715	206,624
Training & Travel	45,541	27,680	17,862
Advertising	47,845	63,124	(15,278)
Miscellaneous	1,037,999	982,494	55,505
Regulatory Expense	175,326	264,529	(89,203)
Bad Debts Provision	1,688,162	1,643,256	44,906
Total Administrative and General Expense	8,279,367	8,021,715	257,652
Depreciation Expense	23,153,735	21,343,083	1,810,652
Contractual Expense			
Audit & Computer Maintenance	1,160,609	941,261	219,349
Building rental	423,973	414,049	9,924
Equipment rental	319,733	222,470	97,264
Legal	285,586	-	285,586
Laboratory	183,410	242,970	(59,561)
Other	1,238,552	1,259,846	(21,294)
Total Contractual Expense	3,611,863	3,080,595	531,268
Retiree Supp. Annuities and health care costs	2,132,922	2,101,264	31,658
Contribution to Government of Guam	518,333	503,333	15,000
Total Retiree Benefits	2,651,255	2,604,598	46,658
Total Operating Expenses	76,716,379	69,203,885	7,512,494
Earnings (Loss) from Operations	9,101,789	14,894,126	(5,792,337)
Interest Income - 2010/13/14/16/17/20 Series Bond	355,966	24,301	331,664
Interest Income - Other Funds	54,244	10,229	44,014
Interest Income - SDC	7,049	11,989	(4,940)
Interest Expense - 2010/13/14/16/17/20 Series Bond	(24,534,088)	(25,003,786)	469,699
Interest Expense - ST BOG	-	-	-
Contributions from Federal Government	-	188,768	(188,768)
Federal Expenditures	-	(130,939)	130,939
Loss on Asset Disposal	(191,873)	28,991	(220,864)
AFUDC	-	5,085,371	(5,085,371)
Amortization of Discount, Premium and Issuance Costs	1,563,490	1,561,740	1,750
Defeasance due to bond refunding	(1,713,985)	(1,720,970)	6,985
Prior Year Adjustment	131,550	96,817	34,733
Total non-operating revenues (expenses)	(24,327,647)	(19,847,489)	(4,480,158)
Net Income (Loss) before capital contributions	(15,225,858)	(4,953,363)	(10,272,495)
Capital Contributions			
Grants from US Government	29,677,091	47,842,035	(18,164,944)
Grants from GovGuam & Others	-	7,106	(7,106)
Total Capital Contributions	29,677,091	47,849,140	(18,172,050)
Change in Net Assets	14,451,233	42,895,778	(28,444,545)
Debt Service Calculation			
Earnings From Operations	9,101,789	14,894,126	
System Development Charge	(1,077,268)	(1,497,699)	
Retiree COLA	518,333	503,333	
Interest/Investment Income	54,244	10,229	
Depreciation	23,153,735	21,343,083	
Plus withdrawals (deposits) to Rate Stabilization Fund	4,250,000	-	
Balance Available for Debt Service per Section 6.12	36,000,833	35,253,072	
Debt Service			
Principal	8,120,833	7,725,000	
Interest	19,760,891	18,472,514	
Total	27,881,724	26,197,514	
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.29	1.35	
Debt Service Coverage (1.40X) (PUC)	1.29	1.35	

SCHEDULE F
Guam Waterworks Authority
Statement of Cash Flows (Unaudited)
FY2022
YTD
Jul-22
Cash flows from operating activities:

Cash received from trade and others	82,455,769
Cash payments to suppliers/contractors for goods and services	(27,568,220)
Cash payments to employees for services	(23,944,599)
Net cash provided by operating activities	30,942,950

Cash flows from capital and related financing activities:

Contributed capital received (grants)	40,380,494
Acquisition of utility plant	(67,513,082)
Repayment of Long Term Debt	(9,594,505)
Interest expense	(29,315,348)
Net cash provided by (used in) capital and related financing activities	(66,042,440)

Cash flows from investing activities:

Transfers from (to) restricted fund	35,559,128
Interest income received	417,259
Net cash provided by investing activities	35,976,386

Net increase (decrease) in cash 876,896

Unrestricted cash at beginning of the period 35,044,630

Unrestricted cash at end of period 35,921,526

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

Operating Income (loss)	9,101,789
Adjustments to reconcile to net cash provided by operating activities:	
Depreciation expense	23,153,735
Bad debts (recovery)	1,688,162
Capitalized labor and benefits	(2,679,051)
Recovery of provision for inventory obsolescence	-
Non-cash pension costs	-
(Increase) decrease in assets:	
Accounts receivable	(3,111,816)
Materials and supplies inventory	(96,333)
Prepaid expenses	51,939
Regulatory Assets	(398,764)
Increase (decrease) in liabilities:	
Accounts payable	1,426,560
Accrued payroll and employee benefits	687,819
Customer deposits	148,179
Other liabilities	970,730
Net cash provided by operating activities	30,942,950

