Gmail

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MC Fwd: GWA WORK SESSION MATERIALS / APRIL 10, 2018

1 message

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To: 34th Guam Legislature Clerks <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>

Tue, Apr 10, 2018 at 4:09 PM

04/10/18	04/10/18	Consolidated Commission on Utilities	GWA Work Session April 10, 2018 /Materials.*	34-18-1735

——— Forwarded message ———
From: **Bernadette Lou Sablan** <l.sablan@gpagwa.com>
Date: Tue, Apr 10, 2018 at 4:04 PM
Subject: GWA WORK SESSION MATERIALS / APRIL 10, 2018
To: "Andy Niven (ndynvn@yahoo.com)" <ndynvn@yahoo.com>, Angelica Perez <aperez@ambrokers.com>, Ann Borja - GWA <annborja@guamwaterworks.org>, "Annmarie Muna (amuna@ambrokers.com)" <amuna@ambrokers.com>, Artemio S Perez <aperez@gpagwa.com>, BENJAMIN CRUZ <speaker@senatorbjcruz.com>, "Cameron Mulka (cimiculka@guampdn.com)" <cimiculka@guampdn.com>, "Charlene Calvo (charlene.calvo@ipehq.com)" <charlene.calvo@ipehq.com>, Chilang F Unpingco <cfejeran@gpagwa.com>, "Fred Horecky (horeckylaw@teleguam.net)" <horeckylaw@teleguam.net>, "Gaynor Delano (gdumat-ol@guam.gannett.com)" <gdumat-ol@guam.gannett.com>, Gilda Mafnas <gildam@guamwaterworks.org>, Governor's Office <joy.unpingco@guam.gov>, "Greg P. Cruz" <gpcruz@guamwaterworks.org>, Heidi Balfendorf <heidi@guamwaterworks.org>, "Jams Y Kim (pacguam@gmail.com)" <pacguam@gmail.com>, "Jeff Johnson (jeffcharjohnson@hotmail.com)" <jeffcharjohnson@hotmail.com>, Jennifer G Sablan <jsablan@gpagwa.com>, "Jessica Peterson (webmaster@theguamguide.com)" <webmaster@theguamguide.com>, "Jessy Gogue (ocp.mayor@gmail.com)" <ocp.mayor@gmail.com>, "Joe John Mantanona (joejohnmantanona@gmail.com)" <joejohnmantanona@gmail.com>, "John O'Connor (john@postguam.com)" <john@postguam.com>, "John Reigel (jreigel@brwncald.com)" <jreigel@brwncald.com>, Joyce N Sayama <jsayama@gpagwa.com>, Karla Tydingco <ktydingco@guamwaterworks.org>, Kim Garrido <kim.garrido@mec-guam.com>, "Louella Losinio (louella@postguam.com)" <louella@postguam.com>, Manny Apuron <mapuron@guamwaterworks.org>, "Maripaz N. Perez" <mnperez@gpagwa.com>, "Michael White (whitema@cdmsmith.com)" <whitema@cdmsmith.com>, "Nestor Licanto (nestor@kuam.com)" <nestor@kuam.com>, "Patricia L. Diego" <pldiego@gpagwa.com>, "PDN Newsroom (news@guampdn.com)" <news@guampdn.com>, "Peter Montinola (peter@isuguam.com)" <peter@isuguam.com>, Selma HG Blas <sblas@gpagwa.com>, "Telena Nelson (senatortcnelson@gmail.com)" <senatortcnelson@gmail.com>, "Therese Terlaje (senatorterlajeguam@gmail.com)" <senatorterlajeguam@gmail.com>

Hi everyone,

Attached is the pdf file / materials for today's GWA Special Work Session.

Best,

Lou

GL# 34-18-1735
Speaker Benjamin J.F. Cruz

APR 10 2018
Time: 4:05 ~~11 AM~~ PM File No.
Received By

B. Lou Sablan

Board Secretary

Consolidated Commission on Utilities

Admin Asst., Legal Counsel, GPA

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http://guampowerauthority.com/home.html

http://guamwaterworks.org/

2018 APR 10 PM 4:28

OFFICE OF SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication

I Mandetentat Kuattro na Liheslaturan Guahan

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GWAWS 4.10.18.pdf
885K

1735

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

GUAM WATERWORKS AUTHORITY
SPECIAL WORK SESSION
CCU Conference Room
4:00 p.m., April 10, 2018

AGENDA

1. **ISSUES FOR DISCUSSION**
   - **1.1 DRAFT GWA Master Plan**

2. **ANNOUNCEMENTS**
   - **2.1 Next CCU Meetings: GWA Work Session - 4/17; GPA Work Session 4/19; CCU Meeting: 4/20**

3. **EXECUTIVE SESSION**
   - **3.1 Litigation Matter**
   - **3.2 Personnel Matter**

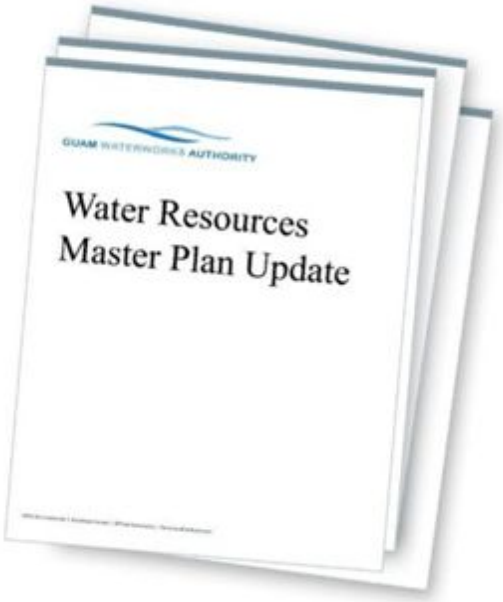
4. **ADJOURNMENT**

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Water Resources Master Plan Update



What is the Master Plan?



