Speaker's Office <speaker@guamlegislature.org>

GWA's Citizen Centric Report for FY2018

Speaker's Office <speaker@guamlegislature.org> Wed, Jun 5, 2019 at 10:01 AM
To: Clerks Office <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>
Bcc: Tina Muna Barnes <tinamunabarnes@gmail.com>

06-05-19	9:40 AM	06-05-19	GWA's Citizen Centric Report for FY2018.*	Guam Waterworks Authority	35GL-19-0584

35GL-19-0584
Speaker Tina Rose Muña Barnes

JUN 0 5 2019
Time 10:01 (X)AM ( )PM
Received By: MGTT

Sinsenru yan Minagâhet,

Office of the Speaker • Tina Rose Muña Barnes
Committee on Public Accountability, Human Resources & the Guam Buildup

35th Guam Legislature
I Mina'trentai Singko na Liheslaturan Guåhan

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910
T: (671) 477-2520/1
speaker@guamlegislature.org

This e-mail message is intended only for the use of the individual or entity named above and may contain confidential and privileged information. If you are not the intended recipient, any disclosure, copying, distribution or use of the information contained in this transmission is strictly PROHIBITED. If you have received this transmission in error, please immediately notify us by replying to speaker@guamlegislature.org and delete the message immediately. Thank you very much.

Gumai pribilehu yan konfedensia este siha na mensâhi. Solo espesiâtmente para hâgu ma entensiona pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespâtcha. Yanggen lachi rinisibu-mu nu este na mensâhi , put fabot ago' guatu gi I numa'huyong gi as speaker@guamlegislature.org yan despues destrosa todu siha I kopian mensâhi. Si Yu'os ma'âse'.

---------- Forwarded message ---------
From: **Ann Borja** <annborja@guamwaterworks.org>
Date: Wed, Jun 5, 2019 at 9:40 AM
Subject: GWA's Citizen Centric Report for FY2018
To: <speaker@guamlegislature.org>
Cc: Benjamin Cruz <bjcruz@guamopa.com>, Miguel Bordallo <mcbordallo@guamwaterworks.org>, <jtarroyo@guamwaterworks.org>, <gildam@guamwaterworks.org>, <ssantos@guamwaterworks.org>, <heidi@guamwaterworks.org>

[Quoted text hidden]

GWA FY 2018 CCR.pdf
2412K

2019 JUN -5 AM 10:04 RCVD

0584

GUAM **WATERWORKS** AUTHORITY
Aturidat Kinalamten Hanom Guahan

CITIZEN-CENTRIC REPORT
FISCAL YEAR 2018



TABLE OF CONTENTS

1 - About GWA

2 - Performance

3 - Finances

4 - Outlook

About the Guam Waterworks Authority (GWA)

Guam Waterworks Authority (GWA) is a public authority governed by the Consolidated Commission on Utilities (CCU). They are subject to the regulations of the Guam Public Utilities Commission (PUC). GWA provides water to all of the civilian population of Guam. They also provide sewer service to a large percentage of the civilian population, Andersen Air Force Base and several smaller United States Navy facilities. During FY2018, GWA served an average of 42,444 water customers and 29,378 wastewater customers.

GWA's water supply consists of 120 wells, one active production spring, one "Maui" well, 27 booster pump stations, 26 reservoirs/tanks in service, 586 miles of water distribution lines, and approximately 3,814 fire hydrants, all in the agency's effort to provide more efficient and reliable service to its customers while meeting regulatory requirements.

GWA's watewater system consists of 290 miles of gravity sewer network, 82 sewer pump stations, 27 miles of force main and six wastewater treatment plants and associated outfalls.

GWA has undergone significant transformation over the last several years by working to improve the management and operations, including decreasing expenditures, decreasing leak repair times, implementing a meter replacement program and launching a computerized maintenance management system, which have all contributed to significantly improved operating results since FY 2011.

LEADERSHIP

Miguel C. Bordallo, P.E.
General Manager

Kelly O. Clark
General Counsel

Greg P. Cruz, C.P.A.
Chief Financial Officer

Consolidated Commission on Utilities

Joseph (Joey) T. Dueñas
Chairman

Francis E. Santos
Chairman of Finance Committee
Vice Chairman

J. George Bamba
Chairman of IT and Cyber Security Committee; Secretary

Judith 'Judi' T. Guthertz
Chairman of Internal Audit Committee
Treasurer

Simon A. Sanchez II
Commissioner

GUAM CCU

Full-Time Employees

	FY2016	FY2017	FY2018	% Change
- Administration	162	162	187	**13%**
- Water Division	104	106	109	**3%**
- Wastewater Division	67	62	72	**14%**
	333	330	368	

Doc. No. 35GL-19-0584.*

VISION

To be a world class provider of water and wastewater services.