GUAM WATERWORKS AUTHORITY
Restricted and Unrestricted Cash Summary
FY2022

SCHEDULE G

Description	Unaudited July 31, 2022	Audited September 30, 2021	Increase (Decrease)
UNRESTRICTED			
Change Fund	2,000	2,000	-
Petty Cash	3,930	4,430	(500)
BOG Deposit Accounts	14,414,427	11,783,670	2,630,757
BOG O & M Reserve	13,878,688	13,863,240	15,448
BOG CapEx Fund	7,622,480	9,391,290	(1,768,810)
Sub-total Unrestricted	35,921,526	35,044,630	876,896
RESTRICTED			
ANZ Bank	998	1,374	(376)
Bank Pacific	16,620	13,720	2,900
Bank of Hawaii	193,264	187,857	5,407
Community First FCU	3,104	2,897	206
First Hawaiian Bank	12,936	28,808	(15,873)
Bank Pacific Surcharge	576,452	346,165	230,287
Bank Pacific Escrow Deposit	857,776	905,936	(48,160)
BOG Customer Refunds	2,295,363	2,101,144	194,219
BOG Emergency Reserve Fund	6,246	6,245	(0)
BOG Sewer Hookup Revolving Fund	63,939	61,318	2,622
BOG Operation and Maintenance Fund	3,083,482	3,083,482	-
BOG Revenue Trust	588,633	902,327	(313,694)
BOG Revenue Trust Fund	6,810,575	7,604,696	(794,121)
BOG Capital Improvement Revenue Fund	8,218,425	6,017,960	2,200,465
BOG Rate Stabilization Fund	7,150,000	11,400,000	(4,250,000)
First Hawaiian Bank	100	-	100
	29,877,912	32,663,929	(2,786,018)
BOG - SDC Deposit	2,050,427	4,512,282	(2,461,854)
BOG - SDC CDs	5,750,000	5,250,000	500,000
Total SDC	7,800,427	9,762,282	(1,961,854)
Total Restricted	37,678,340	42,426,211	(4,747,872)
Reserve Funds			
BOG Series 2013 Construction Fund	4,256,544	4,566,711	(310,167)
BOG Series 2016 Construction Fund	40,098,348	56,620,524	(16,522,176)
BOG Series 2017 Refunding Construction Fund	4,126,607	4,368,640	(242,033)
BOG Series 2020A Construction Fund	118,989,177	122,317,770	(3,328,594)
BOG Series 2020A Capitalized Interest Fund	1,242	5,584,579	(5,583,337)
Total Restricted - Held by Trustee	167,471,918	193,458,224	(25,986,306)
BOG OMRRRF Fund	17,423,213	17,423,213	-
USB Series 2013 Debt Service Fund	690,987	1,396,665	(705,678)
USB Series 2013 Debt Service Reserve Fund	12,031,688	12,031,688	-
USB Series 2014 Refunding Debt Service Fund	703,695	1,048,078	(344,383)
USB Series 2014 Refunding Debt Service Reserve Fund	7,760,897	7,736,844	24,054
USB Series 2016 Debt Service Fund	701,482	2,816,611	(2,115,129)
USB Series 2016 Debt Service Reserve Fund	7,591,999	7,591,999	-
USB Series 2010 Debt Service Fund	-	31,558	(31,558)
USB Series 2017 Refunding Debt Service Reserve Fund	7,566,460	7,566,460	-
USB Series 2017 Debt Service Fund	670,585	1,903,114	(1,232,529)
USB Series 2020A Debt Service Fund	560,345	-	560,345
USB Series 2020A Debt Service Reserve Fund	6,659,700	6,659,700	-
USB Series 2020B Debt Service Reserve Fund	492,708	1,472,780	(980,072)
Total Investments	62,853,759	67,678,709	(4,824,950)
Total Restricted and Unrestricted Cash	303,925,542	338,607,774	(34,682,233)

Guam Waterworks Authority
Accounts Receivable - Government (Active)
July 31, 2022

SCHEDULE H

Customer Name	A G I N G						Total
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days	
Autonomous Agencies (Active)							
Guam Int'l Airport Authority	8	17,824	13,284	60	60	262,391	293,618
Guam Power Authority	25	57,896	62,327	-	-	-	120,223
Port Authority of Guam	5	35,937	-	-	-	-	35,937
Guam Housing & Urban Renewal Authority	9	4,993	3,874	-	-	-	8,867
Guam Solid Waste Authority	4	752	846	79	0	-	1,678
Guam Housing Corporation	1	38	-	-	-	-	38
Total Autonomous Agencies	52	117,440	80,331	139	60	262,391	460,361
Semi-Autonomous Agencies (Active)							
Guam Memorial Hospital Authority	3	42,907	41,358	34,056	1,247	13,856	133,423
University of Guam	48	7,459	-	-	-	-	7,459
Guam Environmental Protection Agency	2	374	-	-	-	-	374
Total Semi-Autonomous Agencies	53	50,740	41,358	34,056	1,247	13,856	141,256
Line Agencies (Active)							
Department of Education	52	436,237	389,932	259,857	58,380	30	1,144,436
Department of Parks & Recreation	15	47,581	50,549	70	20,212	-	118,412
Department of Corrections	9	71,557	-	-	-	-	71,557
Department of Public Works	10	24,006	13,969	5,348	-	-	43,323
Department of Chamorro Affairs	7	20,631	-	-	-	-	20,631
Guam Fire Department	11	6,375	5,298	1,005	-	-	12,679
Department of Military Affairs/GUARNG	1	4,634	5,754	-	-	-	10,388
Department of Agriculture	7	7,048	2,562	0	-	-	9,610
Guam Police Department	9	7,720	1,161	219	187	-	9,287
Office of the Governor	2	6,963	-	-	-	-	6,963
Department of Public Health & Social Services	9	3,375	1,261	1,080	-	-	5,716
Department of Mental Health and Substance	4	3,167	1,850	-	-	-	5,017
Guam Veterans Affairs Office	2	1,114	-	-	-	-	1,114
Guam Energy Office	1	271	274	197	199	-	941
Department of Youth Affairs	3	926	-	-	-	-	926
Department of Customs & Quarantine	1	428	428	-	-	-	856
Guam Visitors Bureau	2	561	-	-	-	-	561
Guam Public Library	6	487	29	-	-	-	516
Department of Administration	3	259	106	-	-	-	365
Guam Homeland Security/Civil Defense	1	309	-	-	-	-	309
Office of Technology	1	174	45	-	-	-	219
							-
Total Line Agencies	156	643,823	473,217	267,777	78,978	30	1,463,825
Other Government of Guam Entities (Active)							
Mayors Council of Guam	62	20,217	11,742	346	22	-	32,328
Merizo Mayor	1	97	76	47	96	-	316
The Office of the Dededo Mayor	1	154	159	-	-	-	313
Agat Mayor's Office	1	26	26	-	-	-	52
							-
							-
Total Other Government of Guam Entities	65	20,495	12,003	393	118	-	33,008
Total as of July 31, 2022 (Active)	326	832,497	606,909	302,366	80,403	276,276	2,098,450

Guam Waterworks Authority
Accounts Receivable - Government (Inactive)

GUAM WATERWORKS AUTHORITY
Accounts Receivable Aging Summary by Rate Class
As of July 31, 2022

SCHEDULE I

ACTIVE AND INACTIVE

Rate Class	A G I N G							
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days	Total	
Government	438	\$ 2,487,018	\$ 684,097	\$ 302,573	\$ 80,473	\$ 570,275	\$ 4,124,436	19%
Agriculture	417	20,531	5,631	2,055	688	33,177	62,082	0%
Commercial I	2,679	1,230,436	164,923	75,072	27,635	559,468	2,057,533	9%
Commercial II	35	256,610	24,217	-	3,147	2,675	286,649	1%
Commercial III	302	457,882	39,496	24,498	21,116	348,594	891,586	4%
Golf Course	16	5,647	-	-	-	-	5,647	0%
Hotel	58	1,603,400	171,832	29,670	21,428	884,500	2,710,830	12%
Irrigation	34	4,070	1,460	1,506	333	1,979	9,348	0%
Residential	49,226	4,947,972	730,903	409,562	262,421	5,468,257	11,819,115	54%
	53,205	11,013,566	1,822,559	844,936	417,241	7,868,925	21,967,228	100%
		50%	8%	4%	2%	36%		
Less Allowance for Doubtful Accounts: (10,340,953)								
Net Accounts Receivable: 11,626,275								
Days Receivables Outstanding								41