An Opportunity To:

- Look at the entire GWA system and make recommendations for capital and organization/procedural improvements
- Review in detail future requirements for the Water and Wastewater Systems including:
  - Provide an assessment of the current condition of pipelines, pump stations, treatment plants, reservoirs, production wells, etc.
  - Make projections for capacity necessary to meet future needs to 2037.
  - Develop projects to address the needs outlined by the condition assessments and capacity analysis.
- Plan also looks into other components of the GWA system to:
  - Define new expectations for utility performance
  - Review population projections, proposed developments and requirements for future water supply.
  - Review water supply sources and availability on Guam
  - Review objectives and set goals for things like Leak Detection and Non Revenue Water
- Develop a list of capital improvement projects for the next 20 years
- Present a financial plan to fund and execute improvements without excessive burden to customers



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GWA's Extensive Infrastructure

Water System

- ~47,800 customers
- 580+ miles of distribution piping
- 26 storage tanks
- 22 booster pump stations
- 120 water supply wells
- 1 surface water treatment plant

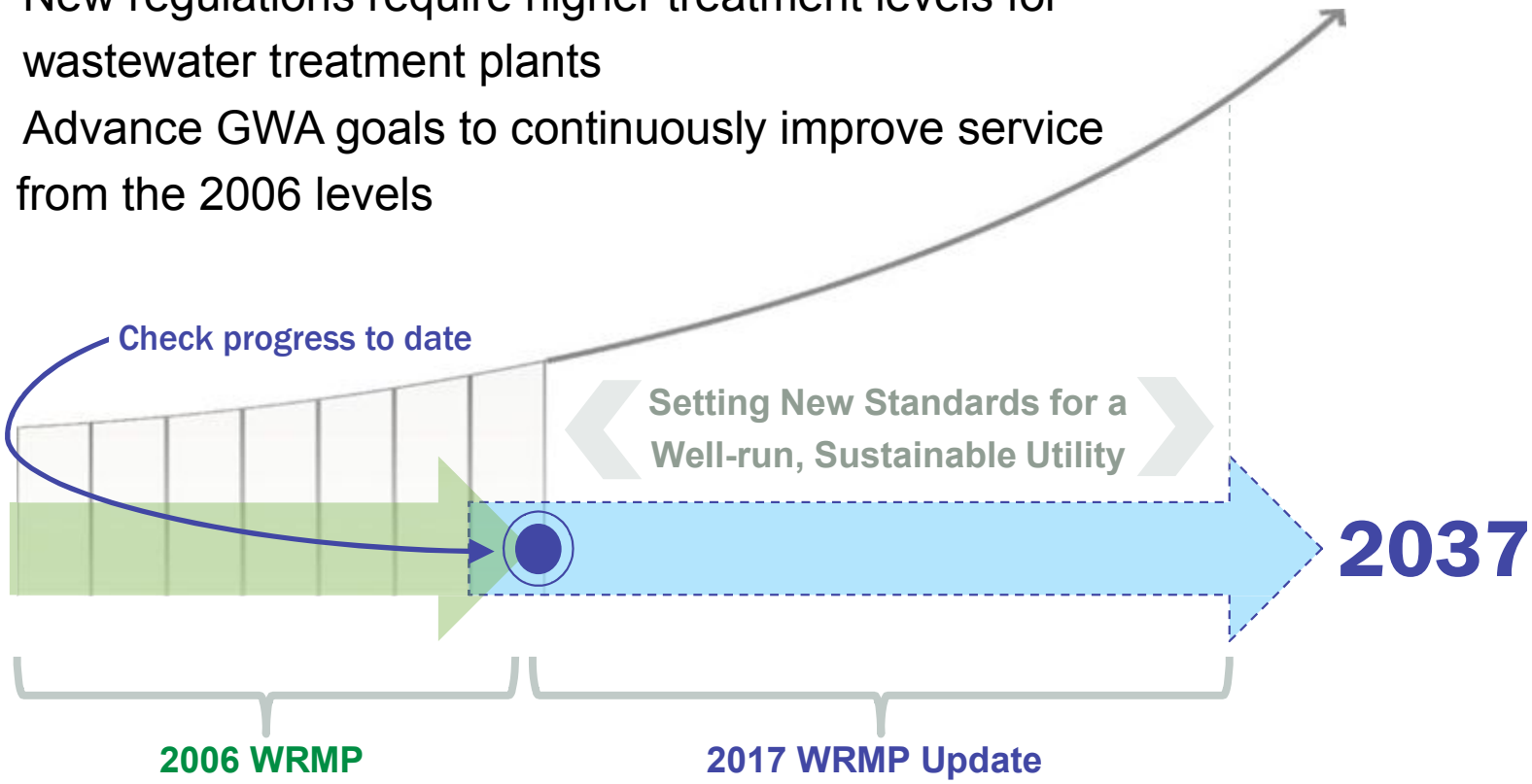
Wastewater System

- ~30,400 customers
- 320+ miles of collection system piping
- 82 wastewater lift stations
- 7 wastewater treatment plants

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Why update the WRMP?

