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1 message

Speaker's Office <speaker@guamlegislature.org> Fri, Jun 7, 2019 at 10:59 AM
To: Clerks Office <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>
Bcc: Tina Muna Barnes <tinamunabarnes@gmail.com>

06-06-19	4:18 PM	06-06-19	Meeting material, Minutes, and Resolutions for May 10,2019, May 28,2019, and June 5,2019.*	Consolidated Commission on Utilities	35GL-19-0588

35GL-19-0588
Speaker Tina Rose Muña Barnes

JUN 0 7 2019
Time 10:59 (X)AM ( )PM
Received By: Matt

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

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Gumai pribilehu yan konfedensia este siha na mensâhi. Solo espesiâtmente para hâgu ma entensioña 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'.

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2019 JUN -7 AM 11:02

we

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sent you some files

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Dear Governor Lou & Speaker Tina:

Pursuant to P.L. 31-233, we attach the following files:

1. Board Books [meeting material}
2. Minutes
3. Resolutions

These documents were discussed at the CCU meetings on:

1. May 10, 2019
2. May 28, 2019
3. June 5, 2019

Respectfully,
B. Lou Sablan
CCU Board Secretary
Email: l.sablan@gpagwa.com
Tel: 648-3002

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0588

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19 items

CCU 5.10.19_Special.pdf
751 KB

CCU 5.28.19.pdf
13.1 MB

CCU 6.5.19.pdf
16.7 MB

Minutes April 4, 2019_Special Mtg.pdf
464 KB

Minutes May 10, 2019_Special.pdf
495 KB

Resolution 2019-06 Tank Farm New ULSD Pipeline System.pdf
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+ 13 more

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

Special Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
4:00 p.m., May 10, 2019

AGENDA

1. CALL TO ORDER

2. COMMUNICATIONS
   - 2.1 Public Comments (2 min. per person)

3. GPA
   - 3.1 New Business
   - 3.1.1 To Address Letter Received by the CCU From the Guam Attorney General Regarding the November 27, 2018 CCU Meeting and Other Related Matters

4. ANNOUNCEMENTS
   - 4.1 Next CCU Meetings: May 21 – GWA WS; May 23 – GPA WS; May 28– CCU Mtg.

5. ADJOURNMENT

OPINION MEMORANDUM

To: Chairman of the Consolidated Commission on Utilities

From: Outside Counsel

Subject: Pay Adjustments Discussed During November 27, 2018 meeting

Outside counsel was asked to evaluate the propriety of the CCU's discussions of executive management team's salaries that took place on November 27, 2018 and to suggest alternatives so as to prevent running afoul of the Open Government Law of Guam ("Open Government Law").

BACKGROUND

On November 27, 2018, the CCU went into "executive session" for the purposes of evaluating executive management employees and while in the process discussed salary/salary adjustments and bonuses of individual employees.

Through a letter dated April 23, 2019, the Attorney General of Guam advised the CCU that the executive session was in violation of 5 GCA § 8111(a) of the Open Government Law which states:

> Under no circumstances, however, shall a public agency[1] hold an executive or closed meeting to discuss salaries, salary levels, or salary adjustments of any employee or officer. All such discussions or decisions must be held in a public meeting and minutes shall be kept and open to the public.

Since the meeting was in violation of a provision of the Open Government Law, the actions taken in the November 27, 2019 meeting were invalid or void *ab initio*. The Attorney General then directed that any pay adjustments that have been paid out must be paid back by the employees

DISCUSSION

A. SALARY ADJUSTMENTS

The CCU is tasked with setting the salaries of GPA's General Manager (12 GCA § 8108), GPA's Chief Financial Officer (12 GCA § 8110), Board Secretary (12 GCA § 8112(a)) and GPA's Legal Counsel (12 GCA § 8112(d)). The CCU is also tasked with setting the salaries of GWA's

[1] Public Agency includes any board, commission or comparable unit of government, any of whose members are elected, appointed by the *I Maga'lahen* or appointed by the *I Liheslatura*. See 5 GCA § 8104(a).

General Manager (12 GCA § 14106), GWA's Chief Financial Officer (12 GCA § 14108), Board Secretary (12 GCA §14109(a)) and GWA's Legal Counsel (12 GCA § 14109(a)).

The GPA's Assistant General Manager of Operation's salary is set by the GPA General Manager subject to board approval. All other Assistant General Managers for GPA and GTA salary is not discussed in a statute and therefore does not require board approval.

The CCU previously adopted GPA Resolution No. 2018-08 and GWA Resolution No. 21-FY2018, the CCU the Executive Officer Evaluation Policy ("Evaluation Policy")[2]. Through the Evaluation Policy, the CCU solicits evaluations from each general manager for the performance of their respective Chief Financial Officer and Legal Counsel (not assistant general managers).

Inasmuch as evaluations are personnel matters, the evaluations should not be opened to the public. This would be in compliance of 10 GCA §10108(c) which reads: "Except as provided in § 10109 of this Chapter, nothing in this Chapter shall be construed to require disclosure of records that are any of the following…(c) [p]ersonnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy. All information regarding salary, and the name, and worksite mailing address of each employee and public official shall be public record." This would also conform to the Evaluation Policy Section 4(h).

Note, however, that the evaluations conducted by the CCU while in closed sessions should not discuss salaries or salary adjustments. Doing so would run afoul of the "Open Government Law" referred to in the Attorney General's letter (5 GCA § 8111 ("Under no circumstances, however, shall a public agency hold an executive or closed meeting to discuss salaries, salary levels or salary adjustments of any employee or officer. All such discussions or decisions must be held in a public meeting and minutes shall be kept and opened to the public")) and would be void *ab initio* 5 GCA §8114. Also note that 5 GCA § 8115(b) states: "[e]ach member of a public agency who attends a meeting of a public agency where action is taken in violation of any provision of this Chapter, with knowledge of the fact that the meeting is in violation thereof, is guilty of a misdemeanor."

B. BONUSES AND RETROACITVE PAY

Bonuses and retroactive pay, unless authorized by statute, are prohibited. Three statutes were found concerning retroactive pay and bonuses. 4 GCA § 2103.14, 4 GCA §6218.1 and 4 GCA §6218.2.

> § 2103.14. Retroactive Pay. No unclassified employee or officer of the government of Guam may receive a retroactive pay increase **unless specifically authorized by statute**.
>
> § 6218.1. Prohibition on Retroactive Pay Raise. Whenever a classified or unclassified employee of the Government of Guam, including all departments, agencies

[2] The Evaluation Policy at Section 1 "in accordance with 12 GCA §79101 (§ 79100), the CCU adopted the Policy, perhaps the Policy should be amended to include an evaluation by the General Manager of the Assistant General Manager for GPA since board approval is required.

and instrumentalities, whether or not autonomous, receives an increase in pay resulting from step increase, pay range increase, promotion or any other cause, such increase in pay shall not be retroactive from the date of its authorization, **unless so specified by law**. Any person who authorizes a pay raise which is retroactive in violation of this Section shall be guilty of a misdemeanor.

§ 6218.2. Prohibition on Bonus Pay for Unclassified Employees. No bonuses shall be authorized and/or paid in lump-sum, or otherwise, to unclassified employees of the government of Guam unless so specified by law. Any person who authorizes a bonus payment in violation of this Section shall be guilty of a misdemeanor. For the purposes of this Section, bonuses or bonus payments shall mean sums authorized and/or paid to an unclassified employee that is separate and apart from and/or added to the base pay of such unclassified employee for any purpose.

C. REPAYMENT BY EMPLOYEES

Inasmuch as the action to adjust the pay of GPA and GWA's employees was void, payment made as a result of the void action must be paid back. I was unable to find any statute touching on the conditions of repayment of an employee. Past practices by the Government of Guam (Governor's Office), however, seem to allow re-payment over time.

/s/
VINCENT LEON GUERRERO
Outside Counsel GPW/GWA

Office of the Attorney General of Guam

590 S. Marine Corps Drive, Suite 901, Tamuning, GU 96913
♦Phone: 671.475.3324 Ext 5015 ♦ Fax: 671.477.4703 ♦ Email: law@guamag.org

Hon. Leevin Taitano Camacho
Attorney General of Guam

April 23, 2019

Consolidated Commission on Utilities
Attn: Chairman Joseph T. Duenas
P.O. Box 2977
Hagatna, GU 96932

Ref: AG 19-0213

Re: Pay Adjustments Discussed and Decided at November 27, 2018 CCU Meeting

Håfa Adai Mr. Chairman,

Our office reviewed the minutes of the November 27, 2018 Consolidated Commission on Utilities Regular Board Meeting. According to the minutes, salary adjustments of executive management were discussed in executive session in violation of the Open Government Law.

The Open Government Law prohibits such discussions and provides in relevant part, "Under no circumstances . . . shall a public agency hold an executive or closed meeting to discuss salaries, salary levels or salary adjustments of any employee or officer. All such discussions or decisions must be held in a public meeting and minutes shall be kept and opened to the public." 5 G.C.A. § 8111(a). Any action in violation of the Open Government Law is void *ab initio*. 5 G.C.A. § 8114.

Therefore, any salary adjustments approved at this meeting are void *ab initio*. Any salary adjustments or bonuses authorized and paid as a result of this meeting must be paid back by these employees. Should you have any questions and/or concerns, please do not hesitate to contact me at 475-3324, ext. 5015.

Sinseramente,

LEEVIN TAITANO CAMACHO
Attorney General of Guam

cc: General Manager, GPA
General Manager, GWA

CHAPTER 8
OPEN GOVERNMENT LAW

§ 8101. Citation.
§ 8102. Policy.
§ 8103. Open Meetings.
§ 8104. Definitions.
§ 8105. Exception.
§ 8106. Regular Meetings.
§ 8107. Notices.
§ 8107.1. Guam Public Notice Website - Creation, Establishment and Administration.
§ 8108. Special Meeting.
§ 8109. Adjournments.
§ 8110. Same.
§ 8111. Executive Sessions.
§ 8112. Disturbances.
§ 8113. Minutes.
§ 8113.1. Reporting Requirements for Boards and Commissions.
§ 8114. Action Voided.
§ 8115. Penalties and Court Jurisdiction.
§ 8116. Severability.

§ 8101. Citation.

This Chapter may be cited as the *Open Government Law of Guam.*

SOURCE: GC § 3225 added by P.L. 13-35.

A.G. OPINION 77-47: The Open Government Law applies to the elected school board.

§ 8102. Policy.

The Legislature declares it is the policy of this Territory that the formation of public policy and decisions is public and shall not be conducted in secret. The people of Guam do not yield their individual rights to the public agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

SOURCE: GC § 3226 added by P.L. 13-35.

CROSS-REFERENCE: 12 GCA § 50118.

§ 8103. Open Meetings.

(a) Every meeting of a public agency *shall* be open and public, and any person *shall* be permitted to attend any public agency meeting, *except* as otherwise provided in this Chapter. A member of the public *shall not* be required, as a condition to attendance at a meeting of a public agency, to register his name and other information, to complete a questionnaire or otherwise to fulfill any condition precedent to his attendance.

(b) This Chapter does *not* require that a person who is admitted to a meeting of a public agency shall, because of his mere presence, be accorded an opportunity to participate in such a meeting. Each public agency retains the right to reserve areas for the public, and to exclude the public from any area necessary for the orderly conduct of its business.

(c) *Except* for executive sessions and other meetings expressly authorized by public law to be closed, *no* board, commission or public officer of the government of Guam may prevent or deny the recording (audio and/or video) of any public meeting.

SOURCE: GC § 3227 added by P.L. 13-35. Amended by P.L. 31-052:1 (May 23, 2011).

§ 8104. Definitions.

(a) (1) *Public agency* includes any board, commission or comparable unit of government, any of whose members are elected, appointed by *I Maga'lahen Guåhan* or appointed by *I Liheslatura*; any non-profit corporation created by one (1) or more public agencies or *I Liheslatura,* and whose board of directors is appointed by such public agencies or by *I Maga'lahen Guåhan* or *I Liheslatura,* and which is formed to acquire, construct, reconstruct, maintain or operate any public work project, or any board, commission, committee or other body on which officers of a public agency serve in their official capacity as members and which is supported in whole or in part by funds provided by such agency, whether such board, commission, committee or other body is organized and operated by such local agency or by a private corporation.

(2) *Public agency* also includes any advisory commission, advisory committee or advisory body of a public agency, created by law, resolution or any similar formal action of a public agency.

(3) The *Legislature* is a *public agency* when it is holding a daily session but meetings of political caucuses composed of members of the Legislature are not required to be conducted in public.

(4) A *Committee of a Legislature* is a *public agency* when it is holding a hearing but committee meetings other than hearings are not required to be conducted in public.

(5) (A) Public Notice, as used in this Chapter, means a publication by newspaper of general circulation or by radio or television which is reasonably calculated to provide notice of the facts it announces to the public at large, *and* by electronic publication on the Guam Public Notice Website.

(B) As used in this item, *newspaper of general circulation* means a newspaper which is printed and distributed not less than once a week, at regular intervals, throughout the territory of Guam, which has a paid circulation and holds a valid second class mailing permit from the United States Post Office, and which contains news, articles of opinion, features, and other matters of current interest published for public dissemination.

(C) Government entities that access cable channels *shall* also be required to broadcast public notices on that channel for that respective branch of government.

(b) *Meeting* means the convening of a governing body of a public agency for which a quorum is required in order to make a decision or to deliberate toward a decision on any matter. Meeting does not include any on-site inspection of any project or program.

(c) *Action* taken means a collective decision made by a majority of the members of a public agency, a collective commitment or promise by a majority of the members of a public agency to make a positive or a negative decision, or an actual vote by a majority of the members of a public agency when sitting as a body or entity, upon a motion, proposal, resolution or order.

SOURCE: GC § 3228 added by P.L. 13-35; subsection (a)(5) added by P.L. 15-86:1. Subsection (a)(1) amended by P.L. 27-93:1. Subpart (a)(5)(A) amended by P.L. 32-037:2 (June 7, 2013). Subpart (a)(5)(C) added by P.L. 32-037:3 (June 7, 2013).

2012 NOTE: Pursuant to the authority granted by 1 GCA § 1606, numbers and/or letters were altered to adhere to the Compiler's alpha-numeric scheme.

A.G. OPINION GHPDA 92-1244: Although the foregoing [subsection c] is merely a definition and not substantive law, it seems unlikely that the Legislature would allow circumvention of the Open Government Law by not addressing action taken by less than a majority. Therefore, it is our conclusion that the Legislature intended that action taken by boards be by a majority of the body.

§ 8105. Exception.

A chance meeting of two or more members of a public agency shall not be considered a public meeting. No chance meeting, informal assemblage or electronic communication shall be used to decide or deliberate public business in circumvention of the spirit or requirements of this Chapter.

SOURCE: GC § 3229 added by P.L. 13-35.

§ 8106. Regular Meetings.

A public agency shall provide by appropriate administrative action rules to govern the conduct of its business. Such rules shall provide for the time for holding an agency's regular meetings. If at any time a regular meeting falls on a holiday, such regular meeting shall be held on the next business day unless continued until some other publicly announced date by action of the agency. If, by reason of an emergency, it shall be unsafe to meet at the time designated, the meetings may be held for the duration of the emergency at such other time as is designated by the presiding officer of the public agency.

SOURCE: GC § 3230 added by P.L. 13-35.

§ 8107. Notices:

(a) Notice of Regular Meetings. Any public agency which holds a meeting required by statute, regulation or resolution, shall give five (5) working days public notice, and a second public notice at least forty-eight (48) hours prior to the start of the meeting. The public agency must comply with the Title II of the Americans with Disabilities Act ('ADA') requirements for effective communication for people with disabilities and include information in the notice that individuals requiring special

accommodations, auxiliary aids or services shall contact and submit their request to the designated agency or department representative or ADA Coordinator. The public agency shall make available the name, office address and telephone number, including Telecommunications Device for the Deaf ('TDD'), of the designated ADA Coordinator.

(b) Notice of Special Meetings. Any public agency which holds a meeting not previously scheduled by statute, regulation or resolution, or for which notice is not already provided by law, shall give five (5) working days public notice of such meeting, and a second notice at least forty-eight (48) hours, prior to the start of such meeting as required by this Chapter. The public agency must comply with the Title II of the ADA requirements for effective communication for people with disabilities and include information in the notice that individuals requiring special accommodations, auxiliary aids or services shall contact and submit their request to the designated agency or department representative or ADA Coordinator. The public agency shall make available the name, office address and telephone number, including TDD, of the designated ADA Coordinator.

(c) The notice requirements of this Chapter are in addition to and not in substitution of any other notice required by law.

SOURCE: GC § 3231 added by P.L. 13-35. Subsections (a) and (b) amended by P.L. 24-109:1.

A.G. OPINION 78-2: Public notice of any time, place and agenda of any special meeting must be given by delivery of such notice to the news media 24-hours before the beginning of the meeting. Emergencies are exempted from these requirements.

A.G. OPINION DLM 93-1724: The public notice of the October 28 meeting, which showed an agenda item of a "status report" on a conditional use application for the Bubulao Golf Course Project adequate notice so as to allow approval of the application by the Territorial Land Use Commission at that meeting, was not adequate notice and therefore the action was void.

§ 8107.1. Guam Public Notice Website – Creation, Establishment and Administration.

(a) As used in this Section:

(1) *Website* means the "Guam Public Notice Website" created under this Section.

(b) There is created the "Guam Public Notice Website" to be administered by the Department of Administration.

(c) The website *shall* provide assistance to the public to find posted public notices for public agencies of the government of Guam, and its political subdivisions, as required under Title 5, Chapter 8, the Open Government Law.

(d) The Department of Administration *shall* create the website which shall:

(1) allow a public agency, or other certified entity, to easily post any public notice information that the public body or other entity is required to post under statute;

(2) allow the public to search the public notices by:

(A) public agency name;

(B) date of posting of the notice;

(C) date of any meeting or deadline included as part of the public notice; and

(D) any other criteria approved by the Department of Administration;

(3) allow the public to search and view past, archived public notices;

(4) allow a person to subscribe to receive updates and notices associated with a public body or a particular type of notice;

(5) be easily accessible by the public from the government of Guam and Guam Legislature home pages;

(6) have a unique and simplified website address;

(7) be directly accessible via a link from the main page of the official government website; and

(8) include other links, features, or functionality that will assist the public in obtaining and reviewing information in relation to public notices posted on the website, as may be approved by the Department of Administration.

(e) The Department of Administration *shall* be responsible for:

(1) establishing and maintaining the website, including the provision of equipment, resources, and personnel as is necessary;

(2) providing a mechanism for public agencies to have access to the website for the purpose of posting and modifying notices; and

(3) maintaining an archive of all notices posted to the website.

(f) The time period for posting and the content of the public notices posted to the website *shall* be the responsibility of the public agency or other entity posting the notice. The agency or entity posting or publishing the public notice required under this Section must meet all the requirements for public notice under the Open Government Law.

SOURCE: Added by P.L. 32-037:1 (June 7, 2013), effective 180 days after enactment pursuant to P.L. 32-037:4 (June 7, 2013).

§ 8108. Special Meeting.

A special meeting may be called at any time by a public agency, by delivering personally, or by mail, written notice to each member of a public agency. Notice shall also be given to each newspaper of general circulation and broadcasting station which airs a regular local news program within Guam. Such notice must be delivered personally or by mail at least five (5) working days, and a second public notice at least forty-eight (48) hours, before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meetings by the public agency. The five (5) days notice and the forty-eight (48) hours notice may be waived in the event of an emergency certified to in writing by a public agency. A public agency may also consider all necessary business in the event of an emergency. This Section shall not require a public agency to give notice of its meetings by paid advertisements in any newspaper or over any broadcasting station. Written notice may be dispensed with as to any member who at, prior to or subsequent to the time the meeting convenes, files with the clerk or secretary of the public agency a written waiver of notice. Such written notice may be dispensed with as to any member who is actually present at a meeting at the time it convenes.

SOURCE: GC § 3232 added by P.L. 13-35. Amended by P.L. 24-109:2.

§ 8109. Adjournments.

A public agency may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting the clerk or secretary of the public agency may declare the meeting adjourned to a stated time and place and he shall cause a written notice of the adjournment to be given in the same manner as provided in § 8108 for special meetings, unless such notice is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within twenty-four (24) hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this Section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held it shall be held at the hour specified for regular meetings.

SOURCE: GC § 3233 added by P.L. 13-35.

§ 8110. Adjournment: Same.

Any hearing being held or noticed or ordered to be held by a public agency at any meeting may by order or notice of continuance be continued or recontinued by any subsequent meeting of the public agency in the same manner and to the same extent set forth in § 8109 for the adjournment of meetings; provided, that if the hearing is continued to a time less than twenty-four (24) hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

SOURCE: GC § 3234 added by P.L. 13-35.

§ 8111. Executive Sessions.

(a) No public agency is prohibited because of this Chapter from holding executive sessions with the Attorney General, Chief of Police or the respective designated representatives of each on a matter which poses a threat to the public health, safety or welfare or from holding executive sessions during a regular or special meeting to consider the appointment, employment or dismissal of a public officer or employee or to hear complaints or charges brought against such officer or employee by

another public officer, person or employee unless such officer or employee requests a public hearing. Under no circumstances, however, shall a public agency hold an executive or closed meeting to discuss salaries, salary levels or salary adjustments of any employee or officer. All such discussions or decisions must be held in a public meeting and minutes shall be kept and opened to the public. A public agency may exclude from any public or private meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the public agency, but may not exclude a party, complainant or the subject of an adverse action.

(b) Notwithstanding any other provision of law, a public agency may hold executive sessions with its staff to consider matters with the scope of the Public Employee-Management Relations Act.

(c) Under no circumstances shall a public agency hold an executive or closed meeting to discuss legal matters, impending legal matters or legal strategies with an attorney, except as herein provided below. All such discussions must be held in a public meeting and minutes shall be kept and opened to the public, except as herein provided:

(1) No such meeting may be closed except on the written recommendation of the attorney, and an affirmative vote of a majority of the members of the Board of the Public Agency to go into executive session.

(2) Only matters directly relating to ongoing litigation or litigation which has been threatened as is reasonably expected may be discussed. Only the attorney(s), court reporter, board members, and the Executive Director or managing officer of the agency may attend such a meeting.

(3) A verbatim transcript by an authorized court reporter must be taken of all meetings which are closed to discuss litigation or possible litigation and such transcript shall promptly be reduced to writing.

(4) Notice of the meeting shall be given as required for any other meeting. The notice shall indicate the place and time of the meeting, and shall indicate the general subject matter to be discussed, (if not confidential) as well as the specific exemption permitting an executive or closed meeting.

(5) After such meeting, the attorney or attorneys involved must file an affidavit with the Agency, which shall be a public document, that only matter relating to litigation or pending litigation have been discussed.

(6) There shall be public minutes made of all such executive sessions indicating the existence of the transcript, the subject matter of the meeting (if not confidential), the names of all persons attending the closed meeting, their capacities and the date and times the meeting started and closed.

(7) The transcript of such meeting shall be sealed for a period of six (6) months, and shall thereafter be a public document unless there is a court order, further sealing the transcript. Before issuing such an order, the court must read the transcript in camera and determine that the Agency would be unduly prejudiced by the release of the transcript, taking into account the public's right to know. In such event, the court may order the transcript released and made public, or may order the transcript sealed for a period not exceeding six (6) months only if there is ongoing litigation over the matters discussed and release would prejudice the Agency, or if the court finds there is a strong likelihood of litigation concerning the subject matters within six (6) months. Unless the court orders otherwise all transcripts concerning litigation or potential litigation shall become public immediately upon the termination of litigation or the threat of litigation. Under no circumstances may a matter concerning litigation be sealed for more than three (3) months after the conclusion of the litigation. In the case of expected litigation, all such transcripts cannot be sealed for more than one (1) year after the closed hearing if no litigation results.

(d) Under no circumstances shall a public agency vote on any matter before it during an executive or closed meeting. All voting must be held in a public meeting and minutes shall be kept and opened to the public.

SOURCE: GC § 3235 enacted by P.L. 13-35. R/R by P.L. 19-5:138. Subsection (d) added by P.L. 25-171:1.

§ 8112. Disturbances.

In any event that any person willfully interrupts a meeting of a public agency so that a meeting may not be conducted in an orderly

fashion and order cannot be restored by the removal of the person who is wilfully interrupting the meeting, the members of the public agency conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such session. Duly accredited news reporters and photographers shall be allowed to attend any session held pursuant to this Section, provided that any such person who wilfully interrupts a meeting of a public agency may be removed, in the same manner as any other person.

SOURCE: GC § 3236 added by P.L. 13-35.

§ 8113. Minutes.

The minutes of every meeting of each public agency shall be promptly and fairly recorded, shall be open to public inspection and shall include but not be limited to a record of all motions, proposals and resolutions offered, the results of any votes taken and a record of individual votes in event of roll call. Insofar as it may do so without violating § 8103 of this Chapter, an agency may also maintain a record of persons present at a meeting.

SOURCE: GC § 3237 added by P.L. 13-35.

§ 8113.1. Reporting Requirements for Boards and Commissions.

The governing Boards and Commissions of all agencies, public corporations, and departments of the government of Guam shall provide electronic copies of the monthly Board and Commission meeting agendas, approved minutes, and other attachments and addendums as discussed in each monthly meeting, to *I Maga'lahen Guåhan* and the Speaker of *I Liheslaturan Guåhan* no later than fifteen (15) days after the end of said meeting and post the same on its website of the agency, public corporation, or department to which it governs. The audio recording of each meeting shall be provided to the Office of Public Accountability within seven (7) calendar days after the meeting. The Office of Public Accountability shall post these audio files on its website upon receipt of audio files.

SOURCE: Added by P.L. 31-233:XII:38 (Sept. 7, 2012).

§ 8114. Action Voided.

Any action taken at a meeting in violation of any Section of this Chapter shall be void and of no effect, provided that this nullification of

actions taken at such meetings shall not apply to any commitment, otherwise legal, affecting the public debt of the entity concerned.

SOURCE: GC § 3238 added by P.L. 13-35.

§ 8115. Penalties and Court Jurisdiction.

(a) The Superior Court shall have jurisdiction to enforce any action brought as a result of a violation of this Chapter. Any person shall have standing to sue for the enforcement of this Chapter.

(b) Each member of a public agency who attends a meeting of a public agency where action is taken in violation of any provision of this Chapter, with knowledge of the fact that the meeting is in violation thereof, is guilty of a misdemeanor.

(c) Any interested persons may commence an action by mandamus, injunction or declaratory relief for the purpose of stopping or preventing a violation or threatened violation of this Chapter by members of an agency or to determine the applicability of this Chapter to actions or threatened future action of an agency.

(d) In each suit brought under the Chapter, the court shall file a written Findings of Fact and Conclusions of Law and final judgment which shall also be recorded in the minutes of body involved.

(e) The court shall permanently enjoin any person adjudged to have violated this Chapter from further violating this Chapter. Each separate action taken which is not in accordance with this Chapter shall constitute a separate violation.

(f) The final judgment or decree in each suit shall state that the court shall retain jurisdiction over the parties and subject matter for a period of one (1) year from date of entry and the court shall order the defendants to report in writing twice annually to the court of their compliance with this Chapter.

SOURCE: GC § 3239 added by P.L. 13-35.

§ 8116. Severability.

If any provision of this Chapter or the application of any Section thereof, to any person or circumstance is held invalid, the validity of the remainder of said Chapter and the application of such provisions to other persons or circumstances shall not be affected thereby.

SOURCE: GC § 3240 added by P.L. 13-35.

CHAPTER 10
SUNSHINE REFORM ACT OF 1999

Article 1. Sunshine Law.
Article 2. Records.
Article 3. Information Required on Magnetic Media and the Internet.

ARTICLE 1
SUNSHINE LAW

§ 10101. Short Title.
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NOTE: P.L. 18-047:1 (Jan. 2, 1987) added Chapter 9 (§§ 6980 - 6991), entitled Freedom of Information, to the Government Code ("Sunshine Act of 1986"). P.L. 18-047:2 also repealed GC § 6114 (Fees of Copying Documents), § 6270 (Inspection of Public Records; Certified Copies), and § 6271 (Fees of Certified Copies of Public Records.

P.L. 19-005:139 (Aug. 21, 1987) repealed P.L. 18-047, and P.L. 19-005:136 added a new Chapter IX (§§ 6980-6991) entitled Freedom of Information, to Title VII of the Government Code ("Sunshine Act of 1987"). In the 19th Guam Legislature Session Laws, the previous Compiler renumbered these sections to GC §§ 6750-6759, and later codified these provisions as Article 1 of this Chapter. Further, he determined that the repeal of P.L. 18-047:2 by P.L. 19-005:139 resulted in the revival of §§ 6114, 6270 and 6271 of the Government Code, which he renumbered and codified as Article 2 of this Chapter.

P.L. 25-006:2 (May 12, 1999) repealed the Sunshine Act of 1987 and reenacted this entire Article as Chapter 10 (§§ 10101 - 10113) as the

Sunshine Reform Act of 1999. P.L. 25-006:3 further stated: This Act shall be effective immediately upon its enactment. The existing lists of non-public writings shall remain non-public for one hundred fifty (150) days, or until a new list is promulgated pursuant to this Law, whichever is shorter.

§ 10101. Short Title.

This Chapter shall be known, and may be cited, as the "Sunshine Reform Act of 1999."

SOURCE: GC § 6980 as added by P.L. 18-047:1 (Jan. 2, 1987), amended by P.L. 19-005:136 (Aug. 21, 1987). Codified by the Compiler to this section. Repealed and reenacted by P.L. 25-006:2 (May 12, 1999).

§ 10102. Definitions.

As used in this Chapter:

(a) Agency means any authority of the government and includes a department, institution, board, bureau, commission, council, committee of Guam government, branch, autonomous instrumentality, public corporation funded by public taxes or funds, or other public entity of the government of Guam, whether or not it is within or subject to review by another agency.

(b) Director means the person directly responsible for overseeing the daily operations of an agency, or the person serving in an acting capacity as director at the time of any request for copies of public records.

(c) Person includes any natural person, corporation, partnership, limited liability company, firm or association.

(d) Public records includes any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency in any format, including electronic format; and any out-of-court settlement records.

SOURCE: GC § 6981 as added by P.L. 18-047:1 (Jan. 2, 1987), amended by P.L. 19-005:136 (Aug. 21, 1987). Codified by the Compiler to this section. Repealed and reenacted by P.L. 25-006:2 (May 12, 1999). Subsection (d) amended by P.L. 32-076:5 (Nov. 27, 2013).

§ 10103. Right of Inspection of Public Documents.

(a) Every person has 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 § 10108 of this Chapter.

(b) Public records are open to inspection at all times during the office hours of the agency and every person has a right to inspect any public record, except as hereafter provided. Any segregable portion of a record shall be available for inspection by any person requesting the record after deletion of the portions that are exempted by law.

(c) Except with respect to public records exempt from disclosure by express provisions of the law, each agency, upon a request for a copy of records that reasonably describes an identifiable record or records, shall make the records promptly available to any person, upon payment of fees covering direct costs of duplication, or a statutory fee, if applicable. Upon request, an exact copy shall be provided, unless impracticable to do so.

(d) Each agency, upon a request for a copy of public records shall, within four (4) working days from receipt of the request, comply with the request if the records requested are disclosable public records in the possession of the agency. If the records being requested partially contain information exempted from disclosure by this Chapter or by another law, the agency shall redact the exempt information only and release the non-exempt information in the records, citing the exemptions in law that require the information to be redacted. If the records in whole contain information not disclosable by this Chapter or another law, and contain no information that can be released, the agency shall notify the person requesting the records within four (4) working days from receipt of the request, and cite the exemptions in law that prohibit disclosure of the records.

(e) In unusual circumstances, the time limit prescribed in this Section may be extended up to ten (10) days, including Saturdays, Sundays and legal holidays, by written notice by the director of the agency or the director's designee to the person making the request, setting forth the reasons for the extension and the date on which a determination is expected to be dispatched. As used in this Section, unusual circumstances means:

(1) the need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request; or

(2) the need to search for, collect and appropriately examine more than ten (10) separate and distinct records which are

demanded in a single request, or records that in total, are contained in five hundred (500) or more pages, or contain about two hundred fifty thousand (250,000) words, whichever is more.

SOURCE: GC § 6982 as added by P.L. 18-047:1 (Jan. 2, 1987), amended by P.L. 19-005:136 (Aug. 21, 1987). Codified by the Compiler to this section. Repealed and reenacted by P.L. 25-006:2 (May 12, 1999).

CROSS-REFERENCE: 12 GCA § 50118. [Applicability of Sunshine Information Act and the Open Government Law.]

§ 10104. Electronic Communications.

(a) An agency shall treat an electronic mail request for public records the same as it treats paper and oral requests for records. The same deadlines apply to electronic mail requests as other requests, and to ensure that electronic requests are complied with quickly, the agency shall check its electronic mail every work day.

(b) In making any record available to a person under this Chapter, an agency shall provide the record in any form or format requested by the person if the record is readily reproducible by the agency in that form or format. Each agency shall make reasonable efforts to maintain its records in forms or formats that are reproducible in electronic form, through electronic mail or on computer disk.

SOURCE: Added by P.L. 25-006:2 (May 12, 1999).

NOTE: This section was originally codified from GC § 6983, entitled "Limitation on Right of Inspection" as added by P.L. 18-047:1 (Jan. 2, 1987), amended by P.L. 19-005:136 (Aug. 21, 1987). Codified by the Compiler as 10 GCA§ 10104. This provision was repealed by P.L. 25-006:2 (May 12, 1999), and added as "Electronic Communications." The provision entitled "Limitation on Right of Inspection" was reenacted as § 10108.

P.L. 25-040:1 (June 7, 1999) amended § 10104 as follows:

§ 10104. Limitation on Right of Inspection.

(a) None of the following documents may be inspected and copied pursuant to § 10103 of this Chapter, unless permitted by any other law of Guam:

(1) files involving the investigation of any person, real or legal, for the commission of any crime; provided, however, that this Section shall not affect the public or sealed nature of any documents filed with the courts in any action or proceeding;

(2) the personnel file of any employee of the government without his consent, except that relevant material in said file shall

be open to inspection after a final decision has been rendered in any tribunal which may have jurisdiction over the subject matter in the file. All information regarding salary, and the name, and worksite mail address of each employee shall be public;

(3) tax returns and tax records, except for real property tax records and returns which shall be public; and

(4) police blotters, accident reports, daily activity logs and similar information not restricted by Subsection (a) of this Section shall be available to the public.

However, because § 10104 as entitled "Limitation on Right of Inspection" had already been repealed by P.L. 25-006:2, therefore, it no longer existed in the law. As a result of this manifest error, the amendment of P.L. 25-040 was no effect and is not codified here.

§ 10105. Efficient Disclosure of Records.

(a) To ensure expedient disclosure of records by an agency, the Director of an agency shall require all personnel in charge of receiving any incoming mail, electronic mail, faxed documents or other communications to immediately notify the Director or his designee upon receipt of a request for records under this Chapter.

(b) Upon receipt of a request for records under this Chapter, the Director of an agency or his designee shall immediately assign the request to be fulfilled or responded to by an employee of the agency.

(c) Each agency shall organize paper and computer files so that documents can be retrieved and copied quickly for expedient disclosure of records under this Chapter.

SOURCE: Added by P.L. 25-006:2 (May 12, 1999).

NOTE: This section was originally codified from GC § 6984, entitled "Public Officers to Give Copies" as added by P.L. 18-047:1 (Jan. 2, 1987), amended by P.L. 19-005:136 (Aug. 21, 1987). Codified by the Compiler as 10 GCA§ 10105. This provision was repealed by P.L. 25-006:2 (May 12, 1999), and added as "Efficient Disclosure of Records."

§ 10106. Posting Guidelines.

(a) Every agency shall establish written guidelines for accessibility of records and stating the procedures to be followed when making its records available in accordance with this Chapter. The guidelines shall include a mailing address, fax number and electronic mail address to which a person can send requests for copies of public records. The guidelines shall also include the records exempted from disclosure of

which the agency is a custodian, as prescribed in Subsection (b) of this Section. A copy of these guidelines shall be posted in a conspicuous public place at the offices of each agency, and a copy of the guidelines shall be available upon request free of charge to any person requesting the agency's records. Each agency shall also make the guidelines and list of disclosable and non-disclosable documents available by computer telecommunications within one (1) year of the effective date of this Chapter.

(b) Every public officer in charge of an agency having custody of records shall, within sixty (60) days after the effective date of this Act, compile a list containing categorized descriptions of all writing in the custody of the agency which said agency considers non-public and non-disclosable as prescribed in § 10108 of this Chapter, and submit the list to the Speaker of *I Liheslaturan Guåhan* for approval by *I Liheslaturan Guåhan*. The list for each agency shall be referred by the Rules Committee to the appropriate oversight committees, which shall hold a public hearing on each list before the list is put on *I Liheslaturan Guåhan's* session agenda for approval. Such approved list shall be used as a guide for determination of non-disclosable records by agency employees and may be amended by *I Liheslaturan Guåhan* at any time. All documents not included on this list shall be considered public writings. If no such list is promulgated by the agency within (60) days, all documents and records shall be public unless non-public and non-disclosable pursuant to § 10108. If a list is not approved by *I Liheslaturan Guåhan* within ninety (90) days of submission thereof, it shall be deemed approved on the expiration of the ninety (90) days.

SOURCE: Added by P.L. 25-006:2 (May 12, 1999).

NOTE: This section was originally codified from GC § 6985, entitled "Procedure to request public writings" as added by P.L. 18-047:1 (Jan. 2, 1987), amended by P.L. 19-005:136 (Aug. 21, 1987). Codified by the Compiler as 10 GCA§ 10106. This provision was repealed by P.L. 25-006:2 (May 12, 1999), and reenacted as "Posting Guidelines."

NOTE: P.L. 25-076:2 (Nov. 19, 1999) added the following uncodified provisions:

> Section 2. Disapproval of GEPA Proposed Guidelines. The GEPA July 12, 1999 proposed guidelines submitted pursuant to the requirements of the Sunshine Reform Act of 1999 are hereby disapproved, but shall not affect the existing limitations already contained within the Sunshine Reform Act of 1999, including within § 10108, and their applicability to said agencies.

Section 3. Disapproval of GEPA Proposed Exemptions. The GEPA July 12, 1999 list of proposed exemptions submitted pursuant to the requirements of the Sunshine Reform Act of 1999 are hereby disapproved, but shall not affect the existing limitations already contained within the Sunshine Reform Act of 1999, including within § 10108, and their applicability to said agencies

P.L. 25-077 (Nov. 19, 1999) added the following uncodified provisions:

Section 2. Disapproval of GEPA Proposed Guidelines. The GEPA July 12, 1999 proposed guidelines submitted pursuant to the requirements of the Sunshine Reform Act of 1999 are hereby disapproved, but shall not affect the existing limitations already contained within the Sunshine Reform Act of 1999, including within § 10108, and their applicability to said agencies.

Section 3. Disapproval of GEPA Proposed Exemptions. The GEPA July 12, 1999 list of proposed exemptions submitted pursuant to the requirements of the Sunshine Reform Act of 1999 are hereby disapproved, but shall not affect the existing limitations already contained within the Sunshine Reform Act of 1999, including within § 10108, and their applicability to said agencies.

P.L. 25-078:4 (Nov. 19, 1999) added the following uncodified provisions:

Section 4. Disapproval of Agency Lists. The following agencies' lists submitted pursuant to § 10106(b) of Article 1, Chapter 10 of Title 5 of the Guam Code Annotated, as repealed and reenacted by Public Law Number 25-06, are hereby disapproved, but shall not affect the existing limitations already contained within the Sunshine Reform Act of 1999, including within § 10108, and their applicability to said agencies:

(1) the A. B. Won Pat Guam International Airport Authority;
(2) the Guam Mass Transit Authority;
(3) the Guam Telephone Authority;
(4) the Port Authority of Guam;
(5) the Department of Administration;
(6) the Department of Revenue & Taxation;
(7) the Office of Public Accountability;
(8) the Guam Housing Corporation;
(9) the Guam Housing and Urban Renewal Authority;
(10) the Government of Guam Retirement Fund;
(11) the Guam Finance Commission;
(12) Customs and Quarantine;
(13) the Civil Service Commission;
(14) the Governor's Office;
(15) the Department of Land Management;
(16) the Department of Agriculture;

(17) the Chamorro Heritage Institute Planning Group (now a Division of *Dipatamento I Kahao Guinahan Chamorro*);
(18) the Chamorro Language Commission (now a Division of *Dipatamento I Kahao Guinahan Chamorro*);
(19) the Guam Developmental Disabilities Council;
(20) the Department of Integrated Services for Individuals with Disabilities;
(21) the Guam Behavioral Health and Wellness Center;
(22) the Department of Public Health and Social Services;
(23) the Guam Memorial Hospital Authority;
(24) the Guam Museum (now a Division of *Dipatamento I Kahao Guinahan Chamorro*);
(25) the Guam Election Commission;
(26) the Department of Military Affairs; and
(27) the Guam Council on Arts and Humanities Agency.

2009 NOTE: Reference to Office of Public Auditor changed to Office of Public Accountability pursuant to P.L. 30-027:2 (June 16, 2009).

2013 NOTE: Pursuant to P.L. 32-024:2 (May 6, 2013) which renamed the Department of Mental Health and Substance Abuse (DMHSA) to the Guam Behavioral Health and Wellness Center, all references to DMHSA were altered to the Guam Behavioral Health and Wellness Center.

P.L. 25-079:4 (Nov. 19, 1999) added the following uncodified provisions:

Section 4. Disapproval of Agency Lists. The following agencies' lists submitted pursuant to § 10106(b) of Article 1, Chapter 10 of Title 5 of the Guam Code Annotated, as repealed and reenacted by Public Law Number 25-06, are hereby disapproved, but shall not affect the existing limitations already contained within the Sunshine Reform Act of 1999, including within § 10108, and their applicability to said agencies:

(1) the Department of Education;
(2) the University of Guam;
(3) the Guam Public Library;
(4) the Guam Educational Telecommunications Corporation ("KGTF"); and
(5) the Guam Community College.

NOTE: P.L. 28-045:10 (June 6, 2005) changed the name of the Department of Education to the Guam Public School System. The passage of P.L. 30-050:2 (July 14, 2009) reverted the name to the Department of Education.

P.L. 25-080:2 (Nov. 19, 1999) added the following uncodified provisions:

Section 2. Disapproval of DOC Proposed Exemptions. The Department of Corrections' July 12, 1999 list of proposed exemptions submitted pursuant to the requirements of the Sunshine Reform Act of 1999 is hereby disapproved, but shall not affect the existing limitations already contained within the Sunshine Reform Act of 1999, including within § 10108, and their applicability to said agency.

P.L. 25-081:3 (Nov. 19, 1999) added the following uncodified provisions:

Section 3. Disapproval of Agency Lists. The following agencies' lists submitted pursuant to § 10106(b) of Article 1, Chapter 10 of Title 5 of the Guam Code Annotated, as repealed and reenacted by Public Law Number 25-06, are hereby disapproved, but shall not affect the limitations already contained within the Sunshine Reform Act of 1999, including within § 10108, and their applicability to said Agencies:

(1) the Department of Commerce;
(2) the Guam Economic Development Authority; and
(3) the Guam Visitors Bureau

P.L. 25-082:2 (Nov. 19, 1999) added the following uncodified provisions:

Section 2. Disapproval of Agency Lists. The following agencies lists submitted pursuant to § 10106(b) of Article 1, Chapter 10 of Title 5 of the Guam Code Annotated, as repealed and reenacted by Public Law Number 25-06, are hereby disapproved, but shall not affect the existing limitations already contained within the Sunshine Reform Act of 1999, including within § 10108, and their applicability to said agencies:

(1) the Guam Power Authority;
(2) the Department of Youth Affairs;
(3) the Department of Parks and Recreation;
(4) the Department of Public Works;
(5) the Guam Contractors Licensing Board;
(6) the Bureau of Budget and Management Research;
(7) the Guam Energy Office; and
(8) the Professional Engineers, Architects and Land Surveyors Board.

P.L. 25-094:3 (Dec. 29, 1999) added the following uncodified provisions:

Section 3. Disapproval of Agency Lists. The following agencies' lists submitted pursuant to § 10106(b) of Article 1, Chapter 10 of Title 5 of the Guam Code Annotated, as repealed and reenacted by Public Law Number 25-06, are hereby disapproved, but shall not affect the existing limitations already contained within the Sunshine Reform Act of 1999, including within § 10108, and their applicability to said agencies:

1. the Agency for Human Resources Development;
2. the Department of Law;
3. the Department of Labor;
4. the Supreme Court of Guam;
5. the Department of Youth Affairs;
6. the Public Defender Service Corporation;
7. the Superior Court of Guam; and
8. the Guam Fire Department.

P.L. 25-097:2 (Dec. 29, 1999) added the following uncodified section:

> Section 2. Disapproval of GPD Proposed Exemptions. The Guam Police Department July 12, 1999 and September 3, 1999 lists of proposed exemptions submitted pursuant to the requirements of the Sunshine Reform Act of 1999 are hereby disapproved, but shall not affect the existing limitations already contained within the Sunshine Reform Act of 1999, including within § 10108, and their applicability to said agencies.

§ 10107. Annual Report.

(a) On or before February 1 of each year, each agency shall submit to the Attorney General of Guam a report which shall cover the preceding fiscal year and which shall include:

(1) the number of determinations made by the agency not to comply with requests for records made to such agency under § 10108 of this Chapter and the reasons for each such determination;

(2) the number of requests for records pending before the agency as of September 30 of the preceding year, and the median number of days that such requests had been pending before the agency as of that date;

(3) the number of requests for records received by the agency and the number of requests which the agency processed;

(4) the median number of days taken by the agency to process different types of requests; and

(5) the number of full-time staff of the agency devoted to processing requests for records under this Section, and the total amount expended by the agency for processing such requests.

(b) Each agency shall make each such report available to the public, including by computer telecommunications, or if computer telecommunications means have not been established by the agency, by other electronic means.

(c) The Attorney General of Guam shall make each report which has been made available by electronic means available at a single access point. The Attorney General of Guam shall notify the Legislative Secretary of *I Liheslaturan Guåhan*, no later than April 1 of the year in which each such report is issued, that such reports are available by electronic means.

(d) The Attorney General of Guam shall develop reporting and performance guidelines in connection with reports required by this Section by October 1, 1999, and may establish additional requirements for such reports as the Attorney General determines may be useful.

SOURCE: Added by P.L. 25-006:2 (May 12, 1999).

NOTE: This section was originally codified from GC § 6986, entitled "Proceedings in the Superior Court to compel disclosure" as added by P.L. 18-047:1 (Jan. 2, 1987), amended by P.L. 19-005:136 (Aug. 21, 1987). Codified by the Compiler as 10 GCA§ 10107. This provision was repealed by P.L. 25-006:2 (May 12, 1999), and added as "Annual Report."

§ 10108. Limitation on Right of Inspection.

Except as provided in § 10109 of this Chapter, nothing in this Chapter shall be construed to require disclosure of records that are any of the following:

(a) Records pertaining to pending litigation to which the agency is a party, until the pending litigation has been finally adjudicated or otherwise settled.

(b) Records of complaints to, or investigations conducted by, or records of intelligence information, or security procedures or information, of an agency or its personnel.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy. All information regarding salary, and the name, and worksite mailing address of each employee and public official shall be public record.

(d) Information required from any taxpayer in connection with the collection of taxes that is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying the information, except that total amounts of money owed to or owed by a person, and penalties levied against and owed by a person, shall be public information and not exempt from disclosure.

(e) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this Subsection shall not apply to the records of fines imposed on the borrowers.

(f) Applications filed with any agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, credit unions and insurance companies. The exemption in this Subsection shall not apply to the records of loans or securities issued by an agency, the amount of money or credit issued to a person, information about the purpose and reasons for loans or securities issued by the agency, or identifying information about the person receiving the money or credit, including name, date of birth, occupation and place of residence.

(g) Test questions, scoring keys and other examination data used to administer a licensing examination, examination for employment, or academic examination. The exemption in this Subsection shall not apply to cumulative test scores on academic tests administered by the Department of Education, but shall apply to individual students' test scores.

(h) The home address and telephone number of any person whose occupation is subject to regulation or licensure by the government of Guam, or of any public official or government employee, or of any member of a government board, commission, or council, unless such person gives express permission to disclose such information.

(i) All existing privileges or confidential records or other information expressly protected under the law shall not be abrogated by this Act.

(j) Records specifically pertaining to security procedures, passwords, combinations, access codes, electronic or computer user I.D.s, policies or procedures on security.

(k) For the Department of Education information which personally identifies participants in the School Breakfast/Lunch Program, or their parents, guardians or caretakers.

(l) For the University of Guam:

(1) all applicant records regarding admission, financial aid and/or scholarships, except that the names and majors/areas of concentration of Financial Aid recipients funded directly or indirectly, through repayments by prior recipients, by a fund of

the government of Guam, including the University of Guam's Student Financial Assistance Program Fund shall be public information and not covered as private writings;

(2) closed archives of the RFT Micronesian Area Research Center, as per agreement with donor; and

(3) anonymity agreements regarding financial donations and other contributions made to the University only to the extent needed to protect the identity of the donor.

(m) For the Guam Police Department:

(1) vice funds disbursement records;

(2) disapproved firearm permit applications; and

(3) investigation techniques, which if exposed, would threaten the safety of law enforcement officials and/or threaten the integrity of an investigation.

(n) For the Guam Police Department: investigatory records compiled for law enforcement purposes, but only to the extent that the production of such records would:

(1) interfere with enforcement proceedings;

(2) deprive a person of a right to a fair trial or an impartial adjudication;

(3) constitute an unwarranted invasion of personal privacy;

(4) disclose the identity of a confidential source and, in the case of a record compiled in the course of a criminal investigation, confidential information furnished only by the confidential source;

(5) disclose investigative techniques and procedures; or

(6) endanger the life or physical safety of law enforcement personnel.

(o) for the Department of Corrections' Internal Affairs Unit, the radio logs and tapes.

(p) For the Supreme and Superior Courts of Guam:

(1) draft/working copies of bench notes, memoranda and opinions generated by the law clerks, research attorneys, judges and justices of the courts; and

(2) notes of the legal impressions.

(q) Draft documents of an Agency.

(r) All records of the Department of Education, the University of Guam, the Guam Public Library, the Guam Educational Telecommunications Corporation ("KGTF") and the Guam Community College that are exempted from public disclosure under the provisions of Article 1 of Chapter 10 of Title 5 of the Guam Code Annotated, as repealed and reenacted by Public Law Number 25-06, shall remain as private writings.

SOURCE: Added by P.L. 25-006:2 (May 12, 1999). Subsection (i) added by P.L. 25-078:2 (Nov. 19, 1999). Subsection (j) added by P.L. 25-078:3 (Nov. 19, 1999). Subsection (k) added by P.L. 25-079:2 (Nov. 19, 1999). Subsection (l) added by P.L. 25-079:3 (Nov. 19, 1999). Subsection (m) added by P.L. 25-097:3 (Dec. 29, 1999). Subsection (n) added by P.L. 25-097:4 (Dec. 29, 1999). Subsection (o) added by P.L. 25-080:3 (Nov. 19, 1999). Subsection (p) added by P.L. 25-094:2 (Dec. 29, 1999). Subsection (b) amended by P.L. 25-094:4 (Dec. 29, 1999). Subsection (q) added by P.L. 25-082:3 (Nov. 19, 1999). Subsection (r) added by P.L. 25-081:2 (Nov. 19, 1999). Subsection (h) amended by P.L. 25-184:2 (Jan. 8, 2001). Subsections (c) and (h) amended by P.L. 32-020:2 (Apr. 11, 2013).

NOTE: This section was originally codified from GC § 6987, entitled "Results of nondisclosure" as added by P.L. 18-047:1 (Jan. 2, 1987), amended by P.L. 19-005:136 (Aug. 21, 1987). Codified by the Compiler as 10 GCA§ 10108, entitled "Penalties for results of nondisclosure." This provision was repealed by P.L. 25-006:2 (May 12, 1999), and added as "Limitation on right of inspection." The provision entitled "Penalties for results of nondisclosure" was reenacted as § 10112.

P.L. 28-045:10 (June 6, 2005) changed the name of the Department of Education to the Guam Public School System. The passage of P.L. 30-050:2 (July 14, 2009) reverted the name to the Department of Education.

Numbers and/or letters were altered to adhere to the Compiler's alpha-numeric scheme in accordance to 1 GCA § 1606.

§ 10108.1. Disclosure of Privileged Information to Legislative Oversight Committee.

Any record or information which may be nondiscloseable under § 10108 that is in the possession of an agency shall be discloseable to the Legislative Oversight Committee upon its issuance of a subpoena duces

tecum requesting such record or information or subpoena upon the director.

SOURCE: Added by P.L. 25:097:5 (Dec. 29, 1999).

§ 10109. Disclosure to Proper Officials.

The exemptions of records as prescribed in this Chapter shall not apply to public officials who prior to the adoption of this act had legal access to the records.

SOURCE: Added by P.L. 25-006:2 (May 12, 1999).

NOTE: This section was originally codified from GC § 6990, entitled "Public officers to assist implementation of this Chapter" as added by P.L. 18-047:1 (Jan. 2, 1987), amended by P.L. 19-005:136 (Aug. 21, 1987). Codified by the Compiler as 10 GCA§ 10109. This provision was repealed by P.L. 25-006:2 (May 12, 1999), and added as "Disclosure to Proper Officials."

§ 10110. Purpose of Request Irrelevant.

This Chapter does not allow limitations on access to a public record based upon the purpose for which the record is being requested, if the record is otherwise subject to disclosure.

SOURCE: Added by P.L. 25-006:2 (May 12, 1999).

NOTE: This section was originally codified from GC § 6991, as added by P.L. 18-047:1 (Jan. 2, 1987), amended by P.L. 19-005:136 (Aug. 21, 1987). Codified by the Compiler as 10 GCA§ 10110, entitled "Privilege No Impaired." This provision was repealed by P.L. 25-006:2 (May 12, 1999), and added as "Purpose of Rquest Irrelevant."

§ 10111. Court Proceedings.

(a) Any person making a request in any agency for public records pursuant to § 10103 shall be deemed to have exhausted his administrative remedies with respect to such request if the agency fails to comply with the applicable time limit provisions of that Section.

(b) Any person may institute proceedings for injunctive or declarative relief or writ of mandate in the Superior Court of Guam to enforce that person's right to inspect or to receive a copy of any public record or class of public records under this Chapter. The times for responsive pleadings and for hearings in these proceedings shall be set by the judge of the Court with the object of securing a decision as to these matters at the earliest possible time.

(c) Whenever it is made to appear by verified petition to the Superior Court of Guam that certain public records are being improperly withheld from a member of the public, the Court shall order the officer or person charged with withholding the records to promptly disclose the public record or show cause why the person should not do so. The Court shall decide the case after examining the record in camera, papers filed by the parties and any oral argument and additional evidence as the Court may allow. The burden is on the agency to sustain its action. All records shall be presumed public and the burden of establishing that a document or record is private shall be upon the agency or person claiming that the document on record should not be disclosed or inspected.

(d) Except as to cases the Court considers of greater importance, proceedings before the Superior Court, as authorized by this Section, and appeals therefrom, take precedence over all cases and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

(e) If the Court finds that the public official's decision to refuse disclosure is not justified under this Chapter, the Court shall order the public official to make the record public. If the judge determines that the public official was justified in refusing to make the record public, the Court shall return the item to the public official without disclosing its content with an order supporting the decision refusing disclosure.

SOURCE: Added by P.L. 25-006:2 (May 12, 1999).

§ 10112. Penalties for Nondisclosure.

(a) If the Court finds that the public official's decision to refuse disclosure is not justified under this Chapter, the Court shall order the public official to pay a fine of One Thousand Dollars ($1,000.00). The fine shall be a personal expense for the responsible official and in no way shall the fine be paid by the agency or the government of Guam.

(b) There is created the 'Government Ethics Fund' to assist the Guam Ethics Commission in ensuring ethical conduct in the government of Guam. This fund shall not be commingled with the General fund and shall be kept in a separate bank account. Any fines collected under Subsection (a) of this Section shall be deposited in the Government Ethics Fund, are appropriated to the Guam Ethics Commission for ethical investigations, audits and analyses of financial disclosure forms. This appropriation is continuous, contingent on the annual submission of a

detailed budget to *I Liheslaturan Guåhan*, not withstanding any other provision of law.

(c) Any officer or employee who acts arbitrarily or capriciously in withholding a public record from a requesting person shall be guilty of a misdemeanor.

(d) The Court shall award court costs and reasonable attorney fees to the plaintiff should the plaintiff prevail after initial filing of the complaint pursuant to this Section. The costs and fees shall be paid by the public agency of which the public official is a member or employee and shall not become a personal liability of the public official. If the Court finds that the plaintiff's case is clearly frivolous, it shall award court costs and reasonable attorney fees to the public agency.

SOURCE: Added by P.L. 25-006:2 (May 12, 1999).

§ 10113. Judicial Records.

The provisions of this Chapter *shall not* be deemed in any manner to affect the status of judicial records as it existed immediately prior to the effective date of this Section, nor to affect the rights of litigants, including parties to administrative proceedings, under the laws of discovery of Guam, nor to limit or impair any rights of discovery in a criminal case. The sealing of settlement documents in cases involving the government of Guam is prohibited.

SOURCE: Added by P.L. 25-006:2 (May 12, 1999). Amended by P.L. 32-076:6 (Nov. 27, 2013).

ARTICLE 2
RECORDS

§ 10201. Inspection of Public Records; Certified Copies. [Repealed.]
§ 10202. Fees for Certified Copies of Public Records.
§ 10203. Charges for Copying Government Documents.

§ 10201. Inspection of Public Records; Certified Copies.

[Repealed.]

SOURCE: GC § 6251 as added by P.L. 12-034:5 (July 3, 1973), recodified to § 6270 by the Editor of the 1974 Supplement to the Government Code; repealed by P.L. 18-047:2 (Jan. 2, 1987).

COMMENT: Notwithstanding the express repeal of this section by P.L. 18-047:2, the previous Compiler found that this section was revived upon the enactment of P.L. 19-005. The previous Compiler renumbered this section and codified it into Article 2 of this Chapter, which stated as follows:

> **§ 10201. Inspection of Public Records; Certified Copies.**
>
> Every person has a right to inspect any public writing on record in Guam and every public officer having the custody thereof is bound to permit such inspection, and to give on demand and on payment of the legal fees therefor a certified copy of such writing or record.

The common law rules of statutory construction apply in Guam pursuant to 1 GCA § 700. "Under the common law rules of interpretation, the repeal of a repealing statute revives the original enactment where such repeal is accomplished by express provision. However, where the repeal of the repealing statute is achieved by specific provision or by implication with new additional legislation, the original legislation is revived only to the extent to which it is consistent with the new legislation." Sutherland Statutory Construction, 7th ed., § 23:32 (2000). Because P.L. 19-005 enacted § 10103 governing the right of inspection of public documents, § 10201 was not revived.

§ 10202. Fees for Certified Copies of Public Records.

Except when a different amount is prescribed the following fees shall be paid in advance for certified copies of public records:

(a) for making a certified copy, $.75 cents for the first 300 words or part thereof, and $.15 cents for each additional 100 words or part thereof.

(b) if the record is in a foreign language, $1.00 for each 100 words or part thereof.

(c) for comparing for certification of copy furnished by the applicant, one-half the fee for making a copy.

SOURCE: GC § 6252 as added by P.L. 12-034:5 as GC § 6251 (July 3, 1973); recodified to § 6271 by the Editor of the 1974 Supplement to the Government Code. Repealed by P.L. 18-047:2 (Jan. 2, 1987); however, P.L. 19-005:139 (Aug. 21, 1987) later repealed P.L. 18-047. Renumbered by the Compiler and codified to Article 2 of this Chapter.

COMMENT: Notwithstanding the express repeal of this section by P.L. 18-047:2, the previous Compiler found that this section was revived upon the enactment of P.L. 19-005 (Aug. 21, 1987). The common law rules of statutory construction

apply in Guam pursuant to 1 GCA § 700. "Under the common law rules of interpretation, the repeal of a repealing statute revives the original enactment where such repeal is accomplished by express provision." Sutherland Statutory Construction, 7th ed., § 23:32 (2009). Because the enactment of the Sunshine Law of 1987, enacted by P.L. 19-005:136, did not include a provision for charging fees for certified copies of public records, § 10202 was revived and provided statutory authority to charge for these copies.

2013 NOTE: Pursuant to the authority granted by 1 GCA § 1606, numbers and/or letters were altered to adhere to the Compiler's alpha-numeric scheme.

§ 10203. Charges for Copying Government Documents.

(a) Notwithstanding any other provision of law, no department, agency or instrumentality of the government of Guam, including all autonomous agencies and instrumentalities, shall charge another branch, department or agency of the government of Guam, including the Guam Legislature and members thereof, for copies of requested documents, so long as the documents are requested in an official capacity.

(b) Notwithstanding any other provisions of law, any department, agency or instrumentality of the Executive Branch of the government of Guam, including all autonomous agencies and instrumentalities, except for the Department of Land Management and the Department of Revenue and Taxation, may charge the media or the general public a copying fee for documents not to exceed ten cents (10¢) for the first page of any requested document, and two cents (2¢) each for any remaining pages. The Department of Land Management and the Department of Revenue and Taxation may set their charges for documents by rules and regulations pursuant to the Administrative Adjudication Law.

(c) Any department, agency or instrumentality of the Executive Branch of the government of Guam, including all autonomous agencies and instrumentalities, may choose not to charge the media or the general public a copying fee for requested documents; however, they shall not charge more than indicated in Subsection (b) of this Section.

SOURCE: GC § 6711 as added by P.L. 18-040:13 (Nov. 6, 1986). Repealed by P.L. 18-047:2 (Jan. 2, 1987); however, P.L. 19-005:139 (Aug. 21, 1987) later repealed P.L. 18-047. Renumbered by the Compiler and codified to Article 2 of this Chapter.

COMMENT: Notwithstanding the express repeal of this section by P.L. 18-047:2, the previous Compiler found that this section was revived upon the enactment of P.L. 19-005 (Aug. 21, 1987). The common law rules of statutory construction apply in Guam pursuant to 1 GCA § 700. "Under the common law rules of interpretation, the repeal of a repealing statute revives the original enactment where

such repeal is accomplished by express provision." Sutherland Statutory Construction, 7th ed., § 23:32 (2009). Because the enactment of the Sunshine Law of 1987, enacted by P.L. 19-005:136, did not include a provision for charging fees for copying government documents, § 10203 was revived and provided statutory authority to charge for these copies.

ARTICLE 3
INFORMATION REQUIRED ON MAGNETIC MEDIA AND THE INTERNET

SOURCE: Entire Article added by P.L. 24-301:2 (Dec. 18, 1998).

§ 10301. Information Required to be Made Available on Magnetic Media Format.
§ 10301.1. Information Not Stored on Magnetic Media Format.
§ 10302. Magnetic Media Defined.
§ 10303. Formats for Magnetic Media.
§ 10304. Fees and Timeframes for Information Available on Magnetic Media.
§ 10305. Home Page for Each Department or Agency of Government.
§ 10306. Information Required on Official Home Pages.
§ 10307. Formats for Home Pages.
§ 10308. Special Requirements for Telephone Directory.
§ 10309. Special Requirements for Legislation.
§ 10310. Special Requirements for Property Maps in the Custody of the Department of Land Management.
§ 10311. Prohibition Against Partisan Endorsements or Detractions.
§ 10312. Special Requirement for Government of Guam Accounts with the Guam Power Authority.
§ 10313. Special Requirement for Non-Immigrant Alien Temporary Labor Certificates approved by *I Maga'lahi* (the Governor).
§ 10314. Acceptance of Applications, Filings and Forms for Services Via the Internet.
§ 10315. Special Requirement for Medical Licenses.

§ 10301. Information Required to be Made Available on Magnetic Media Format.

Any information, that is stored on or will be stored on magnetic media, available under the Freedom of Information Act, as provided for

in Article 1 of this Chapter, shall be made available to the general public on magnetic media.

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998).

§ 10301.1. Information Not Stored on Magnetic Media Format.

An agency may make information, covered by Article 1 of this Chapter that is not stored on magnetic media, available to the general public on magnetic media and charge a fee for such service. Such fees shall be based on the cost of such services, and subject to the provisions of the Administrative Adjudication Law.

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998).

§ 10302. Magnetic Media Defined.

For purposes of this Section, magnetic media shall be defined as three and one-half inch (3.5") high-density floppy diskettes and CD ROM disks. To fulfill the requirements of § 10301 of this Article, Agencies only need make information that consist of computer files that total more than six (6) megabytes of information available on CD ROM. All others less than six (6) megabytes shall be available on floppy diskettes.

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998).

§ 10303. Formats for Magnetic Media.

Unless otherwise provided for herein, information shall be made available in the following formats:

(a) Written Transcripts, Rules and Regulations, Legislation and Written Text Documents: Written transcripts, rules and regulations, legislation and written text documents shall be made available in the following formats: ASCII, text and any other word processing format commonly and widely used on Microsoft and Macintosh Operating Systems.

(b) Financial Information: Lotus 123, Microsoft Excel and Corel Quattro Pro for Microsoft and Macintosh operating systems.

(c) Other Information: The individual agencies shall, under the provisions of the Administrative Adjudication Law, determine most appropriate format and make available such information on magnetic media.

Agencies may, through appropriate rules and regulations pursuant to the Administrative Adjudication Law, make information available through other formats and charge a fee for such services. If a special format is, or becomes available for personal computers or Macintosh Computers for individuals with disabilities, agencies shall make such information available in that format at no additional cost. The determination of which formats are commonly and widely used as required herein shall be determined from input from the general public at a public hearing held at least once per calendar year by each Branch of the government of Guam.

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998).

§ 10304. Fees and Timeframes for Information Available on Magnetic Media.

(a) Notwithstanding any other provision of law, no department, agency or instrumentality of the government of Guam, including all autonomous agencies and instrumentalities, shall charge another branch, department or agency of the government of Guam, including *I Liheslaturan Guåhan* and members thereof, for copies of requested documents, so long as the documents are requested in an official capacity.

Unless otherwise provided herein, no department, agency or instrumentality of all Branches of the government of Guam, including all autonomous agencies and instrumentalities shall charge fees in excess of Two Dollars ($2.00) per floppy diskette, and Fifteen Dollars ($15.00) per CD ROM; should the cost of providing such services increase, a department or agency may set their fees at a higher rate, by rules and regulations pursuant to the Administrative Adjudication Law, only to cover the additional costs. No fee shall be charged to any person who obtains public information from the Internet.

Requests for such information on magnetic media shall be made in writing to the applicable agency. Such magnetic media shall be provided to the person requesting such information within five (5) working days, excluding weekends and holidays, of the request. Payment for such services shall be made at the time of the request. Agencies may by rules and regulations pursuant to the Administrative Adjudication Law, develop appropriate timeframes for providing information in other formats not expressly mentioned in § 10303 of this Article.

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998).

§ 10305. Home Page for Each Department or Agency of Government.

(a) Every department or agency of the Executive Branch of the government of Guam, inclusive of all autonomous agencies, the Department of Education, the Guam Visitors Bureau, the Guam Economic Development and Commerce Authority, the Guam Waterworks Authority and the Guam Power Authority, shall develop and post on the Internet a home page or website. Each home page or website shall be designated as the official website or home page for such department, agency, autonomous agency or public corporation and no information posted thereon shall be restricted by user status, passwords, or the assessment of dues, membership fees or registration fees. This Section, and § 10306 of this Chapter shall apply to *I Liheslaturan Guåhan* as a single agency and the Judiciary of Guam as a single agency.

(b) All finalized reports, studies, and plans initiated, contracted for or conducted by any department or agency, except criminal investigative and security-related reports, studies, and plans, shall be posted on the agency home page. By January 1, 2008, copies of all such reports, studies, and plans held in the records of all departments and agencies shall be posted on the agency home page.

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998). Repealed and reenacted by P.L. 28-057:2 (June 30, 2005). Amended by P.L. 29-019:VI:88 (Sept. 29, 2007).

2009 NOTE: P.L. 28-045:10 (June 6, 2005) changed the name of the Department of Education to the Guam Public School System. P.L. 30-050:2 (July 14, 2009) reverted the name of the Guam Public School System to the Department of Education.

§ 10306. Information Required.

The following information must be posted, at a minimum, on each official website or homepage required pursuant to Section 10305 above.

(a) Notice of all meetings, hearings and public events as required by public law and for such duration as required by public law and containing such information as is required by public law.

(b) The official name of the department, agency, autonomous agency or public corporation in both English and Chamorro, the email address, public phone numbers, mailing address and physical location of the department, agency, autonomous agency or public corporation.

(c) The names and titles of the Director, Deputy Director or official in charge of the department, agency, autonomous agency or public corporation, as appropriate, as well as the names and titles of the administrators of each and all offices, programs, services, units or divisions under its purview, and the names of all board members of every board or commission associated with or appurtenant thereto, and an organizational chart demonstrating the relationships between all, as relevant.

(d) A list of all fees charged for any services.

(e) All rules and regulations in force as promulgated by the department, agency, autonomous agency or public corporation, or links thereto, as well as all proposed rules and regulations, or amendments thereto, as are progressing through the administrative adjudication process as detailed in the Administrative Adjudication Act.

(f) The budget for the department, agency, autonomous agency or public corporation as is in force and approved by *I Liheslaturan Guåhan* or the governing board as appropriate, as well as the proposed budget for the upcoming fiscal year, and in such form as is submitted to or approved by *I Liheslaturan Guåhan* or the governing board as appropriate, and all expenditures of the department, agency, autonomous agency or public corporation, such entries to be updated on a quarterly basis.

(g) The awardee, amount, duration and a general description of all contracts of any nature as entered into by the department, agency, autonomous agency or public corporation, such entries to be updated on a quarterly basis.

(h) The amount of and a general description of all grants received by the department, agency, autonomous agency or public corporation.

(i) The hours of operation of the department, agency, autonomous agency or public corporation, and all programs, units or services under its purview.

(j) A general description of the areas of responsibility of the department, agency, autonomous agency or public corporation, and all offices, programs, services, units or divisions under its purview,

as well as any public reports, studies and publications as the public might expect access to under Guam law.

(k) The results of audits, or links thereto, of the department, agency, autonomous agency or public corporation, or any component or service of same.

(l) In the case of a department, agency, autonomous agency or public corporation that generates its own income through fees for services or other fees, an annual statement detailing collection and income derived from such fees.

(m) All blank applications and other forms for services, licenses, government benefits, etc., of all agencies, autonomous agencies, public corporations and instrumentalities of the government of Guam. In the event that the nature of a form or application prevents it from being posted (such as carbon copy forms), the agency shall state on its website the reasons that such form cannot be posted. To the extent possible and practical, the agencies shall make the forms available in fill-able/savable/printable Adobe portable document format (PDF). Notwithstanding the requirements, supra, of this Subsection; the Unified Judiciary shall within its rule-making authority determine which documents shall be posted on its website and the form and manner in which such documents are to be posted.

Nothing in this Section shall be construed as limiting the information that a department, agency, autonomous agency or public corporation may provide to the general public via a home page or website.

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998). Repealed and reenacted by P.L. 28-057:3 (June 30, 2005). Amended by P.L. 30-222:1 (Dec. 30, 2010).

NOTE: Pursuant to the authority granted by 1 GCA § 1606, numbers and/or letters were altered to adhere to the Compiler's alpha-numeric scheme.

§ 10307. Formats for Home Pages.

There are no special requirements for the format or construction of official Home Pages. Each Branch of government shall make every possible effort to ensure that official Home Pages use text and graphics formats that can be easily loaded and read by most Web browsers. For complex documents intended for download by the general public, such

documents shall be available in, but not limited to, Portable Document Format ("PDF").

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998).

§ 10308. Special Requirements for Telephone Directory.

The Guam Telephone Authority shall, within ninety (90) days of the enactment hereof, make its annual phone directory of published numbers available on the Internet and on CD ROM. To the extent that funds allow for, the Guam Telephone Authority shall make arrangements with companies that publish national directories on the Internet for inclusion of published Guam telephone numbers on their internet directory services. CD ROM versions of the directory shall be published quarterly and made available in all database, spreadsheet and word processing formats widely and commonly used on Microsoft and Macintosh operating systems. Unlisted numbers and information on subscribers not included in the printed version of the directory shall not be included on the Internet or CD ROM versions. The version of the telephone directory published on the Internet shall be updated not less than once every calendar quarter.

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998).

§ 10309. Special Requirements for Legislation.

Beginning with *I Mina'Bente Kuattro Na Liheslaturan Guåhan*, all bills passed by *I Liheslaturan Guåhan* shall be posted on *I Liheslaturan Guåhan's* Official Home Page. Bills signed into law or vetoed by *I Maga'lahen Guåhan* shall include *I Maga'lahen Guåhan's* message. In the event a Bill becomes law either through approval of *I Maga'lahen Guåhan*, or override by *I Liheslaturan Guåhan*, the date and public law number shall also be included. Information required to be included with each bill posted on *I Liheslaturan Guåhan's* Official Home Page shall include the sponsors of the legislation and, if applicable, the score through and underline notations that reflect changes that will be made to existing law by enactment of the bill. The voting record shall be included with each bill passed or overridden by *I Liheslaturan Guåhan*.

Beginning with *I Mina'Bente Sinko Na Liheslaturan Guåhan*, all bills introduced by members of *I Liheslaturan Guåhan* shall be posted on *I Liheslaturan Guåhan's* official Home Page. New bills shall be posted within five (5) working days of the bill's introduction. The address of the

official Home Page, where all bills that are introduced are posted, shall be included in all notices of public hearings.

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998).

§ 10310. Special Requirements for Property Maps in the Custody of the Department of Land Management.

Within one (1) year of the enactment hereof, the Department of Land Management shall publish a complete set of the maps of Guam in their custody on CD ROM. Existing maps in magnetic media format shall be made available pursuant to the provisions of this Article notwithstanding this one (1) year period.

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998).

§ 10311. Prohibition Against Partisan Endorsements or Detractions.

No official Home Page required herein may be used to endorse or detract from any elected official, candidate for an elected office or the platform of any elected official or candidate for elected office.

SOURCE: Added by P.L. 24-301:2 (Dec. 18, 1998).

§ 10312. Special Requirement for Government of Guam Accounts with the Guam Power Authority.

Within six (6) calendar months of the enactment hereof, the Guam Energy Office shall publish on its website a listing of all government of Guam meters registered with the Guam Power Authority, and the corresponding fiscal quarterly account information that shall include kilowatt hours billed to, amounts billed to, a KWH consumption benchmark which reflects a reasonable target if viable energy conservation measures are implemented, amounts paid from and amounts due from each department, office or agency of the Executive Branch of the government of Guam, inclusive of all autonomous agencies, the Department of Education, the University of Guam, the Guam Community College, the Guam Visitors Bureau, the Guam Economic Development Authority, the Guam Waterworks Authority, the Guam Power Authority, *I Liheslatura* and the Judiciary. The Guam Power Authority shall provide all necessary information to the Guam Energy Office for the purposes of this Section. The Guam Energy Office shall monitor and make recommendations, in writing, on a quarterly basis to the respective agency heads on the energy savings alternatives, and post them on their website.

SOURCE: Added by P.L. 30-051:1 (July 14, 2009).

2009 NOTE: P.L. 28-045:10 (June 6, 2005) changed the name of the Department of Education to the Guam Public School System. P.L. 30-050:2 (July 14, 2009) reverted to the Department of Education.

§ 10313. Special Requirement for Non-Immigrant Alien Temporary Labor Certifications approved by *I Maga'lahi* (the Governor).

Within six (6) calendar months of the enactment hereof, the Guam Department of Labor shall publish and update on a quarterly basis on its website a listing of all temporary labor certifications issued and attested to, as of the date of the enactment hereof, by *I Maga'lahi* (the Governor) pursuant to Chapter 7 of Title 17, Guam Administrative Rules and Regulations, including the name, telephone number, and physical address of the applicant for temporary labor certification; the position title for which the application was made; the number of United States residents who applied to fill said position; the number of qualified, willing, and available United States residents who applied to fill said position; and the date said application was submitted and approved.

SOURCE: Added by P.L. 31-124:1 (Sept. 30, 2011).

§ 10314. Acceptance of Applications, Filings and Forms for Services Via the Internet.

Notwithstanding any other provision of law, all entities of the government of Guam, inclusive of autonomous agencies, shall provide for the acceptance of applications, filings and forms for services through their official website. If the nature of an application, a filing or a form does not allow for it to be accepted via the internet, the respective government entity shall explicitly state the reason on its website.

SOURCE: Added by P.L. 31-187:1 (Feb. 27, 2012), effective (180) days upon enactment pursuant to P.L. 31-187:2.

§ 10315. Special Requirement for Medical Licenses.

Within six (6) months of the enactment hereof, the Guam Board of Medical Examiners *shall* publish, and update on a quarterly basis on its website, a listing of licenses issued pursuant to Article 2 (Physicians Practice Act) of Chapter 12, Title 10, Guam Code Annotated, including the license holder's name, primary work address, work phone number, specialty, initial date of licensure, license status, and board certifications.

SOURCE: Added by P.L. 33-080:1 (Nov. 9, 2015).

5 GCA GOVERNMENT OPERATIONS
CH. 10 SUNSHINE REFORM ACT OF 1999

29

COL1272016

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., May 28, 2019

AGENDA

1. CALL TO ORDER

2. APPROVAL OF MINUTES

3. COMMUNICATIONS
   - 3.1 Public Comments (2 min. per person)

4. GWA
   - 4.1 New Business
   - 4.1.1 GM Report
   - 4.1.2 Financials
   - 4.1.3 Resolution No. 24-FY2019 Change Order Baza Garden Wastewater Cross-Island Pumping and Conveyance Phase II Construction Contract
   - 4.1.4 Resolution No. 25-FY2019 Change Order Baza Gardens Wastewater Cross-Island Pumping and Conveyance Construction Management Contract
   - 4.1.5 Resolution No. 28-FY2019 Change Order No. 1 ConstrMgmt Services Contract for the GWA SCADA System for Water &WW Facilities Phase A-1
   - 4.1.6 Resolution No. 29-FY2019 Change Order Yigo and Astumbo Reservoir ConstrMgmt Contract
   - 4.1.7 Resolution No. 30-FY2019 Change Order No. 4 Central Guam Reservoirs Design
   - 4.1.8 Resolution No. 31-FY2019 Approval of the Chlorine Bid Under PUC Contract Review Protocol
   - 4.1.9 Resolution No. 32-FY2019 Ratification of Expenditures for Track Me Guam, LLC.
   - 4.1.10 Resolution No. 33-FY2019 Approval 1-yr Extension Indefinite Quantity Contract with Badger Meter, Inc. for Additional Purchase of Water Meters

5. GPA
   - 5.1 New Business
   - 5.1.1 GM Report
   - 5.1.2 Financials
   - 5.1.4 Resolution 2019-06 Tank Farm New ULSD Pipeline System
   - 5.1.5 Resolution 2019-07 Approval of Utility Energy Service Contract (UESC) Costs
   - 5.1.6 Resolution 2019-08 Relative to LEAC Filing

6. ANNOUNCEMENTS
   - 6.1 Next CCU Meetings: GWA WS – None; GPA WS – None; CCU MTG – June 5

7. EXECUTIVE SESSION
   - 7.1 Atty. Kelly Clark – GWA Litigation Matter
   - 7.2 Atty. Kelly Clark – GWA Litigation Matter
   - 7.3 Atty. Vince Leon Guerrero – CCU Litigation Matter
   - 7.4 Atty. Vince Leon Guerrero – CCU Litigation Matter

8. ADJOURNMENT

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

Special Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
4:00 p.m., May 10, 2019

MINUTES

1. CALL TO ORDER

The Chairman called the CCU Special Meeting of May 10, 2019 to order at 4:19 p.m. He said four (4) Commissioners were present and that there was a quorum; Comm. Santos was off-island and excused. Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	Commissioner

Executive Mgmt.:

John Benavente	GM / GPA
Miguel Bordallo	GM / GWA
John Cruz	AGMET / GPA
Chris Budasi	AGMA / GWA
John Kim	CFO / GPA
Kelly Clark	Staff Attorney / GWA

Management & Staff:

Heidi Ballendorf	Communications Manager / GWA
Paul Kemp	AGM Compliance & Safety / GWA
Vangie Lujan	Compliance & Safety / GWA
Patti Diego	Communications / GPA
Zina Charfauros	Personnel Admin. / GWA HR
Lou Sablan	Board Secretary / CCU

Guest:

Mark Miller	Commissioner / PUC
Ken Leon Guerrero	Guam Citizens for Public Accountability
Kenneth Kerrigan	Editor / The Guam Post
Joyciynn Atalig	Reporter / PNC News
Nestor Licanto	Reporter / KUAM News
Steve Limtiaco	Reporter / PDN

2. COMMUNICATIONS

2.1 Public Comments

Mr. Ken Guerrero, representative for Citizens for Public Accountability, address the Commission. Chairman Duenas welcomed him saying that he is allowed 2 minutes. Mr. Guerrero said he comes with 1000 signatures from citizen ratepayers and thinks this allows him more than 2 minutes. The Chairman said Mr. Guerrerp can have 5-minutes because the Commission needs to get on with its business. Mr. Guerrero started by saying that the actions of the Board has sparked such an outrage. There is a perception in the public that this body is very arrogant that this body perceives itself above the people that elected them to represent them. The public sees the action of this body to be more in line to be self-serving than representing the public. He said this utility is owned by the ratepayers and the CCU needs to do a better job listening to what the public has to say and take those things into considerations. If the CCU gives bonuses that are equal to or larger than the average salary on Guam it is a gross injustice and we consider that a big problem. The average income on Guam is $26,400 according GovGuam Dept. of Labor. Guam has a very small utility system but GPA/GWA is paying salaries that are comparable to utility systems with more than a million customers. The public are having a hard time understanding why the salaries, bonus and raises are as high as they are with very little improvement in the system or the service. There's lot of pain in the public and there is no sympathy and support from CCU that supposedly represent the ratepayers. He said the perception is that ratepayers work for you and that your job is to get as much as money from ratepayers as you can. The CCU has Legal Counsels that got you into this mess and you need to rethink their value – use the AG's office and safe nearly $400k per year for ratepayers. He said he and 1000 other ratepayers expect that the CCU does not move forward with salaries and bonuses until it can be justified to the ratepayers.

Comm. Sanchez questioned the absence of both Legal Counsels and the Chairman said because of the conflict they thought it best the outside counsel handle the meeting. Comm. Sanchez said; for the record, that he thinks it is appropriate that senior management is present to witness the discussion in open session. They are part of senior management. They played a critical role on what happened and it is prudent for them to listen to the discussion with outside counsel as well. Being conflicted doesn't mean that they cannot be here. The Chairman said they are not physically here. Comm. Guthertz said that she also would also like to speak with the staff attorneys.

3. GPA

3.1 New Business

3.1.1 To Address Letter Received by the CCU From the Guam Attorney General Regarding the November 27, 2018 CCU Meeting and Other Related Matters

Outside Counsel Vince Leon Guerrero said he was asked to appear to render an opinion as to the validity of the letter from the Attorney General to the Commission wherein the AG advised the Commission that pay raises and bonuses were improper because they were discussed and approved during the Executive Session of the CCU meeting of November 27, 2018. Counsel said his research agrees with the opinion of the AG. The law is specific if salary is to be discussed it has to be done in an open public; if evaluation is to be done – that it can be done in private. He said the bottom line is he concurs with the AG's opinion and the CCU action must be void, the increases must be rescinded and the bonuses paid back.

Relative to repayment Counsel Leon Guerrero said there is no statute guiding how repayment is to be made however a similar issue happened not too long ago with the Governor's Office and employees there were allowed to effect the payback over term.

Counsel Leon Guerrero then reiterated that the CCU is charged with evaluating and setting the salaries for the (2) General Managers, the (2) CFO's, the (2) Legal Counsels and the Board Secretary. Asst. GM of Operation's salary is brought before the CCU on the recommendation of the GM and the CCU vote to approve or not approve the salary.

The Chairman then opened the floor to questions.

Comm. Sanchez said he wants to make clear he understands that the CCU enabling act authorizes by law to evaluate and approve performances – particularly for (6) people - to hire, fire, discipline, raise or cut pay for who he called the CCU 7 - the (2) GM's, CFO's, Counsel's and Bd. Secretary. The issue is what must be done in open session and what can / is allowed to be done in executive session. Comm. Sanchez then read that section of the AG's letter relative to the specific open government law that the AG cited specifically [reads the open govt. law verbatim] and ended by reconfirming with counsel that evaluations are ok in private but once salary is discussed it must be in the open / in public. Counsel Leon Guerrero concurred.

Comm. Sanchez then referenced the Counsel's opinion about the Asst. GM of Operations. He asked Counsel if the CCU sets the AGMO's pay because he thought the CCU does not have power to set AGMO's pay - Counsel responded - yes. Counsel said that the GM of GPA sets the salary subject to board approval. The GM evaluates the AGMO and the CCU approves. Simon so in fact there are 8 people that CCU can set pay for but any discussion relative to pay must be in public and any evaluations can be done in private. Counsel concurred.