As of June 30, 2022

Rate Class	A G I N G							
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days	Total	
Government	437	\$ 2,620,712	\$ 315,186	\$ 86,146	\$ 1,929	\$ 568,406	\$ 3,592,379	18%
Agriculture	415	29,748	6,628	1,461	822	33,145	71,804	0%
Commercial I	2,674	1,227,727	42,551	68,348	30,953	549,244	1,918,823	9%
Commercial II	35	251,757	55	3,188	299	2,676	257,976	1%
Commercial III	303	485,358	133,725	22,643	40,317	326,316	1,008,358	5%
Golf Course	16	4,372	-	-	-	-	4,372	0%
Hotel	58	1,466,010	32,214	39,265	29,175	880,481	2,447,144	12%
Irrigation	34	4,421	1,675	386	222	1,758	8,462	0%
Residential	49,072	4,305,986	732,076	366,121	284,631	5,347,288	11,036,103	54%
	53,044	10,396,090	1,264,111	587,559	388,348	7,709,313	20,345,421	100%
		51%	6%	3%	2%	38%		
Less Allowance for Doubtful Accounts: (10,158,002)								
Net Accounts Receivable: 10,187,419								
Days Receivables Outstanding								40

ACTIVE ONLY

Rate Class	A G I N G							
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days	Total	
Government	433	\$ 1,868,551	\$ 608,780	\$ 302,366	\$ 80,403	\$ 558,279	\$ 3,418,378	21%
Agriculture	393	20,517	5,631	1,933	555	4,965	33,601	0%
Commercial I	2,481	1,224,846	162,324	74,100	21,916	303,438	1,786,624	11%
Commercial II	35	256,610	24,217	-	3,147	2,675	286,649	2%
Commercial III	285	454,500	39,431	24,244	20,854	289,853	828,882	5%
Golf Course	16	5,647	-	-	-	-	5,647	0%
Hotel	55	1,603,400	171,832	29,670	21,428	289,372	2,115,702	13%
Irrigation	33	4,070	1,460	1,506	333	684	8,053	0%
Residential	40,156	4,906,575	672,778	364,967	205,178	1,519,004	7,668,503	47%
	43,887	10,344,716	1,686,454	798,786	353,813	2,968,270	16,152,039	100%
		64%	10%	5%	2%	18%		
Less Allowance for Doubtful Accounts: (10,340,953)								
Net Accounts Receivable: 5,811,086								

As of June 30, 2022

Rate Class	A G I N G							
	No. of Accounts	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days	Total	
Government	435	\$ 2,620,712	\$ 314,979	\$ 86,076	\$ 390	\$ 557,949	\$ 3,580,105	23%
Agriculture	391	29,748	6,507	1,327	720	4,985	43,288	0%
Commercial I	2,483	1,226,029	41,861	62,657	23,652	309,963	1,664,161	11%
Commercial II	35	251,757	55	3,188	299	2,676	257,976	2%
Commercial III	288	485,291	133,471	22,382	39,542	268,350	949,036	6%
Golf Course	16	4,372	-	-	-	-	4,372	0%
Hotel	55	1,466,010	32,214	39,265	29,175	285,352	1,852,016	12%
Irrigation	33	4,421	1,675	386	222	463	7,166	0%
Residential	40,135	4,245,567	693,187	312,198	205,922	1,469,213	6,926,086	45%
	43,871	10,333,907	1,223,948	527,479	299,921	2,898,951	15,284,206	100%
		68%	8%	3%	2%	19%		
Less Allowance for Doubtful Accounts: (10,158,002)								
Net Accounts Receivable: 5,126,204								

GUAM WATERWORKS AUTHORITY
Accounts Payable Aging

SCHEDULE J

<u>As of</u>	<u>AGING</u>							<u>Days Payable Outstanding</u>
	Current	31 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	Total		
July 31, 2022	\$ 3,381,698 83%	\$ 370,335 9%	\$ 84,241 2%	\$ 56,261 1%	\$ 186,501 5%	\$ 4,079,036 100%		32
June 30, 2022	\$ 3,111,217 88%	\$ 35,804 1%	\$ 99,315 3%	\$ 12,249 0%	\$ 266,946 8%	\$ 3,525,531 100%		30
May 31, 2022	\$ 3,808,392 85%	\$ 281,016 6%	\$ 126,158 3%	\$ 28,475 1%	\$ 262,863 6%	\$ 4,506,905 100%		35

GUAM WATERWORKS AUTHORITY
WATER DEMAND BY RATE CLASS
FY2015 - FY2022

SCHEDULE K

CLASS	METER SIZE	AUDITED							UNAUDITED		
		FY2015 TOTAL CONSUMPTION (kGal)	FY2016 TOTAL CONSUMPTION (kGal)	FY2017 TOTAL CONSUMPTION (kGal)	FY2018 TOTAL CONSUMPTION (kGal)	FY2019 TOTAL CONSUMPTION (kGal)	FY2020 TOTAL CONSUMPTION (kGal)	% Inc / (Dec.)	FY2021 TOTAL CONSUMPTION (kGal)	FY2022 ANNUALIZED CONSUMPTION (kGal)*	% Inc / (Dec.)
R	Residential	3,415,662	3,429,689	3,206,811	3,313,613	3,359,905	3,712,723	11%	3,622,617	3,481,827	-4%
C	Commercial	1,020,089	1,022,890	964,639	910,905	906,192	822,029	-9%	786,054	821,548	5%
F	Federal	1,168	1,180	2,508	1,813	1,602	1,338	-16%	2,069	1,405	-32%
G	Government	515,974	475,366	448,430	450,165	405,980	408,502	1%	404,026	456,813	13%
H	Hotel	999,116	1,008,087	1,004,525	989,723	1,079,919	714,161	-34%	448,034	444,309	-1%
G	Golf	6,850	6,770	5,252	2,741	2,793	5,835	109%	2,855	3,796	33%
A	Agriculture	67,376	78,628	69,482	81,127	90,803	84,492	-7%	68,805	69,746	1%
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>	10%	<u>5,404</u>	<u>5,298</u>	-2%
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>	-2%	<u>5,339,864</u>	<u>5,284,742</u>	-1%

*FY2022 is annualized for 10 months.