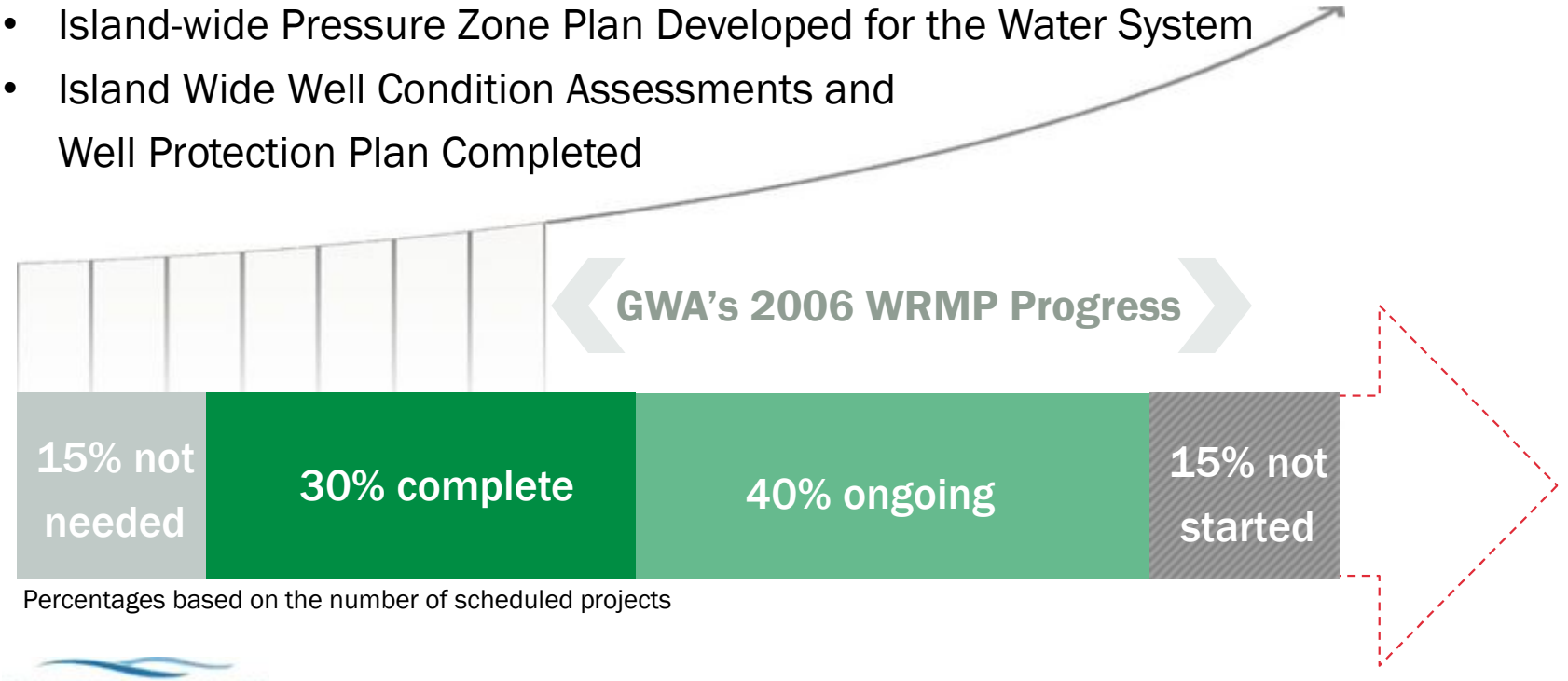
- GWA infrastructure has aged 10 years since the first WRMP
- Military relocation brings 5,000 marines to Guam
- New regulations require higher treatment levels for wastewater treatment plants
- Advance GWA goals to continuously improve service from the 2006 levels



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A decade of progress is paying off

- Ugum Treatment Plant Upgrade Completed
- Hagåtña and Northern District WWTP Upgrades Completed
- Six Water Storage Tanks Constructed with Capacity of 6 Million Gallons
- Water and Wastewater System Hydraulic Models Significantly Updated
- Navy Water Use Reduced By Over 50 Percent Between 2004 And 2016
- Island-wide Pressure Zone Plan Developed for the Water System
- Island Wide Well Condition Assessments and Well Protection Plan Completed



Percentages based on the number of scheduled projects

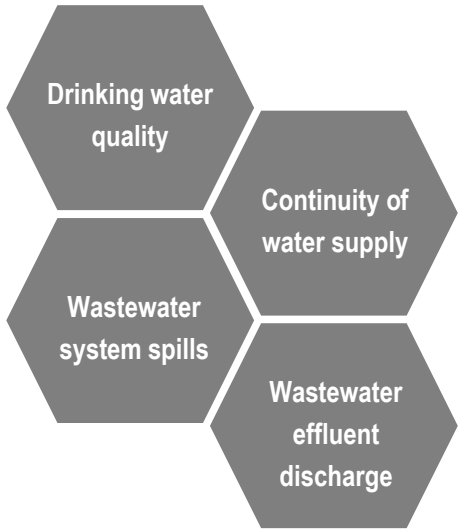
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New Expectations Set for GWA