Comm. Sanchez then asked about the other (4) Asst. GM's – Administration – one for power and other for water, Engineering & Technical Services for power, Compliance & Safety for water does CCU have power to set their pay; Counsel - he did not see that in the law and Comm. Sanchez said he didn't either. Comm. Sanchez said there are 800 employees at GPA and GWA – the GMs set their pay and CCU has no power over pay; counsel said yes. Comm. Sanchez then said if the CCU has no power over the (4) Asst. GM's salary then just like they have no power over the 800 line employees of GPA and GWA why should the Asst. GM's salary increases be rescinded. At this point the Chairman injected and reminded Comm. Sanchez that the AG's letter was specific – that money was talked about in executive session and because of that the action was void – that is the point. Comm. Sanchez said money was talked about in executive session for people the Commission has no power over? He said he would like an opinion. Counsel Leon Guerrero said he would look into this matter and render an opinion. Comm. Sanchez said for the record that he listened to the audio and will listen to it again. He said he does not remember any discussion on pay for these (4) Asst. General Managers would like guidance for these particular managers. Comm. Michael injected to get opinion directly of the AG as well on the (4) AGM's because he may not know any of the fine details just discussed. Comm. Sanchez said there may be other matters that may emerge that we would like the AG's opinion as well. A lawyer's opinion is all it is an opinion and only the courts that matters but it

is opinions that guide us. In the same spirit of Comm. Limtiaco there may be other things that we may ask the AG to opine and would like to add on if needed.

Comm. Limtiaco said that he was not present at the November 27th Executive Session because he was not a Commission member at the time, having been inducted in January 2019. His question is 1) does he as a CCU member now, does he have access to these executive session minutes and 2) does the AG have access to the executive session minutes. He said Counsel cited the section of law that speaks about personnel matters so does the AG have access? Comm. Limtiaco said he does not think that he does but wants the Counsels opinion.

Comm. Guthertz said she is happy that this meeting is going on and wants to make correction where needed. The Commissioner cited section 5GCA, the Sunshine Reform Act, Limitation of Right of Inspection Chapter 10, of law about privacy issues. The law specifically states in section 10108 except as provided in 10109 of this chapter that Personnel medical or similar files the disclosure of which will constitute an unwarranted invasion of personnel privacy. All information about salary, names etc. shall remain of record. The Commissioner said her interpretation of this is the CCU is prohibited from disclosing personnel files. Obviously there is great interest about the evaluation of our employees. If we were requested of this information would we be in violation if we release it. Counsel confirmed yes. Comm. Guthertz mentioned that the CCU Board Secretary was asked and she declined because of the provision of this law which was the correct action on her part as it would be the correct action on our part. Counsel concurred. She said the remedy should someone want to challenge this would be to take this matter to court; Counsel concurred. Comm. Guthertz said that she wanted this on the record because she has delt with personnel matters before and it has always been her experience that these matters cannot be disclosed. She stated that it was not the intent of anyone on this Commission to do any thing in contravention and she is looking forward to correcting the issue immediately. She is saddened by this episode and is committed to do the right thing at all times and hopes that the Commission will have the understanding of the employees who were affected that it was never the intent.

Comm. Limtiaco had a question on - Section 8111 Executive Session of the Open Govt. Law as it related to Section 8113 relative to the Minutes. Section 8111, Section 7 talks about the 6-month seal of transcripts – the question is this just in relation to subsection c – for legal matters only. For these personnel matters do they ever become public record – Counsel said no. For those section that discusses salaries these can be made public and Counsel said yes. Comm. Limtiaco said there may be sections of the discussion where salaries and evaluations may be intertwined. I would like to make a motion to release those portions of the meeting minutes that discuss salaries and if needed redact those portions that are protected under the personnel sections and he wants to discuss this motion.

Chairman Duenas asked about the liability about inadvertently releasing something. Counsel said if employees rights are infringed this is the big concern. There was discussion on releasing this type of information – if someone wants the Minutes they can go to court. Chairman Duenas said if a court orders the release it is different because it is coming from the court. The Chairman said he would not vote on a motion to release Minutes and then be liable. If a court releases the CCU will not be liable. Comm. Limtiaco said he understands and is sensitive to this and the potential liability. If there is any way that some portions can be redacted and release

the information on salaries he would like to do so. Comm. Limtiaco said perhaps Counsel can give his legal opinion.

Comm. Sanchez said once again evaluations, personnel records are protected. If we were to redact would Counsel be willing to redact it for the Commission. There is the public's right to know and the employees right to privacy. He asked if Counsel would review and recommend to the Commission what he would redact.

Comm. Guthertz also wanted Counsel to research and opine that if the affected employees would agree to discuss their evaluations in public despite the provisions in the sunshine law that it would be their decision and the Commission would not be liable.

Comm. Sanchez said in review the Counsel will look at specific issue of the (4) Asst. GM's that were impacted but not under the responsibility of the CCU are their pay raises valid. Comm. Sanchez asked Counsel to review the list of requested opinions / deliverables to the Commission.

Counsel listed the following – 1) Comm. Limtiaco's question if the AG has access to Ex. Session Minutes 2) Whether Limtiaco has access to Minutes 3) Matter of the (4) Asst. GM's that CCU has no responsibility over 4) Redaction of the Minutes 4) Waiver of Employees rights

Comm. Limtiaco said after all this discussion there are many items that are still pending opinions but for those where the law is clear he motioned that the pay raises be rescinded and returned; second by Comm. Guthertz.

In discussion Comm. Sanchez asked how the monies are to be repaid – Counsel said there is no statute that he could find. Counsel said he could ask the AG's office for an opinion. There was discussion that at the Gov's Office incident employees were allowed the payback in terms. At this point there was no decision as to the time frame for payback.

Comm. Guthertz motioned to amend main motion to revert the salaries of the GM's of GPA and GWA, the CFO of GPA, the Legal Counsels of GPA and GWA and the CCU Board Secretary to levels of pay of 11/27/18; second by Comm. Limtiaco.

In discussion on payback there was no mention of timeframe for payment and will await for Counsel Opinion.

On the amended motion the vote was (4) ayes, (1) absent

For clarity Comm. Sanchez asked for the motion to be restated one more time to be ensure everyone is on the same page.

Comm. Limtiaco said the motion is to return the pay raises that were received by the GM for GPA & GWA, the CFO of GPA the Legal Counsel of GPA and GWA and the CCU Board Secretary and to restore salaries back to the Nov. 27, 2018 salary level.

The Vote was (4); absent (1) – the motion carried.

There was discussion about the questions that the Commission has asked outside counsel to opine on and the draft letter to the AG to opine on these same questions. There was discussion if a motion is required. Counsel said he does not think a motion is necessary but Comm. Guthertz would like it for the record. The Chairman recommended to ask Counsel to draft the letter to the AG relative to his opinion and for the Commission to review the AG's letter beforehand. All agreed.

There was discussion on how long it would take to draft the letter and for Counsel to formulate his own opinion. Chairman Duenas said he would like to give outside counsel time to draft the letter. It was decided to recess this meeting and Counsel can present his opinion and the AG draft letter at the continuation meeting.

Comm. Limtiaco asked Counsel to opine on bonuses and Counsel said there is a prohibition on bonuses.

Comm. Limtiaco motioned that bonuses that were approved on Nov. 27, 2018 be repaid; second by Comm. Guthertz.

Comm. Guthertz stated that since bonuses are not allowed the only way to recognize someone is through a continuing salary adjustment. There was discussion on classified and contract employees and it was clarified that the employees in question are classified not contract employees.

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Comm. Guthertz motioned to recess the meeting until Tues., May 14 at 4 p.m.; second by Comm. Sanchez

Special Board Meeting of 5/10/19
CCU Conference Room, Gloria B. Nelson Public Service Building
Continuation at 4:00 p.m., May 14, 2019

1. CALL TO ORDER

The Chairman called the Continuation Meeting of the CCU Special Meeting of May 10, 2019 to order at 4:20 p.m. He said this is a continuation of a meeting that started on May 10th and that four (4) Commissioners were present – for the record Comm. Guthertz, Limtiaco and Sanchez and that there was a quorum; Comm. Santos was off-island still and excused. Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	Commissioner

Executive Mgmt.:

John Benavente	GM / GPA
Miguel Bordallo	GM / GWA

Kelly Clark	Staff Attorney / GWA

Management & Staff:

Heidi Ballendorf	Communications Manager / GWA
Vangie Lujan	Compliance & Safety / GWA
Patti Diego	Communications / GPA
Ron Topasna	Operations / GWA
Zina Charfauros	Personnel Admin. / GWA HR
Lou Sablan	Board Secretary / CCU

Guest:

Ken Leon Guerrero	Guam Citizens for Public Accountability
Joyciynn Atalig	Reporter / PNC News
Allan Balbin	Reporter / PNC News
John O'Connor	Reporter / The Guam Post

The Chairman said that where we left off at last meeting, outside legal counsel was to prepare a draft letter to the Attorney General which he forwarded to the Commission in advance. The Chairman also reported that since the last meeting (3) additional FOIA requests have been received for a total of (4) to include one sent by Mr. Ken Leon Guerrero. The others were from Mr. Kevin Kerrigan, Mr. Steve Limtiaco and Mr. Robert Klitzkie.

Comm. Sanchez said the CCU has not been able to collectively respond to any of the FOIA's and today is a good opportunity for comment.

Counsel Leon Guerrero said he sent the Commission the proposed draft and he received some comments from the Commissioners. There were (4) questions to ask the AG's opinion, if the Commission agrees.

Counsel said the first is relative to the Asst. General Managers. Comm. Sanchez raised the issue as to whether the Asst. GM's pay raises are supposed to be done by the General Manager with no input from the CCU and would the raises to the Asst. GM's be valid. Counsel said his initial opinion is that the pay raises should be rescinded and repaid. His concern is that the related GG1's for at least (2) of the Asst. GM's were signed by a Commissioner and there is notation at the bottom of the GG1 that says "per CCU Executive Session of Nov. 27. 2018". It was clarified that the (2) GG1's in question were for the Asst.GM of Administration and the Asst. GM of the Engineering & Technical Service. The Asst. GM of Operations was discussed at the last meeting and it was brought forward that the CCU is responsible to approve the pay of the AGMO along with the GM's the CFO's the Legal Counsels and the CCU Board Secretary.

Comm. Sanchez said he viewed that the fact that a Commissioner signed the GG1 is a ministerial issue. It could be that the General Manager was not on island – he speculates that in the absence of the GM a Commissioner, the Vice Chairman, signed on his behalf. It was noted that the Commissioner Duenas was also off-island.
If the CCU is not empowered by law to view, change or evaluate the AGM's what difference does it make that they were discussed in executive session. There was discussion on what the CCU Enabling

Act states and it was clarified that advise and consent of the CCU is required for the hiring of the Asst. GM of Operations. Relative to pay it is the responsibility of the GM to determine the pay with the approval of the Board.

Comm Duenas said that at the first meeting of May 10, there was a motion made to rescind the pay of the original seven (7) employees whose pay is determined by the CCU but in light of this clarification, it is now apparent that the AGMO's pay is also approved by the CCU and that any related pay increase be also rescinded.

Comm. Sanchez motioned to return the salary of the Asst. GM of Operations of GPA back to the level of pay of 11/27/18; second by Comm. Guthertz. There was no further discussion or objection and the motion passed unanimously.

On question on the Asst GM of Technology, Asst GM of Administration Counsel Leon Guerrero said that his concern is the GGI was signed by the CCU and notation on GGI mentioned action was taken during ex-session. It is his opinion is that these (2) raises were not valid because of his concerns.

It was clarified by the GM Bordallo that the Asst. GM of Compliance & Safety was evaluated via the usual pay for performance process and his salary information was provided for information purposes only and not for discussion or approval.

Comm. Duenas said that In reading the AG's letter the discussion in Executive Session about salary at that meeting makes them void; his opinion is that CCU rescind all of them but that we need to point out that (2) AGM's were included in the discussion but these 2 positions should not have been included and ask the AG to opine if the salaried for these 2 positions stand.

Comm. Limtiaco said he agrees and would like to rescind all of the salaries

A motion was made by Comm. Guthertz to rescind all the salaries for GM;s CFO, Legal Counsels, the AGMO, AGMA's and the AGMET; Comm. Limtiaco seconded.

Comm. Sanchez commended Comm. Limtiaco for his participation in the discussion and action stating that technically he is conflicted in this matter. Comm. Limtiaco said the discussion / decision is based upon the actions of the CCU as opposed to specific employees per se. He disclosed for the record that his wife Beatrice Limtiaco is the AGMA for GPA. Comm. Limtiaco seconded the motion to rescind the salary increases which includes the AGMA. Comm. Guthertz said this action conforms with the AG's guidance.

On the motion there was no further discussion or objection and the motion passed unanimously

Comm. Sanchez said it is important to note in the letter to the AG that at the 5/10 meeting the CCU rescinded the action and to be specific and list the salaries that were rescinded. He also said he is concerned about signing a letter that he did not see in final form.

Chairman Duenas said it is best if the CCU recesses this meeting again and entertain the final draft letter to the AG at a continuation meeting.

There was discussion returned to the body of the letter and the questions that Counsel has drafted to date. to notate the action of the Commission to date, to specifically list the names / positions of all whose pay were rescinded and the question about the (2) Asst. GM and who can sign GG1's

It was mentioned to get the counsels opinion to all the questions in addition to the AG's opinion

Discussion continued forward to other questions on the AG's draft letter listed here

1. Guidance on the salary adjustments of GPAs other assistant mangers who do not require CCU approval. At issue is the GG1's that were signed by a CCU Commissioner on behalf of the GM and the remarks section that referenced the salary was discussed in executive session?

Comm. Guthertz said signing of GG1's is managements responsibility and it might be unnecessary to ask this question. Comm. Duenas said it is a good question to ask. Comm. Sanchez said this matter is good to ask for all other Boards / Commissions on Guam. Does Guam Law allow the signing of the GG1 by a board member to be valid

2. – the CCU requests whether or not current CCU Commissioners have access to executive session minutes from prior CCU Commissions that the Commissioners were not part of?

3. Whether not evaluations are personnel matters and should not be open to the public in compliance with 10GCA Section 10108 © and if they are protected by statute can these portions of the executive session minutes be redacted and the remaining minutes released?

4. In repaying of the improper salary adjustment can the affected employees pay back the money through a promissory note as was done during the last administration?

5. Can an employee named in the Executive Session waive his/her privacy interest and allow information concerning that particular employee be made public?

Relative to the FOIA's received to date, Counsel said he can review it and respond in a day. There was discussion on who responds to FOIA's if it is addressed to a board. Counsel said it is the Chairman who should respond if a FOIA is directed to a board. At the end of the discussion it was confirmed that the FOIA;s would be responded to by Thursday.

Comm. Limtiaco asked about the Executive Session Minutes and if non personnel matters contained in the discussion can be released. Chairman Duenas said he would rather have a judge release the information. Comm. Guthertz said it would be better to go directly to the court to ask them for their judgement because they would give more clarity and response would be more definitive. Counsel said that the CCU cam file a declaratory judgement with the Court. Comm. Guthertz said it would be good for the Commission to inform the AG of what the CCU is doing or planning to do. The value is that the court action would be good for other boards as well.

Chairman Duenas said for clarity, the CCU has rescinded all the pay increases and bonuses and established that the increases must be repaid. The priority is to get counsel's opinions to the questions, to respond to the FOIA's and then based on counsel's opinion to move to court action where matters can be considered further. The Chairman said he wants to make a point that he was

never advised by anybody about the salary discussion.in executive session. What's important is that CCU is seeking best action / outcome within the law.

Comm. Guthertz motioned to recess the meeting until 4 p.m on Tuesday, May 21; second by Comm. Limtiaco. There was no further discussion objection and the meeting was recessed. It was 5:45 p.m.

Special Board Meeting of 5/10/19
CCU Conference Room, Gloria B. Nelson Public Service Building
Continuation at 4:00 p.m., May 21, 2019

2. CALL TO ORDER

The Chairman called the Continuation Meeting of the CCU Special Meeting of May 10, 2019 to order at 4:00 p.m. He said this is a continuation of a meeting that started on May 10th, continued on May 14th and recessed for further continuation today. He said all five (5) Commissioners were present. Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	Commissioner

Executive Mgmt.:

John Benavente	GM / GPA
Miguel Bordallo	GM / GWA
Kelly Clark	Staff Attorney / GWA
Gilda Mafnas	CFO [A] / GWA

Management & Staff:

Heidi Ballendorf	Communications Manager / GWA
Vangie Lujan	Compliance & Safety / GWA
Patti Diego	Communications / GPA
Ron Topasna	Operations / GWA
Paul Kemp	AGM Compliance & Safety / GWA
Dave Fletcher	Operations / GWA
Lisa San Agustin	Utility Services Admin, . GWA
Zina Charfauros	Personnel Admin. / GWA HR
Lou Sablan	Board Secretary / CCU

Guest:

Ken Leon Guerrero	Guam Citizens for Public Accountability
Joyciynn Atalig	Reporter / PNC News

At last meeting VLG was tasked to prepare letter to the AG but since meeting CCU was served a suit and CCU needs to respond in 10 days, or by May 31. Many of the things included in the summons would have been included in the letter to the AG. Since there is a litigation going on now perhaps the Commission should consider going into executive session to discuss this further.

The Chaima said there is no Executive Session schedule for today's meeting so the Commission cannot go into executive session today. There is an exective session scheduled for next Tuesday, 5/28 and the Commission could bring this matter to the table at that meeting. This pending litigation could be discussed then. Counsel said that he is waiting for SEG designation by the AG.

To recap the Chairman said the Board took action to rescind all the pay raises and bonuses and to require that the money be paid back. This was to appy to the GM's CFO, Legal Counsels and the Board Secretary. Also rescinded were the pay for the AGMO, AGMA and AGMET. While these positions do not fall under the responsibility of the Commission what happened was the respective GG1's noted that the salary increase was discussed in executive session of 11/27/18 so all related pay was also rescinded as per the AG's initial opinion. There was a request for some questions that Counsel was to ask the AG's opinion and that of Counsel. Counsel Leon Guerreo concurred that there were questions but that these should be addressed during Executive Session.

Comm. Limitaco said that he does not feel that the legal opinions openly discussed at the past 2 meetings and requested Counsel to opine on should be discussed openly at this meeting since we have already openly discussed them nin the past. Counsel said that some of the questions would be ok to discuss openly but there are others that he feels enfringe on the lawsuit and should not be discussed. Comm. Limtiaco said the lawsuit was relative ot releasing the executive session minutes in its totality and some of the other questions are more specific and have already been discussed in past meetings so he does not understand why the discussion cannot happen now rather than at an executive session. All the questions that CCU asked Cousel to opine on should he recommends to disuss at this meeting.

Counsel said what was agreed upon was the issue of salary adjustment is pubic knowledge via GG1 anyway but when you listen to the tape and you take out the salary adjustment portion the rest has to do with evaluation and if it is not releasable they must be redacted. He said he does not know if evaluations can be extracted fron pay adustment if these are taken out there is not much left. If CCU takes this to court, for the protection of the enployees privacy the court will decide what is releasable and what is not.

Chairman Dueans asked the fact that a litigation is filed, does this now change the dynamics off the meeting we are having and Counsel said it could. He recommended talking to the AG and how to go about handling the lawsuit that;s why he reconnends not discussing this matter further.

Comm. Sanchez asked what the suit filed by Mr. Leon Guerrero is asking. Counsel explaned that he suing us to disclose the full discussion at the executive session – all minutes, notes, rcordings etc. so that is everything.

Comm. Sanchez asked if Counsel had a chance to listen to the recording of the meeting and asked if there was discussion on salary and salary adjustment and Counsel said yes. If the Minutes were released what would be the penalties in law for releasing the discussion. Counsel said the employee could sue the CCU for discussing their evaluations in public, good or bad. The Commissioner said that

the discussion in executive session was all positive – everyone got an increase. The risk the CCU runs is that the managers that got a raise could sue the Commission. The risk of not releasing it due to FOIA request there could be a $1000 fine.

Comm. Guthertz shared that evaluations is a very sensitive area and the Commisison should exercise caution relative to releasing executve session Minutes containing personnel information citing her experience while at GPD.

Comm. Michael said he was not at the exeutive session and wanted the opportunity to listen and to get input from other Commissiomers. He said he understands Comm. Guthertz's concern but this is a little different and Comm. Michael Limtiaco said I motion to release the Minutes; second by Comm. Simon Sanchez

Vote was recorded via Roll Call accordingly:
Sanchez – vote yes to release
Limtiaco – vote yes to release
Duenas – vote no to release
Guthertz – vote no to release
Santos – vote yes to release

There were a couple of other motions that were brought to the floor for voting, in particular:

Comm. Guthertz motioned to respond to the Attorney General's letter of rescinding of pay, requirement of repayment and release of the Minutes. Second by Comm. Santos. There was no objection and the motion passed unanimously.

Comm. Guthertz motion to ask the Court via declaratory judgement for definitive interpretation of 5 GCA Chapter 10 regarding personnel matters specifically if it includes employment, evaluations and discipline; second by Comm. Santos. There was no objection and the vote was unanimous.

4. ANNOUNCEMENTS

4.1 Next CCU Meetings: May 21 – GWA WS; May 23 – GPA WS; May 28– CCU Mtg.

5. ADJOURNMENT

There was no further business to bring before the Commission.

Comm. Santos motioned to adjourn the meeting; Comm. Limtiaco seconded.

It was 5:26 p.m.

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Attested:

_____ _____

JOSEPH T. DUENAS, Chairman MICHAEL T. LIMTIACO Secretary

GUAM WATERWORKS AUTHORITY
APRIL 30, 2019
FINANCIAL AND RELATED REPORTS
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GUAM WATERWORKS AUTHORITY
Balance Sheet
April 30, 2019

SCHEDULE A

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Unaudited April 30, 2019	Audited September 30, 2018	Increase (Decrease)
Current Assets			
Cash			
Unrestricted (Schedule F)	6,859,806	3,094,379	3,765,427
Restricted Funds (Schedule F)	85,622,539	84,228,994	1,393,545
Accounts Receivable Trade, Net of Allowance for Doubtful Receivables of $6,794,660 at Apr 30, 2019 and $5,516,074 at Sep 30, 2018	13,317,902	16,610,663	(3,292,762)
Federal Receivable	1,210,934	3,837,146	(2,626,212)
Other Receivable	1,834,786	1,330,800	503,986
Materials & Supplies Inventory, Net of Allowance for Obsolescence of $64,131 at Apr 30, 2019 and $64,131 at Sep 30, 2018	3,148,369	3,342,557	(194,188)
Total Current Assets	111,994,335	112,444,539	(450,204)
Property, Plant and Equipment			
Utility plant in service			
Water system	350,956,593	348,812,303	2,144,290
Wastewater system	300,407,082	300,053,427	353,655
Non-utility property	22,034,748	21,720,023	314,725
Total property	673,398,423	670,585,753	2,812,670
Less Accumulated Depreciation	(315,332,902)	(303,019,447)	(12,313,455)
Land	3,861,120	3,681,120	180,000
Construction Work in Progress	220,455,642	178,443,926	42,011,716
Property, Plant and Equipment, net	582,382,283	549,691,352	32,690,931
Other noncurrent assets			
Restricted cash (Schedule F)	129,610,792	159,753,667	(30,142,874)
Investments (Schedule F)	48,499,353	43,097,913	5,401,440
Other Prepaid Expenses	558,635	677,828	(119,193)
Total other noncurrent assets	178,668,780	203,529,408	(24,860,627)
Total Assets	873,045,399	865,665,299	7,380,099
Deferred outflows of resources			
Debt defeasance due to bond refunding	12,324,050	12,810,787	(486,738)
Deferred outflows from pension	4,233,575	4,220,075	13,500
Deferred outflows from OPEB	9,070,814	9,070,814	-
Total Assets and Deferred Outflows of Resources	**898,673,837**	**891,766,975**	**6,906,862**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET ASSETS			
Current Liabilities			
Current maturities of long-term debt			
Series 2010 Bond	1,800,000	1,800,000	-
Series 2014 Refunding	3,620,000	3,620,000	-
Series 2017 Refunding	295,000	295,000	-
Notes Payable	3,303,154	3,203,870	99,285
Accounts Payable -Trade	5,285,228	5,442,000	(156,772)
Interest Payable	8,551,138	6,427,669	2,123,470
Accrued Payroll and Employee Benefits	1,279,356	1,608,219	(328,863)
Accrued Annual Leave	1,063,622	1,059,161	4,461
Current portion of employee annual leave	610,389	607,382	3,007
Contractors' Payable	12,065,345	25,680,792	(13,615,447)
Customer and Other Deposits	2,155,826	2,131,242	24,584
Other Liabilities	73,032	106,997	(33,965)
Total Current Liabilities	40,102,091	51,982,331	(11,880,240)
Long Term Debt, less current maturities			
Series 2010 Revenue Bond	1,895,000	1,895,000	-
Series 2013 Revenue Bond	172,630,000	172,630,000	-
Series 2014 Refunding Bond	68,900,000	68,900,000	-
Series 2016 Revenue Bond	143,310,000	143,310,000	-
Series 2017 Refunding Bond	107,365,000	107,365,000	-
Unamortized Bond Premium/Discount	32,462,656	33,300,619	(837,962)
Notes Payable	374,067	2,325,154	(1,951,087)
Net pension liability	45,451,352	45,451,352	-
Net OPEB obligation	88,950,661	88,950,661	-
Employee Annual Leave, Less Current Portion	826,194	822,821	3,373
Total Liabilities	702,267,022	716,932,938	(14,665,916)
Deferred inflows of resources:			
Deferred inflows from pension	1,870,114	1,857,164	12,950
Deferred inflows from OPEB	8,741,900	8,741,900	-
Total Liabilities and Deferred Inflows of Resources	712,879,036	727,532,002	(14,652,966)
Net Assets	**185,794,801**	**164,234,973**	**21,559,828**
Total Liabilities, Deferred Inflows of Resources and Net Assets	**898,673,837**	**891,766,975**	**6,906,862**

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings **SCHEDULE B**
Comparative Budget vs. Actual for the period ending April 30, 2019

	Month to Date		Variance
	Budget April-19	Actual (Unaudited) April-19	Favorable / (Unfavorable)
OPERATING REVENUES			
Water Revenues	5,813,246	5,517,244	(296,002)
Wastewater Revenues	3,247,265	3,316,945	69,680
Legislative Surcharge	294,667	288,310	(6,357)
Other Revenues	38,254	47,670	9,416
System Development Charge	97,773	103,156	5,383
Total Operating Revenues	9,491,205	9,273,325	(217,879)
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	687,577	429,303	258,274
Power Purchases	1,231,315	1,231,315	0
Total Utility Costs	1,918,892	1,660,618	258,274
Salaries and Wages	1,782,365	1,778,189	4,176
Pension and Benefits	562,238	561,686	551
Total Salaries and Benefits	2,344,603	2,339,876	4,727
Capitalized Labor and Benefits	(308,333)	(308,333)	(0)
Net Salaries and Benefits	2,036,269	2,031,543	4,727
Administrative and General Expenses			
Sludge removal	104,771	104,377	394
Chemicals	117,801	116,979	823
Materials & Supplies	188,606	186,736	1,870
Transportation	106,648	105,969	679
Communications	15,054	14,703	351
Claims	8,417	5,527	2,889
Insurance	79,461	75,172	4,289
Training & Travel	9,417	8,758	658
Advertising	19,500	19,036	464
Miscellaneous	81,632	68,713	12,919
Regulatory Expense	29,029	28,639	390
Bad Debts Provision	189,148	189,105	43
Total Administrative and General Expense	949,483	923,715	25,768
Depreciation Expense	1,759,065	1,759,065	(0)
Contractual Expense			
Audit & Computer Maint.	58,783	54,885	3,899
Building rental	38,361	35,211	3,150
Equipment rental	130,980	130,442	538
Legal	512	-	512
Laboratory	8,862	7,147	1,715
Other	213,458	186,152	27,305
Total Contractual Expense	450,956	413,836	37,120
Retiree Supp. Annuities and health care costs	249,871	234,721	15,150
Contribution to Government of Guam	51,975	50,000	1,975
Total Retiree Benefits	301,846	284,721	17,125
Total Operating Expenses	7,416,512	7,073,498	343,013
Earnings (Loss) from Operations	2,074,693	2,199,827	125,134
Interest Income-2010/13/14/16/17 Series Bond	84,943	373,098	288,155
Interest Income-Other Funds	13,856	83,571	69,715
Interest Income-SDC	2,072	16,732	14,661
Interest Expense- 2010/13/14/16/17 Series Bond	(2,387,785)	(2,137,785)	250,000
Interest Expense- ST BOG	(19,762)	(19,283)	479
Federal Expenditures	-	-	-
Loss on Asset Disposal	-	-	-
AFUDC	1,157,306	1,157,306	0
Amortization of Discount, Premium and Issuance Costs	(17,798)	119,709	137,507
Defeasance due to bond refunding	(16,201)	(69,534)	(53,333)
Deferred outflows from pension	-	-	-
Prior Year Adjustment	-	(1,865)	(1,865)
Total non-operating revenues (expenses)	(1,183,369)	(478,049)	705,320
Net Income (Loss) before capital contributions	891,324	1,721,778	830,454
Capital Contributions			
Grants from US Government	5,533,205	806,639	(4,726,566)
Grants from GovGuam & Others	-	9,432	9,432
Total Capital Contributions	5,533,205	816,071	(4,717,134)
Change in Net Assets	6,424,529	2,537,849	(3,886,680)
Debt Service Calculation			
Earnings From Operations	2,074,693	2,199,827	
System Development Charge	(97,773)	(103,156)	
Retiree COLA	51,975	50,000	
Interest/Investment Income	13,856	83,571	
Depreciation	1,759,065	1,759,065	
Balance Available for Debt Service per Section 6.12	3,801,817	3,989,308	
Working Capital Reserve Available for Debt Service	934,811	955,667	
Transfer to Working Capital- Debt Service Reserve	-	-	
Transfer to Working Capital- O&M Reserve	-	-	
Balance Available for Debt Service inclusive of reserves	4,736,628	4,944,975	
Debt Service			
Principal	476,250	476,250	
Interest	2,137,785	2,137,785	
Total	2,614,035	2,614,035	
Debt Service Coverage (1.25X)- per Section 6.12 (Indenture)	1.45	1.53	
Debt Service Coverage (1.75X) inclusive of reserves (PUC)	1.81	1.89	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings **SCHEDULE C**
Comparative for the period ending April 30, 2019 and 2018

	Month to Date Actual (Unaudited) April-19	Actual (Audited) April-18	Variance Favorable / (Unfavorable)
OPERATING REVENUES			
Water Revenues	5,517,244	5,531,297	(14,053)
Wastewater Revenues	3,316,945	3,191,784	125,162
Legislative Surcharge	288,310	289,209	(899)
Other Revenues	47,670	43,294	4,376
System Development Charge	103,156	89,249	13,907
Total Operating Revenues	9,273,325	9,144,833	128,493
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	429,303	723,748	294,445
Power Purchases	1,231,315	1,223,874	(7,441)
Total Utility Costs	1,660,618	1,947,622	287,003
Salaries and Wages	1,778,189	1,464,423	(313,766)
Pension and Benefits	561,686	376,266	(185,420)
Total Salaries and Benefits	2,339,876	1,840,689	(499,186)
Capitalized Labor and Benefits	(308,333)	(296,147)	12,186
Net Salaries and Benefits	2,031,543	1,544,542	(487,000)
Administrative and General Expenses			
Sludge removal	104,377	125,638	21,260
Chemicals	116,979	182,625	65,647
Materials & Supplies	186,736	180,995	(5,741)
Transportation	105,969	64,001	(41,968)
Communications	14,703	14,756	52
Claims	5,527	10,803	5,276
Insurance	75,172	76,005	833
Training & Travel	8,758	22,652	13,894
Advertising	19,036	14,226	(4,811)
Miscellaneous	68,713	84,564	15,851
Regulatory Expense	28,639	22,121	(6,518)
Bad Debts Provision	189,105	180,246	(8,859)
Total Administrative and General Expense	923,715	978,632	54,917
Depreciation Expense	1,759,065	1,606,687	(152,378)
Contractual Expense			
Audit & Computer Maint.	54,885	58,815	3,930
Building rental	35,211	36,603	1,392
Equipment rental	130,442	89,207	(41,235)
Legal	-	-	-
Laboratory	7,147	34,441	27,294
Other	186,152	200,655	14,503
Total Contractual Expense	413,836	419,721	5,885
Retiree Supp. Annuities and health care costs	234,721	662,581	427,860
Contribution to Government of Guam	50,000	49,833	(167)
Total Retiree Benefits	284,721	712,414	427,693
Total Operating Expenses	7,073,498	7,209,618	136,120
Earnings (Loss) from Operations	2,199,827	1,935,214	264,613
Interest Income-2010/13/14/16/17 Series Bond	373,098	255,374	117,724
Interest Income-Other Funds	83,571	45,645	37,927
Interest Income-SDC	16,732	13,852	2,881
Interest Expense- 2010/13/14/16/17 Series Bond	(2,137,785)	(2,177,468)	39,683
Interest Expense- ST BOG	(19,283)	(30,702)	11,420
Federal Expenditures	-	(62,220)	62,220
Loss on Asset Disposal	-	(162,136)	162,136
AFUDC	1,157,306	1,041,766	115,540
Amortization of Discount, Premium and Issuance Costs	119,709	(42,691)	162,400
Defeasance due to bond refunding	(69,534)	(62,043)	(7,490)
Deferred outflows from pension	-	32,592	(32,592)
Prior Year Adjustment	(1,865)	13,219	(15,084)
Total non-operating revenues (expenses)	(478,049)	(1,134,813)	656,763
Net Income (Loss) before capital contributions	1,721,778	800,402	921,376
Capital Contributions			
Grants from US Government	806,639	1,244,712	(438,073)
Grants from GovGuam & Others	9,432	22,681	(13,249)
Total Capital Contributions	816,071	1,267,392	(451,321)
Change in Net Assets	2,537,849	2,067,794	470,055
Debt Service Calculation			
Earnings From Operations	2,199,827	1,935,214	
System Development Charge	(103,156)	(89,249)	
Retiree COLA	50,000	49,833	
Interest/Investment Income	83,571	45,645	
Depreciation	1,759,065	1,606,687	
Balance Available for Debt Service per Section 6.12	3,989,308	3,548,131	
Working Capital Reserve Available for Debt Service	955,667	945,164	
Transfer to Working Capital- Debt Service Reserve	-	-	
Transfer to Working Capital- O&M Reserve	-	-	
Balance Available for Debt Service inclusive of reserves	4,944,975	4,493,295	
Debt Service			
Principal	476,250	433,333	
Interest	2,137,785	1,794,910	
Total	2,614,035	2,228,243	
Debt Service Coverage (1.25X)- per Section 6.12 (Indenture)	1.53	1.59	
Debt Service Coverage (1.75X) inclusive of reserves (PUC)	1.89	2.02	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings **SCHEDULE D**
Comparative Budget vs. Actual for the period ending April 30, 2019

	Year to Date		Variance
	Budget April-19	Actual (Unaudited) April-19	Favorable / (Unfavorable)
OPERATING REVENUES			
Water Revenues	40,692,725	39,224,496	(1,468,229)
Wastewater Revenues	22,730,855	22,565,877	(164,978)
Legislative Surcharge	2,062,668	2,056,705	(5,963)
Other Revenues	267,777	323,556	55,779
System Development Charge	684,408	441,706	(242,702)
Total Operating Revenues	66,438,432	64,612,340	(1,826,092)
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	4,813,040	3,521,149	1,291,892
Power Purchases	8,619,206	8,517,869	101,337
Total Utility Costs	13,432,246	12,039,017	1,393,229
Salaries and Wages	12,476,556	11,594,886	881,669
Pension and Benefits	3,935,664	3,666,645	269,019
Total Salaries and Benefits	16,412,220	15,261,531	1,150,688
Capitalized Labor and Benefits	(2,158,333)	(2,158,333)	(0)
Net Salaries and Benefits	14,253,886	13,103,198	1,150,688
Administrative and General Expenses			
Sludge removal	895,399	872,241	23,158
Chemicals	1,122,610	1,121,638	972
Materials & Supplies	1,156,239	1,096,799	59,440
Transportation	359,533	359,438	95
Communications	105,379	84,447	20,932
Claims	58,917	41,426	17,491
Insurance	556,226	526,240	29,986
Training & Travel	212,916	99,928	112,988
Advertising	87,500	59,333	28,167
Miscellaneous	648,422	594,244	54,178
Regulatory Expense	175,203	110,349	64,854
Bad Debts Provision	1,279,038	1,278,515	522
Total Administrative and General Expense	6,657,382	6,244,598	412,783
Depreciation Expense	12,313,455	12,313,455	(0)
Contractual Expense			
Audit & Computer Maint.	411,483	322,217	89,267
Building rental	268,527	246,475	22,051
Equipment rental	682,857	682,025	833
Legal	3,585	-	3,585
Laboratory	244,037	146,106	97,930
Other	1,535,203	1,534,499	704
Total Contractual Expense	3,145,691	2,931,322	214,369
Retiree Supp. Annuities and health care costs	1,749,096	1,658,356	90,740
Contribution to Government of Guam	363,825	350,000	13,825
Total Retiree Benefits	2,112,921	2,008,356	104,565
Total Operating Expenses	51,915,581	48,639,946	3,275,635
Earnings (Loss) from Operations	14,522,851	15,972,393	1,449,542
Interest Income-2010/13/14/16/17 Series Bond	594,601	2,407,071	1,812,470
Interest Income-Other Funds	96,993	476,233	379,240
Interest Income-SDC	14,503	103,651	89,148
Interest Expense- 2010/13/14/16/17 Series Bond	(16,714,492)	(14,964,492)	1,750,000
Interest Expense- ST BOG	(138,334)	(128,883)	9,451
Federal Expenditures	-	-	-
Loss on Asset Disposal	-	-	-
AFUDC	8,101,139	8,101,139	0
Amortization of Discount, Premium and Issuance Costs	(124,585)	837,962	962,548
Defeasance due to bond refunding	(113,407)	(486,738)	(373,331)
Deferred outflows from pension	-	-	-
Prior Year Adjustment	-	(284,709)	(284,709)
Total non-operating revenues (expenses)	(8,283,582)	(3,938,765)	4,344,818
Net Income (Loss) before capital contributions	6,239,269	12,033,629	5,794,360
Capital Contributions			
Grants from US Government	38,732,435	9,464,888	(29,267,547)
Grants from GovGuam & Others	-	61,311	61,311
Total Capital Contributions	38,732,435	9,526,199	(29,206,236)
Change in Net Assets	44,971,704	21,559,828	(23,411,876)
Debt Service Calculation			
Earnings From Operations	14,522,851	15,972,393	
System Development Charge	(684,408)	(441,706)	
Retiree COLA	363,825	350,000	
Interest/Investment Income	96,993	476,233	
Depreciation	12,313,455	12,313,455	
Balance Available for Debt Service per Section 6.12	26,612,717	28,670,376	
Working Capital Reserve Available for Debt Service	6,543,678	6,689,668	
Transfer to Working Capital- Debt Service Reserve	-	-	
Transfer to Working Capital- O&M Reserve	-	-	
Balance Available for Debt Service inclusive of reserves	33,156,395	35,360,044	
Debt Service			
Principal	3,333,750	3,333,750	
Interest	14,964,492	14,964,492	
Total	18,298,242	18,298,242	
Debt Service Coverage (1.25X)- per Section 6.12 (Indenture)	1.45	1.57	
Debt Service Coverage (1.75X) inclusive of reserves (PUC)	1.81	1.93	

GUAM WATERWORKS AUTHORITY
Statement of Operations and Retained Earnings
Comparative for the period ending April 30, 2019 and 2018

SCHEDULE E

	Year to Date Actual (Unaudited) April-19	Actual (Audited) April-18	Variance Favorable / (Unfavorable)
OPERATING REVENUES			
Water Revenues	39,224,496	38,719,079	505,417
Wastewater Revenues	22,565,877	22,342,486	223,391
Legislative Surcharge	2,056,705	2,024,463	32,242
Other Revenues	323,556	303,059	20,497
System Development Charge	441,706	624,741	(183,036)
Total Operating Revenues	64,612,340	64,013,828	598,512
OPERATING AND MAINTENANCE EXPENSES			
Water Purchases	3,521,149	5,066,235	1,545,086
Power Purchases	8,517,869	8,567,117	49,248
Total Utility Costs	12,039,017	13,633,352	1,594,335
Salaries and Wages	11,594,886	10,250,963	(1,343,923)
Pension and Benefits	3,666,645	2,633,862	(1,032,783)
Total Salaries and Benefits	15,261,531	12,884,825	(2,376,706)
Capitalized Labor and Benefits	(2,158,333)	(2,073,029)	85,304
Net Salaries and Benefits	13,103,198	10,811,796	(2,291,402)
Administrative and General Expenses			
Sludge removal	872,241	879,465	7,223
Chemicals	1,121,638	1,278,378	156,741
Materials & Supplies	1,096,799	1,266,964	170,165
Transportation	359,438	448,006	88,568
Communications	84,447	103,289	18,842
Claims	41,426	75,624	34,198
Insurance	526,240	532,035	5,796
Training & Travel	99,928	158,565	58,637
Advertising	59,333	99,580	40,247
Miscellaneous	594,244	591,949	(2,295)
Regulatory Expense	110,349	154,848	44,499
Bad Debts Provision	1,278,515	1,261,721	(16,795)
Total Administrative and General Expense	6,244,598	6,850,423	605,825
Depreciation Expense	12,313,455	11,246,812	(1,066,643)
Contractual Expense			
Audit & Computer Maint.	322,217	411,705	89,488
Building rental	246,475	256,221	9,745
Equipment rental	682,025	624,448	(57,577)
Legal	-	-	-
Laboratory	146,106	241,089	94,983
Other	1,534,499	1,404,584	(129,915)
Total Contractual Expense	2,931,322	2,938,047	6,725
Retiree Supp. Annuities and health care costs	1,658,356	4,638,064	2,979,708
Contribution to Government of Guam	350,000	348,833	(1,167)
Total Retiree Benefits	2,008,356	4,986,897	2,978,542
Total Operating Expenses	48,639,946	50,467,327	1,827,381
Earnings (Loss) from Operations	15,972,393	13,546,500	2,425,893
Interest Income-2010/13/14/16/17 Series Bond	2,407,071	1,787,619	619,452
Interest Income-Other Funds	476,233	319,514	156,720
Interest Income-SDC	103,651	96,962	6,689
Interest Expense- 2010/13/14/16/17 Series Bond	(14,964,492)	(15,242,274)	277,782
Interest Expense- ST BOG	(128,883)	(214,916)	86,033
Federal Expenditures	-	(435,542)	435,542
Loss on Asset Disposal	-	(1,134,951)	1,134,951
AFUDC	8,101,139	7,292,365	808,774
Amortization of Discount, Premium and Issuance Costs	837,962	(298,839)	1,136,801
Defeasance due to bond refunding	(486,738)	(434,304)	(52,433)
Deferred outflows from pension	-	228,144	(228,144)
Prior Year Adjustment	(284,709)	92,533	(377,242)
Total non-operating revenues (expenses)	(3,938,765)	(7,943,689)	4,004,924
Net Income (Loss) before capital contributions	12,033,629	5,602,811	6,430,817
Capital Contributions			
Grants from US Government	9,464,888	8,712,982	751,906
Grants from GovGuam & Others	61,311	158,764	(97,452)
Total Capital Contributions	9,526,199	8,871,746	654,453
Change in Net Assets	21,559,828	14,474,557	7,085,271
Debt Service Calculation			
Earnings From Operations	15,972,393	13,546,500	
System Development Charge	(441,706)	(624,741)	
Retiree COLA	350,000	348,833	
Interest/Investment Income	476,233	319,514	
Depreciation	12,313,455	11,246,812	
Balance Available for Debt Service per Section 6.12	28,670,376	24,836,918	
Working Capital Reserve Available for Debt Service	6,689,668	6,616,147	
Transfer to Working Capital- Debt Service Reserve	-	-	
Transfer to Working Capital- O&M Reserve	-	-	
Balance Available for Debt Service inclusive of reserves	35,360,044	31,453,066	
Debt Service			
Principal	3,333,750	3,033,333	
Interest	14,964,492	12,564,370	
Total	18,298,242	15,597,703	
Debt Service Coverage (1.25X)- per Section 6.12 (Indenture)	1.57	1.59	
Debt Service Coverage (1.75X) inclusive of reserves (PUC)	1.93	2.02	

GUAM WATERWORKS AUTHORITY
Restricted and Unrestricted Cash Summary
FY2019

SCHEDULE F

Description	Unaudited April 30, 2019	Audited September 30, 2018	Increase (Decrease)
UNRESTRICTED			
Change Fund	2,000	2,000	-
Petty Cash	5,000	5,000	-
BOG Deposit Accounts	6,852,806	3,087,379	3,765,427
Sub-total Unrestricted	**6,859,806**	**3,094,379**	**3,765,427**
RESTRICTED			
ANZ Bank	1,103	(0)	1,103.01
Bank Pacific	40,954	11,864	29,090
Bank of Hawaii	108,100	189,144	(81,045)
Community First FCU	15,476	4,392	11,084
First Hawaiian Bank	84,923	22,105	62,818
Bank Pacific Surcharge	525,110	298,898	226,212
Bank Pacific Escrow Deposit	660,748	660,254	494
BOG Customer Refunds	1,874,556	1,860,120	14,436
BOG Emergency Reserve Fund	6,233	6,229	4
BOG Sewer Hookup Revolving Fund	66,364	65,499	864
BOG Subordinate Security Fund	859,233	859,233	-
BOG Operation and Maintenance Fund	3,083,482	3,083,482	-
BOG OMRRRF Fund	17,423,213	17,423,213	-
BOG Revenue Trust	390,665	360,569	30,096
BOG Revenue Trust Fund	7,483,173	6,535,779	947,394
BOG Capital Improvement Revenue Fund	6,311,246	1,582,278	4,728,967
BOG O & M Reserve	13,817,972	13,666,109	151,862
BOG Debt Service Reserve	11,468,002	11,341,967	126,036
BOG CapEx Fund	11,504,050	16,073,011	(4,568,961)
	75,724,603	**74,044,146**	**1,680,456**
BOG - SDC Deposit	2,647,936	2,934,848	(286,912)
BOG - SDC CDs	7,250,000	7,250,000	-
Total SDC	**9,897,936**	**10,184,848**	**(286,912)**
Total Restricted	**85,622,539**	**84,228,994**	**1,393,544**
Reserve Funds			
BOG Series 13 Construction Fund	22,934,313	36,222,062	(13,287,749)
BOG Series 14 Refunding Construction Fund	750,140	741,895	8,244
BOG Series 16 Construction Fund	99,146,669	116,036,000	(16,889,331)
BOG Series 17 Refunding Construction Fund	6,779,671	6,753,709	25,962
Total Restricted - Held by Trustee	**129,610,792**	**159,753,667**	**(30,142,874)**
USB Series 2013 Debt Service Fund	3,164,331	2,360,451	803,880
USB Series 2013 Debt Service Reserve Fund	12,031,688	12,031,688	-
USB Series 2014 Refunding Debt Service Fund	4,272,543	1,833,235	2,439,308
USB Series 2014 Refunding Debt Service Reserve Fund	7,803,567	7,972,243	(168,676)
USB Series 2016 Debt Service Fund	2,422,759	1,805,556	617,203
USB Series 2016 Debt Service Reserve Fund	7,592,000	7,594,603	(2,603)
USB Series 2010 Debt Service Fund	1,578,839	503,751	1,075,088
USB Series 2017 Refunding Debt Service Reserve Fund	7,566,460	7,566,460	-
USB Series 2017 Debt Service Fund	2,067,166	1,429,927	637,240
Total Investments	**48,499,353**	**43,097,913**	**5,401,440**
Total Restricted and Unrestricted Cash	**270,592,490**	**290,174,953**	**(19,582,463)**

Guam Waterworks Authority
Accounts Receivable - Government (Active)
April 30, 2019

SCHEDULE G

		AGING					
Customer Name	**No of Accounts**	**Current**	**31-60 days**	**61-90 days**	**91-120 days**	**Over 120 days**	**Total**
GUAM INT'L AIRPORT AUTHORITY	8	$ 26,293	$ 25,220	$ 50,132	$ 29,529	$ 226,350	$ 357,525
GUAM POWER AUTHORITY	24	141,255	-	-	-	-	141,255
GUAM MEMORIAL HOSPITAL AUTHORITY	3	38,470	34,228	28,255	2,054	-	103,008
UNIVERSITY OF GUAM	44	15,268	-	-	-	-	15,268
GUAM COMMUNITY COLLEGE	3	2,556	-	-	-	-	2,556
GUAM HOUSING & URBAN RENEWAL AUTHORITY	9	1,264	-	-	-	-	1,264
GUAM HOUSING CORPORATION	1	31	-	-	-	-	31
	92	**$ 225,136**	**$ 59,448**	**$ 78,387**	**$ 31,583**	**$ 226,350**	**$ 620,906**
DEPT OF EDUCATION	55	$ 329,418	$ 173,048	$ 37,869	$ 15,489	$ 2,368	$ 558,193
DEPT OF PUBLIC HEALTH & SOCIAL SERVICES	8	1,576	918	743	351	103,799	107,387
MAYORS COUNCIL OF GUAM	62	36,249	46,212	347	81	32	82,921
DEPT OF CORRECTIONS	8	72,846	107	-	-	-	72,954
DEPT OF PARKS & RECREATION	17	13,543	2,034	-	-	-	15,577
OFFICE OF THE GOVERNOR	2	13,344	-	-	-	-	13,344
GUAM FIRE DEPARTMENT	11	8,057	-	-	-	-	8,057
SANCTUARY INC	1	4,383	-	-	-	-	4,383
DEPT OF PUBLIC WORKS	11	2,200	-	-	-	-	2,200
DEPT OF MILITARY AFFAIRS/GUARNG	1	1,718	-	-	-	-	1,718
DEPT OF AGRICULTURE	6	1,477	-	-	-	-	1,477
DEPT OF YOUTH AFFAIRS	3	1,401	-	-	-	-	1,401
DEPT OF ADMINISTRATION	2	738	-	-	-	-	738
DIVISION OF SENIOR CITIZENS, DPH&SS	2	387	167	183	-	-	738
GUAM POLICE DEPARTMENT	8	414	-	-	-	-	414
DEPT OF MENTAL HEALTH	2	328	-	-	-	-	328
GUAM ENERGY OFFICE	1	81	83	38	79	-	281
THE OFFICE OF THE DEDEDO MAYOR	1	246	-	-	-	-	246
GUAM PUBLIC LIBRARY	6	140	-	-	-	-	140
GUAM VETERANS AFFAIRS OFFICE	2	124	-	-	-	-	124
MERIZO MAYOR	1	46	46	-	-	-	92
VIETNAM VETERAN OF AMERICA	1	34	-	-	-	-	34
	211	**$ 488,750**	**$ 222,616**	**$ 39,181**	**$ 16,000**	**$ 106,200**	**$ 872,747**
Total April 30, 2019	**303**	**$ 713,886**	**$ 282,065**	**$ 117,569**	**$ 47,583**	**$ 332,550**	**$ 1,493,653**
TOTAL September 30, 2018	**326**	**$ 793,948**	**$ 424,797**	**$ 324,413**	**$ 190,444**	**$ 975,977**	**$ 2,709,580**
	-7%	**-10%**	**-34%**	**-64%**	**-75%**	**-66%**	**-45%**

Guam Waterworks Authority
System Development Charges Project Status
As of April 30, 2019

SCHEDULE H

PROJECT NAME	Available Project Funds	Total Expenditures	Total Outstanding Encumbrances	Total Expenditures and Encumbrances	Total Unobligated Funds
SDC - Water					
Central Guam Reservoirs		-	280,040	280,040	
Line Replacement Phase IV		-	256,937	256,937	
South Paulino Heights Waterline Upgrade		27,041	90,744	117,785	
	$ 5,833,219	**$ 27,041**	**$ 627,721**	**$ 654,762**	**$ 5,178,458**
SDC - Wastewater					
Agat-Santa Rita Wastewater Treatment Plant Replacement		410,317	791,689	1,202,006	
Baza Gardens Wastewater Cross Island Pumping & Conveyance		550,310	515,537	1,065,847	
Route 4 Relief Sewerline Rehab & Replacement		-	399,869	399,869	
Northern WWTP (Land Purchase)		1,000,000	-	1,000,000	
Talofofo Sewer Improvement		-	241,142	241,142	
Umatac-Merizo Wastewater Treatment Plant Upgrade		-	248,979	248,979	
	$ 5,968,785	**$ 1,960,628**	**$ 2,197,215**	**$ 4,157,843**	**$ 1,810,942**
Grand Totals	**$ 11,802,005**	**$ 1,987,668**	**$ 2,824,936**	**$ 4,812,605**	**$ 6,989,400**

Future planned projects	**2019**
Water Wells	$ 1,850,000
Water Dist Sys Pipe Replacement & Upgrades	1,850,000
WWTP Priority 1 Upgrades	1,000,000
Umatac Merizo STP Replacement	1,000,000
Wastewater Sewer System Expansion	1,000,000
	$ 6,700,000

GUAM WATERWORKS AUTHORITY
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Tel: (671) 300-6846

Issues for Decision

Resolution No. 24-FY2019
Relative to Approval of Change Order to the Baza Gardens Wastewater Cross-Island Pumping and Conveyance System Phase II Contract

What is the project's objective and is it necessary and urgent?
This resolution seeks CCU approval to increase the project fund authorization to address an unresolved claim from the contractor involving additional excavation necessary to meet/hit hard stable ground surfaces and filling up of flowable fill at the new SPS that was deemed by the contractor as additional work. The contractor ultimately moved forward with completing the new SPS so that the project can progress however the claim stayed unresolved. GWA's project engineers/Chief Engineer have further reviewed the claim and agree that additional work and material were used and as such approve the claim. The fund authorization to date is insufficient to work towards executing a Change Order thus GWA management is seeking CCU approval to increase project fund authorization.

Where is the location?
Work related to the pending Change Order Proposal is part of the new Windward Hills SPS.

How much will it cost?
GWA management is seeking CCU approval for additional funding for Change Order Proposal related to Phase II contract in the amount of Fifteen Thousand Two Hundred Twenty-Two Dollars and Twenty-Five Cents. ($15,222.25).

the approval of this resolution will bring the total authorized funding for Phase II to Six Million Three Hundred Seventy-Two Thousand Ninety-Three Dollars and Three Cents ($6,372,093.03)

When will it be completed?
June 2019

What is the funding source?
Additional funding needs will be from wastewater bond funds applicable to the project.

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. 24-FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER TO THE BAZA GARDENS WASTEWATER CROSS-ISLAND PUMPING AND CONVEYANCE SYSTEM PHASE II CONTRACT

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

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

WHEREAS, to meet a mandate of the 2011 federal Court Order regarding the Baza Gardens Wastewater Treatment Plant (WWTP), GWA elected to remove the treatment plant from operation and to instead pump the wastewater to the new (under construction) Agat-Santa Rita WWTP; and

WHEREAS, due to schedule and funds constraints, the project was divided into three phases (I, II and III) and three separate construction contracts, extending from the Baza Gardens WWTP, across Route 17 (cross-island road), and terminating at the entrance to the new Agat-Santa Rita WWTP on Route 2A; and

WHEREAS, the CCU approved via Resolution 01-FY2017 a total funding authorization for Phase I with BME & Sons in the amount of Eight Million Two Hundred Eighty-Two Thousand Five Hundred Fifty-Eight Dollars and Seventy-Five Cents ($8,282,558.75); via Resolution 13-FY2017 a total funding authorization for Phase II with BME & Sons in the amount of Six Million Two Hundred Fourteen Thousand Nine Hundred Ninety-Seven Dollars and Seventy Cents ($6,214,997.70) and via Resolution 29-FY2017 a total funding authorization

for Phase III with Sumitomo-Mitsui Construction Company in the amount of Sixteen Million Three Hundred Seven Thousand Four Hundred Thirty Six Dollars and Sixty Cents ($16,307,436.60); and

WHEREAS, the portion of the gravity conveyance system along the entrance road (from Route 2A to the Agat-Santa Rita WWTP site) that is 0.5 miles long was not included in Phase I, II or III of the Cross-Island project as it was deemed in 2016 that the contractor for the new Agat-Santa Rita WWTP project might be better positioned to more cost-effectively execute the gravity line installation work; and

WHEREAS, as of September 2018, the contractor for Phase I of the subject project completed gravity line installation along Route 2A and reached the entrance road to the new Agat Santa Rita WWTP and the contractor for the new WWTP unfortunately was not ready to execute additional scope related to installing of the gravity line along the entrance roadway; and

WHEREAS, due to efforts to comply with Court Order deadlines related to the Baza Gardens WWTP as best as possible, GWA management executed Change Order #4 with BME & Sons, Inc., (Phase II Contract) to install part of the 21-inch diameter gravity sewer along the entrance roadway to the new WWTP to complete the wastewater conveyance system; and

WHEREAS, the execution of Change Order #4 related to the 21-inch gravity line installation depleted the contingency funds approved via CCU Resolution No. 13-FY2017 for Phase II contract; and

WHEREAS, GWA subsequently received additional funding authorization in the amount of One Hundred Forty-One Thousand Eight Hundred Seventy-Two Dollars and Seventy-Eight Cents ($141,872.78) for the Phase II contract via CCU Resolution 52-FY2018 that addresses unexpected costs for endangered species mitigation measures, unexpected buried utilities in the Navy right-of-way, as well as various sites changes that impacted project cost; and

WHEREAS, the approval of CCU Resolution 52-FY2018 increased the total authorized funding for the Phase II contract to Six Million Three Hundred Fifty-Six Thousand Eight Hundred Seventy Dollars and Forty-Eight Cents ($6,356,870.48); and

WHEREAS, GWA further executed two Change Orders using the fund authorization from Resolution 52-FY2018 which brought the contract value with BME & Sons for Phase II to Six Million Three Hundred Fifty Thousand Eight Hundred Twenty-Two Dollars and Nine Cents ($6,350,822.09); and

WHEREAS, GWA is working towards wrapping up all pending items to close the contract and one unresolved claim from the contractor involves additional excavation to meet hard stable ground surfaces and filling up of flowable fill at the new SPS for which GWA has finally agreed to the claim after further discussion with the CM and geotechnical engineer; and

WHEREAS, the contractor's claim for additional excavation to the SPS as noted above is Fifteen Thousand Two Hundred Twenty-Two Dollars and Fifty-Five Cents ($15,222.55) (See Exhibit A) and the balance of the funding authorization is insufficient to cover thus GWA management is seeking CCU approval to increase the project fund authorization so as to be able to execute a Change Order and close this contractor claim; and

WHEREAS, the approval of this resolution will bring the total authorized funding for Phase II to Six Million Three Hundred Seventy-Two Thousand Ninety-Three Dollars and Three Cents ($6,372,093.03); and

WHEREAS, funding for this project will be from wastewater bond funds applicable to the project; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU hereby approves additional funding to Phase II contract for the Baza Gardens Wastewater Cross-Island Pumping and Conveyance project in the

amount of Fifteen Thousand Two Hundred Twenty-Two Dollars and Fifty-Five Cents ($15,222.55) (Exhibit A).

3. The CCU further authorizes the total authorized funding to Phase II contract to Six Million Three Hundred Seventy-Two Thousand Ninety-Three Dollars and Three Cents ($6,372,093.03).
4. The CCU further authorizes the funding for this project will be from wastewater bond funds applicable to the project.

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

DULY AND REGULARLY ADOPTED, this 28th day of May 2019.

Certified by:	Attested by:
_____	_____
JOSEPH T. DUENAS	**MICHAEL T. LIMTIACO**
Chairperson	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: _____

ABSTENTIONS: _____

ABSENT: _____

EXHIBIT A

ACTIVITY AND LOCATION:

GWA BAZA GARDEN WASTEWATER CROSS-ISLAND PUMPING AND CONVEYANCE SYSTEM PH-2

CCR#07rev2 Wetwell Additional Excavation and Flowable Fill Due to Unsuitable soil Condition per GEO Field Instructions

CONSTRUCTION CONTRACT NO.:

DATE: **Tuesday, April 02, 2019**

ESTIMATED BY: **BME & SONS, INC**

STATUS OF DESIGN:

Item No.	ITEM DESCRIPTION	QUANTITY		MATERIAL COST		LABOR COST		EQUIPMENT COST		ENGG ESTIMATE	
		QTY	UNIT	UNIT $	TOTAL	UNIT $	TOTAL			UNIT $	TOTAL
	Additional Excavtion and Flowable Fill										
	Additional excavation works to meet hard stable ground surface as per GEO Field instructions	*92.9*	*CY*		*$ -*		*$ -*	*$ 14.00*	*$ 1,300.81*	*14.00*	*$ 1,300.81*
	Disposal of excess soil	*92.9*	*CY*		*$ -*		*$ -*	*$ 7.00*	*$ 650.30*	*7.00*	*$ 650.30*
	Total actual poured flowable fill (see HRP delivery receipts)	*135.0*	*CY*	*110.75*	*$ 14,951.25*		*$ -*	*$ 5.00*	*$ 675.00*	*115.75*	*$ 15,626.25*
	Less: Estimated volume per SOP	*-41.3*	*CY*	*110.75*	*$ (4,573.98)*		*$ -*	*$ 5.00*	*$ (206.50)*	*115.75*	*$ (4,780.48)*
					$ -		$ -		$ -	-	$ -
	Total Direct (Additive)				***$ 10,377.28***		***$ -***		***$ 2,419.61***		***$ 12,796.89***
	Overhead	*10%*						`			*$ 1,279.69*
	Direct Admin & Supervisory Cost	*3%*									*$ 383.91*
	SUB-TOTAL										***$ 14,460.48***
	Profit	*0%*									*$ -*
	SUB-TOTAL										***$ 14,460.48***
	GRT	*5%*									*$ 762.07*
	TOTAL PROPOSED ADDITIVE AMOUNT FOR CCR#07										***$ 15,222.55***

GUAM WATERWORKS AUTHORITY
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Issues for Decision

Resolution No. 25-FY2019
Relative to Approval of Change Order to the Construction Management Contract for the Baza Gardens Wastewater Cross Island Pumping and Conveyance System (Phase I, II & III)

What is the project's objective and is it necessary and urgent?
The construction management change order(s) for CM services will allow for a continuity of services as it relates to any construction extension at the Baza Gardens wastewater conveyance project due to contractor issues. The construction contractor of Phase III, Sumitomo Mitsui Construction Company (SMCC), has submitted to GWA time extension requests stating that the delay is due to inclement weather and sludge removal approximately 3,080 cubic yards were hauled and transported to Layon Landfill that push the completion of the project through June 2019.

Where is the location?
The project location is at the new Baza Gardens Pump Station (Phase III), Route 17/Route5 (Phase I & II).

How much will it cost?
GWA management still seeks CCU approval of additional funding not to exceed the amount of One Hundred Sixty Thousand Dollars ($160,000.00) for the extended contract performance period through July 2019 including documentation of the project close out. Notwithstanding the fund increase request GWA will be negotiating down the fee proposal given the level of staffing and construction activities will ramp down towards the end of the construction period.

The approval of the One Hundred Sixty Thousand Dollars ($160,000.00), which GWA will view on a Time and Materials basis, will bring the total authorized funding for the Construction Management contract to Three Million Three Hundred Thirty-Two Thousand Five Hundred Sixty-Four Dollars and Fifty-Nine Cents ($3,332,564.59).

When will it be completed?
The actual construction completion is projected to be by June 2019 however GWA anticipates the CM services will extend to July 2019.

What is the funding source?
Funding for any Change Order to SSFM's contract moving forward will be from any available bond funds under the line item - WW 11-03 "Baza Gardens STP Replacement", and Internally Funded CIP funds as well as Liquidated Damages of $3,000 per day from the contractor.

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

RESOLUTION NO. 25-FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER TO THE CONSTRUCTION MANAGEMENT CONTRACT FOR THE BAZA GARDENS WASTEWATER CROSS-ISLAND PUMPING AND CONVEYANCE SYSTEM (PHASES I, II&III)

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

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

WHEREAS, GWA currently has a number of critical Court Order ("CO") projects to include the Baza Gardens WWTP which has been recommended and approved to be converted to a sewer pumping station to transfer/convey wastewater flows from the Baza Gardens/Talofofo wastewater basin across the Route 17 (Cross Island Road) to a new Agat-Santa Rita WWTP site; and

WHEREAS, in February 2016 GWA management entered into a contract with Duenas Camacho and Associates to design the wastewater conveyance and pumping system which includes new Sewer Pump Station (SPS), gravity mains, force mains and all incidentals and appurtenances to these main components; and

WHEREAS, GWA management further executed three separate construction contracts (Phases I, II&III) with Sumitomo Mitsui Construction Company (SMCC) and BME &Sons Incorporated (BME) to construct the new Conveyance System by April 16, 2018, per CCU Resolutions 01-FY2017, 13-FY2017 and 29-FY2017; and

WHEREAS, CCU further authorized via Resolution 02-FY2017 for GWA to execute a contract with SSFM, Inc. (SSFM) to provide construction management services in the amount not to exceed Two Million Eight Hundred Seventy-One Thousand Dollars ($2,871,000.00); and

WHEREAS, GWA had subsequently executed the original contract with SSFM for an amount of Two Million Two Hundred Eighty-Five Thousand Two Hundred Sixty-Eight Dollars ($2,285,268.00) as well as allotted Two Hundred Twenty-Eight Thousand Five Hundred Twenty-Six Dollars and Eighty Cents ($228,526.80) as a ten percent (10%) contingency to the contract; and

WHEREAS, GWA further executed Change Order No. 1 in the amount of One Hundred Eighty-Five Thousand Six Hundred Ninety-One Dollars ($185,691.00) which was covered under the original ten percent (10%) contingency; and

WHEREAS, CCU further authorized via Resolution 09-FY2019 in November 2018 an increase of fund authorization in the amount of Three Hundred One Thousand Five Hundred Sixty-Four Dollars and Fifty-Nine Cents ($301,564.59) to bring the total authorized funding of Three Million One Hundred Seventy-Two Thousand Five Hundred Sixty-Four Dollars and Fifty-Nine Cents ($3,172.564.59) to address continued Construction Management services past the original construction period date; and

WHEREAS, GWA had executed Change Order No. 2 in the amount of Six Hundred Two Thousand Seven Hundred Dollars and Fifty-Seven Cents ($602,700.57) to bring the total contract value to Three Million Seventy-Three Thousand Six Hundred Fifty-Nine Dollars and Fifty-Seven Cents ($3,073,659.57) which provided CM services up until April 30, 2019; and

WHEREAS, the overall construction project to date still has minor close out items for the Phase I and II contractor as well as remaining refurbish work at the existing clarify, civil works and SCADA for the Phase III contractor which still requires Construction Management services thus GWA will be working to execute a Change Order to cover CM services with the balance of the fund authorization which will only be until May 30, 2019; and

WHEREAS, the contractor for Phase III, SMCC, has submitted documentation to GWA management (See Exhibit A) wherein they are stating the completion of construction activities is now expected to extend through June 9, 2019 and are requesting approval for delay claims due to inclement weather and removal and disposal of sludge at approximately 3,080 cubic yards that were hauled and disposed to Layon Landfill which was outside of the bid; and

WHEREAS, notwithstanding the issues surrounding one of the contractor's delay and when ultimately GWA approves additional time extension and as means of allowing for continuity of construction management services as it relates to any construction extension due to contractor issues, GWA management finds CM Services is likely necessary through July 2019 to provide continued Construction Management Services; and

WHEREAS, GWA is negotiating with SSFM for a fee proposal to provide continued construction management services to July 2019 on a Time and Materials basis and part of this negotiation is for SSFM to take into account a reduction in staffing levels as the project reaches the end of the construction period; and

WHEREAS, to ensure timely execution of any forthcoming Change Order so that services are not stalled, GWA is seeking CCU approval of additional funding to a not to-exceed amount of One Hundred Sixty Thousand Dollars ($160,000.00) for the extended contract performance period through July 2019; and

WHEREAS, funding for any Change Order to SSFM moving forward will be from any available bond funds under the line item - WW 11-03 "Baza Gardens STP Replacement", and Internally Funded CIP funds as well as Liquidated Damages of $3,000 per day from the contractor; and

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

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

2. The CCU hereby approves the funding increase for construction management services an additional amount not to exceed One Hundred Sixty Thousand Dollars ($160,000.00).
3. The CCU further approves the total funding authorization for the contract with SSFM to an amount not to exceed Three Million Three Hundred Thirty-Two Thousand Five Hundred Sixty-Four Dollars and Fifty-Nine Cents ($3,332,564.59).
4. The source of funding for any Change Order to SSFM moving forward will be from any available bond funds under the line item - WW 11-03 "Baza Gardens STP Replacement", and Internally Funded CIP funds as well as Liquidated Damages of $3,000 per day from the contractor (Exhibit A).

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

DULY AND REGULARLY ADOPTED, this 28th day of May 2019.

Certified by:	Attested by:
_____	_____
JOSEPH T. DUENAS	**MICHAEL T. LIMTIACO**
Chairperson	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: _____

ABSTENTIONS: _____

ABSENT: _____

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EXHIBIT A

SUMITOMO MITSUI CONSTRUCTION CO.,LTD.
Guam Office : P. O. Box 9670 Tamuning, Guam 96931

April 17, 2019 Reference : LT-19-21

Mr. John Davis / Project Manager
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao Guam 96913

Project : **IFB-05-ENG-2017**
Baza Gardens Wastewater Cross-Island Pumping and Conveyance System Phase III
GWA Project No. S15-008-BND

Subject : Request for Time Extension and to Not Assess Liquidated Damages

Dear Mr. Davis,

Thank you for sending a memo acknowledging portions of the project that are substantially complete as of December 31, 2018 and April 1, 2019, respectively.

We would like to request GWA not to impose Liquidated Damage from April 1st 2019, due to the reasons indicated below.

[Time Extension Request of 69days]

- 42 days of extension due to the difference of Bid Quantity of Sludge removal.
  Regarding sludge removal and disposal, while the anticipated quantity per contract was 30 cy, the actual quantity is expected to be more than 2500 cy. Based on actual 10 days hauling to GWA's drying bed recorded from March 13 – 29, 2019 to haul 2000 cy, to complete the remaining quantity of 500 cy to be hauled to Inarajan Landfill, we estimated a total extra time of 42 days for this increased scope of work. Please see attachment #1

- 27 additional unworkable days comparing to project specification.
  We lost unexpected working days due to unusually severe weather encountered for the months of August and September 2018. Rainy days exceeded 27 days compared to the average number of non-working days as indicated in the project specs Section 013216 Paragraph 2.2E. Please see attachment #2 and #3.

[Status and Remaining Value of the Project]

Please also note that the facility is operational and was already functioning for its intended purpose as of April 1st, 2019. The remaining works you mentioned in your memo are correct. However, the total value of the remaining works, such as EQ Basin, building demolition, and miscellaneous site works are only about 6.9% of our total contract amount. Assessing the full daily rate of liquidated delay damages when the facility is operational seems inappropriate to us. Please see attachment #4.

SMCC will continue to use our best efforts to complete the remaining scope of work as early as possible until we obtain GWA and SSFM's full satisfaction.

SMCC therefore request time extension for the reasons set forth above. SMCC also request GWA's consideration to reduce the daily rate of Liquidated damage based on the completion and use situation described above if GWA still feels it necessary to impose Liquidated damages.

Sincerely yours,

Takeyuki Shiino
General Manager

CC: Rizaldy B. Cortez/SSFM
SMCC file with attachments

Attachment #1: Record of Sludge removal and disposal
Attachment #2: Daily record weather and site condition
Attachment #3: Unworkable days specified in Bid documents.
Attachment #4: Schedule value of remaining scope of works

ATTACHMENT #1

Summary:

A) Estimated extra time based on the bid and the actual quantity

1) Average production per day based on the tabulated 10days hauling record (March 13 ~ 29, 2019)
= 2072.115cy /10days
= 207.21cy/day
or 25.90cy/hour

2) Total hours to haul bid quantity of 30cy
= 30cy / 25.90cy/hour
= 1.16 hours, say 1/2 day

3) Remaining 500cy to be mixed with soil (1:1 ratio) and haul/dispose to Inarajan Landfill
= 500 x 2
= 1000cy

4) Hauling time with estimated 4 dump truck loads production per day per dump truck
= 1000cy/15cy/dump truck load/4loads/day
= 16.67days (For one dump truck)
= 8.34days (Using two dump trucks)

5) Total extra hauling and disposal time
= 10 + 8.34 - 0.5
= 17.84, say 18days

B) 2days extra time for hauling suspension due to complain of the residence nearby the disposal site

C) 3days extra time for waiting for the availability of the Detry Vacuum truck after hauling suspension

D) 14days extra time for preparation and arrangement of new disposal site (Inarajan Landfill)

E) 5days extra time for Sundays covered within the hauling time

NOTE :

Total extra time : (18 + 2 + 3 + 14 + 5)= 42days

ATTACHMENT #1

Project : Baza Gardens Wastewater Cross-Island Pumping and Conveyance System Phase III

Activity : Tabulated Sludge Removal and Disposal

Vacuum Truck = 3000 gallons/Truck load

No.	Days	Date	Number of trucks	Time			Number of loads	Removed volume		Remarks
								Unit (gal)	Unit (cy)	
1	Wed	3/13	3	8:35	~	16:50	19	57000	282.2	Sludge hauling to inarajan drying bed started
2	Thu	3/14	3	8:40	~	16:40	18	54000	267.4	Continue sludge hauling
3	Fri	3/15	3	7:40	~	16:40	16	48000	237.7	"
4	Sat	3/16	2	8:05	~	17:02	12	36000	178.2	"
5	Sun	3/17								Sunday (No work)
6	Mon	3/18	3	8:05	~	16:40	16	48000	237.7	Continue sludge hauling
7	Tue	3/19	4	7:55	~	16:40	10	30000	148.5	"
8	Wed	3/20	3	8:00	~	15:30	13	39000	193.1	"
9	Thu	3/21	3	7:45	~	14:00	12	36000	178.2	"
10	Fri	3/22								Hauling suspended due to Inarajan residence complain (EPA to inspect the issue)
11	Sat	3/23								"
12	Sun	3/24								Sunday (No work)
13	Mon	3/25								Residence complain resolved (GWA cleared issue with EPA) Detry not available to resume the hauling
14	Tue	3/26								Residence complain resolved (GWA cleared issue with EPA) Detry not available to resume the hauling
15	Wed	3/27								Residence complain resolved (GWA cleared issue with EPA) Detry not available to resume the hauling
16	Thu	3/28	4	8:15	~	17:20	12	36000	178.2	Resumed sludge hauling
17	Fri	3/29	4	8:40	~	17:30	10	30000	148.5	Resumed sludge hauling
18	Sat	3/30								Stopped hauling, drying bed full
19	Sun	3/31								Sunday (No work)
20	Mon	4/1								Communicating with GWA & GSWA for hauling sludge to Inaran Landfill
21	Tue	4/2								Communicating with GWA & GSWA for hauling sludge to Inaran Landfill
22	Wed	4/3	1	8:30	~	17:00	-			Remove only water in preparation for mixing soil
23	Thu	4/4								Communicating with GWA & GSWA for hauling sludge to Inaran Landfill
24	Fri	4/5								Communicating with GWA & GSWA for hauling sludge to Inaran Landfill
25	Sat	4/6	1	13:00	~	17:00	-			Transfer sludge from small to big chamber in preparation for mixing soil
26	Sun	4/7								Sunday (No work)
27	Mon	4/8	1	8:30	~	17:00	-			Transfer sludge from small to big chamber in preparation for mixing soil
28	Tue	4/9	1	9:00	~	17:00	-			Transfer sludge from small to big chamber in preparation for mixing soil
29	Wed	4/10					-			Continue communicating with GWA & GSWA for hauling remaining sludge to Inaran Landfill
30	Thu	4/11					-			"
31	Fri	4/12					-			GWA communicating with GSWA for hauling remaining sludge to Inaran Landfill
32	Sat	4/13					-			"
33	Sun	4/14					-			Sunday (No work)
34	Mon	4/15					-			Preparation of documents needed for hauling remaining sludge to Inaran Landfill
35	Tue	4/16					-			Preparation of documents needed for hauling remaining sludge to Inaran Landfill
Total								414000	2049.8	

ATTACHMENT #2

Project :		Baza Gardens Wastewater Cross-Island Pumping and Conveyance System, Phase III			
		SUMMARY OF SMCC's SUBMITTED DAILY PRODUCTION REPORT			
BGWW3-DPR No.	Category	Date	AM Weather	PM Weather	Remarks
400	2	1-Aug	Rainy	Rainy	No Major activities due to rain & very wet site condition
401	1	2-Aug	Heavy Rain	Heavy Rain	Work suspended, heavy downpour from 8:30 all throughout the day.
402	1	3-Aug	Heavy Rain	Heavy Rain	Work suspended due to heavy rain.
403	1	4-Aug	Heavy Rain	Heavy Rain	Work suspended due to heavy rain.
404		5-Aug	Cloudy/Rainy		Sunday
405	2	6-Aug	Cloudy	Cloudy/Rainy	No major activities due to wet site condition, heavy rain from 7:00 to 7:21 am and in the afternoon.
406	2	7-Aug	Cloudy	Fair	No major activities due to very wet site condition.
408	2	9-Aug	Fair/Cloudy	Heavy Rain	No major activities due to very wet site condition.
409	2	10-Aug	Cloudy/Fair	Cloudy/Rainy	Less production due to wet site condition.
410	2	11-Aug	Cloudy/Rainy	Cloudy/Rainy	Heavy rain at 11:30 less production due to very wet site condition.
412	2	13-Aug	Cloudy/Rainy	Cloudy	No major activities due to very wet site condition and heavy rain.
413	2	14-Aug	Rainy/Cloudy	Cloudy/Rainy	Less production due to very wet site condition & rain. Heavy rain at
414	2	15-Aug	Rainy	Cloudy	No major activities due to very wet site condition. Rain at 10:45am.
415	1	16-Aug	Rainy	Rainy	Work suspended due to very wet site condition and heavy rain.
416	2	17-Aug	Rainy	Rainy	No major activities due to rain and wet site condition.
417	2	18-Aug	Rainy	Rainy	No major activities due to heavy rain.
418	2	19-Aug	Rainy	Heavy Rain	Less production due to heavy rain.
419	1	20-Aug	Heavy Rain	Heavy Rain	Work suspended due to heavy rain.
					NWS has issued a flash flood advisory for Guam due to heavy rainfall. Tropical storm Comaron intensifies on Northern Marianas.
420	1	21-Aug	Heavy Rain	Heavy Rain	Work suspended due to heavy rainfall.
					NWS issues a flash flood warning. The governor declares a state of emergency for Guam at 4:00pm.
421	2	22-Aug	Fair	Fair	Less production due to very wet site condition
422	2	23-Aug	Fair	Fair	Less production due to very wet site condition & rain
423	2	24-Aug	Moderate to Heavy Rain	Fair/Rainy	Less production due to very wet site condition.
425	2	26-Aug	Rainy	Cloudy/Rainy	Less production due to rain and very wet site condition.
426	2	27-Aug	Moderate to Heavy Rain	Rainy/Fair	Less production due to heavy rain and very wet site condition. Other activities were shut down.
					Concrete pouring was postponed at first due to bad weather condition but pushed through at 3pm when it stopped raining.
430	2	31-Aug	Fair	Rainy	Less production due to very wet site condition (Heavy Rain at 1:30 pm).
431	1	1-Sep	Rainy	Rainy	Work suspended due to heavy rain.
432	2	2-Sep	Rainy	Fair	Less production due to wet site condition
434	2	4-Sep	Fair	Rainy/Fair	Heavy rain at 1:15 PM. Production affected due to very wet site condition.
436	2	6-Sep	Fair	Rainy	Less production due to wet site condition & isolated rainshowers in the afternoon.
438	1	8-Sep	Rainy	Rainy	Less production due to wet site condition. Securing site in preparation for typhoon Mangkhut.
439	1	9-Sep	Rainy	Cloudy	Work suspended, no production. Workers are securing the jobsite for incoming Typhoon Mangkhut.
440	1	10-Sep	Rainy	Stormy	No work due to Typhoon Mangkhut.
441	1	11-Sep	Stormy	Rainy	No work due to Typhoon Mangkhut.
442	2	12-Sep	Rainy	Fair	Less production due to very wet site condition and water retained at dry well and generator building due to Typhoon Mangkhut.
443	2	13-Sep	Rainy	Rainy	Equipment and work suspended at force main due to heavy rain from early morning to 9:30 am and isolated rainshower for the rest of the day.

ATTACHMENT #2.

444	2	14-Sep	Fair/Rainy	Fair	Less production due to very wet site condition and early morning rain. Heavy Rain at 11:17 AM. Communication line excavation schedule postponed due to wet site condition.
445	2	15-Sep	Rainy	Rainy	Less production due to rain. Eaxcavation works at communication line postponed. Most workers were sent home due to rain.
447	2	17-Sep	Fair	Fair	Less production due to very wet site condition because of early morning rain. Communication line excavation schedule sespended due to wet site condition.
448	2	18-Sep	Rainy/Fair	Fair	No major activity due to heavy rain
449	2	19-Sep	Rainy	Rainy	Production affected due to very wet site condition. Isolated rainshower (10:45 am) heavy rain from 1:05 PM and rainshowers in the afternoon.
451	2	21-Sep	Rainy	Heavy Rain	Less production due to heavy rain from *am to 6 pm. National weather service issued flash flood warning for the weekend due to tropical depression.
452	2	22-Sep	Rainy	Heavy Rain	Less production due to very wet site condition and rainshower in the morning. Work shutdown in the afternoon due to heavy rain.
453	2	23-Sep	Rainy	Cloudy	No major activities due to wet site condition.
454	2	24-Sep	Light Rain	Fair	Less production due to very wet site condition due to early morning rain and light rainshower.
455	2	25-Sep	Rainy	Heavy Rain	Less production due to heavy rain. Force main line manhole concrete casting cancelled due to heavy rain.
456	2	26-Sep	Cloudy	Cloudy/ Rainy	Minimal production due to wet site condition.
458	2	28-Sep	Cloudy/Rainy	Rainy/Cloudy	Less production due to very wet site condition and heavy rain due to tropical depression on Guam.
459	2	29-Sep	Rainy	Rainy	Less production due to troipcal storm 30W (TS-30W). Work shutdown due to heavy rain.
460	2	30-Sep	Fair	Rainy	

NOTE :

Month			**Actual unworkable days**	**Exceeded days from the specs**	**Average non-working days due to unusually severe weather days per specs (See attached)**
August			25	14	11
Sept			24	13	11
Total			**49**	**27**	**22**

NOTE :

Category 1	**11days**	**Work suspended due to storm/typhoon/heavy rain**
Category 2	**38days**	**No major activities/wet site condition/Less production**
Total	**49days**	**Unworkable days**
Less	**22days**	**Total allowable non-working days for the month of August & September per specs**
Extra Time	**27days**	**Total number of days exceeded the specs for the month of August & September**

ATTACHMENT #3

2.2

d. Partial occupancy before Substantial Completion.
e. Use of premises restrictions.
f. Provisions for future construction.
g. Seasonal variations.
h. Environmental control.

D. Cost Correlation: At the head of schedule, provide a cost correlation line, indicating planned and actual costs. On the line, show dollar volume of the Work performed as of dates used for preparation of payment requests.

1. Refer to Division 1 Section "Payment Procedures" for cost reporting and payment procedures.

E. The required construction time for this project includes the following non-work days due to unusually serve weather. Contractor shall allow for these average unusually severe weather days in their construction schedule:

January	7	July	10
February	5	August	11
March	5	September	11
April	4	October	10
May	5	November	7
June	6	December	7

2.3 PRELIMINARY CONSTRUCTION SCHEDULE

A. Bar-Chart Schedule: Submit preliminary horizontal bar-chart-type construction schedule within seven days of date established for the Notice to Proceed.

B. Preparation: Indicate each significant construction activity separately. Identify first workday of each week with a continuous vertical line. Outline significant construction activities for first 60 days of construction. Include skeleton diagram for the remainder of the Work and a cash requirement prediction based on indicated activities.

2.4 CONTRACTOR'S CONSTRUCTION SCHEDULE (GANTT CHART)

A. Gantt-Chart Schedule: Submit a comprehensive, fully developed, horizontal Gantt-chart-type, Contractor's Construction Schedule within 10 days of date established for the Notice to Proceed Base schedule on the Preliminary Construction Schedule and whatever updating and feedback was received since the start of Project.

B. Preparation: Indicate each significant construction activity separately. Identify first workday of each week with a continuous vertical line.