Guam Waterworks Authority
System Development Charges Project Status
As of July 31, 2022

SCHEDULE L

Funding Summary

Total available project funds	\$ 15,895,801
Total project expenditures and encumbrances	11,267,652
Total unobligated project funds	\$ 4,628,150

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	274,240	5,800	280,040
Line Replacement Phase IV	256,937	-	256,937
Northern District WWTP	3,908,853	2,390,857	6,299,709
Northern District WWTP (Land Purchase)	1,000,000	-	1,000,000
Route 4 Relief Sewerline Rehab & Replacement	519,227	74,641	593,869
South Paulino Heights Waterline Upgrade	84,056	4,714	88,770
Talofofo Sewer Improvement	-	241,142	241,142
Umatac Merizo WWTP	-	0	0
Groundwater Well Production Meter Rep.	113,543	37,664	151,207
	\$ 8,509,979	\$ 2,757,673	\$ 11,267,652

Future planned projects

FY 2022-2025

Water Distribution System Pipe Replacement & Upgrades	1,500,000
Capacity Enhancement - Well Development and Construction Program	394,000
Well Repair Program	200,000
	\$ 2,094,000



Gloria B. Nelson Public Service Building | 688 Route 15 | Mangilao, Guam 96913
Tel: (671) 300-6846

Issues for Decision

Resolution No. 27- FY2022

Relative to Approving the Charge-off of Guam Waterworks Authority Receivables Deemed Uncollectible

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

It is good accounting practice to regularly review accounts receivable to ensure the Allowance for Doubtful Accounts is appropriate and to write off accounts that are deemed uncollectible. If uncollectible receivables are not written off regularly, e.g., annually, Accounts Receivable and the related Allowance become overstated.

The last write off was performed in March 2021. We are proposing this resolution to prepare for the year end closing.

Where is the location?

Not applicable

How much will it cost?

Proposed amounts to be charged off are \$935,767.

Account	Count	Amount
Trade Receivables	2,290	\$908,951
Accounts Receivable, Government	1	13,944
Accounts Receivable, Others	5	12,872
Total	2,296	\$935,767

Accounts Receivable, Others are for accounts billed to businesses for sewage discharge, work orders, and claims for the period of 2017 to 2018. These businesses have all been recently contacted and we continue to work on collecting these outstanding amounts.

As receivables are written off, the Allowance is adjusted. The write off of receivables will not impact income as the amounts were expensed as the Allowance was adjusted, i.e., the write off will reduce the Accounts Receivable and the Allowance for Doubtful Accounts balances on the Statement of Net Position (aka Balance Sheet).

Note, if these receivables are eventually collected, the amounts will be recognized as Miscellaneous Income.

When will it be completed?

As soon as approved by the CCU.

What is the funding source?

Not applicable

The RFP/BID responses (if applicable):

Not applicable



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. 27-FY2022

**RELATIVE TO APPROVING THE CHARGE-OFF OF GUAM WATERWORKS
AUTHORITY RECEIVABLES DEEMED UNCOLLECTIBLE**

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities (“CCU”) has plenary authority over financial, contractual, and policy matters relative to the Guam Waterworks Authority (“GWA”); and

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

WHEREAS, GWA Finance regularly reviews accounts receivable and recognizes that not all accounts will be collectible through the Allowance of Doubtful Accounts; and

WHEREAS, despite best efforts by GWA to collect outstanding balances, the age of certain receivables exceeds the statute of limitations per 7 GCA § 1134; and

WHEREAS, documentation for some of these receivables are not easily found; and

WHEREAS, it is good accounting practice to regularly write off accounts that are deemed uncollectible; and

WHEREAS, after consideration of the aforementioned, management recommends GWA charge off \$935,767 as summarized herein and further detailed in Exhibit A:

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Account	Count	Amount
Trade Receivables	2,290	\$908,951
Accounts Receivable, Government	1	13,944
Accounts Receivable, Others	5	12,872
Total	2,296	\$935,767

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 affirms management's recommendation to charge off these past due inactive receivables for accounts for which reasonable efforts were made to collect \$935,767; the breakdown by year is outlined in Exhibit A.

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

DULY AND REGULARLY ADOPTED, this 23rd day of August 2022.

Certified by:

Attested by:

JOSEPH T. DUENAS
Chairperson

MICHAEL T. LIMTIACO
Secretary

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SECRETARY'S CERTIFICATE

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

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

AYES: _____

NAYS: _____

ABENT: _____

ABSTAIN: _____

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Guam Waterworks Authority
Schedule of Proposed Receivables Charge Off - July 2022
Summary by Customer Class and Fiscal Year

Exhibit A

Trade Receivables (CC&B)

Customer Class	≤ FY2015		FY2016		FY2017		FY2018		TOTAL	
	Customers	Amount	Customers	Amount	Customers	Amount	Customers	Amount	Customers	Amount
Agricultural					1	\$ 72.07	2	\$ 1,156.06	3	\$ 1,228.13
Commercial					18	\$ 24,963.84	31	\$ 30,700.46	49	\$ 55,664.30
Residential	2	\$ 90.08	2	\$ 113.18	958	\$ 382,693.51	1,276	\$ 469,162.17	2,238	\$ 852,058.94
Total Trade Receivables	2	\$ 90.08	2	\$ 113.18	977	\$ 407,729.42	1,309	\$ 501,018.69	2,290	\$ 908,951.37

Other Receivables (JDE)

Customer Class	≤ FY2015		FY2016		FY2017		FY2018		Total	
	Customers	Amount	Customers	Amount	Customers	Amount	Customers	Amount	Customers	Amount
Agricultural										\$ -
Commercial					3	\$ 7,553.38	2	\$ 5,318.22	5	\$ 12,871.60
Residential										\$ -
Government	1	\$ 13,944.44							1	\$ 13,944.44
Total AR Other	1	\$ 13,944.44			3	\$ 7,553.38	2	\$ 5,318.22	6	\$ 26,816.04