MISSION

We will provide outstanding customer service by delivering excellent water and wastewater services in a safe, reliable, responsible and cost effective manner.

LOCATIONS

Gloria B. Nelson Public Service Bldg.
688 Route 15 Fadian
Mangilao, Guam 96913
Hours: Mon-Fri | 7:00 a.m. to 5:00 p.m.

Upper Tumon
561 North Marine Corps Drive
Upper Tumon, Guam 96911
Hours: Mon-Fri | 7:30 a.m. to 6:00 p.m.;
Sat | 9:00 a.m. to 1:00 p.m.

Julale Shopping Center
Hagåtña, Guam 96931
Hours: Mon-Fri | 8:00 a.m. to 5:00 p.m.

CONTACT

Customer Service
647-7800/3
Hours: Mon to Fri | 7:30 a.m. to 6:00 p.m.;
Sat | 9:00 a.m. to 1:00 p.m.

FOR EMERGENCY WATER ISSUES
646-4211
Hours: 24/7

ISSUED JUNE 2019

GUAM **WATERWORKS** AUTHORITY
Aturidat Kinalamten Hanom Guahan

CITIZEN-CENTRIC REPORT
PERFORMANCE

What would you like to see reported on this page? Please let us know by calling us at **(671) 647-7800** or visit our website at **http://guamwaterworks.org/**.

Capital Assets

In FY 2018, GWA's capital assets increased by $90.1M. The increase is attributable to on-going major capital improvement projects associated with a 2011 Federal Court Order and GWA's five-year Capital Improvement Program (CIP). GWA estimated average annual CIP project costs at $56M. Of the 93 court ordered projects and requirements, 90 are completed or on-schedule for completion by their deadlines.

Capital Improvement Projects

The Authority is continually working hard to complete its five-year CIP, which cover water system projects, wastewater system projects, and electrical and control improvements throughout the GWA System. The Authority has also adopted its Water Resource Master Plan to reflect long-term planning needs.

	In Design	In Progress	Completed
Islandwide	- Systemwide District Meter Project - Pressure Zone Realignment - Islandwide GWA Facility Survey - Waterline Replacement Program Phase V	- Fire Hydrant Replacement - System Control and Data Acquisition (SCADA) - Phase A1	- Wastewater, water and source water system Master Plan Update
Southern Villages	- Mannenggon Water Tanks (2MG) - Ugum Water Tanks (2MG) - Inarajan Booster Pump Station	- Rt. 2 Agat Sewer Improvements - Talofofo Sewer Pump Stations - Umatac-Merizo WWTP Improvements - Santa Rita Water Tank (1MG) - Sinifa Water Tank (1MG) - Brigade II BPS Improvements	- Umatac-Merizo WWTP Study - Sanitary Sewer Evaluation Survey - Agat-Santa Rita Wastewater Treatment Plant - Baza Gardens Wastewater Pumping and Conveyance - Southern Water Line Replacement Phase IV
Northern Villages	- Astumbo No. 2 Water Tank (2MG) - Tumon No. 1 Water Tank (3MG) - Yigo Sewer Pump Station Rehabilitation - New Production Well (AG-10, AG-12 and Y-8) - NGLA Monitoring Wells - Groundwater Production Well Meter Replacement	- **Deep Water Well Drilling and Well Rehabilitation** - **Northern Water Line Replacement Phase IV** - Santa Rosa Water Tank (1MG) - Northern District WWTP Secondary Upgrades - Water Wells Rehabilitation (A-Series) - Northern District Interceptor Sewer Refurbishment - Northern District WWTP Outfall Diffuser	- Critical Sewer Pump Station Repair - Yigo No. 1 Water Tank (2MG) - Yigo No. 3 Water Tank (2MG) - Yigo Booster Pump Station - Macheche Hill Sewer Line - Astumbo No. 1 Water Tank (2MG)
Central Villages	- Hagåtña WWTP Interim Disinfection - Asan Springs Rehabilitation - Piti Water Tank (1MG)	- Rt. 1 (Asan-Adelup) Sewer Line Improvements - Tamuning Sewer Hot Sports Repair/Rehabilitation - Hyundai Water Tank (1MG) - Central Water Line Replacement Phase IV - Chaot No. 2 Water Tank (0.5MG) - Rt 4 Sewer Line Improvement - Bayside Sewer Pump Station Improvements - Chjalan Pago Sewer Pump Station - Tumon No. 2 (Nissan) Water Tank (1MG) - Tumon Sewer Hot Spots	- **Laboratory Water Testing Facility** - Water Wells Rehabilitation (D-Series)