ATTACHMENT #4

Baza Gardens Wastewater Cross-Island Pumping and Conveyance System, Phase III			
SUMMARY			
Item No.	**Description**	**Amount ($)**	**Remarks**
A	**Total Amount Deleted Scope of Works**	**2,828,302.00**	
13	Perimeter Fence Line and Gates (Retaining walls)	103,033.00	
15	Headworks and pump station structure and finishing (Davit Crane)	34,283.00	
39	Equalization tank 2 complete in place	2,690,986.00	
B	**Total Amount Remaining Scope of Works**	**876,985.40**	
8	Site grading	34,667.00	
10	Building and site demolition and disposal	135,073.00	
12	Ste Access Road and Pavement	157,584.00	
13	Perimeter Fence Line and Gates	104,890.40	
14	Ste drainage improvement	53,042.00	
25	Site process piping complete in place	113,913.00	
31	Site electrical inclusive of transformer, light poles, communication and power lines complete in-place	48,285.00	
36	Baza Gardens WWTP Facility Demolition	85,811.00	
38	Equalization tank 1 complete in place	143,720.00	
C	**Original Contract Amount**	**15,530,892.00**	
D	**Balance of Contract Amount (C-A)**	**12,702,590.00**	
E	**Percentage of Total Remaining Works (B/D)**	**6.90%**	

ATTACHMENT #4

BREAKDOWN OF DELETED SCOPE OF WORKS			
Item No.	**Description**	**Scheduled Value ($)**	**Remarks**
13	**Perimeter Fence Line and Gates**		
13.3	Retaining Wall, Det. 1A/S0.1.10		
13.3.1	Foundation	30,981.00	
13.3.2	Walls	44,943.00	
13.3.3	Backfilling (Including required testing)	27,109.00	
15	**Headworks and pump station structure and finishing**		
15.3.6	Davit Crane and Pre-Engineered Hoist Assembly	34,283.00	
39	**Equalization tank 2 complete in place**		
39.1	Excavation and Disposal	302,629.00	
39.2	Basecourse Preparation (Including required testing)	30,753.00	
39.3	Backfill and Compaction (Including soil testing required)	282,135.00	
39.4	36" Thick Floor Slab	1,128,230.00	
39.5	24" Thick Walls and Columns	641,161.00	
39.6	12" Thick Wall	122,602.00	
39.7	Equalization Tank #2 leak test, H=18FT	38,880.00	
39.8	Sluice Gate, Det. 1&2/MP0.0.4	23,738.00	
39.9	Concrete walkway, 5Ft. Wide Det. 7/C9.1.1	66,743.00	
39.10	Coating works	54,115.00	
	Total Amount Deleted	**2,828,302.00**	

ATTACHMENT #4

BREAKDOWN OF REMAINING SCOPE OF WORKS			
Item No.	**Description**	**Scheduled Value ($)**	**Remarks**
8	**Site grading**		
8.2	Sequence 2 (50% completed)	34,667.00	
10	**Building and site demolition and disposal**		
10.1	Demolition and Disposal of Existing Headworks Building	66,871.00	
10.2	Demolition and Disposal of Existing Generator Building	34,089.00	
10.4	Required concrete demolition works for existing Equalization Tank #1	34,113.00	
12	**Ste Access Road and Pavement**		
12.2	New AC Paving Access Road	157,584.00	
13	**Perimeter Fence Line and Gates**		
13.1	Chainlink Fence, 8' High, Det. 1/C9.1.12 (30% completed)	75,314.40	
13.2	Chainlink Fence, 6' High, Det. 2/C9.1.10	29,576.00	
14	**Ste drainage improvement**		
	Sequence 1		
14.1.3	Riprap Splash Apron, Det. 1/C9.1.16	4,603.00	
14.1.5	Concrete Swale (4' Wide and 6' Wide), Det. C9.1.2	2,531.50	
14.1.6	Overflow Structure Type 2 (Riprap)	6,828.00	
	Sequence 2		
14.2.5	Riprap Splash Apron, Det. 1/C9.1.16	4,603.00	
14.2.7	Concrete Swale (4' Wide and 6' Wide), Det. C9.1.2	28,428.50	
14.2.8	Overflow Structure Type 1 (Riprap)	6,048.00	
25	**Site process piping complete in place**		
25.2	Sequence 2 (Including required testing)	113,913.00	
31	**Site electrical inclusive of transformer, light poles, communication and power lines complete in-place**		
31.4	Electrical Light Pole Foundation	48,285.00	
36	**Baza Gardens WWTP Facility Demolition**		
36.8	Removal of existing Clarifier's catwalk, steel walls, equipment, process pipings, pipe railings etc.	85,811.00	
38	**Equalization tank 1 complete in place**		
38.2	Construct new sump pit and overflow pipe opening, Det. 1/S2.1.4 (Including finishing floor slab)	14,842.00	
38.3	Equalization Tank #1 leak test, H=18FT	25,187.00	
38.4	New concrete barriers, Det 3/S2.1.4	30,560.00	
38.5	Sluice Gate, Det. 1&2/MP0.0.4	19,387.00	
38.6	New Aluminum Railings - 1 1/2" Dia. - 2EA Rails x 3' - 6"High	17,541.00	
38.7	Coating works	36,203.00	
	Total Amount Remaining	**876,985.40**	

GUAM WATERWORKS AUTHORITY
"Better Water, Better Lives."
Gloria B. Nelson Public Service Building| 688 Route 15 | Mangilao, Guam 96913
Tel: (671) 300-6846

Issues for Decision

Resolution No. 28-FY2019
Relative to Approval of Change Order No. 01 to Construction Management Services for the GWA SCADA System for Water and Wastewater Facilities Phase A-1

What is the project's objective and is it necessary and urgent?
The project objective is primarily to install communication equipment on site to allow communication with Fadian SCADA servers. This also includes installation of instrumentation such as pressure and flow sensors as well as intrusion switches on site to record site conditions along with other existing instruments.

Due to contractor delays and compliance issues with contract requirements, GWA has negotiated a remedy to extend the contractor's project completion date contingent on the contractor agreeing to a list of conditions which includes a deductive change order on the construction contract. The deducted amount from the construction contract is used here to pay for additional CM services needed for the extended construction time as well as additional efforts needed to ensure contractor's execution of and compliance with contract requirements.

Where is the location?
- Wells A-01, A-03, A-05, A-06, A-23, A-25, A-29, A-31, A-32, M-17B, M-20A;
- Route 16 Sewer Pump Station;
- Fujita Sewer Pump station; and
- Hagatna Wastewater Treatment Plant.

How much will it cost?
Original CM Contract was $515,631.00. This Change Order No. 01 will add $383,589.00; bringing the total contract value to $899,220.00. GWA management also seeks CCU approval of a 10% contingency to the original contact price, or $51,563.10 to bring the total authorized amount to Nine Hundred Fifty Thousand Seven Hundred Eighty-Three Dollars and Ten Cents ($950,783.10).

When will it be completed?
This Change Order will extend contract completion date to 2019 JAN 30.

What is the funding source?
The CIP line item EE 09-09 SCADA Improvements – Phase 4.

The RFP/BID responses (if applicable):
RFP-02-ENG-2018

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. 28-FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER NO. 01 TO CONSTRUCTION MANAGEMENT SERVICES CONTRACT FOR THE GWA SCADA SYSTEM FOR WATER AND WASTEWTER FACILITIES PHASE A-1

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 advertised for Request for Proposal (RFP-02-ENG-2018) soliciting statement of qualification from experienced and qualified engineering firms to provide construction management services for the GWA SCADA System for Water and Wastewater Facilities Phase A-1 project; and

WHEREAS, on August 24, 2018, GWA entered into a contract with GHD, Inc. to provide Construction Management ("CM") Services for the aforementioned project in the amount of Five Hundred Fifteen Thousand Six Hundred Thirty-One Dollars ($515,631.00), which is within GWA General Manager's obligating authority of Seven Hundred Fifty Thousand dollars ($750,000.00) in accordance with GWA Resolution No. 31-FY2017 adopted by the CCU on May 23, 2017; and

WHEREAS, on June 19, 2018, GWA awarded the construction contract for the aforementioned project to G4S Security Systems, Inc. ("G4S") with final project completion date of August 12, 2019; and

WHEREAS, on November 1, 2018 GWA delivered a letter to G4S expressing GWA's concerns over G4S's failure to perform its obligation under the Contract resulting in delays; and

WHEREAS, as part of negotiated conditions for extending the final completion date to December 31, 2019, G4S agreed to pay, via deduction to the construction contract amount, for costs associated with additional construction management services as a result of the contract time extension and extra work needed to provide additional review, coordination and monitoring of contractor's remedy to performance issues, which amounts to Three Hundred Eighty-Three Thousand Five Hundred Eighty-Nine Dollars ($383,589.00) (see EXHIBIT A – Fee Proposal); and

WHEREAS, on May 1, 2019, Change Order No. 01 to the G4S construction contract for the aforementioned project was executed to extend final completion date to December 31, 2019 and deduct Three Hundred Eighty-Three Thousand Five Hundred Eighty-Nine Dollars ($383,589.00) from the construction contract amount; and

WHEREAS, GWA Management seeks CCU approval to execute Change Order No. 01 with GHD, Inc. for additional construction management services described hereinabove in an amount not-to-exceed Three Hundred Eighty-Three Thousand Five Hundred Eighty-Nine Dollars ($383,589.00); and

WHEREAS, GWA Management seeks funding authorization of Nine Hundred Fifty Thousand Seven Hundred Eighty-Three Dollars and Ten Cents ($950,783.10), which includes Five Hundred Fifteen Thousand Six Hundred Thirty-One Dollars ($515,631.00) for original CM contract amount, Fifty-One Thousand Five Hundred Sixty-Three Dollars ($51,563.10) for ten percent (10%) contingency on original CM contract amount, and Three Hundred Eighty-Three Thousand Five Hundred Eighty-Nine Dollars ($383,589.00) for Change Order No. 01; and

WHEREAS, the funding source will be bond funds from CIP EE 09-09, SCADA Improvement – Phase 4; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the change order fee proposal submitted by GHD are fair and reasonable.
3. The CCU hereby authorizes the management of GWA to allocate Fifty-One Thousand Five Hundred Sixty-Three Dollars ($51,563.00) as a ten percent (10%) contingency on the original construction management service contact with GHD.
4. The CCU hereby authorizes the management of GWA to execute Change Order No. 01 to the construction management services contract with GHD, Inc. in the amount of Three Hundred and Eighty-Three Thousand Five Hundred Eighty-Nine Dollars ($383,589.00) (Exhibit A).
5. The CCU hereby further authorizes the requested total maximum funding amount of Nine Hundred Fifty Thousand Seven Hundred Eighty-Three Dollars ($950,783.00) funded by CIP EE 09-09, SCADA Improvement – Phase 4.

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

DULY AND REGULARLY ADOPTED, this 28th day of May, 2019.

Certified by:

_____
JOSEPH T. DUENAS
Chairperson

Attested by:

_____
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: _____

ABSTENTIONS: _____

ABSENT: _____

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FEE PROPOSAL COR-01 2-15-2019 GWA SCADA System Phase A-1 CM

EXHIBIT A - Fee Proposal

Phase Letter and Task Number	Task Description	Principal Construction Manager (Bryan)	PM/Resident Engineer (Aaron)	On-Island Electrical Inspector (Patrick/Joresa)	Admin (Quinn)	ArcSine (10% Markup)	Amount
		211	181	144	71	1.1	
A	**CONSTRUCTION EXTENSION CM TASKS**						
A1.0	Extension 171 days (24.5 weeks)		245	75		49,920	110,057
A2.0	Pre-termination Support		24		3	16,440	22,641
A3.0	Additional submittal reviews (assume GHD overlap)		45	5		146,010	169,476
A4.0	Multiple subs (submittal complications) coordination		24			19,040	25,288
A5.0	Additional 2 weeks on-site (with ArcSine) coordination		10	20	2	23,500	30,682
A6.0	Field photo taking to accommodate poor Contractor fieldwork		4	40		-	6,484
	CONSTRUCTION EXTENSION HOURS SUBTOTAL	-	352	140	5	254,910	
	CONSTRUCTION EXTENSION SUBTOTAL	-	63,712	20,160	355	280,401	**364,628**
	CONSTRUCTION EXTENSION EXPENSES SUBTOTAL						
	CONSTRUCTION EXTENSION SERVICES & EXPENSES TOTAL						**364,628**
ALL	**SUBTOTAL HOURS**	-	352	140	5	254,910	
	GHD SUBTOTAL COST (EXCEPT EXPENSES)	-	63,712	20,160	355		**84,227**
	ARCSINE SUBTOTAL COST					280,401	**280,401**
ALL	**SUBTOTAL**						**364,628**
ALL	**GRT AT 5%**						**18,961**
ALL	**GRAND TOTAL**						**$383,589**

Estimate 1 of 1

GUAM WATERWORKS AUTHORITY
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Tel: (671) 300-6846

Issues for Decision

Resolution No. 29-FY2019
Relative to Approval of Change Order to the Yigo and Astumbo Reservoir Construction Management Contract

What is the project's objective and is it necessary and urgent?
The objective of the change order is to continue the construction management services for the Yigo No. 1, Yigo No. 3, and Astumbo No. 2 reservoir construction project and increase funding to the contract. The continued services are required due to delay by the contractor (Pernix) in completing the project. The Contractor has agreed through a Memorandum of Understanding to pay for the additional construction management cost for the duration of the project until final completion.

The Yigo and Astumbo Tank Construction project are Court Ordered thus the urgency is to complete the project as soon as possible but maintain adequate Construction Management oversight.

Where is the project located?
The construction management services will be at the Yigo reservoirs site along Route 1 near the entrance to Anderson Air Force Base and the Astumbo reservoir is located off Ysengsong Road on Chalan Paluan.

How much will it cost?
GWA and the construction management firm has negotiated the cost of One Hundred Twenty-Three Thousand One Hundred Ninety Dollars ($123,190.00) to extend the services to August 16, 2019 for both sites. The cost is on a time and material basis. If the project finishes before the August 16, 2019 deadline, any unused portions will result in a deductive change order.

When will it be completed?
The construction management services will continue up until August 16, 2019. Should the contractor delay the project past the projected August 16, 2019 deadline, GWA will negotiate to extend the construction management contract. Cost will be covered by the contractor.

What is the funding source?
The funding for this project will be from the bond funds under the line item - PW 09-11 "Water System Reservoirs 2005 Improvements" and PW 12-05 "Tank Major Repair Yigo #1, Mangilao #2, Astumbo #1".

The funding sources will be replenished by money received from the contractor through a deductive change order from the contractor's contract.

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–FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER TO THE YIGO AND ASTUMBO RESERVOIR CONSTRUCTION MANAGEMENT CONTRACT

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

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

WHEREAS, GWA is currently working on critical reservoir projects under the 2011 Court Order ("CO") Paragraph 29 – Storage Tank/Reservoir Repair, Replacement, and Relocation Program; and

WHEREAS, Resolution No. 29–FY2018 authorized the total funding of Two Million Three Hundred Thirty-Three Thousand Four Hundred Three Dollars and Thirty Cents ($2,331,403.30) for the construction management services of the Yigo No.1 reservoir, Yigo No. 3 reservoir, Yigo Elevated booster pump station, and Astumbo No. 1 reservoir construction; and

WHEREAS, the original completion date for the Yigo and Astumbo sites are as follows:

- Yigo No. 1 and pump station – October 31, 2017
- Yigo No. 3 – July 31, 2018
- Astumbo No. 1 – October 31, 2017; and

WHEREAS, GWA issued Change Order No. 1 to Change Order No. 4 for construction management services for the Yigo No. 3 reservoir and extension of construction management

services to November 21, 2018 for the Yigo site and the Astumbo site due to the Contractor's delay in completing the project; and

WHEREAS, the Contractor has agreed through a new Memorandum of Understanding (Exhibit A) to pay for the additional construction management cost until Final Completion is achieved for all sites; and

WHEREAS, due to continued delay by the Contractor, the revised final completion date is projected to be August 16, 2019; and

WHEREAS, GWA and GHD have negotiated a time and material price of One Hundred Twenty-Three Thousand One Hundred Ninety Dollars ($123,190.00) for the continued construction management services described above (Exhibit B); and

WHEREAS, if the project is delayed further than the revised completion date of August 16, 2019 by the Contractor, the Contractor shall cover any additional construction management services and all other associated costs until final completion; and

WHEREAS, GWA management is requesting authorization to increase the funding amount for construction management services by One Hundred Twenty-Three Thousand One Hundred Ninety Dollars ($123,190.00) to bring the total authorized funding to Two Million Four Hundred Fifty-Four Thousand Five Hundred Ninety-Three Dollars and Thirty Cents ($2,454,593.30); and

WHEREAS, the funding sources to address paying the CM services due to the extended completion date will be from Internal Funded CIP, PW 09-11 "Water System Reservoirs 2005 Improvements", and PW 12-05 "Tank Major Repair Yigo No. 1, Mangilao No. 2, and Astumbo No. 1"; and

WHEREAS, money received from the Contractor through a deductive change order from Contractor's contract will be applied to replenish the funding sources used for the additional construction management work; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the fee proposal submitted by GHD are fair and reasonable.
3. The CCU hereby authorizes GWA management to accept the fee proposal of One Hundred Twenty-Three Thousand One Hundred Ninety Dollars ($123,190.00) (Exhibit B) from GHD and execute a Change Order.
4. The CCU hereby approves the total funding amount to Two Million Four Hundred Fifty-Four Thousand Five Hundred Ninety-Three Dollars and Thirty Cents ($2,454,593.30).
5. The CCU approves the funding sources from Internal Funded CIP; PW 09-11: Water System Reservoirs 2005 Improvements; and PW 12-05: Tank Major Repair Yigo No. 1, Mangilao No. 2, and Astumbo No. 1.
6. The CCU approves that money received from the Contractor through a deductive change order from the Contractor's contract will be applied to replenish funding sources for the additional construction management work.

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

DULY AND REGULARLY ADOPTED, this 28th day of May, 2019.

Certified by:

_____
JOSEPH T. DUENAS
Chairperson

Attested by:

_____
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: _____

ABSTENTIONS: _____

ABSENT: _____

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Exhibit A

Memorandum

28 February 2019

To:	Abhyash Chand, Pernix Guam, LLC John Wilson, Pernix Guam, LLC Tom Cruz, GWA Brett Railey, GWA Garrett Yeoh, GWA Bryan Ryley, GHD Inc.		
From:	Aaron Sutton, GHD Inc.	**Tel:**	(671) 472-6792
Subject:	Contract Extension Memorandum of Understanding #2	**Job No:**	W13-001-BND
Project:	PW 12-05 GWA Construction of Yigo and Astumbo Reservoir		

This Memorandum of Understanding ("MOU") supplements the Contract between the Guam Waterworks Authority ("GWA") and Pernix Guam LLC ("Contractor") and will be attached to a Modification to that Contract. This MOU is to extend the MOU dated March 16, 2018 agreed upon and signed by all parties. This MOU details the extension of responsibilities for costs as agreed by the GWA and Contractor.

1. **Time Extension –** The Substantial Completion date of October 15, 2018 and Final Completion date of November 21, 2018 for the Astumbo Reservoir, Yigo No. 1 Reservoir and Yigo No. 2 Reservoir extended by the MOU dated March 16, 2018 have expired.

   Contract change requests may be considered to the extent allowed by the Contract Documents provided they are considered reasonable and justified in the opinion of GWA.

2. **Costs –** Costs for Construction Management services at the Astumbo and Yigo sites shall be borne by the Contractor from November 21, 2018 until Final Completion is achieved as defined by GWA.

   The additional Construction Management services shall be invoiced to GWA by GHD directly, on a time and material basis, and are estimated to be in the total amount of $3,500 to $4,500 per week per site for the Astumbo and Yigo sites. GWA and Contractor agree that the total Construction Management costs shall not exceed $9,500 per week per site, or $19,000 per week for both sites. On a monthly basis, GWA shall provide a copy of the GHD invoice to Contractor and GWA may deduct the applicable portion of the CM's invoice amount as a deductive change order under the Contract with Pernix.

GHD Inc. 865 S Marine Corps Drive Suite 202 Tamuning Guam 96913
T 1 671 472 6792 **F** 1 671 477 6229 **E** guam@ghd.com **W** www.ghd.com

Further delays in the Final Completion of the project will be considered eligible for liquidated damages at $4,500 per day per reservoir per site at the discretion of GWA.

In the event that GWA is assessed fines for not complying with the November 11, 2011 Order for Preliminary Relief of the Federal District Court of Guam in Civil Case No. 02-00035 with respect to completion of the Astumbo and Yigo No. 1 and No. 2 reservoirs, Contractor shall reimburse GWA for the full amount of such fines.

Except as revised by this MOU and related Change Order No. 10 and future related Change Order(s), all other terms and conditions of the Contract as revised by Change Orders No. 1, through 9, including the provisions for inclement weather in Paragraph 1.10 of Section 01311, shall continue to apply.

By signing this MOU, all parties are agreeing to the above conditions.

Abhyash Chand
Pernix Guam, Inc.
(Contractor)

Thomas Cruz, PE
Guam Waterworks Authority
(Owner)

Aaron Sutton, PE
Construction Manager, **GHD Inc.**

Bryan Ryley
Construction Manager, **GHD Inc.**

Cc: Brett Railey, GWA
Garrett Yeoh, GWA
Steve Greco, Pernix

Exhibit B

May 8, 2019

Mr. Tom Cruz , P.E.
Chief Engineer
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913

RE: Change Proposal 06 (CP-6) for Construction Management Services for PW12-05 GWA Yigo and Astumbo Replacement Reservoirs, GWA Project W13-001-BND
Additional CM Services for Astumbo and Yigo No. 1 and 2 Reservoirs Construction Due to Construction Delay

Dear Mr. Cruz:

GHD is pleased to submit this proposal for an amendment to our Scope of Work and Fee for the above referenced project. This scope of work defines the construction management services that will be provided by GHD Inc. and their subconsultants for additional CM services due to construction delays of Astumbo and Yigo No. 1 and 2 Reservoirs. The additional scope for **CP-06** as discussed with GWA is detailed below. The additional scope will be charged on a time and material (T&M) basis per the fees in the table below.

SCOPE OF WORK

General: GHD shall provide additional Construction Management (CM) Services for the four and a half (4.5) month period of April 1, 2019 through August 16, 2019. This is expected to cover services for substantial completion to final completion and closeout services of the Yigo No. 1 and 2 Reservoirs. This is based on expected schedule as stated by the Contractor for the delivery and completion of punch list items. This CP is in conjunction with a Memorandum of Understanding (MOU) dated March 16, 2018 and MOU dated February 28, 2019, both signed by GHD, Pernix and GWA. The extended October 15, 2018 substantial completion date and November 21, 2018 final completion date as agreed upon in the MOU dated March 16, 2018 has expired. From then to the March invoice, the CM services have been deducted from the budget allotted in Change Order #4.

The extended CM services included in this Change Proposal will be billed on a Time and Material basis. GHD's invoices will be paid by GWA directly, and the same amount will be deducted from Pernix's contract as agreed upon in the before mentioned MOUs.

Details: The Scope of Work will provide an extension of the construction phase tasks detailed in our original Scope of Work that relate to the construction of Astumbo and Yigo No. 1 and 2 Reservoirs. No

additional QA testing and survey service are included as they were covered in the original Scope of Work and Change Order No. 2.

Data and Assumptions:

a. These CM Services are being provided for the construction of improvements shown on the construction plans and included in the bid schedule that was awarded to Pernix at the Astumbo and Yigo No. 1 and 2 Reservoir sites. If additional improvements are added to the construction contract then fees for additional CM Services will be negotiated with GWA.

b. For the Yigo and Astumbo Reservoirs, it is understood that the intent is for GHD to provide four and a half (4.5) consecutive months (20 weeks) of part-time, as-needed Resident Engineer (RE)/Project Manager (PM) services and four and a half (4.5) consecutive months of part- time onsite inspection averaging three (3) days per week. RE/PM services have been estimated at 8 hours per week and onsite inspector at 24 hours per week up to a maximum of $5,000 per week. This is based upon a standard 40 hour work week.

c. GWA agrees to negotiate with GHD for change orders for additional construction phase services for final completion beyond August 16, 2019 at either site due to construction delays, adverse weather delays, or any other reason not due to the negligent acts of GHD until final acceptance of the project is achieved.

Our time and material fees are summarized in the following Fee Schedule:

FEE SCHEDULE FOR ADDITIONAL CONSTRUCTION MANAGEMENT SERVICES FOR ASTUMBO AND YIGO NO. 1 AND 2 RESERVOIRS

TASKS	TOTALS
Original Contract Amount	$1,387,982
Contract Amount with CO #1	$1,422,905
Contract Amount with CO #2	$1,820,471
Contract Amount with CO#4	$2,331,403.30
CP-06 Yigo and Astumbo Reservoir CM Services from Construction Delay	$117,324
GUAM GRT (at 5%)	$5,866
TOTAL CHANGE PROPOSAL COST	**$123,190**
AMENDED CONTRACT AMOUNT	**$2,454,593.30**

* Work which exceeds the scope of this proposal will be brought to your attention for review, approval and fee adjustment. Such extra services, will be performed on a time and materials basis (per our Fee Schedule in effect at the time services are performed), or for a mutually agreed upon lump sum fees. Work performed will be billed monthly based on estimated percent complete. Payment is due within 30 days of receipt and acceptance of the invoice. We stand ready to provide the professional services necessary to assist GWA in this endeavor.

Sincerely,

Aaron Sutton
Construction Manager

Reviewed by

Bryan Ryley
Construction Manager

Attachments: GHD Change Proposal Fees for Astumbo and Yigo sites dated 05/08/2019
Cc: file

CHANGE PROPOSAL 6-R1 5-08-2019 GWA Yigo/Astumbo CM Extension to Final Completion

Phase Letter and Task Number	Task Description	Principal Engineer (Paul)	PM/Resident Engineer (Aaron)	Structural/Special Inspector (Aaron)	CM Safety Officer (Mark)	Civil Inspector/Structural (Peter)	Admin (Quinn)	Amount
	HOURLY LABOR RATES	**245**	**205**	**205**	**95**	**146**	**60**	
B	**CONSTRUCTION PHASE TASKS**							
B1.0	**Implement & Maintain Project Controls**		-					
B2.0	**Project Correspondence**							
B2.1	Daily Construction Reports (assumes 3 days/wk @ 20 wks = 39 logs)	-	10			60	-	10,810
B2.2	Material Testing Logs		-			-	-	
B2.3	Progress Photo Log					20	-	2,920
B2.4	Videography & Live Video Feed (not included)					-	-	
B3.0	**Submittals & Shop Drawings (assumes 0)**			-			-	
B3.1	Contractor Project Schedules (assumes 1 ea.)		-			2		292
B3.2	CM Master project Schedule	-	-					
B4.0	**Payment Requests** (assumes 3)		2			9		1,724
B4.1	Payroll Reports (assumes 3)					4		584
B5.0	**Project Meetings**							
B5.1	Pre-construction Conference	-	-			-		
B5.2	Progress Meetings (10 x 2 hours each plus prep & minutes)	-	30			45		12,720
B5.3	As-built Drawing Reviews							
B5.4	Other Meetings	-	-					
B6.0	**Request for Information** (assumes 0 RFIs at 2 hours each)	-		-				
B7.0	**General Compliance Monitoring**							
B7.1	Labor Laws (see Task B4.1)							
B7.2	Permit Compliance							
B7.3	Insurance (see Task A5)							
B8.0	**Claims and Disputes (see Tasks B8.1 to B8.7)**							
B8.1	Claim Records (assumes 1 potential claim incidents)							
B8.2	Claims Reviews & Interpretations	-		-				
B8.3	Change Order Review (assumes 1 CO's)	-	2			4		994
B8.4	Design Changes (assumes 0 design changes)	-	-	-				
B8.5	Design Change/Verification Request (DCVR)	-	-					
B8.6	Change Order Negotiation with Contractor	-						
B8.7	Change Order Documents (see task 9.0)							
B9.0	**Project Records & Document Management/Communication**		80			120	-	33,920
B10.0	**Construction Inspection and Quality Control Monitoring**							
B10.1	Onsite Inspector (see notes)		36			216	-	38,916
B10.2	Special Inspections							
B10.3	Testing							
B10.3.1	Contractor Testing (part of Task B10.1)							
B10.3.2	CM/CQA Testing (also see expenses)							
B10.3.3	GWA Testing (part of Task B10.1)							
B10.3.4	Acceptance (part of Task B10.1)							
B11.0	**Construction QA Survey Services** (also see expenses)							
B12.0	**Project Closeout**							
B12.1	Punchlist Development	-						
B12.2	Project Closeout Inspections	-	8			6		2,516
B13.0	**Training and Warranty Periods**							
B13.1	Training		-			-		
B13.2	Warranties		-					
	CONSTRUCTION PHASE SERVICES HOUR SUBTOTAL	-	168	-	-	486	-	
	CONSTRUCTION PHASE SERVICES SUBTOTAL	-	34,440	-	-	70,956	-	**105,396**
	CONSTRUCTION PHASE EXPENSES SUBTOTAL							
	CONSTRUCTION PHASE SERVICES & EXPENSES TOTAL	-	34,440	-	-	70,956	-	**105,396**
C	**POST CONSTRUCTION SERVICES**							
C1	Final Report	-	16			40		9,120
C2	Record Drawings		8			8		2,808
	POST CONSTRUCTION PHASE SERVICES HOUR SUBTOTAL	-	24	-	-	48	-	
	POST CONSTRUCTION PHASE SERVICES SUBTOTAL	-	4,920	-	-	7,008	-	11,928
	POST CONSTRUCTION PHASE EXPENSES SUBTOTAL							
	SUBTOTAL POST CONSTRUCTION SERVICES	-	4,920	-	-	7,008	-	**11,928**
ALL	**SUBTOTAL HOURS**	-	192	-	-	534	-	

CHANGE PROPOSAL 6-R1 5-08-2019 GWA Yigo/Astumbo CM Extension to Final Completion

Phase Letter and Task Number	Task Description	Principal Engineer (Paul)	PM/Resident Engineer (Aaron)	Structural/Special Inspector (Aaron)	CM Safety Officer (Mark)	Civil Inspector/Structural (Peter)	Admin (Quinn)	Amount
ALL	SUBTOTAL							117,324
ALL	GRT AT 5%							5,866
ALL	GRAND TOTAL							123,190

GUAM WATERWORKS AUTHORITY

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Issues for Decision

Resolution No. 30-FY2019
Relative to Approval of Change Oder No. 4 for the Central Guam Reservoirs Design Project

What is the projects objective and is it necessary and urgent?
The objective of the change order is to authorize additional design services that are necessary for GWA to improve water distribution system functionality and reliability for service areas associated with the Hyundai, Pulantat/Manenggon, Chaot No. 2, Tamuning No. 1 (Airport), Tumon No. 1 (Nissan), and Piti reservoir. The following are part of this proposed change order:

1. Task A: Design changes to install a new pump controller unit at the new Hyundai Tank Booster Pump Station.
2. Task B: Design changes to the Chaot No. 1, Chaot No. 2, and Agana Heights Reservoirs SCADA.
3. Task C: Programming of the Chaot No. 1, Chaot No. 2, and Agana Heights Reservoirs SCADA.
4. Task D: Programming of the Manenggon, Tamuning No. 1 (Airport), and Piti Reservoirs SCADA.
5. Task E: Tamuning No. 1 (Airport) Reservoir - Tiyan Booster Pump Station, Sewer Line Rehabilitation, and Water Line Abandonment.
6. Task F: A-23 and A-25 (Serves Chaot and Agana Heights Reservoir) GAC System Additional Design.
7. Task G: Manenggon Reservoir Access Pump Station Additional Design.
8. Task H: Additional Structural Design to Increase Tamuning No. 1 Reservoir (Airport) from 2 Million Gallon Capacity to 3 Million Gallon Capacity.

GWA finds that it is in the best interest of the agency that the current engineering consultant conducts the additional work so as to expedite the design package preparation and provide cost savings given the design consultant is already are aware of the system improvement needs.

How much will it cost?
The cost for the additional design services is $200,458.00.

When will it be completed?
If the Change Order is approved, the design schedule will have the final tank design tasks completed by December 2019; however, the date may be adjusted if new issues arise.

What is the funding source?
The source of funding will be from CIP line item PW 09-11 Water System Reservoirs 2005 Improvements and EE 09-09 SCADA Improvement – Phase 4.

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. 30–FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER NO. 4 FOR THE CENTRAL GUAM RESERVOIRS DESIGN

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, GWA is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, GWA is currently working on critical reservoir projects under the 2011 Court Order ("CO") Paragraph 29 – Storage Tank/Reservoir Repair, Replacement, and Relocation Program; and

WHEREAS, the CCU approved Resolution No. 21-FY2015 that authorized a funding of Two Million Five Hundred Fifty-Two Thousand Four Hundred Forty-Five Dollars ($2,552,445.00) plus 10% contingency of Two Hundred Fifty-Five Thousand Two Hundred Forty-Four Dollars and Fifty Cents ($255,244.50) bringing the total authorized funding to a maximum of Two Million Eight Hundred Seven Thousand Six Hundred Eight Nine Dollars and Fifty Cents ($2,807,689.50); and

WHEREAS, following CCU approval in Resolution No. 21-FY2015, GWA contracted with GHD in the amount of Two Million Five Hundred Fifty-Two Thousand Four Hundred Forty-Five Dollars ($2,552,445.00) in May 2015 to provide design services for the Central Guam Reservoirs; and

WHEREAS, GWA subsequently issued Change Order No. 1 and Change Order No. 2 with GHD for additional design services in the amount of Two Hundred Fifty-Five Thousand Two Hundred and Forty-Four Dollars ($255,244.00);

WHEREAS, in July 2016 the CCU approved Resolution No. 49-FY2016 which authorized an additional Six Hundred Eighty Thousand Five Hundred Forty-Eight Dollars ($680,548.00) for additional design services to bring the total authorized funding to Three Million Four Hundred Eighty-Eight Thousand Two Hundred Thirty-Seven Dollars and Fifty Cents ($3,488,237.50); and

WHEREAS, following CCU approval in Resolution No. 49-FY2016, GWA issued the Change Order No. 3 to GHD; and

WHEREAS, GWA engineering has further determine through the course of the design process that additional system improvements associated with the central reservoir project are needed; and

WHEREAS, GWA is requesting for additional design work which includes the following (Exhibit A):

(1) Task A: Design changes to install a new pump controller unit at the new Hyundai Tank Booster Pump Station,
(2) Task B: Design changes to the Chaot No. 1, Chaot No. 2, and Agana Heights Reservoirs SCADA,
(3) Task C: Programming of the Chaot No. 1, Chaot No. 2, and Agana Heights Reservoirs SCADA,
(4) Task D: Programming of the Manenggon, Tamuning No. 1 (Airport), and Piti Reservoirs SCADA,
(5) Task E: Tamuning No. 1 (Airport) Reservoir - Tiyan Booster Pump Station, Sewer Line Rehabilitation, and Water Line Abandonment,
(6) Task F: A-23 and A-25 GAC System Additional Design,
(7) Task G: Manenggon Reservoir Access Pump Station Additional Design,

(8) Task H: Additional Structural Design to Increase Tamuning No. 1 Reservoir (Airport) from 2 Million Gallon Capacity to 3 Million Gallon Capacity.

WHEREAS, GWA engineering and GHD negotiated the price for the services to be provided in the amount of Two Hundred Thousand Four Hundred Fifty-Eight Dollars ($200,458.00); and

WHEREAS, GWA Management is seeking CCU approval of the fee proposal relative to Change Order No. 4 in the amount of Two Hundred Thousand Four Hundred Fifty-Eight Dollars ($200,458.00) to fund the design services; and

WHEREAS, GWA Management further seeks CCU approval of the total authorized funding for the design contract with GHD, Inc to Three Million Six Hundred Eighty-Eight Thousand Six Hundred Ninety-Five Dollars and Fifty Cents ($3,688,695.50); and

WHEREAS, funding for this project will be from PW 09-11 Water System Reservoirs 2005 Improvements and EE 09-09 SCADA Improvement – Phase 4; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the fee proposal submitted by GHD is fair and reasonable.
3. The CCU finds that the terms of the conditions set by GWA relative to commencement of subsequent work activities are fair and reasonable and serve as a measure of Quality Assurance/Quality Control (QA/QC).
4. The CCU hereby authorizes the management of GWA to issue Change Order No. 4 in the amount of Two Hundred Thousand Four Hundred Fifty-Eight Dollars ($200,458.00) (Exhibit A).

5. The CCU hereby further approves the total authorized funding to Three Million Six Hundred Eighty-Eight Thousand Six Hundred Ninety-Five Dollars and Fifty Cents ($3,688,695.50); and
6. Funding source will be CIP PW 09-11 Water System Reservoir 2005 Improvements and EE 09-09 SCADA Improvement – Phase 4.

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

DULY AND REGULARLY ADOPTED, this 28th day of May 2019.

Certified by:

_____
JOSEPH T. DUENAS
Chairperson

Attested by:

_____
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: _____

ABSTENTIONS: _____

ABSENT: _____

///

Exhibit A

May 13, 2019

Mr. Tom Cruz, PE
Chief Engineer
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913

RE: Change Proposal 10 for PW12-04 Design Services for GWA's Central Water Reservoirs, GWA Project W14-006-BND
Design Changes for SCADA System at Hyundai Pump Station and Agana Heights and Chaot Reservoir Sites and Miscellaneous

Dear Mr. Cruz:

GHD is pleased to submit this change proposal to amend our Scope of Work and Fee for the above referenced project. This scope of work defines the additional design services GHD will provide in connection with the Design Services for GWA's Central Water Reservoirs Project. Deliverables of the tasks will be amendments to the Tumon 2, Hyundai and Chaot 2 Reservoirs construction project. The additional scope for CP-10 is detailed below. The original project scope will be amended on a lump sum basis per the fees in the table below.

SCOPE OF WORK

Task A – Design Changes for Grundfos Controller at Hyundai Pump Station: GWA requested GHD make design adjustments to the pump controller at the new Hyundai Pump Station to add a package triplex Grundfos controller for the pumps. The current design provides for the pumps to be controlled by the SCADAPak. GWA is requesting the addition of the Grunfos controller to keep consistency between GWA facilities. GWA and the Contractor have requested only a change to the P&ID on sheet J-002 which will be issued as an addendum to the construction drawings that are currently under construction by AIC. No additional Division 1 specifications or front-end documents are included in this scope.

Task B – Design Changes to Chaot and Agana Heights SCADA: See attached SOW from ArcSine dated April 4, 2019.

Task C – Programming of Chaot and Agana Heights SCADA: See attached, revised SOW from ArcSine dated May 8, 2019. The scope of work includes programming for all of the Central Reservoirs project, but only the costs for programming at Agana Heights Reservoir and Chaot Reservoirs are

included in this Change Proposal because they were not included in the SOW for Change Order 3. The remaining of the cost of $85,000 for the programming at the other sites will be divided by three and covered by GHD, remaining funds from the Water Hydraulic Modeling Data Collection - Barrigada Service Area project, and excess funds from Change Order No. 2 Task P that were not used.

Task D – Programming of Manenggon, Tamuning No. 1, and Piti Reservoirs SCADA: See attached revised SOW from ArcSine dated May 8, 2019.

Task E – Tiyan Booster Pump Station, Sewer Line Repair and Waterline Abandonment: Change Order No. 2 included a task from Change Proposal 4 for the design of additional piping to connect the area west of the airport runways to GWA waterlines. The task assumed that properties along the cliff line would be purchased by DPW and disconnected from an existing GWA waterline. There was a delay in the purchase of these properties. In order to abandon a waterline under the runways and still serve these houses, GHD was requested to design a small booster pump station in Tiyan to boost the pressure. GWA also requested the replacement or repair of the sewer line through GIAA property west of the runways. The work for this task has already been completed.

Task F – Wells A-23 and A-25 GAC System Additional Design: The scope for approved Task A of Change Proposal 9 included piping design for the installation of an existing GAC system at Well A-23 that would treat water from A-23 and A-25. A concrete slab for the relocated tanks was part of the scope. The fee for Task A of Change Proposal 9 was covered by unused fee for the Pulantat Reservoir site. The design has expanded to include sizing of the GAC system, investigation of treatment options, option figures for locations for the GAC tanks, additional piping design, and design of new GAC systems at both sites. The additional work is the scope for this task and has already begun.

Task G – Access Pump Station Additional Design: Amendment 1 provided scope to refurbish the Access Water Booster Pump Station. The fees for the scope were covered by a contingency in the original contract. The scope of Amendment 1 included new pumps, piping, pump system evaluation, possible replacement of electrical, instrumentation, and control equipment. Architectural improvements and replacement of the generator and fuel storage were also part of the scope. GWA requested additional improvements during the design including a roof hatch above the pumps, converting an office to an electrical room, and changing the piping to stainless steel. The scope for this task consists of structural design for the roof hatch, electrical design to move the electrical and controls to the new electrical room, piping design to change to stainless steel pipe, and fuel changes to move the tank to the exterior of the building. The work for this task has already begun and is almost completed.

Task H – Additional Structural Design for 3 MG Reservoir at Tumon (Tamuning) No. 1: The original scope for the Tumon No. 1 site was for the design of a 2.0 MG reservoir. GWA has requested we upsize the reservoir to 3.0 MG. The structural design for the larger reservoir requires more effort and is included in this task. The cost for this task will be deducted from the design budget meant for the relocation of the Tumon No. 1 Reservoir included in Task P of Change Order No. 3.

ASSUMPTIONS AND EXCEPTIONS

- This change proposal only applies to the scope of work. The terms of the original executed agreement still apply.

Our lump sum fees are summarized in the following Fee Schedule:

FEE SCHEDULE FOR ADDITIONAL DESIGN SERVICES

TASKS	TOTALS
Original Contract Amount	$2,552,445
Contract Amount with CO #1	$2,675,912
Contract Amount with CO #2	$2,807,689
Contract Amount with CO #3	$3,488,237
Task A: Grundfos Controller at Hyundai Pump Station	$2,500
Task B: Chaot and Agana Heights SCADA	$20,146
Task C: Programming of Chaot and Agana Heights SCADA	$24,500
Task D: Programming of Manenggon, Tamuning No. 1 and Piti SCADA	$55,995
Task E: Tiyan BPS, Sewer Line Repair and Waterline Abandonment	$20,960
Task F: Wells A-23 and A-25 GAC System Additional Design	$21,950
Task G: Access Pump Station Additional Design	$44,861
Task H: Additional Structural Design for 3 MG Reservoir at Tumon (Tamuning) No. 1 – ($15,000 deducted from Tumon #1 relocation budget)	$0
Subtotal Cost	**$190,912**
Guam GRT (at 5%)	$9,546
TOTAL CHANGE PROPOSAL COST	**$200,458**
AMENDED CONTRACT AMOUNT	**$3,688,695**

Work that exceeds the scope of this proposal will be brought to your attention for review, approval and fee adjustment. Work performed will be billed monthly based on the estimated percent complete. We stand ready to provide the professional services necessary to assist GWA in this endeavor.

Sincerely,

Aaron Sutton, PE, ENV SP
Project Manager

Reviewed by,

Eric Penn
Electrical Engineer

Attachments: Task B SOW from ArcSine dated April 4, 2019
Task C and D SOW from ArcSine dated May 8, 2019

Cc: file

GUAM WATERWORKS AUTHORITY
SCADA PHASE A1/CENTRAL RESERVOIRS DESIGN CHANGE
SCOPE OF WORK

ArcSine Project XM1809007 **April 4, 2019**

INTRODUCTION

This document describes design services to be performed by ArcSine Engineering on behalf of the Guam Waterworks Authority (GWA), as a subconsultant to GHD, for the SCADA Phase A1 project, and the Central Reservoirs project, both under construction as of April 2019.

The following sites are included in this Scope of Work:

- Chaot Reservoir
- Agana Heights Reservoirs

SCOPE

This Task is to develop change documentation to effect the following:

SCADA Phase A1 Project

- Remove Chaot Reservoir from the project.
- Remove Agana Heights Reservoirs from the project.

Central Reservoirs Project

For Chaot, incorporate the SCADA Phase A1 provisions into the Central Reservoirs project. Reconcile RTU approach and depictions, to result in a single new control panel/RTU to be furnished and installed under the Central Reservoirs project. Coordinate and consolidate interconnection. Resolve layout considerations/conflicts.

DELIVERABLES

For each project, develop narrative summaries of the changes, and accompanying drawing packages. To the extent practical, existing Contract Drawings will be neatly handmarked depicting the changes.

The narratives will reinforce that Central Reservoirs' submittals from the Contractor must be integrated, even if multiple drawings are used to depict the Scope.

Provide peer review support to GHD to review GHD's Design Change for Hyundai Reservoir/Pumping Station.

DRAFT

Central Reservoirs Programming
Scope Of Work

CHANGE SUPPORT

Provide support to GWA and the respective CM organizations, in negotiating and finalizing the contractual aspects of the changes (price, time, etc.).

DRAFT

GUAM WATERWORKS AUTHORITY
CENTRAL RESERVOIRS PROGRAMMING

SCOPE OF WORK

September 20, 2018
Revised November 28, 2018
Revised December 21, 2018
Revised April 4, 2019
Revised April 17, 2019
ArcSine Project XM1809007 **Revised May 8, 2019**

INTRODUCTION

This document describes programming services to be performed by ArcSine Engineering on behalf of the Guam Waterworks Authority (GWA), as a subconsultant to GHD, for the Central Reservoirs project under construction as of April 2019, and other similar project(s).

The following Central Reservoir's sites are included in this Scope of Work:

- Barrigada Booster Pump Station (and its reservoirs) – New RTU/ programming.
- Hyundai Reservoir and Booster Pump Station (co-located sites) – New RTU/programming.
- Tumon Tank 2 Reservoir – New RTU/programming (including two chlorine analyzers).
- Chaot Reservoir - New RTU/programming (including three chlorine analyzers).
- Agana Heights Reservoirs – New RTU/programming.
- Dero Road PRV (1 PRV and 1 flowmeter) – New RTU/programming.
- Pale San Vitores PRV (2 PRV's and 2 flowmeters) – New RTU/programming.
- St Johns (Marine Corps) PRV (2 PRV's and 1 flowmeter) – New RTU/programming.

Programming and testing for the sites above will be coordinated with the RTU panel builder, CPC.

The following additional sites are included in this Scope of Work, with the Construction Contract structure to be determined.

- Airport Reservoirs (also known as Tamuning No. 1, two reservoirs)
- Piti (one reservoir)
- Manenggan (up to three reservoirs)

Programming and testing for the sites above will be coordinated with the applicable Contractor(s).

TASK 1 - INFORMATION REQUESTS, COORDINATION, AND WORKSHOPS

Central Reservoirs Programming
Scope Of Work

1.1 Information Requests

Request the following information:

- Example RTU code and structure, and standards to the extent they are available.
- Example remote site graphical displays and standards developed by the Central SCADA project (Benson/Siemens) to the extent they are available.
- Example control strategy format and standards.
- Latest information on tagnaming and identification conventions.
- CPC's favorably reviewed shop drawing submittals.

Also consider responses to CM RFI's authored by ArcSine for the SCADA Phase A-1 project.

1.2 Project Coordination

It is expected that available GWA standards will be minimal. Accordingly, coordinate with the work under the SCADA Phase A-1 project, with the goal of achieving uniformity between the projects, and thus establishing defacto standards. Allow 12 hours.

1.3 Workshop #1 – Overview, Programming and Communications, Testing

Conduct a telephone workshop with project stakeholders; allow two people, 2 hours each. The following are topics to discuss at the workshop:

- Status of Island-wide communications.
- Status of GWA SCADA.
- Communications, general.
- Communications, DNP3 configuration.
- RTU configuration/programming, data types, data mapping, data management.
- Local Graphical Operator Interface.
- Supervisory system (graphics, databases, alarm notification coordination with work at each site).
- Supervisory outputs for use in Water Model.
- Testing, parties involved and their roles, acceptance criteria.

1.4 Ongoing Coordination

Provide ongoing coordination with the Construction Manager (TG Engineers), Contractor, GHD, and GWA via e-mail and telephone over the course of construction, on topics specific to this Scope. Allow 20 hours.

Central Reservoirs Programming
Scope Of Work

TASK 2 - PROGRAMMING STANDARDS (NOT INCLUDED)

2.1 Define Approach; Develop Standards

Limited standards exist. Develop and submit the proposed approach to the following items, prior to Workshop #1. Revise following the Workshop, and as-built at project conclusion, as brief standards.

1. RTU program organization.
2. RTU programming techniques.
3. Local graphical operator interface configuration:
    a. Layout
    b. Navigation
    c. Colors
    d. Animation
    e. Depictions
    f. Alarming
    g. Setpoints
    h. Passwords/privilege/protection
    i. Consistency with supervisory layout
    j. Other display topics
4. Data mapping and structure at the point of demarcation in the RTU (where the communications system “picks up” values).
5. RTU input/output data management:
    a. Debouncing
    b. Scaling
    c. Detection/management on loss of input
    d. Related topics
6. File naming, file management.
7. Configuration management and recordkeeping (RTU’s, communications, instrument scaling, etc.)
8. Other topics as covered in the workshop.

TASK 3 - PROGRAMMING SERVICES

3.1 For existing Barrigada Booster Pump Station Descriptions, assume no existing control descriptions exist and that this Scope of Work will develop them. For all sites included, develop site-by-site, function-by-function Control Descriptions. Submit to GWA for review and approval. Allow one round of revisions, then final submission.

- For each control loop, provide a functional description of the operation of the equipment, signals, and controls shown on the P&IDs and as otherwise included in the project:
    - Include functions depicted or described in the Contract Documents.

Central Reservoirs Programming
Scope Of Work

- Include the following within each loop description:
  - Requirements specific to that loop.
  - List of ranges, setpoints, timers, values, counters, etc.
- Functions to consider:
  - Program a "semi-auto" functionality so that sites can run "automatically" when unable to connect to the Island-wide SCADA network. (For various reasons this could occur – Island-wide SCADA network is not configured by the time site is commissioned, nearby router(s) to link the site to the Island-wide network are not available, etc.).
  - Address functionality/flow totalization at PRV's if communications are down. Totalize flows locally, so upon communications restoration totals are correctly reported.

- If similar loops exist with identical control, such as multiple loops for individual equipment or process units, only develop one loop description, and reference the remaining loops to that loop description.
- Organize loop descriptions with a Table of Contents, page numbers, and footers.

3.2 Program the local PLC and display (OIP) for each site in accordance with the Control Strategies. Apply a structured approach, suitable for later emulation at other GWA projects. All sites are new RTU's and OIP's.

3.3 Prepare written test procedures for factory test off-Island at CPC's facility in Seattle, Washington, for the Central Reservoir's sites.

3.4 For the additional reservoirs, assume no factory testing will be provided. Only field testing will be undertaken.

3.5 Review and mark up screens, developed by others under the Central SCADA project, to cause the screens to be applicable to these sites. Provide Central SCADA Consultant with a tag list to achieve the required handshaking. **Item 3.5 is not included.**

TASK 4 - TESTING AND STARTUP

4.1 Startup Testing Summary

- Develop an overview suitable for distribution to the Contractor's organization and GWA, of startup and testing responsibilities. Reference specification sections. Include also the roles of GWA's programmer (ArcSine), and expected coordination.

4.2 Unwitnessed Factory Testing at ArcSine's Facility:

- Perform in-house unwitnessed factory testing on the RTU's and displays programmed under this Scope of Work.

Central Reservoirs Programming
Scope Of Work

- Submit RTU code to CPC for downloading to each site's RTU, for the Central Reservoir's sites.

4.3 Witnessed Factory Testing at Panel Fabricator's Facility (Central Reservoir's sites):

- The Contractor's panel fabricator has responsibility for panel physical construction, including hardwired relay logic. Testing of those functions is under the Contractor's jurisdiction. For programmed functions, under this Scope develop test procedures for factory and field testing.
- Attend witnessed factory testing at the panel fabricator's facility in Seattle, Washington. Allow one person, 5 man-days.
- In the event that project schedule, including panel fabrication and shipping schedules, do not correlate well with program development schedules, factory testing of the automation functions will comprise "best efforts," with ArcSine testing whatever remains unwitnessed at ArcSine's facility.

4.4 Preliminary Electrical Field Tests (Operational Readiness Test, ORT)

- Provide test checklists for the specified Preliminary Electrical Field Tests. The goal will be to have the Contractor conduct the tests, witnessed by the CM and/or GWA, without the programmer present. Tests covered by the programmer's procedure will largely be comprised of end-to-end signal tests, where signal existence is confirmed at the local displays (and at central SCADA, if so available).

4.5 Final Control System Field Tests (Functional Acceptance Tests, FAT):

- Provide testing support on-Island during the Final Control System Field Tests. For the Central Reservoir's sites, assume 1 day each for reservoir and PRV sites, 2 days each for booster pumping stations. Assume Final Control System Field Tests for all sites will occur over a consecutive 2-week period.
- For the additional sites, allow an additional week on-Island, under a separate schedule, to start up and test these sites.
- The automation portion of the test procedures will be developed by ArcSine, as an adaptation of the factory test procedures. The hardwired portion will be by the Contractor. Using these procedures, execute complete testing of the hardwired and programmed logic. Prove out local stand-alone functionality.
- In the event that site commissioning and final testing do not fall on a consecutive 2-week period (Central Reservoirs) or the 1-week followup period (other), the procedures will be developed such that a preliminary first run can be work by the Contractor on his schedule with witnessing by the CM/GWA. Then ArcSine's on-Island work will comprise a revisit by the CM/GWA to verify final testing completion and close out loose ends.
- In cooperation with GPA and its Central SCADA consultant, these procedures will also test functions and data transmissions end-to-end, to the extent practical.

4.6 In conjunction with the FAT's, provide the following on-Island services:

Central Reservoirs Programming
Scope Of Work

Item 4.6 is not included.

- Provide training of GWA personnel on site-specific functions. PLC training to include description of PLC parameters and how values are determined. Training will be optimized within the available timeframe.
- During this time, coordinate/facilitate the activities above, assisting the parties in achieving the end-to-end functionality desired.
- Handmark Contractor control-related shop drawings for as-built conditions, as observed by ArcSine in the course of the work. The on-Island time will make best use of ArcSine's staff including as-builting these details to the extent possible.
- Mark up control strategies.
- Perform file management, and provide version-controlled final programs for structured storage within the central server environment. Coordinate with GPA, GWA, and GPWA IT.
- Provide a log of setpoints as-installed.
- Submit electronic copy and one hardcopy of the RTU program.
- Allow 2 days, contiguous with the FAT allowance, for the items above.

TASK 5 - AS-BUILT RESULTS (NOT INCLUDED)

- Submit the documents described under Subtask 4.5, as-built.
- Submit RTU program settings sheets, listing parameters, descriptions, and how values are determined.

TASK 6 - PROGRAMMING PLATFORM

Obtain for programming and unwitnessed factory testing purposes, one RTU with a selection of I/O, and one graphical display. Assume these can be made available by the project Contractor.

NOT INCLUDED

1. Programming or testing of network switch, firewall, and Tropos radio.
2. Developing DNP3 philosophies and resulting configurations. This information is the subject of outstanding RFI's for the SCADA Phase A-1 project.
3. Furnishing, installing, and configuring a temporary central SCADA system at GWA's headquarters if the Benson/Siemens SCADA system is not installed/operational at time of commissioning the sites programmed in this Scope of Work.
4. Task 2, Programming Standards, is not included.
5. Screen Coordination (Task 3.5), is not included.
6. Additional on-Island services (Task 4.6), is not included.

GUAM WATERWORKS AUTHORITY
"Better Water, Better Lives."
Gloria B. Nelson Public Service Building| 688 Route 15 | Mangilao, Guam 96913
Tel: (671) 300-6846

Issues for Decision

Resolution No. 31-FY2019
Relative to Approving the Liquid Chlorine Supply Contract for Water Production and Treatment Facilities Island-Wide

What is the project's objective and is it necessary and urgent?
The objective is to provide sufficient supply of liquid chlorine used to treat and disinfect GWA's drinking water in accordance with the Safe Drinking Water Act and as required by federal and local laws and regulations.

The purpose of this procurement and the use of product (liquid chlorine) supplied under this procurement are necessary for the protection of public health and safety, and are a mandatory and critical part of GWA's water operations, and therefore are inherently necessary and urgent.

Where is the location?
Various locations Island-wide

How much will it cost?

3 Year contract cost for the following:
150lbs. Chlorine Cylinder $618.00 each
1 Ton Chlorine Cylinder $6,097.78 each
Bid Specified amount estimated for 150lbs. is 1,260 cylinders Annually
Bid Specified amount estimated for 1 Ton is 12 cylinders Annually

Cost for 150lbs. Chlorine Cylinder $586.68/$778,680.00 Annually
Estimated Cost for 1 Ton. Chlorine Cylinder $6,097.78/$73,173.36 Annually

Total Cost $851,853.36 Annually
Total expenditure for the 3-year contract term is **$2,555,560.08**

When will it be completed?
After the 3-year term.

What is the funding source?
The procurement of these essential treatment chemical is intended to be funded from revenues (O & M expense).

The RFP/BID responses (if applicable):
Reference Bid No. GWA 2019-05
5 downloaded IFB package
1 submitted

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

GWA RESOLUTION NO. 31-FY2019

RELATIVE TO APPROVING THE LIQUID CHLORINE SUPPLY CONTRACT FOR WATER PRODUCTION AND TREATMENT FACILITIES ISLAND-WIDE

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, on February 27, 2019, GWA issued an Invitation for Bid No. 2019-05 (IFB) for an Indefinite Quantity/Indefinite Delivery (ID/IQ) requirements contract (see Exhibit A); and

WHEREAS, five (5) interested parties registered to download a bid package from GWA's website and on April 17, 2019, GWA received one (1) bid proposal from Island Equipment Company; and

WHEREAS, on April 22, 2019, the IFB 2019-05 offer was evaluated by GWA's review committee and determined that the best and only offer was made by Island Equipment Company (see Exhibit B); and

WHEREAS, GWA Management seeks CCU approval of the IDQ/ID contract for Liquid Chlorine 150lb. Cylinder for a quantity of One Thousand Two Hundred Sixty (1,260) at a cost of Six Hundred Eighteen Dollars ($618.00) each, for an annual cost of Seven Hundred Seventy

Eight Thousand Six Hundred Eighty Dollars ($778,680.00) and Liquid Chlorine One (1) Ton for a quantity of twelve (12) at a cost of Six Thousand Ninety Seven Dollars and Seventy Eight ($6,097.78) each, for an annual cost of Seventy Three Thousand One Hundred Seventy Three Dollars and Thirty Six Cents ($73,173.36), for a combined annual cost of Eight Hundred Fifty One Thousand Eight Hundred Fifty Three Dollars and Thirty Six Cents, ($851,853.36) for a total amount of Two Million Five Hundred Fifty Five Thousand Five Hundred Sixty Dollars and Eight Cents ($2,555,560.08) for the initial three (3) year contract term.

WHEREAS, GWA has determined that the issuance of the bid will allow GWA to continue to purchase liquid chlorine used for disinfecting GWA's drinking water for the protection of public health and safety, and as required under the Safe Drinking Water Act and federal and local regulations; and

WHEREAS, a multiple year contract term of three (3) years with the option to renew for an additional two (2) one (1) year term is in the best interest of GWA due to the fact that it provides fixed prices over a longer period of time and economies of scale may result in a lower bid price than what GWA would otherwise receive for a shorter contract term; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that cost proposal submitted by Island Equipment Company are fair and reasonable.
3. The CCU hereby authorizes the management of GWA to accept the bid offer from Island Equipment Company (Exhibit B).
4. The CCU hereby further authorizes the funding amount for this project to a maximum of Two Million Five Hundred Fifty-Five Thousand Five Hundred Sixty Dollars and Eight Cents ($2,555,560.08) for the initial three (3) year term with the option to renew for an additional two (2) one (1) year terms.

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

DULY AND REGULARLY ADOPTED, this 28th day of May, 2019.

Certified by: Attested by:

_____ _____

JOSEPH T. DUENAS **MICHAEL T. LIMTIACO**
Chairperson 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: _____

ABSTENTIONS: _____

ABSENT: _____

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EXHIBIT A

INVITATION TO BID

The GUAM WATERWORKS AUTHORITY, will receive sealed bids for **Liquid Chlorine**, in **GWA IFB. NO. 2019-05**. Bids will be accepted until 10:00 a.m. Chamorro Standard Time, March 20, 2019 at the GWA Procurement Office, first floor located at the Gloria B. Nelson Public Services Building in Mangilao at which time and place all bids will be publicly opened and read aloud. All bids must be accompanied by a Bid / Performance Bond, in the amount of 15 percent (15%) of the total bid price. Bid security may be bid/performance bond, Surety Bond, certified check or cashier check made payable to Guam Waterworks Authority. A non-refundable amount of $15.00 is required for the purchase price of every set of bidding documents which are available at the GWA Procurement Office. Bidders can download a bid package at www.guamwaterworks.org without charge, although vendors are strongly encouraged to contact or visit GWA Procurement Office to register to ensure that updated information, notices or bid amendments are distributed to you.

GWA reserves the right to revise or reject any or all proposals and to waive any minor imperfection in the bid proposal in the interest of the Guam Waterworks Authority.

Miguel C. Bordallo, P.E.
General Manager

GWA STAMP ISSUE DATE:

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U. MODIFICATION OR WITHDRAWAL OF BIDS.
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W. AWARD OF CONTRACT AND NEGOTIATION (IF APPLICABLE).
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NON-COLLUSION AFFIDAVIT
CERTIFICATION OF NON-EMPLOYMENT OF CONVICTED SEXUAL OFFENDERS
MAJOR SHAREHOLDER DISCLOSURE AFFIDAVIT
BID AND PERFORMANCE BOND FOR GOODS AND SERVICES
AS REQUIRED UNDER 5 G.C.A. § 5212
(This form must be used; failure to utilize this form is subject to rejection of bid)

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GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Invitation for Bid Number: GWA IFB 2019-05
For Liquid Chlorine

Indefinite Quantity Bid

Any reference in the Solicitation to a manufacturer brand name or product number is solely due to need by GWA to provide minimum satisfactory product specifications. Thus, all references to a brand name is solely intended to provide a description of the type of products or services sought by GWA and not to limit bids nor restrict a vendor from providing equivalent products or services. Bids on comparable items will be considered provided the bidder clearly states in his bid the exact articles he is offering and clearly indicates how it differs from the original specification. Approved equivalents will be acceptable.

I. BID ITEM(s)

Item No	Description	Min Qty	Unit Cost	Total Cost
1.0	Liquid Chlorine 150 lb. Cylinders	1,260 each	_____	_____
2.0	Liquid Chlorine One (1) Ton	12 each	_____	_____
			Grand Total $	_____

BIDDING ON:

MFG: _____

Brand: _____

Place of Origin: _____

Date of Delivery: _____
After Receipt of Purchase Order

TECHNICAL SPECIFICATIONS ON ITEM 1.0

A. GENERAL: The Guam Waterworks Authority ("GWA") uses liquid chlorine in 150 lbs. and One (1) Ton. Cylinders in order to disinfect drinking water at approximately 100 well sites and one (1) water treatment plant. GWA intends to enter into a three (3) year contract with the option to renew for two (2) additional one-year terms for the purchase of liquid chlorine in 150-pound cylinders. All extensions of the contract are subject to the availability of funding. Price modifications for the extensions may be made if the contractor provides proof of changes in their invoice price as required under 2 G.A.R. Section 3118. This specification describes the requirements for the provision of liquid chlorine under this solicitation.

The product described herein shall be manufactured, packaged, shipped, and stored in accordance with the latest additions of the following codes and standards as well as any applicable referenced standards within.

1. AWWA B301-04: Standard for Liquid Chlorine.
2. ANSI/NSF Standard 60: Drinking Water Chemicals.
3. Chlorine Institute, Pamphlet 17: Cylinder and Ton Container Procedures for Chlorine Packaging.
4. Compressed Gas Association, Pamphlet C6: Standards for Visual Inspection of Steel Compressed Gas Cylinders.
5. US Department of Transportation, Hazardous Materials Regulations 49 C.F.R. § 100-177 (Chapter 1, Subchapter C).

B. MATERIAL SPECIFICATION: Liquid Chlorine for disinfection of potable water supplies must meet the requirements of AWWA Standard B-301-04, Section 4.

The supplier under this contract shall be responsible for providing certified analysis from the manufacturer demonstrating compliance with the requirements set forth in this bid.

CONTAINERS: The supplier shall be responsible for providing, inspecting, testing and cleaning of cylinders in accordance with all referenced standards.

1. GWA currently has an inventory of 280 each 150 lbs. and 12 each One Ton GWA-owned cylinders that are currently being used by GWA. These cylinders shall be used by the successful bidder upon exchange on an empty 150 lbs.' or 1-ton cylinder. GWA shall have the right to certify whether or not said cylinders are in good useable condition.
2. Cylinders shall be inspected, tested, and cleaned in accordance with AWWA Standard B301-04, Section 5. The supplier must maintain at all times documentation of compliance with these requirements at the supplier's facility.
3. GWA reserves the right to reject any cylinders that do not meet the chemical, physical, or safety requirements of this specification. In the event that a cylinder is rejected, the supplier shall replace it with a like amount of satisfactory liquid chlorine in an acceptable container.
4. No cylinder deposit or cleaning charge shall be separately levied. All fees for the maintenance of 150 lb and One Ton. cylinders in accordance with applicable codes shall be included in the unit cylinder price.

C. STORAGE AND MINIMUM INVENTORY REQUIREMENTS:

Due to the potential for interruption of shipping networks to Guam due to typhoons and other causes, it is necessary to maintain a minimum inventory (backup reserve) of chlorine in order to insure availability at all times. The minimum backup reserve has been established for GWA by the USEPA as noted below.

1. The supplier shall maintain a sufficient inventory of 150 pound and one-ton chlorine cylinders such that a backup reserve of at least 200 150 lbs. cylinders and three (3) one ton shall be available at any and all times. This reserve shall be exclusive of any reserve required by other customers.
2. The supplier shall provide an inventory plan (along with bid), based on the quantities described above, illustrating compliance with these backup reserve provisions.
3. The supplier shall responsible for maintaining a storage facility in compliance with OSHA and other applicable law, codes and standards regarding the receiving, handling, storage, delivery, and emergency response to chlorine gas. The supplier shall maintain documentation of compliance to be provided at the request of GWA.
4. No additional facility maintenance or storage charges (or any other charge) shall be separately levied. All fees for shipping, storage and facility maintenance shall be included in the unit cylinder price.

D. SPECIAL CONDITIONS:

1. The contract for the supply of liquid chlorine shall be for a period of three (3) years. GWA reserves the right to renew this contract for two (2) additional one-year terms with both parties so agree in writing. All extensions of the contract are subject to the availability of funding. Price modifications for the extensions may be made if the contractor provides proof of changes in their invoice price as provided under 2 G.A.R. Section 3118.
2. Cost data pursuant to 2 G.A.R. § 3118 to support any proposed increase must be submitted to the Purchasing Director no less than 90 days prior to the effective date of any such requested price increase. Any adjustment allowed shall consist of verifiable material cost increases which may be passed on to the consumer.
3. No adjustment shall be made to compensate a supplier for inefficiency in operation, or for additional profit.
4. Bids indicating price in effect at time of shipment will be considered invalid.
5. Bidder shall respond to a GWA facility should an emergency situation develop, with the appropriate tools necessary to deal with a leak; said response shall be no longer than two hours from the time of notification. Emergency numbers for this procedure shall accompany the bid.
6. If the products proposed in the response to this bid vary in any way from the requirements contained in this specification or other solicitation documents, the bidder is responsible to clearly identify by specification section number, all such differences in writing at the time of bid. Otherwise, it will be assumed that bidder's offer is in total compliance with all aspects of the specification and bid.

II. GENERAL TERMS AND CONDITIONS

A. AUTHORITY.

This Invitation for Bids is issued subject to all of the provisions of the Guam Procurement Act and the Guam Procurement Regulations. The bid requires all parties involved in the preparation, negotiation, performance, or administration of contracts to act in good faith. Failure on the part of any bidder to act in good faith shall serve as a basis for voiding a bid or shall constitute a material breach of any contract entered into between GWA and any bidder which shall allow GWA to immediately terminate the contract.

B. EXPLANATION TO BIDDERS.

Except as otherwise provided herein, no oral explanation in regard to the meaning of any provision of this Bid will be made and no oral instructions will be given before the award of the bid. Discrepancies, omissions, or doubts as to the meaning of any provision of this Bid shall be communicated in writing to the named individual of GWA.

C. QUESTIONS.

All questions regarding the bid must be submitted in writing and be delivered, via US mail, via express delivery, e-mail or via fax and directed to the following:

Guam Waterworks Authority
Procurement Section
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, GU 96913
Fax. No.: (671) 649-3750
psabids@guamwaterworks.org

D. METHOD OF AWARD.

GWA intends to review the bids immediately upon the opening of the bids as provided herein. The bids submitted will be the primary documents for evaluation. GWA reserves the right to waive any minor information or irregularity in bids received. GWA shall have the prerogative to award, amend or reject bids in whole or in part. GWA is not responsible for any and all costs incurred by any person or party incurred in preparing any bid. GWA reserves the right to retain all bids submitted regardless of whether a firm is selected. Submission of a bid indicates acceptance of all terms and conditions by the bidder.

E. REJECTION.

GWA has the right to reject all bids or offers which have been submitted in response to this Bid, at any time, including after delivery if goods are determined to be non-conforming, if GWA

determines such to be in the best interest of GWA. All bids and contractual obligations are subject to the availability of funding.

F. TAXES.

Bidders are cautioned that they may be subject to Guam Business Privilege Taxes, including Gross Receipt Tax and Guam Income Taxes on Guam transactions. GWA shall not be responsible for paying any taxes owed by any vendor. Specific information of taxes may be obtained from the Director of the Guam Department of Revenue and Taxation.

G. LICENSING.

Bidders are cautioned that GWA will not consider for award any bid offer submitted by a bidder who has not complied with Guam Licensing Laws. Specific information on licenses may be obtained from the Director of Revenue and Taxation.

H. COVENANT AGAINST CONTINGENT FEES.

The bidder warrants that it has not employed any person to solicit or secure any resultant contract upon agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give GWA the right to terminate the contract, or in its discretion, deduct from the contract price or consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commissions payable by the bidder upon contracts or sales secure or made through bona fide established commercial or selling agencies maintained by the bidder for the purpose of securing business.

I. JUSTIFICATION OF DELAY.

The bidder who is awarded the bid guarantees that performance will be completed within the agreed upon completion date. If, however, the selected bidder cannot comply with the completion requirement, it is the selected bidder's responsibility to advise GWA in writing explaining the cause and reasons of the delay.

J. DISCLOSURE OF MAJOR SHAREHOLDERS.

As a condition of bidder, any partnership, sole proprietorship or corporation doing business with GWA shall submit an affidavit executed under oath that list the name address of any person who has held more than ten percent (10%) of the outstanding interest or shares in said partnership, sole proprietorship or corporation at any time during the twelve (12) month period immediately preceding submission of a bid. The affidavit shall contain the number of shares or the percentage of all assets of such partnership, sole proprietorship or corporation, which have held by each such person during the twelve (12) month period. In addition, the affidavit shall contain the name and address of any person who has received or is entitle to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid for the bidder and shall also contain the amounts of any such commission, gratuity or other compensation. A bid from any firm that has person on the list 10% or more affidavit that is a member of the CCU or a GWA

or Guam Power Authority officer that reports directly to the Board will not be evaluated and will be rejected. The affidavit shall be open and available to the public inspection and copying.

K. EQUAL EMPLOYMENT OPPORTUNITY.

Section 3.01(1) of Presidential Executive Order No. 10935 dated March 7, 1965, that was adopted on Guam, requires that the bidder not discriminate against any employee or applicant for employment because of race, creed, color or national origin. The bidder will take whatever steps are necessary to ensure that its employees are treated equally during employment without regard to their race, creed, color or national origin.

L. DETERMINATION OF RESPONSIBILITY OF OFFERORS.

GWA reserves the right to secure information necessary to assess the competency and qualifications of the bidder, in accordance with the "Standard for Determination of the most Qualified bidder" section of the General Terms and Conditions. The competency of bidders, includes, but is not limited to testing of goods and/or services provided by the bidder.

M. STANDARD FOR DETERMING WHETHER BIDDER IS QUALIFIED.

In determining whether a bidder is qualified, GWA shall be guided by the following:

1. the ability, capacity, and skill of the bidder to perform (i.e., is bidder qualified);
2. whether GWA believes that the bidder can perform promptly or within the specified time;
3. the character, integrity, reputation, judgment experience, and efficiency of the bidder;
4. the sufficiency of the financial resources and ability of the bidder to perform;
5. whether the bidder has submitted all documents required under this Bid; and
6. whether the bidder can meet the terms and conditions of the Bid.

N. PRE-BID CONFERENCES.

Pre-bid conferences may be held at any time prior to the date established herein for submission of bids to explain the procurement requirements for this Bid. GWA will notify all bidders of any substantive clarification provided in response to any inquiry. GWA may extend the due date if such information significantly amends the solicitation or makes compliance with the original proposed due date impractical.

O. BIDS.

The Bidder is required to read each and every page of the bid and by the act of submitting a bid shall be deemed to have accepted all conditions contained therein except as noted elsewhere in the bid. In no case will failure to inspect constitute grounds for a claim or for the withdrawal of a bid after opening. Bids shall be filled out in ink or typewritten and signed in ink. Erasures or other changes in a bid must be explained or noted over the signature of the bidder. Bids containing any conditions, omissions, unexplained erasures or alterations or items not called for in the bid or irregularities of any kind may be rejected by GWA in whole or in part.

P. COMPETENCY OF BIDDERS.

Bids will be considered only from such bidders who, in the sole opinion of GWA, can show evidence of their ability, experience, equipment, and facilities to render satisfactory performance of the terms and conditions herein (see item "N" above for standards). GWA reserves the right to take all reasonable steps to determine the competency of bidders, including asking questions, testing or any other act deemed prudent by GWA based on the circumstances.

Q. REQUEST FOR BID FORMS.

Each bidder shall be provided with one (1) set of the Bid packet at a cost of $15.00. If the bidder wishes to download a bid packet on GWA website www.guamwaterworks.org, the fee will not be charged and be automatically registered with GWA procurement office. All payments shall be by cash, certified check, credit card or money order and shall be made payable to GWA. Prospective bidders are encouraged to visit our website or visit/contact GWA Procurement section located on the first floor of Gloria B. Nelson Public Service Building, 688 Route 15, Mangilao, GU 96913 @ 300-6027/6030 to **ensure that updated information, for obtaining answers to questions, bid amendments and notices are distributed.**

R. BID ENVELOPE.

Bid envelopes shall be sealed and marked with the bidder's name and GWA's Invitation for Bid Number.

S. FORM OF BID.

One (1) original hard copy, two (2) complete hard copies and one (1) electronic copy of the bid must be submitted. The original bid must be signed in ink by a person authorized to submit bids on behalf of the bidder. All bids shall be submitted entirely in English (including brochures).

The electronic copy of the bid shall be submitted on a compact disk ("CD"). All documents shall be in ".pdf" format. Electronic bids shall constitute an exact replica of the original hard copy of the bid that is being submitted.

Bidders may declare portions of their bid as being confidential. Material so designated shall accompany the bid and shall be readily separable from the bid in order to facilitate public inspection of the non-confidential portion of the bid. However, prices and makes and models or catalogue numbers of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary. GWA may review the material declared to be confidential to determine the validity of any requests for nondisclosure of trade secrets and other proprietary data identified in writing. If the parties do not agree as to the disclosure of data, GWA shall inform the bidders in writing what portions of the bids will be disclosed. All bids shall be opened to public inspections subject to any continuing prohibition on the **confidential** data.

T. MODIFICATION / ALTERATION.

After the opening of bids, GWA or its designee(s) may conduct discussions with bidders that have submitted valid bids for the purpose of clarification to provide GWA with a full understanding as to the responsiveness and capabilities of the proposed bidder in meeting the requirements of the bid. In conducting discussions there shall be complete confidentiality of any information derived from bids submitted by competing bidders.

U. MODIFICATION OR WITHDRAWAL OF BIDS.

Bids may be modified or withdrawn at any time prior to submission, as otherwise provided herein or by the Guam Procurement Code.

V. CONTACT FOR CONTRACT NEGOTIATION.

All vendors are required to designate a person whom GWA may contact for prompt negotiation.

NAME: _____ TITLE: _____

_____

ADDRESS: _____ TELEPHONE: _____

_____

W. AWARD OF CONTRACT AND NEGOTIATION (IF APPLICABLE).

The lowest responsible bidder may be required to enter into a contract with GWA on terms and conditions acceptable to GWA. If the services are to be secured via Purchase Order, the bidder must still comply with all applicable laws, bid requirements and directives from GWA regardless of whether or formal "contract" has been issued.

The bidder who submits the lowest responsible bid for the required services or supplies may be required to enter into a contract within twenty (20) days following Bidder's receipt of the Notice of Award of Bid. Contract negotiations will be directed toward: (1) making certain that the bidder has a clear understanding of the scope of work, specifically, the essential requirements involved in providing the required services; and (2) determining that the bidder will make available the necessary personnel and facilities to perform the services within the required time. Bidders will be required to follow all laws applicable to this bid at all times and the Bidder is responsible for ascertaining what laws are applicable to this bid.

X. NOTICE OF AWARD.

Written notice of award will be public information and made a part of the procurement file.

Y. CERTIFICATION AGAINST THE EMPLOYMENT OF CONVICTED SEX

OFFENDERS.

All vendors must complete and fill out a Certification Against the Employment of Convicted Sex Offenders (part of bid packet – if not present, make sure you ask for one).

Z. TERMINATION OF BID.

After opening, but prior to award, GWA may terminate the bid in whole, or in part if:

1. It is in the best interest of GWA to do so.
2. The goods or services being sought are no longer required.
3. Bid amounts exceed available funding.
4. No bidder is qualified.

III. SPECIAL TERMS AND CONDITIONS

Note, these special terms and conditions apply in the event that GWA uses a purchase order. However, in the event a formal contract is entered into, the terms of the Contract shall control in the event of a conflict between these terms and conditions and the contract.

A. GENERAL COMPLIANCE WITH LAWS.

The Bidder agrees that they shall comply with all Federal and territorial laws, rules, regulations and ordinances applicable to the work being performed hereunder. Bidder shall attach a copy of appropriate business license or an affidavit executed under penalty of perjury that indicates that Bidder is exempt under Guam law (must include legal citations proving exemption). Bidder agrees that they have and will continue to familiarize themselves with the requirements of all laws and rules applicable to this procurement. Failure on the part of the bidder to familiarize themselves with the law and rules shall not excuse Bidder in any way.

B. All OR NONE BIDS

If applicable to this bid, GWA is requesting all of the bid items to be bidded or none at all. GWA will not award on an itemize basis.

C. BIDDERS PRICE

GWA will consider not more than (2) (Basic and Alternate Bids) item prices and the bidder shall explain fully each price if supplies, materials, equipment, and/or specified services offered comply with specifications and the products origin. Where basic or alternate bid meets the minimum required specification, cost and other factors will be considered. Failure to explain the requirements will result in rejection of the bid.

D. ACCESS TO RECORDS AND OTHER REVIEW.

The bidder, including his subcontractors, if any, shall maintain copies of all books, documents, papers, accounting records and other evidence pertaining to costs incurred and to make such materials available at their respective offices at all reasonable times during the contract period and for three (3) years from the date of the final payment under the contract, for inspection by the Guam Waterworks Authority. All originals of any documents related to this Contract shall be provided to GWA as soon as possible, but not later than one day prior to the conclusion of this Agreement. Each subcontract entered into by Bidder pursuant to this agreement shall include a provision containing the conditions of this Section.

E. OWNERSHIP OF DOCUMENTS.

All briefs, memoranda and other incidental Bidder work or materials furnished hereunder shall be and remain the property of GWA including all publication rights and copyright interests and may be used by GWA without any additional cost to GWA.

F. INDEMNITY.

Bidder agrees to save and hold harmless the CCU, GWA, its officers, agents, representatives, successors and assigns and other governmental agencies from any and all suits or actions of every nature and kind, which may be brought for or on account of any injury, death, or damage to the extent arising or growing out of the negligent acts or omissions of the Bidder, Bidder's officers, agents (including subcontractors), servants or employees under this agreement.

G. CHANGES.

By written order, at any time, and without notice to bidder's surety, GWA may, subject to all appropriate adjustments, make changes within the general scope of work of this Contract in any one or more of the followings:

1. Drawings, designs or specifications, if the supplies or services to be furnished are to be specifically manufactured for GWA in accordance therewith;
2. Method of shipping or packing; or
3. Place of delivery.

If any such change order increases or decreases the bidder's cost of, or the time required for performance of any part of the work under this contract, whether or not changed by the order, an adjustment shall be made and the contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this Contract.

Failure of the parties to agree to an adjustment shall not excuse the bidder from proceeding with the Contract as changed, provided that GWA promptly and duly make such provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the bidder shall not be deemed to have prejudiced any claim for additional compensation, or an extension of time for completion.

Within 30 days after receipt of a written change order, unless such period is extended by GWA in writing, the Bidder shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the Bidder's claim unless GWA is prejudiced by the delay in notification. No claim by the Bidder for an adjustment hereunder shall be allowed if notice is not given prior to final payment given under this bid.

In the absence of such a change order, nothing in this clause shall be deemed to restrict the bidder's right to pursue a claim arising under the contract if pursued in accordance with the clause entitled "Claims Based on Acts or Omissions by GWA" of this Contract.

H. TERMINATION.

TERMINATION FOR DEFAULT:

(1). Default. If the Bidder refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract, or any extension thereof, otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of this contract as determined by GWA, then GWA may notify the Bidder in writing of the delay or non-performance and if not cured in ten days or any longer time specified in writing by GWA. GWA may terminate the Bidder's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part GWA may procure similar services in a manner and upon terms deemed appropriate by GWA. The Bidder shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar services.

(2) Bidder's Duties. Notwithstanding termination of the contract and subject to any directions from GWA, the Bidder shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the Bidder in which GWA has an interest.

(3) Compensation. Payment for completed services delivered and accepted by GWA shall be at the contract price. Payment for the protection and preservation of property shall be in an amount agreed upon by the Bidder and GWA; if the parties fail to agree, GWA shall set an amount subject to the Bidder's rights under Chapter 9 (Legal and Contractual Remedies) of the Guam Procurement Regulations. GWA may withhold from amounts due the Bidder such sums as GWA deems to be necessary to protect GWA against loss because of outstanding liens or claims of former lien holders and to reimburse GWA for the excess costs incurred in procuring similar goods and services.

(4) Excuse for Nonperformance or Delayed Performance. Except with respect to defaults of sub-contractor(s) of Bidder, the Bidder shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the Bidder to make progress in the prosecution of the work hereunder which endangers such performance) if the Bidder has notified GWA within 15 days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the public enemy; acts of the government of Guam and any other governmental entity in its sovereign or contractual capacity; fires; floods; epidemics;

quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform or to make progress due to such causes similar to those set forth above, the Bidder shall not be deemed to be in default, unless the services to be furnished by the sub-contractor were reasonably obtainable from other sources in sufficient time to permit the Bidder to meet the contract requirements. Failure of the sub-contractor to perform for reasons other than cited above shall constitute a default of the Bidder unless cured by Bidder with a reasonable time. Upon request of the Bidder, GWA shall ascertain the facts and extent of such failure, and, if GWA determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the Bidder's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of GWA and the government of Guam under the laws of Guam.

(5) Erroneous Termination for Default. If, after notice of termination of the Bidder's right to proceed under the provisions of this clause, it is determined for any reason that the Bidder was not in default under the provisions of this clause, or that the delay was excusable under the provisions of Paragraph (4) (Excuse for Nonperformance or Delayed Performance) of this clause, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Subsection C, below.

(6) Additional Rights and Remedies. The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract

TERMINATION FOR CONVENIENCE:

(1) Termination. GWA may, when the interest of GWA so requires, terminate this contract in whole or in part, for the convenience of GWA. GWA shall give written notice of the termination to the Bidder specifying the part of the contract terminated and when termination becomes effective.

(2) Bidder's Obligations. The Bidder shall incur no further obligations in connection with the terminated work and on the dated set in the notice of termination the Bidder will stop work to the extent specified. The Bidder shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The Bidder shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. GWA may direct the Bidder to assign the Bidder's right, title, and interest under terminated orders or subcontracts to GWA. The Bidder must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

(3) Right to Work Product. Upon termination of the contract for the convenience of GWA or for any other reason, Bidder shall transfer title and deliver to GWA all documents and reports, plans, drawings, information and other material produced by Bidder or any of its sub-contractors in connection with the performance of this contract. The Bidder shall protect and preserve property in its possession or in the possession of any of its sub-contractors in which GWA has an interest.

(4) Compensation.

(a) The Bidder shall submit a termination claim specifying the amount due because of the termination for convenience together with cost or pricing data to the extent required by 2 G.A.R. § 3118 (Cost or Pricing Data) of the Guam Procurement Regulations bearing on such claim. If the Bidder fails to file a termination claim within one year from the effective date of termination, GWA may pay the Bidder, if at all, an amount set in accordance with Subparagraph (c) of this Paragraph.

(b) GWA and the Bidder may agree to a settlement provided the Bidder has filed a termination claim supported by cost or pricing data to the extent required by 2 G.A.R. § 3118 (Cost or Pricing Data) of the Guam Procurement Regulations and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by GWA and the contract price of the work not terminated.

(c) Absent complete agreement under Subparagraph 4(b) of this Section, GWA shall pay the Bidder the following amounts, provided payments that are agreed upon under Subparagraph 4(b) shall not duplicate payments under this Subparagraph:

(i) contract prices for services accepted under the contract;

(ii) costs incurred in preparing to perform and performing the terminated portion of the work plus a fair and reasonable profit on such portion of the work (such profit shall not include anticipatory profit or consequential damages) less amounts paid or to be paid for accepted supplies or services; provided, however, that if it appears that the Bidder would have sustained a loss if the entire contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(iii) costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Subparagraph (b) of this clause;

(iv) the reasonable settlement costs of the Bidder including accounting, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract for the termination and settlement of subcontracts hereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this contract. Attorney's fees if for any reason it files suit against the government must be paid by the Bidder. The total sum to be paid the Bidder under this Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the Bidder reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under Subparagraph (b) of this Paragraph, and the contract price of work not terminated.

(d) Cost claimed, agreed to, or established under Subparagraph (b) and (c) of this Paragraph shall be in accordance with Chapter 7 (Cost Principles) of the Guam Procurement Regulations.

I. SEVERABLE PROVISIONS.

If any provision of this agreement shall be deemed by a court of competent jurisdiction to be invalid, then such provision shall be deemed stricken from the agreement and the agreement shall be enforced according to its valid and subsisting terms and provisions. The terms of this Contract shall control in the event of any conflict between this Contract and any other document incorporated or referenced herein.

J. GOVERNING LAW AND VENUE.

The validity of any agreement entered into under this bid and any of its terms or provisions, as well as the rights and duties of the parties to this agreement, shall be governed by the laws of Guam. Moreover, any and all actions governing this agreement shall be brought in either the Guam Superior Court or the Guam District Court if applicable.

K. EFFECTIVE DATE OF AGREEMENT.

Any agreement under this Bid shall take effect upon the date said agreement is signed by the GWA General Manger (who shall sign last). Agreements under this provision includes Purchase Orders in the absence of a formal written contract.