TOTAL

Customer Class	≤ FY2015		FY2016		FY2017		FY2018		Total	
	Customers	Amount	Customers	Amount	Customers	Amount	Customers	Amount	Customers	Amount
Agricultural	-	\$ -	-	\$ -	1	\$ 72.07	2	\$ 1,156.06	3	\$ 1,228.13
Commercial	-	\$ -	-	\$ -	21	\$ 32,517.22	33	\$ 36,018.68	54	\$ 68,535.90
Government	1	\$ 13,944.44	-	\$ -	-	\$ -	-	\$ -	1	\$ 13,944.44
Residential	2	\$ 90.08	2	\$ 113.18	958	\$ 382,693.51	1,276	\$ 469,162.17	2,238	\$ 852,058.94
Grand Total	3	\$ 14,034.52	2	\$ 113.18	980	\$ 415,282.80	1,311	\$ 506,336.91	2,296	\$ 935,767.41



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Tel: (671) 300-6846

Issues for Decision

Resolution No. 28-FY2022

Relative to Approving FY22 Budget Amendments and Rate Stabilization Fund Transfers

Background

The final FY2022 Budget has been pending Public Utility Commission (PUC) action on the Comprehensive Review and Update (CR&U) of GWA's 5-Year Financial Plan submitted in May 2021. Due to the delay, the CCU approved a rollover of the FY21 cost containment budget in Resolution 26-FY2021 in anticipation that the PUC would act before the end of FY2021 as required by February 2020 Stipulation and Rate Order.

GWA management seeks CCU authorization to increase its Operations and Maintenance budget not to exceed \$95,609,096. The projected increase of \$6 million is driven primarily by increases in power costs of \$5 million, plus a general increase in the cost of goods and services due to supply chain issues, the increasing cost of transportation, and inflation.

On February 23, 2021, the Consolidated Commission on Utilities (CCU) approved Resolution 11-FY2021 Establishment of the GWA Rate Stabilization Fund. The Rate Stabilization Fund (RSF) serves as a tool to manage financial risks without the need for immediate rate relief. Such risks include the uncertainties of the COVID-19 related impacts on the economy and its effects on GWA revenues and debt service coverage (DSC).

In September 2021, GWA transferred the authorized \$11.4 million from GWA's Working Capital Reserves into the RSF. These funds were originally transferred into the Working Capital Reserves from the Working Capital Reserves for Debt Service per CCU Resolution 17-FY2020 which dissolved the Working Capital Reserves for Debt Service fund.

Resolution 11-FY2021 requires that any transfers out of the RSF to the GWA general fund be formally approved as part of the annual budget.

Because of the delays in PUC action on rate relief, CCU Resolution 06-FY2022 authorized transfers up to \$2 million and CCU Resolution 19-FY2022 authorized transfers up to \$3.3 million for a total of up to \$5.3 million from the RSF to the GWA general fund. Both resolutions were passed in anticipation that the PUC would schedule the rate hearing in the near future. However, although the PUC Administrative Law Judge has issued the proposed rate order on May 13, 2022, the PUC has yet to be schedule a meeting to consider the proposed rate order.

To ensure that GWA does not fall below the required 1.25 DSC as required by the bond indenture, approval is requested to transfer up to an additional \$6.1 million out of the RSF into the GWA general fund for a combined total authorization of \$11.4 million. Additionally, if sufficient revenues

exist to replenish the \$11.4 million, approval is requested to transfer from revenues to the RSF up to the authorized amount.

Once the PUC has issued the rate order, currently anticipated for some time in September 2022, GWA management will submit an updated budget resolution for the CCU's consideration and will include any proposed updates for RSF transfers in and transfers out.

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

In the CCU-approved May 1st CR&U submittal to the PUC, transfers from the RSF were planned for FY2022 largely because projected demand is lower than normal as a result of the impacts of the COVID-19 pandemic. Adding to this, PUC action on proposed rate increases have been delayed, creating further impacts to current revenues and financial performance.

Although GWA has continued cost containment measures, for the reasons noted above increasing the FY22 budget authorization is necessary and urgent to cover the increases in costs beyond GWA's control and ensure that operations continue without disruption. Similarly, transfers from the RSF have been necessary to meet the minimum required debt service coverage and additional transfers may be necessary prior to the end of the current Fiscal Year to avoid technical default on Bond indenture requirements.

Where is the location?

The Rate Stabilization Fund is set up as a separate account under control of the trustee.

How much will it cost?

Budget increase of \$6 million is requested.

When will it be completed?

Authorization is needed prior to the end of the fiscal period (September 30, 2022).

Transfers out of the RSF into the GWA general fund will only be made if it appears the DSC may fall below the required 1.25 coverage. Transfers in to the RSF to replenish the fund will occur prospectively only if sufficient revenues are realized.

What is the funding source?

The increase in the operating expense budget will be funded from revenues and transfers from the Rate Stabilization Fund.

Funds would be transferred from the GWA Rate Stabilization Fund into the GWA General Fund or from Revenues into the RSF for replenishing the fund.

The RFP/BID responses (if applicable):

Not applicable. GWA will work with the current trustee.



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
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GWA RESOLUTION NO. 28-FY2022

**RELATIVE TO APPROVING FY22 BUDGET AMENDMENTS AND RATE
STABILIZATION TRANSFERS**

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 GWA Resolution 18-FY2021 Relative to Approving the GWA Five-Year Financial Plan Update on April 27, 2021; and

WHEREAS, as required by the Public Utility Commission (PUC) FY20 Rate Decision and Order, on May 1, 2021, GWA submitted the Comprehensive Review and Update to GWA’s Five Year Financial Plan (Updated Financial Plan) to the PUC; and

WHEREAS, although the PUC FY20 Rate Decision and Order, and associated Stipulation, required the PUC to act on the Comprehensive Review and Update (CR&U) and set rates for FY2022 through FY2024 by September 30, 2021, the PUC’s consultants have significantly delayed action in the proceeding; and

WHEREAS, because of these delays, GWA presented and the CCU approved GWA Resolution No. 26-FY2020 Relative to the Adoption of Guam Waterworks Authority Interim Fiscal Year 2022 Operating Expense Budget totaling \$89.6 million based on \$112.4 million in Operating Revenues on August 24, 2021, pending PUC action on the CR&U; and

1 **WHEREAS**, on November 22, 2021, upon conclusion of evidentiary hearings in the rate
2 case, the PUC Administrative Law Judge (ALJ) vacated the deadlines in the previous scheduling
3 order related to the ALJ's report and proposed rate order; and
4

5 **WHEREAS**, on May 13, 2022, the ALJ issued his Findings of Fact and Conclusions of
6 Law in Docket 19-08, as well as a proposed Rate Decision for the PUC's consideration and
7 action, however, no schedule was issued for PUC action on the matter; and
8