New Levels of Service goals set in 2017 Plan

2006 WRMP

Limited to 4 fundamental Service Level Goals



2017 WRMP Update

Increased to 16 Service Level Goals



See Volume 1, Section 3 for complete Service Level list

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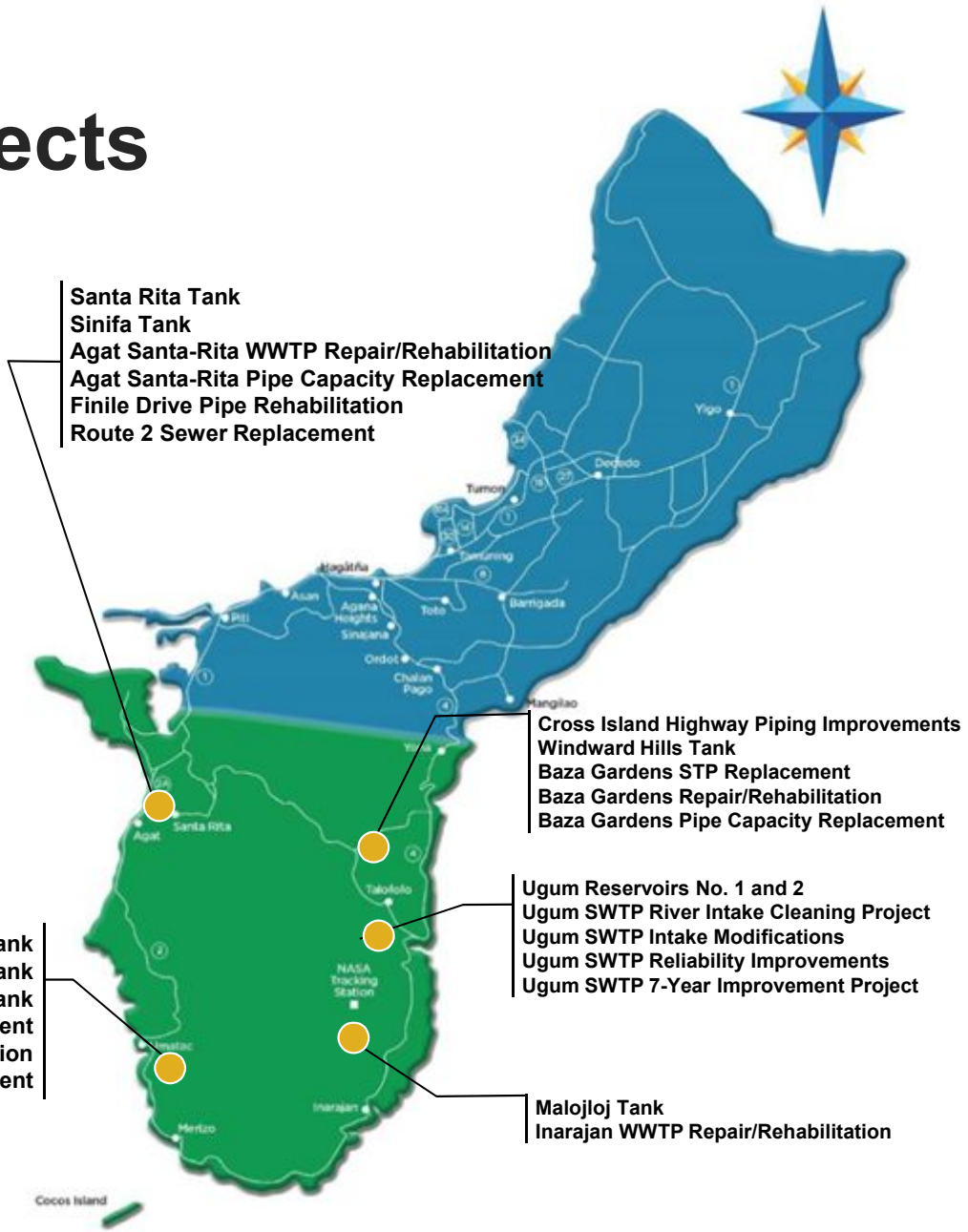
Island-wide improvement projects/programs



- **Well Development and Construction - $4.6M every 3 yrs**
- **Well Rehabilitation - $5.8M every 3 yrs**
- **PRV Rehabab and Replacement – $1.5M/yr for 5-yrs**
- **Water Reservoir Inspections - $215K/yr**
- **Leak Detection Program - $380K every 5 yrs**
- **Fire Hydrant Replacement $970K/yr for 5yrs, $530k/yr after**
- **2-Inch Pipe Replacement -$1.75M/yr**
- **Asbestos Cement Pipe Replacement -$3.85M/yr (start in 2022)**
- **Force Main Rehabilitation/Replacement -$1.6M every 3 yrs**
- **Gravity Sewer Rehabilitation/Replacement - $8.5M/yr**
- **Lift Station Rehabilitation/Replacement – 5.5M every 2yrs**
- **I/I and SSES Assessments - $400K every 3 yrs**
- **Septic/Cesspool System Reduction - $5.2M/yr**

Southern villages improvement projects

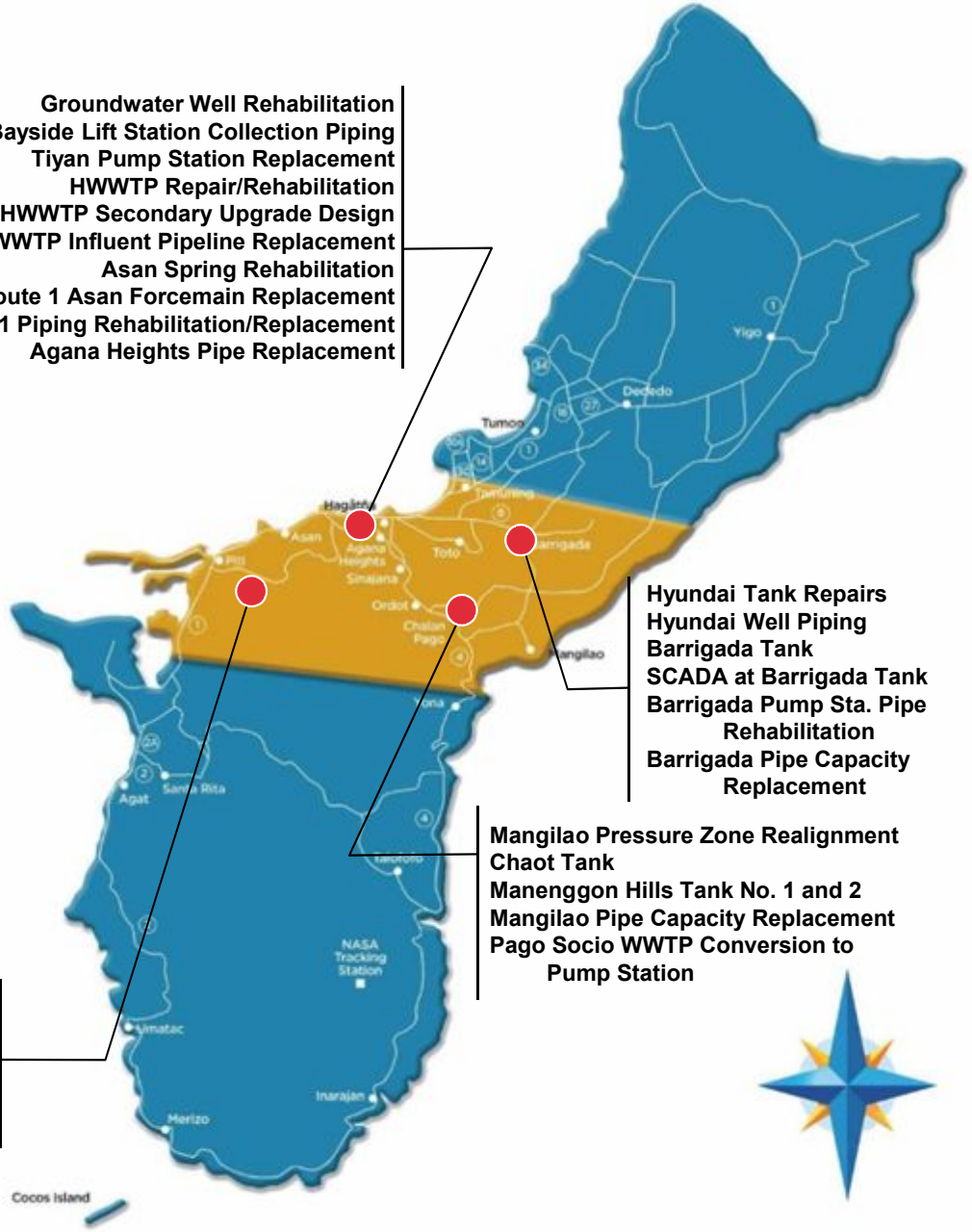
- Improve water quality and Water System reliability
- Reduce number of water outages
- Replace AC and galvanized steel water lines
- Rehabilitate/replace sewer lines
- Upgrade WW treatment plants/ Federal Permit compliance
- Reduce wastewater overflows