L. GOVERNMENT NOT LIABLE.

1. GWA, its officers, agents, employees and governing board assumes no Liability for any accident or injury that may occur to the bidder, bidder's agents, employees, or to bidder's property while on the job or otherwise en route to or from the job during any travel required by the terms of this agreement.

2. GWA, its officers, agents, employees and governing board shall not be liable to bidder for any work performed by the bidder prior to the written and signed approval of this Contract by the General Manager for GWA and by submitting a bid, the bidder expressly waives any and all claims for service performed in expectation of this agreement prior to its signature of the General Manager.

M. ASSIGNMENT.

An assignment of any portion of the performance required under this Bid is not valid unless written approval is first obtained from GWA. Requests for approval of the right to assign any portion of the contract or obligation, if awarded, must be made in writing and submitted with the bid. No other requests for assignment will be accepted.

N. LIQUIDATED DAMAGES.

By submitting a bid, the Bidder agrees to commence work on the date to be specified in a written "Notice to Proceed" from GWA and to fully complete the project within the allotted time

thereafter. In the event that the Bidder fails to complete the work called for in the bid, fails to provide the goods or services in the allotted time, then Bidder shall pay to GWA ¼ of 1% of the total bid price per day as liquidated damages for the non-performance as specified by the Guam Code Annotated. The liquidated damages herein are not a penalty, but rather a reasonable estimate by GWA of the loss it would suffer as a result of non-performance.

O. CONTRACT DOCUMENTS.

It is hereby mutually agreed that the following list of instruments, plans, specifications and documents which are attached hereto, bound herewith or incorporated herein by reference shall constitute the Contract Documents, all of which are made a part hereof, and collectively evidence and constitute the Contract between the parties, hereto, and they are as fully a part of any Agreement resulting from this bid as if they were set out verbatim and in full therein, and are designated as follows:

a. Invitation to Bid
b. Instructions to Bidders
c. Bid
d. Form of Non-Collision Affidavit
e. Bid Bond
f. Formal Contract (which shall control in the event of conflict between this and any other contract document)
g. Performance Bond (if applicable)
h. Payment Bond (if applicable)
i. General Provisions
j. Special Provisions
k. Technical Specifications
l. Plans (if any)
m. Addenda/Amendments
n. Answers to Questions (if GWA determines they are applicable).

P. DISPUTES.

Except as otherwise specifically provided in this contract, all disputes concerning questions of fact arising under this bid shall be decided by the GWA General Manager whose decision shall be final and conclusive upon the parties thereto. In the meantime, the bidder shall diligently proceed with the work as directed. However, the final decision of the GWA General Manager is appealable to the Guam Public Auditor as provided under 5 G.C.A. § 5427(e).

Q. CONTRACT ISSUED UNDER THIS BID IS BINDING.

It is agreed that any contract under this bid and all the Covenants hereof shall insure to the benefit of and binding upon GWA and the bidder respectively and his parties, successors, assignees and legal representative. Neither GWA nor the Bidder shall have the right to assign, transfer or sublet his interests or obligations hereunder without written consent of the other party.

It is hereby mutually agreed by and between the parties hereto that no mechanic, contractor, subcontractor, material man or other person can or will contract for or in any other manner have or acquire any lien upon the binding or works covered by the contract, or the land upon which the same is situated.

R. BIDDER'S RESPONSIBILITIES.

The Bidder shall be responsible for the quality and workmanship of all services and materials furnished under this contract. The Bidder shall, without additional cost to GWA, correct or revise all errors or deficiencies in his/her products or work.

GWA's review, approval, acceptance of, and payment for goods, fee, or for services required under this contract, shall not be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of the Bidder's failure of performance of this contract and the Bidder shall be and remain liable to the GWA for all costs of any kind which may be incurred by the GWA as a result of the Bidder's negligent or erroneous performance of any of the services performed under this Bid. GWA shall continue to remain liable for its own negligent acts and those of its employees and its failure to perform as provided under this agreement.

S. SCOPE OF AGREEMENT.

Any Agreement issued under this bid and signed by the GWA General Manager (formal contract or Purchase Order) supersedes any and all other Agreements, either oral or in writing, between the parties hereto with respect to retaining the services of Bidder by the GWA and contains all of the covenants and terms between the parties with respect to such this project. Each party to this Agreement acknowledges that no representation, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement and addenda will be effective only if it is in writing signed by the party to be charged. For the purposes of this paragraph and of the entire agreement, the signature of the General Manager for the Guam Waterworks Authority (or his designee) is the only signature that will bind the GWA.

T. CHANGE ORDERS.

By written order, at any time, and without notice to Bidder's surety, GWA may, subject to all appropriate adjustments, make changes within the general scope of work of this Contract in any one or more of the followings:

1. Drawings, designs or specifications, if the supplies or services to be furnished are to be specifically manufactured for GWA in accordance therewith;
2. Method of shipping or packing; or
3. Place of delivery.

If any such change order increases or decreases the Bidder's cost of, or the time required for performance of any part of the work under this contract, whether or not changed by the order, an

adjustment shall be made and the contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this Contract.

Failure of the parties to agree to an adjustment shall not excuse the Bidder from proceeding with the Contract as changed, provided that GWA promptly and duly make such provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the Bidder shall not be deemed to have prejudiced any claim for additional compensation, or an extension of time for completion.

Within 30 days after receipt of a written change order, unless such period is extended by GWA in writing, the Bidder shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the Bidder's claim unless GWA is prejudiced by the delay in notification. No claim by the Bidder for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this Contract.

In the absence of such a change order, nothing in this clause shall be deemed to restrict the Bidder's right to pursue a claim arising under the contract if pursued in accordance with the clause entitled "Claims Based on Acts or Omissions by GWA" of this Contract.

U. STOP WORK ORDERS.

GWA may by written order to the Bidder, at any time, and without notice to any surety, require the Bidder to stop all or any part of the work called for in the Contract. This order shall be for a specified period not exceeding ninety (90) days after the order is received by the Bidder, unless the parties agree to any longer period. Upon receipt of the order, the Bidder shall comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties have agreed, GWA shall either cancel the work order or terminate the work covered by the order as provided under the Termination for Default or Termination for Convenience Clauses contained in this contract.

If a stop work order issued under this clause is cancelled at any time during the period specified in the order, of the period of the order or any extension thereof expires, the Bidder shall have the right to resume work. An appropriate adjustment shall be made to the delivery schedule or Bidder only if: (a) the stop work order results in an increase in the time required for performance or the Bidder's cost; and (b) if the Bidder asserts a claim for such an adjustment within thirty (30) days after the end of the period of work stoppage; provided that, if GWA decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract. If a stop work order is not cancelled and the work covered by the order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowed pursuant to the price adjustment clause of this Contract.

V. CLAIMS BASED ON ACTS OR OMISSIONS BY GWA.

If any action or omission on the part of GWA requiring performance changes within the scope of the contract constitutes the basis for a claim by the Bidder for additional compensation, damages,

or an extension of time for completion, the Bidder shall continue with performance of the contract in compliance with the directions or orders of GWA, but by so doing, the Bidder shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

(a) the Bidder shall have given written notice to GWA:

(i) prior to the commencement of the work involved, if at that time the Bidder knows of the occurrence of such action or omission;

(ii) within 30 days after the Bidder knows of the occurrence of such action or omission, if the Bidder did not have such knowledge prior to the commencement of the work; or

(iii) within such further time as may be allowed by the Procurement Officer in writing.

This notice shall state that the Bidder regards the act or omission as a reason which may entitle the Bidder to additional compensation, damages, or an extension of time. The Procurement Officer or designee of such officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Procurement Officer or designee of such officer.

(b) the notice required by Subparagraph (a) of this Paragraph describes as clearly as practicable at the time the reasons why the Bidder believes that additional compensation, damages, or an extension of time may be remedies to which the Bidder is entitled; and

(c) the Bidder maintains and, upon request, makes available to the Procurement Officer within a reasonable time, detailed records to the extent practicable, of the claimed additional costs or basis for an extension of time in connection with such changes.

Nothing herein contained, however, shall excuse the Bidder from compliance with any rules of law precluding any GWA official or its Bidders from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the contract.

Any adjustment in the contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this contract.

W. PRICE ADJUSTMENT CLAUSE.

Any adjustment in contract price pursuant to clauses in this contract shall be made in one or more of the following ways:

(a) by agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

(b) by unit prices specified in the contract or subsequently agreed upon;

(c) by the costs attributable to the event or situation covered by the clause, plus appropriate profit or fee, all as specified in the contract or subsequently agreed upon;

(d) in such other manner as the parties may mutually agree; or

(e) in the absence of an agreement between the parties, by a unilateral determination by the GWA General Manager of costs attributable to the event or situation covered by the clause, plus appropriate profit or fee, all as computed by the GWA General Manager in accordance with generally accepted accounting principles and applicable sections under Chapter 7 (Cost Principles) of the Guam Procurement Regulations and subject to the provisions under Title 5, Chapter 5 of the Guam Code Annotated (Legal and Contractual Remedies).

X. SERVICE DISABLED VETERAN PREFERENCE.

Please note that in the event a bid is submitted by a bona-fide service disabled veteran where the bidder is at least fifty-one percent (51%) owned by a service-disabled veteran and the price for the supply or service *does not* exceed one hundred five percent (105%) of the lowest price bidder, GWA is required under 5 G.C.A. § 5011 to award the bid to the service-disabled owned business. A service-disabled veteran business must meet all of the following qualifications under 5 G.C.A. § 5012:

(a) the business concern is licensed to do business on Guam;
(b) the business concern maintains its headquarters on Guam;
(c) the business concern is *at least* fifty-one percent (51%) owned by a service-disabled veteran(s) who served in the active U.S. military service, was discharged or released under honorable conditions and whose disability is service-connected as demonstrated by a DD214, and certified by an award letter from the U.S. Department of Veterans Affairs;
(d) the DD214 and Disability award letter from the U.S. Department of Veterans Affairs are submitted to the procuring entity for every service or supply offered; and;
(e) the service-disabled veteran(s) owner of the business concern has filed individual tax returns on Guam for a period of *at least* three (3) consecutive years

For any request for a price adjustment, the contractor shall submit cost or pricing data for any price adjustments subject to the provisions of 2 G.A.R. § 3118 of the Guam Procurement Regulations.

IV. ADDITIONAL SPECIAL TERMS AND CONDITIONS

This is an "Indefinite Quantity Bid" pursuant to the Guam Procurement Regulations. **The quantities reflected in the bid are estimated requirements only and not guaranteed minimums. The amounts listed are GWA's best estimate of its average annual needs.** Quantities may increase or decrease thru the duration of the contract and continued purchase is subject to the availability of funds. No commitment is made to vendors in terms of purchasing quantity.

A. The purpose of this bid is to provide GWA with a sufficient quantity of 150 lbs. and one-ton liquid chlorine cylinders and to provide GWA with a sufficient supply of liquid chlorine to allow GWA to safely operate its water system and to comply with the terms and conditions of the USEPA / GWA Stipulated Order for Preliminary Relief (as amended) entered into on June 5, 2003. In addition, these specifications have been written to describe minimum performance requirements of the items to be supplied.

B. GWA reserves the right to conduct a reasonable test following delivery and prior to acceptance to confirm that the products (both the cylinders and the chlorine) meet the minimum specifications set forth herein or otherwise performs as required.

C. These specifications have been written to describe the minimum requirements to be supplied by the vendor bidding. This bid is subject to Guam's Procurement Laws.

GWA hereby notifies vendors that a reasonable test may be conducted upon delivery of each shipment and prior to acceptance, which may include, but is not limited to testing the goods to be provided under this Bid for quality, manufacturing defects, other irregularities and for compliance with these specifications. GWA also reserves the right to have any goods provided hereunder tested by an independent firm to ensure quality and compliance with requirements set forth in this bid. GWA also reserves the right to have the manufacturing process inspected for all goods provided hereunder.

D. The Guam Waterworks Authority reserves the right to accept and/or reject any and all bids, to waive any defects, irregularities, or specification discrepancies and to award the bid as deemed to be the best interest to GWA.

E. As required under Guam law, GWA reserves the right to cancel this bid if it is in the best interest of GWA to do so.

F. The successful bidder shall warrant that all goods and services to be provided herein are fit for the intended purpose stated in this Bid, are manufactured in the **United States** and meet the standards set forth in this Bid. The bidder shall also warrant all goods provided under this Bid to have a useful product shelf life of a period of not less than one year. However, if the manufacturer of such goods provides a shelf life warranty for any period of time greater than one year for any item, that same warranty period shall be extended to GWA.

G. In addition, the successful bidder will handle all warranty issues arising out of this agreement and shall act as the warranty administrator for the duration of any warranty provided under this Bid. Thus, if the vendor is not the manufacturer of the products provided under this Bid, GWA will not be required by the bidder to contact any manufacturer directly unless the bidder is the manufacturer of all goods provided hereunder and the bidder shall designate a delivery point on Guam for goods to be delivered or bidder shall pay all freight and handling charges associated with the return of the goods to the manufacturer and all costs for replacement.

H. The successful bidder may be required to enter into a written contract on terms and conditions acceptable to GWA (also please note that a Purchase Order is a contract).

I. Bidders are advised that they are required to follow all laws, rules and regulations relating to the provision of goods and services. Ignorance of any law, rule or regulation by the bidder at any time during the bidding process or performance under the bid shall not relieve the vendor from the applicability thereof.

J. All Bidders shall maintain $1,000,000 liability insurance policy throughout the duration of the performance of any contract entered into. Bidders shall provide a copy of the insurance policy to GWA as a condition for entering into the contract with GWA. Bidders shall also provide GWA with proof the policy has been renewed and kept in force throughout the contract term.

K. Prior to entering into any contract with GWA, any and all successful bidders shall provide GWA with a valid and up-to-date copy of their Guam Business License which provides proof that they are able to engage in the type of business required for this bid.

L. Bidders are also advised to use and fill out all forms attached to this Bid, including but not limited to the Affidavit of Non-Collusion, Certification Regarding Hiring Convicted Sex Offenders, Bid Bond, and any other form required to complete their bid.

M. Bidders are reminded that submission of a bid constitutes an acknowledgement that they have read and understood all bid terms and agree to be bound by such an that failure to read the bid shall not excuse performance or otherwise give rise to any claim by bidder, including mistake, neglect or for any other reason.

V. SPECIAL PROVISIONS

1. Bid and Performance Bond Requirements:

All bidders are required to submit bid security in the amount of **15%** of their total bid amount which must also indicate that the security is not only for a bid bond, but also for performance under this Bid as required by 5 G.C.A. 5312. Failure to submit a proper bid bond will cause the bid to be rejected. Bid amounts are based on the total cost for the total number of units specified.

As required by law, the bid security shall not be released upon award of the bid, but instead shall continue in full force and effect until after delivery of the supplies or services required by the contract awarded to the Bidder under the associated Invitation for Bid is completed to secure the faithful performance under this Bid (**e.g., until warranty period has ended as any warranty is a service provided in conjunction with the delivery of goods**).

THE BID/PERFORMANCE GUARANTEE MAY BE IN THE FORM OF:

a. Cashier's Check or Certified Check

b. Letter of Credit
c. Surety Bond – Valid only if accompanied by:
   i. Current Certificate of Authority;
   ii. Power of Attorney issued by the Surety to the Resident General Agent;
   iii. Power of Attorney issued by two (2) major officers of the Surety to whoever is signing on their behalf

2. **Performance Bond**: see Section 1 above.

3. **Failure To Submit Required Documentation.**

Failure by Bidder to submit the required information or data will be cause to declare the bidder as non-compliant with the bid. Any declaration of non-compliance shall be at the sole discretion of the General Manager of the Guam Waterworks Authority.

4. **Shipping and Cost:**

Total cost must include CIF delivery to GWA's Ugum Water Treatment Facility located in Talafofo, Guam. Deliveries shall be made via flatbed truck or other means acceptable to GWA. If necessary, a forklift must be provided during deliveries by the successful vendor to unload the truck and place the chemicals at places at the Ugum facility designated by GWA staff. The contractor shall contact GWA's Procurement Division at least 72 hours in advance of each delivery to determine whether or not a forklift will need to be provided

5. **Delivery and Payment**

a. The vendor will be responsible for all cost and all risks associated with the provision of these goods until delivery is made and the items are formally accepted by GWA. Formal acceptance under this bid shall not be deemed to be the mere delivery of the goods. Acceptance will only occur after delivery and inspection / testing is performed by GWA. Delivery time is 30 days from the date on the Notice to Proceed. GWA reserves the right to reject non-conforming goods at any time prior to use after the goods have been delivered.

b. All goods shall be delivered CIF to GWA's Ugum Water Treatment Facility.

c. The initial shipment shall be delivered to GWA within thirty days after the Notice to Proceed has been provided to the vendor. **A Material Safety Data Sheet (MSDS) must be provided with each delivery, regardless of amount. Aside from the initial delivery, all goods must be delivered within 5 businesses from the date the vendor is notified of the need for goods and the amount of goods required to be delivered.**

d. Vendors must maintain at least a three (3) month supply of goods they are responsible for supplying on Guam at all times. Goods shall be stored in a manner to ensure that typhoons or other natural disasters do not make them unavailable to GWA when needed

since weather and natural disasters are exactly why the three (3) month supply is being required given the fact that water is a necessary element to ensuring public health.

e. Please note that usage of the chemicals is dependent upon many factors, including time of year, weather, etc.

Payment for all goods delivered shall be net 30 following the date that an invoice for goods delivered to GWA has been provided to GWA and verified by GWA. Verification shall take no longer than 10 business days. Vendors may not bill GWA for the inventory stock required to be maintained hereunder.

6. Quality:

All items to be delivered under this bid shall be of high quality and be of U.S. manufacture and they shall at all times conform to the specifications set out under this bid.

GWA reserves the right to reject items based on failure to meet the standards set forth herein or based upon quality.

GWA reserves the right to request samples from each bidder to test independently. If bidders do not provide a sample for testing if such a request is made, the bidder may not be deemed to be a qualified bidder and as such their bid may be rejected.

7. Contract Term:

The lowest responsive and responsible bidder for the item above will enter into a contract on terms acceptable to GWA. **Form contracts from vendors shall not be used.** The contract term shall commence on the date of the vendor's acknowledged receipt of a formal Notice to Proceed from GWA. The initial term is for three (3) years for chemicals to be used by GWA to operate the Ugum Surface Water Treatment Facility in compliance with the Long Term 2 Enhanced Surface Water Treatment Rule of the Safe Drinking water Act during the operation of a membrane water treatment facility. GWA finds that a multi-year fixed price contract will ensure the best price in the long-term to hedge against fluctuating prices which tend to increase over time and to increases efficiency in operations by not having to proceed through the bid process annually. This contract may be extended out annually for a maximum period of two (2) years subject to the consent of both parties. In the third-year price adjustments may be made subject to the provision of verified cost and pricing data from the vendor.

8. These specifications have been written to describe minimum performance requirements to be supplied by the manufacturers bidding.

9. The successful bidder shall furnish all necessary information and instructions for the proper operation / completion of all requirements in bid specifications.

10. GWA reserves the right to accept and/or reject any and all bids, to waive any defects, irregularities, or specification discrepancies and to award the bid in the best interest of Guam Waterworks Authority.

These specifications were approved and/or prepared by Miguel C. Bordallo, P.E. General Manager, and hereby constitute the findings and determinations of the General Manager.

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NON-COLLUSION AFFIDAVIT

Guam)
)ss:
Tamuning)

I, _____ first being duly sworn, depose and say:
(Name of Declarant)

1. That I am the _____ of _____.
(Title) (Name of Company or Person Bidding/RFP

2. That in making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham, that said bidder/offeror has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham or to refrain from bidding or submitting a proposal and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or any other bidder, or to secure any overhead, project or cost element of said bid price, or of that of any bidder, or to secure any advantage against the GUAM WATERWORKS AUTHORITY or any person interested in the proposed contract; and

3. That all statements in said proposal or bid are true.

4. This affidavit is made in compliance with 2 G.A.R. § 3126(b).

So sayeth _____
(Declarant)

Signed on this ____ day of _____ 201___, before me a Notary Public in and for Guam, personally appeared _____, known to me to be the authorized representative of _____, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of _____, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the date last above written.

) Seal (

Notary Public

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CERTIFICATION OF NON-EMPLOYMENT OF CONVICTED SEXUAL OFFENDERS

Pursuant to Guam Public Law 28-24, as amended by Guam Public Law 28-98, if a contract for services is awarded to the bidder or offeror, then the service provider must warrant that no person in its employment who has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 of the Guam Code Annotated or of an offense defined in Article 2 of Chapter 28 of Title 9 of the Guam Code Annotated, or who has been convicted in any other jurisdiction of an offense with the same elements as heretofore defined, or who is listed on the Sex Offender Registry, shall provide services on behalf of the service provider while on government of Guam property, with the exception of public highways. If any employee of a service provider is providing services on government property and is convicted subsequent to an award of a contract, then the service provider warrants that it will notify the Guam Waterworks authority ("GWA") of the conviction within twenty-four hours of the conviction, and will immediately remove such convicted person from providing services on government property. If the service provider is found to be in violation of any of the provisions of this paragraph, then the GWA will give notice to the service provider to take corrective action. The service provider shall take corrective action within twenty-four hours of notice from GWA, and the service provider shall notify GWA when action has been taken. If the service provider fails to take corrective steps within twenty-four hours of notice from GWA, then GWA in its sole discretion may suspend temporarily any contract for services until corrective action has been taken.

I, _____ being a duly authorized representative acknowledge the
(print name)

directive as describe above and ensure the Bid Proposal as submitted addresses the directive.

_____
(Company Name)

_____
(Title)

_____ _____
(Signature) (Date)

MAJOR SHAREHOLDER DISCLOSURE AFFIDAVIT

TERRITORY OF GUAM }
}
HAGATNA, GUAM }

I, the undersigned _____, being first duly sworn, depose and says:

1. That the persons who have held more than ten percent (10%) of the company's share during the past twelve months preceding the submission of the bid are as follows (**if none, so state):**

NAME	**ADDRESS**	**PERCENTAGE OF SHARES HOLD**

TOTAL NUMBER OF SHARES_____

2. Persons who have received or are entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid for which this affidavit is submitted are as follows:

NAME	**ADDRESS**	**AMOUNT OF COMMISSIONS, GRATUITY OR OTHER COMPENSATION**

Further, affiant sayeth naught.

Date: _____ _____

Signature of individual if bidder is a sole proprietorship; partner, if the bidders is a partnership; officer, if the bidder is a corporation (or other authorized person).

Subscribed and sworn to before me this ____day of _____, 201__.

Notary Public
In and for the Territory of Guam
My commission expires

BID AND PERFORMANCE BOND FOR GOODS AND SERVICES AS REQUIRED UNDER 5 G.C.A. § 5212

KNOW ALL MEN BY THESE PRESENTS, that (bidder name)_____ _____ as Principal, herein after called the Principal and (name of surety) _____ as duly admitted insurer under the laws of the Territory of Guam, as Surety, hereafter called the Surety, are held and firmly bound unto the Guam Waterworks Authority for the sum of_____Dollars ($_____), for payment of which sum will and truly to be made, the said Principal and the said Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents:

WHEREAS, the Principal has submitted a bid for and is anticipated to enter into a contract in the amount specified below,

_____

_____

NOW, THEREFORE, if the Guam Waterworks Authority shall accept the bid and the Principal shall not withdraw said bid within one hundred twenty (**120**) calendar days after the opening of bids, and shall within twenty-one (21) calendar days after the prescribed forms are presented to him for signature, enter into a Contract with the Guam Waterworks Authority in accordance with the terms of such bid. This bond shall also be held by the Guam Waterworks Authority to secure the faithful performance of such Contract and for the prompt payment of labor, goods, services and materials furnished in the prosecution thereof. In the event of the failure of the Principal to enter into such Contract, or if the Principals (Bidder) fails to perform in accordance with the requirements set out under the Bid or any other written instrument requirement performance thereunder, the Surety, on behalf of the Principals shall pay to the Guam Waterworks Authority the differences not to exceed the penalty hereof between the amounts specified in said bid and such larger amount for which the Guam Waterworks Authority may in good faith contract with another party to perform work covered by said bid or an appropriate liquidated amount as specified in the Invitation for Bids then this obligation shall be null and void, otherwise to remain in full force and effect.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION is such that, if the Bidder shall promptly and faithfully perform said Contract, and shall promptly make payment to all claimants as hereinafter defined for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

A. The Surety hereby waives notice of any alteration or extension of the time made by the Authority provided the same is within the scope of the Contract or any modification thereto.

B. Whenever the Bidder shall be and is declared in default by the Authority to be in default under the Contract, the Authority having performed its obligations hereunder, the Surety may promptly remedy the default or shall promptly:

1. Complete the Contract in accordance with its terms and conditions; or

2. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by the Authority and the Surety of the lowest responsible bidder, arrange for a Contract between such bidder and the Authority, and make available as work progresses (even though there should be a default or a succession of defaults under the Contract or Contracts or completion arranged under this paragraph) sufficient funds to pay the cost of completion, less than balance of the Contract price, but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the Contract Price," as used in this paragraph shall mean the total amount payable by the Authority to Bidder under the Contract and any amendments thereto, less the amount properly paid by the Authority to Bidder. No right of action shall accrue on this bond to or for use of any person or corporation other than the Authority or successors of the Authority.

C. A claimant is defined as one having a direct contract with the Bidder or with a sub-bidder of the Bidder for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.

D. The above named Bidder and Surety hereby jointly and severally agree with the Authority that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date of which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for use of such claimant, prosecute the suit to final judgment to final judgment for such sum or sums as may be justly due the claimant, and have execution thereon. The Authority shall not be liable for the payment of any costs or expenses of any such suit.

E. No suit or action shall be commenced hereunder by any claimant:

1. Unless claimant, other than one having a direct contract with the Bidder, shall have given written notice to any two (2) of the following entities named below:

(a) the Bidder; (b) the Guam Waterworks Authority, or (c) the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be personally served by mailing the same by registered mail or certified mail, postage

prepaid, in an envelope addressed to the Bidder at any place the principal maintains an office or conducts its business.

2. After the expiration of one (1) year following the date on which the last of the labor was performed or material was supplied by the party bringing suit.

3. Other than in a court of competent jurisdiction in and for the Territory of Guam.

F. The amount of the bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

SIGNED AND SEALED THIS _____ day of _____, 20___, A.D.

IN THE PRESENCE OF:
(Note: If the Principals are Partners, each must execute the Bond)

_____	_____
(WITNESS)	(BIDDER) (SEAL)
_____	_____
(TITLE)	(TITLE)
_____	_____
(MAJOR OFFICER OF SURETY)	(MAJOR OFFICER OF SURETY)
_____	_____
TITLE)	(TITLE)

_____
(RESIDENT GENERAL AGENT)

EXHIBIT B

GUAM WATERWORKS AUTHORITY

"Better Water. Better Lives."
Gloria B. Nelson Public Services Building
688 Route 15, Mangilao, Guam 96913

MEMORANDUM

TO: General Manager

VIA: Supply Management Administrator

SUBJECT: Invitation to Bid No. GWA 2019-05
Ref: Liquid Chlorine

FROM: Evaluation Committee Members

REF: Recommendation of Award

DATE: April 23, 2019

Invitation for Bid No: GWA 2019-05 was officially announced and advertised in the Pacific Daily News, Guam Daily Post and Guam Waterworks Authority Website on February 27, 2019 and open as scheduled on April 17, 2019 @ 10:00am Five (5) prospective bidders expressed their interests by acknowledging receipt of the bid package thru GWA's website.

Bidders Register:

1. M.D. Wholesale
2. Deltek
3. Island Equipment Company
4. Innovative Water Care
5. Martech Services, Inc.

Of the Five (5) One (1) submitted their bid package, namely:

- Island Equipment Company

An evaluation committee was formally assembled and met on April 22, 2019 @ 10:30 am in GPWA conference room 1st floor to review/discuss and evaluate the bid.

Upon further clarifications the committee members completed the evaluation process and have determined 'Island Equipment Company have been deemed a responsive bidder and respectfully submitted their bid proposal and is recommend to be awarded based on the lowest cost given on each line item below as follows:

I. BID ITEM(s)

Item No	Description	Min Qty	Unit Cost	Total Cost
1.0	Liquid Chlorine 150 lb. Cylinders	1,260 each	$618.00	$778,680.00
2.0	Liquid Chlorine One (1) Ton	12 each	$6,097.78	$73,173.36
			Grand Total $	**$851,853.36**

BIDDING ON:

MFG: Chemtrade Electrochem, Inc.

Brand: Chemtrade

Place of Origin: North Vancouver (BC Source)

Date of Delivery: 30-35 days ARO
After Receipt of Purchase Order

After a thorough evaluation the committee members agreed and accepts the bid offer from 'Island Equipment and have been determined complied with all specifications and requirements set forth in the IFB.

SUMMARY:

Shipping and Cost:

Total cost must include CIF delivery to GWA's Ugum Water Treatment Facility located in Talafofo, Guam. Deliveries shall be made via flatbed truck or other means acceptable to GWA. If necessary, a forklift must be provided during deliveries by the successful vendor to unload the truck and place the chemicals at places at the Ugum facility designated by GWA staff. The contractor shall contact GWA's Procurement Division at least 72 hours in advance of each delivery to determine whether or not a forklift will need to be provided

Delivery and Payment

a. The vendor will be responsible for all cost and all risks associated with the provision of these goods until delivery is made and the items are formally accepted by GWA. Formal acceptance under this bid shall not be deemed to be the mere delivery of the goods. Acceptance will only occur after delivery and inspection / testing is performed by GWA. Delivery time is 30 days from the date on the Notice to Proceed. GWA reserves the right to reject non-conforming goods at any time prior to use after the goods have been delivered.

b. All goods shall be delivered CIF to GWA's Ugum Water Treatment Facility.

c. The initial shipment shall be delivered to GWA within thirty days after the Notice to Proceed has been provided to the vendor. A Material Safety Data Sheet (MSDS) must be provided with each delivery, regardless of amount. Aside from the initial delivery, all goods must be delivered within 5 businesses from the date the vendor is notified of the need for goods and the amount of goods required to be delivered.

d. Vendors must maintain at least a three (3) month supply of goods they are responsible for supplying on Guam at all times. Goods shall be stored in a manner to ensure that typhoons or other natural disasters do not make them unavailable to GWA when needed since weather and natural disasters are exactly why the three (3) month supply is being required given the fact that water is a necessary element to ensuring public health.

e. Please note that usage of the chemicals is dependent upon many factors, including time of year, weather, etc.

Payment for all goods delivered shall be net 30 following the date that an invoice for goods delivered to GWA has been provided to GWA and verified by GWA. Verification shall take no longer than 10 business days. Vendors may not bill GWA for the inventory stock required to be maintained hereunder.

Contract Term:

The lowest responsive and responsible bidder for the item above will enter into a contract on terms acceptable to GWA. **Form contracts from vendors shall not be used.** The contract term shall commence on the date of the vendor's acknowledged receipt of a formal Notice to Proceed from GWA. **The initial term is for three (3) years** for chemicals to be used by GWA to operate the Ugum Surface Water Treatment Facility in compliance with the Long Term 2 Enhanced Surface Water Treatment Rule of the Safe Drinking water Act during the operation of a membrane water treatment facility. GWA finds that a multi-year fixed price contract will ensure the best price in the long-term to hedge against fluctuating prices which tend to increase over time and to increases efficiency in operations by not having to proceed through the bid process annually. This contract may be extended out annually for a maximum period of two (2) years subject to the consent of both parties. In the third-year price adjustments may be made subject to the provision of verified cost and pricing data from the vendor.

NOTE: Subject to CCU's approval.

Concurred and accepted by the committee members:

Paul Kemp, AGM Compliance and Safety

Ron Topasna, Operations and Maintenance Manager Water Productions

Mary Torres, Buyer II

Roland Lumongsud, Buyer II

Your approval is greatly appreciated.

Antonio Camacho

Reviewed by legal: _____

In consideration of the foregoing, please indicate your approval of this recommendation by your signature below.

[✓] CONCURRED [ ] UNCONCURRED

VINCENT ED. GUERRERO, SMA

[✓] APPROVED [ ] DISAPPROVED

MIGUEL C. BORDALLO, P.E. GENERAL MANAGER

REF: IFB 2019-05 Liquid Chlorine

GUAM WATERWORKS AUTHORITY

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

NOTICE OF CONDITIONAL AWARD

Date: April 24, 2019

Island Equipment Company.
151 West Harmon Industrial Park Road, Unit A.
Tamuning Guam 96913
Phone- #671-646-5261
Fax- #671-646-5268

Re: Invitation for Bid Number: GWA IFB-2019-05
For: Island Equipment Company

Hafa Adai Ms. Bing Mejia,

The Guam Waterworks Authority ("GWA") has considered the bid submitted by Island Equipment Company, for the above described reference in response to its Advertisement for Bids dated February 27, 2019 you are hereby notified of your bid offer on Item Number (s) 1.0, 2.0 been accepted by GWA. Please be advised that you must now deliver all other documents required by the bid, including, but not limited to:

- Proof of Insurance: (if applicable/required part of the bid requirements.)
- Performance and Payment Bond: (if applicable/required part of the bid requirements.)

(Which must remain in full force and effect until all performance has ended, which includes all warranty periods).

You are also advised that any obligation incurred by your firm prior to execution of the contract is entirely at your own risk and GWA shall have no obligation to reimburse costs incurred prior to execution of the contract.

Please note this Notice of Award is conditional on obtaining the approval of the Guam Consolidated Commission on Utilities for any award over $750,000 and the approval of the Guam Public Utilities Commission where the total value over the life of the contract could exceed $1M. Also, award is conditional upon providing any documents such as proof of licensure, proof of insurance or other documents required to be submitted to GWA under the Bid or Guam law.

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You are required to return an acknowledged copy of this Conditional Notice of Award to GWA Procurement Office.

Sincerely,

Miguel C. Bordallo, P.E.
General Manager

ACCEPTANCE OF CONDITIONAL NOTICE OF AWARD

Receipt of the above Notice of Conditional Award for GWA IFB No. GWA 2019-05 is hereby acknowledged

By: _____ Title: _____
Signature (Please Print)

Dated this ____ day of _____, 2019.

* * * * * * * * END OF CONDITIONAL NOTICE OF AWARD * * * * * * *

GUAM WATERWORKS AUTHORITY
"Better Water, Better Lives."
Gloria B. Nelson Public Service Building| 688 Route 15 | Mangilao, Guam 96913
Tel: (671) 300-6846

Issues for Decision

Resolution No. 32-FY2019
Relative to the Ratification of Expenditures for Track Me Guam LLC.

What is the project's objective and is it necessary and urgent?
There is an ongoing need to maintain the fleet and fuel management software services which were provided under a previous Memorandum of Understanding, and GPA-led procurement for such services. The original contract for these services expired in January 2018, and GWA procured additional services for system access & data communication, also referred to as on-board vehicle diagnostics and GPS tracking, for proprietary fleet management devices already installed in active GWA Vehicles under a separate sole-source procurement.

An open competitive procurement is in process for fleet and fuel management services for GWA vehicles and is anticipated to be awarded shortly. However, the recurring monthly service charges prior to the issuance of the existing sole-source procurement were unauthorized, and GWA Management is requesting ratification of the existing procurement so that payment can be made.

Where is the location?
The service has been provided for active GWA fleet vehicles in which the proprietary fleet management devices have already been installed and are used island-wide (Tracking Services).

How much will it cost?
The amount GWA Management is seeking for ratification is $24,640.00

When will it be completed?
This contract is on-going through FY2019.

What is the funding source?
Revenue funded.

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

RESOLUTION NO. 32-FY2019

RELATIVE TO AUTHORIZING THE RATIFICATION OF EXPENDITURES FOR TRACK ME GUAM, LLC.

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

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

WHEREAS, the Consolidated Commission on Utilities under Section 5452 of Title 5 of the Guam Code Annotated has the authority to ratify the procurement of goods and services if there is no indication that the company who was awarded the procurement acted in bad faith and there is a finding that the procurement is for GWA's use and is in the best interest of the Territory of Guam; and

WHEREAS, GWA originally obtained the services through a GPA-led procurement, and a Memorandum of Understanding between GPA and GWA for fleet and fuel management software services; and

WHEREAS, after the expiration of this original contract, GWA issued purchase order no. 301506-000 for fleet and fuel management software services through a Sole Source Procurement (Exhibit A) to Track Me Guam, LLC for system access & data communication, also referred to as on-board vehicle diagnostics and GPS tracking, for proprietary fleet management devices already installed in active GWA fleet vehicles; and

WHEREAS, throughout the course of the service period, GWA exhausted the funds under purchase order no. 301506-000 and on March 21, 2019 a new purchase order request, (no. 303483-000), was prepared, but not initiated, processed or released in a timely manner. (Exhibit B); and

WHEREAS, GWA has received services from Track Me Guam, LLC in excess of the authorized Purchase Order value, as shown in the invoices for the recurring monthly charges (Exhibit C), in the amount of Twenty-Four Thousand Six Hundred Forty Dollars ($24,640.00); and

WHEREAS, GWA Management is requesting ratification by the CCU for expenditures for the monthly recurring charges for system access & data communication of the proprietary fleet management devices installed in active GWA fleet vehicles in the amount of Twenty-Four Thousand Six Hundred Forty Dollars ($24,640.00) and

WHEREAS, the CCU hereby recognizes GWA's obligation to remit for services by Track Me Guam LLC, provided in good faith and also approves, authorizes and ratifies the expenditures.

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

Section 1. The foregoing recitals hereto are hereby ratified, confirmed, and incorporated herein by reference.

Section 2. The Consolidated Commission on Utilities hereby ratifies the payment to Track Me Guam LLC, in the amount not to exceed Twenty-Four Thousand Six Hundred Forty Dollars ($24,640.00) (Exhibit C) on the following grounds:

a. There was no indication of bad faith or fraud in any of the procurements contained herein.
b. According to GWA management, the services is required to ensure the ongoing need to maintain the existing tracking services conducted by Track Me Guam LLC.
c. All of the procurements herein are in the best interest of the Territory of Guam and the Guam Waterworks Authority.

Section 3. This Resolution is hereby determined to be a declaration of official intent of the Consolidated Commission on Utilities

Section 4. All actions heretofore taken by the GWA or the officers thereof or on their behalf not inconsistent herewith related to these purchases are hereby ratified, approved and confirmed.

Section 5. Based on the foregoing, the CCU authorizes GWA management to pay the amount owed between GWA and Track Me Guam LLC, for the monthly recurring charges for system access & data communication for proprietary fleet management devices installed in active GWA fleet vehicles in the amount of Twenty-Four Thousand Six Hundred Forty Dollars ($24,640.00).

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

DULY AND REGULARLY ADOPTED, this 28th day of May, 2019.

Certified by:	Attested by:
_____	_____
JOSEPH T. DUENAS	**MICHAEL T. LIMTIACO**
Chairperson	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: _____

ABSTENTIONS: _____

ABSENT: _____

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GUAM WATERWORKS AUTHORITY

"Better Water. Better Lives."
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao, Guam 96913

MAR 2 8 2019

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

CC: Vince Guerrero, SMA

FROM: Nicolas Cabo, Buyer

SUBJECT: Sole Source Determination

RE: Sole Source Justification for maintenance services for Track Me Guam LLC under 2 G.A.R. 3111

The Guam Waterworks Authority has been doing business with Track Me Guam LLC since June 23, 2009 thru a MEMORANDUM OF UNDERSTANDING, between GWA and GPA in reference to IFB No. GPA-006-15 for Fleet and Fuel Management Software Services which expired on January 2018. This service provided Fleet Management GPS for a number of GWA vehicles. At the time of the initial procurement, Track Me Guam LLC was the Sole and Exclusive distributor to install, perform repairs and support services for vehicle tracking device for E-Drive Technology LTD on island and remains so to this day. Presently, Track Me Guam is providing maintenance services to GWA's existing vehicle fleet (estimated 125) and it has been highly recommended by GWA fleet management that Track Me Guam continue providing these services. GWA has determined and confirmed that no other tracking device product is compatible with E-Drive Technology (corporate number 511295131) system setup, which is solely supported by Track Me Guam. Based upon the forgoing justification, GWA specifically finds it in the best interest of the authority and the Territory of Guam will be best served by granting award to Track Me Guam LLC on the basis of Sole Source as determined.

Concurred by:

Miguel C. Bordallo, P.E, GWA General Manager

Cc: Procurement file

1

GUAM WATERWORKS AUTHORITY

1 : Page
6852: B/O
03/29/18, Date
FOB GWA, F.O.B.

PURCHASE ORDER
GUAM WATERWORKS AUTHORITY

P.O. Box 3010, Hagatna, Guam 96932
PHONE: (671) 647-7818 FAX: (671) 649-3750

No. 301506-000 OP

THIS PURCHASE ORDER MUST APPEAR ON ALL INVOICES PACKING SLIPS, PACKAGES, B/L CORRESPONDENCE, ETC.

Payment Terms: Net 30 Days

APR 19 2018

VENDOR:

TRACK ME GUAM, LLC
DBA TRACKME] GUAM
107 E. HARMON INDUSTRIAL P
UNIT B
TAMUNING GU 96913

SHIP TO:

GUAM WATERWORKS AUTHORITY
578 N. Marine Corps. Dr.
ATTENTION: P & S WAREHOUSE
Tamuning GU 96913

AUTHORITY	IFB / REFERENCE	TIME FOR DELIVERY	EXPIRATION
PL 16-124 / PL 21-148			09/30/2018

ARTICLES OR SERVICES	QTY	UNIT	UNIT PRICE		AMOUNT
CONDITIONS: 2GAR§ Sole Source Procurement REQUESTED BY: PAUL LUJAN / VINCE P. AUTHORIZED PERSONNEL: PAUL LUJAN/PETER BORJA/ERIC HALMI BUSINESS UNIT: 6852 G/L ACCOUNT NO: 6852.950.35022 FUNDING SOURCE (REVENUE FUNDED) OQ# 31017 OR# 31206 BUYER: NICOLAS CABO #1008 * IMPORTANT NOTICE TO VENDORS " All invoices must indicate P.O. Number for payment " All invoices must indicate on the invoice the Employee's " Name, Badge Number that must be signed and printed clearly " Submit signed and dated P.O. acknowledgement with invoice " GWA will not be liable for any unauthorized services that are not listed in the Purchase Order - only the services listed on the Purchase Order will be paid by GWA. " Only the authorized names listed on the Purchase Order are allowed to transact. Unauthorized person(s) will not be honored by GWA. * SPECIFICATIONS (ARTICLES OR SERVICES): AGREEMENT TO COVER THE COST FOR MONTHLY RECURRING CHARGES FOR DEVICES THAT ARE INSTALLED IN GWA'S FLEET FOR A TWELVE (12) MONTH PERIOD. * AN ESTIMATED OF 125 GWA VEHICLES TO BE SERVICED. *					
MAINTENANCE SERVICE	MO		.00	MO	63,000.00

Funds Certification: 3.30.18
Greg Cruz, CFO

NOTE: "SUBJECT TO THE GUAM PROCUREMENT CODE AND ACCOMPANYING REGULATIONS"

SPECIAL INSTRUCTIONS TO VENDOR:
Send certified original and three (3) copies of invoice to Guam Waterworks Authority, Government of Guam, at the address shown above.

Payment upon receipt of merchandise in Guam in good condition.

SEE BACK FOR TERMS AND CONDITIONS

DO NOT FILL THIS ORDER if your total cost exceeds this total. >>

TOTAL $ 63,000.00

ACKNOWLEDGED BY: _____ DATE: 4/9/18
SIGNATURE OF VENDOR

RETURN TO PROCUREMENT DIVISION AT THE ABOVE ADDRESS

SIGNATURE: 4.5.18

Miguel C. Bordallo, P.E. General Manager
NAME TITLE

GUAM WATERWORKS AUTHORITY

1 : Page
6852, B/U
03/21/19, Date
FOB GWA, F.O.B.

PURCHASE ORDER
GUAM WATERWORKS AUTHORITY

P.O. Box 3010, Hagatna, Guam 96932
PHONE: (671) 300-6026 FAX: (671) 649-3750

No. 303483-000 OP

THIS PURCHASE ORDER MUST APPEAR ON ALL INVOICES PACKING SLIPS, PACKAGES, B/L CORRESPONDENCE, ETC.

Payment Terms: Net 30 Days

VENDOR:

TRACK ME GUAM, LLC
DBA: TRACKME] GUAM
107 E. HARMON INDUSTRIAL P
SUITE 201
TAMUNING GU 96913

SHIP TO:

GUAM WATERWORKS AUTHORITY
578 N. Marine Corps. Dr.
ATTENTION: P & S WAREHOUSE
Tamuning GU 96913

AUTHORITY	IFB / REFERENCE	TIME FOR DELIVERY	EXPIRATION
PL 16-124 / PL 21-148			09/30/2019

ARTICLES OR SERVICES	QTY	UNIT	UNIT PRICE	AMOUNT

*** SERVICES DESCRIPTION:

*

MONTHLY RECURRING CHARGES FOR EXISTING DEVICES INSTALLED IN GWA FLEET VEHICLES.

*

*** SPECIFICATIONS (ARTICLES OR SERVICES):

SERVICES AGREEMENT TO COVER COST FOR MONTHLY RECURRING CHARGES FOR EXISTING DEVICES THAT ARE INSTALLED IN GWA'S FLEET FOR TWELVE (12) MONTH PERIOD.

** NOTE: AN ESTIMATED OF 126 GWA VEHICLES TO BE SERVICED

CONDITIONS:

2GAR§ Sole Source Procurement

REQUESTED BY: Paul Lujan

AUTHORIZED PERSONNEL: Vincent P./Paul L./Eric Halmi

BUSINESS UNIT: 6853

G/L ACCOUNT NO: 6852.950 .35022

FUNDING SOURCE (REVENUE FUNDED)

OQ# 33701 OR# 33390

BUYER: NICOLAS CABO #1008

*

IMPORTANT NOTICE TO VENDORS

" All invoices must indicate P.O. Number for payment
" All invoices must indicate on the invoice the Employee's
" Name, Badge Number that must be signed and printed clearly
" Submit signed and dated P.O. acknowledgement with invoice
" GWA will not be liable for any unauthorized services that are not listed in the Purchase Order - only the services listed on the Purchase Order will be paid by GWA.
" Only the authorized names listed on the Purchase Order are allowed to transact. Unauthorized person(s) will not be honored by GWA.

*

LIQUIDATED DAMAGES:

In the event Vendor fails to deliver the Goods/Services in Accordance with Gaum Waterworks Authority requirements

NOTE:"SUBJECT TO THE GUAM PROCUREMENT CODE AND ACCOMPANYING REGULATIONS"

SPECIAL INSTRUCTIONS TO VENDOR:
Send certified original and three (3) copies of invoice to Guam Waterworks Authority, Government of Guam, at the address shown above.

Payment upon receipt of merchandise in Guam in good condition.

SEE BACK FOR TERMS AND CONDITIONS

TOTAL

DO NOT FILL THIS ORDER if your total cost exceeds this total. >>

$

ACKNOWLEDGED BY: _____ DATE: 4-10-19
SIGNATURE OF VENDOR

RETURN TO PROCUREMENT DIVISION AT THE ABOVE ADDRESS

SIGNATURE:

ACKNOWLEDGEMENT COPY

Miguel C. Bordallo, P.E. General Manager
NAME TITLE

GUAM WATERWORKS AUTHORITY

2 : Page
6852: B/U
03/21/19: Date
FOB GWA: F.O.B.

PURCHASE ORDER
GUAM WATERWORKS AUTHORITY

P.O. Box 3010, Hagatna, Guam 96932
PHONE: (671) 300-6026 FAX: (671) 649-3750

No. 303483-000 OP

THIS PURCHASE ORDER MUST APPEAR ON ALL INVOICES PACKING SLIPS, PACKAGES, B/L CORRESPONDENCE, ETC.

Payment Terms: Net 30 Days

VENDOR:

TRACK ME GUAM, LLC
DBA: TRACKME] GUAM
107 E. HARMON INDUSTRIAL P
SUITE 201
TAMUNING GU 96913

SHIP TO:

GUAM WATERWORKS AUTHORITY
578 N. Marine Corps. Dr.
ATTENTION: P & S WAREHOUSE
Tamuning GU 96913

AUTHORITY	IFB / REFERENCE	TIME FOR DELIVERY	EXPIRATION
PL 16-124 / PL 21-148			09/30/2019

ARTICLES OR SERVICES	QTY	UNIT	UNIT PRICE	AMOUNT
and by the delivery date(s) specified therein, Vendor shall be liable to GWA for liquidated damages in accordance with the provisions of this clause and the amount of such liquidated damages shall be calculated in accordance with the Guam Procurement Regulations, 2 GAR Div.4 §6101(9) Liquidated Damages. *				
MONTHLY RECURRING CHARGES SOLE SOURCE PROCUREMENT	EA	.00	EA	70,000.00

Gilda M. Mafnas, Acting CFO

NOTE: "SUBJECT TO THE GUAM PROCUREMENT CODE AND ACCOMPANYING REGULATIONS"

SPECIAL INSTRUCTIONS TO VENDOR:
Send certified original and three (3) copies of invoice to Guam Waterworks Authority, Government of Guam, at the address shown above.

Payment upon receipt of merchandise in Guam in good condition.

SEE BACK FOR TERMS AND CONDITIONS

DO NOT FILL THIS ORDER if your total cost exceeds this total. >>

TOTAL $ 70,000.00

ACKNOWLEDGED BY: _____ DATE: 4-10-19
SIGNATURE OF VENDOR

RETURN TO PROCUREMENT DIVISION AT THE ABOVE ADDRESS

SIGNATURE: _____
APPROVED/DISAPPROVED

Miguel C. Bordallo, P.E. General Manager
NAME TITLE

TRACKME! GUAM
FLEET AND FUEL MANAGEMENT SOLUTIONS

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
11/1/2018	18-0833

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	12/1/2018

P.O. No.	Month Charges Apply To
	OCTOBER 2018

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
102	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,570.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

Total	$3,570.00
Payments/Credits	$0.00
Balance Due	$3,570.00

PRINT NAME _____ SIGNATURE _____ DATE _____

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
12/3/2018	18-0913

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	1/2/2019

P.O. No.	Month Charges Apply To
	NOVEMBER 2018

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
101	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,535.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

Total	$3,535.00
Payments/Credits	$0.00
Balance Due	$3,535.00

PRINT NAME _____ SIGNATURE _____ DATE _____

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACKME! GUAM
FLEET AND FUEL MANAGEMENT SOLUTIONS

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
1/3/2019	19-0007

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	2/2/2019

P.O. No.	Month Charges Apply To
	DECEMBER 2018

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
104	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,640.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

Total	$3,640.00
Payments/Credits	$0.00
Balance Due	$3,640.00

PRINT NAME _____ SIGNATURE _____ DATE _____

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACKME! GUAM
FLEET AND FUEL MANAGEMENT SOLUTIONS

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
2/1/2019	19-0146

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	3/3/2019

P.O. No.	Month Charges Apply To
	JANUARY 2019

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
101	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,535.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

Total	$3,535.00
Payments/Credits	$0.00
Balance Due	$3,535.00

PRINT NAME _____ SIGNATURE _____ DATE _____

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
3/1/2019	19-0230

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	3/31/2019

P.O. No.	Month Charges Apply To
	FEBRUARY 2019

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
98	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,430.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

PRINT NAME _____ SIGNATURE _____ DATE _____

Total	$3,430.00
Payments/Credits	$0.00
Balance Due	$3,430.00

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
4/4/2019	19-0306

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	5/4/2019

P.O. No.	Month Charges Apply To
	MARCH 2019

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
98	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,430.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

PRINT NAME _____ SIGNATURE _____ DATE _____

Total	$3,430.00
Payments/Credits	$0.00
Balance Due	$3,430.00

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-83478 | FAX: 671-649-83JS
EMAIL: [illegible]

ORIGINAL

Invoice

Date	Invoice #
4/8/2019	19-0310

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	5/7/2019

P.O. No.	Month Charges Apply To
	APRIL 2019

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
100	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	30.00	3,000.00
	BASED ON ACTIVE VEHICLE LISTING		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

Total	$3,000.00
Payments/Credits	$0.00
Balance Due	$3,000.00

ERIC HALEY — PRINT NAME
[signature] 943 — SIGNATURE
4-10-19 — DATE

Monthly Recurring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact Trackme Guam Administration at (671) 649-8343, or thru email support@trackmeguam.com.

GUAM WATERWORKS AUTHORITY
"Better Water, Better Lives."
Gloria B. Nelson Public Service Building| 688 Route 15 | Mangilao, Guam 96913
Tel: (671) 300-6846

Issues for Decision

Resolution No. 33-FY2019
Relative to Approval of the One (1) Year Extension of the Indefinite Quantity Contract with Badger Meter Inc. for the purchase of additional water meters of various sizes and accessories.

What is the projects objective and is it necessary and urgent?
The objective is to exercise the available one (1) year option period under the existing contract to authorize the purchase of additional water meters that are needed for meter replacements and to insure there is adequate stock available to meet the requirements of the 2011 Court Order and new service applications.

GWA management is seeking CCU approval to exercise the one (1) year extension of the indefinite quantity contract with Badger Meter Inc. and for additional purchases under that contract extension. Price adjustments allowable under the terms of the contract have been proposed by Badger Meter and have been found to be reasonable by management. The project is necessary to keep sufficient meters and accessories in stock for operational needs, and for the on-going meter replacement program.

Where is it at?
The meters will be used to replace old and/or install new meters throughout GWA's systems.

How much will it cost?
Additional meter purchases are estimated to cost up to One Million Five Hundred Fifty-Nine Thousand Eight Hundred Eighty-Three and Nineteen Cents ($1,559,883.19) which brings the total authorized funding to Five Million Three Hundred Seventy Thousand Five Hundred Eighty-Eight Dollars and Twenty-Eight Cents ($5,370,588.28) under IFB 2015-13. GWA Management is still negotiating with Badger Meter Inc. for cost adjustments related to meters management believes should be replaced under warranty, and as such, the additional costs estimated do not reflect anticipated credit adjustments.

When will it be completed?
The contract term is from February 23, 2019 through February 23, 2020.

What is the funding source?
The source of the funding for the purchase of additional water meters will come from Internally Funded Capital Improvement Projects and any other appropriate funds identified by finance.

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

RESOLUTION NO. 33-FY2019

RELATIVE TO APPROVAL OF THE ONE (1) YEAR EXTENSION OF THE INDEFINITE QUANTITY CONTRACT WITH BADGER METER INC FOR THE ADDITIONAL PURCHASE OF WATER METERS OF VARIOUS SIZES AND ACESSORIES.

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 order to support fulfilling Court Order requirements for meter replacements and provide for maintaining an adequate inventory, GWA advertised an Invitation for Bid (IFB) 2015-13 soliciting proposals from experienced and responsive bidders to provide water meters to replenish Guam Waterworks Authority stock as needed for water meter change outs and new installations; and

WHEREAS, out of fifteen (15) bidders expressing interest, there were two (2) responsive and responsible bidders who offered water meters of various sizes and accessories meeting the requirements of IFB 2015-13; and

WHEREAS, the IFB 2015-13 offers were evaluated by GWA's review committee; and

WHEREAS, GWA's review committee reviewed the proposals for IFB 2015-13 and determined that the offer for "All or None Bid for water meters of various sizes and accessories" with an estimated amount of Four Hundred Twenty-Seven Thousand Five Hundred Forty Dollars and Two Cents (427,540.02) over a three (3) year contract term, made

by Badger Meter Inc. ("Badger") was fair and reasonable and recommended Badger Meter Inc. be awarded the contract (see Res. No. 24-FY2018 at Exhibit A); and

WHEREAS, GWA issued a Notice to Proceed to Badger Meter Inc. on February 23, 2016 at which time Badger Meter accepted the notice (see Res. No. 24-FY2018 at Exhibit B); and

WHEREAS, GWA submitted Resolution No. 32-FY2017 which sought approval of purchases up to One Million Dollars ($1,000,000.00) for additional water meters and CCU approved it on May 23, 2017 (see Res. No. 24-FY2018 at Exhibit C); and

WHEREAS, GWA Management, in response to emergent functional issues with Badger's Model LP Meter, had initiated efforts to replace that model under warranty with a more robust and reliable model, and such efforts have outpaced the receipt of warranty replacement from the manufacturer; and

WHEREAS, GWA Management seeks to continue its increased efforts to replace the Model LP meters to mitigate impacts to, and improve revenues, and will need to purchase additional meters to achieve this goal; and

WHEREAS, during the course of the replacement program additional meters were found to have failed the testing procedure and it is GWA's position that those meters are still under warranty and will be either credited toward the supplier's future invoices or under a reimbursement program; and

WHEREAS, In Resolution 24-FY2018, GWA sought and received approval of the ratification for purchases in excess of the $1M threshold related to IFB 2015-13 in the amount of Fourteen Thousand Two Hundred Twenty-Four Dollars and Thirty-Two Cents ($14,224.32), plus One Million One Hundred Fifteen Thousand Seven Hundred Eighteen Dollars and Sixty-Five Cents ($1,115,718.65) for the meter inventory replenishment, and One Million Four Hundred Forty-Nine Thousand Eight Hundred Fifty-Five Thousand for additional water meter supply, which brought the total authorized funding to Three Million Five Hundred Seventy-

Nine Thousand Seven Hundred Ninety-Seven Dollars and Ninety-Seven Cents ($3,579,797.97) (Exhibit A); and

WHEREAS, GWA Management encumbered purchases under previously issued purchase orders totaling $3.3M which leaves a remaining authorization of Two Hundred Thirty Thousand Nine Hundred Seven and Twelve Cents ($230,907.12); and

WHEREAS, the three (3) year contract term with Badger expired on February 23, 2019 and on February 25, 2019 GWA and Badger mutually agreed to extend the contract for an additional year with amendments outlined in a letter from Badger to include a price increase of five (5%) percent, as per Section U, Price Adjustment Clause of the Agreement. (Exhibit B); and

WHEREAS, on April 10, 2019 GWA issued a Contract Renewal Notice to Badger Meter Inc. for the One (1) year contract extension of IFB 2015-13 for Water Meters Various Sizes and Accessories. (Exhibit C); and

WHEREAS, GWA seeks approval of additional funding under the one (1) year contract extension for IFB 2015-13 with Badger to purchase and additional Nine Thousand One (9001) water meters of various sizes and accessories in the amount of One Million Five Hundred Fifty-Nine Thousand Eight Hundred Eighty-Three and Nineteen Cents ($1,559,883.19) which will cover the costs of both meter supply and replenishment inventory throughout the one (1) year term (Exhibit D); and

WHEREAS, GWA Management is still negotiating the terms of adjustments and/or credits for replacement meters for the failed LP meters which were replaced by GWA with M25 Models, and therefore the proposed additional amounts are estimated as a not-to-exceed value; and

WHEREAS, the source of the funding increase for the purchase of additional water meters will come from Internally Funded Capital Improvement Projects and any other appropriate funds identified by finance.

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

a. The recitals set forth above hereby constitute the findings of the CCU.

b. The CCU finds that the negotiated contract terms and price agreed to by Badger Meter Inc. is fair and reasonable.

c. The CCU hereby authorizes the management of GWA to exercise the one (1) year option period allowed under the contracts with Badger Meter Inc.

d. The CCU hereby further authorizes the funding amount under IFB 2015-13 not to exceed One Million Five Hundred Fifty-Nine Thousand Eight Hundred Eighty-Three Dollars and Nineteen Cents ($1,559,883.19) bringing the total authorized funding to Five Million Three Hundred Seventy Thousand Five Hundred Eighty-Eight Dollars and Twenty-Eight Cents ($5,370,588.28).

e. The CCU hereby further authorizes GWA Management to notify the PUC of this procurement as set forth in Section 3 of the PUC Order filed April 11, 2003, as a continuing obligation under the Court Order.

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

DULY AND REGULARLY ADOPTED, this 28th day of May, 2019.

Certified by:

_____

JOSEPH T. DUENAS
Chairperson

Attested by:

_____

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: _____

ABSTENTIONS: _____

ABSENT: _____

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EXHIBIT A

Guam Waterworks Authority
Accounting of Remaining CCU Authorization for IFB 2015-13 - Water Meters

Summary of Payments to Badger	$	35,205.27
	$	11,659.70
	$	3,001.71
	$	102,727.15
	$	107.30
	$	7,291.20
	$	10,722.58
	$	14,355.00
	$	43,088.30
	$	28,710.00
	$	49,793.35
	$	43,065.00
	$	57,420.00
	$	14,355.00
	$	50,242.50
	$	430,650.00
	$	46,979.70
	$	5,426.10
	$	6,003.42
	$	23,718.24
	$	4,537.40
	$	14,355.00
	$	10,810.40
	$	1,435,500.00
	$	12,355.00
	$	7,234.80
Pending Order	$	448,926.73
Pending Order	$	430,650.00
Total Amount to Badger:	**$**	**3,348,890.85**
CCU Authorized Spending Amount	**$**	**3,579,797.97**

GWA Resolution No. 32-FY2017	$	1,000,000.00
GWA Resolution No. 24-FY2018		
Ratification	$	14,224.32
Additional Meter Purchases	$	1,449,855.00
Meter Inventory Replenishment	$	1,115,718.65
Total CCU Authorization	**$**	**3,579,797.97**
Payments to Badger	**$**	**3,348,890.85**
Remaining CCU Authorized Funds:	**$**	**230,907.12**

EXHIBIT B

Badger Meter

4545 W Brown Deer Road
PO Box 245036
Milwaukee, Wisconsin 53224-9536
414-355-0400 | 800-876-3837
www.badgermeter.com

VIA EMAIL

Guam Waterworks Authority
Attention: Mr. Miguel C. Bordallo, P.E.
GWA Procurement Division
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, GU 96913

RE: IFB 2015-13 Renewal Option Water Meters Various Sizes and Accessories

Dear Mr. Bordallo,

In accordance with your request dated February 20, 2019 to exercise the option to extend for a period of 12 months, per Paragraph 7 of the Agreement we would like to request an amendment to the IFB 2015 – 13 Agreement (Agreement) to extend the term with the following considerations.

- Badger Meter, Inc. (Badger Meter) and Guam Waterworks Authority (GWA) mutually agree to extend the Agreement for an additional year, with a price increase of five (5%) percent, per Section U, Price Adjustment Clause of the Agreement. This increase is necessary due to significant increases in the costs of metals, including copper and aluminum in addition to the increased costs of energy, oil and plastic resins. Please see the attached quotes to amend and replace previous product offering.

- Badger Meter continues to improve and redesign our products to provide our customers with state-of-the-art technology solutions. Therefore, Badger Meter reserves the right to provide our newest product solutions as an alternative to the proposed products, provided the replacement products meet the following requirements: are substantially similar to and are at least of equal quality and performance to, are in conformance with the requirements in the applicable specifications, meet the actual needs or are otherwise suitable for the intended use, and are priced at an amount that does not exceed the price of the quoted products. Wherefore, the attached quotes provide alternative product options for inclusion to the Agreement.

- All other terms and conditions remain the same.

We acknowledge and agree the IFB2015-13 Agreement is separate and apart from the warranty claims or any claims related to the previous procurement of LP meters. We request acceptance of the aforementioned term extension, price increase and alternative product offering by the issuance of GWA's Amendment to the Agreement.

Badger Meter appreciates this opportunity to extend this Agreement in an effort to meet the metering needs of the Guam Waterworks Authority.

Sincerely,
BADGER METER, INC.

Korrine L. Fleming
Assistant Secretary

EXPORT QUOTATION

Badger Meter

Quotation No. 413922

4545 W Brown Deer Road Milwaukee WI 53223
PO Box 245036 Milwaukee WI 53224-9536
Phone: 800-876-3837 Fax: 888-371-5982
Customer Service Rep: utilityorders2@badgermeter.com

February 25, 2019

TO Mr. Miguel Bordllo
GUAM WATERWORKS AUTHORITY
P O BOX 3010

CUSTOMER ID: 00003307

HAGATNA 96932

Phone: 1 (671) 300-6845

Fax: 1 (671) 649-3750

E-mail: mcbordallo@guamwaterworks.org

EFFECTIVE DATES: 2/25/2019-2/26/2020

FINAL DESTINATION :GUAM

SALESPERSON	PROPOSAL SUBJECT	SHIPPING TERMS/INCO TERMS	PAYMENT TERMS
030000	Guam - Orion ME2	PREPAY/NO CHARGE EXW FACTORY	NET 30 DAYS

LINE #	DESCRIPTION	QTY	UNIT NET PRICE USD	LINE TOTALS USD
1	No Register, Orion ME 2, Traditional, Indoor-Outdoor, Pig-Tail (gel-cap), 10 ft Wire, UM1-0015-7639	21	$112.67	$2,365.97
2	RCDL M25 LL Disc Meter (NSF 61-G), 5/8" X 3/4-3/4 Bore (3/4 X 7 1/2), Cast Iron Bottom, Less Connections, HRE Registration, Gallon, 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft, UM1-0016-7978	500	$150.73	$75,365.00
3	RCDL M25 LL Disc Meter (NSF 61-G), 5/8" X 3/4-3/4 Bore (3/4 X 7 1/2), Cast Iron Bottom, Less Connections, HRE Registration, Gallon, 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Integral Indoor-Outdoor, Factory Pre-Wired, 3 ft Break-Away Wire, UM1-0016-7979	1	$155.38	$155.38
4	RCDL M55 LL Disc Meter (NSF 61-G), 1" (1 X 10 3/4), Cast	1	$233.56	$233.56

THANK YOU FOR YOUR BUSINESS!

This quotation is an offer, made subject to the terms & conditions found on our website: www.badgermeter.com/Company/Legal/Sales-Terms.aspx
Quoted prices are firm for acceptance, via an order, within the effective dates provided, shipping within 60 calendar days past the expiration of this quotation.

EXPORT QUOTATION

Badger Meter

Quotation No. 413922

LINE #	DESCRIPTION	QTY	UNIT NET PRICE USD	LINE TOTALS USD
	Iron Bottom, Less Connections, HRE Registration, Gallon, 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft, UM1-0018-0772			
5	RCDL M55 LL Disc Meter (NSF 61-G), 1" (1 X 10 3/4), Cast Iron Bottom, Less Connections, HRE Registration, Gallon, 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Integral Indoor-Outdoor, Factory Pre-Wired, 3' ft Break-Away Wire, UM1-0018-0756	10	$238.21	$2,382.10
6	RCDL M120 LL Disc Meter (NSF 61-G), 1 1/2", Elliptical Long Drilled, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft, UM1-0018-0757	10	$379.83	$3,798.30
7	RCDL M170 LL Disc Meter (NSF 61-G), 2", Elliptical Long Drilled, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft, UM1-0018-0759	15	$567.55	$8,513.25
8	RCDL Turbo Series Meter LL (NSF 61-G), 3", Round, Without Integral Strainer, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft, UM1-0018-0760	5	$775.03	$3,875.15
9	RCDL Turbo Series Meter LL (NSF 61-G), 4", Round, Without Integral Strainer, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft, UM1-0018-0761	5	$1,260.97	$6,304.85
10	RCDL Turbo Series Meter LL (NSF 61-G), 6", Round, Less Connections, HRE Registration, Gallon, 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft, UM1-0018-0762	2	$2,313.00	$4,626.00
11	RCDL Turbo Series Meter LL (NSF 61-G), 8", Round w/Test Plug, Less Connections, HRE Registration, Gallon, 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft,	1	$3,151.80	$3,151.80

THANK YOU FOR YOUR BUSINESS!

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EXPORT QUOTATION

Badger Meter

Quotation No. 413922

LINE #	DESCRIPTION	QTY	UNIT NET PRICE USD	LINE TOTALS USD
	UM1-0018-0763			
12	RCDL Turbo Series Meter LL (NSF 61-G), 10", Round, Less Connections, HRE Registration, Gallon, 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft, UM1-0018-0764	1	$4,284.81	$4,284.81
13	External Plate Strainer, 2", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G) , External Plate Strainer, UM1-0001-2381	1	$324.46	$324.46
14	External Plate Strainer, 3", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G) , External Plate Strainer, UM1-0000-4904	1	$425.93	$425.93
15	External Plate Strainer, 4", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G) , External Plate Strainer, UM1-0000-4801	1	$563.00	$563.00
16	External Plate Strainer, 6", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G) , External Plate Strainer, UM1-0000-4802	1	$799.18	$799.18
17	External Plate Strainer, 8", Round Strainer w/Drain Plug, Steel, Zinc Plated Bolts, Nuts, & Std Black Gaskets, External Plate Strainer, UM1-0000-5939	1	$2,153.88	$2,153.88
18	External Plate Strainer, 10", Round Strainer w/Drain Plug, Steel, Zinc Plated Bolts, Nuts, & Std Black Gaskets, External Plate Strainer, UM1-0001-1470	1	$4,795.56	$4,795.56
19	ASSY ELL.FLG NL BRASS 1-1/2" 20336-046	1	$153.00	$153.00
20	ASSY ELL.FLG NL BRZ 2" 20336-048	1	$207.00	$207.00

Notes and Assumptions:
If applicable, sales tax, freight, and customs-related charges will be added at time of invoice.

Actual lead time to be provided at time of order.

If you have any questions concerning this quotation, please contact:, 1 (414) 371-6196, MLeveille@badgermeter.com
To place an order, please contact: Kimmie Drogier, 800 616 3837 option 1, utilityorders2@badgermeter.com

Official authorized quote of Badger Meter Inc.

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Page 3 of 3

Badger Meter

Export Quotation
Quotation No. 3055603

4545 W Brown Deer Road Milwaukee WI 53223
PO Box 245036 Milwaukee WI 53224-9536
Phone: 800-876-3837 Fax: 888-371-5982

Customer Service Rep KDrogier@badgermeter.com

Revised Date

To Yearly Guam Quote - MAG & E-Series Meters
GUAM WATERWORKS AUTHORITY
P O BOX 3010
HAGATNA
96932
Phone(671) 300-6845
Email mcbordallo@guamwaterworks.org

Customer ID 00003307

Final Destination GUAM

Effective Dates 02-25-2019 - 02-25-2020

Salesperson	Proposal Subject	Shipping Terms / INCO Terms	Payment Terms
030000 Mark Leveille	Yearly Guam Quote - MAG & E-Series Meters	PREPAY/NO CHARGE For SHIPMENTS > $25,000 FCA FACTORY	NET 30 DAYS

Line #	Description	Qty	Unit Net Price USD	Line Totals USD
1	**BMI Part No.: 100-0347** **Description:** M2000, 2" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX - NONE Gal/Gal Per Minute, Factory Calibrated, N/A **Cat String**: M2-020-R1-A-SAC-S-XXGF-STD	2	2,045.40	4,090.80
2	**BMI Part No.: 100-0350** **Description:** M2000, 3" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX - NONE Gal/Gal Per Minute, Factory Calibrated, N/A **Cat String**: M2-030-R1-A-SAC-S-XXGF-STD	2	2,196.81	4,393.62
3	**BMI Part No.: 100-0351** **Description:** M2000, 4" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX - NONE Gal/Gal Per Minute, Factory Calibrated, NSF-61-372 **Cat String**: M2-040-R1-A-SAC-S-XXGF-STD	11	2,308.32	25,391.52

Thank you for your business!

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Badger Meter

Export Quotation
Quotation No. 3055603

Line #	Description	Qty	Unit Net Price USD	Line Totals USD
4	**BMI Part No.: 100-0060** **Description:** M2000, 6" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mounted, 15ft. Standard Cable, Standard Output XX - NONE Gal/Gal Per Minute, Factory Calibrated, NSF-61-372 **Cat String**: M2-060-R1-A-RAC-S-XXGF-STD	5	2,580.48	12,902.40
5	**BMI Part No.: 100-0613** **Description:** M2000, 8" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX - NONE Gal/Gal Per Minute, Factory Calibrated, NSF-61-372 **Cat String**: M2-080-R1-A-SAC-S-XXGF-STD	1	2,951.13	2,951.13
6	**BMI Part No.: 100-3773** **Description:** EU - E-Series Ultrasonic SS (NSF-61-372), EAC - 5/8" X 3/4" (3/4 X 7-1/2) Potable, XT - None -ThicK Washers, X - NONE Encoder, DA - ORION ME MIGRATABLE, 1 - Standard, 9 Dial - 0.01 Gal, E - 1,000 A2 - BADGER STD (TS-420) YX - YR MFG 8D & PBB Pit/Remote Thru Lid Kit, TH - TWIST TIGHT - 10 FT (MTR, ASSY) B0A - BADGER METER STANDARD (ID=B0A) **Cat String**: EU-EAC-PXTX-E5-DA-19AE-A2YX-AGTH-AK-B0A	1	184.97	184.97

Subtotal - USD	49,914.44
Total Price - USD	49,914.44

Notes and Assumptions

If applicable, sales tax, freight, and custom-related charges will be added at time of invoice.

Actual lead time to be provided at time of order.

Badger Meter provides certification files to help manage meter and endpoint inventory and to maintain meter accuracy data. The standard method of delivery for this format is via electronic mail. Any deviations from our standard format, or any custom file formats, will be considered on a time and material basis. Please contact your Account Manager if you require more information.

Badger Meter continues to improve and redesign our products to provide our customers with state-of-the-art technology solutions. Therefore, Badger Meter reserves the right to provide our newest product solutions as an alternative to the proposed products, provided the replacement products meet the following requirements: are substantially similar to and are at least of equal quality and performance to, are in conformance with the requirements in the applicable specifications, meet the actual needs or are otherwise suitable for the intended use, and are priced at an amount that does not exceed the price of the quoted products.

If you would like to place an order, please contact your Customer Service Rep Kimmie Drogier, 800-616-3837 x15945 or KDrogier@badgermeter.com

Thank you for your business!

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Badger Meter

Export Quotation
Quotation No. 3055603

If you have questions, please contact your Account Manager Mark Leveille, 800-876-3837 X16196 mleveille@badgermeter.com

Thank you for your business!

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EXHIBIT C

GUAM WATERWORKS AUTHORITY
Aturidat Kinalamten Hanom Guahan
"Better Water. Better Lives."
Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913
P.O. Box 3010, Hagåtña, Guam 96932
Tel. No. (671) 300-6846/48 Fax No. (671) 648-3290

CONTRACT RENEWAL NOTICE

April 10, 2019

Badger Meter INC.
Attention: Ms. Korrine Fleming
4545 W. Brown Deer Road
P.O. Box 245036
Milwaukee, Wisconsin 53224-9536

RE: Contract Extension for IFB2015-13
"Water Meters Various Sizes and Accessories"

Referencing Invitation for Bid No: 2015-13, GWA issued a Notice of Conditional Award dated January 26, 2016 which was acknowledged by Badger Meter on February 5th, 2016; on February 23, 2016, GWA issued a Notice to Proceed (NPT) which was acknowledged by Badger Meter on the same day.

Contract Terms:
As specified in IFB2015-13, Section IV. Special Provisions, subsection 7. Contract Term, authorizing GWA to enter into 1st year option contract extension, GWA hereby agrees to exercise the contract renewal extension effective February 23, 2019 and expiring February 23, 2020, this contract extension is governed by specifications, pricing, and the terms and conditions set forth per the above reference bid number for Water Meters Various Sizes and Accessories, plus amendments outlines in your enclosed letter.

Please acknowledge your acceptance of this renewal by signing this document in the space provided below and returning to this office within ten (10) days.

Sincerely,

Miguel C. Bordallo, P.E.
General Manager,
Guam Waterworks Authority

(Name) Korrine L. Fleming
(Title) Assistant Secretary

I/We hereby acknowledge acceptance of this Contract renewal, and agree to be bound by all requirements, terms, and conditions as set forth in the above referenced bid number.

Badger Meter, Inc.

Company: ~~Badger Meters~~ Signed: KFleming

Date: April 25, 2019 Print Name: Korrine L. Fleming

Enclosure: Letter from Korrine Fleming emailed on March 5, 2019 by Bill Bergum
Notice of Conditional Award
Notice to Proceed (NPT)

cc: Kelly Clark, GWA General Counsel
Chris Budasi, AGMAS
Gilda Mafnas, Acting CFO
Procurement

Additional Purchases Relative to IFB 2015-13
May 2019 to February 2021

EXHIBIT D

LINE #	GWA STOCK #	PRODUCT DESCRIPTION	QTY.	UNIT NET PRICE USD	TOTALS USD
1	61604	No Register, Orion ME 2. Traditional, Indoor-Outdoor, Pig-Tail (gel cap), 10 ft Wire, UM1-0015-7639	0	112.67	-
2	60484	RCDL M25 LL Disc Meter (NSF 61-G), 5/8" X 3/4-3/4 Bore (3/4 X 7 1/2), Cast Iron Bottom, Less Connections, HRE Registration, Gallon 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, **Badger Meter Twist Tight Connector, 5 ft.**, UMI-0016-7978	6391	150.73	963,315.43
3	65293	RCDL M25 LL Disc Meter (NSF 61-G), 5/8" X 3/4-3/4 Bore (3/4 X 7 1/2), Cast Iron Bottom, Less Connections, HRE Registration, Gallon 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, **Integral** Indoor-Outdoor, **Factory Pre-Wired , 3 ft Break-Away Wire.**, UMI-0016-7979	1598	155.38	248,297.24
4	47466	RCDL M55 LL Disc Meter (NSF 61-G), 1" (1 X 10 3/4). Cast Iron Bottom, Less Connections. HRE Registration, Gallon 8 Dial -0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, **Badger Meter Twist Tight Connector, 5 ft.**, UMI-0018-0772	180	233.56	42,040.80
5	47466	RCDL M55 LL Disc Meter (NSF 61-G), 1" (1 X 10 3/4). Cast Iron Bottom, Less Connections. HRE Registration, Gallon 8 Dial -0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, **Factory Pre-Wired, 3 ft Break-Away Wire.**, UMI-0018-0756	180	238.21	42,877.80
6	47474	RCDL M120 LL Disc Meter (NSF 61-G), 1 1/2", Elliptical Long Drilled, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0757	264	379.83	100,275.12
7	47482	RCDL M170 LL Disc Meter (NSF 61-G), 2", Elliptical Long Drilled, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0759	129	567.55	73,213.95
8	47491	RCDL Turbo Series Meter LL (NSF 61-G), 3", Round, Without Integral Strainer, Less Connections, HRE Registration, Gallon, 8 dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2. Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0760	4	775.03	3,100.12
9	47520	RCDL Turbo Series Meter LL (NSF 61-G), 4", Round, Without Integral Strainer, Less Connections, HRE Registration, Gallon, 8 dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2. Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0761	6	1,260.97	7,565.82
10	47538	RCDL Turbo Series Meter LL (NSF 61-G), 6", Round Less Connections, HRE Registration, Gallon 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0761	3	2,313.00	6,939.00
11	47546	RCDL Turbo Series Meter LL (NSF 61-G), 8", Round w/Test Plug, Less Connections, HRE Registration, Gallon 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0763	1	3,151.80	3,151.80
12	47554	RCDL Turbo Series Meter LL (NSF 61-G), 10", Round, Less Connections, HRE Registration, Gallon 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0764	1	4,284.81	4,284.81
13	47651	External Plate Strainer, 2", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G), External Plate Strainer, UMI-0001-2381	129	324.46	41,855.34
14	48266	External Plate Strainer, 3", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G), External Plate Strainer, UMI-0000-4904	4	425.93	1,703.72
15	48282	External Plate Strainer, 4", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G), External Plate Strainer, UMI-0000-4801	6	563.00	3,378.00
16	48303	External Plate Strainer, 6", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G), External Plate Strainer, UMI-0000-4802	3	799.18	2,397.54
17	48320	External Plate Strainer, 8", Round Strainer w/Drain Plug, Steel, Zinc Plated Bolts, Nuts, & Std Black Gaskets, External Plate Strainer, UMI-0000-5939	1	2,153.88	2,153.88
18	48338	External Plate Strainer, 10", Round Strainer w/Drain Plug, Steel, Zinc Plated Bolts, Nuts, & Std Black Gaskets, External Plate Strainer, UMI-0000-1470	1	4,795.56	4,795.56

Additional Purchases Relative to IFB 2015-13
May 2019 to February 2021

LINE #	GWA STOCK #	PRODUCT DESCRIPTION	QTY.	UNIT NET PRICE USD	TOTALS USD
19	48231	ASSY ELL. FLG NL BRASS 1-1/2", 20336-046	0	153.00	-
20	48240	ASSY ELL. FLG NL BRZ2", 20336-048	0	207.00	-
21	73390	**BMI Part No.: 100-347** **Description: M2000, 2"** standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX-NONE Gal/Gal per Minute, Factory Calibrated, N/A **Cat String**: M2-020-R1-A-SAC-S-XXGF-STD	1	2,045.40	2,045.40
22	73402	**BMI Part No.: 100-0350** **Description: M2000, 3"** standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX-NONE Gal/Gal per Minute, Factory Calibrated, N/A **Cat String: M2-030-R1-A-SAC-S-XXGF-STD**	1	2,196.81	2,196.81
23	73411	**BMI Part No.: 100-0351** **Description: M2000, 4"** standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX-NONE Gal/Gal per Minute, Factory Calibrated, NSF-61-372 **Cat String: M2-040-R1-A-SAC-S-XXGF-STD**	40	2,308.32	92,332.80
24	73429	**BMI Part No.: 100-0060** **Description: M2000, 6"** standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mounted Submersible, 15ft. Standard Cable, Standard Output XX-NONE Gal/Gal per Minute, Factory Calibrated, NSF-61-372 **Cat String: M2-060-R1-A-RAC-S-XXGF-STD**	1	2,580.48	2,580.48
25	73437	**BMI Part No.: 100-0613** **Description: M2000, 8"** standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mounted Submersible, 15ft. Standard Cable, Standard Output XX-NONE Gal/Gal per Minute, Factory Calibrated, NSF-61-372 **Cat String: M2-080-R1-A-SAC-S-XXGF-STD**	1	2,951.13	2,951.13
26	84769	**BMI Part No.: 100-3773** **Description:** EU - E-Series Ultrasonic SS (NSF-61-372), EAC -5/8" X 3/4" (3/4 X7-1/2) Potable, XT - None - ThicK Washers, X-NONE Encoder, DA - ORION ME MIGRATABLE, 1 - Standard, 9 Dial - 0.01 Gal, E 1,000 AD -BADGER STD (TS-420) YX - YR MFG 8D & PBB Pit/Remote Thru Lid Kit, TH - TWIST TIGHT - 10 FT (MTR, ASSY) B0A - BADGER METER STANDARD (ID=B0A) **Cat String: EU-EAC-PXTX-E5-DA-19AE-A2YX-AGTH-AK-B0A**	0	184.97	-
27	51650	RCDL Compound Series Meter LL (NSF 61-G), 3", Round w/Test Plug,	22	1,772.38	38,992.36
28	51668	RCDL Compound Series Meter LL (NSF 61-G), 4", Round w/Test Plug,	31	2,789.88	86,486.28
29	51676	RCDL Compound Series Meter LL (NSF 61-G), 6", Round w/Test Plug,	3	3,953.04	11,859.12
		Total			1,790,790.31

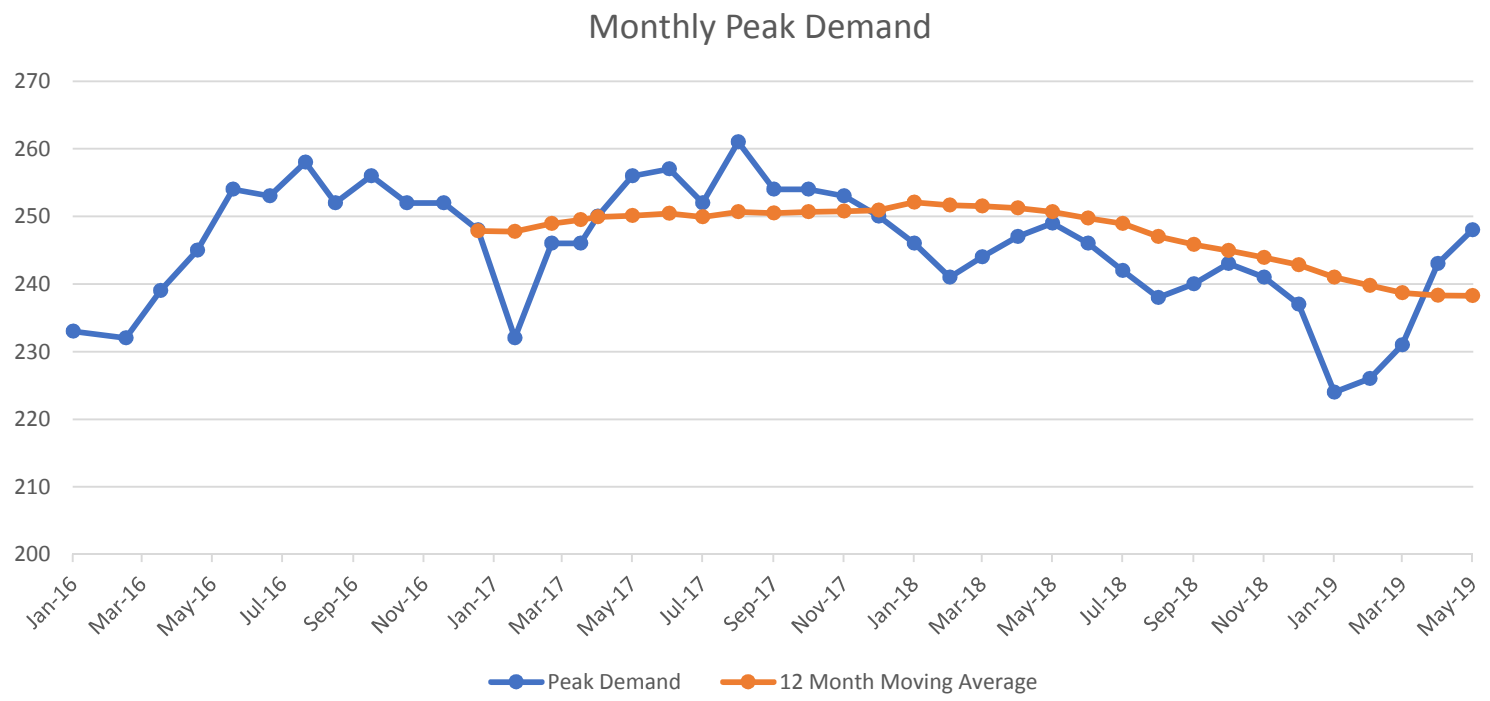
GENERAL MANAGER'S REPORT

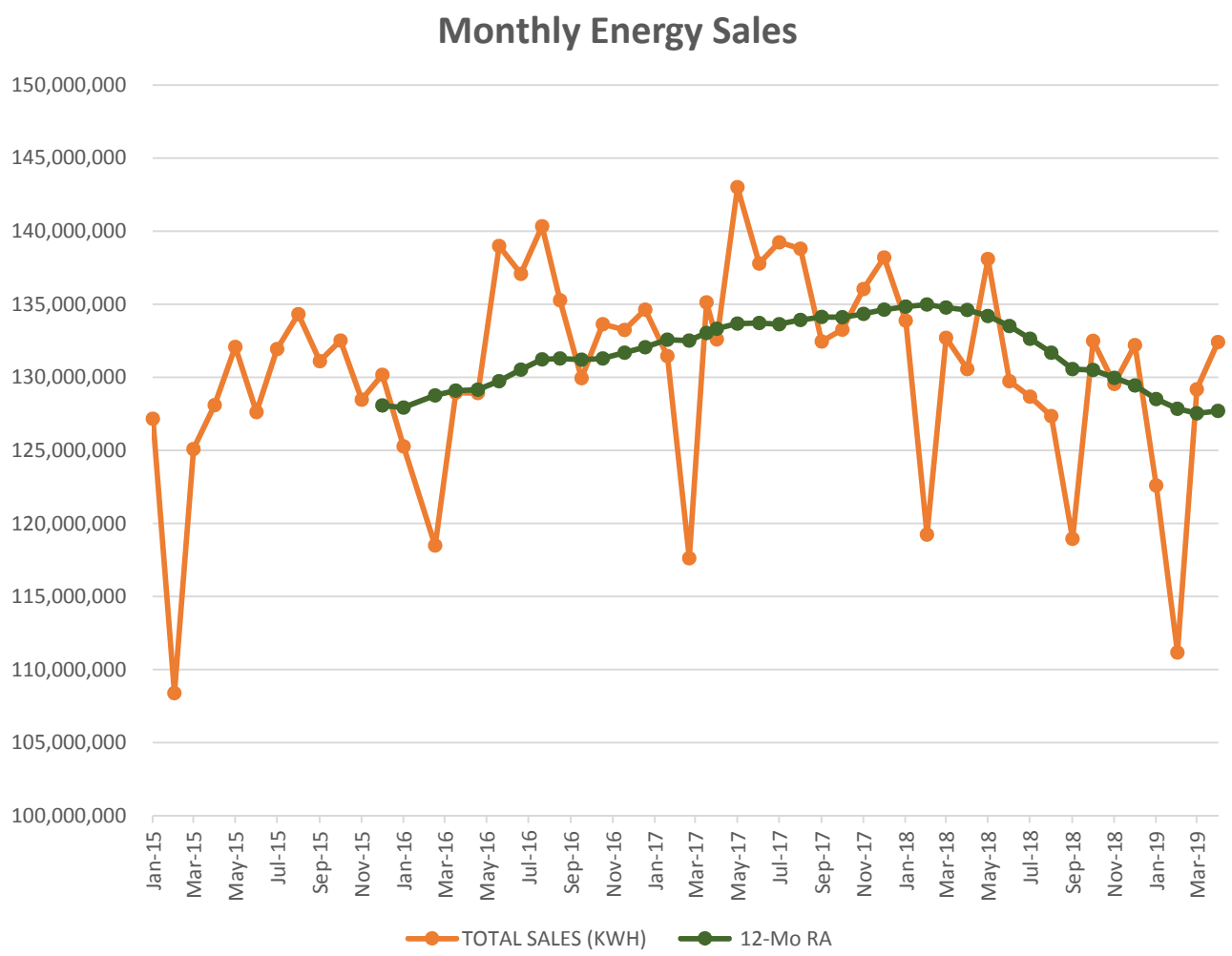
MAY 2019

1. **Generation System:** The following summarizes the generation forecast for June 2019:

   Projected Available Capacity: 397 MW
   Projected Demand: 245 MW
   Anticipated Reserve Margin: 152 MW

Peak Demand Trend. The following shows the Peak demand from January 2017 to May 2019 and the running 12-months trend:




Monthly Energy Sales
150,000,000
145,000,000
140,000,000
135,000,000
130,000,000
125,000,000
120,000,000
115,000,000
110,000,000
105,000,000
100,000,000
Jan-15
Mar-15
May-15
Jul-15
Sep-15
Nov-15
Jan-16
Mar-16
May-16
Jul-16
Sep-16
Nov-16
Jan-17
Mar-17
May-17
Jul-17
Sep-17
Nov-17
Jan-18
Mar-18
May-18
Jul-18
Sep-18
Nov-18
Jan-19
Mar-19
TOTAL SALES (KWH)
12-Mo RA

Demand Side Management (DSM)

2. Program directly reduces energy cost to customer at a one time fixed rebate. GPA currently funded $3.9M from base rate. Program growing exponentially and GPA base rate not able to fund the growth.