9 **WHEREAS**, while GWA continues to manage its costs, GWA's financial performance
10 has been impacted by revenue loss and economic disruption associated with the COVID-19
11 Public Health Emergency, increases in costs related to global supply chain issues, inflation, and
12 oil/energy costs; and
13

14 **WHEREAS**, GWA's approved FY22 Interim Cost Containment Budget of \$89.6 million
15 is not sufficient to cover the projected year-end expenses despite continued cost containment,
16 and FY22 total Operating Revenues are projected at \$100.7 million, approximately \$12 million
17 below approved budget levels; and
18

19 **WHEREAS** management seeks to increase spending authorization of GWA's FY22
20 Interim Budget by not more than \$6 million for a projected total of \$95.6 million as reflected in
21 Attachment A herein; and
22

23 **WHEREAS**, the CCU approved Resolution 11-FY2021 Establishment of the GWA Rate
24 Stabilization Fund (RSF) to provide a tool to forestall the need for immediate rate relief and
25 manage financial risks, such as the uncertainties of COVID-19 related impacts on the economy
26 and its effects on GWA revenues and debt service coverage; and
27

28 **WHEREAS**, GWA transferred \$11.4 million from GWA's Working Capital Reserves
29 into the RSF in September 2021 as authorized by Resolution 11-FY2021; and
30

1 **WHEREAS**, the planned use of RSF transfers to augment revenues for FY2022 are
2 required to maintain DSC in light of the increase in actual expenses, increase in projected total
3 year-end operating expenses and reduced revenue resulting from delayed action on GWA's
4 CR&U; and

5
6 **WHEREAS**, *Section 5.02 Allocation of Revenues* of the Bond Indenture states that funds
7 flow into the Rate Stabilization Fund in *the amount specified for such month in a Certificate of*
8 *the Authority which also certifies that such amount is consistent with the annual budget*
9 *established by the Authority*, and *Section 6.08 Authority Budgets* of the Bond Indenture states
10 that *the Authority, as part of the annual budget, may transfer funds to or from the Rate*
11 *Stabilization Fund each month*; and

12
13 **WHEREAS**, Resolution 11-FY2021 requires that the CCU formally approve any
14 planned utilization (transfers out) of the RSF; and

15
16 **WHEREAS**, the CR&U proposed RSF transfers of \$5.3 million for FY2022 assuming
17 the PUC would act on the request to adjust rates; and

18
19 **WHEREAS**, Resolution 06-FY2022 authorized the transfer of up to \$2 million and 19-
20 FY2022 authorized \$3.3 million from the GWA Rate Stabilization Fund into the GWA General
21 Fund for a total of \$5.3 million in authorized transfers; and

22
23 **WHEREAS**, additional Rate Stabilization Fund transfers of up to \$6.1 million may
24 needed to cover the increases in expenditures and maintain required debt service coverage.

25
26 **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities
27 does hereby approve the following:

- 28 1. The recitals set forth above hereby constitute the findings of the CCU.
29 2. The CCU authorizes an increase in GWA's FY22 Interim Operating Expense
30 Budget by not more than \$6 million up to \$95.6 million as reflected in

Attachment A, to maintain operations and maintenance activities with continued cost containment efforts.

3. The CCU finds that it would be prudent to approve additional transfers as needed of up to \$6.1 million from the GWA Rate Stabilization Fund into the GWA General Fund bringing the total authorized transfers to \$11.4 million to ensure that GWA continues to meet the debt service coverage of 1.25x required by the bond indenture and Working Capital Reserves equal to at least 120 days of annual Operations and Maintenance expenses.
4. The CCU authorizes, as circumstances allow, the transfers from revenues to the Rate Stabilization Fund to rebuild the reserve up to the original \$11.4 million.
5. The CCU directs that GWA Management shall notify the CCU of any utilization (transfers out) or replenishment (transfers in) of the Rate Stabilization Fund.
6. The CCU directs GWA Management to include updates to the RSF in the FY22 and FY23 budget resolutions to be provided upon action by the PUC on GWA's CR&U in Docket 19-08.

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

DULY AND REGULARLY ADOPTED, this 23rd day of August 2022.

Certified by:

Attested by:

JOSEPH T. DUENAS

Chairperson

MICHAEL T. LIMTIACO

Secretary

//

//

SECRETARY'S CERTIFICATE

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

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

AYES: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

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ATTACHMENT A
Resolution 28-FY2022