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Central villages improvement projects

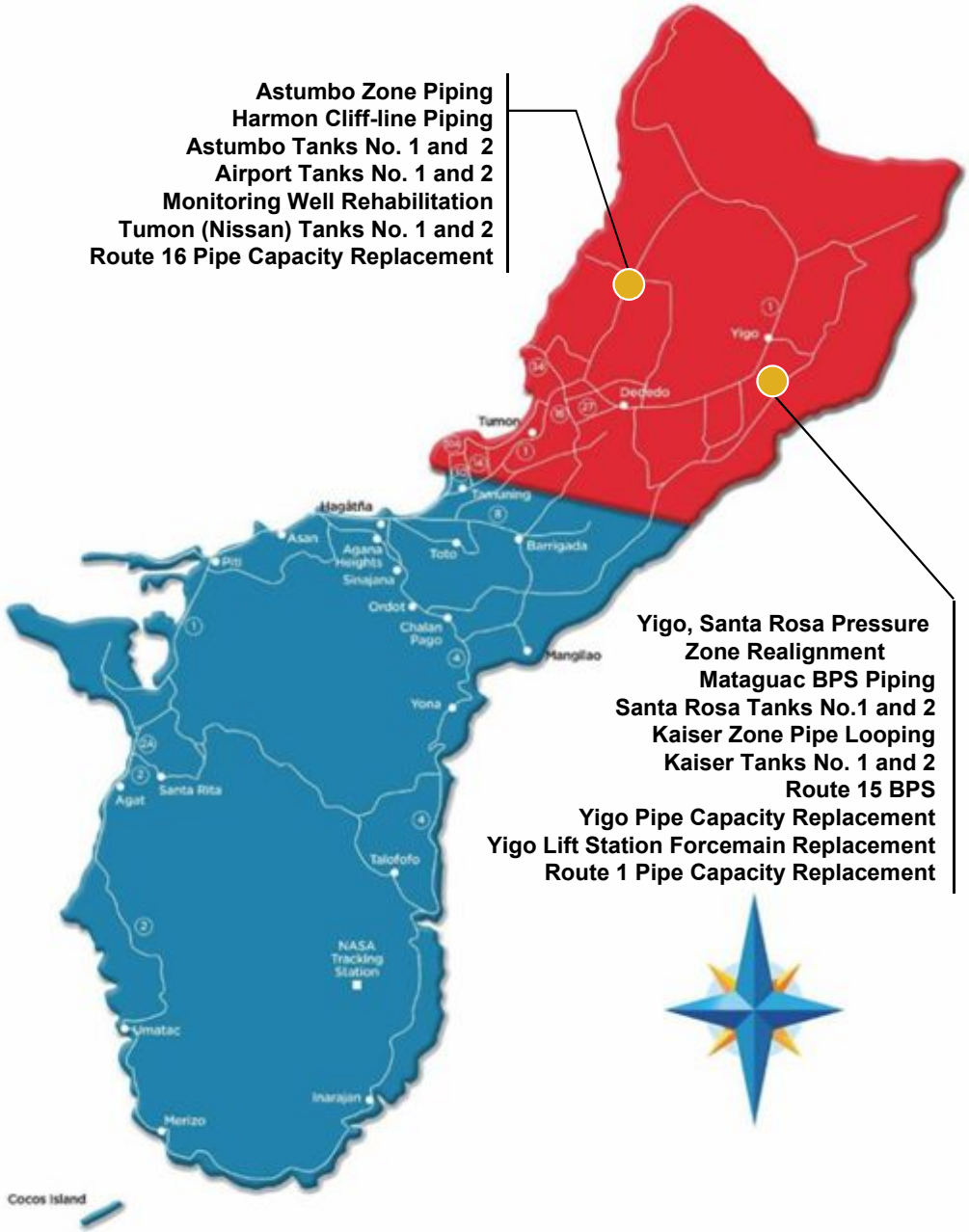
- Improve water quality and Water System reliability
- Reduce number of water outages
- Replace AC and galvanized steel water lines
- Rehabilitate/replace sewer lines
- Upgrade WW treatment plants/ Federal Permit compliance
- Reduce wastewater overflows