DSM PROGRAM SUMMARY

Description	FY16	FY17	FY18	FY19 thru 4/30/19*	Total to Date
Regular/OT Pay	$11,348.80	$22,256.00	$26,121.83	$ 28,166.28	$ 87,892.91
Other Contractual	$28,278.50	$85,550.05	$116,977.50	$ 3,025.00	$ 233,831.05
Ads & Radio Announcements	-	-	-	$ 4,000.00	$ 4,000.00
Paid Rebates-Split AC	$ 154,700.00	$ 557,275.00	$ 1,247,000.00	$ 624,700.00	$ 2,583,675.00
Paid Rebates- Central AC	$ 3,400.00	$ 8,200.00	$ 4,400.00	$ 3,400.00	$ 19,400.00
Paid Rebates- Washer/Dryer	$ 2,800.00	$ 7,425.00	$ 48,800.00	$ 60,000.00	$ 119,025.00
Total Expenses	**$200,527.30**	**$680,706.05**	**$1,443,299.33**	**$ 723,291.28**	**$3,047,823.96**

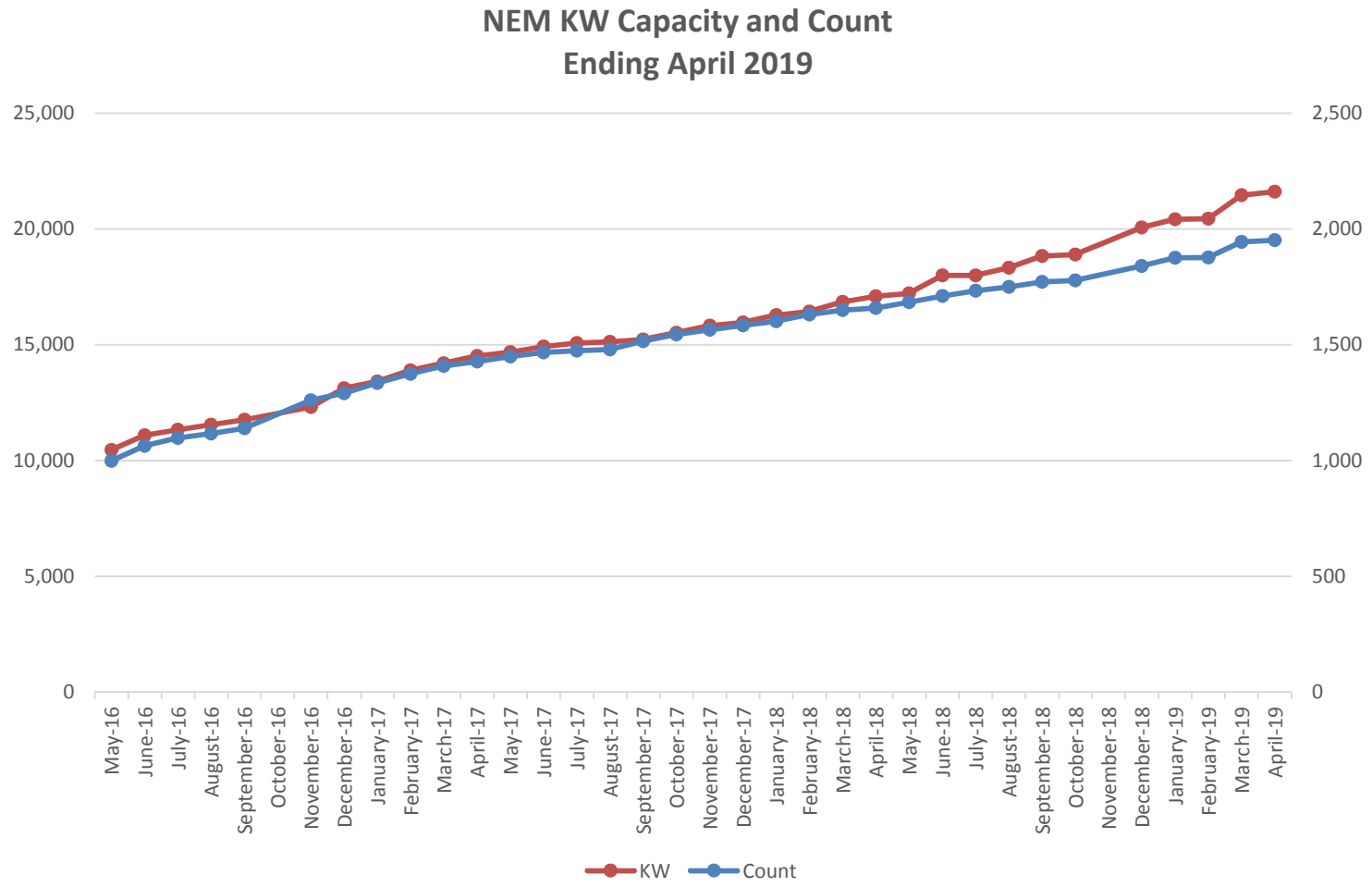
3. **Net Metering (NEM) Credit Adjustment:**

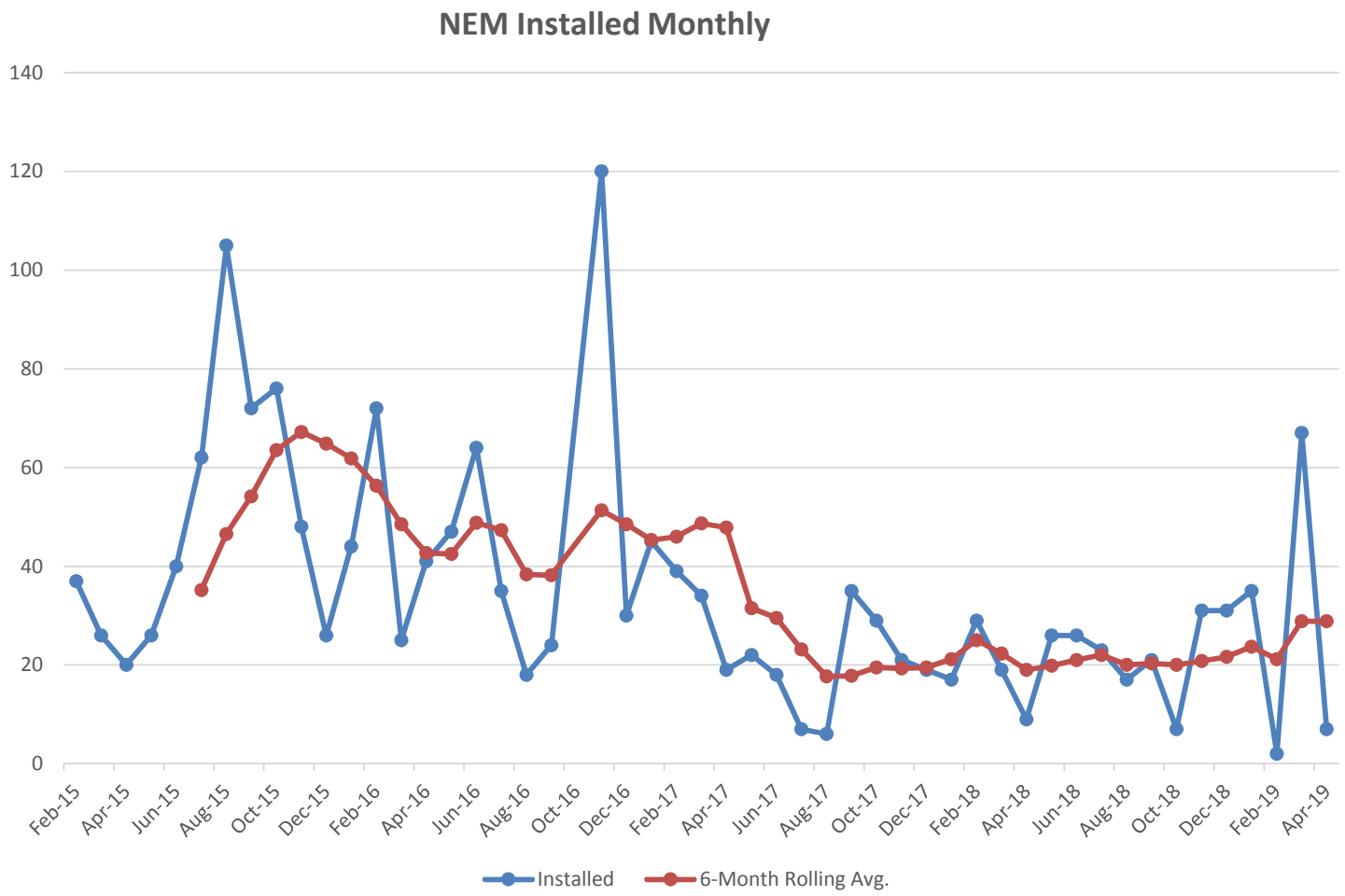
CCU approved GPA filing a petition to the PUC to consider changes to the existing net metering credit. GPA filed with PUC for adjustment of net metering credits from retail to avoided cost with a grandfather phase-out approach over 5 years to the GPA avoided cost credit. PUC engaged its consultant Daymark to review the petition. The PUC has conducted three public hearings on the petition. A decision by the PUC is anticipated soon. The following summarizes Net Metering Customers as of April 2019:

Net Metering Summary Ending April 2019:

Description:	**Count**	**Kw**
Active	**1,951**	**21,611**
Pending	1	7
Totals:	1,952	21,618

Service:	**Count**	**KW**	**Kw/Customer**
Residential	1,846	17,291	9.4
Others	105	4,320	41.1
Total:	1,951	21,611	11.1
% Residential	**94.6%**	**80.0%**	
Estimated 12 Months Revenue Impact:	**$3,424,495**		


NEM KW Capacity and Count
Ending April 2019
25,000
20,000
15,000
10,000
5,000
0
2,500
2,000
1,500
1,000
500
0
May-16
June-16
July-16
August-16
September-16
October-16
November-16
December-16
January-17
February-17
March-17
April-17
May-17
June-17
July-17
August-17
September-17
October-17
November-17
December-17
January-18
February-18
March-18
April-18
May-18
June-18
July-18
August-18
September-18
October-18
November-18
December-18
January-19
February-19
March-19
April-19
KW
Count


NEM Installed Monthly
140
120
100
80
60
40
20
0
Feb-15
Apr-15
Jun-15
Aug-15
Oct-15
Dec-15
Feb-16
Apr-16
Jun-16
Aug-16
Oct-16
Dec-16
Feb-17
Apr-17
Jun-17
Aug-17
Oct-17
Dec-17
Feb-18
Apr-18
Jun-18
Aug-18
Oct-18
Dec-18
Feb-19
Apr-19
Installed
6-Month Rolling Avg.

4. PUC NEM Public Hearings:

Three NEM public hearings were held by the Public Utilities Commission between March 26th to April 4th regarding GPA's petition for Modification of Current Net Metering Rider (GPA Docket No. 19-04). The May PUC Agenda is pending.

5. GPA's Village Management Program (VMP):

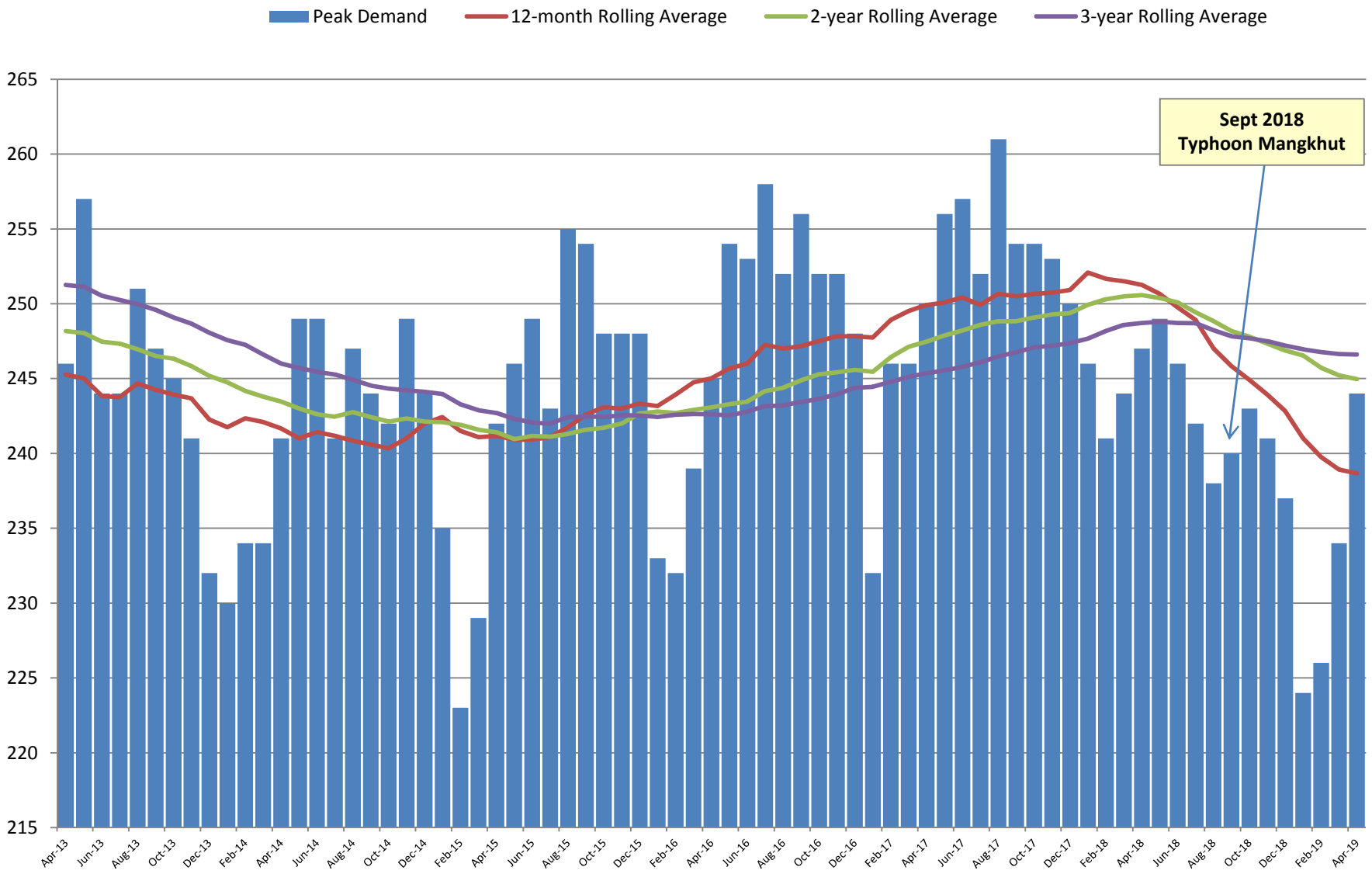
The program with the village Mayors of Asan, Piti, Agana-Heights, Mongmong-Toto, Ordot-Chalan Pago, Mangilao, Yona, Talofofo and Inarajan is showing progress in these villages. A drive thru the main road of these villages would show vegetation being cleared away from lines and poles painted with traffic yellow for safety. The program actually helps to beautify the island.

6. Update on New Power Plant Bid Opening:
   - The technical proposals for the new power plant were reviewed and the following bidders have been qualified to submit their pricing by May 31, 2019:
     - Powerflex LLC (c/o Wartsila Development and Financial Services)
     - Hanwha Energy Corporation
     - Korea Electric Power Corporation

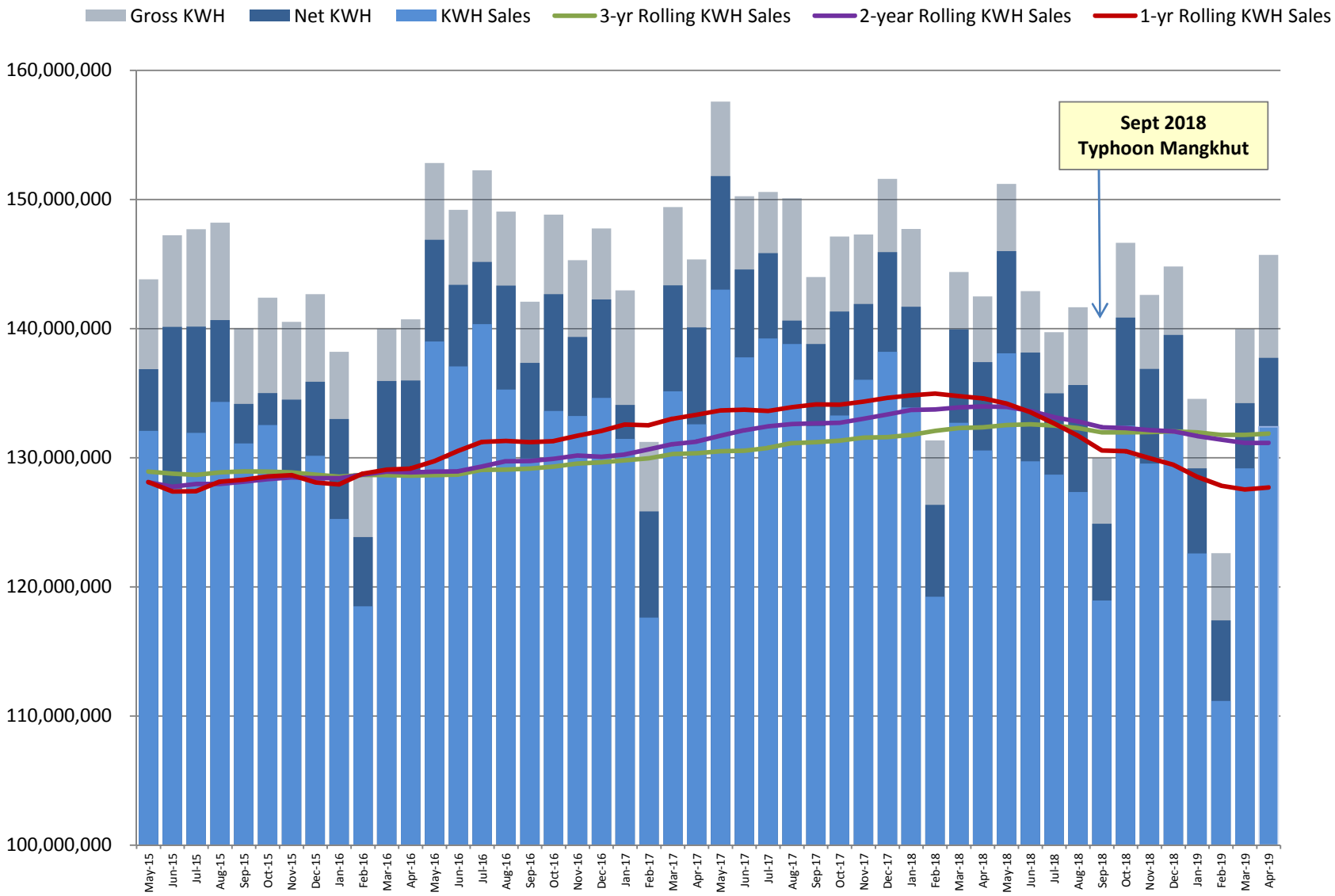
- Updated Schedule:
  - May 31, 2019 – Deadline to receive price proposal from acceptable bidders
  - June 3, 2019 – Public bid pricing opening date is at 9am at the GPA Procurement Conference Room
  - June 19, 2019 – Complete initial evaluation of price submittals
  - September 18, 2019 – GPA's targeted date to have a contract ready for CCU and PUC approvals

7. Generation KPI's – April 2019

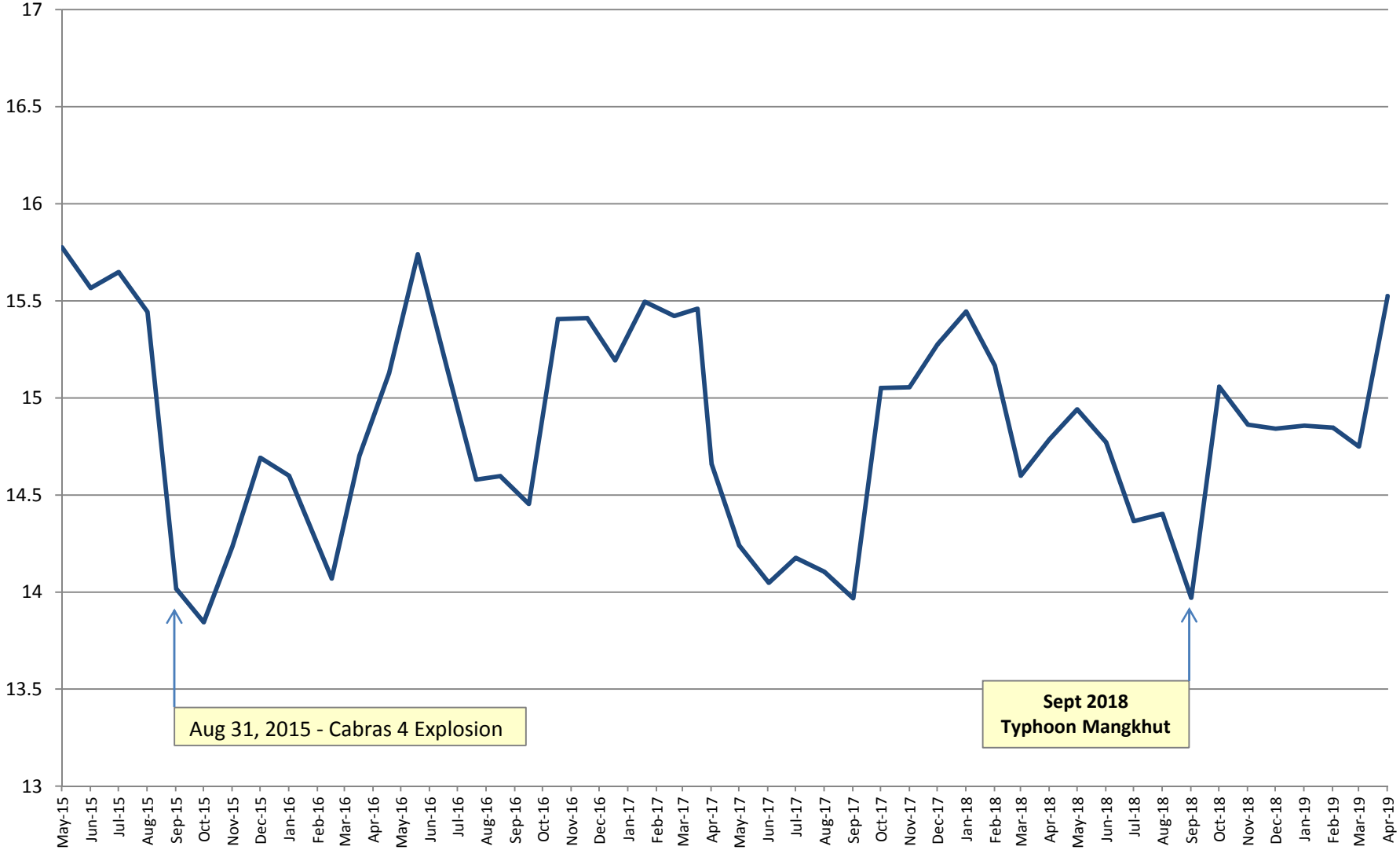
Historical Monthly Peak Demand
April 2013 - April 2019



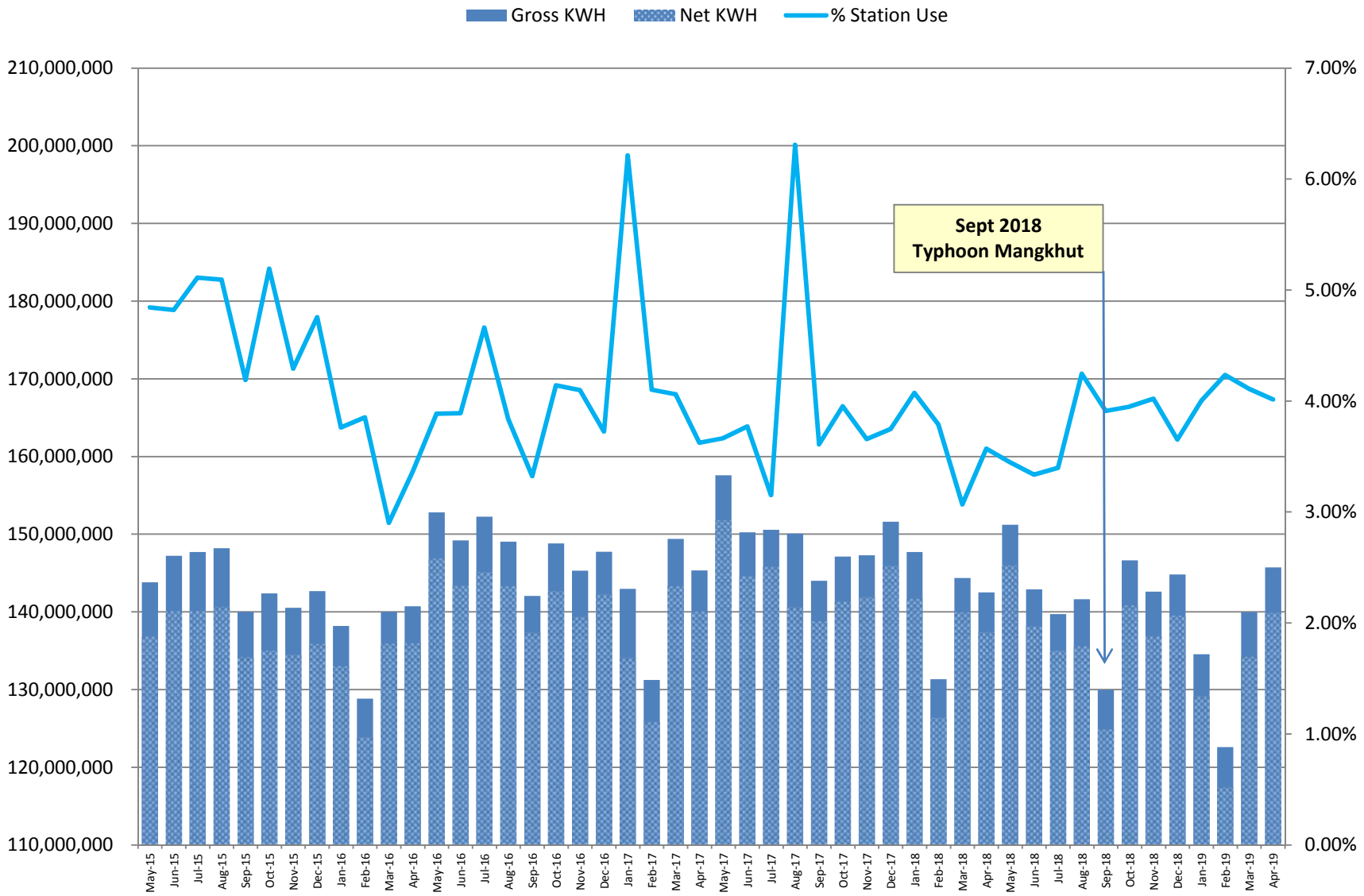
Historical KWH Sales
May 2015 - April 2019



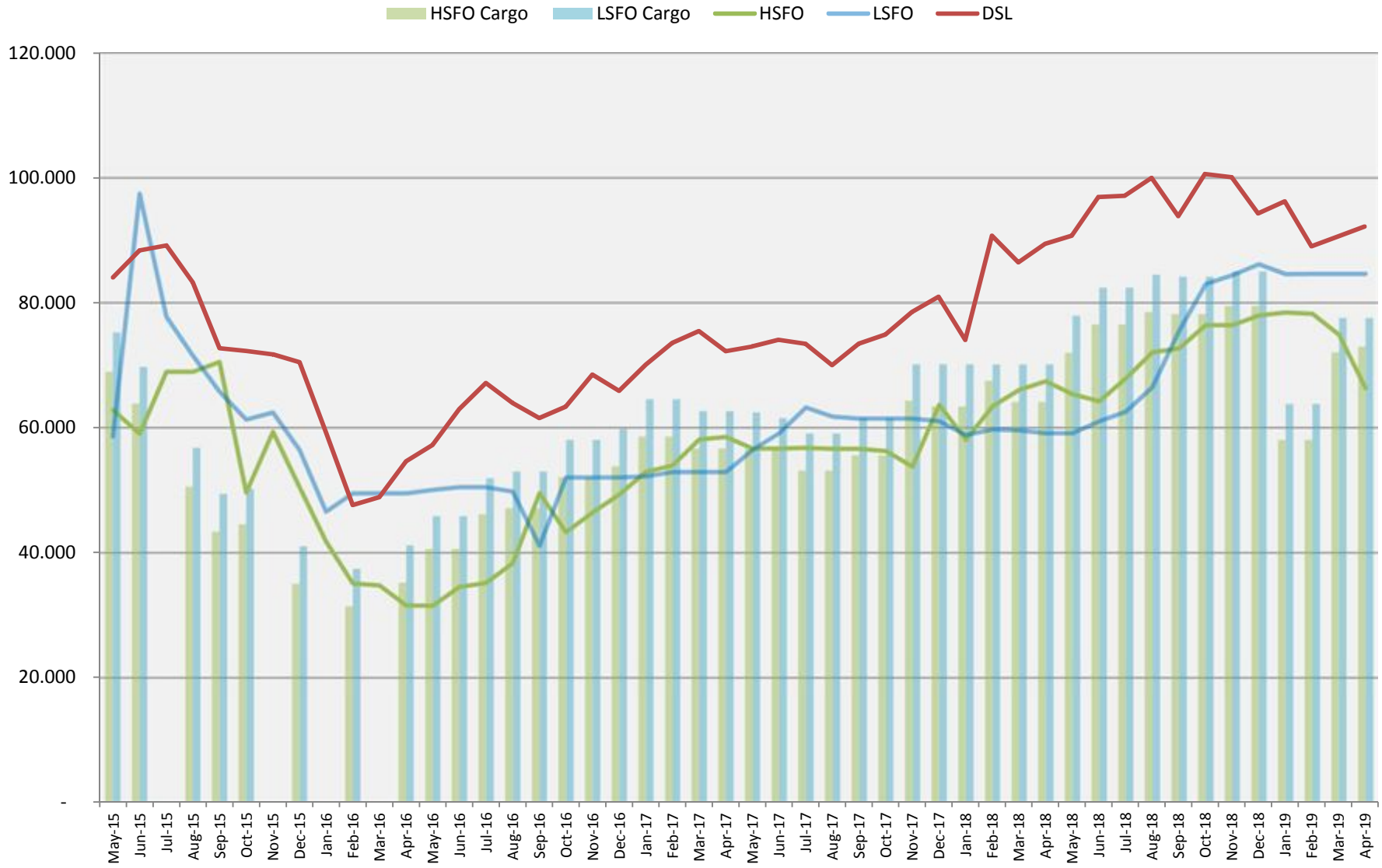
SYSTEM GROSS HEAT RATE
(KWH/Gal)
May 2015 - April 2019



Gross and Net Generation (KWH)
May 2015 - April 2019



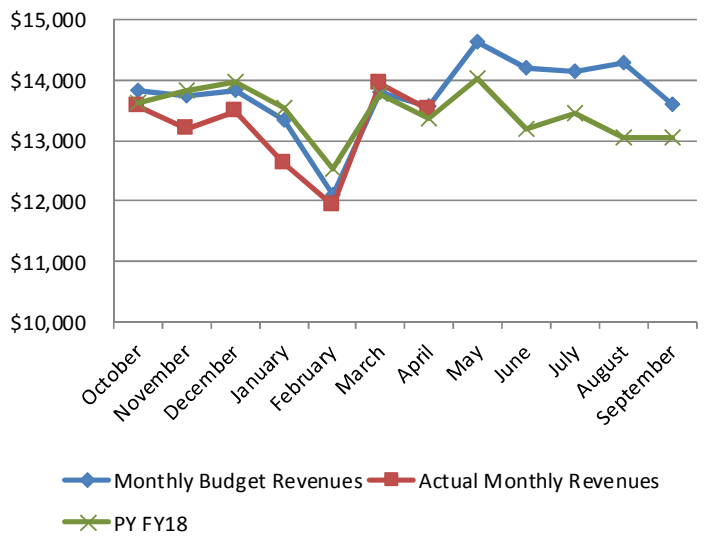
Fuel Cargo and Fuel Consumption Costs ($/bbl)
April 2015 - April 2019



CFO
FINANCIAL HIGHLIGHTS
April 2019

April 2019 Monthly Financial Highlights

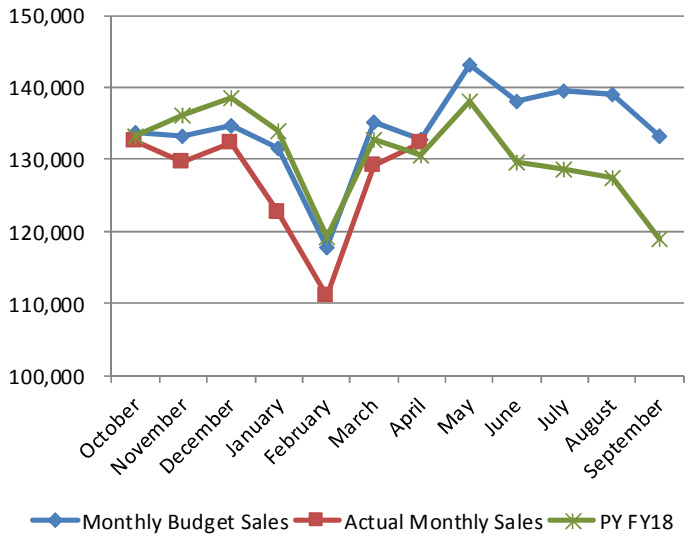
Base Rate Revenue $000



Through April 30, 2019

$000	Monthly Budget Revenues	Actual Monthly Revenues	Variance		PY FY18	CY vs PY Variance	
October	$ 13,811	$ 13,564	$ (246)	↓	$ 13,625	$ (61)	↓
November	13,723	13,203	$ (519)	↓	13,827	$ (624)	↓
December	13,833	13,467	$ (365)	↓	13,968	$ (501)	↓
January	13,321	12,616	$ (705)	↓	13,534	$ (918)	↓
February	12,114	11,915	$ (199)	↓	12,522	$ (607)	↓
March	13,790	13,926	$ 135	↑	13,776	$ 150	↑
April	13,562	13,520	$ (42)	↓	13,351	$ 169	↑
May	14,630				14,011		
June	14,196				13,201		
July	14,152				13,446		
August	14,280				13,041		
September	13,590				13,041		
Total	**$ 165,002**	**$ 92,212**	**$ (1,941)**		**$ 161,343**	**$ (2,391)**	

MWh Sales

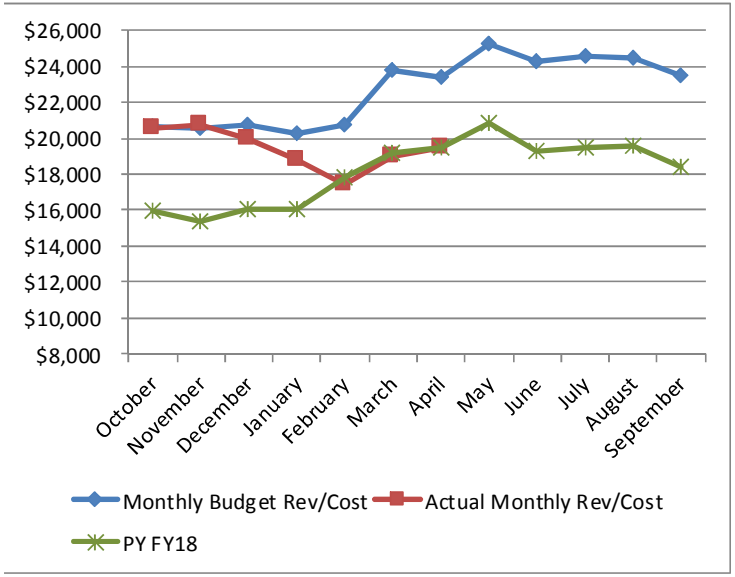


Through April 30, 2019

gwh	Monthly Budget Sales	Actual Monthly Sales	Variance		PY FY18	CY vs PY Variance	
October	133,797	132,489	(1,308)	↓	133,262	(773)	↓
November	133,346	129,537	(3,809)	↓	136,044	(6,506)	↓
December	134,715	132,190	(2,525)	↓	138,587	(6,397)	↓
January	131,547	122,590	(8,958)	↓	133,882	(11,292)	↓
February	117,775	111,159	(6,616)	↓	119,241	(8,082)	↓
March	135,196	129,170	(6,026)	↓	132,693	(3,523)	↓
April	132,763	132,396	(367)	↓	130,565	1,830	↑
May	143,236				138,085		
June	138,016				129,728		
July	139,434				128,681		
August	139,030				127,348		
September	133,149				118,935		
Total	**1,612,003**	**889,531**	**(29,608)**		**1,567,052**	**(34,745)**	

April 2019 Monthly Financial Highlights (Continued)

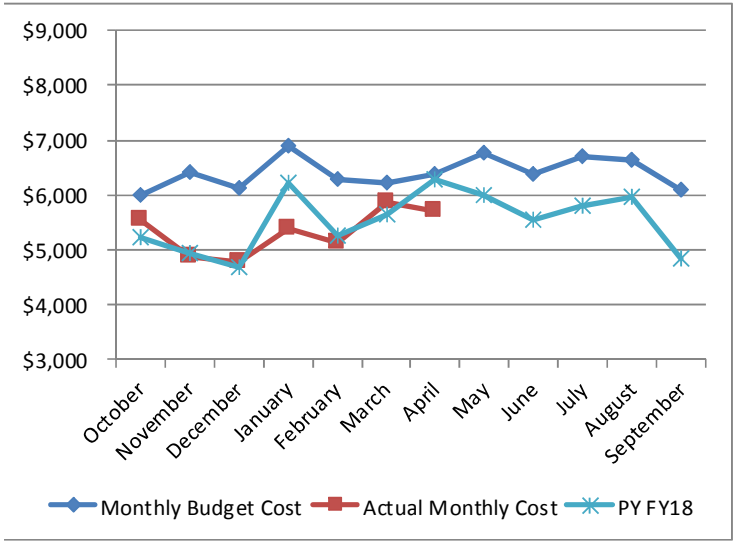
Fuel Revenue/ Cost $000



Through April 30, 2019

$000	Monthly Budget Rev/Cost	Actual Monthly Rev/Cost	Variance		PY FY18	CY vs PY Variance	
October	$ 20,637	$ 20,550	$ (87)	↓	$ 15,936	$ 4,615	↑
November	20,568	20,711	$ 143	↑	15,400	$ 5,310	↑
December	20,779	19,969	$ (810)	↓	16,007	$ 3,961	↑
January	20,290	18,822	$ (1,468)	↓	16,036	$ 2,785	↑
February	20,718	17,368	$ (3,350)	↓	17,763	$ (395)	↓
March	23,783	19,017	$ (4,765)	↓	19,180	$ (163)	↓
April	23,354	19,442	(3,912)	↓	19,441	$ 2	↑
May	25,197				20,854		
June	24,279				19,252		
July	24,528				19,457		
August	24,457				19,608		
September	23,422				18,390		
Total	**$ 272,011**	**$ 135,879**	**$ (14,250)**		**$ 217,324**	**$ 16,115**	

O&M Cost $000



Through April 30, 2019

$000	Monthly Budget Cost	Actual Monthly Cost	Variance		PY FY18	CY vs PY Variance	
October	$ 5,986	5,551	435	↑	5,239	(312)	↓
November	6,419	4,875	1,544	↑	4,941	66	↑
December	6,119	4,762	1,358	↑	4,694	(68)	↓
January	6,882	5,399	1,483	↑	6,204	805	↑
February	6,291	5,114	1,177	↑	5,252	138	↑
March	6,231	5,869	362	↑	5,638	(231)	↓
April	6,374	5,704	670	↑	6,269	565	↑
May	6,753				6,005		
June	6,373				5,558		
July	6,710				5,797		
August	6,648				5,961		
September	6,079				4,836		
Total	**$ 76,866**	**$ 37,274**	**$ 7,029**		**$ 66,394**	**$ 963**	

April 2019 Monthly Financial Highlights (Continued)

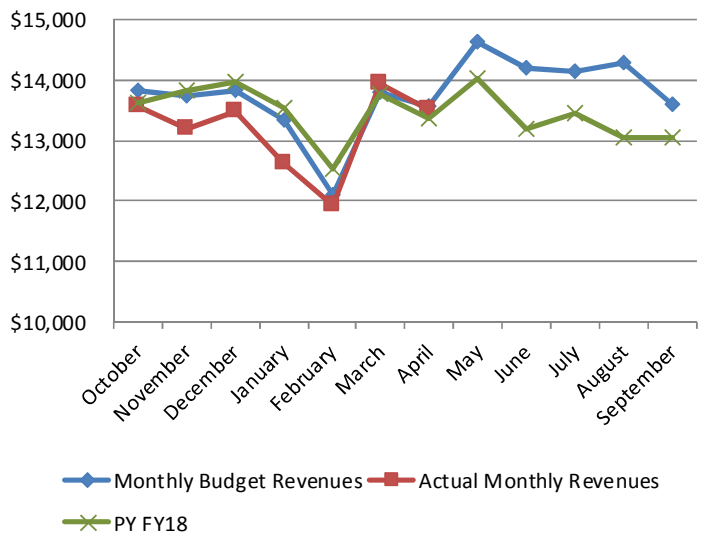
Through April 30, 2019

	2Q2018	3Q2018	4Q2018	1Q2019	2Q2019	3Q2019
Residential	44,065	44,074	43,887	43,920	44,144	44,200
Commercial	5,262	5,278	5,261	5,273	5,291	5,290
Government	1,086	1,092	1,077	1,090	1,074	1,070
Streetlights	1,005	1,091	1,152	1,151	1,152	1,143
Navy	1	1	1	1	1	1
	51,419	51,536	51,378	51,435	51,662	51,704

Debt service coverage (DSC) calculation-indenture	2013	2014	2015	2016	2017	2018	YTD Apr 2019
Senior lien coverage	3.36	3.16	3.62	3.28	2.65	2.68	1.95
Aggregate debt service coverage	1.88	1.98	2.62	3.28	2.65	2.68	1.95
Debt service coverage (DSC) calculation-IPP as O&M							
Senior lien coverage	2.16	2.55	2.56	2.45	1.79	1.80	1.52
Aggregate debt service coverage	1.21	1.41	1.85	2.45	1.79	1.80	1.52

April 2019 Monthly Financial Highlights

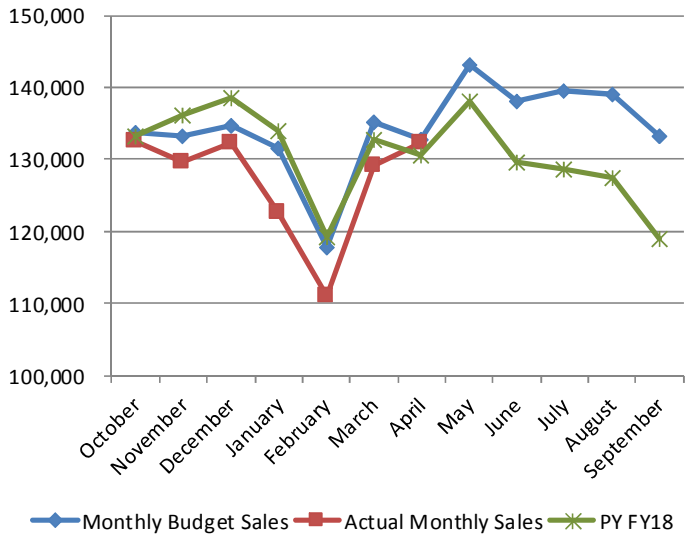
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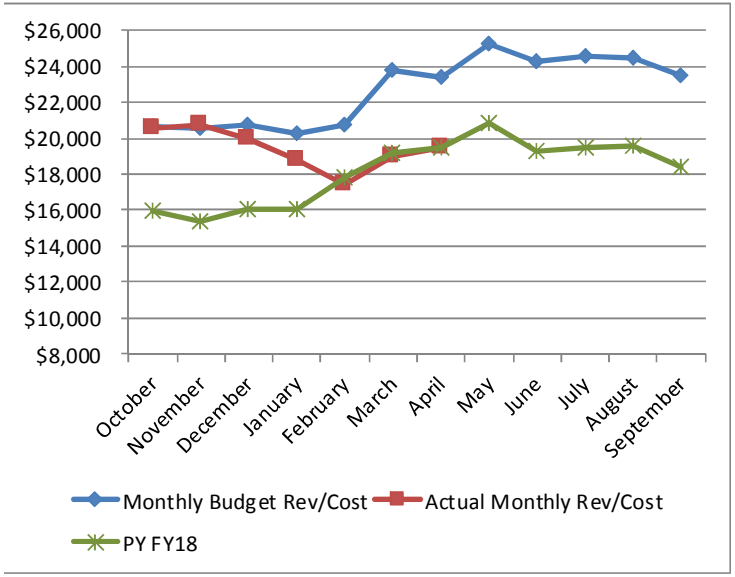


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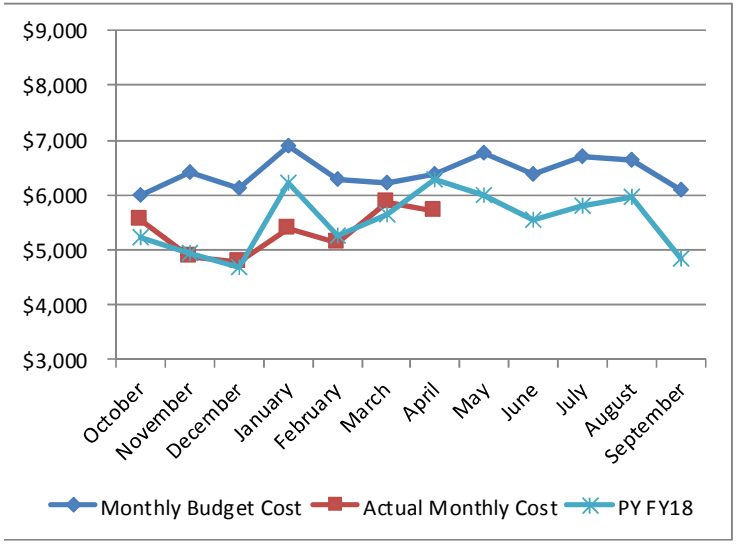
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Aggregate debt service coverage	1.88	1.98	2.62	3.28	2.65	2.68	1.95
Debt service coverage (DSC) calculation-IPP as O&M							
Senior lien coverage	2.16	2.55	2.56	2.45	1.79	1.80	1.52
Aggregate debt service coverage	1.21	1.41	1.85	2.45	1.79	1.80	1.52

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

Issues for Decision

Resolution No. 2019-06:

Relative to Authorizing Expenditure for the Tank Farm New ULSD Pipeline System (Design-Build)

What is the project's objective and is it necessary and urgent?
The project's objective is to comply with USEPA's requirement for GPA to significantly reduce power plant emissions. GPA will comply with USEPA's requirement by procuring services for the design and construction of the Tank Farm New ULSD Pipeline System to supply ULSD oil to the Piti Tank Farm, and Power Plants TEMES 7, MEC 8 and MEC 9. The ULSD pipeline system consists of 8-inch, 12-inch, and 24-inch diameter pipes with supports/pedestals, pipe manifolds, valves, and pumping station to include motor, pumps, concrete roof, berms and pads. The 24-inch ULSD pipeline will be interconnected from the US Navy tie-in to tanks 1934 and 1935, the 12-inch pipeline will be interconnected from tanks 1934 and 1935 to the pumping station and the 6-inch pipeline will be interconnected from the pumping station to the Power Plants TEMES 7, MEC 8 and MEC 9. The ULSD pipeline system will be operated and maintained under USEPA and American Petroleum Institute (API) guidelines and regulations.

GPA seeks to comply with USEPA's Consent Decree.

Where is at?
GPA Tank Farm in Piti with pipe connections to Power Plants TEMES 7, MEC 8 and MEC 9.

How much will it Cost?
The anticipated cost is as follows

Engineering/Construction Management		$ 100,000.00
AYM Contract (Design-Build)		**$3,495,944.00**
	Total	$3,595,944.00

What is its funding Source?
Cabras 3&4 Insurance Proceeds

When will it be completed?
The anticipated schedule is as follows:

Planned Start:	July, 2019
Planned Finish:	July, 2020
Duration:	12 months

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

GPA RESOLUTION NO. 2019 - 06

RELATIVE TO AUTHORIZING EXPENDITURE FOR THE TANK FARM NEW ULSD PIPELINE SYSTEM (DESIGN – BUILD)

WHEREAS, the Guam Power Authority (GPA) is mandated by United States Environmental Protection Agency (USEPA) to significantly reduce power plant emissions; and

WHEREAS, GPA seeks to comply with the USEPA requirement through the use of Ultra Low Sulfur Diesel (ULSD) oil to fuel power plants; and

WHEREAS, GPA intends to build and use a pipeline system to supply ULSD oil to the Piti Tank Farm and Power Plants TEMES 7, MEC 8 and MEC 9; and

WHEREAS, the ULSD pipeline system consists of 8-inch, 12-inch, and 24-inch diameter pipes with supports/pedestals, pipe manifolds, valves, and pumping station to include motor, pumps, concrete roof, berms and pads; and

WHEREAS, the 24-inch ULSD pipeline will be interconnected from the US Navy tie-in to tanks 1934 and 1935, the 12-inch pipeline will be interconnected from tanks 1934 and 1935 to pumping station and the 6-inch pipeline will be interconnected from pumping station to the Power Plants TEMES 7, MEC 8 and MEC 9; and

WHEREAS, the ULSD pipeline system will be operated and maintained under USEPA, GEPA and American Petroleum Institute (API) guidelines and regulations; and

WHEREAS, the Procurement Officer has provided adequate public announcement for the Design-Build of GPA Tank Farm New ULSD Pipeline System through Bid Invitation No. GPA-027-19; and,

WHEREAS, three (3) qualified bidders submitted bids for GPA's consideration (Attached **Exhibit "A"**); and

WHEREAS, GPA's Evaluation Committee has determined AYM International, Inc. to be the lowest responsive bidder at a cost of $3,495,944.00.

WHEREAS, the award of the Purchase Order to AYM International, Inc. has been made pursuant to a written finding by the Procurement Officer that the AYM International, Inc.'s offer meets the requirements of GPA and has been determined to be fair and reasonable.

WHEREAS, GPA has allocated $5.9M from GPA's proceeds from the Cabras 3&4 Insurance Settlement to fund this expenditure; and

WHEREAS, the total cost exceeds the $ 1.5M threshold requiring GPA to seek contract approval and authorization from PUC; and

WHEREAS, GPA is requesting the approval of the CCU to petition the PUC for approval to issue a Purchase Order for the Tank Farm New ULSD Pipeline System; and,

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. GPA's request to award the Contract for the Tank Farm New ULSD Pipeline System is reasonable and prudent.
2. GPA is authorized to petition the Public Utilities Commission for approval to issue a Purchase Order in the amount of $ 3,495,944.00 for the design and construction of the Tank Farm New ULSD Pipeline System utilizing Cabras 3&4 Insurance Proceeds.
3. Upon PUC approval, the General Manager is hereby authorized obligating authority of $3,495,944 for the purpose of securing design-build services for the GPA Tank Farm New ULSD Pipeline System.

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

DULY AND REGULARLY ADOPTED AND APPROVED THIS 28th DAY OF MAY, 2019.

Certified by:	Attested by:
_____	_____
JOSEPH T. DUENAS	MICHAEL T. LIMTIACO
Chairperson	Secretary
Consolidated Commission on Utilities	Consolidated Commission on Utilities

SECRETARY'S CERTIFICATE

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: _____

NUMBER OF INVITATIONS ISSUED: 6

NUMBER OF BIDS RECEIVED: 3

PROCUREMENT DIVISION
GUAM POWER AUTHORITY
ABSTRACT OF BIDS

INVITATION NUMBER: ITB GPA-027-19

OPENING DATE: 04/02/19 OPENING TIME: 2:00 P.M.

DESCRIPTION OF SUPPLIES OR SERVICES: GPA Tank Farm New ULSD Pipeline System (Design-Build)

	LINE ITEM 1	LINE ITEM 2	LINE ITEM 3	LINE ITEM 4	LINE ITEM 5
DESCRIPTION					
QTY.					
UNIT					
~~DELIVERY~~	360 Calendar DAYS upon ISSUANCE OF NTP				
BIDDER					
BASIC					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY	270 calendar days				
TOTAL LUMP SUM	3,994,099.00				
ALTERNATE					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					

No.: [01] Vendor Name: Tri Star

[X] BID GUARANTEE:

[ ] Bid Bond #: _____ Amount: $_____

[ ] Certificate of Authority [ ] Power of Attorney

[X] Standby Letter of Credit # 01-SB-1521 Amount $ 599,114.00

[ ] Letter of Credit #_____ Amount $_____

[ ] Cashier's or Certified Check #_____ Amount $_____

[ ] Wire Transfer

[ ] Statement of Qualifications

[X] Affidavits (Original Form)

[ ] Affidavits (Copy Form): Originals submitted with _____

[X] Major Shareholders [X] Non-Collusion [X] No Gratuities or Kickbacks

[X] Ethical Standards [X] Wage Determination [X] Restriction Against Sex Offendors

[ ] Business License [ ] Contractors License

[ ] Local Procurement Signed and Submitted

[ ] Literature

I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered herein.

SIGNATURE

TABULATED BY: _____ DATE: 4/2/19

Basis For Award
[ ] Lowest Responsive Bidder
[ ] Tie Bid
[ ] Only Bid
[ ] Other Than Lowest Responsive Bidder

PAGE 1 OF 3

ATTACHMENT A - BID ABSTRACT (GPA TANK FARM ULSD PIPELINE SYSTEM

NAMES OF PERSONS PRESENT AT THE BID OPENING AND WHOM THEY REPRESENT

	PRINT NAME:	COMPANY NAME:	SIGNATURE:	DATE:
1	VIVEK KANNAN	TRISTAR TERMINALS GUAM LLC		04/02/19
2	Brian Park	"		"
3	Hardy Vy	AYM Int'l Inc		4/2/19
4	ROGELIO W. TIPAY JR	BME & Sons Inc.		04/02/19.
5	NOEL LOPEZ	J&B modern tech		4.2.19
6	HONORIO JHN ESTIRA	GPA ENG'G / PM		4/2/19
7	manuel minas	GPA eng'g / pm		04/02/19
8	Sharlyne Tainatongo	GPA		4/2/19
9				
10				
11				
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15				
16				
17				
18				
19				
20				
21				

NUMBER OF INVITATIONS ISSUED: 6

NUMBER OF BIDS RECEIVED: 3

PROCUREMENT DIVISION

GUAM POWER AUTHORITY

ABSTRACT OF BIDS

INVITATION NUMBER: ITB GPA-027-19

OPENING DATE: 04/02/19 OPENING TIME: 2:00P.M.

DESCRIPTION OF SUPPLIES OR SERVICES: GPA Tank Farm New ULSD Pipeline System Design-Build

	LINE ITEM 1	LINE ITEM 2	LINE ITEM 3	LINE ITEM 4	LINE ITEM 5
DESCRIPTION					
QTY.					
UNIT					
Completion	360 Calendar Days upon Issuance of NTP				
BIDDER					
BASIC					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY	270 Calendar Days				
TOTAL LUMP SUM	3,495,994.00				
ALTERNATE					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					

No.: [02] Vendor Name: AVM International Inc

(✓) BID GUARANTEE:

[✓] Bid Bond #: AGA-3353-B Amount: $ 15% of total bid amount

(✓) Certificate of Authority [✓] Power of Attorney

[ ] Standby Letter of Credit # _____ Amount $ _____

[ ] Letter of Credit # _____ Amount $ _____

[ ] Cashier's or Certified Check # _____ Amount $ _____

[ ] Wire Transfer

( ) Statement of Qualifications

(✓) Affidavits (Original Form)

[ ] Affidavits (Copy Form): Originals submitted with _____

(✓) Major Shareholders [✓] Non-Collusion [✓] No Gratuities or Kickbacks

(✓) Ethical Standards [✓] Wage Determination [✓] Restriction Against Sex Offendors

[ ] Business License [✓] Contractors License

[ ] Local Procurement Signed and Submitted

[ ] Literature

I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered herein.

SIGNATURE

TABULATED BY: _____ DATE: 4/2/19

Basis For Award
[ ] Lowest Responsive Bidder
[ ] Tie Bid
[ ] Only Bid
[ ] Other Than Lowest Responsive Bidder

PAGE 2 OF 3

CCU Regular Meeting May 28, 2019 - GPA

NAMES OF PERSONS PRESENT AT THE BID OPENING AND WHOM THEY REPRESENT			
PRINT NAME:	COMPANY NAME:	SIGNATURE:	DATE:
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NUMBER OF INVITATIONS ISSUED: 6

NUMBER OF BIDS RECEIVED: 3

PROCUREMENT DIVISION

GUAM POWER AUTHORITY

ABSTRACT OF BIDS

INVITATION NUMBER: ITB GPA-027-19

OPENING DATE: 04/02/2019 OPENING TIME: 2:00 PM.

DESCRIPTION OF SUPPLIES OR SERVICES: GPA Tank Farm New ULSD Pipeline System (Design-Build)

	LINE ITEM 1	LINE ITEM 2	LINE ITEM 3	LINE ITEM 4	LINE ITEM 5
DESCRIPTION					
QTY.					
UNIT					
Completion	360 Calendar Days upon Issuance of NTP				
BIDDER					
BASIC					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY	270 Calendar days				
TOTAL LUMP SUM	6,744,811.52				
ALTERNATE					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					

No.: [03] Vendor Name: BME iSolus Inc

[T] BID GUARANTEE:

[T] Bid Bond #: 218 Amount: $ 15% of Accompany bid.

[T] Certificate of Authority [T] Power of Attorney

[ ] Standby Letter of Credit # _____ Amount $ _____

[ ] Letter of Credit # _____ Amount $ _____

[ ] Cashier's or Certified Check # _____ Amount $ _____

[ ] Wire Transfer

[ ] Statement of Qualifications

[T] Affidavits (Original Form)

[ ] Affidavits (Copy Form): Originals submitted with _____

[T] Major Shareholders [T] Non-Collusion [T] No Gratuities or Kickbacks

[T] Ethical Standards [T] Wage Determination [T] Restriction Against Sex Offendors

[ ] Business License [T] Contractors License

[ ] Local Procurement Signed and Submitted

[T] Literature

I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered herein.

SIGNATURE

TABULATED BY: _____ DATE: 4/2/19

Basis For Award
[ ] Lowest Responsive Bidder
[ ] Tie Bid
[ ] Only Bid
[ ] Other Than Lowest Responsive Bidder

PAGE 3 OF 3

CCU Regular Meeting May 28, 2019 - GPA

NAMES OF PERSONS PRESENT AT THE BID OPENING AND WHOM THEY REPRESENT

PRINT NAME:	COMPANY NAME:	SIGNATURE:	DATE:
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GUAM POWER AUTHORITY
ATURIDÅT ILEKTRESEDÅT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Issues for Decision

Resolution No. 2019-07:

RELATIVE TO AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY (GPA) PETITION THE PUC FOR APPROVAL OF THE UTILITY ENERGY SERVICE CONTRACT COSTS

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

This resolution seeks authorization to petition the PUC for the contract increase approval of Siemens to $1,933,374 for projects related to demand side management and energy efficiency programs. Siemens was awarded the contract from the Request for Proposal No. GPA-RFP-16-013 issued in May 2016 for Partnering Opportunities for the Development of Demand-Side Energy Conservation Programs and Utility Energy Services Contract Programs. The Utility Energy Services Contract supports GPA's demand side management program in the implementation or execution of energy efficiency and renewable projects for our large customers which may include financing as well as technical support.

The tasks include energy efficiency projects at GDOE and potentially other schools on the island. The opportunity for the projects at Carbullido, George Washington and Southern schools will be during this summer while school is out of session. The majority of the contract cost, approximately 68%, is to be funded by grants.

Where is the location?

Most of the current contract costs will be used for energy efficiency projects at Carbullido Elementary School and the George Washington and Southern High Schools. In addition, some funds will be used at other schools, yet to be determined, for energy audits and an energy efficiency conference through the Guam Energy Office grant award.

How much will it cost?

Current contract costs are totaling $1,933,374.

When will it be completed?

The projects for Carbullido, GW and Southern schools are expected to be completed by Summer 2019. The project under the Guam Energy Office must be completed before December 2020.

What is its funding source?

Of the total contract cost, $1,311,100 or 68% is grant funded. $500,000 is from the bond refinancing savings which was approved by CCU and PUC in January 2018. The balance of funds which would dependent on the grant award for the Electric Bus will be paid through CIP in FY 2020.

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

RESOLUTION NO. 2019-07

AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY (GPA)TO PETITION THE PUC FOR APPROVAL OF THE UTILITY ENERGY SERVICE CONTRACT COSTS

WHEREAS, GPA issued GPA-RFP-16-013 for Partnering Opportunities for the Development of Demand-Side Energy Conservation Programs and Utility Energy Services Contract Programs; and

WHEREAS, Siemens was selected for the above solicitation and signed into a contract on May 15, 2017 for a base contract of 5 years with an optional renewal for 5 additional years (see Contract **in Exhibit A**); and

WHEREAS, the Utility Energy Services Contract supports GPA's demand side management program in the implementation or execution of energy efficiency and renewable projects for our large customers which may include financing as well as technical support; and

WHEREAS, Siemens' initial task was to provide energy efficient products for the UOG Sea Grant Office in a joint effort with UOG to promote Demand Side Management and provide a model reference for energy consumption and cost savings to similar buildings located in the UOG Dean Circle; and

WHEREAS, under this contract GPA also tasked Siemens to conduct a Feasibility Study on Guam Department of Education (GDOE) schools for energy efficiency and renewable projects and to execute a pilot project demonstrating cost savings through these programs; and

WHEREAS, the GDOE Feasibility Study and Pilot project is part of the Bringing Energy Solutions to Schools that was initially presented for the use of a portion of FY 18 bond refinancing savings; and

WHEREAS, during the evaluation of the GDOE schools, GPA, Siemens, and GDOE collaborated in developing grant proposals for several lighting retrofit projects at various schools as part of a Demand Side Management Program Expansion Project grant submittal for the FY2018 Energizing Insular Communities Program (EIC) under the Department of Interior, Office of Insular Affairs; and

WHEREAS, in September 2018, GPA received notice of award for $1.2 M of grant funds for lighting retrofit at the George Washington and Southern High Schools (see Notice of Award in **Exhibit B**); and

WHEREAS, GPA and Siemens continue to collaborate on other grant opportunities to include Electric School Bus grant submittal which is anticipating an initial announcement of award selection end of May 2019; and

WHEREAS, the Guam Energy Office (GEO) has requested for GPA to execute a portion of their grant for Smart Energy Schools requiring energy audits and conference support to educate schools on the smart use of energy; and

WHEREAS, the GEO's grant scope is to be tasked to Siemens under their contract as well; and

WHEREAS, Siemens and GPA have met with other large commercial customers to include University of Guam and Navy to provide services as needed which would be at the expense of the customer, however no formal task requests have been received; and

Resolution No.: 2019-08

WHEREAS, the tasks for Siemens total more than $1.8 M which exceeds the General Manager approval authority and under the PUC Contract Protocol also requires PUC approval; and

WHEREAS, of the $1.8M for current tasks, $1.3M is to be funded through grant funds as shown in **Exhibit C**; and

WHEREAS, the total contract costs may increase to $1.93M should GPA be awarded the grant for the Electric Bus to be announced in May 2019.

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 to petition for approval of contract for Siemens for up to $1,933,374.

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

DULY and REGULARY ADOPTED this 28th day of May 2019.

Certified by:	**Attested by:**
JOSEPH T. DUENAS **CHAIRMAN**	**MICHAEL T. LIMTIACO** **SECRETARY**

Resolution No.: 2019-08

SECRETARY'S CERTIFICATE

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: _____

Resolution No.: 2019 - 08

EXHIBIT A

Contract

Resolution No.: 2019-08

EXHIBIT B

Notice of Award

EIC Grant (DOI/OIA)

Resolution No.: 2019-08

EXHIBIT C

Summary of Contract Costs

	Task Description	Fund Source	Task Cost	Running Total	Status
1	DSM Model House @ UOG Sea Grant Office	GPA - DSM Funds	$ 12,274	$ 12,274	Completed
2	GDOE Feasibility Study & Carbullido Pilot	GPA - Bond Refinancing Savings	$ 500,000	$ 512,274	Study Completed / Pilot to start in June
3	GW Lighting Retrofit	Grant (DOI)	$ 295,315	$ 807,589	Scheduled for June
4	SHS Lighting Retrofit	Grant (DOI)	$ 954,685	$ 1,762,274	Scheduled for June
5	Guam Energy Office Energy Smart School Grant	DOE Grant (thru GEO)	$ 61,100	$ 1,823,374	Assigned to GPA / MOU in review
		Subtotal	**$ 1,823,374**		
		Total to be funded by Grant Funds:	**$ 1,311,100**		
	Future Scope				
6	Electric School Bus Pilot Program	GPA (55%) / EPA DERA Grant (45%)	$ 110,000	$ 1,933,374	Grant submitted. Pending award announcement. Of a $853K Grant, $110K is for Siemens Scope.

CONTRACT FOR TECHNICAL SERVICES

This CONTRACT is made and entered into on the 15th day of May, 2017, by **SIEMENS INDUSTRY, INC.**, hereinafter called the CONSULTANT, and the Guam Power Authority, hereinafter called GPA.

GPA engages the CONSULTANT to perform technical services for a project known and described as **Partnering Opportunities for the Development of Demand-Side Energy Conservation Programs and Utility Energy Services Contract Programs, GPA-RFP-16-013,** hereinafter called the "Project."

SECTION I - SERVICES OF THE CONSULTANT

The CONSULTANT shall perform the following technical services in accordance with the degree of care and skill that a registered professional in Guam would exercise under similar conditions:

A. GPA and the CONSULTANT have entered into this contract, wherein GPA will call upon a task and discuss scope and schedule with the CONSULTANT. The CONSULTANT shall provide services as described in the task list provided in Exhibit A. This list is not all-inclusive; GPA can negotiate tasks so long as it falls under the scope of Demand-Side Energy Conservation Programs and Utility Energy Services Contracts.

B. The CONSULTANT has assigned Mike Hubbard, SIEMENS' Senior Project Manager, as the Project Manager for this CONTRACT. Prior written approval is required in the event the CONSULTANT needs to change the Project Manager. The CONSULTANT shall submit the qualifications of the proposed substituted personnel to GPA for approval.

C. The CONSULTANT shall submit all final documents in both hard copy and electronic format. The software version used shall be compatible to current GPA standards.

SECTION II – CONTRACT PERIOD

GPA and the CONSULTANT have agreed that this CONTRACT will be effective June 1st, 2017 for a base contract period of five years or until all of the tasks in Exhibit A are completed. Upon mutual agreement, the CONTRACT may be extended for a period no more than five years beyond the base contract term. GPA shall, at its sole discretion, determine task completion.

SECTION III - CONSULTANT'S COMPENSATION

The CONSULTANT's compensation for this CONTRACT shall be obtained from the customer, through savings generated from the effective implementation of demand-side energy conservation programs and Utility Energy Services Contracts. A portion of the savings generated through these programs and contracts shall be allocated to pay for the services the CONSULTANT has provided.

Compensation structure shall be developed by CONSULTANT for each project implemented, based on generated savings, and shall be included in the proposal during the design and construction of each

project. Compensation structure should meet the approval of GPA and DoD or any other federal agency to whom GPA and the CONSULTANT shall provide the programs and contracts.

SECTION IV – CONSULTANT'S STATUS

The CONSULTANT agrees that there shall be no employee benefits occurring from this CONTRACT, such as:

A. Insurance coverage provided by GPA;
B. Participation in the Government of Guam retirement system;
C. Accumulation of vacation or sick leave;
D. There shall be no withholding of taxes by GPA;
E. That it is expressly understood and agreed that, in the performance of services under this CONTRACT, the CONSULTANT and its employees shall at all times act as independent CONSULTANTs with respect to GPA, and not as an employee or agent of GPA. Further, it is expressly understood and agreed by the parties that nothing contained in this CONTRACT shall be construed to create a joint venture, partnership, association, or other affiliation or like relationship and shall remain that of independent parties to a contractual relationship set forth in this CONTRACT.

SECTION V – GUAM POWER AUTHORITY'S RESPONSIBILITIES

A. GPA shall designate a project manager during the term of this CONTRACT. The project manager has the authority to administer this CONTRACT and shall monitor compliance with all terms and conditions stated herein. All requests for information from or a decision by GPA on any aspect of the work shall be directed to the project manager.
B. GPA shall review submittals by the CONSULTANT and provide prompt response to questions and rendering of decisions pertaining thereto, to minimize delay in the progress of the CONSULTANT'S work. GPA will keep the CONSULTANT advised concerning the progress of GPA's review of the work. The CONSULTANT agrees that GPA's inspection, review, acceptance or approval of CONSULTANT'S work shall not relieve CONSULTANT'S responsibility for errors or omissions of the CONSULTANT or its sub-consultant(s).
C. Unless included in the CONSULTANT'S Services as identified in Section I, GPA shall furnish the CONSULTANT gratis, the following information or services for this Project:

    1. Available GPA data relative to policies, regulations, standards, criteria, studies, etc., relevant to the Project.

SECTION VI – INVOICING AND PAYMENT TERMS & CONDITIONS

This is a revenue-neutral, zero-cost contract, and GPA shall not be invoiced for any services provided by the CONSULTANT related to Demand-Side Management Program and Utility Energy Services Contract activities.

Upon the finalization of the contract for this RFP, GPA and the CONSULTANT shall create Demand-Side Energy Conservation and UESC Programs that shall be proposed to the DoD and any other federal agency. These programs shall include Invoicing and Payment Terms based on Energy Savings realized by

DoD or the federal agency through the implementation of the Demand-Side Energy Programs and UESC Programs. The CONSULTANT shall properly keep track of all invoices including supporting documents (i.e. timesheets, shipping invoices, consumable listings). All supporting documents must be regularly reviewed and approved by the GPA Project Manager prior to invoice submittal for charges. Once DoD has approved the programs proposed by GPA and the CONSULTANT, invoicing shall commence based on the Payment Terms and Conditions proposed by the CONSULTANT. All invoices will be paid net 30 days from date invoice is received at the GPA Accounting Department. Payment shall be made using a method mutually agreed upon by GPA and the CONSULTANT.

SECTION VII - TERMINATION

The Procurement Officer may, when the interest of GPA or the Territory so require, terminate this contract in whole or in part, for the Convenience of the Territory. The Procurement Officer shall give written notice of the termination to the CONSULTANT specifying the part of the contract terminated and when termination becomes effective. **[GSA Procurement Regulations 6-101.10.]**

Immediately after receiving such notice, the CONSULTANT shall discontinue advancing the services under this CONTRACT and proceed to close said operations under this CONTRACT. The CONSULTANT shall appraise the services it has completed and submit an appraisal to GPA for evaluation. GPA shall have the right to inspect the CONSULTANT'S work to appraise the services completed.

CONSULTANT shall deliver to GPA all drawings, special provisions, field survey notes, reports, estimates and any and all other documents or work product generated by the CONSULTANT under the CONTRACT, entirely or partially completed, together with all unused materials supplied by GPA.

In the event of such termination or abandonment, the CONSULTANT shall be paid for services performed prior to receipt of said notice of termination including reimbursable expenses then incurred.

If the remuneration scheduled hereunder is based upon a fixed fee or definitely ascertainable sum, the portion of such sum payable shall be proportionate to the percentage of services completed by the CONSULTANT based upon the scope of work set forth in Exhibit A, and shall be agreed upon mutually by the CONSULTANT and GPA. However, in no event shall the fee exceed that set forth in Section III.

GPA shall make final payment within thirty (30) days after the CONSULTANT has delivered the last of the partially completed items and the final fee has been agreed upon.
In the event this CONTRACT is terminated, GPA shall have the option of completing the work, or entering into a contract with another party for the completion of the work according to the provisions and agreements herein.

SECTION VIII – CHANGES

GPA may at any time, by written order ("Change Order"), make any changes or deletions in the services to be performed hereunder. If such changes or deletions cause an increase or decrease in the costs of doing work under this CONTRACT, or in the time required for this performance, an equitable adjustment shall be made as agreed to by the parties and the CONTRACT shall be modified in writing accordingly. CONSULTANT shall have no obligation to perform any Change Order work until the parties reached an agreement on the equitable adjustment of CONSULTANT's compensation and/or time for performance.

SECTION IX – ASSIGNMENT OF AGREEMENT

The CONSULTANT may not assign this CONTRACT, or any sum becoming due to under the provisions of this CONTRACT, without the prior written consent of GPA which consent shall not be unreasonably withheld, provided, however, that no consent will be required if, as a result of a corporate reorganization an affiliate of the CONSULTANT becomes the CONSULTANT's successor in interest.

SECTION X – FORCE MAJEURE

Neither party shall be liable for any delay in meeting or failure to meet its obligations under this CONTRACT due to a *Force Majeure*.

Force Majeure referred to herein shall mean an occurrence beyond the control and without the fault or negligence of the party affected including, but not limited to, acts of God or the public enemy, expropriation or confiscation; changes in law procedures, war, rebellion, or riots; floods, unusually severe weather that could not reasonably have been anticipated; fires, explosions, epidemics, catastrophes, or other similar occurrences which are not within the control of the party affected. However, the following shall not be considered as *Force Majeure*:

a) Delay caused by lack or inability to obtain raw materials, congestion at CONSULTANT's or its subcontractor's facilities, or elsewhere; market shortages, or similar occurrences, or

b) Delay, either on the part of THE CONSULTANT or its subcontractors, caused by shortages of supervisors or labor, inefficiency, or similar occurrences, or

c) Sabotage, strikes, or any other concerted acts of workmen, which occur only in the facilities of THE CONSULTANT or its subcontractors.

Should the circumstances of *Force Majeure* continue over a period of ninety (90) days, GPA has the right, if no other understanding is reached, to terminate the whole Agreement or any part thereof. Any delay or failure in performing the obligations under the Contract Documents of the parties hereto shall not constitute default under this CONTRACT or give rise to any claim for damages or loss or anticipated profits if, and to the extent, such delay or failure is caused by Force Majeure, and if a claim is made therefore.

SECTION XI - TAXES

The CONSULTANT shall be liable for Guam Gross Receipt Taxes and all other applicable taxes and duties. GPA shall have no tax liability under this order. Specific information on taxes may be obtained from the Director of Revenue and Taxation.
GPA is a government agency exempted from ALL government taxes as stipulated in the Guam Code Annotated.

SECTION XII – NOTICES

Any notice, demand or other document required or permitted to be delivered hereunder shall be in writing and may be delivered personally (not to include facsimile transmission) or shall be deemed to be delivered when received postage prepaid, registered or certified mail, return receipt requested, addressed to the parties at their respective address as specified herein:

TO: Siemens Industry, Inc.
Building Technologies Division

15900 SE Eastgate Way, Suite 200
Bellevue, WA 98008
ATTN: Vice President - Pacific Zone
FAX: (866) 394-2237

COPY: Siemens Industry, Inc.
Building Technologies Division
5333 Fairbanks Street, Suite B
Anchorage, AK 99518
ATTN: Branch Manager / Account Executive - Guam
FAX: (907) 563-6139

TO: Guam Power Authority
P.O. Box 2977
Hagatna, Guam 96932-2977
ATTN: General Manager
FAX: (671) 649-6942

SECTION XIII – GOVERNING LAW

The validity of this CONTRACT and any of its terms or provisions, as well as the rights and duties of the parties to this CONTRACT, shall be governed by the laws of Guam, and the Federal Acquisition Regulation (FAR), in cases where FAR preempts the laws of Guam.

SECTION XIV - SUPPLEMENTAL CONTRACT PROVISIONS

There are no supplemental contract provisions to this Contract.

SECTION XV – INDEMNIFICATION

The CONSULTANT shall indemnify and hold GPA harmless from any claim, liability or product liability, loss, damage, demand, cause of action or suit, expense, or reasonable fee of legal counsel to the extent resulting from negligent acts or omissions of the CONSULTANT, including its employees, agents and subcontractors.

SECTION XVI - LIMITATION OF LIABILITY

UNLESS OTHERWISE PROVIDED IN THE APPLICABLE TASK ORDER, NEITHER PARTY IS LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, INDEMNITY OR ANY OTHER LEGAL OR EQUITABLE THEORY, FOR: LOSS OF USE, REVENUE, SAVINGS, PROFIT, INTEREST, GOODWILL OR OPPORTUNITY, COSTS OF CAPITAL, COSTS OF REPLACEMENT OR SUBSTITUTE USE OR PERFORMANCE, LOSS OF INFORMATION AND DATA, LOSS OF POWER, VOLTAGE IRREGULARITIES OR FREQUENCY FLUCTUATION, CLAIMS ARISING FROM BUYER'S THIRD PARTY CONTRACTS, OR FOR ANY TYPE OF INDIRECT, SPECIAL, LIQUIDATED, PUNITIVE, EXEMPLARY, COLLATERAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR ANY OTHER LOSS OR COST OF A SIMILAR TYPE.

UNLESS OTHERWISE PROVIDED IN THE APPLICABLE TASK ORDER, CONSULTANT'S MAXIMUM LIABILITY UNDER THIS CONTRACT SHALL BE LIMITED TO THE AMOUNT PAID TO THE CONSULTANT UNDER THAT TASK ORDER.

SECTION XVII – WORK PRODUCT DELIVERABLES

A. For the purposes of this Article "Intellectual Property" shall mean all trade secrets, patents and patent applications, trademarks (whether registered or unregistered and including any goodwill acquired in such trademarks), services marks, trade names, internet domain names, copyrights (including rights in computer software), moral rights, database rights, design rights, rights in know-how, rights in inventions (whether patentable or not) including, but not limited to, any and all renewals or extensions thereof, and all other proprietary rights (whether registered or unregistered, and any application for the foregoing), and all other equivalent or similar rights which may subsist anywhere in the world, including, but not limited to, any and all renewals or extensions thereof.

B. For the purposes of this Article, "CONSULTANT's Pre-Existing Intellectual Property" shall mean any Intellectual Property: (i) that has been conceived or developed by an employee or subcontractor of CONSULTANT before CONSULTANT performs any services under this CONTRACT; (ii) that is conceived or developed by such employee or subcontractor at any time wholly independently of CONSULTANT performing services under this Contract.

C. All reports, drawings, field survey notes, special provisions, estimates and any other documents commissioned by or deliverable to GPA under this CONTRACT ("Work Product Deliverables") shall become GPA's property upon receipt by GPA. CONSULTANT may retain file copies of such Work Product Deliverables. All CONSULTANT's Pre-existing Intellectual Property that may be included in the Work Product Deliverables provided to GPA under this CONTRACT shall also remain CONSULTANT's property. CONSULTANT hereby grants GPA a royalty-free, non-transferable, perpetual, nonexclusive license to use any CONSULTANT's Pre-existing Intellectual Property solely as incorporated into the Work Product Deliverables provided to GPA under this CONTRACT. Under such license, GPA and the customer shall have a right to:

(a) Use, in object code form only, any software that is owned or licensed by the CONSULTANT and that is included in the Work Product Deliverables ("Software Deliverables"); and

(b) Use all such Work Product Deliverables, provided however, that such use shall be limited to the particular project and location for which the Deliverables are provided. Any reuse of such Deliverables for other projects or locations without the written consent of the CONSULTANT will be at user's risk and without liability to the CONSULTANT.

(c) In consideration of such license, GPA agrees not to reverse engineer any Work Product Deliverables to discover any source code, object code, firmware, underlying ideas, or algorithms of such Deliverables.

SECTION XVIII - HAZARDOUS MATERIALS

A. For the purposes of this Article, "Hazardous Materials" means any material, substance, or waste, that, by reason of its composition or characteristics, is hazardous to human health and/or the environment, including any "solid waste" or "hazardous waste," as those terms are defined by the Resource Conservation and Recovery Act of 1976, as amended, any "hazardous substance," as that term is defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and any other hazardous, toxic or radioactive chemical, waste, byproduct, pollutant, contaminant, compound, product, material or substance, including without limitation, Asbestos, Asbestos containing materials ("ACM"),

polychlorinated biphenyls, petroleum (including crude oil or any fraction or byproduct thereof), hydrocarbons, radon, urea, urea formaldehyde, and any other material that is prohibited, controlled, limited or regulated in any manner under any Environmental Laws.