Deep Water Well Rehabilitation



Northern Water Line Replacement Phase IV



Laboratory Water Testing Facility



Doc No. 35GL-19-0584

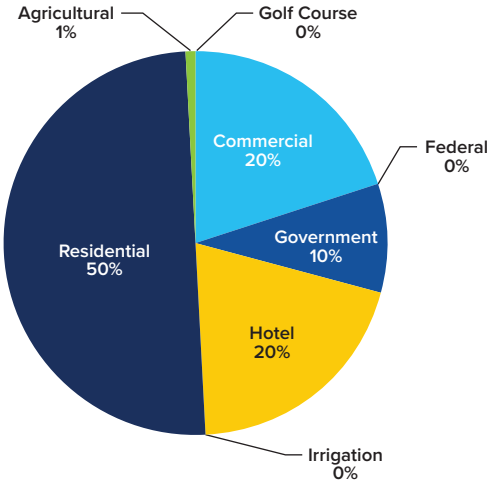
GUAM **WATERWORKS** AUTHORITY
Aturidat Kinalamten Hanom Guahan

CITIZEN-CENTRIC REPORT
FINANCES

An independent audit was conducted by Deloitte & Touche LLP, resulting in a clean audit opinion. The Office of Public Accountability released GWA's audited financial statements on April 1, 2019. More information can be found at our website at **http://guamwaterworks.org**.

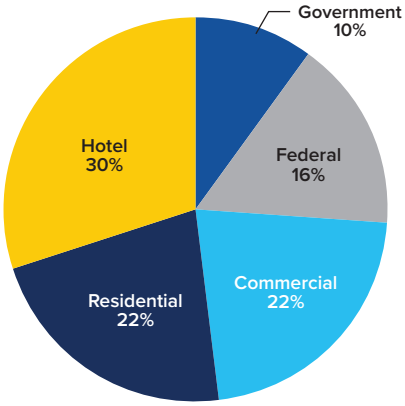
Operating Revenues

Water Revenues	**FY2016**	**FY2017**	**FY2018**	**FY 2017-2018 % Trend**
- Agricultural	$431,606	$395,449	$460,076	**16%**
- Golf Course	97990	80,243	48,567	**-39%**
- Commercial	13,736,890	13,962,171	13,667,485	**-2%**
- Federal	38,497	39,532	31,502	**-20%**
- Government	6,360,728	6,297,642	6,572,048	**4%**
- Hotel	13,116,414	13,499,695	13,802,981	**2%**
- Irrigation	59,481	60,821	49,457	**-19%**
- Residential	32,457,312	31,807,345	34,100,450	**7%**
Total Water Revenue	$66,298,918	$66,142,898	$68,732,566	



FY2018 Water Revenues by Rate Class

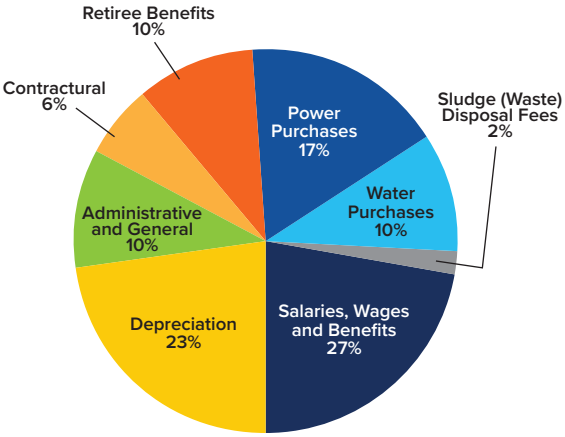
Wastewater Revenues	**FY2016**	**FY2017**	**FY2018**	**% Trend**
- Commercial	$8,046,990	$8,588,060	$8,735,533	**2%**
- Federal	6,580,018	5,610,218	6,322,371	**13%**
- Government	3,375,762	3,533,788	3,800,155	**8%**
- Hotel	11,698,441	11,684,107	11,937,462	**2%**
- Residential	8,466,690	8,819,329	8,619,390	**-2%**
Total Wastewater Revenues	$38,167,901	$38,235,502	$39,414,911	