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Northern villages improvement projects

- Improve water quality and Water System reliability
- Reduce number of water outages
- Replace AC and galvanized steel water lines
- Rehabilitate/replace sewer lines
- Upgrade WW treatment plants/ Federal Permit compliance
- Reduce wastewater overflows

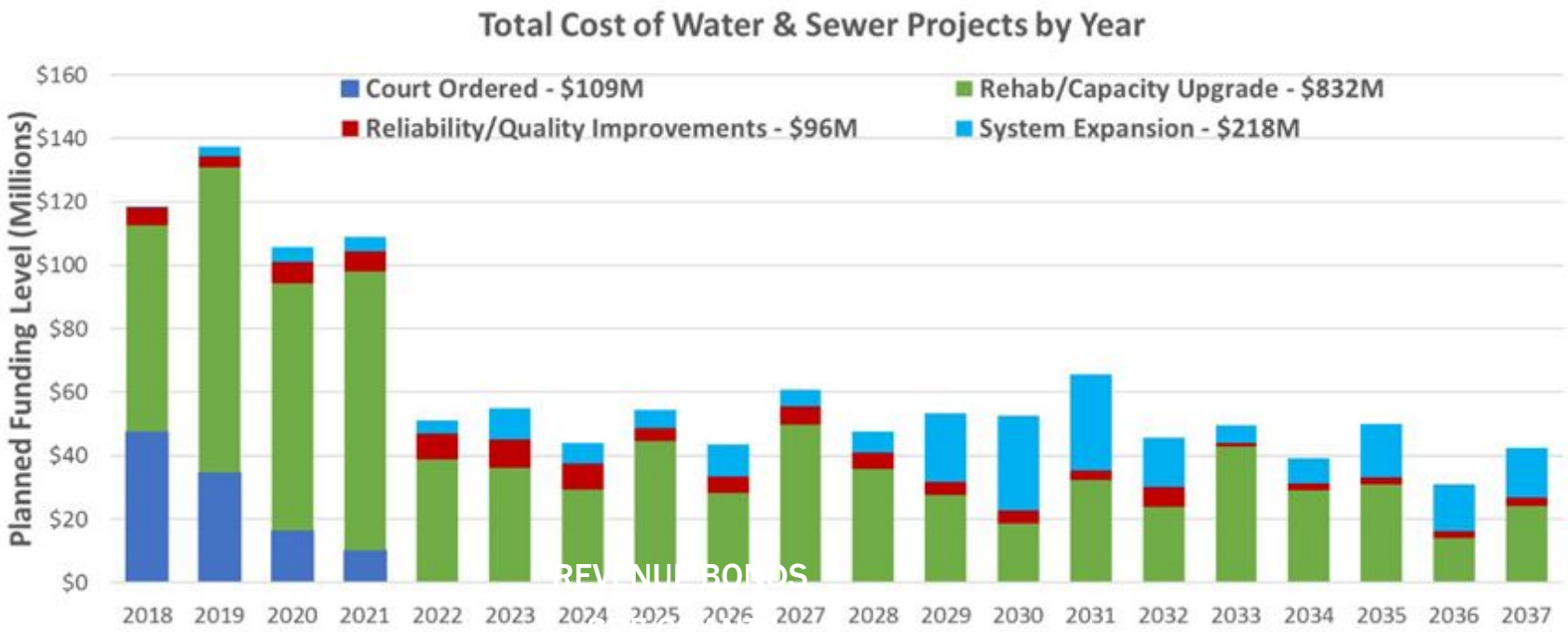


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Capital Improvement Projects Summary

Project Category	Number of New Projects	Estimated Cost WRMPU Proposed CIP	Number of Ongoing Projects	Estimated Cost Current/Ongoing CIP
Water System Improvements				
Pipeline Projects	17	$204,402,000	2	$2,500,000
Storage Tank and BPS Projects	30	$120,082,000	5	$30,808,000
Water Production Projects	10	$123,216,000	3	$8,667,000
Other Water System Projects/Studies	5	$14,449,000	4	$5,500,000
Total Water System Improvements	62	$462,149,000	14	$47,475,000
Wastewater System Improvements				
Gravity Sewer Projects	27	$250,247,000	7	$69,230,000
Force main Projects	4	$22,498,000		
Lift Station Projects	3	$68,156,000	2	$4,293,000
Wastewater Treatment Facilities	9	$71,238,000	3	$151,946,000
Other Wastewater System Projects/Studies	5	$10,978,000		
Total Wastewater System Improvements	48	$423,117,000	12	$225,469,000
General Systems Improvements				
General Facilities / Equipment Improvements	10	$59,800,000	1	
SCADA / Electrical	4	$37,176,000	2	$5,175,000
Total General System Improvements	14	96,976,000	3	$5,175,000
Total (rounded)	124	$982,242,000	29	$278,119,000