B. CONSULTANT's services under this CONTRACT shall not include, either directly or indirectly, performing or arranging for the detection, monitoring, handling, storage, removal, transportation, disposal, or treatment of Hazardous Materials. In the event that CONSULTANT encounters any Hazardous Materials or other hazardous conditions at a project site, CONSULTANT shall immediately stop work in the area affected and report the condition to customer and GPA. CONSULTANT shall not have any liability arising from pre-existing Hazardous Materials present or howsoever occurring at, on or under a project site. To the extent that such Hazardous Materials impact CONSULTANT's schedule or cost to complete the work, CONSULTANT shall be entitled to a scope Change Order for such impact.

SECTION XIX – DISPUTES

All controversies between GPA and the CONSULTANT which arise under, or are by virtue of, this CONTRACT and which are not resolved by mutual agreement, shall be resolved under Guam Procurement Law and the Government Claims Act, and pursuant to the laws of Guam.

SECTION XX – RELEASE OF INFORMATION

The CONSULTANT shall not release any information, including the contract price; concerning this project or any part thereof in any form, including advertising, news releases, or professional articles, without written permission from GPA.

SECTION XXI – INSURANCE

The CONSULTANT shall not commence work under this CONTRACT until he has obtained reasonable insurance for Auto Liability and Worker's Compensation and Employer's Liability up to the statutory limits. The CONSULTANT shall maintain all insurance required during the course of the work.

SECTION XXII – LICENSING

CONSULTANTS are reminded that GPA will not consider for award any offer submitted by a CONSULTANT who has not complied with the Guam Licensing Law. Specific information on licenses may be obtained from the Director of Revenue and Taxation.

SECTION XXIII – CONVENANT AGAINST CONTINGENT FEES

The CONSULTANT warrants that it has not employed any person to solicit or secure any resultant contract upon agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Guam Power Authority the right to terminate the CONSULTANT, or in its discretion, to deduct from the Contract price or consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commission payable by CONSULTANTs upon contracts or sales secured or made through, bona fide established commercial or selling agencies maintained by the CONSULTANT for the purpose of securing business.

SECTION XXVI – EQUAL EMPLOYMENT OPPORTUNITY

Section 3.01 of the Executive Order 10935 dated March 07, 1965 requires the CONSULTANT not to discriminate against an employee or applicant for employment because of race, creed, color or national origin. The CONSULTANT will take affirmative action to ensure that applicants are employed and that employees are treated equally during employment without regard to race, creed, color or national origin.

SECTION XXV – AMERICAN DISABILITIES ACT

If requested, the CONSULTANT must meet all ADA regulations and requirements.

IN WITNESS WHEREOF, the parties hereto have executed this CONTRACT this day _____. The CONSULTANT warrants that the person who is signing this CONTRACT on behalf of the CONSULTANT is authorized to do so and to execute all other documents necessary to carry out the terms of this CONTRACT.

Name: Dana Soukup
Title: Sr. Vice President Field Operations, BT Americas
Date:
SIEMENS INDUSTRY, INC.

JOHN M BENAVENTE, P.E.
GENERAL MANAGER
Date:
GUAM POWER AUTHORITY

Name: Peter Kamps
Title: Vice President Finance & Business Administration
Date:
SIEMENS INDUSTRY, INC.

APPROVED AS TO FORM:

B. GRAHAM BOTHA, ESQ.
GPA Staff Attorney

GPA-RFP-16-013
Partnering Opportunities for the Development of Demand-Side Energy Conservation Programs and Utility Energy Services Contract Program

EXHIBIT A: Potential Scopes of Work

Potential Project Scope
Potential Renewable Energy Project Development/Construction
Solar PV Ground Mounted Systems
Rooftop PV Systems
Wind Turbine Generator Systems
Core Energy Services
Energy audits including recommendations for energy efficiency measures (EEM)
Investment Grade Audits
Project scope development
Engineering and design
Financing
Equipment selection and purchasing
Construction management
Commissioning
Project documentation
Training owner's operating staff
Guarantee of savings through ongoing monitoring and verification activities
Other Services
Operations and maintenance of equipment
Energy management services
Chauffauge: supplying end-use heating, air-conditioning, lighting, etc. for an agreed-upon rate and period of time.
Measurement and Verification (M&V)
Other Services as required to serve GPA's Federal Client

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

SEP 28 2018

Mr. John M. Benavente, P.E.
General Manager
Guam Power Authority
Post Office Box 2977
Hagåtña, Guam, 96932

Dear Mr. Benavente:

I am pleased to award the Guam Power Authority a total of $1,250,000 in Fiscal Year 2018 grant funding through the Office of Insular Affairs' Energizing Insular Communities (EIC) program. Due to budget constraints, I am not able to fund other grant proposals submitted by the Guam Power Authority. Funding is awarded for the following two projects, as outlined in the proposals dated May 25, 2018:

- $954,685 – GUAM-EIC-2018-1, Bringing Energy Savings To (BEST) Schools, Southern High School LED Lighting Retrofit

- $295,315 – GUAM-EIC-2018-2, Bringing Energy Savings To (BEST) Schools, George Washington High School LED Lighting Retrofit

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 I. Pula
Director
Office of Insular Affairs

cc: Mr. Jon J.P. Fernandez, Superintendent of Educationp

GUAM POWER AUTHORITY

ATURIDAT ILEKTRESEDAT GUAHAN
P O BOX 2977, HAGATNA, GUAM 96932-2977

May 25, 2018

The Honorable Douglas W. Dumanech
Assistant Secretary of Insular and International Affairs
U.S. Department of the Interior
1849 C Street, N.W.
Mail-Stop 2429
Washington, D.C. 20240

PROJECT TITLE: **GPA Demand Side Management Expansion Program**
SUBJECT: **Empowering Insular Communities Program (EIC)**
CFDA No. 15.875
Fiscal Year 2018 Grant Application

Dear Honorable Douglas W. Dumanech:

Hafa Adai! The Guam Power Authority (GPA) submits for this grant opportunity its Demand-Side Management Program Expansion Project. Our Demand-Side Management program, also known as the Energy Sense Program has Energy Efficiency Initiatives that GPA offers as rebate incentives for our customers. The Program currently offers rebates for Energy Star Washer & Dryer Units, Energy Star Window-Type Air Conditioning, and qualifying AHRI-certified Ducted and Ductless-Split Air Conditioning.

Since the re-launch of the rebate program, GPA has paid out over $M1 in rebates for over 3,200 submitted applications as of March 2018. With the anticipated population boom on-island due to the import of Marine Soldiers to Guam, the Authority has embarked on DSM efforts in able to manage the expected increase in load with the replacement of inefficient and near-obsolete appliances and equipment with those that are third-party certified to be energy-efficient.

The Authority would like to increase impacts of Demand-Side Management by extending the current Rebate Program to other types of electrical equipment like lighting and water heating to both residential and commercial customers. This will allow Guam to reduce power costs, debilitate the increasing trend of the Island Wide Power System peak, and thereby save the utility and its ratepayers money in the form of avoided peak generation and avoided energy that would otherwise serve the load differential.

PROJECT TITLE: **GPA Demand Side Management Expansion Program**
SUBJECT: **Empowering Insular Communities Program (EIC)**
CFDA No. 15.875
Fiscal Year 2018 Grant Application

Ultimately, the program expansion will pose benefits to GPA's ratepayers by lowering their utility bills, catalyze reduction in fuel imports due to higher efficiency products, lower greenhouse gas emissions, as well as lowering the demand needed to serve the island the power its needs.

We look forward to your consideration of this request and appreciate this funding opportunity.

Si Yu'os Ma'ase,

John M. Benavente, P.E.
General Manager

cc: Krystina Alfano, EIC Grant Manager

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

Issues for Decision

Resolution No. *2019-08*

Relative to LEAC

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

The Guam Public Utilities Commission (GPUC) has established a Tariff under which the Guam Power Authority (GPA) is allowed to recover its fuel costs and fuel related costs under a factor which is reset and trued up every (6) six months through the Levelized Energy Adjustment Clause (LEAC). The deadline for the next filing is June 15, 2019. For the LEAC period covered from February 1, 2019 through July 31, 2019, GPA requested to maintain the LEAC rate of $0.154242/kWh that was approved by the CCU and GPUC.

The average market price of fuel in the initial filing for the current period was approved at $66.73/bbl for the (6) six-month period ending July 31, 2019, the current projection for the same period is $72.87/bbl and the projected price of fuel for the period ending January 31, 2020 is $74.18/bbl;

Although GPA will file the required LEAC schedules, it has determined that it will not petition for a change in the LEAC factor for secondary voltage service customers as well as alternative voltage customer for the period of August 1, 2019 to January 31, 2020.

How much will it cost?
The LEAC rate to **remain at $0.154242/kWh** effective for the period from August 1, 2019 thru January 31, 2020.

Based on this status quo approach, an under-recovery of about **$9.7M** is anticipated by the end of the LEAC period on January 31, 2020 which will have some impact on the working capital and other financial ratios; however. GPA will be able to manage in a short-term period.

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

RESOLUTION NO. 2019 - 08

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE GUAM PUBLIC UTILITIES COMMISSION FOR NO CHANGE IN THE LEVELIZED ENERGY ADJUSTMENT CLAUSE

WHEREAS, the Guam Public Utilities Commission (GPUC) has established a Tariff under which the Guam Power Authority (GPA) is allowed to recover its fuel costs and fuel related costs under a factor which is reset and trued up every (6) six months through the Levelized Energy Adjustment Clause (LEAC); and

WHEREAS, the deadline for the next filing is June 15, 2019; and

WHEREAS, for the LEAC period covered from February 1, 2019 through July 31, 2019, GPA requested to maintain the LEAC rate of $0.154242/kWh that was approved by the CCU and GPUC; and

WHEREAS, the average market price of fuel in the initial filing for the current period was approved at $66.73/bbl for the (6) six-month period ending July 31, 2019, the current projection for the same period is $72.87/bbl and the projected price of fuel for the period ending January 31, 2020 is $74.18/bbl; and

WHEREAS, the most recent Morgan Stanley market projections indicate falling fuel prices over the next year and GPA anticipates taking advantage of this market to reduce the current under recovery for fuel; and

WHEREAS, although GPA will file the required LEAC schedules, it has determined that it will not petition for a change in the LEAC factor for secondary voltage service customers as well as alternative voltage customer for the period of August 1, 2019 to January 31, 2020; and

WHEREAS, based on this status quo approach, an under-recovery of about $9.7M is anticipated by the end of the LEAC period on January 31, 2020 which will have some impact on the working capital and other financial ratios; however, GPA will be able to manage in the short-term period; and

WHEREAS, if the price of fuel continues to increase above the projected $74.18/bbl, GPA will file a proposed new LEAC rate adjustment if necessary, at that time; and

WHEREAS, GPA is requesting the Consolidated Commission on Utilities to authorize the Authority to file such petition with the Guam Public Utilities Commission; and

NOW, THEREFORE BE IT RESOLVED, by the Consolidated Commission on Utilities as follows:

1. The General Manager of the Guam Power Authority is authorized to petition the Guam Public Utilities Commission for the LEAC rate to remain at $0.154242/kWh effective for the period from August 1, 2019 thru January 31, 2020. (LEAC factors for alternative voltage levels are as reflected in the attached spreadsheets in the attached **Exhibit A**.)

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

DULY AND REGULARLY ADOPTED AND APPROVED THIS 28th DAY OF MAY 2019.

Certified by:	Attested by:
_____	_____
JOSEPH T. DUENAS	**MICHAEL T. LIMTIACO**
Chairperson	Secretary
Consolidated Commission on Utilities	Consolidated Commission on Utilities

I, Michael T. Limtiaco, Board Secretary of the Consolidated Commission on Utilities (CCU), as evidenced by my signature above, do hereby certify as follows: The foregoing is a full, true and correct copy of the resolution duly adopted at a regular meeting by the members of the Guam CCU, 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: _____
Abstentions: _____
Absent: _____

GPA
Proposed LEAC Rate ($000)

		A	B	C
		No Change in LEAC Proposed Eff 8/01/2019	**@50 % Recovery Proposed Eff 8/01/2019**	**@100 % Recovery Proposed Eff 8/01/2019**
2	Average Price per Bbl-RFO	$ 74.18	$ 74.18	$ 74.18
2	Average Price per Bbl-Diesel	$ 95.19	$ 95.19	$ 95.19
4	Number 6 (HSFO/LSFO)	$ 70,309	$ 70,309	$ 70,309
5	Number 2 (Diesel)	44,360	44,360	44,360
6	Renewable (Solar)	4,626	4,626	4,626
7	TOTAL COST	$ 119,296	$ 119,296	$ 119,296
8	Handling Costs	5,711	5,711	5,711
9	Total Current Fuel Expense	$ 125,007	$ 125,007	$ 125,007
10	Civilian Allocation	81.53%	81.53%	81.53%
11	LEAC Current Fuel Expense	$ 101,921	$ 101,921	$ 101,921
12	Deferred Fuel Expense at the beginning of the period	9,225	9,225	9,225
13	Total LEAC Expense	$ 111,146	$ 111,146	$ 111,146
14	Less: Trans. Level Costs	(5,837)	(6,117)	(6,396)
15	Distribution Level Costs	$ 105,309	$ 105,029	$ 104,750
16	Under recovery at the end of the period	$ (9,699)	$ (4,850)	$ -
17	Adjusted Distribution Level Costs	$ 95,610	$ 100,179	$ 104,750
18	Distribution Level Sales (mWh)	619,867	619,867	619,867
19	LEAC Factor Distribution	**0.154242**	**0.161614**	**0.168988**
20	Current LEAC Factor Distribution	0.154242	0.154242	0.154242
21	Increase/(Decrease)	0.00000	0.00737	0.01475
22	Monthly Increase/(Decrease) - 1000 kWh	$ 0.00	$ 7.37	$ 14.75
23	% Increase/(Decrease) in LEAC	0.00%	4.78%	9.56%
24	% Increase/(Decrease) in Total Bill	0.00%	2.96%	5.93%
25	Discount (3%) - Primary 13.8 KV	$ **0.149579**	**0.156756**	$ **0.163908**
26	Discount (4%) - 34.5 KV	$ **0.149148**	**0.156305**	$ **0.163436**
27	Discount (5%) - 115 KV	$ **0.147312**	**0.154381**	$ **0.161424**

Notes: This LEAC filing reflects the actual under recovery through April 30, 2019 and the average forward pricing from May 7-13, 2019.

GUAM POWER AUTHORITY — **Schedule 1**
Fuel Clause Reconciliation

1	Start Date							Total FY 20	Total FY 19	FY 20 Civilian	FY 19 Civilian	FY 20 Navy
2	Total Sales							1,591,092	1,578,832	1,291,030	1,275,587	300,062
3	Daily Sales							4,359	4,326	3,537	3,495	822
4	Plant Use							4.30%	4.30%	152.14	150.32	35.36
5	Transmission Loss							0.33%	0.33%	11.53	11.39	-
5a	Transmission Loss Above 13.8kV							2.38%	2.38%	84.07	83.06	19.54
6	Distribution Loss							3.29%	3.29%	116.42	115.03	-
7	Company Use							0.27%	0.27%	9.41	9.30	2.19
8	Total Daily Demand									3,910.63	3,863.86	879.18

			Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	TOTALS	Total	
9	Month										
10	Days		31	30	31	30	31	31			
			Forecast	Forecast	Forecast	Forecast	Forecast	Forecast			
11	Required Generation-Civilian		119,780	115,916	121,230	117,319	121,230	121,230	716,703	81.532%	
12	Required Generation-Navy		27,543	26,655	27,254	26,375	27,254	27,254	162,337	18.468%	
13	TOTAL REQUIRED GENERATION		147,323	142,571	148,484	143,694	148,484	148,484	879,040		
14	Number 6 (HSFO/LSFO)		$ 12,100,613	$ 11,334,168	$ 10,066,231	$ 11,831,399	$ 12,209,928	$ 12,766,970	$ 70,309,309	Schedule 2	
15	Number 2 (GPA)		6,687,550	7,735,163	10,622,235	6,580,140	7,005,187	5,730,217	44,360,493	Schedule 3	
16	Renewables		800,126	736,142	773,696	812,741	643,570	859,440	4,625,715	Schedule 4	
17	TOTAL COST		$ 19,588,289	$ 19,805,474	$ 21,462,162	$ 19,224,280	$ 19,858,686	$ 19,356,627	$ 119,295,517		
18	Handling Costs		886,889	886,659	984,002	984,326	984,296	985,033	5,711,204	Schedule 5	
19	TOTAL EXPENSE		$ 20,475,178	$ 20,692,133	$ 22,446,163	$ 20,208,606	$ 20,842,982	$ 20,341,660	$ 125,006,722		
	Calculation of Civilian Factor										
20	Sales-Civilian		109,793	103,809	110,552	111,811	113,204	109,758	658,927		
20a	Sales-At Transmission Level		6,581	6,368	6,581	6,368	6,581	6,581	39,059		
20b	Sales @ 13.8 kV		103,212	97,441	103,971	105,442	106,623	103,177	619,867		
21a	Fuel Cost Recovery @ 13.8 kV	**$161.614**	$ 16,680,556	$ 15,747,755	$ 16,803,209	$ 17,040,948	$ 17,231,791	$ 16,674,909	$ 100,179,168		
21b	Fuel Cost Recovery @ "Transmission"		1,030,572	997,328	1,030,572	997,328	1,030,572	1,030,572	6,116,943		
21c	Total Recovery		$ 17,711,128	$ 16,745,083	$ 17,833,781	$ 18,038,275	$ 18,262,363	$ 17,705,481	$ 106,296,111		
22	Civilian Costs (Total Expense x %)	81.532%	$ 16,693,916	$ 16,870,804	$ 18,300,909	$ 16,476,573	$ 16,993,796	$ 16,585,056	$ 101,921,053		
22a	Deferred Fuel Amort.								0		
23	Under/(Over)		$ (1,017,212)	$ 125,722	$ 467,128	$ (1,561,702)	$ (1,268,567)	$ (1,120,425)	$ (4,375,057)		
24	Estimated Under/(Over)										
25	Net Recovery Under/(Over)										
									$ 168.6771	**Proposed Rate Without Discount**	
26	Proposed Fuel Cost Recovery										
	Estimated Insurance Proceeds		0								
	Civilian Clause Reconciliation:										
27	Opening Recovery Balance-July 31, 2019		$ 9,224,758	$ 8,207,545	$ 8,333,267	$ 8,800,395	$ 7,238,693	$ 5,970,125			
	Under/(Over)		(1,017,212)	125,722	467,128	(1,561,702)	(1,268,567)	(1,120,425)	(4,375,057)		
29	Closing Recovery Balance		$ 8,207,545	$ 8,333,267	$ 8,800,395	$ 7,238,693	$ 5,970,125	$ 4,849,700	4,375,057	*Decrease/(Increase) in Deferred Fue*	
								$ 4,849,701	4,849,701		

Bills Computed at 1000 kWh/month	**Current Rates [1]**	**Current Bill**	**Rate to fully recover**	**Increase (Decrease)**
Customer Charge $/month	$ 15.00	$ 15.00	$ 15.00	$ -
Non Fuel Energy Charges ($/Kwh)				
Lifeline Usage (500 Kwh)	$ 0.0696	$ 34.78	$ 34.78	$ -
Non Lifeline Usage	$ 0.0869	$ 43.44	$ 43.44	$ -
WaterWell Charge				
Lifeline Usage (500 Kwh)	0.00000	$ -	$ -	$ -
Non Lifeline Usage	0.00279	$ 1.40	$ 1.40	$ -
Insurance Charge	0	$ -	$ -	$ -
WCF Surcharge	0	$ -	$ -	$ -
Roll Back Credit (RBC)	0	$ -	$ -	$ -
Fuel Recovery Charge		$ 154.24	$ 161.61	$ 7.37
TOTAL Bill		**$ 248.85**	**$ 256.22**	**$ 7.37**
Increase (Decrease) From Current Bill			$ 7.37	
Percent Increase (Decrease)			**2.96%**	
Increase (Decrease) From Current Leac Factor			$ 7.37	
Percent Increase (Decrease)			**4.78%**	

Adjusted LEAC Rate:	**Rate to Recover**	Current Rate Effective	
Customer	**Aug-19**	**May-18**	
Secondary - 13.8 KV	$ 0.161614	$ 0.154242	
Primary - 13.8 KV	$ 0.156756	$ 0.149579	**96.99%**
34.5 KV	$ 0.156305	$ 0.149148	**96.72%**
115 KV	$ 0.154381	$ 0.147312	**95.52%**

	Current Rate Effective
Customer	**May-18**
Secondary - 13.8 KV	0.154242
Primary - 13.8 KV	0.149579
34.5 KV	0.149148
115 KV	0.147312

C:\Guam\GPA\LEACs\Mar02\LEAC Aug 19 thru Jan 20 50% Recovery

GUAM POWER AUTHORITY — **Schedule 1**
Fuel Clause Reconciliation

		Total FY 20	Total FY 19	FY 20 Civilian	FY 19 Civilian	FY 20 Navy
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16	Renewables		800,126	736,142	773,696	812,741	643,570	859,440	4,625,715	Schedule 4	
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	Calculation of Civilian Factor										
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20b	Sales @ 13.8 kV		103,212	97,441	103,971	105,442	106,623	103,177	619,867		
21a	Fuel Cost Recovery @ 13.8 kV	**$168.987**	$ 17,441,597	$ 16,466,238	$ 17,569,846	$ 17,818,431	$ 18,017,982	$ 17,435,692	$ 104,749,786		
21b	Fuel Cost Recovery @ "Transmission"		1,077,591	1,042,830	1,077,591	1,042,830	1,077,591	1,077,591	6,396,025		
21c	Total Recovery		$ 18,519,188	$ 17,509,068	$ 18,647,437	$ 18,861,261	$ 19,095,573	$ 18,513,283	$ 111,145,811		
22	Civilian Costs (Total Expense x %)	81.532%	$ 16,693,916	$ 16,870,804	$ 18,300,909	$ 16,476,573	$ 16,993,796	$ 16,585,056	$ 101,921,053		
22a	Deferred Fuel Amort.								0		
23	Under/(Over)		$ (1,825,273)	$ (638,263)	$ (346,528)	$ (2,384,688)	$ (2,101,777)	$ (1,928,228)	$ (9,224,758)		
24	Estimated Under/(Over)										
25	Net Recovery Under/(Over)										
									$ 168.6771	**Proposed Rate Without Discount**	
26	Proposed Fuel Cost Recovery										
	Estimated Insurance Proceeds		0								
	Civilian Clause Reconciliation:										
27	Opening Recovery Balance-July 31, 2019		$ 9,224,758	$ 7,399,485	$ 6,761,222	$ 6,414,693	$ 4,030,005	$ 1,928,228			
	Under/(Over)		(1,825,273)	(638,263)	(346,528)	(2,384,688)	(2,101,777)	(1,928,228)	(9,224,758)		
29	Closing Recovery Balance		$ 7,399,485	$ 6,761,222	$ 6,414,693	$ 4,030,005	$ 1,928,228	$ (0)	9,224,758	*Decrease/(Increase) in Deferred Fue*	
								$ -			

Bills Computed at 1000 kWh/month	**Current Rates [1]**	**Current Bill**	**Rate to fully recover**	**Increase (Decrease)**
Customer Charge $/month	$ 15.00	$ 15.00	$ 15.00	$ -
Non Fuel Energy Charges ($/Kwh)				
Lifeline Usage (500 Kwh)	$ 0.0696	$ 34.78	$ 34.78	$ -
Non Lifeline Usage	$ 0.0869	$ 43.44	$ 43.44	$ -
WaterWell Charge				
Lifeline Usage (500 Kwh)	0.00000	$ -	$ -	$ -
Non Lifeline Usage	0.00279	$ 1.40	$ 1.40	$ -
Insurance Charge	0	$ -	$ -	$ -
WCF Surcharge	0	$ -	$ -	$ -
Roll Back Credit (RBC)	0	$ -	$ -	$ -
Fuel Recovery Charge		$ 154.24	$ 168.99	$ 14.75
TOTAL Bill		**$ 248.85**	**$ 263.59**	**$ 14.75**
Increase (Decrease) From Current Bill			$ 14.75	
Percent Increase (Decrease)			**5.93%**	
Increase (Decrease) From Current Leac Factor			$ 14.75	
Percent Increase (Decrease)			**9.56%**	

Adjusted LEAC Rate:	**Rate to Recover**	Current Rate Effective	
Customer	**Aug-19**	**May-18**	
Secondary - 13.8 KV	$ 0.168987	$ 0.154242	
Primary - 13.8 KV	$ 0.163908	$ 0.149579	**96.99%**
34.5 KV	$ 0.163436	$ 0.149148	**96.72%**
115 KV	$ 0.161424	$ 0.147312	**95.52%**

	Current Rate Effective
Customer	**May-18**
Secondary - 13.8 KV	0.154242
Primary - 13.8 KV	0.149579
34.5 KV	0.149148
115 KV	0.147312

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GUAM POWER AUTHORITY — **Schedule 1**
Fuel Clause Reconciliation

1	Start Date							Total FY 20	Total FY 19	FY 20 Civilian	FY 19 Civilian	FY 20 Navy
2	Total Sales							1,591,092	1,578,832	1,291,030	1,275,587	300,062
3	Daily Sales							4,359	4,326	3,537	3,495	822
4	Plant Use							4.30%	4.30%	152.14	150.32	35.36
5	Transmission Loss							0.33%	0.33%	11.53	11.39	-
5a	Transmission Loss Above 13.8kV							2.38%	2.38%	84.07	83.06	19.54
6	Distribution Loss							3.29%	3.29%	116.42	115.03	-
7	Company Use							0.27%	0.27%	9.41	9.30	2.19
8	Total Daily Demand									3,910.63	3,863.86	879.18
9	Month		Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	TOTALS	Total		
10	Days		31	30	31	30	31	31				
			Forecast	Forecast	Forecast	Forecast	Forecast	Forecast				
11	Required Generation-Civilian		119,780	115,916	121,230	117,319	121,230	121,230	716,703	81.532%		
12	Required Generation-Navy		27,543	26,655	27,254	26,375	27,254	27,254	162,337	18.468%		
13	TOTAL REQUIRED GENERATION		147,323	142,571	148,484	143,694	148,484	148,484	879,040			
14	Number 6 (HSFO/LSFO)		$ 12,100,613	$ 11,334,168	$ 10,066,231	$ 11,831,399	$ 12,209,928	$ 12,766,970	$ 70,309,309	Schedule 2		
15	Number 2 (GPA)		6,687,550	7,735,163	10,622,235	6,580,140	7,005,187	5,730,217	44,360,493	Schedule 3		
16	Renewables		800,126	736,142	773,696	812,741	643,570	859,440	4,625,715	Schedule 4		
17	TOTAL COST		$ 19,588,289	$ 19,805,474	$ 21,462,162	$ 19,224,280	$ 19,858,686	$ 19,356,627	$ 119,295,517			
18	Handling Costs		886,889	886,659	984,002	984,326	984,296	985,033	5,711,204	Schedule 5		
19	TOTAL EXPENSE		$ 20,475,178	$ 20,692,133	$ 22,446,163	$ 20,208,606	$ 20,842,982	$ 20,341,660	$ 125,006,722			
	Calculation of Civilian Factor											
20	Sales-Civilian		109,793	103,809	110,552	111,811	113,204	109,758	658,927			
20a	Sales-At Transmission Level		6,581	6,368	6,581	6,368	6,581	6,581	39,059			
20b	Sales @ 13.8 kV		103,212	97,441	103,971	105,442	106,623	103,177	619,867			
21a	Fuel Cost Recovery @ 13.8 kV	**$154.242**	$ 15,919,681	$ 15,029,430	$ 16,036,739	$ 16,263,634	$ 16,445,772	$ 15,914,292	$ 95,609,548			
21b	Fuel Cost Recovery @ "Transmission"		983,384	951,662	983,384	951,662	983,384	983,384	5,836,862			
21c	Total Recovery		$ 16,903,066	$ 15,981,092	$ 17,020,124	$ 17,215,296	$ 17,429,156	$ 16,897,676	$ 101,446,410			
22	Civilian Costs (Total Expense x %)	81.532%	$ 16,693,916	$ 16,870,804	$ 18,300,909	$ 16,476,573	$ 16,993,796	$ 16,585,056	$ 101,921,053			
22a	Deferred Fuel Amort.								0			
23	Under/(Over)		$ (209,150)	$ 889,712	$ 1,280,785	$ (738,723)	$ (435,361)	$ (312,620)	$ 474,644			
24	Estimated Under/(Over)											
25	Net Recovery Under/(Over)											
									$ 168.6771	**Proposed Rate Without Discount**		
26	Proposed Fuel Cost Recovery											
	Estimated Insurance Proceeds		0									
	Civilian Clause Reconciliation:											
27	Opening Recovery Balance-July 31, 2019		$ 9,224,758	$ 9,015,608	$ 9,905,320	$ 11,186,105	$ 10,447,382	$ 10,012,022				
	Under/(Over)		(209,150)	889,712	1,280,785	(738,723)	(435,361)	(312,620)	474,644			
29	Closing Recovery Balance		$ 9,015,608	$ 9,905,320	$ 11,186,105	$ 10,447,382	$ 10,012,022	$ 9,699,401	(474,644)	*Decrease/(Increase) in Deferred Fue*		
								$ -				

Bills Computed at 1000 kWh/month	**Current Rates [1]**	**Current Bill**	**Rate to fully recover**	**Increase (Decrease)**
Customer Charge $/month	$ 15.00	$ 15.00	$ 15.00	$ -
Non Fuel Energy Charges ($/Kwh)				
Lifeline Usage (500 Kwh)	$ 0.0696	$ 34.78	$ 34.78	$ -
Non Lifeline Usage	$ 0.0869	$ 43.44	$ 43.44	$ -
WaterWell Charge				
Lifeline Usage (500 Kwh)	0.00000	$ -	$ -	$ -
Non Lifeline Usage	0.00279	$ 1.40	$ 1.40	$ -
Insurance Charge	0	$ -	$ -	$ -
WCF Surcharge	0	$ -	$ -	$ -
Roll Back Credit (RBC)	0	$ -	$ -	$ -
Fuel Recovery Charge		$ 154.24	$ 168.99	$ 14.75
TOTAL Bill		**$ 248.85**	**$ 263.59**	**$ 14.75**
Increase (Decrease) From Current Bill			$ 14.75	
Percent Increase (Decrease)			**5.93%**	
Increase (Decrease) From Current Leac Factor			$ 14.75	
Percent Increase (Decrease)			**9.56%**	

Adjusted LEAC Rate:	**Rate to Recover**	Current Rate Effective	
Customer	**Aug-19**	**May-18**	
Secondary - 13.8 KV	$ 0.168987	$ 0.154242	
Primary - 13.8 KV	$ 0.163908	$ 0.149579	**96.99%**
34.5 KV	$ 0.163436	$ 0.149148	**96.72%**
115 KV	$ 0.161424	$ 0.147312	**95.52%**

	Current Rate Effective
Customer	**May-18**
Secondary - 13.8 KV	**0.154242**
Primary - 13.8 KV	**0.149579**
34.5 KV	**0.149148**
115 KV	**0.147312**

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GUAM POWER AUTHORITY

Fuel Clause Reconciliation

Schedule 1

		Total FY 19	FY 19 Civilian
1	Start Date		
2	Total Sales	1,578,832	1,275,587
3	Daily Sales	4,326	3,495
4	Plant Use	3.83%	133.97
5	Transmission Loss	0.30%	10.51
5a	Transmission Loss Above 13.8kV	2.19%	76.66
6	Distribution Loss	3.04%	106.16
7	Company Use	0.26%	9.23
8	Total Daily Demand		3,831.30

9	Month		Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	TOTALS	Total
10	Days		28	31	30	31	30	31		
			Actual	Actual	Actual	Forecast	Forecast	Forecast		
11	Required Generation-Civilian		96,618	113,115	114,409	118,770	114,939	118,770	676,622	80.026%
12	Required Generation-Navy		25,834	30,708	31,094	27,375	26,492	27,375	168,879	19.974%
13	TOTAL REQUIRED GENERATION		122,452	143,823	145,504	146,146	141,431	146,146	845,501	
14	Number 6 (HSFO/LSFO)		$ 11,291,749	$ 13,293,456	$ 12,762,527	$ 11,341,469	$ 11,602,121	$ 11,600,416	$ 71,891,738	Schedule 2
15	Number 2 (GPA)		4,724,737	4,383,487	3,042,317	7,760,969	5,911,533	6,926,318	32,749,361	Schedule 3
16	Renewables		646,506	936,169	944,619	1,050,194	1,013,450	875,087	5,466,026	Schedule 4
17	TOTAL COST		$ 16,662,992	$ 18,613,112	$ 16,749,463	$ 20,152,632	$ 18,527,104	$ 19,401,822	$ 110,107,124	
18	Handling Costs		419,588	1,043,173	755,675	869,121	869,246	869,354	4,826,157	Schedule 5
19	TOTAL EXPENSE		$ 17,082,580	$ 19,656,285	$ 17,505,138	$ 21,021,753	$ 19,396,350	$ 20,271,175	$ 114,933,281	
	Calculation of Civilian Factor									
20	Sales-Civilian		88,790	103,092	105,312	112,836	110,082	108,977	629,088	
20a	Sales-At Transmission Level		5,553	5,952	6,480	6,748	6,491	6,708	37,933	
20b	Sales @ 13.8 kV		83,237	97,140	98,832	106,087	103,591	102,269	591,155	
21a	Fuel Cost Recovery @ 13.8 kV	**$154.242**	$ 12,838,633	$ 14,983,118	$ 15,244,092	$ 16,363,096	$ 15,978,022	$ 15,774,170	$ 91,181,131	
21b	Fuel Cost Recovery @ "Transmission"		829,808	889,397	968,399	1,008,431	970,021	1,002,355	5,668,411	
21c	Total Recovery		$ 13,668,441	$ 15,872,515	$ 16,212,491	$ 17,371,527	$ 16,948,042	$ 16,776,525	$ 96,849,542	
			0			(968,399)				
22	Civilian Costs (Total Expense x %)	80.026%	$ 13,383,266	$ 16,511,669	$ 14,275,387	$ 16,822,895	$ 15,522,148	$ 16,222,236	$ 92,737,601	
22a	Deferred Fuel Amort.								0	
23	Under/(Over)		$ (285,176)	$ 639,154	$ (1,937,104)	$ (548,632)	$ (1,425,895)	$ (554,289)	$ (4,111,941)	
24	Estimated Under/(Over)									
25	Net Recovery Under/(Over)									
									$ 168.6160	**Proposed Rate Without Discount**
26	Proposed Fuel Cost Recovery									
	Estimated Insurance Proceeds		0							
	Civilian Clause Reconciliation:									
27	Opening Recovery Balance-January 31, 2019		$ 13,336,698	$ 13,051,523	$ 13,690,677	$ 11,753,573	$ 11,204,941	$ 9,779,046		
	Under/(Over)		(285,176)	639,154	(1,937,104)	(548,632)	(1,425,895)	(554,289)	(4,111,941)	
29	Closing Recovery Balance		$ 13,051,523	$ 13,690,677	$ 11,753,573	$ 11,204,941	$ 9,779,046	$ 9,224,758	4,111,941	*Decrease/(Increase) in Deferred Fue*
								$ -		

Bills Computed at 1000 kWh/month	**Current Rates [1]**	**Current Bill**	**Rate to fully recover**	**Increase (Decrease)**
Customer Charge $/month	$ 15.00	$ 15.00	$ 15.00	$ -
Non Fuel Energy Charges ($/Kwh)				
Lifeline Usage (500 Kwh)	$ 0.0696	$ 34.78	$ 34.78	$ -
Non Lifeline Usage	$ 0.0869	$ 43.44	$ 43.44	$ -
WaterWell Charge				
Lifeline Usage (500 Kwh)	0.00000	$ -	$ -	$ -
Non Lifeline Usage	0.00279	$ 1.40	$ 1.40	$ -
Insurance Charge	0	$ -	$ -	$ -
WCF Surcharge	0	$ -	$ -	$ -
Roll Back Credit (RBC)	0	$ -	$ -	$ -
Fuel Recovery Charge		$ 154.24	$ 168.93	$ 14.69
TOTAL Bill		**$ 248.85**	**$ 263.54**	**$ 14.69**
Increase (Decrease) From Current Bill			$ 14.69	
Percent Increase (Decrease)			**5.90%**	
Increase (Decrease) From Current Leac Factor			$ 14.69	
Percent Increase (Decrease)			**9.52%**	

Adjusted LEAC Rate: Customer	**Rate to** Recover Feb-19	Current Rate Effective May-18	
Secondary - 13.8 KV	$ 0.168932	$ 0.154242	
Primary - 13.8 KV	$ 0.163849	$ 0.149579	96.99%
34.5 KV	$ 0.163377	$ 0.149148	96.71%
115 KV	$ 0.161366	$ 0.147312	95.52%

Customer	Current Rate Effective May-18
Secondary - 13.8 KV	0.154242
Primary - 13.8 KV	0.149579
34.5 KV	0.149148
115 KV	0.147312

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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., June 5, 2019

AGENDA

1. CALL TO ORDER

2. APPROVAL OF MINUTES

3. COMMUNICATIONS
   - 3.1 Public Comments (2 min. per person)

4. GPA
   - 4.1 New Business
   - 4.1.1 GM Report
   - 4.1.2 Financials
   - 4.1.3 Resolution No. 2019-09 Relative to Authorizing GPA to contract for Unarmed Uniformed Security Guard Services

5. GWA
   - 5.1 New Business
   - 5.1.1 GM Report
   - 5.1.2 Financials
   - 5.1.3 Resolution No. 37-FY2019 Relative to Approval of Contract for Construction of Upgrade of the Northern District Wastewater Treatment Plant, Project No. S17-003-OEA
   - 5.1.4 Resolution No. 36-FY2019 Relative to Approving the Five-Year Financial Plan and Capital Improvement Program

6. ANNOUNCEMENTCCU MTG 7/23
   - 6.1 Next CCU Meetings: GWA WS 7/16; GPA WS 7/18; CCU MTG 7/23

7. ADJOURNMENT

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

Special Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., April 4, 2019

MINUTES

1. CALL TO ORDER

The Chairman called the CCU regular meeting of April 4, 2019 to order at 5:33 p.m. He said four (4) Commissioners were present adding that Comm. Guthertz was present earlier but felt ill and is excused. Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice Chairman
Michael T. Limtiaco	CCU Secretary
Simon A. Sanchez	Commissioner

Executive Mgmt.:

Miguel Bordallo	GM / GWA
Chris Budasi	AGMA / GWA
Gilda Mafnas	CFO (A) / GWA
Kelly Clark	Staff Attorney / GWA

Management & Staff:

Paul Kemp	AGM Compliance & Safety / GWA
Ron Topasna	O&M Mgr, Water Treatment / GWA
Vangie Lujan	Compliance & Safety / GWA
Heidi Ballendorf	Public Information Officer / GWA
Tom Cruz	Chief Engineer / GWA
Dave Fletcher	O&M Mgr, WW Treatment / GWA
Chris Putin	IT / GWA
Yvonne Cruz	Budget Officer, GWA
Josephine Evangelista	GWA
Antoinette Acfalle	Legal Secretary / GWA
Lou Sablan	Board Secretary / CCU

Guest:

Mark Miller	Commissioner / PUC

2. COMMUNICATIONS

2.1 Public Comments - None

3. GWA

3.1 New Business

3.1.1 Resolution No. 20-FY2019 – Draft 5-Year Capital Improvement Program and Financial Plan

The objective of the Draft 5-year Financial Plan and Capital Improvement Program is to present the first five-years of capital improvement projects adopted under the 2018 Water Resource Master Plan update, as well as projects necessary to complete the 2011 Court Order and other regulatory compliance objectives. The projects outlined in the Capital Improvement Program includes projects that will be conducted island-wide and will also provide for the continued modernization, operation, maintenance, and repair of GWA's water and sewer systems and the Financial Plan provides for revenues to support debt service on approximately $260 million bonds to pay for much-needed capital improvements to benefit all of the people of Guam.

The Financial Plan addresses the 5-year period FY2020-FY2024 and includes: (1) estimated annual budgets for operations, maintenance and repair of GWA's water and sewer system, including capital improvement projects; and (2) a detailed descriptive plan for raising sufficient revenue to meet the projected costs set forth in the budgets, including adjustments or increases in other sources of revenue such as the Legislative surcharge.

Approval of the Draft Five-Year Financial Plan and Capital Improvement Program is urgent and necessary to begin the 90-day Public Notice period mandated under the Ratepayer's Bill of Rights (12GCA §12102.2 (b)), and to allow sufficient time for CCU and PUC approval prior to the start of the next fiscal year.

The total funding required for the Draft Five-Year Financial Plan and Capital Improvement Program is $260,000,000. The period covered by the draft plan is from FY2020 to FY2024

Comm. Duenas asked clarification if the $260M includes the currently authorized $130M; GM Bordallo said it includes the already authorized $130M. Comm. Sanchez reiterated that this is just the borrowing portion of the CIP. The total CIP is $524M from all sources - $170M from Dept. of Defense; $96M from revenues due to rate increases.

GM Bordallo mentioned that the complete financial plan and CIP is included in Exhibit A of the resolution and additional supplemental information and schedules are included in that package. The GM referenced the operating revenues from 2020 to 2024.

Comm. Sanchez asked if there will be sample bill illustrations to show ratepayers what to expect and the GM said yes.

In Table 1 below, GM Bordallo said that the projected basic water rate increases will range from 10% in 2020, 8.5% in 2021, 8% in 2022, 6.5% in 2023 and 5% in 2024 and showed corresponding growth and operating revenues.

Table I

	Projection				
	2020	2021	2022	2023	2024
Basic Charge -Water	10.00%	8.50%	8.00%	6.50%	5.00%
Lifeline Increase	0.00%	0.00%	8.00%	0.00%	0.00%
Non-Lifeline Increase	10.00%	8.50%	8.00%	6.50%	5.00%
Legislative Surcharge	3.60%	3.60%	3.50%	3.40%	3.45%
Customer Growth	0.50%	0.50%	0.50%	0.50%	0.50%
Demand Growth	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATING REVENUES					
Water Revenues	$77,204,920	$83,410,356	$90,162,843	$95,753,251	$100,357,472
Wastewater Revenues	43,990,559	47,006,664	50,816,250	53,527,730	55,758,216
Legislative Surcharge	3,855,370	4,185,719	4,397,793	4,552,730	4,853,770
Other Revenues	431,932	430,737	433,741	432,137	432,205
System Development Char	914,964	929,304	832,509	892,259	884,691
Total Operating Revenues	**126,397,745**	**135,962,780**	**146,643,136**	**155,158,107**	**162,286,353**

Comm. Sanchez noted that management forecasted the lifeline rates to increase in 2022. When costs are projected to increase the lifeline rate is also expected to move up in time. He reconfirmed with management that revenue streams shown here is result of estimated projections on population growth, demand growth, kgal sales projections and based on these, ran rates to create these revenue streams – the GM confirmed yes that is correct.

Table II

O&M Expenses	Projected FY2020	Projected FY2021	Projected FY2022	Projected FY2023	Projected FY2024
Water Purchases	$ 9,902,414	$ 10,694,607	$ 11,550,175	$ 12,474,189	$ 13,472,124
Power Purchases	$ 14,935,381	$ 15,234,089	$ 15,538,771	$ 15,849,546	$ 16,166,537
Salaries & Benefits	27,199,775	28,677,206	29,340,741	30,018,089	30,709,538
Administrative and General Expenses	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631
Contractual Expense	6,054,073	7,397,524	8,675,011	10,009,518	11,832,223
Retiree Supplemental Annuities and healt	3,763,479	3,933,179.8	4,112,018	4,300,483	4,499,094
Total Operating Expenses (Less Depreciation)	**73,922,025**	**78,347,471**	**81,676,670**	**85,349,791**	**89,819,147**
Increase/(Decrease)	9%	6%	4%	4%	5%

In Table II above, the GM projected increases ranging from 4-9% for the next 5 years ranging from $74.9M to $89.8M for FY2020 – F2024.

In Table III below relative to salaries and wages including benefits details $27.2M in FY2020 up to $30.7M in FY2024. RE employee count filled vs. vacant it is projected that all vacancies would be filled by FY2020 at 400 FTE with further increase to 412 in FY 2021 due to planned asset management activity.

Comm. Santos asked if salaries and wages are tied to increments and asked what other factors were considered the GM responded yes and also includes provisions for the Boards directive migration towards the 20th percentile; premium pay is also allotted in estimates $1M every year over time and night differential and holiday work based on historical values of 1.4%.

Comm. Santos asked the # of employees are on defined benefit and DC – management said

they can get the details for him. He asked for modeling of savings to GWA if the agency breaks away from GovGuam relative to health insurance. On salary / wages – what is due to increments and other factors. He would like a better look at the numbers.

Table III

Salaries & Benefits	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024
Salaries & Wages	19,254,479	20,211,432	20,679,621	21,157,173	21,644,277
Benefits & Retirement	7,945,297	8,465,774	8,661,120	8,860,916	9,065,261
Total	27,199,775	28,677,206	29,340,741	30,018,089	30,709,538
Full-Time Employee Count					
*Filled	363	363	363	363	363
*Vacant	37	37	37	37	37
New		12	12	12	12
TOTAL	400	412	412	412	412

- SALARIES:
  - FY2020 – funds 400 Full Time Employees (FTEs)
  - FY2021 – Projected 12 FTEs for Construction & Maintenance Division
  - Provides funds to migrate to 20th Market Percentile
- PREMIUM PAY
  - Overtime is flat at $1M each year assuming all positions filled
  - Night Differential and Holiday Work based on historical 1.4% and 1% of base
- BENEFITS
  - Insurance based on average rate GWA currently pays and adjusts 2% annually
  - Medicare is based on the standard rate of 1.45%
  - Retirement budgeted at 28% of base salaries

Table IV

Administrative and General	Projected FY2020	Projected FY2021	Projected FY2022	Projected FY2023	Projected FY2024
Sludge	1,689,381	1,740,401	1,792,961	1,847,108	1,902,891
Chemicals	2,539,046	2,572,745	2,372,530	2,293,729	2,337,531
Materials & Supplies	2,369,442	2,440,525	2,467,552	2,555,410	2,632,073
Transportation Expense	477,684	492,014	506,775	521,978	537,637
Telephone & Communication	186,069	191,012	196,742	202,645	208,724
Claims	66,351	68,342	70,392	72,504	74,679
Insurance	982,136	1,011,600	1,041,948	1,073,206	1,105,403
Training & Travel	375,523	411,517	423,863	436,579	535,043
Advertising	145,312	149,672	154,162	158,787	163,550
Regulatory	309,358	318,639	328,198	338,044	348,186
Bad Debts Provision	1,781,672	1,835,123	1,890,176	1,946,882	2,005,288
Miscellaneous	1,144,928	1,179,276	1,214,654	1,251,094	1,288,627
	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631

In Table IV above GM said this details Administrative and General Expenses which represents a 2-3% increase from year to year based on the factors below:

Sludge

- GWA's projection for sludge costs in FY2020 show an 8% reduction from the current FY2019 budget levels. In prior years, GWA budgeted for anticipated rate increases in disposal fees that did not materialize resulting in actual costs much lower than approved budgets.
- The FY2020 budget estimate is more consistent with prior year disposal costs. Moving forward, the budgets are based on 1% increases in flowdata that determines sludge production, and 2% increases in per ton disposal rates.

Chemicals

- Chemicals are projected to spike in FY2020 due to significant price changes in recent months, particularly for wastewater chemicals. Thereafter, chemical costs are estimated based on changes in projected demand and contractual price adjustments.
- Wastewater chemical requirements are expected to decrease after December 2021 upon commissioning of secondary treatment at the Northern District Treatment Plant.

Chemicals	Original Cost	New Cost	% Change
ACH	1.06	1.25	18%
Anionic	1.40	1.98	41%
Cationic	1.45	1.56	8%
Chlorine - 150lb	559	587	5%
Chlorine - 1 Ton	5,807	6,098	5%

In Table V below Contractual Services is projected to increase from $6M in FY2020 to $11.8M in FY2024. It is anticipated that there will be increases in finance and information technology software and software maintenance requirements will increase after moving to Enterprise One. The software maintenance cost is a big chunk of this expense

Comm. Sanchez asked details for Other on the category – the GM said this includes road repair. grounds maintenance and things that GWA has not been doing in the past. The Commissioner said he would like more detail on this category since not much narrative is provided.

The GM also said that in the past there's been swings in the amount spent and many times deferred due to revenue flow. Management is now trying to be more consistent.

Comm. Santos asked on migration to new software for Enterprise One – how much can be postponed without jeopardizing the system. AGMA Budasi said that their estimates were conservative and there is flexibility to reduce it if needed.

Comm. Sanchez commented that these projections are not set in stone and will be reviewed annually. Comm. Duenas clarified that the PUC will approve the 5-year rate plan and annually via the true-up process adjustments will be made going forward rate increases for future years, as needed. Comm. Sanchez said that he would recommend that management include language in the resolution that the projections will be reviewed annually or if you want to call it a true up and subsequently make the increases smaller if possible. He wants to make sure we protect the CCU's ability to review this often. Comm. Duenas cautioned and asked legal counsel / management to make sure that the language is consistent with the other prior 5 year rate plans. Comm. Limtiaco commented that the resolution mentions the Commission will review the final rate plan in 90 days.

Table V

Contractual Services	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024
Other	3,073,788	3,509,524	4,234,041	5,057,747	5,994,430
Rental (Building)	474,142	488,366	503,017	518,107	533,651
Rental (Equipment)	1,003,554	1,053,733	1,243,405	1,417,482	1,601,754
Finance & Information Technology	1,065,238	1,855,138	2,189,063	2,495,532	3,166,119
Lab Testing	430,899	480,763	495,186	510,041	525,343
Legal	6,452	10,000	10,300	10,609	10,927
Total	**$6,054,073**	**$7,397,524**	**$8,675,011**	**$10,009,518**	**$11,832,223**

Contractual Services reflect the largest of increases from year to year in this Rate Plan. When managers initially submitted budget proposals for FY2019, contractual services amounted to nearly $16 million. Those requests were drastically reduced to slightly more than $5 million. The differences instead have been spread out over the next 5 years.

- Between 2014 and 2018, GWA's audited contractual expenses reflect erratic spending with variances from year to year between -15% and 47%.
- The increases reflected below are intended to consistently fund contractual costs and provide for new services associated primarily with new technology, interim professional services and equipment rental.
- While most of the contractual line items are self-explanatory, an array of services comprises "Other" contractual expenses to include grounds maintenance, print and copier services, trash collection, permits, drug testing, consulting services, road restoration and other operational support functions.

Contractual Services	Requested FY 2019	Approved FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Other	$ 7,905,591	$ 2,561,490	3,073,788	3,509,524	4,234,041	5,057,747	5,994
Rental (Building)	449,460	460,332	474,142	488,366	503,017	518,107	533
Rental (Equipment)	3,167,910	959,755	1,003,554	1,053,733	1,243,405	1,417,482	1,601
Finance & Information Technology	3,105,473	705,400	1,065,238	1,855,138	2,189,063	2,495,532	3,166
Lab Testing	997,785	418,349	430,899	480,763	495,186	510,041	525
Legal	50,000	6,145	6,452	10,000	10,300	10,609	10
Total	$ 15,676,219	$ 5,111,471	$ 6,054,073	$ 7,397,524	$ 8,675,011	$ 10,009,518	$ 11,832
Increase/(Decrease)			18%	22%	17%	15%	

Referencing the next table, GM Bordallo next talked about GWA Capital Improvement Projects (CIPs) which led to discussion on the borrowing figures. The total CIP amount is $520. At the end of the discussion Comm. Sanchez asked management to give the Commission the gross borowing that will net $260. Comm. Sanchez said the numbers have to be accurately reflected in the resolution. GM Bordallo confirmed that the gross borrowing is $260 which will net is $211.

Guam Waterworks Authority
Schedule of Capital Projects
FY2020-2024

	2019	2020	2021	2022	2023	2024	TOTAL
2010 Bond Series	3,804	-	-	-	-	-	3,804
2013 Bond Series	1,453	-	-	-	-	-	1,453
2016 Bond Series	52,563	2,703	-	-	-	-	55,266
2020 Bond Series	50,345	28,631	28,350	1,600	-	-	108,926
2022 Bond Series	-	-	-	24,209	18,664	5,900	48,773
2023 Bond Series	-	-	-	-	18,824	18,852	37,676
State Revolving Fund (SRF)	7,000	5,088	3,000	8,000	8,000	8,000	39,088
System Development Charge (SDC)	6,700	500	1,000	500	500	500	9,700
Grants	110,387	13,061		-	-	-	123,448
Internally Funded CIP (PAY GO)	-	15,000	15,000	20,500	21,000	24,500	96,000
Total	232,252	64,983	47,350	54,809	66,988	57,752	524,134

	2019	2020	2021	2022	2023	2024	TOTAL
Potable Water	100,586	28,870	14,450	27,540	38,996	27,403	237,845
Wastewater	126,703	28,003	26,350	24,069	22,242	21,119	248,486
Electrical	1,710	1,510	2,600	1,500	3,200	5,530	16,050
Miscellaneous	3,253	6,600	3,950	1,700	2,550	3,700	21,753
Total	232,252	64,983	47,350	54,809	66,988	57,752	524,134

The next discussion was regarding Debt Service Coverage. GM Bordallo said the debt service coverage ranges from 1.86 to 2.05 over the 5 year period.

Comm. Sanchez asked management if the debt service coverage was 1.75, the level that PUC preferred indenture coverage, how much would that lower the rate increases and would it still protect the 1.25 debt service coverage in the indenture. He was asking for a sensitivity analysis.

GM Bordallo said yes management could do that but wanted the Commission to understand how the they arrived at these coverages with recommended goal of indenture coverage of 1.5. Doing so would enhance GWA's borrowing, improve ratings etc. The logic that GWA's financial consultant has shared and understanding that the PUC coverage is 1.75, the rating agencies look at is the indenture number not the PUC number.

Chairman Duenas concurred that management should look at what this number is in the past and stick to this number – this is the driving force.

Comm Sanchez asked management to run both numbers and what the resulting indenture coverages are to see if it makes sense.

GM Bordallo said that historically it's been above the 1.25 but not meeting the 1.5 target. Comm. Sanchez said he just wants to see the sensitivity analysis to see if we can make ratepayers happy and that they can afford this. Let's run the analysis to see if there needs to be little less or little more cushion

	Projection				
	2020	2021	2022	2023	2024
BOND DEBT SERVICE	34,175,188	34,229,950	43,204,135	43,195,705	47,217,036
DEBT SERVICE COVERAGE CALCULATION - Section 6.12					
Earnings (Loss) from Operations	30,513,050	35,344,278	42,665,845	47,160,144	48,428,785
Investment Income-Other funds	216,573	248,637	210,495	225,235	228,122
COLA	644,877	688,520	735,117	784,867	837,984
System Development Charge	(914,964)	(929,304)	(832,509)	(892,259)	(884,691)
Depreciation	21,962,670	22,271,032	22,300,621	22,648,171	24,038,420
Balance Available for Debt Service - Section 6.12	52,422,206	57,623,163	65,079,569	69,926,159	72,648,621
Debt Service Coverage (1.25X) - Section 6.12	1.53	1.68	1.51	1.62	1.54
DEBT SERVICE COVERAGE CALCULATION - PUC Debt Ratio					
Balance Available for Debt Service	52,422,206	57,623,163	65,079,569	69,926,159	72,648,621
Transfer - Reserve for O & M					
Transfer - Reserve for Debt Service			8,000,000		5,000,000
2017 Refunding bond savings					
Available for Debt Service -Reserve for Debt Service	11,244,664	11,244,664	11,244,664	19,244,664	19,244,664
Balance Available for Debt Service - PUC	63,666,870	68,867,828	84,324,235	89,170,823	96,893,286
Debt Service Coverage (1.75X) - PUC	1.86	2.01	1.95	2.06	2.05

The GM said the table below shows the cumulative percentage rate increase for prior year borrowings which ranged from 17.4%, 53.5% and now 28%

Guam Waterworks Authority
New Borrowing Requires Legislative Authorization
FY2020-2024

Total Amount Authorized	670,000,000
Less: Amount Borrowed - 2005 Series Bond	101,175,000
2010 Series Bond	118,825,000
2013 Series Bond	172,630,000
2016 Series Bond	143,310,000
	535,940,000
Amount Available for 2020 Series Bond	134,060,000
Amount Requires Legislative Authorization for New Bonds	
2022 Series Bond	60,000,000
2023 Series Bond	66,000,000
Total	126,000,000

Rate Plan Period	Yr-1	Yr-2	Yr-3	Yr-4	Yr-5	Cumulative
FY2009 - FY2013	6.60%	14.00%	8.00%	12.77%	6.10%	47.47%
FY2014 - FY2018	15.00%	14.50%	16.50%	3.50%	4.00%	53.50%
FY2020 - FY2024	10.00%	8.50%	8.00%	6.50%	5.00%	38.00%

GM Bordallo then discussed some sample bills across all customer bases – residential, commercial, government and hotel. Under residential, the combined bill currently at $62.98 which will move up to $76.38 at the end of the 5year period. It was pointed out that the average water customer range is more than 5k per month, currently $93.83 on chart provided and will move up to $119.64 per month at the end of the 5year period.

Comm. Sanchez then pointed out the increases for commercial customers. The magnitude is huge for this sector.

There was discussion on farming rates and the Commission wanted a sampling of this segment in the scenario as well. Management have kept rates for his sector static for more than 3 years but it was mentioned that they will be impacted. As the process reaches the 90-day period this may change.

Comm. Duenas commented that one of the biggest problem management has to put redundancy and resiliency in the Tumon area.

Comm. Santos said that what happens to this model if we spread it out over a longer period of time. GM Bordallo said the first thing that would be compromised is compliance. Another thing is improving service and getting service to where it should be – this may also be impacted. The focus has been to work in areas that are in the worse condition. Management is trying to get to these areas asap.

Comm. Sanchez says what is good about this board is we are willing to look at all possible scenarios and tradeoffs.

Comm. Santos asked what USEPA is focused on – GM Miguel said pump stations. He added that management is in sensitive discussion with USEPA and would not want to discuss in this setting.

There was a discussion on the possibility of increasing the model another 5-10 years. The Chairman said it is important that we not lose sight.

The GM reiterated that management is not asking the CCU for approval of this plan, management is asking to release the draft to start the process. He said the pubic notice must be released to kick off the 90-day period. He showed the Commission the Draft Financing Schedule for the 2020 borrowing. The Court Ordered project has not gone away and we need to get the draft release to cover the funding we need the first rate increase. If the CCU approves the release, management will schedule public hearings and by June, management will present the approval in June petition PUC to hear it in August and go to market late October and close in late November.

Comm. Sanchez said the sensitivity analysis is important for the Commission to see the analysis on behalf of ratepayers to ensure all things are being considered.

Comm Santos asked about bond terms – it was confirmed that the term is 30 years.

Comm. Santos motioned to adopt Resolution 20-FY2019; second by Comm. Sanchez. There being no further discussion or objection the motion passed 4-ayes; 1 absent.

Guam Waterworks Authority
Sample Bill Summary
FY2019-2024

Rate Class	Current 2019	10.00% 2020	8.5% 2021	8.0% 2022	6.5% 2023	5.0% 2024
Residential = 5k	62.98	65.29	67.47	72.84	74.77	76.38
Increase		2.30	2.19	5.37	1.93	1.62
Residential > 5k	93.83	98.87	103.66	111.89	116.10	119.64
Increase		5.04	4.78	8.23	4.22	3.54
Commercial 1	740.38	813.24	882.36	952.03	1,012.93	1,064.09
Increase		72.86	69.13	69.67	60.90	51.16
Commercial 2	12,292.07	13,501.73	14,649.37	15,806.05	16,817.18	17,666.58
Increase		1,209.66	1,147.65	1,156.68	1,011.13	849.40
Commercial 3	1,823.76	2,003.23	2,173.51	2,345.12	2,495.14	2,621.16
Increase		179.48	170.27	171.61	150.02	126.02
Government - G6	1,785.53	1,961.24	2,127.95	2,295.96	2,442.84	2,566.22
Increase		175.71	166.71	168.02	146.88	123.38
Hotel	298,649.32	328,039.29	355,922.63	384,025.40	408,591.90	429,228.95
Increase		29,389.97	27,883.34	28,102.77	24,566.49	20,637.05

4. ANNOUNCEMENTS

4.1 Next CCU Meetings: April 16 – GWA WS; April 18 – GPA WS; April 23

The Chairman announced that the next CCU meeting would be a work session for GWA on April 16; GPA Work Session on April 18 and this month the regular monthly CCU meeting on Thurs., April 25.

5. ADJOURNMENT

There was no further business to bring before the Commission.

Comm. Santos motioned to adjourn the meeting; Comm. Limtiaco seconded.

It was 6:52 p.m.

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Bls

Attested:

_____	_____
JOSEPH T. DUENAS, Chairman	MICHAEL T. LIMTIACO Secretary

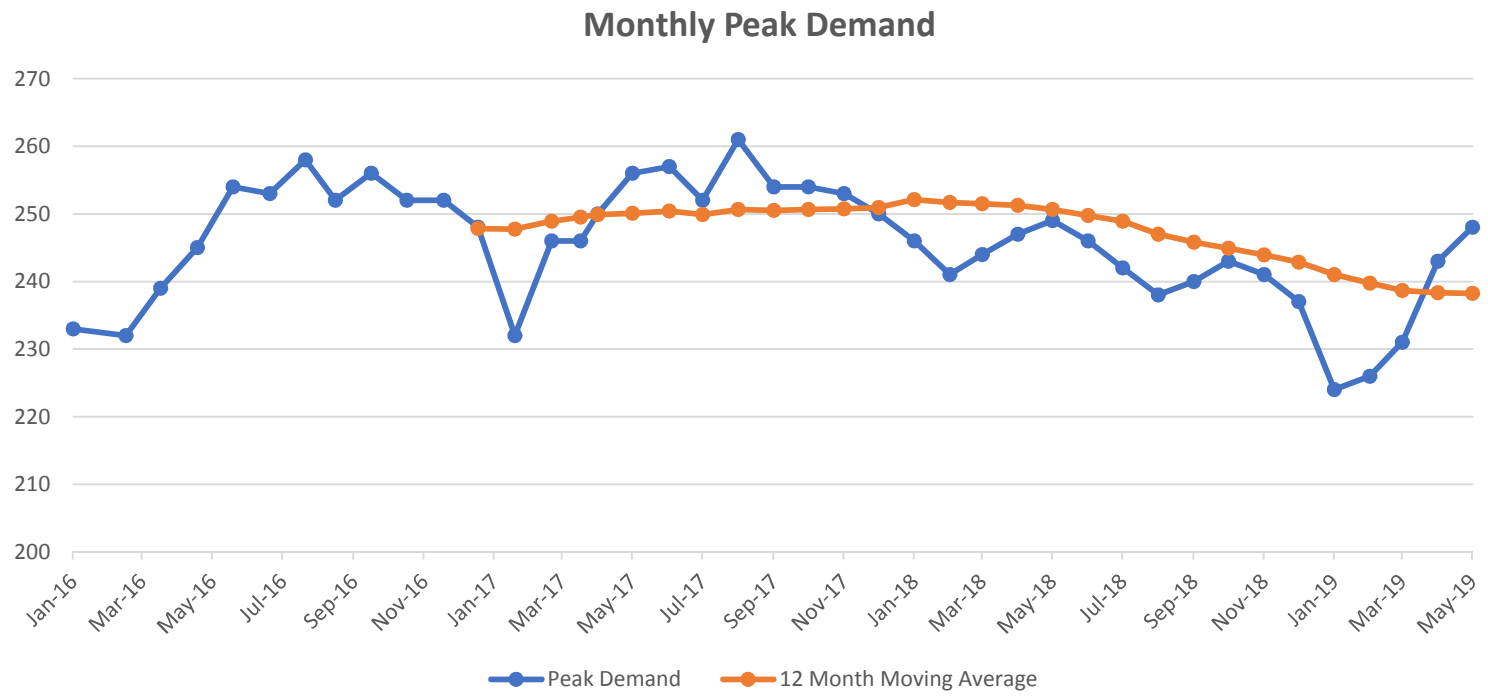
GENERAL MANAGER'S REPORT

JUNE 2019

1. **Generation System:** The following summarizes the generation forecast for July 2019:

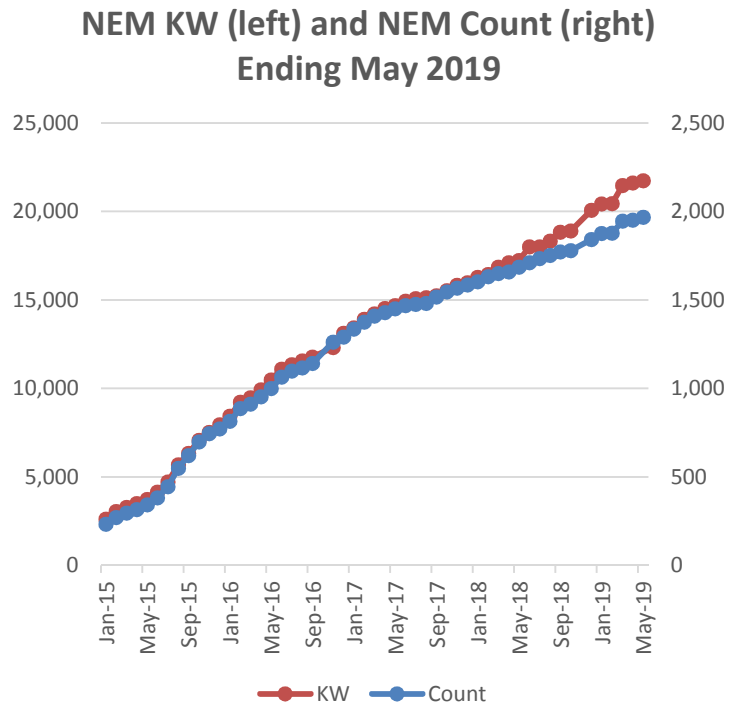
   Projected Available Capacity: 373 MW
   Projected Demand: 250 MW
   Anticipated Reserve Margin: 123 MW

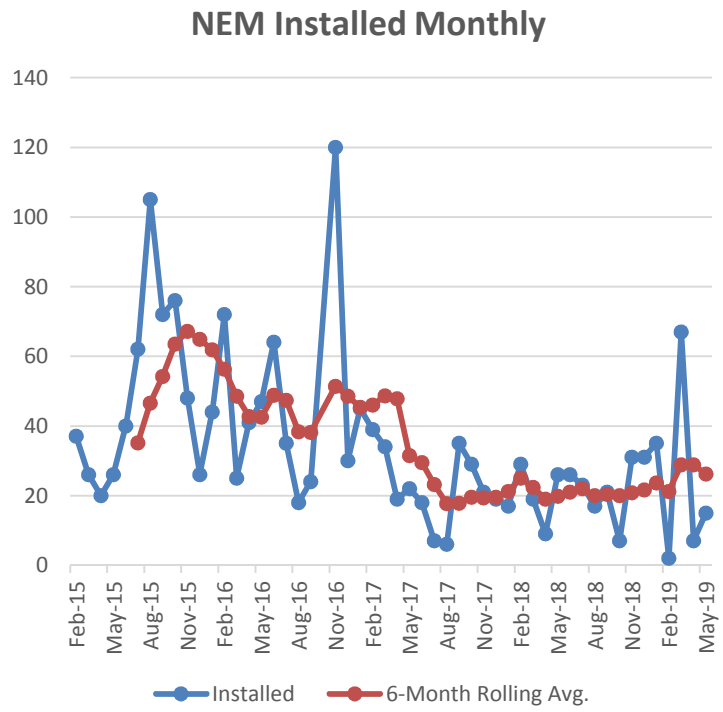
- The peak demand for May 2019 was 254MW which is an increase from 251MW in May 2018. May was a high demand period mainly due to higher average temperatures



2. Net Metering (NEM) Credit Adjustment:

The PUC ordered at its May 30th meeting to not make any change to the current program. It also ordered for GPA and PUC to agree on an independent consultant to determine the cost and benefits of NEM on GPA and the benefits distributed generation may have in the distribution system. The PUC will entertain the report when completed and will address the matter further at that time or once the total NEM KW capacity reaches about 26MW. The following graphs show Net Metering ending May 2019:





3. **LED Streetlights:**

We are receiving delivery of 3,750 LED (white color) streetlights and will be replacing the vintage High Pressure Sodium (yellowish color) lights between now and September. The 250Watt lights will be installed on marine drive from and the 150 watts in villages in the south. We are in the process of ordering another 7,000 LED lights for delivery in FY 2020 to change out the balance of the HPS lighting.

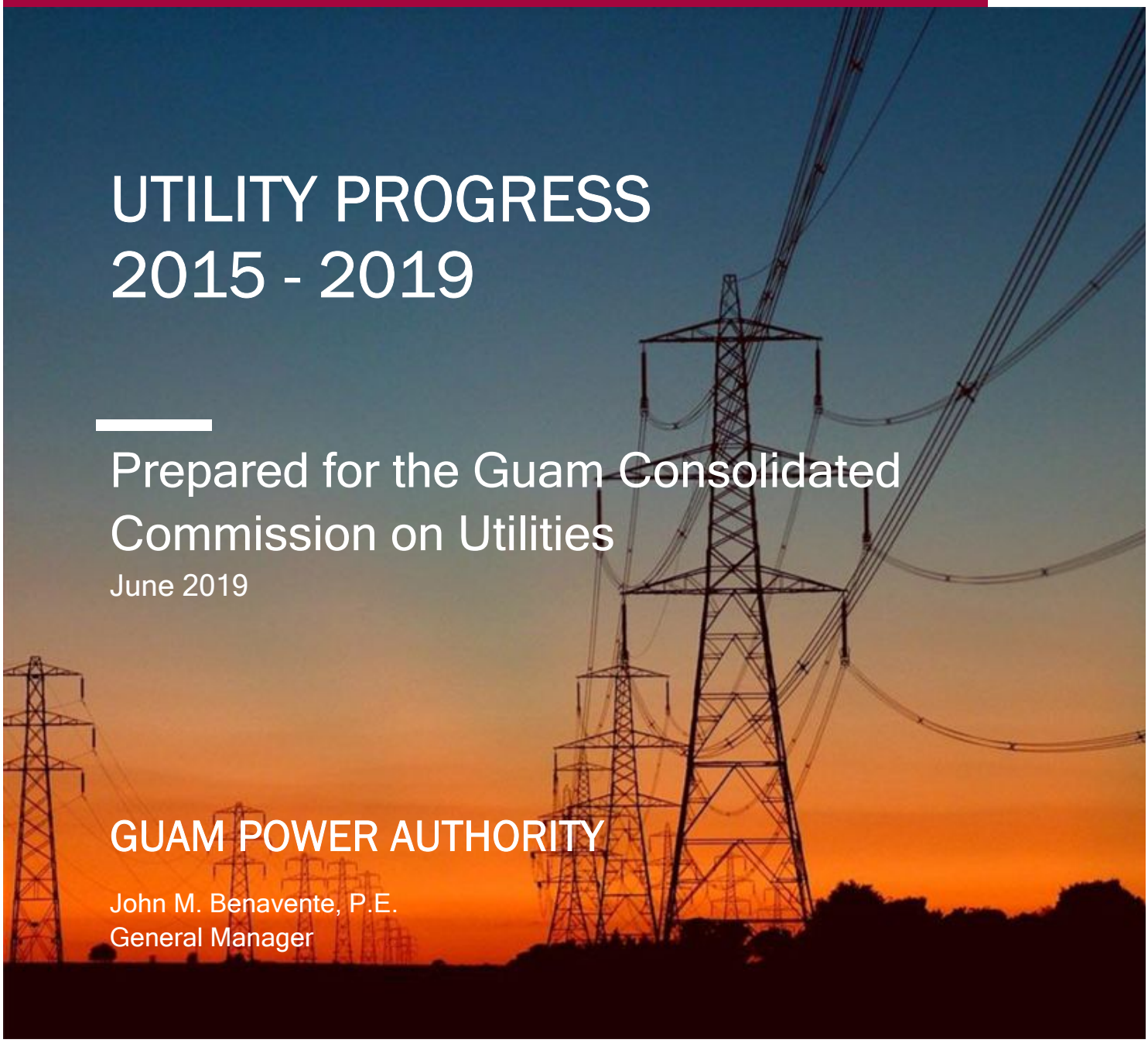
The changeout of 3,750 lights will result in a savings to DPW of about $300K/year. This savings can install about another 1,000 lights. I will discuss with the DPW director the possibility of adding to the system to begin addressing poorly lighted areas impacting public safety.

4. **New 180 MW Power Plant:**

Three bidders submitted bids on June 3, 2019. The evaluation team began work today evaluating submittals to determine the lowest bidder. I may be able to advise the CCU on the final results in July.

5. **Utility Progress:**

The following provides a report on progress between 2015 to 2018 and issues to be address in 2019 and forward.



UTILITY PROGRESS 2015 - 2019

Prepared for the Guam Consolidated Commission on Utilities

June 2019

GUAM POWER AUTHORITY

John M. Benavente, P.E.
General Manager

2

SUMMARY

STRATEGY & PLANNING

GPA's actions are guided by its Strategic Plan & the Integrated Resource Plan (IRP). The Strategic Plan, developed in 2009, identified four areas of effective planning and policy development: high reliability; financial strength; employee effectiveness; and safe and reliable operations. The IRP was developed to provide the lowest cost solution for providing reliable, affordable power; diversifying power supply resources and fuels to mitigate risk; and exercising environmentally responsible stewardship of the economic and natural resources of the island. The IRP was last updated in 2016.

The 2015 event rendering Cabras units 3 & 4 inoperable significantly influenced specific IRP strategies and recommendations. Industry technologies, market responses to request for proposals and other factors shaped GPA's approach to recommendations. Projects and efforts supporting both plans are highlighted in this report. The focus of all efforts is to continuously improve overall customer service to our ratepayers while maximizing cost-savings. A summary of significant savings achieved within this period is included in this report.

The strength of GPA is evident in the significant progress toward the goal to provide reliable, affordable service to the island.

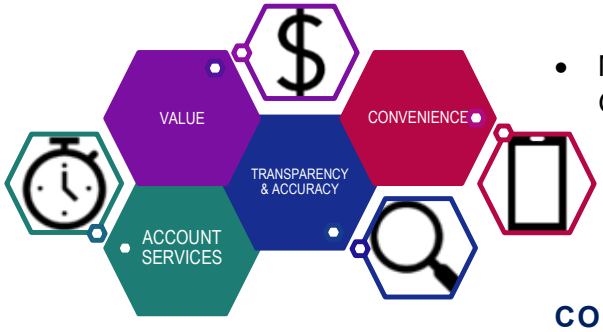
STRATEGIC PLAN SUMMARY

CRITICAL SUCCESS FACTOR	STATUS	TREND
ACHIEVE EXCELLENT CUSTOMER SERVICE *CSF1*		▲
Sustained Improvements of Customer Satisfaction *KPI 1*		—
Improve Customer Experience *KPI 2*		▲
PROVIDE AFFORDABLE & VALUE PRODUCTS *CSF2*		▲
Minimize Energy Production Cost *KPI 1*		▲
Reduce Line & Unaccounted for Energy Losses *KPI 2*		—
Achieve Energy Diversity at Affordable Cost *KPI 3*		▲
Improve Credit Rating *KPI 4*		▲
DEVELOP SUSTAINALBE WORKFORCE & LEADERSHIP *CSF3*		▲
Implement a Succession Planning Program *KPI 1*		▲
Implement a Structured Leadership & Workforce Training *KPI 2*		▲
Achieve Safety Awareness & Enhanced Safety Practices *KPI 3*		▲
Enhance Employee Satisfaction *KPI 4*		▲
ACHIEVE HIGH SYSTEM RELIABILITY *CSF4*		▲
Reduce Customer Outages *KPI 1*		▲
EFFECTIVELY USE TECHNOLOGY *CSF5*		▲
Implement Excellent Cyber Security Program *KPI 1*		▲
Improve Productivity Through Technology & Automation *KPI 2*		▲

INTEGRATED RESOURCE PLAN

STRATEGIC ISSUE	STATUS
Increase fuel diversity, mitigate fuel supply risk, and encourage cost-effective renewable energy	ON TRACK
Comply with existing and future US EPA requirements including EGU MACT, RICE MACT, and SO2 NAAQS	ON TRACK
Understand and consider financial and operational impacts associated with compliance and non-compliance with existing and future US EPA requirements	COMPLETED
Support electric power service requirements for the DOD build-up and its economic consequences	ON TRACK
Evaluate the economic feasibility of retiring or extending the life of its existing generation units	COMPLETED
Reduce customer outages due to instantaneous loss of generation by examining operational and economic feasibility of using energy storage devices or requiring certain reliability enhancement characteristics for future generation additions	COMPLETED
PRIMARY RECOMMENDATIONS	**STATUS**
Obtain agreement with US EPA & Guam EPA to suspend compliance with RICE MACT for Cabras 3&4 and MEC 8&9 until GPA completes transition to LNG	ON TRACK
Procure an additional 40 MW of renewable energy under Phase II Renewable Energy Acquisition Program, if cost-effective with other available technologies, as early as 2017 to reduce present value costs. *NOTE: 180 MW of renewable energy contracted in 2018*	COMPLETED
Develop the necessary infrastructure and contracts to engender transition from RFO to LNG by 2018 or sooner. NOTE: New power plant and pipelines for ULSD & natural gas on bid	ON TRACK
Retire Marbo CT and Dededo Diesels 1-4 by FY 2014	COMPLETED
Firm up decision to retire Cabras 1&2 and/or Tanguisson 1&2 in 2018 concurrent with the availability of LNG. *NOTE: All steam units to be retired after completion and commissioning of new power plant*	COMPLETED
Based on baseload retirement decisions, construct new 60 - 120 MW gas-fired combined cycle power plant, preferably in northern Guam to reduce technical line losses, online concurrent with the availability of LNG. *NOTE: Bid for new 180 MW ULSD/natural gas plant underway*	ON TRACK
If Cabras 1&2 or Tanguisson 1&2 are not retired, complete conversion of these units to burn LNG concurrent with availability of LNG in 2018	COMPLETED
Complete repowering of Piti 7 GE Frame 6B combustion turbine generator (CTG) into a combined cycle burning LNG. *NOTE: Repowering is not economically feasible*	COMPLETED
Complete conversion of Cabras 3&4 and MEC 8&9 to burn LNG. *NOTE: Cabras 3&4 retired. Conversion of MEC 8&9 after commissioning of new plant*	ON TRACK
If economically and technically feasible, build a 10 MW geothermal unit to come online in 2019. *NOTE: Result of Phase II renewable bid indicates geothermal unit is not feasible*	COMPLETED
Work towards compliance with all new environmental standards and regulations	ON TRACK

Customer Convenience & Value-Added Services



TRANSPARENCY & ACCURACY

- New, easy-to-read billing statement and newsletter resulted in 25% reduction in mailing cost
- Redesigned billing statement garnered an 'Award of Merit' for Excellence in Public Power Communication from the American Public Power Association
- Successfully completed the new CC&B billing system for GPWA resulting in providing customers with ways to monitor their billings and consumption
- Robotic process automation reduced analysis of meter performance issues resulting in faster change outs and more accurate account information
- Timely and consistent outage notifications
- Enhanced website & web services
- Monthly newsletter distributed to all ratepayers to raise awareness of value-added services, initiatives and programs for all customers

ACCOUNT SERVICES

- Expanded Customer Care Center to include phone, email, and social media interaction
- Timely onboarding of ~600 new customers per year
- Merge of CC&B information allows GPA & GWA CSRs to assist customers with cross-services
  - Expanded system status and customer services notifications via social media, including outage information

CONVENIENCE

- Same day / same hour services (reconnections, disconnections) offered through advanced meter infrastructure
- Real-time monitoring and push notifications of energy consumption through www.myenergyguam.com
- Implementation of credit card payments to all customers including commercial. Cost to administer program substantially reduced while at the same time providing this ease of payment alternative to customers
- 24/7 Automated IVR Pay-By-Phone offers customers 24/7 account balance information and pay options via toll-free number phone
- Mobile APPs for ease of customer use and payments
- GPWA partnership to offer One Utility Customer Service

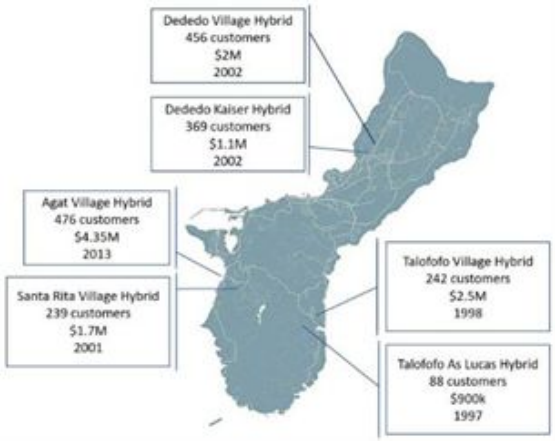
INCENTIVES

- Continuation of Energy Sense Rebate, Demand Side Management (DSM) Program
- $1M return to ratepayers participating in DSM program from savings of bond refinancing
- Funding $2.8M from working capital for DSM program to assist ratepayers reduce their energy cost. This is in addition to the $1M funded from the refinancing of bonds

System Integrity & Reliability

STRENGTHENED ISLAND-WIDE POWER SYSTEM

- Completed installation of SCADA Project
- Continued changeout of wooden poles to concrete. 90% of system is concrete
- Continued village hybrid underground projects



ISLANDWIDE POWER SYSTEM RECOVERY AND RESILENCY

Minimized service interruption to customers following the Cabras 3&4 incident and mitigated the loss of 79MW of capacity:

- Contracted interruptible load with major commercial and government customers
- Contracted for 40 MW of lease-to-own temporary power from Aggreko
- Replaced aged Cabras 1&2 main transformers; $2M
- Rehabilitated 40 MW Dededo power plant; $10M.
- Replaced Macheche combustion turbine; $2.7M
- Overhauled Cabras Steam $6.0M
- Overhaul of medium speed units $6M (ongoing)

ASSET PLANNING & MANAGEMENT

- GIS Network: First electric distribution utility to migrate to a production ESRI Utility Network (ArcGIS Pro and Utility Network), providing confidence to perform switching operations and maintain service to the island wide power system
- Mobile Workforce Management System: Implementing new program which will allow real time processing, scheduling and expeditious completion of new customer and existing system maintenance Work Orders
- Vehicle and Equipment Tracking: Continued to track movement of all GPA fleet to insure efficient and proper use of fleet
- Predictive Maintenance Program: Locate and fix equipment problems before they cause outages.