FY2018 Wastewater Revenues by Rate Class

Operating Expenses

	FY2016	**FY2017**	**FY2018**	**% Trend**
- Power Purchases	$11,225,884	$11,225,884	$14,686,486	**22%**
- Water Purchases	6,374,035	7,309,125	8,684,974	**19%**
- Sludge (Waste) Disposal Fees	1,565,080	1,685,842	1,507,654	**-11%**
- Salaries, Wages and Benefits	19,856,213	19,697,917	18,534,508	**-6%**
- Depreciation	15,348,101	16,824,455	19,280,249	**15%**
- Administrative and General	7,008,883	7,300,127	8,072,979	**11%**
- Contractual	4,117,122	4,087,429	5,036,651	**23%**
- Retiree Benefits	3,348,262	11,187,439	8,548,967	**-24%**
Total Operating Expenses	$68,843,580	$80,168,596	$84,352,468	



FY2018 Breakdown of Operating Expenses

GUAM **WATERWORKS** AUTHORITY
Aturidat Kinalamten Hanom Guahan

CITIZEN-CENTRIC REPORT
WHAT'S NEXT?

Challenges and Outlook

For FY2019, GWA Management looks forward to continuing improvements in water and wastewater system performance and reliability that have been achieved over the past several years, and which are still needed to achieve full regulatory compliance, improve levels of service to our ratepayers, and set the groundwork for gains in efficiency which will keep our services affordable.

2018 Water Resources Master Plan (WRMP) / Five-Year Financial Plan & Capital Improvement Program

GWA will be guided in the coming year by the 2018 WRMP, which integrates the in-progress and remaining planned capital projects from the previous 2006 master plan (approximately 40% completed, and 45% in-progress/pending), and sets new capital improvement projects needed to keep GWA a well-run utility well into the future. This 20-year plan is intended to be implemented in 5-year increments, with the development of GWA's 5-year Financial Plan & Capital Improvement Program. The 5-year FP/CIP is an opportunity for the Authority to make step-wise improvements in reliability, performance and compliance, continuing the upward trend in these areas that GWA has demonstrated in years past.

Court Order Compliance

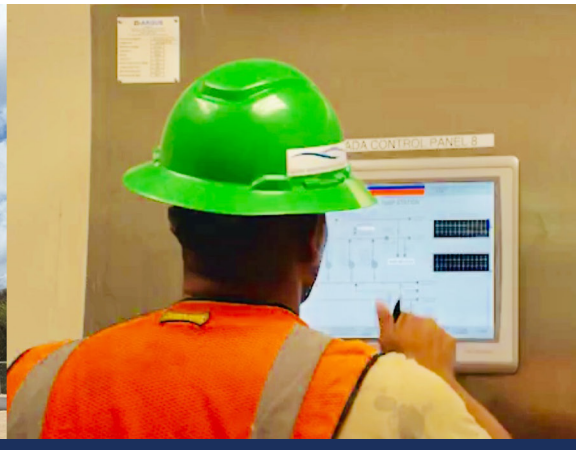
The CCU and Authority remain focused on meeting the requirements of the 2011 Federal Court Order and have made considerable progress in the execution of mandatory rehabilitation, repair and construction projects. GWA has also instituted an asset management and maintenance program to ensure capital investment is not squandered, and system performance does not deteriorate resulting in CWA and or SDWA violations. The 2011 Court Order establishes deadlines for completing outstanding projects that were identified in a previous Stipulated Order originally issued in 2003 and subsequently amended in 2004 and 2006. GWA continues to work collaboratively with U.S. EPA and is maintaining a strong compliance record. Of 93 Court Ordered projects /requirements, 90 (96.8%) are completed or on-schedule for completion by the relevant deadlines, with only 3 projects either remaining or behind schedule for completion.

Secondary Treatment

GWA is on schedule to complete secondary treatment upgrades at the NDWWTP by December 2021. In the fall of 2016, the Department of Defense (DOD), through the Office of Economic Adjustment (OEA), awarded the Authority grants totaling $55.3 million to initiate projects associated with the design and construction of improvements needed to bring the Northern District WWTP to full secondary treatment capability. In late 2017, the Authority received an additional grant award totaling $117.9 million for construction of wastewater improvements related to the build-up. The NDWWTP secondary treatment upgrades have been designed, and a contract for preliminary site-work construction has been awarded. The complete upgrade construction package has been procured and is slated to start by mid-year 2019.







CITIZEN-CENTRIC REPORTING
CCR
AGA

WE WANT TO HEAR FROM YOU!

Do you like this report? Do you believe it should include different or additional information? Please let us know by contacting our general manager at **mcbordallo@guamwaterworks.org**. More information is available on GWA's website, **www.guamwaterworks.org** or **www.guamccu.org**.

Doc. No. 35GL-19-0584.*