	FY2021 ANNUAL BUDGET		FY2022 ANNUAL BUDGET	
	PUC Adopted	CCU COST CONTAINMENT	FY22 Interim Budget APPROVED	FY22 Budget Amendments Projections- July 2022
OPERATING REVENUES	125,418,435	112,368,157	112,368,157	100,756,467
Water Revenues	77,436,674	70,360,478	70,360,478	64,219,483
Wastewater Revenues	44,115,188	38,717,108	38,717,108	33,111,008
Legislative Surcharge	3,866,573	3,290,570	3,290,570	2,968,777
Other Revenues	430,737	430,737	430,737	457,199
System Development Charge	929,304	929,304	929,304	699,059
Total Operating Revenues	126,778,476	113,728,198	113,728,198	101,455,526
OPERATING AND MAINTENANCE EXPENSES				
Water Purchases	10,123,306	8,623,306	8,623,306	6,606,117
Power Purchases	12,985,577	12,985,577	12,985,577	17,987,175
Total Utility Costs	23,108,883	21,608,883	21,608,883	24,593,292
Salaries and Wages	23,230,648	21,230,648	21,230,648	19,600,158
Pension and Benefits	7,283,895	7,283,896	7,283,896	7,354,195
Total Salaries and Benefits	30,514,544	28,514,544	28,514,544	26,954,353
Capitalized Labor and Benefits	-3,700,000	-3,700,000	3,700,000	3,274,789
Net Salaries and Benefits	26,814,544	24,814,544	24,814,544	23,679,564
Administrative and General Expenses				
Sludge removal	1,723,427	1,582,885	1,582,885	901,006
Chemicals	2,569,917	2,360,346	2,360,346	1,964,393
Materials & Supplies	2,390,134	2,195,224	2,195,224	2,321,533
Transportation	487,311	447,572	447,572	781,100
Communications	189,819	174,340	174,340	154,927
Claims	67,688	62,168	62,168	52,929
Insurance	1,001,929	920,224	920,224	1,319,596
Training & Travel	383,090	351,850	351,850	151,785
Advertising	148,241	136,152	136,152	45,450
Miscellaneous	1,168,002	1,072,754	1,072,754	1,282,238
Regulatory Expense	315,593	289,857	289,857	436,575
Bad Debts Provision	1,817,578	1,669,358	1,669,358	2,005,985
Total Administrative and General Expense	12,262,728	11,262,731	11,262,731	11,417,518
Depreciation Expense	22,271,032	22,271,032	22,271,032	27,708,727
Contractual Expense				
Audit & Computer Maintenance	1,291,638	1,114,848	1,114,848	1,722,365
Building rental	574,913	496,223	496,223	508,767
Equipment rental	1,216,844	1,050,291	1,050,291	459,908
Legal	7,823	6,752	6,752	202,467
Laboratory	491,917	424,587	424,587	506,037
Other	3,722,851	3,213,293	3,213,293	1,556,751
Total Contractual Expense	7,305,986	6,305,994	6,305,994	4,956,295
Retiree Supp. Annuities and health care costs	3,255,923	2,800,628	2,800,628	2,629,701
Contribution to Government of Guam	677,256	582,552	582,552	624,000
Total Retiree Benefits	3,933,180	3,383,180	3,383,180	3,253,701
Total Operating Expenses	95,696,352	89,646,364	89,646,364	95,609,096
Earnings (Loss) from Operations	31,082,124	24,081,834	24,081,834	5,846,429
Interest Income - 2010/13/14/16/17/20 Series Bond	1,539,593	1,539,593	1,539,593	34,482
Interest Income - Other Funds	248,637	248,637	248,637	9,851
Interest Income - SDC	29,850	29,850	29,850	5,336
Interest Expense - 2010/13/14/16/17/20 Series Bond	(31,659,950)	(31,659,950)	(31,659,950)	(29,489,403)
Contributions from Federal Government	-	-	-	0
Federal Expenditures	-	-	-	0
Loss on Asset Disposal	-	-	-	(35,186)
AFUDC	-	-	-	0
Amortization of Discount, Premium and Issuance Costs	(276,930)	(276,930)	(276,930)	1,876,188
Defeasance due to bond refunding	(269,263)	(269,263)	(269,263)	(2,056,782)
Deferred outflows from pension	-	-	-	0
Prior Year Adjustment	-	-	-	163,090
Total non-operating revenues (expenses)	(30,388,063)	(30,388,063)	(30,388,063)	(29,492,424)
Net Income (Loss) before capital contributions	694,061	(6,306,229)	(6,306,229)	
Capital Contributions				
Grants from US Government	39,732,857	39,732,857	39,732,857	34,565,647
Grants from GovGuam & Others	-	-	0	0
Total Capital Contributions	39,732,857	39,732,857	39,732,857	34,565,647
Change in Net Assets	40,426,918	33,426,628	33,426,628	34,565,647
Debt Service Calculation				
Earnings From Operations	31,082,124	24,081,834	24,081,834	5,846,429
System Development Charge	-929,304	-929,304	-929,304	(457,199)
Retiree COLA	582,552	582,552	582,552	624,000
Interest/Investment Income	354,605	354,605	248,637	9,851
Plus withdrawals (deposits) to Rate Stabilization Fund				11,400,000
Depreciation	22,271,032	22,271,032	22,271,032	27,708,727
Balance Available for Debt Service per Section 6.12	53,361,008	46,360,718	46,254,750	45,131,808
Working Capital Reserve Available for Debt Service				
Transfer to Working Capital - Debt Service Reserve				
Transfer to Working Capital - O&M Reserve				
Balance Available for Debt Service inclusive of reserves	53,361,008	46,360,718	46,254,750	45,131,808
Debt Service				
Principal	9,270,000	9,270,000	9,270,000	9,745,000
Interest	24,959,950	23,959,950	22,547,962	23,713,069
Total	34,229,950	33,229,950	31,817,962	33,458,069
Debt Service Coverage (1.25X) - per Section 6.12 (Indenture)	1.56	1.40	1.45	1.35
Debt Service Coverage (1.40X) inclusive of reserves (PUC)				



"Better Water, Better Lives."

Gloria B. Nelson Public Service Building | 688 Route 15 | Mangilao, Guam 96913
Tel: (671) 300-6846

Issues for Decision

Resolution No. 29-FY2022

Relative to Approval of Series 2020A Bond Proceeds Reallocation

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

The objective of the bond proceeds reallocation is to allocate additional funding for the remaining court ordered water tank projects. Construction costs are significantly higher than originally estimated during the development of the 2018 Water Resources Master Plan and funding must be identified so that the projects can be obligated and completed timely.

Where is the location?

The reallocated funding will be applied to tank construction and repair/rehabilitation projects at several location island-wide.

How much will it cost?

While there is no additional cost proposed over previously approved 2020A bond expenditures, GWA management seeks to reallocate \$30,425,000 of the 2020A Bond proceeds, from projects for which have already been completed, or can be deferred and for which funds are not immediately needed. It is the intent that these projects will be funded from future bond proceeds.

When will it be completed?

GWA intends to issue the bid documents for the millions largest new tank construction projects in October, with some rehabilitation/repair projects being funded in the near term as on-going inspections and assessments are completed. The reallocation is necessary so that the funds can be certified for these upcoming construction contracts.

What is the funding source?

2020A Bonds

The RFP/BID responses (if applicable):

N/A



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

GWA RESOLUTION NO. 29–FY2022

RELATIVE TO APPROVAL OF SERIES 2020A BOND PROCEEDS REALLOCATION

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities (“CCU”) has plenary authority over financial, contractual and policy matters relative to the Guam Waterworks Authority (“GWA”); and

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

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

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

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

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

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

1 cost of energy and materials, the cost of the construction or rehabilitation of the water tanks has
2 increased significantly since the development of the current Five-Year Capital Improvement
3 Program (CIP); and
4

5 **WHEREAS**, due to the economic impacts of COVID-19 on GWA's revenues and the
6 delayed action on GWA's Comprehensive Review & Update (CR&U) in Docket 19-08, GWA
7 has significantly less revenue-funded or internally funded capital improvement program (IFCIP)
8 funds that might be used to make up for increased construction costs; and
9

10 **WHEREAS**, GWA management has identified several non-Court Order projects in the
11 current CIP that can be deferred; and
12