STORM READINESS & RECOVERY

- Increased Resiliency & Restoration: Expeditious recovery from several storms, including Typhoons Dolphin and Mangkhut resulting in minimal service disruption and revenue loss
- Water & Sewer Resiliency: Acquired all GWA standby generators; GPWA Partnership enabled GWA to maintain

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99% of water service to customers during the last significant storm

- FEMA Reimbursements: Typhoon Dolphin $2.3M; Typhoon Mangkhut $4.3M
- System Hardening: Awarded new $5.6M underground system for Tumon Bay to protect our valuable tourism industry. Completed the Agat Hybrid Underground System project to over 500 Homes
- Material Inventory: Maintained about $12M system inventory in order to insure expedient recovery from Typhoons
- Equipment Fleet: Continued to replace aged heavy equipment fleet and increased bucket truck fleet in order to expedite typhoon recoveries

GPA READY

NEXT GENERATION PLANTS

- Acquisition of new 180 MW power plant ongoing ahead of consent decree or application of penalties, potentially saving millions of dollars. Contract award targeted for end of CY 2019
- Clean, efficient, economical technology will meet / exceed environmental regulatory requirements
- Efficient technology will reduce fuel oil imports by 17 million gallons annually
- New plant allows for diversified fuel mix
- Newer technology will allow additional incorporation of renewable energy (target 50% by 2035) resulting in substantial reduction of fuel cost and furthermore the stabilization of LEAC rate
- New plant location closer to population base & away from shorelines thus reducing line losses and storm/climate and natural disaster impacts such as tsunamis
- New plant location closer to over 60% of island load will improve reliability and allow some areas to receive power continuously during typhoons

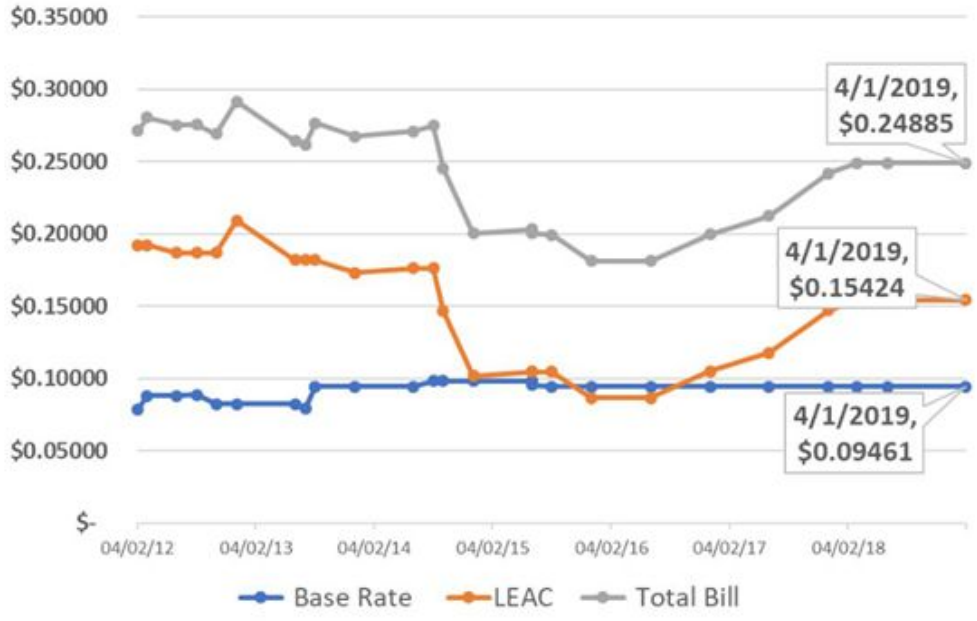


7

Managing Money

LOWER FUEL & ENERGY COSTS

- No base rate increase since 2013
- Implemented new residual fuel oil contract with reduced premium
- Reduced the impact of increased fuel oil cost to the ratepayers through use of as much as $16M in working capital to cushion LEAC increases. The LEAC rate has been unchanged for 1 year despite the rise in fuel prices over the period. Recommended to hold LEAC steady through January 2020
- 120 MW solar PV plants commissioning in 2021 will save ratepayers (at today's LEAC rate of $0.154/kWh) $19.5M annually
- 40 MW solar PV project targeted for award in 2019 and commissioning in 2021 is expected to save ratepayers about $5M annually
- Approvals to issue Renewables Phase IV Bid for an additional 120 MW by 2024 will be pursued later this year
- In regional rate comparisons, GPA maintains the lowest rates per kWh compared to other island power utilities including the Hawaiian Islands, US Virgin Islands and the CNMI
- Changed 6,000 HPS streetlights to LED saving $400K/year in fuel cost; 4,000 additional lights to be changed out in FY2019 and an additional 11,000 by the end of FY2020. Total savings to reach $1.2M Annually by end of FY 2020. GPA requesting the Government to utilize this savings to add an additional 2,700 new LED streetlights throughout the island to improve island safety



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FINANCIAL SOLVENCY

- Maintenance and improvements of credit ratings despite challenges encountered over this period including the loss of Cabras 3&4, Typhoons, and the negative impact of President Trump Tax Reform on the island's economy

COST SAVINGS – O&M

- Consistently below annual O&M budget.
- Received ownership from Independent Power Producer for TEMES 7 plant, assumed O&M responsibility resulting in >$4M annual savings
- Received ownership of the MEC 88 MW power plant and renegotiated the MEC contract for 5 years, resulting in >$15M annual savings
- Consolidation of GPA & GWA operations into a single location at the Gloria B Nelson Public Service Building; $1M annual savings in GPWA rent; substantial indirect savings resulting due to co-locating operating efficiencies
- Robotic Process Automation (RPA) implemented to automate manual and time-consuming service order and work order process thus improving accuracies and saving significant manhours
- Labor FTE has decreased from 512 in FY2014 to the current manning of 470 FTE; Annual savings >$3M (including benefits)
- Reduced overtime of non-storm related activities from past years in excess of $2M to about $1.4 annually. This is despite the reduction of 42 FTE over the period

COST SAVINGS - CIP

- Bid in progress for new power plant to avoid millions in penalties and allow system to diversify fuel mix and achieve 50% renewables integration by 2035 and which will reduce and stabilize future LEAC
- Purchased and rezoned 60 acres of R1-zone property for new power plant at $10M. M1-zone (industrial use) land alternatives could have cost $18M thereby resulting in cost savings of about $8M. Optimal location of property (less than one mile from Harmon substation) resulted in $15M-$22M infrastructure savings

FINANCING & INSURANCE

- Successful bond refinancing to reduce annual payments by $500K at 4.12%, the lowest interest rate achieved by any GovGuam entity. Savings of $1M were returned to ratepayers through the funding of the DSM program (Energy Sense Rebate). Savings of $500K was dedicated to assist GDOE reduce its annual utilities cost.
- Reduction in cost of annual insurance premium by $2M
- Settlement of Cabras 3 & 4 Insurance Claim at $125.8M. $72M to be applied to new power plant to reduce annual capacity fee. This reduction in annual capacity fee will save ratepayers about $5M per year over the next 25 years



9

Investing in People

SUCCESSION PLANNING

- Identified, planned, and continue to implement programs to address the major issue that 57% of the GPA workforce could retire within the next 10 years

TALENT DEVELOPMENT & MANAGEMENT

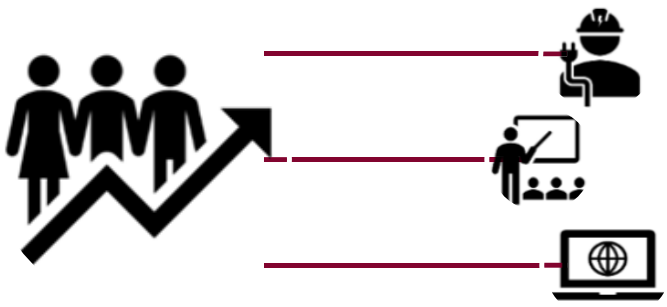
- Annual employee evaluations completed, and adjustments implemented per pay-for-performance program
- Organizing comprehensive employee training program to enhance employee capabilities, present upward opportunities and career development
- Increasing intranet services allowing employees convenient self-service options
- Continuing successful Apprenticeship program to train future skilled force for difficult to hire skill sets
- Continuing seasonal internship program to attract future utility engineers, accountants and other professionals
- Working with Guam Department of Education to help prepare high school students for apprenticeship programs and career paths in the utility
- Promotes GPA & energy careers at outreach events

COMPENSATION STRATEGY

- Continue to migrate employee compensation to the 50th percentile salary market level in order to attract and retain employees. GPA currently at the 15th percentile and implementing a moderate and reasonable migration

AWARDS & RECOGNITION

- Consecutive 1st through 3rd place annual awards from American Public Power Association for safety excellence. Practicing and promoting safe practices and workplaces is our utmost priority. Receiving this award annually provides a benchmark of achievement of this goal. GPA received the First-Place honor for 2018 safety performance
- SAG award issued to GPA for being first electric distribution utility to migrate to a production ESRI Utility Network
- Mutual Aid Commendation received from American Public Power Association for assistance to CNMI Typhoon Yutu recovery



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Investments in Energy Innovation & the Environment

ENERGY INNOVATION



- Integrated two Nissan Leaf Electric Vehicles (EV) into Authority's fleet & business operations, with two charging stations. GPA to continue to replace aged fleet with EV most especially as more Original Equipment Manufactures reduce EV prices
- Installed 275 KW Wind Turbine at Cross Island Road with a $2.1M grant from Department of Energy. Saves ratepayers fuel cost while gathering information for future wind projects
- Contracted for Installation of 40 megawatts of utility scale battery storage by October 2019 to mitigate short duration outages caused by baseload unit trips and Solar PV intermittencies

DEVELOPING RENEWABLE ENERGY

- Installed 25 MW of solar PV renewables (Dandan) accounting for 3% of total energy sales
- Awarded 120 MW of solar PV renewables contracts at about $0.085/kWh with expected commissioning by Dec 2021, which will account for 18% of total energy sales and the reduction of fuel oil Imports by 18.5 million gallons annually
- Bid in progress for 40 MW of renewables on land leased from the US Navy. This project will capture energy during the day and utilize all energy to offset higher peak energy production cost, which will account for 5.5% of total energy sales and the reduction of fuel oil imports by 5.5 million gallons annually
- New power plant project to be awarded in 2019 which would allow GPA to target 50% renewables by 2035 resulting in substantial reduction of fuel cost and furthermore the stabilization of LEAC rate
- Facilitated the expansion of the Net Metering Program to ~2,000 customers (estimated 22 MW in total connected systems)
- Completed Renewable Integration Study to prepare to increase renewable penetration above 25% into the system

CLEANER AIR & WATER

- New 180 MW Plant, Piti 8&9 conversion to ULSD, decommissioning of Cabras 1&2, and GPA's Renewable Energy and Energy Efficiency Programs will significantly improve the air quality throughout Guam as well as significantly reduce GPA's carbon footprint
- Decommissioning of Cabras 1&2 and 3&4 promotes healthier harbor ecosystem and eliminates thermal pollution effects on the reef

Community Partnerships

ISLAND PARTNERSHIPS

- Kicked off a sustainable tree trimming and pole painting program including a pilot partnership with nine (9) village Mayors
- Successful Bond refinancing to reduce annual payments by $500K; $1M return to ratepayers participating in DSM program. $500K contributed to assist GDOE reduce its annual utilities cost
- Obtained and assisted GovGuam agencies in obtaining grants. $2.1M GPA Wind Turbine Project; $500K for DPW Solar PV System; $1.25M for GDOE Lighting retrofits; These grants result in savings to ratepayers and these entities
- Assisting Guam Energy Office on $64K for Energy Audits and creating Energy plans for individual schools
- Assisted UOG in renovating an existing building energy with efficient equipment resulting in 50% to 75% savings from similar UOG buildings
- Assisted Guam Memorial Hospital Authority by conducting preventive maintenance of their electrical system in order to avoid imminent electrical system failures which would impact patient care
- Assisted the Department of Corrections in addressing their standby generators issues which when not available creates prison safety issues
- Promote energy solutions and sustainable practices through



participation and sponsorship community programs such as the annual University of Guam's Island Sustainability Conference
- Promote utility initiatives and careers through school outreach program
- Educates and promotes benefits of a publicly-owned utility through community outreach events such as annual Public Power Week

INDUSTRY PARTNERSHIPS

- Active membership & participation with the American Public Power Association
- GPA General Manager serves as APPA Region 10 Director, representing members from Guam, Commonwealth of the Northern Mariana Islands, American Samoa, Puerto Rico, US Virgin Islands, & Canada

MUTUAL AID & ASSISTANCE

- Successful assistance to CNMI Typhoon Yutu Recovery. GPA assisted for four full months resulting in labor savings of about $3M
- GPA received a 'Mutual Aid Commendation' from the American Public Power Association in recognition of its support in electric power restoration efforts for providing mutual aid assistance to the Commonwealth Utilities Corporation, Saipan

2019 Forward

Key initiatives for 2019 forward include the following:

2019+ INITIATIVES
Update Strategic Plan
Update Integrated Resource Plan
Integration of Additional Renewables
Evaluate Economics of Diversified Fuel Mix
Optimize Reserve Margin Requirements
Implement Workforce Development & Sustainability Policy
Implement Strategic & Sustainable Training & Compensation Programs
Develop & Implement Disaster & Typhoon Resiliency Policy
Continue Concrete Pole Hardening
Continue Underground Hardening Progress
Maintain Target Equipment & Material Availability
Continue to Foster Mutual Aid Partnerships
Continue Customer Satisfaction Improvements
Conduct Customer Surveys & Polls to Address Customer Needs & Satisfaction
Implement Measures to Improve Overall Customer Experience
Continue Reliability Improvement Plan
Vegetation Management Program
Automation Generation Control
Hardening Changeouts to Composite Materials
Predictive Maintenance Programs
Continue & Expand Energy Affordability Initiatives
Demand Side Management (DSM)
Revolving Loans
Lifeline Rates
Energy Audits

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

Issues for Decision

Resolution No. 2019-09:

Relative to Unarmed Uniformed Security Guard Services

What is the project's objective and is it necessary and urgent?
The services are necessary and urgent in order to ensure physical security and protection of the island's critical electric infrastructure, GPA employees and customers.

Where is it at?
Security Guard Services will be performed at the following locations (base scope of work):

1) Gloria B. Nelson Public Service Building, Fadian
2) Supply Warehouse, Storage Yard and T&D Service Center, Dededo
3) Dededo CT Power Plants, Dededo
4) Aggreko & Yigo CT Power Plants, Yigo
5) Tanguisson Power Plant, Lower Harmon Cliff Line
6) Cabras Power Plants, Piti

Option 1: Gloria B. Nelson Public Service Building

- 24/7 coverage; Operation of security kiosk, including recordation of visitor information & ID badges

Option 2: Roving Security Guard Services at 15 Locations

- Macheche CT & Substation
- Tenjo Diesel & Substation
- Tamuning Substation
- Tumon Substation
- Harmon Substation
- Agana Substation & Battery Storage
- Manenggon Diesels
- Barrigada Substation
- GAA Substation
- Pagat Substation
- Talofofo Diesel, Substation & Battery Storage
- San Vitores Substation
- Piti Substation
- Anigua Substation
- Umatac Substation

Option 3: Monitoring of Security Surveillance (CCTV) & Alarms (24/7 coverage at GPA Security Command Ctr)

How much will it cost?

	Monthly	Annual	Maximum (2-yr)
Base Contract	**$66,798.67**	**$801,584.04**	**$1,603,168.08**
Option 1	*$12,293.20*	*$147,518.40*	*$295,036.80*
Option 2	*$10,950.00*	*$131,400.00*	*$262,800.00*
Option 3	*$12,293.20*	*$147,518.40*	*$295,036.80*
Total Possible Optional Expenditure:	**$35,536.40**	**$426,436.80**	**$852,873.60**
		Total Possible Expenditure	**$2,456,041.68**

When will it be completed?
Base contract term: 06/01/19 – 09/30/19; 10/01/19 – 05/31/20
1st year option to renew term: 06/01/20 – 09/30/20; 10/01/20 – 05/31/21

What is its funding source?
O&M Funds

The RFP/BID responses:
GPA-051-19: Pacific Island Security Agency (lowest base bid & overall price)
G4S

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

Resolution No. 2019-09

RELATIVE TO AUTHORIZING THE GUAM POWER AUTHORITY TO CONTRACT FOR UNARMED UNIFORMED SECURITY GUARD SERVICES

WHEREAS, Guam's Island-Wide Power System is critical infrastructure whose assets, systems, and networks, whether physical or virtual, are considered so vital to the United States that the incapacitation or destruction thereof would have a debilitating effect on security, national economic security, nation public health or safety, or any combination thereof; and

WHEREAS, the Guam Power Authority utilizes unarmed security guard services to protect its assets, employees and customers during and after duty hours, as part of its overall security plan; and

WHEREAS, GPA, in partnership with the Guam Homeland Security, Department of Homeland Security, and other entities, is developing a comprehensive Security Plan which will encompass local, federal and industry requirements and address reasonable threats and risks; and

WHEREAS, GPA's requirements for unarmed, uniformed security guard services will be determined by such Security Plan; and

WHEREAS, in April 2019, GPA issued IFB GPA-051-19 seeking unarmed, uniformed security guard services for key assets and locations with options to enhance security measures within the contract period dependent on resource availability and readiness; and

WHEREAS, GPA seeks authorization to enter into the first base year contract at the cost of $801,584.04 for the term of June 2019 to May 2020, and to exercise any option contained within the contract, based on funding and capacity availability.

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

1. After careful consideration, the Consolidated Commission on Utilities finds that the contracting for security for GPA properties is reasonable, prudent, and necessary.

2. The General Manager of the Guam Power Authority is hereby authorized to enter into the first base year contract for unarmed, uniformed security guard services for a term beginning June 1, 2019 through May 31, 2020 for a contract value of $801,584.04, and contractual options to enhance security measures so long as the total contract value for the first base year does not exceed $1,200,000.00.

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

DULY and REGULARY ADOPTED this 05th day of June 2019.

Certified by: **Attested by:**

JOSEPH T. DUENAS
CHAIRMAN

MICHAEL T. LIMTIACO
SECRETARY

SECRETARY'S CERTIFICATE

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: _____

GUAM WATERWORKS AUTHORITY
"Better Water, Better Lives."
Gloria B. Nelson Public Service Building| 688 Route 15 | Mangilao, Guam 96913
Tel: (671) 300-6846

Issues for Decision

Resolution No. 37-FY2019
Relative to Approval of Contract for Construction of Upgrade of the Northern District Wastewater Treatment Plant, GWA Project No. S17-003-OEA,

What is the project's objective and is it necessary and urgent?
The objective of the Upgrade of the Northern District Wastewater Treatment Plant project is to upgrade and expand the NDWWTP to include secondary treatment which is required to meet the NPDES Discharge permit for the plant. The upgraded plant will include a new preliminary treatment system including screens and grit removal, secondary biological treatment system including oxidation ditches and clarifiers, ultraviolet disinfection system and sludge treatment system.

This project is an essential component of the infrastructure upgrades necessary to provide adequate treatment in compliance with current regulatory requirements for the protection of Guam's water resources and marine environment, as well as to support the new facilities to be constructed as part of the military build-up. The project is urgent as prompt initiation of construction activities is required in order to meet the schedule requirements in the Grants and for the opening of the Marine Cantonment from which the plant will receive wastewater flows.

Where is the location?
The work will be completed at the existing NDWWTP site and on GWA property to the Northwest of the existing NDWWTP site allocated for the NDWWTP Expansion.

How much will it cost?
GWA Management seeks CCU approval for the proposed bid price of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00); with a five percent (5%) contingency of Six Million One Hundred Three Thousand Eight Hundred Fifty-Four Dollars and Forty Cents ($6,103,854.40), the total authorized funding amount requested is One Hundred Twenty-Eight Million One Hundred Eighty Thousand Nine Hundred Forty-Two Dollars and Forty Cents ($128,180,942.40)

When will it be completed?
The anticipated completion of the construction activities by the contractor is December 31, 2021.

What is the funding source?
Funding for the NDWWTP Upgrade will be from the U.S. Department of Defense, Office of Economic Adjustment, General Assistance Grants (OCON676-16-02, 04 and 05) with additional funding from the System Development Charge (SDC) funds and/or Bonds as required.

The RFP/BID responses:
5 - firms met the qualifications established for the Step 1 – Technical Proposals and picked up the Step 2 – Pricing Proposal bidding documents

5 – firms submitted pricing proposals for the Step 2 Bids

Black Construction Corporation is recommended as the lowest priced, responsive and responsible bidder.

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

RESOLUTION NO. 37–FY2018

RELATIVE TO APPROVAL OF CONTRACT FOR CONSTRUCTION OF UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT, PROJECT NO. S17-003-OEA

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

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

WHEREAS, the U.S. Department of Defense, Office of Economic Adjustment awarded to GWA a General Assistance Grant (OCON676-16-02) for the Northern District Wastewater Treatment Plant ("NDWWTP") Upgrade Project (pre-construction) on August 26, 2016 issued for $21,000,000, and subsequent additional grants (OCON676-16-04) for the NDWWTP Upgrade Project (construction) awarded on April 18, 2018 issued for $50,750,000, and (OCON676-16-05) for the NDWWTP Upgrade Project (construction) awarded on August 1, 2018 issued for $67,164,022, of which funding for the Northern District Wastewater Treatment Plant Upgrade is included; and

WHEREAS, the General Assistance Grant is to be used for water and wastewater improvements in support of the relocation of U.S. Marines and their dependents to Guam; and

WHEREAS, the report "Final Guam Water and Wastewater Assessment Report in Support of the Economic Adjustment Committee Implementation Plan," (NAVFAC, Department of the Navy, February 2015) has recommended the design and construction of NDWWTP treatment upgrades to comply with the current National Pollutant Discharge Elimination System

("NPDES") permit and mitigate impacts to wastewater utilities, nearshore waters, and marine biological resources; and

WHEREAS, the upgrade and expansion of the NDWWTP is necessary to provide treatment to secondary standards in accordance with the NDWWTP NPDES permit and to ensure long term, reliable operation; and

WHEREAS, in January 2017, GWA procured the services of a consulting engineering team (Brown and Caldwell) to provide Project Management / Construction Management (PM/CM) Services for the Office of Economic Adjustment "Guam Water and Wastewater Infrastructure Improvements" via Resolution 15-FY2017 of which construction management services for the Northern District WWTP is a component; and

WHEREAS, via Resolution 47-FY2017 Relative to Approval of Contract for Design Services for the Upgrade of the Northern District Wastewater Treatment Plant to Secondary Treatment, GWA Project No. S17-003-OEA (OEA Grant OCO N676-16-02), approved by the CCU in July of 2017, GWA management was authorized to enter into a contract with Duenas Camacho and Associates to design the WWTP Upgrade on the existing site and the new property obtained for the WWTP; and

WHEREAS, GWA has determined that the most expedient process to meeting the OEA Grant deadline for completion of the Northern District WWTP Upgrade of December 31, 2021 was to break the construction activities into two phases with Phase I for Clearing and Grading and Phase II for all vertical and plant process construction; and

WHEREAS, GWA has procured Phase I construction services from IAN Corporation to clear and grade the project site to meet design specifications in preparation for all vertical construction activities that are part of Phase II; and

WHEREAS, GWA has advertised an Invitation for Bid IFB-02-ENG-2019, Step 1 – Technical Proposal on January 11, 2019 soliciting technical proposals for prequalification

purposes from experienced, responsible and responsive bidders to construct the necessary WWTP improvements through a multi-step bid; and

WHEREAS, seventeen (17) interested firms picked up an electronic copy (CD) of the appropriate Step 1 – Technical Proposal bid documents, and thirteen (13) of those firms attended the Step 1 Pre-Bid Conference and of those GWA received five (5) technical proposal submittals before the bid submittal deadline; and

WHEREAS, GWA Engineering evaluated all technical proposals received on March 1, 2019 and determined that five (5) firms met the qualification criteria established for the project (See EXHIBIT A – Step 1 Evaluation and Qualified Bidders List); and

WHEREAS, GWA invited the five (5) firms qualified by the Step 1 Technical Proposal criteria to participate in the Step 2 Pricing Proposal by invitation on March 14, 2019; and

WHEREAS, the Step 2 Bid Form established a Base Bid and four (4) alternate deductive bids, Alternate Bid A (eliminate ATAD and Digester Complex), Alternate Bid B (eliminate New Administration Building), Alternate Bid C (eliminate New Septage Receiving Station) and Alternate Bid D (eliminate Extended Warranty); and

WHEREAS, the Bid documents provide GWA sufficient flexibility to award the contract based on available funding and the elimination of one or more alternate bid items; and

WHEREAS, the five (5) qualified firms picked up the Step 2 – Pricing Proposal bid documents, and those five (5) firms attended the Step 2 Pre-Bid Conference on April 4, 2019 and of those GWA received five (5) pricing proposal submittals before the bid submittal deadline (See EXHIBIT B – Abstract of Bids); and

WHEREAS, GWA Engineering and the Program Manager (PM/CM) and Engineer of Record (EOR) analyzed all bid proposals received on May 29, 2019 and determined that Black Construction Corporation, who submitted the lowest bid for both the Base bid, and all Alternate

bids as being the responsive and responsible bidder and met all the bid requirements set forth by GWA (See EXHIBIT C – Recommendation Letter from DCA dated June 1, 2019); and

WHEREAS, GWA Management desires to complete all work included under the Base Bid and the Bid Submission Requirements allow that "After determination of the Successful Bidder based on this comparative process and on the responsiveness, responsibility, and other factors set forth in these Instructions, the award may be made to said Successful Bidder on its appropriate Base Bid and any combination of its deductive alternate Bid items for which Owner determines funds will be available at the time of award", and

WHEREAS, GWA Management finds the Black Construction Corporation bid proposal of One Hundred Twenty-Two Million Seventy-Seven Thousand and Eighty-Eight Dollars ($122,077,088.00) for the Base Bid to be acceptable (See EXHIBIT D – Bid Proposal); and

WHEREAS, GWA Management is seeking approval to enter into contract with Black Construction Corporation for IFB-02-ENG-2019 in the amount of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00); and

WHEREAS, GWA further seeks CCU approval of the total bid Proposal in the amount of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00); plus a five percent (5%) contingency of Six Million One Hundred Three Thousand Eight Hundred Fifty-Four Dollars and Forty Cents ($6,103,854.40), to bring the total authorized funding amount to One Hundred Twenty-Eight Million One Hundred Eighty Thousand Nine Hundred Forty-Two Dollars and Forty Cents ($128,180,942.40); and

WHEREAS, the funding source for the construction project will be from the General Assistance Grants (OCON676-16-02, OCON676-16-04, and OCON676-16-05), and the System Development Charge (SDC) funds or the Bond funds as necessary; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the bid proposal submitted by Black Construction Corporation are fair and reasonable.
3. The CCU hereby authorizes the management of GWA to accept the bid from Black Construction Corporation attached hereto as EXHIBIT D, and which is also incorporated into this Resolution in its entirety.
4. The CCU hereby authorizes the management of GWA to execute an Agreement with Black Construction Corporation in the amount of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00).
5. The CCU hereby authorizes the funding source for this project to be as described above.
6. The CCU hereby authorizes the funding total of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00); plus a five percent (5%) contingency of Six Million One Hundred Three Thousand Eight Hundred Fifty-Four Dollars and Forty Cents ($6,103,854.40), to bring the total authorized funding amount to One Hundred Twenty-Eight Million One Hundred Eighty Thousand Nine Hundred Forty-Two Dollars and Forty Cents ($128,180,942.40).

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

DULY AND REGULARLY ADOPTED, this 5th day of June, 2019.

Certified by:

_____
JOSEPH T. DUENAS
Chairperson

Attested by:

_____
MICHAEL T. LIMTIACO
Secretary

5

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: _____

ABSTENTIONS: _____

ABSENT: _____

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EXHIBIT A

Step 1 Evaluation and Qualified Bidders List

GUAM WATERWORKS AUTHORITY
"Better Water. Better Lives."
Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913
P.O. Box 3010, Hagatna, Guam 96932
Tel. No. (671) 300-6035

IFB-02-ENG-2019
Multi-Step Bid for the Upgrade of the Northern District Wastewater Treatment Plant (NDWWTP)
GWA Project No. S17-003-OEA

STEP I – TECHNICAL PROPOSAL EVALUATION SCORES

STEP 1 Technical Proposal Evaluators	*Qualification and Experience (60 pts.) Technical Approach and Capacity to Perform the Work (40 pts) (Total Points Possible = 100)*				
	STEP 1 – Technical Proposal Offerors				
	Sumitomo Mitsui Construction Co., Ltd.	Black Construction Corporation	Core Tech-Hawaiian Dredging, LLC	Hensel Phelps	Nan Inc.
John Davis, P.E.	85	83	85	83	80
Mauryn McDonald, P.E.	94	93	96	99	93
Prudencio Aguon	90	81	88	97	83
Ernesto Villarin	76	73	77	89	83
David Fletcher	95	90	98	92	78
Total Score	440	420	444	460	417
Average Score	**88**	**84**	**88.8**	**92**	**83.4**
Pass/Fail	Pass	Pass	Pass	Pass	Pass

GUAM WATERWORKS AUTHORITY
Gloria B. Nelson Public Service Building • 688 Route 15, Mangilao, Guam 96913 • Tel. (671) 300-6036

QUALIFIED BIDDERS LIST NOTIFICATION

This is a notification of a current project under the Guam Water and Wastewater Infrastructure Improvements Program. The project is the Upgrade of the Northern District Wastewater Treatment Plant, GWA Project No. S17-003-OEA which will be complete under a Multi-Step Bid process. Step 1 of the Multi-Step Bid which included the Technical Proposals has been completed and the project moved into Step 2 on March 18, 2019.

The Guam Waterworks Authority (GWA) has invited Contractors ("Bidders") who completed Step 1 of the Multi-Step Bid process to provide Step 2 Pricing Proposals to complete the construction services necessary for the Upgrade of Northern District Wastewater Treatment Plant (NDWWTP) project. The five Qualified Bidders invited to proceed to Step 2 are as follows:

1. Black Construction Corporation
2. Core Tech – Hawaiian Dredging LLC
3. Hensel Phelps Construction Co.
4. Nan Inc.
5. Sumitomo Mitsui Construction Co. LTD

Interested Subcontractors and Suppliers must obtain the relevant bid documents from the Qualified Bidders listed above. GWA will not be supplying the Step 2 Pricing Proposal documents to any parties other than the invited Step 2 Contractors.

MIGUEL C. BORDALLO, P.E.
General Manager

EXHIBIT B

Abstract of Bids

GUAM WATERWORKS AUTHORITY

ORIGINAL

ABSTRACT OF BIDS

Project Name: UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT (NDWWTP)
Project Number: S17-0030-OEA IFB No.: IFB-02-ENG-2019

Bid Opening Date: May 29, 2019
Time: 3:00 pm

COMPANY	BID BOND	CERTIFICATIONS								ADDENDUM					
		Qualification Statement	Non-Collusion Affidavit	Equal Employment Opportunity	Non-Segregated Facilities	Sex Offender Certification	Wage and Benefit Determination	Major Shareholder Affidavit	Special Instructions to Bidders	1	2	3	4	5	6
1. SUMITOMO MITSUI CONST. CO., LTD.	Fidelity and Deposit Company of Maryland 15% of total Bid Amount	step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. BLACK CONSTRUCTION CORPORATION	Safeco Insurance Company of America 18,311,563.00	step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. CORE-HAWAIIAN DREDGING, LLC	Zurich American Insurance Company 15% of Bidder's Maximum Bid Price	step 1	Step 1	step 1	Step 1	Step 1	step 1	Step 1	Step 1	✓	✓	✓	✓	✓	✓
4. HENSEL PHELPS	Travelers Casualty and Surety Company 15% of the total Bid Price	Step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5. NAN INC.	Zurich American Insurance Company 15% of Bidder's Maximum Bid Price	step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

COMPANY	BID AMOUNT				
	Base Bid	Alternate Bid – A	Alternate Bid – B	Alternate Bid – C	Alternate Bid - D
1. SUMITOMO MITSUI CONST. CO., LTD.	132,079,867.00	~~133,031,620.00~~ 121,000,000.00 cy	118,929,014.00	117,969,523.00	117,681,635.00
2. BLACK CONSTRUCTION CORPORATION	122,077,088.00	106,160,836.00	103,966,246.00	102,858,502.00	102,475,358.00
3. CORE-HAWAIIAN DREDGING, LLC	154,572,600.00	133,037,620.00	130,877,659.00	129,847,046.00	129,354,286.00
4. HENSEL PHELPS	143,600,000.00	127,812,000.00	125,362,000.00	124,552,000.00	123,705,000.00
5. NAN INC.	176,522,000.00	154,437,000.00	151,775,000.00	150,442,000.00	149,644,000.00
GWA ESTIMATE	115,015,314.00	99,935,154.00	98,096,018.00	96,463,526.00	95,589,824.00

Bids Opened and Read by:
GLORIA B. BENSAN
(Name and Signature)

Tabulated by:
CHEUK NAM YAM
(Name and Signature)

GWA Procurement Representative:
ROLAND LUMONGSUD
(Name and Signature)

Witnesses: (Name and Signature)
RODRIGO BALMORES
ALON ELAMPARO
J. HUNTER GIBBONS
HONG CHANG KI

EXHIBIT C

Recommendation Letter from DCA dated June 1, 2019

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

June 1, 2019

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

Attn: Jerald Johnson, Brown & Caldwell

Ref: **Upgrade of Northern District Wastewater Treatment Plant (Clearing and Grading) , GWA Project No. S17-003-OEA**

Subj: **Black Construction Corporation, Bid Proposal Review**

Hafa Adai,

Dueñas, Camacho, & Associates, Inc. (DCA) has reviewed the May 29, 2019 bid proposals submitted by the prequalified bidders for the referenced project. Black Construction Corporation's bid proposal was the apparent low bid for the base bid and all alternatives. This apparent lowest bid was compared to the other bids received and the engineer's estimate. In addition to cost, the supplier/equipment and sub-contractor lists were reviewed. Below are noteworthy items identified as part of this bid review.

1) The highest bidder, Nan Inc, is considered an outlier, and as such was not used in comparing the other qualified bids.
2) The engineers estimate provided was considered the lower end of the estimates. It is noted the engineer provided an estimate range to which the three lowest bidders were within.
3) Black Construction Corporation's bid does not appear to be an outlier or excessively low when compared the other bidders and the engineers estimate.
4) Black Construction Corporations supplier list included perceived equal equipment. These perceived equals were not evalauted at this time as clearly stated in the instruction to bidders. Perceived equals will be evaluated after award.
5) Black Construction Corporation listed the fewest sub-contractors under $500,000 when compared to all other bidders.

Based on our review, the design team has no exceptions with GWA moving forward with contracting Black Construction Corporation for this referenced project. A copy of the bid review tab for the base and alternate A bids is attached to this letter.

Regards,

Kenneth M Rekdahl, PE
Vice-President and Project Manager
Dueñas, Camacho & Associates
671-477-7991

Att:

Bid Abstract
Solicitation No. IFB-02-ENG-2019
Project: Upgrade of Northern District Wastewater Treatment Plant (NDWWTP)
Bid Opening: May 28, 2019
This tabulation of a total of 5 bidders.

	GWA BUDGET	$ 116,654,489.00						low bid - engr est	Average (All Bids)	Average (Black & Sumitomo)
Item No.	Description	Black Construction Corporation	Core Tech - Hawaiian Dredging LLC	NAN Inc.	Sumitomo Mitsui Construction Co.	Hensel Phelps Construction Co	GWA Estimate	Analysis		
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,662,313.00	$ 2,111,068.00	$ 4,000,000.00	$ 3,954,096.00	$ 3,624,000.00	$ 2,848,325	$ 813,987.69	$ 3,470,295.40	$ 3,808,204.50
2	Insurance and Bonds	$ 2,915,053.00	$ 2,982,325.00	$ 1,000,000.00	$ 3,208,279.00	$ 3,492,000.00	$ 949,442	$ 1,965,611.50	$ 2,719,531.40	$ 3,061,666.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00	$ 12,282,803.00	$ 20,609,000.00	$ 8,152,727.00	$ 16,870,000.00	$ 11,411,531	$ 2,718,634.90	$ 14,408,939.20	$ 11,141,446.50
4	Extended Warranty	$ 789,505.00	$ 492,760.00	$ 789,000.00	$ 349,882.00	$ 785,000.00	$ 852,649	$ (63,143.93)	$ 641,229.40	$ 569,693.50
5	Environmental Protection and Erosion Control Measures	$ 468,889.00	$ 128,659.00	$ 253,000.00	$ 261,318.00	$ 342,000.00	$ 9,304	$ 459,584.53	$ 290,773.20	$ 365,103.50
6	Site Clearing	$ 117,982.00	$ 5,786.00	$ 450,000.00	$ 71,050.00	$ 474,000.00	$ 587,495	$ (469,512.62)	$ 223,763.60	$ 94,516.00
7	Access Road, Guard Rails and Pavement	$ 1,137,513.00	$ 2,002,608.00	$ 2,096,000.00	$ 1,314,877.00	$ 1,360,000.00	$ 23,801	$ 1,113,711.96	$ 1,582,199.60	$ 1,226,195.00
8	Perimeter Fence Line	$ 244,949.00	$ 262,559.00	$ 120,000.00	$ 245,014.00	$ 258,000.00	$ 327,171	$ (82,222.15)	$ 226,104.40	$ 244,981.50
9	Project Site Grading and Site Turf	$ 415,228.00	$ 798,260.00	$ 1,502,000.00	$ 500,828.00	$ 4,701,000.00	$ 674,568	$ (259,340.00)	$ 1,583,463.20	$ 458,028.00
10	Project Site Drainage Improvements	$ 521,686.00	$ 488,168.00	$ 1,101,000.00	$ 143,302.00	$ 1,188,000.00	$ 474,722	$ 46,963.63	$ 688,431.20	$ 332,494.00
11	Site yard demolition works	$ 49,404.00	$ 110,980.00	$ 803,000.00	$ 200,654.00	$ 267,000.00	$ 521,361	$ (471,957.36)	$ 286,207.60	$ 125,029.00
12	Facility Demolition Works	$ 332,805.00	$ 1,030,521.00	$ 427,000.00	$ 784,913.00	$ 613,000.00	$ 2,142,962	$ (1,810,156.92)	$ 637,647.80	$ 558,859.00
13	Asbestos and Lead Containing Material Handling and Abatement	$ 151,029.00	$ 97,654.00	$ 12,000.00	$ 209,033.00	$ 130,000.00	$ 90,000	$ 61,029.00	$ 119,943.20	$ 180,031.00
14	Sludge Removal	$ 492,570.00	$ 199,844.00	$ 3,793,000.00	$ 429,153.00	$ 823,000.00	$ 819,518	$ (326,948.31)	$ 1,147,513.40	$ 460,861.50
15	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00	$ 13,860,810.00	$ 13,350,000.00	$ 8,084,376.00	$ 9,889,000.00	$ 7,221,936	$ 1,498,243.30	$ 10,780,873.00	$ 8,402,277.50
16	Project Site Pavement	$ 617,299.00	$ 156,469.00	$ 392,000.00	$ 146,707.00	$ 153,000.00	$ 1,777,976	$ (1,160,676.92)	$ 293,095.00	$ 382,003.00
17	Site Electrical	$ 1,965,380.00	$ 2,920,152.00	$ 3,799,000.00	$ 4,577,491.00	$ 5,652,000.00	$ 719,057	$ 1,246,322.75	$ 3,782,804.60	$ 3,271,435.50
18	Process 1: Southern Link Pump Station	$ 1,717,950.00	$ 3,408,317.00	$ 3,436,000.00	$ 3,478,972.00	$ 2,430,000.00	$ 1,632,652	$ 85,297.80	$ 2,894,247.80	$ 2,598,461.00
19	Process 1-1: Route 3 Pump Station	$ 1,576,102.00	$ 3,005,073.00	$ 3,608,000.00	$ 2,997,382.00	$ 1,886,000.00	$ 1,120,888	$ 455,214.28	$ 2,614,511.40	$ 2,286,742.00
20	Process 2: New Headworks	$ 9,988,518.00	$ 14,232,108.00	$ 13,277,000.00	$ 13,665,424.00	$ 12,034,000.00	$ 12,382,797	$ (2,394,279.24)	$ 12,639,410.00	$ 11,826,971.00
21	Process 3: Oxidation Ditches	$ 14,087,703.00	$ 21,756,717.00	$ 28,158,000.00	$ 18,248,828.00	$ 23,343,000.00	$ 14,756,758	$ (669,055.20)	$ 21,118,849.60	$ 16,168,265.50
22	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00	$ 13,014,923.00	$ 15,398,000.00	$ 10,188,970.00	$ 10,930,000.00	$ 11,059,273	$ (775,874.63)	$ 11,963,058.20	$ 10,236,184.00
23	Process 6: UV Disinfection System	$ 5,855,281.00	$ 6,843,571.00	$ 7,738,000.00	$ 5,720,049.00	$ 5,972,000.00	$ 6,170,396	$ (315,115.13)	$ 6,425,780.20	$ 5,787,665.00
24	Process 7: Septage Receiving Station	$ 1,034,479.00	$ 1,030,613.00	$ 1,333,000.00	$ 1,165,121.00	$ 752,000.00	$ 1,487,220	$ (452,740.94)	$ 1,063,042.60	$ 1,099,800.00
25	Process 8: RAS/WAS Pump Station	$ 2,952,020.00	$ 3,885,464.00	$ 3,260,000.00	$ 3,333,135.00	$ 1,887,000.00	$ 2,831,605	$ 120,414.71	$ 3,063,523.80	$ 3,142,577.50
26	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00	$ 3,117,853.00	$ 2,293,000.00	$ 2,778,018.00	$ 1,844,000.00	$ 1,566,679	$ 2,414,304.68	$ 2,802,771.00	$ 3,379,501.00
27	Process 10: Thickening Facility	$ 4,575,949.00	$ 7,612,187.00	$ 8,329,000.00	$ 5,631,161.00	$ 5,146,000.00	$ 5,287,531	$ (711,581.96)	$ 6,258,859.40	$ 5,103,555.00
28	Process 11: ATAD	$ 5,479,138.00	$ 11,333,225.00	$ 5,892,000.00	$ 12,193,413.00	$ 9,269,000.00	$ 423,129	$ 5,056,009.39	$ 8,833,355.20	$ 8,836,275.50
29	Process 12: Digester Equipment Building	$ 8,812,643.00	$ 10,001,911.00	$ 12,400,000.00	$ 5,903,384.00	$ 4,553,000.00	$ 12,926,728	$ (4,114,084.63)	$ 8,334,187.60	$ 7,358,013.50
30	Process 13: Sludge Storage Tanks	$ 2,143,592.00	$ 2,219,237.00	$ 1,685,000.00	$ 2,151,435.00	$ 1,521,000.00	$ 1,341,855	$ 801,737.09	$ 1,944,052.80	$ 2,147,513.50
31	Process 14: Dewatering Facility	$ 3,545,203.00	$ 4,414,565.00	$ 4,082,000.00	$ 3,546,374.00	$ 2,547,000.00	$ 1,993,125	$ 1,552,078.12	$ 3,627,028.40	$ 3,545,788.50
32	Process 15: Side-Stream Pump Station	$ 786,077.00	$ 1,019,200.00	$ 1,051,000.00	$ 885,907.00	$ 406,000.00	$ 1,074,893	$ (288,815.68)	$ 829,636.80	$ 835,992.00
33	Process 16: Plant Water Systems	$ 640,003.00	$ 525,989.00	$ 691,000.00	$ 628,172.00	$ 664,000.00	$ 672,491	$ (32,488.16)	$ 629,832.80	$ 634,087.50
34	Process 17: New Administration Building	$ 2,073,255.00	$ 2,159,961.00	$ 2,662,000.00	$ 2,516,960.00	$ 2,271,000.00	$ 1,692,427	$ 380,828.04	$ 2,336,635.20	$ 2,295,107.50
35	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00	$ 2,188,569.00	$ 1,594,000.00	$ 2,157,301.00	$ 1,363,000.00	$ 386,235	$ 1,672,163.27	$ 1,872,253.60	$ 2,107,849.50
36	Process 19: Maintenance Building	$ 154,844.00	$ 208,789.00	$ 267,000.00	$ 161,182.00	$ 130,000.00	$ 71,905	$ 82,938.68	$ 184,363.00	$ 158,013.00
37	Process 20 and 20-1: Standby Generator and Building	$ 2,840,160.00	$ 2,143,924.00	$ 2,836,000.00	$ 1,824,679.00	$ 2,869,000.00	$ 1,242,164	$ 1,597,995.84	$ 2,502,752.60	$ 2,332,419.50
38	Plant Startup and Training	$ 408,129.00	$ 32,747.00	$ 1,514,000.00	$ 217,182.00	$ 581,000.00	$ 2,499,599	$ (2,091,470.25)	$ 550,611.60	$ 312,655.50
39	Project Closeout.	$ 351,312.00	$ 486,231.00	$ 513,000.00	$ 53,118.00	$ 581,000.00	$ 943,141	$ (591,829.32)	$ 396,932.20	$ 202,215.00
	TOTAL SUM BASIC BID PRICE (ITEMS 1 THROUGH 39, INCLUSIVE)	$ 122,077,088.00	$ 154,572,600.00	$ 176,513,000.00	$ 132,079,867.00	$ 143,600,000.00	$ 115,015,314		$ 145,768,511.00	$ 127,078,477.50
	Deductive A	$ 106,160,836.00	$ 133,037,620.00	$ 154,437,000.00	$ 121,000,000.00	$ 127,812,000.00	$ 99,935,154.00			
	Deductive B	$ 103,966,246.00	$ 130,877,659.00	$ 151,775,000.00	$ 118,929,014.00	$ 125,362,000.00	$ 98,096,018.00			
	Deductive C	$ 102,858,502.00	$ 129,847,046.00	$ 150,442,000.00	$ 117,969,523.00	$ 124,552,000.00	$ 96,463,526.00			
	Deductive D	$ 102,475,358.00	$ 129,354,286.00	$ 149,644,000.00	$ 117,681,635.00	$ 123,705,000.00	$ 95,589,824.00			

TOTAL W/ ATAD (NO DEDUCTIVE B, C, D)	$ 118,391,610.00
ADDITIONAL FUNDING FOR ATAD W/O DEDUCTIVE B,C,D	$ 1,737,121.00
ADDITIONAL FUNDING FOR ATAD AND EXTENDED WARRANTY (DEDUCTIVE A&D)	$ 2,120,265.00
ADDITIONAL FUNDING FOR ATAD, SEPTAGE, EXTENDED WARRANTY (DEDUCTIVE A,C,D)	$ 3,228,009.00
ADDITIONAL FUNDING FOR COMPLETE BASE BID (DEDUCTIVE A, B,C, D)	$ 5,422,599.00

Bid Abstract
Solicitation No. IFB-02-ENG-2019
Project: Upgrade of Northern District Wastewater Treatment Plant (NDWWTP)
This tabulation of a total of 5 bidders.

GWA BUDGET $ 116,654,489.00

Item No.	Description	Black Construction Corporation	Core Tech - Hawaiian Dredging LLC	NAN Inc.	Sumitomo Mitsui Construction Co.	Hensel Phelps Construction Co	GWA Estimate	low bid - engr est	Average (All Bids)	Average (Black & Sumitomo)
								Analysis		
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,184,825.00	$ 2,111,068.00	$ 4,000,000.00	$ 3,554,096.00	$ 3,624,000.00	$ 2,848,325	$ 336,499.69	$ 3,294,797.80	$ 3,369,460.50
2	Insurance and Bonds	$ 2,692,305.00	$ 2,982,325.00	$ 1,000,000.00	$ 3,437,966.00	$ 3,135,000.00	$ 949,442	$ 1,742,863.50	$ 2,649,519.20	$ 3,065,135.50
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00	$ 12,282,803.00	$ 20,609,000.00	$ 8,736,368.00	$ 16,084,000.00	$ 10,500,749	$ 3,629,417.00	$ 14,368,467.40	$ 11,433,267.00
4	Extended Warranty	$ 357,840.00	$ 492,760.00	$ 789,000.00	$ 374,930.00	$ 785,000.00	$ 852,649	$ (494,808.93)	$ 559,906.00	$ 366,385.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00	$ 128,659.00	$ 253,000.00	$ 280,025.00	$ 342,000.00	$ 9,304	$ 459,584.53	$ 294,514.60	$ 374,457.00
6	Site Clearing	$ 117,982.00	$ 5,786.00	$ 450,000.00	$ 76,136.00	$ 474,000.00	$ 587,495	$ (469,512.62)	$ 224,780.80	$ 97,059.00
7	Access Road, Guard Rails and Pavement	$ 1,137,513.00	$ 2,002,608.00	$ 2,096,000.00	$ 1,409,007.00	$ 1,360,000.00	$ 23,801	$ 1,113,711.96	$ 1,601,025.60	$ 1,273,260.00
8	Perimeter Fence Line	$ 244,949.00	$ 262,559.00	$ 120,000.00	$ 262,554.00	$ 258,000.00	$ 327,171	$ (82,222.15)	$ 229,612.40	$ 253,751.50
9	Project Site Grading and Site Turf	$ 415,228.00	$ 798,260.00	$ 1,502,000.00	$ 536,682.00	$ 4,701,000.00	$ 674,568	$ (259,340.00)	$ 1,590,634.00	$ 475,955.00
10	Project Site Drainage Improvements	$ 521,686.00	$ 488,168.00	$ 1,101,000.00	$ 153,561.00	$ 1,188,000.00	$ 474,722	$ 46,963.63	$ 690,483.00	$ 337,623.50
11	Site yard demolition works	$ 49,404.00	$ 110,980.00	$ 803,000.00	$ 215,019.00	$ 267,000.00	$ 521,361	$ (471,957.36)	$ 289,080.60	$ 132,211.50
12	Facility Demolition Works	$ 332,805.00	$ 1,030,521.00	$ 427,000.00	$ 841,104.00	$ 613,000.00	$ 2,142,962	$ (1,810,156.92)	$ 648,886.00	$ 586,954.50
13	Asbestos and Lead Containing Material Handling and Abatement	$ 151,029.00	$ 97,654.00	$ 12,000.00	$ 223,997.00	$ 130,000.00	$ 90,000	$ 61,029.00	$ 122,936.00	$ 187,513.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00	$ 13,860,810.00	$ 13,350,000.00	$ 8,663,124.00	$ 9,889,000.00	$ 7,221,936	$ 1,498,243.30	$ 10,896,622.60	$ 8,691,651.50
15	Project Site Pavement	$ 617,299.00	$ 156,469.00	$ 392,000.00	$ 157,210.00	$ 153,000.00	$ 1,777,976	$ (1,160,676.92)	$ 295,195.60	$ 387,254.50
16	Site Electrical	$ 1,965,380.00	$ 2,920,152.00	$ 3,799,000.00	$ 4,905,186.00	$ 5,652,000.00	$ 719,057	$ 1,246,322.75	$ 3,848,343.60	$ 3,435,283.00
17	Process 1: Southern Link Pump Station	$ 1,717,950.00	$ 3,408,317.00	$ 3,436,000.00	$ 3,728,026.00	$ 2,430,000.00	$ 1,632,652	$ 85,297.80	$ 2,944,058.60	$ 2,722,988.00
18	Process 1-1: Route 3 Pump Station	$ 1,576,102.00	$ 3,005,073.00	$ 3,608,000.00	$ 3,211,960.00	$ 1,886,000.00	$ 1,120,888	$ 455,214.28	$ 2,657,427.00	$ 2,394,031.00
19	Process 2: New Headworks	$ 9,988,518.00	$ 14,232,108.00	$ 13,277,000.00	$ 14,643,711.00	$ 12,034,000.00	$ 12,382,797	$ (2,394,279.24)	$ 12,835,067.40	$ 12,316,114.50
20	Process 3: Oxidation Ditches	$ 14,087,703.00	$ 21,756,717.00	$ 28,158,000.00	$ 19,555,233.00	$ 23,343,000.00	$ 14,756,758	$ (669,055.20)	$ 21,380,130.60	$ 16,821,468.00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00	$ 13,014,923.00	$ 15,398,000.00	$ 10,918,383.00	$ 10,930,000.00	$ 11,059,273	$ (775,874.63)	$ 12,108,940.80	$ 10,600,890.50
22	Process 6: UV Disinfection System	$ 5,855,281.00	$ 6,843,571.00	$ 7,738,000.00	$ 6,129,538.00	$ 5,972,000.00	$ 6,170,396	$ (315,115.13)	$ 6,507,678.00	$ 5,992,409.50
23	Process 7: Septage Receiving Station	$ 1,034,479.00	$ 1,030,613.00	$ 1,333,000.00	$ 1,248,530.00	$ 752,000.00	$ 1,487,220	$ (452,740.94)	$ 1,079,724.40	$ 1,141,504.50
24	Process 8: RAS/WAS Pump Station	$ 2,952,020.00	$ 3,885,464.00	$ 3,260,000.00	$ 3,571,749.00	$ 1,887,000.00	$ 2,831,605	$ 120,414.71	$ 3,111,246.60	$ 3,261,884.50
25	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00	$ 3,117,853.00	$ 2,293,000.00	$ 2,976,892.00	$ 1,844,000.00	$ 1,566,679	$ 2,414,304.68	$ 2,842,545.80	$ 3,478,938.00
26	Process 10: Thickening Facility	$ 4,575,949.00	$ 7,612,187.00	$ 8,329,000.00	$ 6,034,287.00	$ 5,146,000.00	$ 5,287,531	$ (711,581.96)	$ 6,339,484.60	$ 5,305,118.00
27	Process 13: Sludge Storage Tanks	$ 2,143,592.00	$ 2,219,237.00	$ 1,685,000.00	$ 2,305,453.00	$ 1,521,000.00	$ 1,341,855	$ 801,737.09	$ 1,974,856.40	$ 2,224,522.50
28	Process 14: Dewatering Facility	$ 3,545,203.00	$ 4,414,565.00	$ 4,082,000.00	$ 3,800,253.00	$ 2,547,000.00	$ 1,993,125	$ 1,552,078.12	$ 3,677,804.20	$ 3,672,728.00
29	Process 15: Side-Stream Pump Station	$ 786,077.00	$ 1,019,200.00	$ 1,051,000.00	$ 949,328.00	$ 406,000.00	$ 1,074,893	$ (288,815.68)	$ 842,321.00	$ 867,702.50
30	Process 16: Plant Water Systems	$ 640,003.00	$ 525,989.00	$ 691,000.00	$ 673,142.00	$ 664,000.00	$ 672,491	$ (32,488.16)	$ 638,826.80	$ 656,572.50
31	Process 17: New Administration Building	$ 2,073,255.00	$ 2,159,961.00	$ 2,662,000.00	$ 2,697,145.00	$ 2,271,000.00	$ 1,692,427	$ 380,828.04	$ 2,372,672.20	$ 2,385,200.00
32	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00	$ 2,188,569.00	$ 1,594,000.00	$ 2,311,739.00	$ 1,363,000.00	$ 386,235	$ 1,672,163.27	$ 1,903,141.20	$ 2,185,068.50
33	Process 19: Maintenance Building	$ 154,844.00	$ 208,789.00	$ 267,000.00	$ 172,721.00	$ 130,000.00	$ 71,905	$ 82,938.68	$ 186,670.80	$ 163,782.50
34	Process 20 and 20-1: Standby Generator and Building	$ 2,840,160.00	$ 2,143,924.00	$ 2,836,000.00	$ 1,955,305.00	$ 2,869,000.00	$ 1,242,164	$ 1,597,995.84	$ 2,528,877.80	$ 2,397,732.50
35	Plant Startup and Training	$ 408,129.00	$ 32,747.00	$ 1,514,000.00	$ 232,730.00	$ 581,000.00	$ 2,499,599	$ (2,091,470.25)	$ 553,721.20	$ 320,429.50
36	Project Closeout.	$ 351,312.00	$ 486,231.00	$ 513,000.00	$ 56,921.00	$ 581,000.00	$ 943,141	$ (591,829.32)	$ 397,692.80	$ 204,116.50
	TOTAL SUM DEDUCTIVE BID A PRICE (ITEMS 1 THROUGH 36, INCLUSIVE)	$ 106,160,836.00	$ 133,037,620.00	$ 154,428,000.00	$ 121,000,011.00	$ 127,812,000.00	$ 99,935,154	$ 6,225,682.46	$ 128,487,693.40	$ 113,580,423.50

EXHIBIT D

Bid Proposal

UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT

GWA Project No. S17-003-OEA

STEP 2
PRICE PROPOSAL

Submitted to:

Mr. Miguel C. Bordallo, P.E.
General Manager
GUAM WATERWORKS AUTHORITY
GLORIA B. NELSON PUBLIC SERVICE BUILDING
688 ROUTE 15, MANGILAO, GU 96913

Submitted by:

BLACK CONSTRUCTION CORPORATION
P.O. BOX 24667, GMF, BARRIGADA, GU 96921

COPY 1 OF 1

UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT

GWA Project No.: S17-003-OEA

MR. MIGUEL C. BORDALLO, P.E.
GENERAL MANAGER
GUAM WATERWORKS AUTHORITY
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao, GU 96913

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed – in whole or in part – for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of – or in connection with – the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets:

- **STEP 2 Price Proposal – all sheets**

May 29, 2019 – NLT 3:00 pm Chamorro Standard Time

Submitted by:

BLACK CONSTRUCTION CORPORATION
Harmon Industrial Park • P.O. Box 24667, GMF Barrigada GU 96921
A Tutor Perini Company

PROCUREMENT CHECKLIST

Procurement Checklist

CHECKLIST OF FORMS AND DOCUMENTS REQUIRED TO BE SUBMITTED IN CONJUNCTION WITH BIDS

A. Form or document that must be submitted with bid	Initial if Submitted:
1. Bid Bond Equal to 15% of total amount of bid	
2. Bid Proposal and Bid Schedule	
3. Non-Collusion Affidavit	
4. Certification of Bidder Regarding Equal Employment Opportunity	
5. Certification Regarding Non-Segregated Facilities	
6. Sex Offender Certification	
7. Wage and Benefit Determination	
8. Major Shareholders Disclosure Affidavit	
9. Special Instructions to Bidders	
10. Proof of Licensure (if not included in Step 1) to Perform Work Called For by the Bid	
11. Financial Statements	
12. Proof of Status as Veteran (if applies)	
13. Forms or Documents Required by Bid or Bid Amendments not referred to above	

I, Leonard K. Kaae, a duly authorized representative of Black Construction Corporation, do hereby certify, that the forms list above has in fact been submitted with my firm's bid. I acknowledge that, failure to submit any of the above documents will result in my firm being deemed non-responsive and having my firm's bid rejected.

Signed: _____

Date: May 24, 2019

B. **<u>Forms or documents that must be submitted after the bid but prior to entering into a Contract are as follows</u>:**

1. Proof of Insurance (complete insurance policies) per Article 6 – Bonds and Insurance
2. Performance and Payment Bond
3. Other Forms as Required by GWA

*Most forms or documents above must be submitted on forms supplied by GWA. Failure to use the correct form, or submit a form when required, could result in the vendor being deemed to be non-responsive which would require GWA to reject the bid. Failure to submit the correct forms or documents that are required after award but prior to contract are a condition precedent to GWA entering into a contract. Failing to provide the forms or documents could result in loss of award.

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BID BOND

BID BOND

Any singular reference to Bidder, Surety, Owner or other party shall be considered plural where applicable.

BIDDER *(Name and Address)*:
Black Construction Corporation
JL Baker Street, Harmon Industrial Park, Harmon, Guam 96913
P.O. Box 24667, Barrigada, Guam 96921

SURETY *(Name, and Address of Principal Place of Business)*:
Safeco Insurance Company of America
175 Berkeley Street
Boston, MA 02116

OWNER *(Name and Address)*:
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao, Guam 96913

BID
Bid Due Date: May 29, 2019
Description *(Project Name— Include Location)*:
Upgrade of Northern District Wastewater Treatment Plant (NDWWTP), Dededo, Guam
GWA Project No. S17-003-OEA

BOND
Bond Number: n/a
Date: May 29, 2019
Penal sum Eighteen Million Three Hundred Eleven Thousand Five Hundred Sixty (Words) $18,311,563.00 Three & 00/100 U.S. Dollars (Figures)

Surety and Bidder, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Bid Bond to be duly executed by an authorized officer, agent, or representative.

BIDDER	**SURETY**
Black Construction Corporation (Seal)	Safeco Insurance Company of America (Seal)
Bidder's Name and Corporate Seal	Surety's Name and Corporate Seal
By: Signature	By: Signature (Attach Power of Attorney)
Leonard K. Kaae	Lisa L. Thornton
Print Name	Print Name
Senior Vice President & General Manager	Attorney in Fact
Title	Title
Attest: Signature	Attest: Signature
Mark J. Mamczarz	Maria Pena, Assistant Vice President
VP of Finance, Secretary & Treasurer	
Title	Title

Resident Agent
Calvo's Insurance Underwriters, Inc.
By: RAYMOND A. MARTINEZ

Note: Addresses are to be used for giving any required notice.
Provide execution by any additional parties, such as joint venturers, if necessary.

1. Bidder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to pay to Owner upon default of Bidder the penal sum set forth on the face of this Bond. Payment of the penal sum is the extent of Bidder's and Surety's liability. Recovery of such penal sum under the terms of this Bond shall be Owner's sole and exclusive remedy upon default of Bidder.

2. Default of Bidder shall occur upon the failure of Bidder to deliver within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents.

3. This obligation shall be null and void if:

3.1 Owner accepts Bidder's Bid and Bidder delivers within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents, or

3.2 All Bids are rejected by Owner, or

3.3 Owner fails to issue a Notice of Award to Bidder within the time specified in the Bidding Documents (or any extension thereof agreed to in writing by Bidder and, if applicable, consented to by Surety when required by Paragraph 5 hereof).

4. Payment under this Bond will be due and payable upon default of Bidder and within 30 calendar days after receipt by Bidder and Surety of written notice of default from Owner, which notice will be given with reasonable promptness, identifying this Bond and the Project and including a statement of the amount due.

5. Surety waives notice of any and all defenses based on or arising out of any time extension to issue Notice of Award agreed to in writing by Owner and Bidder, provided that the total time for issuing Notice of Award including extensions shall not in the aggregate exceed 120 days from the Bid due date without Surety's written consent.

6. No suit or action shall be commenced under this Bond prior to 30 calendar days after the notice of default required in Paragraph 4 above is received by Bidder and Surety and in no case later than one year after the Bid due date.

7. Any suit or action under this Bond shall be commenced only in a court of competent jurisdiction located in the state in which the Project is located.

8. Notices required hereunder shall be in writing and sent to Bidder and Surety at their respective addresses shown on the face of this Bond. Such notices may be sent by personal delivery, commercial courier, or by United States Registered or Certified Mail, return receipt requested, postage pre-paid, and shall be deemed to be effective upon receipt by the party concerned.

9. Surety shall cause to be attached to this Bond a current and effective Power of Attorney evidencing the authority of the officer, agent, or representative who executed this Bond on behalf of Surety to execute, seal, and deliver such Bond and bind the Surety thereby.

10. This Bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Bond shall be deemed to be included herein as if set forth at length. If any provision of this Bond conflicts with any applicable statute, then the provision of said statute shall govern and the remainder of this Bond that is not in conflict therewith shall continue in full force and effect.

11. The term "Bid" as used herein includes a Bid, offer, or proposal as applicable.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT — Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California)
) ss
County of Los Angeles)

On May 29, 2019, before me, Maria Pena, Notary Public, personally appeared Lisa L. Thornton, who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~/are~~ subscribed to the within instrument and acknowledged to me that ~~he/~~she~~/they~~ executed the same in ~~his/~~her~~/their~~ authorized capacity~~(ies)~~, and that by ~~his/~~her~~/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

MARIA PENA
Notary Public - California
Los Angeles County
Commission # 2238398
My Comm. Expires May 12, 2022

Signature: _____

(Seal)

Maria Pena, Notary Public

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.
This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No 7538474

American States Insurance Company
First National Insurance Company of America
General Insurance Company of America
Safeco Insurance Company of America

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That American States Insurance Company is a corporation duly organized under the laws of the State of Indiana, that First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America are corporations duly organized under the laws of the State of New Hampshire (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint C. K. Nakamura; E. S. Albrecht, Jr.; Jeffrey Strassner; Jessica L. Rosser; Lisa L. Thornton; Maria Pena; Natalie K. Trofimoff; Noemi Quiroz; Patricia S. Arana; Tim M. Tomko

all of the city of Los Angeles, state of CA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 7th day of November, 2016.

American States Insurance Company
First National Insurance Company of America
General Insurance Company of America
Safeco Insurance Company of America

By: David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 7th day of November, 2016, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of American States Insurance Company, First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires March 28, 2017
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, of American States Insurance Company, First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 29th day of May, 20 19.

By: Renee C. Llewellyn
Renee C. Llewellyn, Assistant Secretary

15 of 50

POA - FNICA, GICA & SICA
LMS_12874_082016

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

GOVERNMENT OF GUAM
DEPARTMENT OF REVENUE AND TAXATION
OFFICE OF THE BANKING AND INSURANCE COMMISSIONER

INSURANCE LICENSE

RENEWAL GA32

Know All Men By These Presents That:

Name CALVO'S INSURANCE UNDERWRITERS INC

Address 115 CHALAN SANTO PAPA STREET
HAGATNA GU 96910

Classes of Insurance Authorized } FIDELITY & SURETY
PROP. DAMAGE & LIABILITY

Having complied with the Insurance Law of Guam, is hereby authorized to transact as General Agent *, the above named Classes of Insurance in Guam from the* 01 *day of* July *, 20* 18 *, to the* 01 *day of* July *, 20* 19 *, unless authority is revoked for failure to comply with the law.*

Designated Representatives:
RAYMOND A MARTINEZ

Appointed By:
SAFECO INSURANCE COMPANY OF AMERICA

[SEAL]

JOHN P. CAMACHO
Acting Banking and Insurance Commissioner

CCU Regular Meeting June 5, 2019 - GWA

GOVERNMENT OF GUAM
DEPARTMENT OF REVENUE AND TAXATION
OFFICE OF THE BANKING AND INSURANCE COMMISSIONER

CERTIFICATE OF AUTHORITY

RENEWAL 184

Know All Men By These Presents That:

Name **SAFECO INSURANCE COMPANY OF AMERICA**

Address 175 BERKELEY STREET GARLOCK SUITE - MAIL STOP M09G
BOSTON MA 02116

Classes of Insurance Authorized } FIDELITY & SURETY
PROP. DAMAGE & LIABILITY

Having complied with the Insurance Law of Guam, is hereby authorized to transact as an insurer, the above named Classes of Insurance in Guam from the 01 ***day of*** July , ***20*** 18 , ***to the*** 01 ***day of*** July , ***20*** 19 , ***unless authority is revoked for failure to comply with the law.***

General Agent(s):

CALVO'S INSURANCE UNDERWRITERS INC
TAKAGI & ASSOCIATES INC

In Witness Whereof, I have hereunto subscribed my name officially and have hereon impressed my Seal of Office at the City of Hagatña, Guam on this 29 ***day of*** May ***A.D. 20*** 18.

JOHN P. CAMACHO
Acting Banking and Insurance Commissioner

CCU Regular Meeting June 5, 2019 - GWA

POWER
OF ATTORNEY

No. 4577

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

**********RAYMOND A. MARTINEZ; Agana, Guam**********

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 29th day of May, 2019.

Dexter R. Legg — T A Mikolajewski

Dexter R. Legg, Secretary — Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

(i) The provisions of Article V, Section 13 of the By-Laws; and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Dexter R. Legg, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 29th day of May, 2019.

SAFECO INSURANCE COMPANY OF AMERICA CORPORATE SEAL 1953 STATE OF WASHINGTON

GENERAL INSURANCE COMPANY OF AMERICA CORPORATE SEAL 1929 State of Washington

Dexter R. Legg

Dexter R. Legg, Secretary

S-0974/DS 3/09 — WEB PDF

BID FORM (ADDENDUM C)

Northern District Wastewater Treatment Plant (NDWWTP) Upgrade to Secondary Treatment

GWA Project No. S17-003-OEA

OEA Grant OCO N676-16-02

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ARTICLE 1 – BID RECIPIENT

1.01 This Bid is submitted to:

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

1.02 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

ARTICLE 2 – BIDDER'S ACKNOWLEDGEMENTS

2.01 Bidder accepts all of the terms and conditions of the Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for 75 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Owner.

ARTICLE 3 – BIDDER'S REPRESENTATIONS

3.01 In submitting this Bid, Bidder represents that:

A. Bidder has examined and carefully studied the Bidding Documents, and any data and reference items identified in the Bidding Documents, and hereby acknowledges receipt of the following Addenda:

Addendum No.	Addendum Date
01	April 09, 2019
02	April 11, 2019
03	April 17, 2019
04	April 29, 2019
05	May 02, 2019
06	May 08, 2019

B. Bidder has conducted a thorough, alert visual examination of the Site, staging and adjacent areas, videos, and become familiar with and satisfied itself as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. Bidder is familiar with and has satisfied itself as to all Laws and Regulations that may affect cost, progress, and performance of the Work.

D. Bidder has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent

to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings.

E. Bidder has considered the information known to Bidder itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Bidding Documents; and any Site-related reports and drawings identified in the Bidding Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder; and (3) Bidder's safety precautions and programs.

F. Bidder agrees, based on the information and observations referred to in the preceding paragraph, that no further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price bid and within the times required, and in accordance with the other terms and conditions of the Bidding Documents.

G. Bidder is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Bidding Documents.

H. Bidder has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and confirms that the written resolution thereof by Engineer is acceptable to Bidder.

I. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance and furnishing of the Work.

J. The submission of this Bid constitutes an incontrovertible representation by Bidder that Bidder has complied with every requirement of this Article, and that without exception the Bid and all prices in the Bid are premised upon performing and furnishing the Work required by the Bidding Documents.

ARTICLE 4 – BIDDER'S CERTIFICATION

4.01 Bidder certifies that:

A. This Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation;

B. Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid;

C. Bidder has not solicited or induced any individual or entity to refrain from bidding; and

D. Bidder has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract. For the purposes of this Paragraph 4.01.D:

1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process;

2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process to the detriment of Owner, (b) to establish bid prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;

3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish bid prices at artificial, non-competitive levels; and

4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

ARTICLE 5 – BASIS OF BID

5.01 Bidder will complete the Work in accordance with the Contract Documents for the following price(s) as delineated per scope item. Prices include all labor, materials, services, and equipment necessary for completion of the Work for a complete and operational wastewater treatment facility at the Northern District WWTP site. All other Work not listed in the following list are considered incidental and are an obligation of the Contractor under the various Bid Items as specified in the Bid at no additional cost to Owner.

A. Bidders are informed that the bid plans are ordered by Process. Each process presented in the list below consists of but may not be limited to Mechanical, Architectural, Structural, Plumbing, Electrical, and Instrumentation disciplines. Bidders will use this ordering system when developing the Price for the bid items below that call out a specific process.

B. Owner may elect to provide a portion (approximately 200 tons) of the reinforcing steel for this project at a unit rate per ton, provided to the Contractor as a deductive change order. This unit rate will be based on Contractor's realized actual unit pricing, delivered to Guam, and supported by receipts. This rebar is currently located at the Baza Gardens WWTP Site approximately 17 miles from the NDWWTP Site. The Contractor will be responsible for transporting this rebar from Baza Gardens WWTP to the NDWWTP. If there is a cost difference between transporting from Baza Gardens WWTP and transporting from the port to the NDWWTP Site, the Contractor will be reasonably compensated at a price agreed to by both parties.

C. Bidders to include in other Bid item(s) the other costs (if any) associated with accepting such assignment and administering the assigned contract.

5.02 Base Bid:

Base Bid		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,662,313.00
2	Insurance and Bonds	$ 2,915,053.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 789,505.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00

Base Bid		
6	Site Clearing	$ 117,982.00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949.00
9	Project Site Grading and Site Turf	$ 415,228.00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404.00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Sludge Removal	$ 492,570.00
15	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00
16	Project off-site Pavement	$ 617,299.00
17	Site Electrical	$ 1,965,380.00
18	Process 1: Southern Link Pump Station	$ 1,717,950.00
19	Process 1-1: Route 3 Pump Station	$ 1,576,102.00
20	Process 2: New Headworks	$ 9,988,518.00
21	Process 3: Oxidation Ditches	$ 14,087,703.00
22	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
23	Process 6: UV Disinfection System	$ 5,855,281.00
24	Process 7: Septage Receiving Station	$ 1,034,479.00
25	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
26	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00

Base Bid		
27	Process 10: Thickening Facility	$ 4,575,949.00
28	Process 11: ATAD	$ 5,479,138.00
29	Process 12: Digester Equipment Building	$ 8,812,643.00
30	Process 13: Sludge Storage Tanks	$ 2,143,592.00
31	Process 14: Dewatering Facility	$ 3,545,203.00
32	Process 15: Side-Stream Pump Station	$ 786,077.00
33	Process 16: Plant Water Systems	$ 640,003.00
34	Process 17: New Administration Building	$ 2,073,255.00
35	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
36	Process 19: Maintenance Building	$ 154,844.00
37	Process 20: Standby Generator and Building	$ 2,840,160.00
38	Plant Start-up and Training	$ 408,129.00
39	Project Closeout	$ 351,312.00
	Total Base Price	$ **122,077,088.00**

[Total Price In words]

ONE HUNDRED TWENTY TWO MILLION, SEVENTY SEVEN THOUSAND, EIGHTY EIGHT & 00/100 U.S.DOLLARS

5.03 The following bid items describe the Deductive Alternate Items, in order of priority, for this Work. Evaluation of Bids and award of Contract will proceed as described in Article 19 of the Instructions to Bidders. In the case that any of the following deductive alternates items are executed to the Contract, the Bidder will complete the following in accordance with the Contract Documents for the following price(s):

A. Alternate Bid A, ATAD and Digester Complex: This deductive alternate item will remove the ATAD treatment process. The solids process system provided in process 9, 10, 11 and 12 will remain and provide for solids stabilization, thickening and dewatering.

i) Alternate Bid A

Alternate Bid A		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,184,825.00
2	Insurance and Bonds	$ 2,692,305.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 357,840.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00
6	Site Clearing	$ 117,982.00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949.00
9	Project Site Grading and Site Turf	$ 415,228.00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404.00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00

Alternate Bid A		
15	Project Off-site Pavement	$ 617,299.00
16	Site Electrical	$ 1,965,380.00
17	Process 1: Southern Link Pump Station	$ 1,717,950.00
18	Process 1-1: Route 3 Pump Station	$ 1,576,102.00
19	Process 2: New Headworks	$ 9,988,518.00
20	Process 3: Oxidation Ditches	$ 14,087,703.00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
22	Process 6: UV Disinfection System	$ 5,855,281.00
23	Process 7: Septage Receiving Station	$ 1,034,479.00
24	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
25	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00
26	Process 10: Thickening Facility	$ 4,575,949.00
27	Process 13: Sludge Storage Tanks	$ 2,143,592.00
28	Process 14: Dewatering Facility	$ 3,545,203.00
29	Process 15: Side-Stream Pump Station	$ 786,077.00
30	Process 16: Plant Water Systems	$ 640,003.00
31	Process 17: New Administration Building	$ 2,073,255.00
32	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
33	Process 19: Maintenance Building	$ 154,844.00
34	Process 20: Standby Generator and Building	$ 2,840,160.00
35	Plant Start-up and Training	$ 408,129.00
36	Project Closeout	$ 351,312.00

Alternate Bid A		
	Total Price	$ 106,160,836.00

[Total Price In words]

ONE HUNDRED SIX MILLION, ONE HUNDRED SIXTY THOUSAND, EIGHT HUNDRED THIRTY-SIX & 00/100 U.S. DOLLARS

B. Alternate Bid B, New Administration Building: This deductive alternate item will remove the processes noted in Alternate A and the new administration building (Process 17). The renovated and repurposed laboratory (process 18) will serve as the administrative office if this alternate bid item is executed.

i) Alternate Bid B

Alternate Bid B		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,118,987.00
2	Insurance and Bonds	$ 2,636,808.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 357,840.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00
6	Site Clearing	$ 117,982.00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949.00
9	Project Site Grading and Site Turf	$ 415,228.00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404.00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00
15	Project Off-site Pavement	$ 617,299.00
16	Site Electrical	$ 1,965,380.00
17	Process 1: Southern Link Pump Station	$ 1,717,950.00
18	Process 1-1: Route 3 Pump Station	$ 1,576,102.00

Alternate Bid B		
19	Process 2: New Headworks	$ 9,988,518.00
20	Process 3: Oxidation Ditches	$ 14,087,703.00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
22	Process 6: UV Disinfection System	$ 5,855,281.00
23	Process 7: Septage Receiving Station	$ 1,034,479.00
24	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
25	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00
26	Process 10: Thickening Facility	$ 4,575,949.00
27	Process 13: Sludge Storage Tanks	$ 2,143,592.00
28	Process 14: Dewatering Facility	$ 3,545,203.00
29	Process 15: Side-Stream Pump Station	$ 786,077.00
30	Process 16: Plant Water Systems	$ 640,003.00
31	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
32	Process 19: Maintenance Building	$ 154,844.00
33	Process 20: Standby Generator and Building	$ 2,840,160.00
34	Plant Start-up and Training	$ 408,129.00
35	Project Closeout	$ 351,312.00
	Total Price	**$ 103,966,246.00**

[Total Price In words]

ONE HUNDRED THREE MILLION, NINE HUNDRED SIXTY SIX THOUSAND, TWO HUNDRED FORTY SIX & 00/100 U.S. DOLLARS

C. Alternate Bid C, New Septage Receiving Station: This deductive alternate item will remove the processes noted in Alternates A and B and the new septage receiving station (Process 7). The existing septage receiving station will remain in operation if this alternate is executed.

i) Alternate Bid C

Alternate Bid C		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,085,755.00
2	Insurance and Bonds	$ 2,596,775.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 357,840.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00
6	Site Clearing	$ 117,982.00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949.00
9	Project Site Grading and Site Turf	$ 415,228.00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404.00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00
15	Project Off-site Pavement	$ 617,299.00
16	Site Electrical	$ 1,965,380.00
17	Process 1: Southern Link Pump Station	$ 1,717,950.00
18	Process 1-1: Route 3 Pump Station	$ 1,576,102.00

Alternate Bid C		
19	Process 2: New Headworks	$ 9,988,518.00
20	Process 3: Oxidation Ditches	$ 14,087,703.00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
22	Process 6: UV Disinfection System	$ 5,855,281.00
23	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
24	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00
25	Process 10: Thickening Facility	$ 4,575,949.00
26	Process 13: Sludge Storage Tanks	$ 2,143,592.00
27	Process 14: Dewatering Facility	$ 3,545,203.00
28	Process 15: Side-Stream Pump Station	$ 786,077.00
29	Process 16: Plant Water Systems	$ 640,003.00
30	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
31	Process 19: Maintenance Building	$ 154,844.00
32	Process 20: Standby Generator and Building	$ 2,840,160.00
33	Plant Start-up and Training	$ 408,129.00
34	Project Closeout	$ 351,312.00
	Total Price	$ **102,858,502.00**

[Total Price In words]

ONE HUNDRED TWO MILLION, EIGHT HUNDRED FIFTY EIGHT THOUSAND, FIVE HUNDRED TWO & 00/100 U.S. DOLLARS

D. Alternate Bid D, Extended Warranty: This deductive alternate item will remove the processes noted in Alternates A, B, and C and the extended warranties from the equipment listed in specification 017820 – Extended Equipment Warranties. Warranties presented in each individual specification will still be required if this alternate is executed.

i) Alternate Bid D

Alternate Bid D		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,074,261.00
2	Insurance and Bonds	$ 2,582,965.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Environmental Protection and Erosion Control Measures	$ 468,889.00
5	Site Clearing	$ 117,982.00
6	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
7	Perimeter Fence Line	$ 244,949.00
8	Project Site Grading and Site Turf	$ 415,228.00
9	Project Site Drainage Improvements	$ 521,686.00
10	Site yard piping demolition works	$ 49,404.00
11	Facility Demolition Works	$ 332,805.00
12	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
13	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00
14	Project Off-site Pavement	$ 617,299.00
15	Site Electrical	$ 1,965,380.00
16	Process 1: Southern Link Pump Station	$ 1,717,950.00
17	Process 1-1: Route 3 Pump Station	$ 1,576,102.00

Alternate Bid D		
18	Process 2: New Headworks	$ 9,988,518.00
19	Process 3: Oxidation Ditches	$ 14,087,703.00
20	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
21	Process 6: UV Disinfection System	$ 5,855,281.00
22	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
23	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00
24	Process 10: Thickening Facility	$ 4,575,949.00
25	Process 13: Sludge Storage Tanks	$ 2,143,592.00
26	Process 14: Dewatering Facility	$ 3,545,203.00
27	Process 15: Side-Stream Pump Station	$ 786,077.00
28	Process 16: Plant Water Systems	$ 640,003.00
29	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
30	Process 19: Maintenance Building	$ 154,844.00
31	Process 20: Standby Generator and Building	$ 2,840,160.00
32	Plant Start-up and Training	$ 408,129.00
33	Project Closeout	$ 351,312.00
	Total Price	$ **102,475,358.00**

[Total Price In words]

ONE HUNDRED TWO MILLION, FOUR HUNDRED SEVENTY FIVE THOUSAND, THREE HUNDRED FIFTY EIGHT & 00/100 U.S. DOLLARS

Section 00410
Bid Form (Addendum C)

BCC

ARTICLE 6 – TIME OF COMPLETION

6.01 Bidder agrees that the Work will be substantially complete and will be completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.

6.02 Bidder accepts the provisions of the Agreement as to liquidated damages.

ARTICLE 7 – ATTACHMENTS TO THIS BID

7.01 The following information must be submitted as part of this Bid Form.

A. List of Proposed Subcontractors whose subcontract amount exceeds $500,000;

1. Hawaiian Rock Products
2. _____
3. _____
4. _____
5. _____

B. List of manufacturers for the following major equipment:

Specification Number	Equipment	Manufacture Name
442223	Centrifuges	ALFA LAVAL, INC.
443119	Biotrickling Filter Odor Control System	Odortool
444213.13	Jet Mix Aeration System and Appurtenances	ROTAMIX
444256.09	Non-Clog Centrifugal Pumps	SULZER
444256.13	Progressing Cavity Sludge Pumps	SEEPEX
444257.11	Non-Clog Dry-Pit Centrifugal Pumps	FLOWSERVE
444626.02	Gravity Belt Thickener	ANDRITZ
462133	Rotary Drum Screens	LAKESIDE EQUIPMENT
462183	Septage Receiving Equipment	LAKESIDE EQUIPMENT
462323	Vortex Grit Removal System	HYDRO INTERNATIONAL
464321	Secondary Clarifier	Westech Engineering Inc.
465361	Oxidation Ditches	Westech Engineering Inc.
466656	Ultraviolet (UV) Disinfection System	XYLEM WEDECO
467324	Autothermal Thermophilic Aerobic Digestion System	Thermal Process Systems

ARTICLE 8 – DEFINED TERMS

8.01 The terms used in this Bid with initial capital letters have the meanings stated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

ARTICLE 9 – BID SUBMITTAL

BIDDER: *[Indicate correct name of bidding entity]*

Black Construction Corporation

By:
[Signature]

[Printed name] Leonard K. Kaae, Senior Vice President & General Manager

(If Bidder is a corporation, a limited liability company, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest:
[Signature]

[Printed name] Mark J. Mamczarz

Title: Vice President of Finance, Secretary & Treasurer

Submittal Date: May 29, 2019

Address for giving notices:

Black Construction Corporation

Physical Address: JL Baker St. Harmon Industrial Park, Harmon, Guam 96913

Mailing Address: P.O. Box 24667, Barrigada, Guam 96921

Telephone Number: (671) 646-4861

Fax Number: (671) 646-9086

Contact Name and e-mail address: Leonard K. Kaae

leonardk@blackguam.com

Bidder's License No.: C-0418-0038
(where applicable)

NON-COLLUSION AFFIDAVIT

APPENDIX B

FORM OF NON-COLLUSION AFFIDAVIT

AFFIDAVIT

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM, M.I.)

Leonard K. Kaae being first duly sworn, deposes and says:

That he is officer of the firm the (a partner or officer of the firm of, etc.) party making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham, that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or of any other bidder, or to fix any overhead, profit or cost element of said bid price, or of that of any other bidder, or to secure any advantage against the Guam Waterworks Authority or any person interested in the proposed Contract; and that all statements in said proposal or bid are true.

Signature of
Bidder, if the bidder is an individual;
Partner, if the bidder is a partnership;
Officer, if the bidder is a corporation

Subscribed and sworn to before me this 4th day of May, 2019

Angel T. Massey NOTARY PUBLIC

My commission expires Aug. 2, 2022.

ANGELA T. MASSEY
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: AUG. 02, 2022
P.O. Box 24667 Barrigada, Guam 96921

EQUAL EMPLOYMENT OPPORTUNITY

APPENDIX G

CERTIFICATION OF BIDDER REGARDING EQUAL EMPLOYMENT OPPORTUNITY

GENERAL

In accordance with Executive Order 11246 (30 F.R. 12319-25), the implementing rules and regulations thereof, and orders of the Secretary of Labor, a Certification regarding Equal Opportunity is required of bidders or prospective Contractors and their proposed sub-contractors prior to the award of Contract or sub-contracts.

CERTIFICATION OF BIDDER

Bidder's Name: Black Construction Corporation

Address: Physical Address: JL Baker St. Harmon Industrial Park Harmon Guam 96913
Mailing Address: P.O. Box 24667 Barrigada, Guam 96921

Internal Revenue Service Employer Identification No.: 660454616

1. Participation in a previous Contract or sub-contract.

   a. Bidder has participated in a previous Contract or sub-contract subject to the Equal Opportunity *clause* [X] *Yes* [ ] *No*

   b. Compliance reports were required to be filled in connection with such Contract or sub-contract ..... [X] Yes [ ] No

   c. Bidder has filed all compliance reports required by Executive Orders 10925, 11114, 11246 or by regulations of the Equal Employment Opportunity Commission issued pursuant to Title VII or the Civil Rights Act of 1964 ..... [X] Yes [ ] No

   d. If answer to item c is "NO", please explain in detail on reverse side of this certification.

2. Dollar Amount of Bid: $ 122,077,088.00.

3. Anticipated performance period 906 days.

4. Expected total number of employees who will perform the proposed construction:

5. Non-segregated Facilities

a. Notice to Prospective Contractor.

(1) A Certification of Non-segregated Facilities, as required by the May 9, 1967, order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted to the recipient prior to the award of a Contract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity Clause.

(2) Contractors receiving Contract awards exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause will be required to provide for the forwarding of the following notice to prospective sub-contractors for supplies and construction Contracts where the sub-contracts exceed $10,000 and are not exempt from the provisions of the Equal Opportunity Clause.

b. Notice to Prospective sub-contractors of Requirements for Certification of Non-segregated Facilities.

(1) A Certification of Non-segregated Facilities, as required by the May 9, 1967, order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a sub-contract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity Clause.

(2) Contractors receiving sub-contract awards exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause will be required to provide for the forwarding of this notice to prospective sub-contractors for supplies and construction Contracts, where the sub-contractors exceed $10,000 and are not exempt from the provisions of the Equal Opportunity Clause.

c. Certification of Non-segregated Facilities.

The Contractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract.

As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, or housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin because of habit, local custom, or otherwise. The Contractor agrees that (except where he has obtained identical certifications from proposed sub-contractors for specific time periods) he will obtain identical certifications in duplicate from proposed sub-contractors prior to the award of sub-contracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that he will retain the duplicate of such certifications in his files. The Contractor will include the original in his Bid Package.

6. Race of ethnic group designation of bidder. Enter race or ethnic group in the appropriate box:

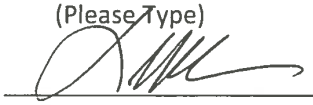
[ ]	African American	[ ] Spanish American	[ ] Oriental
[ ]	Aleut	[ ] American Indian	[ ] Eskimo
[X]	White (other than Spanish American)		
[ ]	Pacific Islander		

REMARKS:
Certification: the information above is true and complete to the best of my knowledge and belief.

Name and Title of Signer:

Leonard K. Kaae

(Please Type)



(Signature)

May 24, 2019

(Date)

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

APPENDIX H

CERTIFICATION OF BIDDER REGARDING NONSEGREGATED FACILITIES

(Applicable to Contracts and related sub-contracts $10,000 which are not exempt from the Equal Opportunity Clause.)