Funding needed for improvements



DoD buildup projects

$30-50M/year for first 4 years

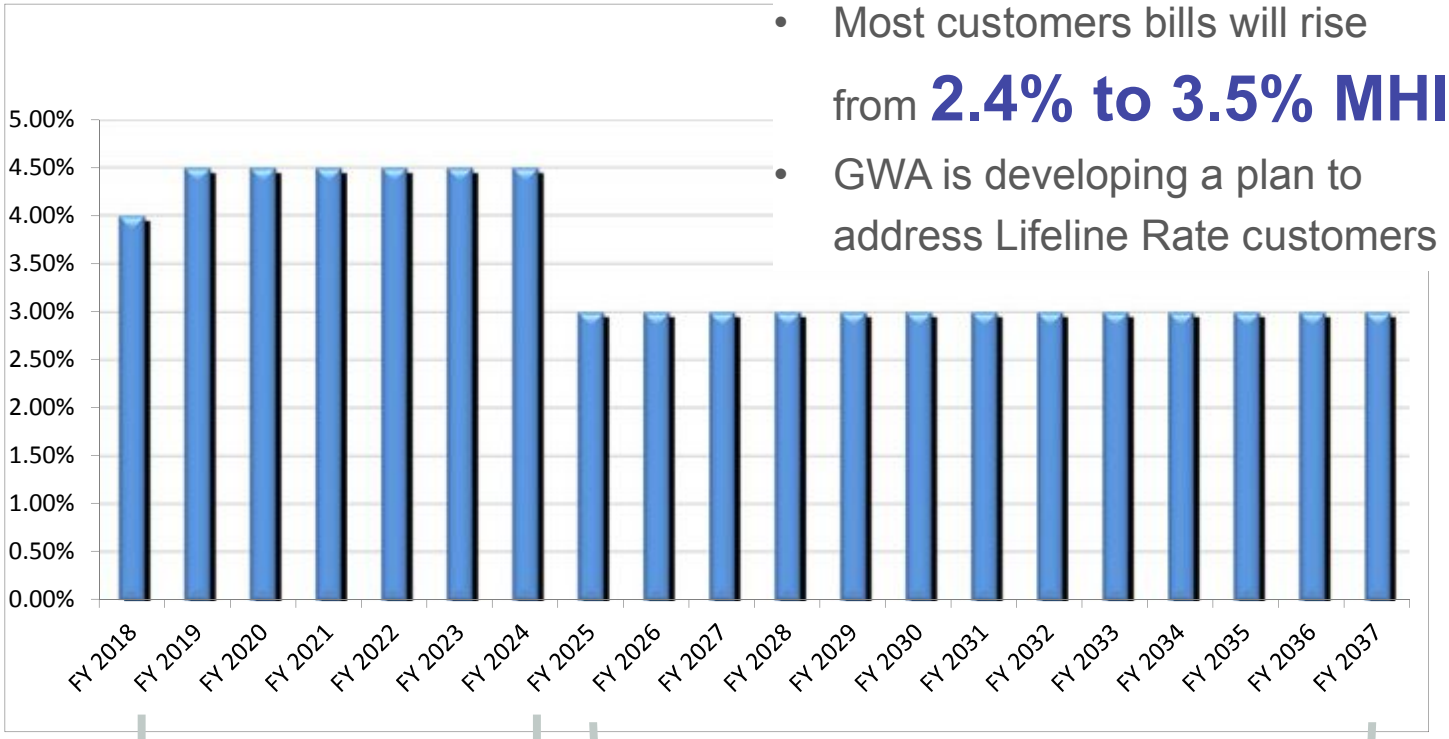
Average Annual Funding

$49M/year

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How will these funding needs affect service rates?

- Most customers bills will rise from **2.4% to 3.5% MHI**
- GWA is developing a plan to address Lifeline Rate customers

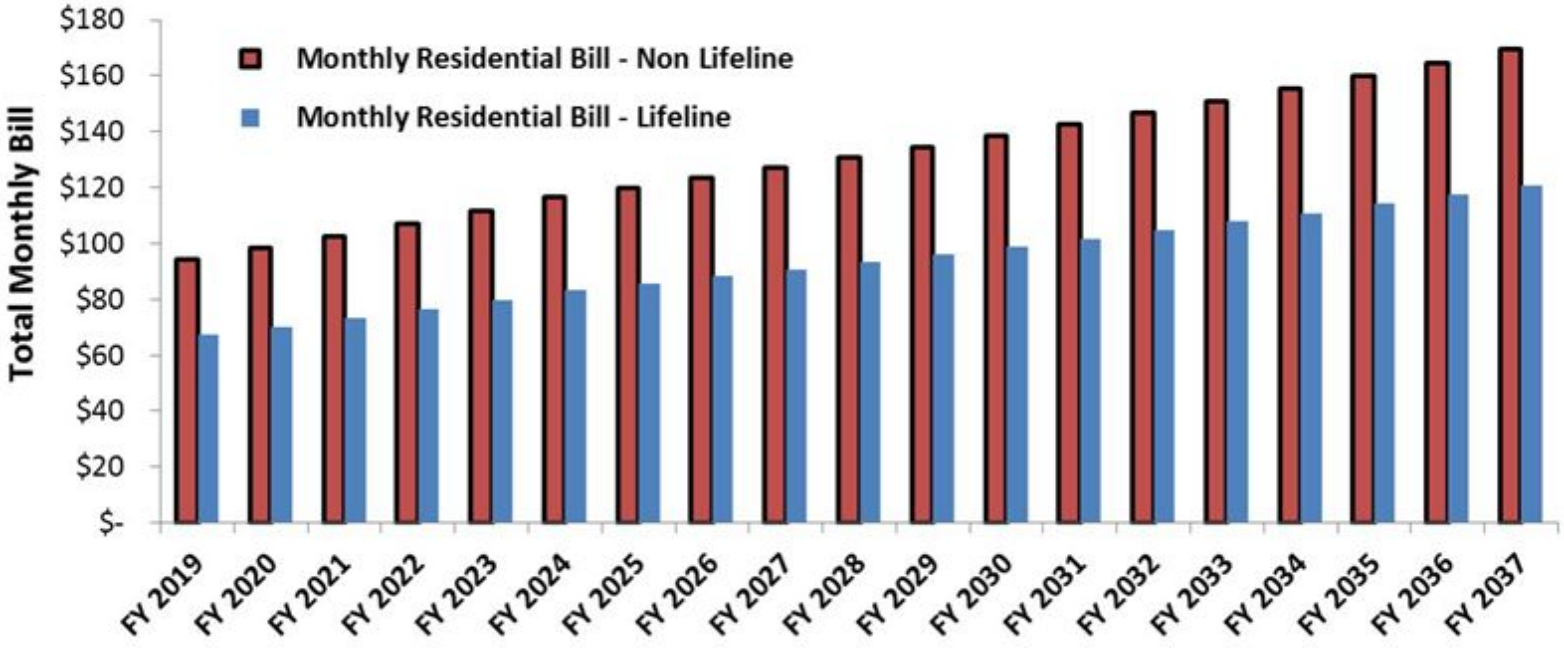


4.0–4.5%
for first 7 years

3.0%
annual rate increases

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How will this affect Your Monthly Bill?