13 **WHEREAS**, GWA management seeks to reallocate \$ 30,425,000 of the 2020A Bond
14 proceeds from various deferred CIP line items to augment the CIP line items PW 09-11 "Water
15 System Reservoirs 2005 Improvements" (See Exhibit A) for the purposes of covering the
16 increased construction costs for the Court Order tank projects; and
17

18 **WHEREAS**, funding for these deferred CIP projects will need to be obtained through
19 future capital financing sources; and
20

21 **WHEREAS**, the reallocation of the 2020A Bond as described above will likely cause the
22 CIP to need adjustment to reflect the required movement of funding. Such adjustment will be
23 included in the current and on-going Water Resource Master Plan 5-year review, which will also
24 allow for additional modification of CIP line items to reflect current developments with
25 additional compliance requirements, emerging water contaminants, changing grant fund
26 allocations and changes to future bond borrowing for the CIP; and
27

28 **WHEREAS**, GWA management seeks CCU approval to petition the PUC for approval
29 to reallocate the 2020A bonds as indicated above.
30

31 //

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

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

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

DULY AND REGULARLY ADOPTED, this 23rd day of August 2022.

Certified by:

Attested by:

JOSEPH T. DUENAS

Chairperson

MICHAEL T. LIMTIACO

Secretary

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SECRETARY'S CERTIFICATE

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

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

AYES: _____
NAYS: _____
ABSENT: _____
ABSTAIN: _____

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

Exhibit A

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

CCU STANDING RULES

2.2.2 Duties of the Vice-Chairperson

The Vice-Chairperson shall have the powers and duties of the Chairperson during the latter's temporary absence or vacancy.

2.2.3 Duties of the Presiding Officer

If the Presiding Officer is not the Chairperson, that Commissioner shall have full powers of the Presiding Officer and Chairperson prescribed by Section 1.01(b). Any Presiding Officer shall have the power to designate a Commissioner to perform the duties of a Presiding Officer on a temporary basis.

2.2.4 Duties of the Secretary

The Secretary shall:

- A. cause records to be kept of the attendance at the meetings of all Commissioners and cause to be prepared on a quarterly basis a compilation of the attendance of such Commissioners at meetings of Consolidated Commission on Utilities, and a compilation of the voting record of each Commissioner of Consolidated Commission on Utilities on the passage of motions, resolutions, and other matters, where a roll call was held before Consolidated Commission on Utilities. Such quarterly report shall be made part of the meeting minutes of the day on which it is submitted to Consolidated Commission on Utilities;
- B. attest by signature all resolutions, orders, proceedings, contracts, or documents issued by order of Consolidated Commission on Utilities;

2.3 Vacancies**2.3.1 Permanent Vacancies**

In case of a permanent vacancy of an officer, such vacancy shall be filled for the un-expired term of Office from among the other Commissioners of Consolidated Commission on Utilities by election by a majority vote of the Commissioners.

2.3.2 Temporary Absence or Vacancy

For purposes of the CCU Standing Rules, a temporary absence or vacancy occurs when a Commissioner, in his or her capacity as an Officer or Chairperson of a Standing Committee, is unable or unavailable to serve in such capacity for a limited period of time due to illness, off-island travel, or other reasons declared by such Commissioner.

2.3.2.1 Temporary Absence or Vacancy of the Chairperson

If a temporary absence occurs in the office of the Chairperson, then the order of succession of the Officers who shall be eligible to serve as Acting Chairperson shall be the Vice-Chairperson, the Secretary and the Chairperson of the Committee on Rules, except that no person shall serve as both Acting Chairperson and Secretary or Acting Secretary at the same time.

CCU STANDING RULES

2.3.2.2 Temporary Absence or Vacancy of the Secretary

If a temporary absence or vacancy occurs in the office of the Secretary, then the Chairperson of the Committee on Rules shall serve as Acting Secretary. If the Chairperson of the Committee on Rules is unable to serve as Acting Secretary, then the Acting Chairperson shall serve as the Acting Secretary.

2.3.2.3 Temporary Absence or Vacancy of a Committee Chairperson

If a temporary absence or vacancy occurs in the office of a Chairperson, the Vice-Chairperson of the Committee involved shall serve as the Acting Chairperson. If the Vice-Chairperson is unable or unavailable to serve as Acting Chairperson, then the Chairperson or Acting Chairperson shall designate some other Commissioner of the Committee to serve as Acting Chairperson. Failing this, the Chairperson of Consolidated Commission on Utilities shall act as Acting Chairperson of the Committee in question until the Vice-Chairperson or Chairperson returns and assumes their duties.

3 RULE III - COMMUNICATIONS**3.1 Delivery of Communications.**

All communications, petitions and messages addressed to Consolidated Commission on Utilities shall be delivered to the Chairperson, who shall promptly transmit them to all Commissioners. The Chairperson may respond to any communication in which a topic was discussed and voted on that clearly demonstrates the position of the Consolidate Commission on Utilities.

A Commissioner may respond to all communications, petitions, and messages from the general public in which a topic was discussed and voted on that clearly demonstrates the position of the Consolidate Commission on Utilities.

Under no circumstance shall a Commissioner unilaterally respond to any communications if the positions of Consolidated Commission on Utilities are unclear or contrary to a previous decision. However, Commissioners are free to express their opinions on any matter provided they clearly indicate it is their opinion on not that of the CCU.

3.2 Compliance with 5 GCA § 10103 (d)

The Chairperson shall promptly notify all Commissioners of FOIA requests directed to the CCU and shall direct the General Manager, Attorney or Administrative Secretary of the CCU to comply with such request. The following procedure shall be followed in response to FOIA request.

3.3 FOIA Standard Operating Procedure**3.3.1 Policy**

FOIA provides every person the right to inspect and take a copy of any public document on Guam, except as otherwise expressly prohibited in law, and except as provided in 5 GCA § 10108. The CCU FOIA Coordinator shall prepare a response to all requests and determine any fee charged for responding

July 14, 2022

Mr. Joseph Duenas
Chairman
Consolidated Commission on Utilities



Re: RESIGNATION

Hafa Adai Chairman Duenas,

It is with deep regret that I tender my resignation effective today July 14, 2002, as a member of the Consolidated Commission on Utilities (CCU).

I've accepted an unclassified position in the Government of Guam. Pursuant to our enabling legislation, no CCU commissioner shall simultaneously serve as a Commissioner and an unclassified or contracted employee of the government of Guam.

Thank you for the opportunity to work with you, my fellow CCU members, Simon, Michael and Peter Roy, our general managers John Benavente and Miguel Bordallo.

Regards,

Francis E. Santos