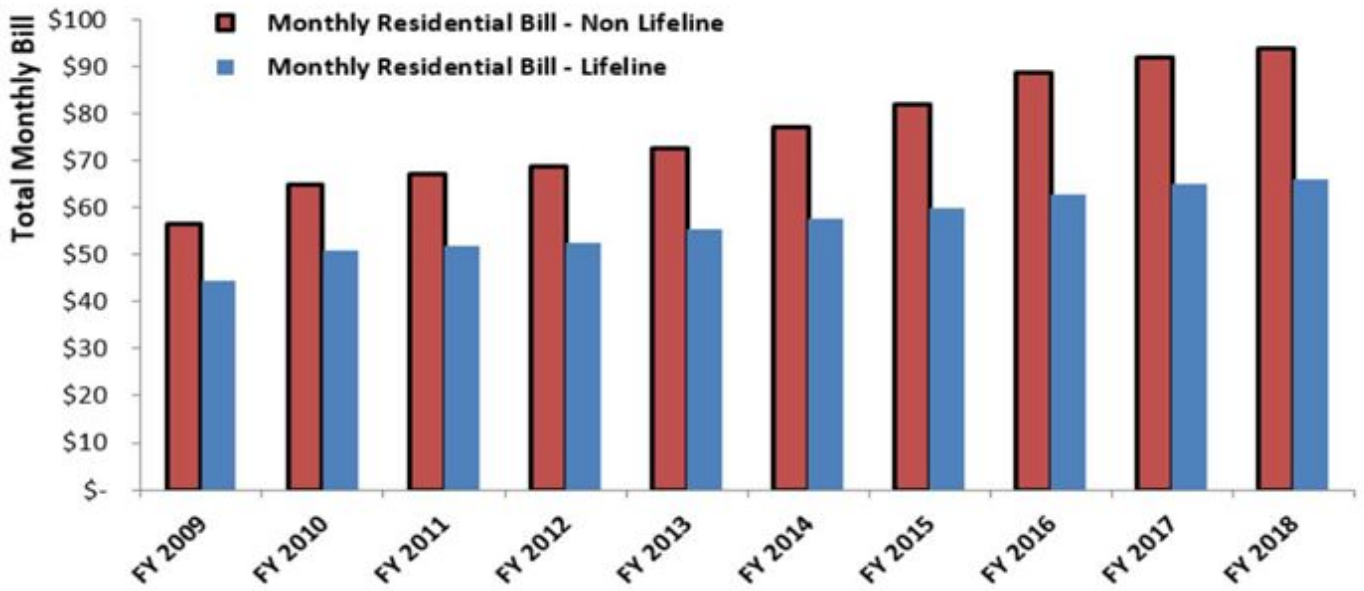


Projected Monthly Bill Increase Per Year 2018 - 2027	
Non-Lifeline	$4.04
Lifeline	$2.89

- Non-lifeline residential bill - 7,500 gallons
- Lifeline residential bill - 5,000 gallons

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Historic Residential Bills 2009 - 2018



Average Monthly Bill Increase Per Year 2009 - 2018	
Non-Lifeline	$3.90
Lifeline	$2.40

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Summary

GWA has spent over 2-years preparing this WRMP Update to plan for a well-run, sustainable utility. The WRMP Update:

- Addresses significant legacy issues such as replacement of small diameter galvanized steel pipes
- Includes regularly scheduled projects to refurbish production wells, treatment plants and pump stations
- Includes projects to refurbish/replace failing and under capacity gravity sewer piping.
- Produces an optimized CIP program to improve our Level of Service with consideration to the impact on service rates
- Provides a realistic combination of projects with a modest impact on our required rates.

GWA is committed to implementing water affordability programs to continue services for our Lifeline customers at reasonable rates.

Access the plan

- Copies of the proposed WRMP Update will be available to view at:
  - All GWA Customer Service locations
  - Agat, Tamuning, and Yigo mayors' offices

- Interested persons can also visit the GWA website at **www.guamwaterworks.org** and to learn more, download the plan, and submit your comments

GUAM WATERWORKS AUTHORITY
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688 Route 15, Mangilao, GU 96913
Phone: (671) 300-6853 Fax: (671) 648-3290

AFFIDAVIT OF KELLY O. CLARK, ESQ.

1. I am over the age of eighteen (18) years and have no disability that would prevent me from rendering testimony;

2. I make this affidavit based on my own personal knowledge of the events and facts stated herein;

3. I attended the special board meeting of the Guam Waterworks Authority (GWA) on April 10th, 2018 and acted as legal counsel for GWA during said board meeting;

4. Based on my oral and written recommendation, and after an affirmative vote of all the members of the Consolidated Commission on Utilities at said board meeting, an executive session was held wherein the following matters were discussed in my presence:

    1. a GWA litigation matter
    2. a GWA personnel matter

5. Affiant further sayeth naught.

Respectfully filed with the Guam Waterworks Authority Board Secretary for the Consolidated Commission on Utilities on this April 10th, 2018.

Respectfully,

Kelly O. Clark
GWA General Counsel