The Contractor certifies that he does not maintain or provide for his employees any segregated facilities in any of his establishment, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The Contractor certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location under his control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. The Contractor agrees that (except where he has obtained identical certifications from proposed sub-contractors for specific time periods) he will obtain identical certifications exceeding $10,000 which are not exempt from the provision of the Equal Opportunity Clause, and that he will retain such certifications in his files.

NAME AND TITLE OF SIGNER:

Leonard K. Kaae
Senior Vice President & General Manager

(Please Type)

(Signature)

May 24, 2019

(Date)

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

SEX OFFENDER CERTIFICATION

APPENDIX I

CERTIFICATION OF NON-EMPLOYMENT OF CONVICTED SEXUAL OFFENDERS

Pursuant to Guam Public Law 28-24, as amended by Guam Public Law 28-98, if a Contract for services is awarded to the bidder or offeror, then the service provider must warrant that no person in its employment who has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 of the Guam Code Annotated or of an offense defined in Article 2 of Chapter 28 of Title 9 of the Guam Code Annotated, or who has been convicted in any other jurisdiction of an offense with the same elements as heretofore defined, or who is listed on the Sex Offender Registry, shall provide services on behalf of the service provider while on government of Guam property, with the exception of public highways. If any employee of a service provider is providing services on government property and is convicted subsequent to an award of a Contract, then the service provider warrants that it will notify the Government of the conviction within twenty-four hours of the conviction, and will immediately remove such convicted person from providing services on government property. If the service provider is found to be in violation of any of the provisions of this paragraph, then the Government will give notice to the service provider to take corrective action. The service provider shall take corrective action within twenty-four hours of notice from the Government, and the service provider shall notify the Government when action has been taken. If the service provider fails to take corrective steps within twenty-four hours of notice from the Government, then the Government in its sole discretion may suspend temporarily any Contract for services until corrective action

I Leonard K. Kaae being a duly authorized representative acknowledge the
(print name)

directive as describe above and ensure the Bid Proposal as submitted addresses the directive.

Black Construction Corporation
(Company Name)

Senior Vice President & General Manager
(Title)

(Signature)

May 24, 2019
(Date)

APPENDIX D

WAGE AND BENEFIT DETERMINATION

Bid No.: IFB-02-ENG-2019 Name of Offeror: Black Construction Corporation

I, Leonard K. Kaae hereby **certify under penalty of perjury as follows:**

(1) That I am an officer of the offeror [*please select one: the offeror, a partner of the offeror, an officer of the offeror*] making the bid or proposal in the foregoing identified procurement;

(2) That I have read and understand the provisions of 5 GCA § 5801 and § 5802 below and that I will ensure that I and my sub-contractors will comply with said provisions which read as follows:

§ 5801. Wage Determination Established.

In such cases where the government of Guam enters into Contractual arrangements with a sole proprietorship, a partnership or a corporation ("Contractor") for the provision of a service to the government of Guam, and in such cases where the Contractor employs a person(s) whose purpose, in whole or in part, is the direct delivery of service Contracted by the government of Guam, then the Contractor shall pay such employee(s) in accordance with the Wage Determination for Guam and the Northern Mariana Islands issued and promulgated by the U.S. Department of Labor for such labor as is employed in the direct delivery of Contract deliverables to the government of Guam.

The Wage Determination most recently issued by the U.S. Department of Labor at the time a Contract is awarded to a Contractor by the government of Guam shall be used to determine wages, which shall be paid to employees pursuant to this Article. Should any Contract contain a renewal clause, then at the time of renewal adjustments, there shall be made stipulations contained in that Contract for applying the Wage Determination, as required by this Article, so that the Wage Determination promulgated by the U.S. Department of Labor on a date most recent to the renewal date shall apply.

§ 5802. Benefits

In addition to the Wage Determination detailed in this Article, any Contract to which this Article applies shall also contain provisions mandating health and similar benefits for employees covered by this Article, such benefits having a minimum value as detailed in the Wage Determination issued and promulgated by the U.S. Department of Labor, and shall contain provisions guaranteeing a minimum of ten (10) paid holidays per annum per employee.

(3) That the offeror and its sub-contractors are now, or will be prior to beginning performance and throughout the Contract term, in full compliance with 5 GCA § 5801 and § 5802.

(4) That I have attached the most recent wage and benefit determinations applicable to Guam issued by the U.S. Department of Labor and that I will ensure all of my employees and the employees of my sub-contractors will be provided a minimum of ten (10) paid holidays per annum.

Signature

May 24, 2019
Date

General Decision Number: GU190006 03/15/2019 GU6

State: Guam

Construction Type: Building
Building Construction (Applies only to projects funded under the National Defense Authorization Act of 2010 - Guam Realignment Fund - Defense Policy Review Initiative) BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories)

County: Guam Statewide.

Note: Under Executive Order (EO) 13658, an hourly minimum wage of $10.60 for calendar year 2019 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least $10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate,if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	03/08/2019
1	03/15/2019

SUGU2018-001 01/07/2019

	Rates	Fringes
CARPENTER (Drywall Hanging Only)	$ 15.00	0.00
CARPENTER (Form Work Only)	$ 15.27	0.00
CARPENTER, Excludes Drywall Hanging, and Form Work	$ 16.11	1.17
CEMENT MASON/CONCRETE FINISHER	$ 14.42	0.00

ELECTRICIAN	$ 16.59	1.00
IRONWORKER, REINFORCING	$ 14.84	0.00
LABORER: Common or General	$ 9.64	0.00
OPERATOR: Backhoe/Excavator/Trackhoe	$ 16.49	0.00
PAINTER (Brush and Roller)	$ 14.56	0.43
PIPEFITTER	$ 19.28	0.98
PLUMBER	$ 14.63	0.00
SHEET METAL WORKER (HVAC Duct Installation Only)	$ 17.09	0.54
TRUCK DRIVER: Dump Truck	$ 14.50	0.00

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical

order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of

each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor

200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

==========

END OF GENERAL DECISION

General Decision Number: GU190007 03/15/2019 GU7

State: Guam

Construction Type: Heavy
Heavy Construction (Applies only to projects funded under the National Defense Authorization Act of 2010 - Guam Realignment Fund - Defense Policy Review Initiative)

County: Guam Statewide.

Note: Under Executive Order (EO) 13658, an hourly minimum wage of $10.60 for calendar year 2019 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least $10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate,if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	03/08/2019
1	03/15/2019

SUGU2018-002 01/07/2019

	Rates	Fringes
CARPENTER (Form Work Only)	$ 15.00	0.00
CARPENTER, Excludes Form Work	$ 14.87	0.00
CEMENT MASON/CONCRETE FINISHER	$ 15.55	0.00
IRONWORKER, REINFORCING	$ 16.59	0.00
LABORER: Common or General	$ 13.45	0.00
OPERATOR:		

Backhoe/Excavator/Trackhoe.....$ 19.77 0.00

PLUMBER.....$ 16.31 0.00

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

==========

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing

the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

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Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter

* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

==========

END OF GENERAL DECISION

APPENDIX C

MAJOR SHAREHOLDER DISCLOSURE AFFIDAVIT

TERRITORY OF GUAM }
}
HAGATNA, GUAM }

I, the undersigned Leonard K. Kaae, being first duly sworn, depose and says:

1. That the persons who have held more than ten percent (10%) of the company's share during the past twelve months preceding the submission of the bid are as follows **(if none, so state):**

NAME	ADDRESS	PERCENTAGE OF SHARES HOLD
Ronald N. Tutor	1590 Olden St. Sylmar CA 91342	49%

TOTAL NUMBER OF SHARES 49%

2. Persons who have received or are entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid for which this affidavit is submitted are as follows:

NAME	ADDRESS	AMOUNT OF COMMISSIONS, GRATUITY OR OTHER COMPENSATION
none		

Further, affiant sayeth naught.

Date: May 4, 2019

Leonard K. Kaae
Signature of individual if bidder is a sole proprietorship; partner, if the bidder is a partnership; officer, if the bidder is a corporation (or other authorized person)

Subscribed and sworn to before me this 4th day of May, 2019.

ry Public In and for the Territory of Guam Angela T. Massey

My commission expires: August 2, 2022

ANGELA T. MASSEY
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: AUG. 02, 2022
P.O. Box 24667 Barrigada, Guam 96921

and Appendices

APPENDIX J

SPECIAL INSTRUCTIONS TO BIDDERS – ESTIMATED QUANTITIES

For use only in indefinite quantity Contracts or where there has been an estimated amount included in GWA's bid specifications that is to be used to determine the bid price

Bidders are hereby served notice that the following Directives or information described below must be taken into account when preparing the Bid Proposal. The Bidder shall acknowledge the directives by signing and submitting this section with their Bid Proposal.

Directive #1

The bidder is cautioned to note that while the quantities specified in the Bid Schedule are based upon the best information available to GWA, the quantities for the items listed in the Bid Schedule may or may not be completely accurate. Thus, GWA makes no assurances or warranty to any bidder that the quantities listed are 100% accurate.

I, Leonard K. Kaae being an Authorized Representative acknowledge the directive as describe above and ensure the Bid Proposal as submitted addresses the directive.

Black Construction Corporation

(Company Name)



(Signature)

May 24, 2019

(Date)



CONTRACTOR'S LICENSE

EDDIE BAZA CALVO
Governor of Guam

RAY TENORIO
Lt. Governor of Guam

Pursuant to the provisions of Chapter VII Title XI of the Government of Guam and the Rules and Regulations of the Contractors License Board, the Executive Director of Contractors hereby issues this license to:

Black Construction Corporation

To engage in the business or act in the capacity of a contractor in the following classifications

A,B,C4,C13,C20,C37,C40,C43,C44,C51 & C56

This license is the property of the Executive Director of Contractors, not transferable, and shall be returned to the Executive Director upon demand when suspended, revoked, or invalidated for any reason. It becomes void if not renewed on or before the expiration date.

Signature of RME
RME #

Signature of LICENSEE
License # 1165

GRT # 891461
Issued: April 6, 2018

Certificate # C-0418-0038
Expires: June 30 2019

Adelia L. Custodio
for: MARIAN CHRISTIAN
BOARD CHAIRWOMAN

EDUARDO R. ORDONEZ
EXECUTIVE DIRECTOR

Tutor Perini Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Consolidating Information for Tutor Perini's General Contractor Subsidiaries as of and for the Year Ended December 31, 2017, and Report of Independent Registered Public Accounting Firm

TUTOR PERINI CORPORATION AND SUBSIDIARIES

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Deloitte.

Deloitte & Touche LLP
555 West 5th Street
Suite 2700
Los Angeles, CA 90013-1010
USA

Tel: +1 213 688 0800
Fax: +1 213 688 0100
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Tutor Perini Corporation
Sylmar, California

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Tutor Perini Corporation and subsidiaries (the "Company") as of December 31, 2017, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and the results of its operations and its cash flows for the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Report on Supplemental Consolidating Information

The supplemental consolidating information on pages 34-37 has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental consolidating information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental consolidating information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test

the completeness and accuracy of the information presented in the supplemental consolidating information. In our opinion, such information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

February 27, 2018
(March 30, 2018 as to the supplemental consolidating information)

We have served as the Company's auditor since 2002.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands, except per common share data)

REVENUE	$	4,757,208
COST OF OPERATIONS		(4,302,803)
GROSS PROFIT		454,405
General and administrative expenses		(274,928)
INCOME FROM CONSTRUCTION OPERATIONS		179,477
Other income, net		43,882
Interest expense		(69,384)
INCOME BEFORE INCOME TAXES		153,975
Income tax benefit		569
NET INCOME	$	154,544
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS		(6,162)
NET INCOME ATTRIBUTABLE TO TUTOR PERINI CORPORATION		148,382
BASIC EARNINGS PER COMMON SHARE	$	2.99
DILUTED EARNINGS PER COMMON SHARE	$	2.92
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:		
BASIC		49,647
DILUTED		50,759

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

NET INCOME	$	154,544
OTHER COMPREHENSIVE INCOME, NET OF TAX:		
Defined benefit pension plan adjustments		1,424
Foreign currency translation adjustments		1,273
Unrealized loss in fair value of investments		(2)
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX		2,695
COMPREHENSIVE INCOME		157,239
LESS: COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS		(6,162)
COMPREHENSIVE INCOME ATTRIBUTABLE TO TUTOR PERINI CORPORATION	$	151,077

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2017
(in thousands, except share data)

ASSETS		
CURRENT ASSETS:		
Cash, including cash equivalents of $1,481 ($53,067 related to VIEs)	$	192,868
Restricted cash		4,780
Restricted investments		53,014
Accounts receivable, including retainage of $535,939 (AR of $42,413 related to VIEs)		1,801,656
Costs and estimated earnings in excess of billings		932,758
Other current assets		89,316
Total current assets		3,074,392
PROPERTY AND EQUIPMENT:		
Land		41,382
Building and improvements		125,029
Construction equipment		477,988
Other equipment		182,288
		826,687
Less accumulated depreciation		(359,188)
Total property and equipment, net ($11,641 related to VIEs)		467,499
GOODWILL		585,006
INTANGIBLE ASSETS, NET		89,454
OTHER ASSETS		47,772
TOTAL ASSETS	$	4,264,123
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$	30,748
Accounts payable, including retainage of $261,820 (AP of $19,243 related to VIEs)		961,791
Billings in excess of costs and estimated earnings ($120,952 related to VIEs)		456,869
Accrued expenses and other current liabilities		132,438
Total current liabilities		1,581,846
LONG-TERM DEBT, less current maturities, net of unamortized discounts and debt issuance costs totaling $45,631		705,528
DEFERRED TAX LIABILITIES		108,504
OTHER LONG-TERM LIABILITIES		163,465
TOTAL LIABILITIES		2,559,343
EQUITY		
Stockholders' equity:		
Preferred stock – authorized 1,000,000 shares ($1 par value), none issued		—
Common stock – authorized 75,000,000 shares ($1 par value), issued and outstanding 49,781,010 shares		49,781
Additional paid-in capital		1,084,205
Retained earnings		622,007
Accumulated other comprehensive loss		(42,718)
Total stockholders' equity		1,713,275
Noncontrolling interests		(8,495)
TOTAL EQUITY		1,704,780
TOTAL LIABILITIES AND EQUITY	$	4,264,123

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

Cash Flows from Operating Activities:		
Net income	$	154,544
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		48,387
Amortization of intangible assets		3,543
Share-based compensation expense		21,174
Change in debt discounts and deferred debt issuance costs		17,595
Deferred income taxes		(23,096)
Loss on sale of property and equipment		1,131
Changes in other components of working capital		(60,214)
Other long-term liabilities		3,656
Other, net		(3,170)
NET CASH PROVIDED BY OPERATING ACTIVITIES		163,550
Cash Flows from Investing Activities:		
Acquisition of property and equipment		(30,280)
Proceeds from sale of property and equipment		2,744
Investments in securities, restricted		(54,504)
Investments in securities		(6,463)
Proceeds from maturities of investments in securities		1,370
Change in restricted cash		45,724
NET CASH USED IN INVESTING ACTIVITIES		(41,409)
Cash Flows from Financing Activities:		
Proceeds from debt		2,161,384
Repayment of debt		(2,195,068)
Debt issuance and extinguishment costs		(15,266)
Cash payments related to share-based compensation		(11,769)
Distributions paid to noncontrolling interests		(17,499)
Contributions from noncontrolling interests		2,842
NET CASH USED IN FINANCING ACTIVITIES		(75,376)
Net increase in cash and cash equivalents		46,765
Cash and cash equivalents at beginning of year		146,103
Cash and cash equivalents at end of year	$	192,868

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance - December 31, 2016	$ 49,211	$ 1,075,600	$ 473,625	$ (45,413)	$ —	$ 1,553,023
Net income	—	—	148,382	—	6,162	154,544
Other comprehensive income	—	—	—	2,695	—	2,695
Share-based compensation expense	—	20,877	—	—	—	20,877
Issuance of common stock, net	570	(12,272)	—	—	—	(11,702)
Contributions from noncontrolling interests	—	—	—	—	2,842	2,842
Distributions to noncontrolling interests	—	—	—	—	(17,499)	(17,499)
Balance - December 31, 2017	$ 49,781	$ 1,084,205	$ 622,007	$ (42,718)	$ (8,495)	$ 1,704,780

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the year ended December 31, 2017

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in compliance with accounting principles generally accepted in the United States of America ("GAAP") as codified in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC").

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries (the "Company"). The Company occasionally forms joint ventures with unrelated third parties for the execution of single contracts or projects. The Company assesses its joint ventures at inception to determine if they meet the qualifications of a variable interest entity ("VIE") in accordance with ASC 810, *Consolidation* ("ASC 810"). If a joint venture is a VIE and the Company is the primary beneficiary, the joint venture is fully consolidated (See Note 11 below). For construction joint ventures that do not need to be consolidated, the Company accounts for its interest in the joint ventures using the proportionate consolidation method, whereby the Company's proportionate share of the joint ventures' assets, liabilities, revenue and cost of operations are included in the appropriate classifications in the Company's consolidated financial statements. All intercompany transactions and balances have been eliminated in consolidation.

(c) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available through the date of the issuance of the financial statements; therefore, actual results could differ from those estimates.

(d) Construction Contracts

The Company and its affiliated entities recognize construction contract revenue using the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. Cost of revenue includes an allocation of depreciation and amortization. Pre-contract costs are expensed as incurred. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined.

The Company generally provides limited warranties for work performed under its construction contracts with periods typically extending for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred.

The Company classifies as current construction-related assets and liabilities that may be settled beyond one year from the balance sheet date, consistent with the length of time of the Company's project operating cycle. Included in these balances are the following: costs and estimated earnings in excess of billings, which represent the excess of contract costs and profits (or contract revenue) over the amount of contract billings to date; billings in excess of costs and estimated earnings, which represent the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date; and contract retainage receivables and payables, which represent amounts invoiced to customers and amounts invoiced to the Company by subcontractors where payments have been withheld pending the completion of certain milestones, other contractual conditions or upon the completion of the project.

Costs and estimated earnings in excess of billings result when either: 1) the appropriate contract revenue amount has been recognized in accordance with the percentage-of-completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract, or 2) costs are incurred related to certain claims and unapproved change orders. Claims occur when there is a dispute regarding both a change in the scope of work and the price associated with that change. Unapproved change orders occur when a change in the scope of work results in additional work being performed before the parties have agreed on the corresponding change in the contract price. For both claims and unapproved change orders, the Company recognizes revenue, but not profit, when it is determined that recovery of incurred cost is probable and the amounts can be reliably estimated. For claims, these requirements are satisfied under ASC 605-35, *Construction-Type and Production-Type Contracts*, when the contract or other evidence provides a legal basis for the claim, additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in the Company's performance, claim-related costs are identifiable and considered reasonable in view of the work performed, and evidence supporting the claim or change order is objective and verifiable.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

Costs and estimated earnings in excess of billings as of December 31, 2017 consisted of the following (in thousands):

Claims	$	549,849
Unapproved change orders		296,591
Other unbilled costs and profits		86,318
Total costs and estimated earnings in excess of billings	$	932,758

Claims and unapproved change orders are billable upon the resolution of any disputed or open items between the contractual parties and the execution of contractual amendments. Increases in claims and unapproved change orders typically result from costs being incurred against existing or new positions where recovery is concluded to be both probable and reliably estimable; decreases normally result from resolutions and subsequent billings. For both claims and unapproved change orders, the Company recognizes revenue, but not profit. Other unbilled costs and profits are billable in accordance with the billing terms of each of the existing contractual arrangements and, as such, the timing of contract billing cycles can cause fluctuations in the balance of unbilled costs and profits. Ultimate resolution of other unbilled costs and profits typically involves the passage of time and, often, incremental progress toward contractual requirements or milestones. The amount of costs and estimated earnings in excess of billings as of December 31, 2017 estimated by management to be collected beyond one year is approximately $443.7 million.

Retainage agreements vary from project to project and balances could be outstanding for several months or years depending on a number of circumstances, such as contract-specific terms, project performance and other variables that may arise as the Company makes progress towards completion. Generally, retainage payables are not remitted to the Company's subcontractors until the associated retainage receivables from the customer are collected. As of December 31, 2017, the amount of retainage receivables and payables estimated by management to be collected or remitted beyond one year is approximately 30% and 19% of the balances, respectively.

(e) Changes in Estimates on Construction Contracts

The Company's estimates of contract revenue and cost are highly detailed and many factors change during a contract performance period that result in a change to contract profitability. These factors include, but are not limited to, differing site conditions; availability of skilled contract labor; performance of major material suppliers and subcontractors; on-going subcontractor negotiations and buyout provisions; unusual weather conditions; changes in the timing of scheduled work; change orders; accuracy of the original bid estimate; changes in estimated labor productivity and costs based on experience to date; achievement of incentive-based income targets; and the expected, or actual, resolution terms for claims. The factors that cause changes in estimates vary depending on the maturation of the project within its lifecycle. For example, in the ramp-up phase, these factors typically consist of revisions in anticipated project costs and during the peak and close-out phases, these factors include the impact of change orders and claims, as well as additional revisions in remaining anticipated project costs. Generally, if the contract is at an early stage of completion, the current period impact is smaller than if the same change in estimate is made to the contract at a later stage of completion. Management evaluates changes in estimates on a contract by contract basis and discloses significant changes, if material, in the notes to the consolidated financial statements. The cumulative catch-up method is used to account for revisions in estimates.

(f) Depreciation of Property and Equipment and Amortization of Long-Lived Intangible Assets

Property and equipment and long-lived intangible assets are depreciated or amortized on a straight-line basis over their estimated useful lives ranging from three to forty years.

(g) Recoverability of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever circumstances indicate that the future cash flows generated by the assets might be less than the assets' net carrying value. In such circumstances, an impairment loss will be recognized by the amount the assets' net carrying value exceeds their fair value.

(h) Recoverability of Goodwill

The Company tests goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year, and between annual tests if events occur or circumstances change which suggest that goodwill should be reevaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. The Civil, Building and Specialty Contractors segments each represent a reporting unit. The Company performs its annual quantitative impairment assessment during the fourth quarter of each year using a weighted-average of an income and a market approach. The income approach is based on estimated present value of future cash flows for each reporting unit. The market approach is based on assumptions about how market data relates to the Company. The weighting of these two approaches is based on their

individual correlation to the economics of each reporting unit. The quantitative assessment performed in 2017 resulted in an estimated fair value for each of the Company's reporting units that exceeded their respective net book values; therefore, no impairment charge was necessary for the year.

(i) Recoverability of Non-Amortizable Trade Names

Certain trade names have an estimated indefinite life and are not amortized to earnings, but instead are reviewed for impairment annually, or more often if events occur or circumstances change which suggest that the non-amortizable trade names should be reevaluated. The Company performs its annual quantitative impairment assessment during the fourth quarter of each year using an income approach (relief from royalty method). The quantitative assessment performed in 2017 resulted in an estimated fair value for the non-amortizable trade names that exceeded their respective net book values; therefore, no impairment charge was necessary for the year.

(j) Income Taxes

Deferred income tax assets and liabilities are recognized for the effects of temporary differences between the financial statement carrying amounts and the income tax basis of assets and liabilities using tax rates expected to be in effect when such differences reverse. Income tax positions must meet a more-likely-than-not threshold to be recognized. The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision.

(k) Earnings Per Common Share

Basic EPS and diluted EPS are calculated by dividing net income attributable to Tutor Perini Corporation by the following: for basic EPS, the weighted-average number of common shares outstanding during the period; and for diluted EPS, the sum of the weighted-average number of both outstanding common shares and potentially dilutive securities, which for the Company can include restricted stock units, unexercised stock options and the Convertible Notes, as defined in Note 5. The Company calculates the effect of these potentially dilutive securities using the treasury stock method. The calculations of the basic and diluted EPS for the year ended December 31, 2017 are presented below (in thousands, except per share data):

Net income attributable to Tutor Perini Corporation	$	148,382
Weighted-average common shares outstanding, basic		49,647
Effect of dilutive stock options and unvested restricted stock		1,112
Weighted-average common shares outstanding, diluted		50,759
Net income attributable to Tutor Perini Corporation per common share:		
Basic	$	2.99
Diluted	$	2.92
Anti-dilutive securities not included above		798

With regard to diluted EPS and the impact of the Convertible Notes on the diluted EPS calculation, because the Company has the intent and ability to settle the principal amount of the Convertible Notes in cash, per ASC 260, *Earnings Per Share*, the settlement of the principal amount has no impact on diluted EPS.

(l) Cash and Cash Equivalents

Cash equivalents include short-term, highly liquid investments with maturities of three months or less when acquired. Cash and cash equivalents, as reported in the accompanying Consolidated Balance Sheet, consist of amounts available for the Company's general purposes, as well as the Company's proportionate share of cash held by the Company's unconsolidated joint ventures and also amounts held by the Company's consolidated joint ventures. In both cases, cash held by joint ventures is available only for joint venture-related uses, including future distributions to joint venture partners.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

Total cash and cash equivalents as of December 31, 2017 consisted of the following (in thousands):

Cash and cash equivalents	$	94,713
Joint venture cash and cash equivalents		98,155
Total cash and cash equivalents	$	192,868

(m) Restricted Cash and Restricted Investments

The Company has restricted cash and restricted investments primarily held as collateral to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit. Restricted investments are comprised of various corporate bonds and bank notes that are rated A3 or better and have maturities within the Company's operating cycle. These restricted investments are held-to-maturity securities carried at amortized cost.

(n) Share-Based Compensation

The Company's long-term incentive plans allow the Company to grant share-based compensation awards in a variety of forms, including restricted and unrestricted stock units and stock options. Restricted stock units and stock options generally vest subject to service and/or performance requirements, with related compensation expense equal to the fair value of the award on the date of grant and recognized on a straight-line basis over the requisite service period. Unrestricted stock units vest immediately and are generally issued to the directors as part of their annual retainer fees, in which case they are expensed over a 12-month service period.

For share-based awards that have a service requirement, the Company accounts for forfeitures upon occurrence, rather than estimating the probability of forfeiture at the date of grant. Accordingly, the Company recognizes the full grant-date fair value of these awards on a straight-line basis throughout the requisite service period, reversing any expense if, and only if, there is a forfeiture.

For share-based awards that have a performance-based vesting requirement, the Company evaluates the probability of achieving the performance criterion throughout the performance period, and will adjust share-based compensation expense if it estimates that the achievement of the performance criterion, the achievement of which is ultimately determined by the Compensation Committee, is not probable.

(o) Insurance Liabilities

The Company typically utilizes third-party insurance coverage subject to varying deductible levels with aggregate caps on losses retained. The Company assumes the risk for the amount of the deductible portion of the losses and liabilities primarily associated with workers' compensation and general liability coverage. In addition, on certain projects, the Company assumes the risk for the amount of the deductible portion of losses that arise from any subcontractor defaults. Losses are accrued based upon the Company's estimates of the aggregate liability for claims incurred using historical experience and certain actuarial assumptions followed in the insurance industry. The estimate of insurance liability within the deductible limits includes an estimate of incurred but not reported claims based on data compiled from historical experience.

(p) Other Comprehensive Income

ASC 220, *Comprehensive Income*, establishes standards for reporting and displaying comprehensive income and its components in the consolidated financial statements. The Company reports the change in pension benefit plan assets/liabilities, cumulative foreign currency translation, change in fair value of investments and change in fair value of an interest rate swap as components of accumulated other comprehensive loss ("AOCI").

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

The tax effects of the components of other comprehensive income for the year ended December 31, 2017 were as follows (in thousands):

	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Other comprehensive income (loss):			
Defined benefit pension plan adjustments	$ 2,416	$ (992)	$ 1,424
Foreign currency translation adjustment	2,159	(886)	1,273
Unrealized loss in fair value of investments	(4)	2	(2)
Total other comprehensive income	$ 4,571	$ (1,876)	$ 2,695
Total other comprehensive income attributable to Tutor Perini Corporation	$ 4,571	$ (1,876)	$ 2,695

The changes in AOCI balances by component (after tax) for the year ended December 31, 2017 were as follows (in thousands):

	Defined Benefit Pension Plan	Foreign Currency Translation	Unrealized Gain in Fair Value of Investments	Accumulated Other Comprehensive Loss
Attributable to Tutor Perini Corporation:				
Balance as of December 31, 2016	$ (40,865)	$ (4,864)	$ 316	$ (45,413)
Other comprehensive income (loss) before reclassifications	306	1,273	(2)	1,577
Amounts reclassified from AOCI	1,118	—	—	1,118
Balance as of December 31, 2017	$ (39,441)	$ (3,591)	$ 314	$ (42,718)

The significant items reclassified out of AOCI for the year ended December 31, 2017 and the corresponding location and impact on the Consolidated Statement of Income were as follows (in thousands):

Component of AOCI:	Location in Consolidated Statement of Income	
Defined benefit pension plan adjustments	Various accounts[a]	$ 1,897
Income tax benefit	Income tax benefit (provision)	(779)
Net of tax		$ 1,118

(a) Defined benefit pension plan adjustments were reclassified to cost of operations and general and administrative expenses.

(q) New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended by subsequent ASUs (collectively, "ASU 2014-09"). ASU 2014-09 amends the existing accounting standards for revenue recognition and establishes principles for recognizing revenue upon the transfer of promised goods or services to customers based on the expected consideration to be received in exchange for those goods or services. The guidance is effective for interim and annual reporting periods beginning after December 15, 2017. The amendments may be applied retrospectively to each prior period presented or with the cumulative effect recognized as of the date of initial application (modified retrospective method). The Company will adopt this new standard using the modified retrospective method. The Company has reviewed its contract portfolio in order to determine the impact that the adoption of ASU 2014-09 will have on its consolidated financial statements. Based on the Company's evaluation of ASU 2014-09, the Company expects an immaterial reduction to beginning retained earnings, with an immaterial impact to net income on an ongoing basis. The Company has implemented changes to its business processes, systems and internal controls to support the adoption of this new standard and the related disclosure requirements. The adoption of the standard is also expected to impact the presentation of the consolidated balance sheet. The impact primarily relates to reclassifications among project working capital financial statement accounts to align with the new standard.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842),* which amends the existing guidance in ASC 840, *Leases*. This amendment requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases. Other significant provisions of the amendment include (i) defining the "lease term" to include the non-cancellable period together with periods for which there is a significant economic incentive for the lessee to extend or not terminate the lease; (ii) defining the initial lease liability to be recorded on the balance sheet to contemplate only those variable lease payments that depend on an index or that are in substance "fixed"; and (iii) a dual approach for determining whether lease expense is recognized on a straight-line or accelerated basis, depending on whether the lessee is expected to consume more than an insignificant portion of the leased asset's economic benefits. This guidance will be effective for interim and annual reporting periods beginning after December 15, 2018

and will be applied using the modified retrospective transition method for existing leases. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"), which simplifies several aspects of the accounting for share-based payment transactions, including the accounting for the income tax effect of share-based transactions and the forfeiture of share-based instruments. The Company prospectively adopted this ASU effective January 1, 2017. Upon this adoption, the Company changed its accounting policy for share-based awards that have service requirements such that the impact for failure to meet service requirements will only be recognized upon occurrence. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"), seeking to eliminate diversity in practice related to how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments in ASU 2016-15 address eight specific cash flow issues including the classification of debt prepayment and extinguishment costs in the cash flow statement. The amendments in ASU 2016-15 are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period provided any adjustments should be reflected as of the beginning of the fiscal year that includes the interim period. The Company adopted this accounting standard in 2017 and has applied the provisions retrospectively to the beginning of the fiscal years presented in the Consolidated Financial Statements. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires restricted cash to be included with cash and cash equivalent balances in the statement of cash flows. The guidance is effective for interim and annual reporting periods beginning after December 15, 2017. The adoption of this ASU will result in an increase of net cash used in investing activities of $45.7 million for the year ended December 31, 2017.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). This ASU simplifies the calculation of goodwill impairment by eliminating Step 2 of the impairment test prescribed by ASC 350. Step 2 requires companies to calculate the implied fair value of their goodwill by estimating the fair value of their assets, other than goodwill, and liabilities, including unrecognized assets and liabilities, following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. The calculated net fair value of the assets would then be compared to the fair value of the reporting unit to determine the implied fair value of goodwill, and to the extent that the carrying value of goodwill was less than the implied fair value, a loss would be recognized. Under ASU 2017-04, however, goodwill is impaired when the calculated fair value of a reporting unit is less than its carrying value, and the impairment charge will equal that difference (i.e., impairment will be calculated at the reporting unit level and there will be no need to estimate the fair value of individual assets and liabilities). This guidance will be effective for any goodwill impairment tests performed in fiscal years beginning after December 15, 2019; however, early adoption is permitted for tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting.* This ASU clarifies the scope of modification accounting under Topic 718 with respect to changes to the terms or conditions of a share-based payments award. Under this new guidance, modification accounting would not apply if a change to an award does not affect the total current fair value, vesting conditions or the classification of the award. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017, with early adoption permitted. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from the Accumulated Other Comprehensive Income.* This ASU gives entities the option to reclassify to retained earnings tax effects related to items in accumulated other comprehensive income that the FASB refers to as having been stranded in accumulated other comprehensive income as a result of tax reform. Entities can apply the provisions of this ASU either in the period of adoption or retrospectively. The guidance is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

2. Consolidated Statement of Cash Flows

Below are the changes in other components of working capital, as shown in the Consolidated Statement of Cash Flows, and the supplemental disclosure of cash paid for interest and income taxes during the year ended December 31, 2017 (in thousands):

Increase in:		
Accounts receivable	$	(57,609)
Costs and estimated earnings in excess of billings		(100,932)
Other current assets		(19,718)
(Decrease) Increase in:		
Accounts payable		(32,225)
Billings in excess of costs and estimated earnings		125,757
Accrued expenses		24,513
Changes in other components of working capital	$	(60,214)
Cash paid during the year for:		
Interest	$	50,443
Income taxes	$	39,776

3. Income Taxes

Income before taxes for the year ended December 31, 2017 is summarized as follows (in thousands):

United States operations	$	135,177
Foreign operations		18,798
Total	$	153,975

The income tax (benefit) provision for the year ended December 31, 2017 is as follows (in thousands):

Current expense:		
Federal	$	12,329
State		6,763
Foreign		3,435
Total current		22,527
Deferred (benefit) expense:		
Federal		(30,021)
State		5,560
Foreign		1,365
Total deferred		(23,096)
Total benefit	$	(569)

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

The following table is a reconciliation of the Company's income tax provision at the statutory rate to the income tax benefit at the Company's effective rate for the year ended December 31, 2017 (dollars in thousands):

	Amount	Rate
Federal income tax expense at statutory tax rate	$ 53,892	35.0 %
State income taxes, net of federal tax benefit	7,753	5.0
Impact of federal tax law change	(53,348)	(34.6)
Officers' compensation	2,622	1.7
Domestic production activities deduction	(2,668)	(1.7)
Noncontrolling interest	(2,137)	(1.4)
Reversal of taxes payable due to statute expiration	(4,337)	(2.8)
Other	(2,346)	(1.6)
Income tax benefit	$ (569)	(0.4) %

On December 22, 2017, the U.S. government enacted significant tax legislation commonly referred to as the Tax Cuts and Jobs Act of 2017 (the "TCJA"). The TCJA makes broad and complex changes to the U.S. tax code that will impact the Company's financial statements, including but not limited to a permanent decrease in the corporate federal statutory income tax rate from 35% to 21%, effective January 1, 2018, and a one-time transition tax from the inclusion of foreign earnings, which the Company can elect to pay over eight years. Future distributions from foreign subsidiaries, however, will no longer be subject to federal income tax.

As a result of the TCJA, the Company recognized an income tax benefit of $53.3 million in 2017, primarily due to the remeasurement of deferred tax assets and liabilities based on the reduced corporate federal statutory income tax rate of 21%.

The Securities and Exchange Commission staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which provides guidance on accounting for the tax effects of the TCJA. SAB 118 provides a measurement period that should not extend beyond one year from the TCJA enactment date for companies to complete the accounting under ASC 740, *Income Taxes* ("ASC 740"). In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the TCJA for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the TCJA is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the TCJA.

The one-time transition tax is based on the Company's total post-1986 earnings and profits ("E&P") that it previously deferred from U.S. income taxes. The Company recorded a provisional amount for its one-time transition tax liability for its foreign subsidiaries, resulting in an increase in income tax expense of $0.5 million. The Company has not yet completed its calculation of the total post-1986 E&P for these foreign subsidiaries. Further, the transition tax is based in part on the amount of those earnings held in cash and other specified assets. This amount may change when the Company finalizes the calculation of post-1986 foreign E&P previously deferred from U.S. federal taxation and finalizes the amounts held in cash or other specified assets.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

The following is a summary of the significant components of the deferred tax assets and liabilities as of December 31, 2017 (in thousands):

Deferred tax assets:		
Timing of expense recognition	$	22,730
Net operating losses		8,590
Other, net		15,618
Deferred tax assets		46,938
Valuation allowance		(381)
Net deferred tax assets		46,557
Deferred tax liabilities:		
Intangible assets, due primarily to purchase accounting		(30,019)
Fixed assets, due primarily to purchase accounting		(73,833)
Construction contract accounting		(17,539)
Joint ventures		(11,343)
Other		(22,263)
Deferred tax liabilities		(154,997)
Net deferred tax liabilities	$	(108,440)

The net deferred tax liabilities as of December 31, 2017 is presented in the Consolidated Balance Sheet as follows (in thousands):

Deferred tax assets	$	64
Deferred tax liabilities		(108,504)
Net deferred tax liabilities	$	(108,440)

Prior to 2017, the Company did not provide for deferred income taxes or foreign withholding tax on basis differences in its non-U.S. subsidiaries that result from undistributed earnings which the Company had the intent and the ability to reinvest in its foreign operations. Due to the enactment of the TCJA, the Company no longer intends to permanently reinvest in its foreign subsidiaries. Any tax on future distributions will be limited to certain state taxes, which would be immaterial.

The Company's policy is to record interest and penalties on unrecognized tax benefits as an element of income tax expense. The cumulative amounts related to interest and penalties are added to the total unrecognized tax liabilities on the balance sheet. The total amount of gross unrecognized tax benefits as of December 31, 2017 that, if recognized, would affect the effective tax rate is $6.5 million. During 2017, the Company recognized a net decrease of $1.1 million in liabilities. The Company does not expect any significant release of unrecognized tax benefits within the next twelve months.

The Company accounts for its uncertain tax positions in accordance with GAAP. A reconciliation of the beginning and ending amounts of these tax benefits for the year ended December 31, 2017 is as follows (in thousands):

Beginning balance	$	7,574
Change in tax positions of prior years		(1,207)
Change in tax positions of current year		128
Ending Balance	$	6,495

The Company conducts business internationally and, as a result, one or more of its subsidiaries files income tax returns in U.S. federal, U.S. state and certain foreign jurisdictions. Accordingly, in the normal course of business, the Company is subject to examination by taxing authorities principally throughout the United States, Guam and Canada. The Company is no longer under examination by the taxing authority regarding any U.S. federal income tax returns for years before 2011 while the years open for examination under various state and local jurisdictions vary.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

4. Goodwill and Other Intangible Assets

As of December 31, 2017, the Company had $585.0 million of goodwill allocated to its reporting units as follows: Civil, $415.3 million; Building, $13.5 million; and Specialty Contractors, $156.2 million. The balances presented include historical accumulated impairment of $76.7 million for the Civil segment and $411.3 million for the Building segment.

In addition, as of December 31, 2017, the Company had the following: (1) non-amortizable trade names with a carrying value of $50.4 million; (2) amortizable trade names with a gross carrying value of $51.1 million and accumulated amortization of $16.3 million; and (3) amortizable customer relationships with a gross carrying value of $23.2 million and accumulated amortization of $18.9 million.

Amortization expense related to amortizable intangible assets for the year ended December 31, 2017 totaled $3.5 million. Future amortization expense related to amortizable intangible assets will be approximately $3.5 million per year for the years 2018 through 2021 and $2.6 million for the year 2022.

The weighted-average amortization period for amortizable trade names and customer relationships is 20 years and 12 years, respectively.

5. Financial Commitments

Long-Term Debt

Long-term debt as of December 31, 2017 consisted of the following (in thousands):

2017 Senior Notes	$ 492,734
2017 Credit Facility	—
2010 Senior Notes	—
2014 Revolver	—
Term Loan	—
Convertible Notes	161,635
Equipment financing and mortgages	76,820
Other indebtedness	5,087
Total debt	736,276
Less: Current maturities	(30,748)
Long-term debt, net	$ 705,528

The following table reconciles the outstanding debt balance to the reported debt balances as of December 31, 2017 (in thousands):

(in thousands)	Outstanding Long-Term Debt	Unamortized Discount and Issuance Costs	Long-Term Debt, as reported
2017 Senior Notes	$ 500,000	$ (7,266)	$ 492,734
Convertible Notes	200,000	(38,365)	161,635

The unamortized issuance cost related to the 2017 Credit Facility was $6.2 million as of December 31, 2017 and is included in other assets in the Consolidated Balance Sheet.

2017 Senior Notes

On April 20, 2017, the Company issued $500 million in aggregate principal amount of 6.875% Senior Notes due 2025 (the "2017 Senior Notes") in a private placement. Interest on the 2017 Senior Notes is payable in arrears semi-annually in May and November of each year, beginning in November 2017.

Prior to May 1, 2020, the Company may redeem the 2017 Senior Notes at a redemption price equal to 100% of their principal amount plus a "make-whole" premium described in the indenture. In addition, prior to May 1, 2020, the Company may redeem up to 40% of the original aggregate principal amount of the notes at a redemption price of 106.875% of their principal amount with the proceeds received by the Company from any offering of the Company's equity. After May 1, 2020, the Company may redeem the 2017 Senior Notes at specified redemption prices described in the indenture. Upon a change of control, holders of the 2017 Senior Notes may require the Company to repurchase all or part of the 2017 Senior Notes at 101% of the principal amount thereof, plus accrued and unpaid interest to the redemption date.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The 2017 Senior Notes are senior unsecured obligations of the Company and are guaranteed by substantially all of the Company's existing and future subsidiaries that also guarantee obligations under the Company's 2017 Credit Facility, as defined below. In addition, the indenture for the 2017 Senior Notes provides for customary covenants, including events of default and restrictions on the payment of dividends and share repurchases.

2017 Credit Facility

On April 20, 2017, the Company entered into a credit agreement (the "2017 Credit Facility") with SunTrust Bank as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. The 2017 Credit Facility provides for a $350 million revolving credit facility (the "2017 Revolver") and a sublimit for the issuance of letters of credit and swingline loans up to the aggregate amount of $150 million and $10 million, respectively, both maturing on April 20, 2022, unless any of the Convertible Notes, as defined below, are outstanding on December 17, 2020, in which case all such borrowings will mature on December 17, 2020 (subject to certain further exceptions). In addition, the 2017 Credit Facility permits additional borrowings in an aggregate amount of $150 million, which can be in the form of increased capacity on the 2017 Revolver or the establishment of one or more term loans.

Borrowings under the 2017 Revolver bear interest, at the Company's option, at a rate equal to a margin over (a) the London Interbank Offered Rate ("LIBOR") plus a margin of between 1.50% and 3.00% or (b) a base rate (determined by reference to the highest of (i) the administrative agent's prime lending rate, (ii) the federal funds effective rate plus 50 basis points, (iii) the LIBOR rate for a one-month interest period plus 100 basis points and (iv) 0%), plus a margin of between 0.50% and 2.00%, in each case based on the Consolidated Leverage Ratio (as defined in the 2017 Credit Facility). In addition to paying interest on outstanding principal under the 2017 Credit Facility, the Company will pay a commitment fee to the lenders under the 2017 Revolver in respect of the unutilized commitments thereunder. The Company will pay customary letter of credit fees. If an event of default occurs and is continuing, the otherwise applicable margin and letter of credit fees will be increased by 2% per annum. The weighted-average annual interest rate on borrowings under the 2017 Revolver was approximately 3.89% during the year ended December 31, 2017.

The 2017 Credit Facility contains customary covenants for credit facilities of this type, including maximum consolidated leverage ratios ranging from 4.00:1.00 to 3.25:1.00 over the life of the facility and a minimum consolidated fixed charge coverage ratio of 1.25:1.00. Substantially all of the Company's subsidiaries unconditionally guarantee the obligations of the Company under the 2017 Credit Facility; additionally, the obligations are secured by a lien on all personal property of the Company and its subsidiaries guaranteeing these obligations.

As of December 31, 2017, there was $350.0 million available under the 2017 Revolver, and the Company had not utilized the 2017 Credit Facility for letters of credit. The Company was in compliance with the financial covenants under the 2017 Credit Facility as of December 31, 2017.

Repurchase and Redemption of 2010 Senior Notes and Termination of 2014 Credit Facility

On April 20, 2017, the Company used proceeds from the 2017 Senior Notes and 2017 Revolver to repurchase or redeem its 2010 Senior Notes, to pay off its Term Loan and 2014 Revolver, and to pay accrued but unpaid interest and fees. In addition, the indenture governing the 2010 Senior Notes was satisfied and discharged, and the Company terminated the 2014 Credit Facility.

2010 Senior Notes

On October 20, 2010, the Company issued $300 million of 7.625% Senior Notes due November 1, 2018 (the "2010 Senior Notes") in a private placement offering. As discussed above, on April 20, 2017, the Company repurchased or redeemed the 2010 Senior Notes in full and the related indenture was satisfied and discharged.

2014 Credit Facility

On June 5, 2014, the Company entered into a Sixth Amended and Restated Credit Agreement, as amended (the "2014 Credit Facility"), with Bank of America, N.A. as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. The 2014 Credit Facility provided for a $300 million revolving credit facility (the "2014 Revolver"), a $250 million term loan (the "Term Loan") and a sublimit for the issuance of letters of credit up to the aggregate amount of $150 million, all maturing on May 1, 2018. Borrowings under both the 2014 Revolver and the Term Loan bore interest based either on Bank of America's prime lending rate or the London Interbank Offered Rate ("LIBOR"), each plus an applicable margin ranging from 1.25% to 3.00%, contingent upon the latest Consolidated Leverage Ratio.

As discussed above, on April 20, 2017, the Company repaid all borrowings under the 2014 Credit Facility and concurrently terminated the facility.

Convertible Notes

On June 15, 2016, the Company issued $200 million of 2.875% Convertible Senior Notes due June 15, 2021 (the "Convertible Notes") in a private placement offering. The Convertible Notes are unsecured obligations and do not contain any financial covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by the Company. The Convertible Notes bear interest at a rate of 2.875% per year, payable in cash semi-annually in June and December.

To account for the Convertible Notes, the Company applied the provisions of ASC 470-20, *Debt with Conversion and Other Options* ("ASC 470-20"). ASC 470-20 requires issuers of certain convertible debt instruments that may be settled in cash upon conversion to separately account for the liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's nonconvertible debt borrowing rate. This is done by allocating the proceeds from issuance to the liability component based on the fair value of the debt instrument excluding the conversion feature, with the residual allocated to the equity component and classified in additional paid in capital. The $46.8 million difference between the principal amount of the Convertible Notes ($200.0 million) and the proceeds initially allocated to the liability component ($153.2 million) is treated as a discount on the Convertible Notes. This difference is being amortized as non-cash interest expense using the interest method, as discussed below under *Interest Expense*. The equity component, however, is not subject to amortization nor subsequent remeasurement.

In addition, ASC 470-20 requires that the debt issuance costs associated with a convertible debt instrument be allocated between the liability and equity components in proportion to the allocation of the debt proceeds between these two components. The debt issuance costs attributable to the liability component of the Convertible Notes ($5.1 million) are also treated as a discount on the Convertible Notes and amortized as non-cash interest expense. The debt issuance costs attributable to the equity component ($1.5 million) were netted with the equity component and will not be amortized.

The following table presents information related to the liability and equity components of the Convertible Notes as of December 31, 2017 (in thousands):

Liability component:		
Principal	$	200,000
Conversion feature		(46,800)
Allocated debt issuance costs		(5,051)
Amortization of discount and debt issuance costs (non-cash interest expense)		13,486
Net carrying amount	$	161,635
Equity component:		
Conversion feature	$	46,800
Allocated debt issuance costs		(1,543)
Deferred taxes		(18,815)
Net carrying amount	$	26,442

Prior to January 15, 2021, the Convertible Notes will be convertible only under the following circumstances: (1) during the five business day period after any ten consecutive trading day period in which the trading price per $1,000 principal amount of Convertible Notes for such trading day was less than 98% of the product of the last reported sale price of the Company's Common Stock and the conversion rate on each such trading day; (2) if the last reported sale price of the Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion rate of 33.0579 (or $39.32) on each applicable trading day; or (3) upon the occurrence of specified corporate events. On or after January 15, 2021 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes, in multiples of $1,000 principal amount, at the option of the holder regardless of the foregoing circumstances.

The Convertible Notes will be convertible at an initial conversion rate of 33.0579 shares of the Company's Common Stock per $1,000 principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately $30.25. The conversion rate will be subject to adjustment for some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, the Company is required to increase, in certain circumstances, the conversion rate for a holder who elects to convert their Convertible Notes in connection with such a corporate event including customary conversion rate adjustments in connection with a "make-whole fundamental change" described in the indenture. Upon conversion, and at the Company's election, the Company may satisfy its conversion obligation by paying or delivering, as applicable, cash, shares of its Common Stock or a combination of cash and shares of its Common Stock. As of December 31, 2017, the conversion provisions of the Convertible Notes have not been triggered.

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Equipment Financing and Mortgages

The Company has certain loans entered into for the purchase of specific property, plant and equipment and secured by the assets purchased. The aggregate balance of equipment financing loans was approximately $61.1 million as of December 31, 2017, with interest rates ranging from 1.90% to 5.93% with equal monthly installment payments over periods up to ten years with additional balloon payments of $12.4 million in 2021 and $6.3 million in 2022 on the remaining loans outstanding at December 31, 2017. The aggregate balance of mortgage loans was approximately $15.7 million as of December 31, 2017, with interest rates ranging from a fixed 2.50% to LIBOR plus 3% and equal monthly installment payments over periods up to seven years with additional balloon payments of $2.6 million in 2018, $2.9 million in 2021 and $7.0 million in 2023.

The following table presents the future principal payments required under all of the Company's debt obligations, discussed above (in thousands):

Year		
2018	$	30,748
2019		12,194
2020		5,321
2021		218,868
2022		7,457
Thereafter		507,319
		781,907
Less: Unamortized discount and issuance costs		(45,631)
Total	$	736,276

Interest Expense

Interest Expense as reported in the Consolidated Statement of Income for the year ended December 31, 2017 consisted of the following (in thousands):

Cash interest expense:		
Interest on 2017 Senior Notes	$	23,967
Interest on 2017 Credit Facility		5,517
Interest on 2010 Senior Notes		6,926
Interest on 2014 Credit Facility		4,455
Interest on Convertible Notes		5,750
Other interest		3,261
Cash portion of loss on extinguishment		1,913
Total cash interest expense		51,789
Non-cash interest expense[(a)]:		
Amortization of debt issuance costs on 2017 Senior Notes		516
Amortization of debt issuance costs on 2017 Credit Facility		962
Amortization of discount and debt issuance costs on 2010 Senior Notes		308
Amortization of debt issuance costs on 2014 Credit Facility		1,703
Amortization of discount and debt issuance costs on Convertible Notes		8,967
Non-cash portion of loss on extinguishment		5,139
Total non-cash interest expense		17,595
Total interest expense	$	69,384

(a) The combination of cash and non-cash interest expense produces effective interest rates that are higher than contractual rates. Accordingly, the effective interest rates for the 2017 Senior Notes and the Convertible Notes were 7.13% and 9.39%, respectively, for the year ended December 31, 2017.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
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Leases

The Company leases certain construction equipment, vehicles and office space under non-cancellable operating leases, with future minimum rent payments as of December 31, 2017 as follows (in thousands):

Year		
2018	$	18,420
2019		12,424
2020		8,980
2021		6,240
2022		5,524
Thereafter		14,898
		66,486
Less: Sublease rental agreements		(2,291)
Total	$	64,195

Rental expense under operating leases of construction equipment, vehicles and office space was $27.4 million in 2017.

6. Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its customers have made claims arising from the performance under their contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims, and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, assets and liabilities may change in the future due to various factors. Management believes that, based on current information and discussions with the Company's legal counsel, the ultimate resolution of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

Several matters are in the litigation and dispute resolution process. The following discussion provides a background and current status of the more significant matters.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange for the New York State Department of Transportation (the "NYSDOT"). The $130 million project was substantially completed in January 2004 and was accepted by the NYSDOT as complete in February 2006. The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, seeking damages in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT, which resulted in an amount of $0.5 million payable to the Company and formally closed out the project allowing the Company to re-file its claim. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012. In May 2012, the NYSDOT served its answer and counterclaims in the amount of $151 million alleging fraud in the inducement and punitive damages related to disadvantaged business enterprise ("DBE") requirements for the project. The Court subsequently ruled that NYSDOT's counterclaims may only be asserted as a defense and offset to the Company's claims and not as affirmative claims. In November 2014, the Appellate Division First Department affirmed the dismissal of the City's affirmative defenses and affirmative counterclaims based on DBE fraud. The Company does not expect the counterclaims to have any material effect on its consolidated financial statements. Discovery was completed during 2017 and the Company is currently awaiting the establishment of a trial date.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

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Fontainebleau Matter

Desert Mechanical, Inc. ("DMI") and Fisk Electric Company ("Fisk"), wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc., the general contractor, in the 8th Judicial District Court, Clark County, Nevada (the "District Court"), and in May 2010, the court entered an order in favor of DMI for approximately $45 million.

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC, and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens, there was approximately $125 million set aside from this sale that is available for distribution to satisfy the creditor claims based on seniority. At that time, the total estimated sustainable lien amount was approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court ruled in October 2012 in an advisory opinion at the request of the Bankruptcy Court that lien priorities would be determined in favor of the mechanic lien holders under Nevada law.

In October 2013, a settlement was reached by and among the Statutory Lienholders and the other interested parties. The Bankruptcy Court appointed a mediator to facilitate the execution of that settlement agreement, but the parties were unable to settle. During the third quarter of 2017, DMI filed a motion seeking permission to file an action in Nevada; the motion was granted by the Bankruptcy Court.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges project for the City of New York (the "City"). In June 2003, after substantial completion of the project, the Company initiated an action to recover $8.8 million in claims against the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6 million and other relief, alleging fraud in connection with the DBE requirements for the project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. In August 2013, the Court granted the Company's motion to dismiss the City's affirmative defenses and counterclaims relating to fraud.

In January 2017, the Court granted the City's motion for summary judgment and dismissed the Company's claim against the City. The Company has filed a notice of appeal. The Court also granted the Company's motion for summary judgment for release of retention plus interest from 2010 for an aggregate amount of approximately $1.2 million, which the City paid during the fourth quarter of 2017.

The Company does not expect ultimate resolution of this matter to have a material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, was contracted to construct a timeshare development project in Las Vegas, which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in the amount of $23.2 million and filed its complaint with the District Court, Clark County, Nevada. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. WPH has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs and liquidated damages. WPH revised the amount of their counterclaims to approximately $45 million.

Following multiple post-trial motions, final judgment was entered in this matter on March 20, 2014. TSC was awarded total judgment in the amount of $19.7 million on its breach of contract claim, which includes an award of interest up through the date of judgment, plus attorney's fees and costs. WPH was awarded total judgment in the amount of $3.1 million on its construction defect claims, which includes interest up through the date of judgment. WPH and its Sureties have filed a notice of appeal. TSC has filed a notice of

appeal on the defect award. In July 2014, the Court ordered WPH to post an additional supersedeas bond on appeal, in the amount of $1.7 million, in addition to the lien release bond of $22.3 million, which increases the security up to $24.0 million. In May 2017, the Nevada Supreme Court issued its ruling on the appeal by WPH and its Sureties. With only minor adjustments, the Nevada Supreme Court affirmed the lower district court's judgment, and following further proceedings in the lower district court, the anticipated final recovery to the Company is estimated to exceed $20 million, including interest and recovery of certain attorneys' fees and costs, of which the Company collected more than $16 million in 2017. In December 2017 and in January 2018, the Court issued several post-appeal orders confirming its previous rulings.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

U.S. Department of Commerce, National Oceanic and Atmospheric Administration Matter

Rudolph and Sletten, Inc. ("R&S"), a wholly owned subsidiary of the Company, entered into a contract with the United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") for the construction of a 287,000 square-foot facility for NOAA's Southwest Fisheries Science Center Replacement Headquarters and Laboratory in La Jolla, California. The contract work began on May 24, 2010 and was substantially completed in September 2012. R&S incurred significant additional costs as a result of design errors and omissions, NOAA's unwillingness to correct design flaws in a timely fashion and a refusal to negotiate the time and pricing associated with change order work. R&S filed claims against NOAA for contract adjustments related to the unresolved owner change orders, delays, design deficiencies and other claims.

In March 2017, the parties agreed to a proposed settlement, which was subsequently approved and paid by the government in the third quarter of 2017. The settlement did not have a material impact on the Company's financial results for the year ended December 31, 2017.

Five Star Electric Matter

In the third quarter of 2015, Five Star Electric Corp. ("Five Star"), a wholly owned subsidiary of the Company that was acquired in 2011, entered into a tolling agreement (which has since expired) related to an ongoing investigation being conducted by the United States Attorney's Office for the Eastern District of New York ("USAO EDNY"). Five Star has been cooperating with the USAO EDNY since late June 2014, when it was first made aware of the investigation, and has provided information requested by the government related to its use of certain minority-owned, women-owned, small and disadvantaged business enterprises and certain of Five Star's employee compensation, benefit and tax practices.

As of December 31, 2017, the Company cannot predict the ultimate outcome of the investigation and cannot reasonably estimate the potential loss or range of loss that Five Star or the Company may incur or the impact of the results of the investigation on Five Star or the Company.

Alaskan Way Viaduct Matter

In January 2011, Seattle Tunnel Partners ("STP"), a joint venture between Dragados USA, Inc. and the Company, entered into a design-build contract with the Washington State Department of Transportation ("WSDOT") for the construction of a large diameter bored tunnel in downtown Seattle, King County, Washington to replace the Alaskan Way Viaduct, also known as State Route 99.

The construction of the large diameter bored tunnel required the use of a tunnel boring machine ("TBM"). In December 2013, the TBM struck a steel pipe, installed by WSDOT as a well casing for an exploratory well. The TBM was damaged and was required to be shut down for repair. STP has asserted that the steel pipe casing was a differing site condition that WSDOT failed to properly disclose. The Disputes Review Board mandated by the contract to hear disputes issued a decision finding the steel casing was a Type I differing site condition. WSDOT has not accepted that finding.

The TBM was insured under a Builder's Risk Insurance Policy (the "Policy") with Great Lakes Reinsurance (UK) PLC and a consortium of other insurers (the "Insurers"). STP submitted the claims to the Insurers and requested interim payments under the Policy. The Insurers refused to pay and denied coverage. In June 2015, STP filed a lawsuit in the King County Superior Court, State of Washington ("Washington Superior Court") seeking declaratory relief concerning contract interpretation, as well as damages as a result of the Insurers' breach of their obligations under the terms of the Policy. WSDOT is deemed a plaintiff since WSDOT is an insured under the Policy and had filed its own claim for damages. Hitachi Zosen ("Hitachi"), the manufacturer of the TBM, has also joined the case as a plaintiff for costs incurred to repair the damages to the TBM. Trial is scheduled for October 2018. Discovery is ongoing.

In March 2016, WSDOT filed a complaint against STP in Thurston County Superior Court for breach of contract alleging STP's delays and failure to perform and declaratory relief concerning contract interpretation. STP filed its answer to WSDOT's complaint and filed a counterclaim against WSDOT and Hitachi. Trial is set for April 2019. Discovery is ongoing.

As of December 31, 2017, the Company has concluded that the potential for a material adverse financial impact due to the Insurers' denial of coverage and WSDOT's legal actions is neither probable nor remote, and the potential loss or range of loss is not reasonably estimable. With respect to STP's claims against the Insurers, WSDOT and Hitachi, management has included an estimate of the total anticipated recovery, concluded to be both probable and reliably estimable, in receivables or costs and estimated earnings in excess of billings recorded to date. To the extent new facts become known or the final recoveries vary from the estimate, the impact of the change will be reflected in the financial statements at that time.

7. Other Income, Net

On May 31, 2017, the Company entered into a settlement agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), as successor in interest to Banc of America Securities LLC and Bank of America, N.A. (collectively "BofA"), to resolve the pending litigation between the Company and Merrill Lynch. The litigation, which was filed by the Company in 2011, related to the purchase by the Company of certain auction-rate securities from BofA.

On June 6, 2017, the Company received the $37.0 million cash settlement payment agreed to in the settlement agreement, and the pending litigation was dismissed with prejudice. Neither party made any admission of liability or wrongdoing, and the settlement agreement includes mutual releases of all claims and liabilities related to the subject matter of the pending litigation.

The Company recognized the settlement as a gain during the second quarter of 2017 and reported it as a component of other income, net in its Consolidated Statement of Income for the year ended December 31, 2017.

8. Share-Based Compensation

On April 3, 2017, the Company adopted the Tutor Perini Corporation Incentive Compensation Plan ("Compensation Plan"), which was approved by the Company's shareholders on May 24, 2017. Additionally, the Company's Amended and Restated Tutor Perini Corporation Long-Term Incentive Plan ("Incentive Plan" together with Compensation Plan the "Plans") is still active. The Plans provide for various types of share-based grants, including restricted and unrestricted stock units and stock options. Restricted and unrestricted stock units give the holder the right to exchange their stock units for shares of the Company's Common Stock on a one-for-one basis. Per the Plans, stock options give the holder the right to purchase shares of the Company's Common Stock subsequent to the grant date at a defined exercise price equal to or greater than the fair value of the Company's Common Stock on the date of the stock option's award. Restricted stock units and stock options are usually subject to certain service and performance conditions and may not be sold or otherwise transferred until those restrictions have been satisfied; however, unrestricted stock units have no such restrictions. The term for stock options is limited to 10 years from the date of grant. The Compensation Plan allows for 2,335,000 shares of the Company's Common Stock to be issued. As of December 31, 2017, there were 1,554,364 shares available to be granted under the Compensation Plan and 405,529 shares authorized to be issued under the Incentive Plan; however, as discussed in the Company's Definitive Proxy Statement (Schedule 14A) filed on April 13, 2017, the Company will not issue the 405,529 shares remaining in the Incentive Plan. As of December 31, 2017, the Incentive Plan had an aggregate of 4,360,018 of restricted stock units and stock options from outstanding, historical awards that either have not vested or have vested but have not been exercised.

The terms of the Plans give the Company the right to settle the vesting of share-based grants in cash or shares. During the year ended December 31, 2017, the Company paid approximately $0.6 million to settle share-based awards.

Many of the awards issued under the Plans contain separate tranches, each for a separate performance period and each with a performance target to be established subsequent to the award date; accordingly, the tranches are accounted for under ASC 718, *Stock Compensation* ("ASC 718") as separate grants, with the grant date being the date the performance targets for a given tranche are established and communicated to the grantee. Similarly, for these awards, compliance with the requirements of the Plan is also based on the number of units granted in a given year, as determined by ASC 718, rather than the number of units awarded in a given year. As a result, as of December 31, 2017, the Company had outstanding awards with 214,000 restricted stock units and 194,000 stock options that had not been granted yet. These units will be granted in 2018 and 2019 when the performance targets for those respective years are established.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

The following table summarizes restricted stock unit and stock option activity during the year ended December 31, 2017:

	Restricted Stock Units		Stock Options	
	Number	Weighted-Average Grant Date Fair Value Per Share	Number	Weighted-Average Exercise/ (Strike) Price Per Share
Outstanding as of December 31, 2016	1,156,484	$ 22.64	2,174,500	$ 19.50
Granted	1,064,000	30.02	539,000	24.54
Expired or cancelled	(20,985)	23.91	(19,466)	26.56
Vested/exercised	(801,515)	19.38	(140,000)	21.41
Outstanding as of December 31, 2017	1,397,984	$ 30.11	2,554,034	$ 20.45

The Company issued 99,155 unrestricted stock units at a weighted-average grant date fair value per share of $26.26 to the non-employee members of the Company's Board of Directors as part of their annual retainer fees. The fair value of unrestricted stock units issued during 2017 was approximately $2.6 million.

The fair value of restricted stock units that vested during 2017 was approximately $25.3 million. The aggregate intrinsic value, representing the difference between the market value on the date of exercise and the option price of the stock options exercised during 2017 was $1.3 million, with a corresponding tax benefit of $0.6 million. As of December 31, 2017, the balance of unamortized restricted stock and stock option expense was $22.5 million and $3.7 million, respectively, which will be recognized over weighted-average periods of 2.6 years for restricted stock units and 2.2 years for stock options.

The 2,554,034 outstanding stock options as of December 31, 2017 had an intrinsic value of $13.6 million and a weighted-average remaining contractual life of 4.4 years. Of those outstanding options: a) 1,988,034 were exercisable with an intrinsic value of $12.8 million, a weighted-average exercise price of $19.31 per share and a weighted-average remaining contractual life of 3.3 years; b) 566,000, with an intrinsic value of $0.7 million, a weighted-average exercise price of $24.27 and a weighted-average remaining contractual life of 8.2 years, have been granted but have not vested; and c) of the 566,000 granted but unvested options, 527,816 are expected to vest.

The fair value on the grant date and the significant assumptions used in the Black-Scholes option-pricing model for stock option awards granted during 2017 are as follows:

Total stock options granted	539,000
Weighted-average grant date fair value	$ 13.11
Weighted-average assumptions:	
Risk-free rate	1.81 %
Expected life of options[(a)]	4.8
Expected volatility[(b)]	43.09 %
Expected quarterly dividends	$ —

(a) Calculated using the simplified method due to the terms of the stock options and the limited pool of grantees.
(b) Calculated using historical volatility of the Company's Common Stock over periods commensurate with the expected life of the option.

For the year ended December 31, 2017, the Company recognized, as part of general and administrative expenses, costs for share-based payment arrangements for employees of $19.6 million and costs for share-based awards to non-employee directors of $1.6 million. The aggregate tax benefit for these awards was approximately $8.7 million for the year ended December 31, 2017.

9. Employee Benefit Plans

Defined Benefit Pension Plan

The Company has a defined benefit pension plan that covers certain of its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The plan is noncontributory and benefits are based on an employee's years of service and "final average earnings," as defined by the plan. The plan provides reduced benefits for early retirement and takes into account offsets for social security benefits. The Company also has an unfunded supplemental retirement plan ("Benefit Equalization Plan") for certain employees whose benefits under the defined benefit pension plan were reduced because of

compensation limitations under federal tax laws. Effective June 1, 2004, all benefit accruals under the Company's pension plan and Benefit Equalization Plan were frozen; however, the current vested benefit was preserved. Pension disclosure as presented below includes aggregated amounts for both of the Company's plans, except where otherwise indicated.

The Company historically has used the date of its year-end as its measurement date to determine the funded status of the plan.

The long-term investment goals of the Company's plan are to manage the assets in accordance with the legal requirements of all applicable laws; produce investment returns which maximize return within reasonable and prudent levels of risks; and achieve a fully funded status with regard to current pension liabilities. Some risk must be assumed in order to achieve the investment goals. Investments with the ability to withstand short and intermediate term variability are considered and some interim fluctuations in market value and rates of return are tolerated in order to achieve the plan's longer-term objectives.

The pension plan's assets are managed by a third-party investment manager. The Company monitors investment performance and risk on an ongoing basis.

A summary of net periodic benefit cost for the year ended December 31, 2017 is as follows (in thousands):

Interest cost	$	3,919
Service cost		850
Expected return on plan assets		(4,358)
Recognized net actuarial losses		1,897
Net periodic benefit cost	$	2,308
Actuarial assumptions used to determine net cost:		
Discount rate		3.90 %
Expected return on assets		6.00 %
Rate of increase in compensation		N/A

The target asset allocation for the Company's pension plan by asset category for 2018 and the actual asset allocation as of December 31, 2017 by asset category are as follows:

	Percentage of Plan Assets	
Asset Category	**Target Allocation 2018**	**Actual Allocation 2017**
Cash	5 %	3 %
Equity funds:		
Domestic	37	41
International	28	31
Fixed income funds	30	25
Total	100 %	100 %

As of December 31, 2017, plan assets included approximately $30.7 million of investments in hedge funds and equity partnerships which do not have readily determinable fair values. The underlying holdings of the funds were comprised of a combination of assets for which the estimate of fair value is determined using information provided by fund managers.

The Company expects to contribute approximately $2.8 million to its defined benefit pension plan in 2018.

Future benefit payments under the plans are estimated as follows (in thousands):

Year ended December 31,		
2018	$	6,748
2019		6,798
2020		6,781
2021		6,785
2022		6,721
2023-2027		32,410
Total	$	66,243

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

The following tables provide a reconciliation of the changes in the fair value of plan assets and plan benefit obligations during 2017 and a summary of the funded status as of December 31, 2017 (in thousands):

Change in Fair Value of Plan Assets		
Balance at beginning of year	$	66,057
Actual return on plan assets		9,224
Company contribution		2,838
Benefit payments		(6,578)
Balance at end of year	$	71,541
Change in Benefit Obligations		
Balance at beginning of year	$	103,681
Interest cost		3,919
Service cost		850
Assumption change (gain) loss		3,854
Actuarial (gain) loss		492
Benefit payments		(6,578)
Balance at end of year	$	106,218
Funded status	$	(34,677)
Net unfunded amounts recognized in Consolidated Balance Sheet consist of:		
Current liabilities	$	(279)
Long-term liabilities		(34,398)
Total net unfunded amount recognized in Consolidated Balance Sheet	$	(34,677)

Amounts not yet recognized in net periodic benefit cost and included in accumulated other comprehensive loss consist of net actuarial losses before income taxes of $58.7 million for the year ended December 31, 2017.

In 2017, net other comprehensive income of $2.4 million consisted of reclassification adjustments for the amortization of previously existing actuarial losses and net actuarial gains arising during the period.

The estimated amount of the net accumulated loss (consisting of net actuarial losses) that will be amortized from accumulated other comprehensive loss into net period benefit cost in 2018 is $2.1 million.

The discount rate used in determining the accumulated post-retirement benefit obligation was 3.5% as of December 31, 2017. The discount rate used for the accumulated post-retirement obligation was derived using a blend of U.S. Treasury and high-quality corporate bond discount rates.

The expected long-term rate of return on assets assumption was 6.0% for 2017. The expected long-term rate of return on assets assumption was developed considering forward looking capital market assumptions and historical return expectations for each asset class assuming the plans' target asset allocation and full availability of invested assets.

Fund strategies seek to capitalize on inefficiencies identified across different asset classes or markets. Hedge fund strategy types include long-short, event-driven, multi-strategy, equity partnerships and distressed credit.

Plan assets were measured at fair value. Registered investment companies are public investment vehicles valued using the Net Asset Value (NAV) of shares held by the plan at year-end. Equity and fixed income funds are valued based on quoted market prices in active markets. Closely held funds held by the plan, which are only available through private offerings, do not have readily determinable fair values. Estimates of fair value of these funds were determined using the information provided by the fund managers and it is generally based on the net asset value per share or its equivalent.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

The following table sets forth the plan assets as of December 31, 2017 at fair value in accordance with the fair value hierarchy described in Note 10 (in thousands):

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,390	$ —	$ —	$ 2,390
Fixed income funds	18,031	—	—	18,031
Equity funds	20,372	—	—	20,372
	$ 40,793	$ —	$ —	$ 40,793
Closely held funds[(a)]				
Equity partnerships				8,711
Hedge fund investments				22,037
Total closely held funds[(a)]				30,748
Total	$ 40,793	$ —	$ —	$ 71,541

(a) Closely held funds in private investment were measured at fair value using NAV and were not categorized in the fair value hierarchy. Although the investments were not categorized within the fair value hierarchy, the holdings of these private investment funds were comprised of a combination of Level 1, 2 and 3 investments, but were not categorized in the fair value hierarchy because they were measured at NAV using the practical expedient under ASC 820, *Fair Value Measurement* ("ASC 820").

The plans have benefit obligations in excess of the fair value of each plan's assets as of December 31, 2017 detailed as follows (in thousands):

	Pension Plan	Benefit Equalization Plan	Total
Projected benefit obligation	$ 102,806	$ 3,412	$ 106,218
Accumulated benefit obligation	$ 102,806	$ 3,412	$ 106,218
Fair value of plans' assets	71,541	—	71,541
Projected benefit obligation greater than fair value of plans' assets	$ 31,265	$ 3,412	$ 34,677
Accumulated benefit obligation greater than fair value of plans' assets	$ 31,265	$ 3,412	$ 34,677

Section 401(k) Plan

The Company has a contributory Section 401(k) plan which covers its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The cost recognized by the Company for its 401(k) plan was $4.2 million in 2017. The Company's contribution is based on a non-discretionary match of employees' contributions, as defined by the plan.

Multiemployer Plans

In addition to the Company's defined benefit pension and contribution plans discussed above, the Company participates in multiemployer pension plans for its union construction employees. Contributions are based on the hours worked by employees covered under various collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is only liable for its proportionate share of a plan's unfunded vested liability upon termination, or withdrawal from, a plan. The Company currently has no intention of withdrawing from any of the multiemployer pension plans in which it participates and, therefore, has not recognized a liability for its proportionate share of any unfunded vested liabilities associated with these plans.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

The following table summarize key information for the plans that the Company had significant involvement with during the year ended December 31, 2017:

Pension Fund	EIN/Pension Plan Number	Pension Protections Act Zone Status	FIP/RP Status Pending Or Implemented	Company Contributions[a] (in millions)	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
The Pension, Hospitalization and Benefit Plan of the Electrical Industry - Pension Trust Fund	13-6123601/001	Green	N/A	$16.0	No	4/30/2019
Carpenters Pension Trust Fund for Northern California	94-6050970	Red	Implemented	8.2	No	6/30/2019
Laborers Pension Trust Fund for Northern California	94-6277608	Yellow	Implemented	6.6	No	6/30/2019
Northern California Electrical Workers Pension Plan	94-6062674	Green	N/A	5.2	No	5/31/2018
Steamfitters Industry Pension Fund	13-6149680/001	Green	N/A	3.9	No	6/30/2020

(a) The Company's contributions as a percentage of total plan contributions were not available for any of its plans.

In addition to the individually significant plans described above, the Company also contributed approximately $32.1 million in 2017 to other multiemployer pension plans.

10. Fair Value Measurements

The fair value hierarchy established by ASC 820 prioritizes the use of inputs used in valuation techniques into the following three levels:

- Level 1 inputs are observable quoted prices in active markets for identical assets or liabilities
- Level 2 inputs are observable, either directly or indirectly, but are not Level 1 inputs
- Level 3 inputs are unobservable

The following fair value hierarchy table presents the Company's assets that are measured at fair value on a recurring basis as of December 31, 2017 (in thousands):

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents[a]	$ 192,868	$ —	$ —	$ 192,868
Restricted cash[a]	4,780	—	—	4,780
Investments in lieu of retainage[b]	69,891	2,405	—	72,296
Total	$ 267,539	$ 2,405	$ —	$ 269,944

(a) Includes money market funds with original maturity dates of three months or less.
(b) Investments in lieu of retainage are included in accounts receivable and are comprised of money market funds and municipal bonds, the majority of which are rated A3 or better. The fair values of the money market funds are measured using quoted market prices; therefore, they are classified as Level 1 assets. The fair values of municipal bonds are measured using readily available pricing sources for comparable instruments; therefore, they are classified as Level 2 assets. All of the above investments are available-for-sale securities.

The Company did not have material transfers between Levels 1 and 2 during the year ended December 31, 2017.

The carrying values of receivables, payables and other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, are estimated to approximate fair value. The Company's restricted investments carried at amortized cost have an aggregate fair value of $52.5 million as of December 31, 2017, determined using Level 2 inputs. Of the Company's long-term debt, the fair values of the 2017 Senior Notes as of December 31, 2017 was $537.5 million. The fair value of the Convertible Notes was $222.2 million as of December 31, 2017. The fair values of the 2017 Senior Notes and Convertible Notes were determined using Level 1 inputs, specifically current observable market prices. The reported value of the Company's remaining borrowings as of December 31, 2017 approximates fair value.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

11. Variable Interest Entities

From time to time the Company may form joint ventures with third parties for the execution of single contracts or projects. In accordance with ASC 810, the Company assesses its joint ventures at inception to determine if any meet the qualifications of a VIE. The Company considers a joint venture a VIE if either (a) the total equity investment is not sufficient to permit the entity to finance its activities without additional subordinated financial support, (b) characteristics of a controlling financial interest are missing (either the ability to make decisions through voting or other rights, the obligation to absorb the expected losses of the entity or the right to receive the expected residual returns of the entity), or (c) the voting rights of the equity holders are not proportional to their obligations to absorb the expected losses of the entity and/or their rights to receive the expected residual returns of the entity, and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights. Upon the occurrence of certain events outlined in ASC 810, the company reassesses its initial determination of whether the joint venture is a VIE.

ASC 810 also requires the Company to determine whether it is the primary beneficiary of the VIE. The Company concludes that it is the primary beneficiary and consolidates the VIE if the Company has both (a) the power to direct the economically significant activities of the VIE and (b) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE. The Company considers the contractual agreements that define the ownership structure, distribution of profits and losses, risks, responsibilities, indebtedness, voting rights and board representation of the respective parties in determining if the Company is the primary beneficiary. The Company also considers all parties that have direct or implicit variable interests when determining whether it is the primary beneficiary. In accordance with ASC 810, management's assessment of whether the Company is the primary beneficiary of a VIE is performed continuously.

As of December 31, 2017, the Company's Consolidated Balance Sheet included current and noncurrent assets of $95.5 million and $11.6 million, respectively, as well as current liabilities of $140.7 million related to the operations of its consolidated VIEs.

One large joint venture that the Company is consolidating was established to construct the Purple Line Segment 2 Extension project, a $1.4 billion mass-transit project in Los Angeles, California. The Company has a 75% interest in the joint venture with the remaining 25% held by O&G Industries, Inc. The joint venture was initially financed with contributions from the partners and, per the terms of the joint venture agreement, the partners may be required to provide additional capital contributions in the future.

12. Business Segments

The Company offers general contracting, pre-construction planning and comprehensive project management services, including planning and scheduling of manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. The Company also offers self-performed construction services: site work; concrete forming and placement; steel erection; electrical; mechanical; plumbing; and heating, ventilation and air conditioning (HVAC). As described below, the Company's business is conducted through three segments: Civil, Building and Specialty Contractors. These segments are determined based on how the Company's Chairman and Chief Executive Officer (chief operating decision maker) aggregates business units when evaluating performance and allocating resources.

The Civil segment specializes in public works construction and the replacement and reconstruction of infrastructure. The civil contracting services include construction and rehabilitation of highways, bridges, tunnels, mass-transit systems, and water management and wastewater treatment facilities.

The Building segment has significant experience providing services for private and public works customers in a number of specialized building markets, including: high-rise residential, hospitality and gaming, transportation, health care, commercial and government offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical, industrial and high-tech.

The Specialty Contractors segment specializes in electrical, mechanical, plumbing, HVAC, fire protection systems and pneumatically placed concrete for a full range of Civil and Building construction projects in the industrial, commercial, hospitality and gaming, and mass-transit end markets. This segment provides the Company with unique strengths and capabilities that allow the Company to position itself as a full-service contractor with greater control over scheduled work, project delivery and risk management.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

The following tables set forth certain reportable segment information relating to the Company's operations for the year ended December 31, 2017 (in thousands):

	Reportable Segments					
(in thousands)	Civil	Building	Specialty Contractors	Segment Total	Corporate	Consolidated Total
Total revenue	$ 1,856,164	$ 1,982,857	$ 1,213,708	$ 5,052,729	$ —	$ 5,052,729
Elimination of intersegment revenue	(253,989)	(41,532)	—	(295,521)	—	(295,521)
Revenue from external customers	$ 1,602,175	$ 1,941,325	$ 1,213,708	$ 4,757,208	$ —	$ 4,757,208
Income from construction operations	$ 192,207	$ 34,199	$ 18,938	$ 245,344	$ (65,867)[a]	$ 179,477
Capital expenditures	$ 27,694	$ 267	$ 721	$ 28,682	$ 1,598	$ 30,280
Depreciation and amortization[b]	$ 33,767	$ 2,021	$ 4,699	$ 40,487	$ 11,443	$ 51,930

(a) Consists primarily of corporate general and administrative expenses.
(b) Depreciation and amortization is included in income from construction operations.

There were no material changes in estimates during the year ended December 31, 2017.

Total assets by segment as of December 31, 2017 are as follows (in thousands):

Civil	$ 2,452,108
Building	909,207
Specialty Contractors	767,807
Corporate and other[a]	135,001
Total assets	$ 4,264,123

(a) Consists principally of cash, equipment, tax-related assets and insurance-related assets, offset by the elimination of assets related to intersegment revenue.

Geographic Information

Information concerning principal geographic areas as of and for the year ended December 31, 2017 is as follows (in thousands):

Revenue:	
United States	$ 4,613,644
Foreign and U.S. territories	143,564
Total revenue	$ 4,757,208
Assets:	
United States	$ 4,093,673
Foreign and U.S. territories	170,450
Total assets	$ 4,264,123

Reconciliation of Segment Information to Consolidated Amounts

A reconciliation of segment results to the consolidated income before income taxes for the year ended December 13, 2017 is as follows (in thousands):

Income from construction operations	$ 179,477
Other income, net	43,882
Interest expense	(69,384)
Income before income taxes	$ 153,975

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 2017

13. Related Party Transactions

The Company leases, at market rates, certain facilities from an entity owned by Ronald N. Tutor, the Company's Chairman and Chief Executive Officer. Under these leases, the Company paid $2.8 million and recognized expense of $3.2 million during the year ended December 31, 2017.

Raymond R. Oneglia, Vice Chairman of O&G Industries, Inc. ("O&G"), is a director of the Company. The Company occasionally forms construction project joint ventures with O&G, in which each partner may provide services and equipment to these joint ventures on customary trade terms. During the year ended December 31, 2017, the Company had three active joint ventures with O&G including two infrastructure projects in the northeastern United States that are both complete, and one for a project in Los Angeles, California in which the Company's and O&G's joint venture interests are 75% and 25%, respectively. Payments made by these joint ventures to O&G for services and equipment during the year ended December 31, 2017 were immaterial.

Peter Arkley, Senior Managing Director, Construction Services Group, of Alliant Insurance Services, Inc. ("Alliant"), is a director of the Company. The Company uses Alliant for various insurance-related services. The associated expenses for services provided for the year ended December 31, 2017 were $17.6 million. The Company owed Alliant $0.5 million as of December 31, 2017 for services rendered.

SUPPLEMENTAL CONSOLIDATING INFORMATION

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2017
(in thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Andersen Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
ASSETS																	
CURRENT ASSETS:																	
Cash	$ 106,462	$ 643	$ —	$ 24,116	$ 7,985	$ 51	$ 1	$ 1,117	$ 3	$ —	$ 1,506	$ 9,727	$ 30,639	$ 8,597	$ 2,021	$ —	$ 192,868
Restricted cash	1,072	—	—	—	176	—	—	—	—	—	—	—	—	1,421	2,111	—	4,780
Restricted investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	53,014	—	53,014
Accounts receivable, including retainage	480,338	34,064	27,193	87,159	78,248	8,345	88,176	21,047	265,331	140,768	25,979	11,364	23,815	630,068	140,801	(261,040)	1,801,656
Costs and estimated earnings in excess of billings	140,580	77,458	48,994	82,657	18,088	6,891	27,553	11,506	1,995	106,033	17,686	32,045	1,950	437,744	152	(78,574)	932,758
Intercompany notes and receivables	—	—	—	—	—	—	—	—	78,013	—	—	2,503	—	—	—	(80,516)	—
Other current assets	76,535	590	230	4,546	5,004	286	863	25	3,758	5,713	1,310	250	13,925	5,306	14,892	(43,917)	89,316
Total current assets	804,987	112,755	76,417	198,478	109,501	15,573	116,593	33,695	349,100	252,514	46,481	55,889	70,329	1,083,136	212,991	(464,047)	3,074,392
PROPERTY AND EQUIPMENT, at cost																	
Land	4,090	—	2,408	492	1,771	—	15,396	—	4,456	—	123	—	8,874	3,284	488	—	41,382
Building and improvements	22,172	—	4,420	1,798	3,914	—	23,547	852	13,236	1,204	3,931	—	12,344	24,287	13,324	—	125,029
Construction equipment	49,218	8,294	14,308	71,958	76,063	24,902	1,412	297	4,910	—	310	—	25,874	7,433	193,009	—	477,988
Other equipment	63,954	70,558	2,542	1	9,979	32	3,678	1,133	8,515	1,696	2,864	183	6,070	8,166	2,917	—	182,288
	139,434	78,852	23,678	74,249	91,727	24,934	44,033	2,282	31,117	2,900	7,228	183	53,162	43,170	209,738	—	826,687
Less accumulated depreciation	(83,492)	(29,894)	(11,236)	(24,900)	(35,582)	(6,438)	(8,900)	(1,702)	(19,112)	(1,760)	(3,971)	(125)	(23,931)	(20,550)	(87,595)	—	(359,188)
Total property and equipment, net	55,942	48,958	12,442	49,349	56,145	18,496	35,133	580	12,005	1,140	3,257	58	29,231	22,620	122,143	—	467,499
INTERCOMPANY NOTES AND RECEIVABLES	—	—	—	—	208,429	—	382,164	2,311	156,608	—	2,303	183,861	10,458	44,862	30,864	(1,021,860)	—
GOODWILL	571,519	—	—	—	—	—	—	—	—	—	—	—	—	13,487	—	—	585,006
INTANGIBLE ASSETS, NET	89,454	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	89,454
INVESTMENTS IN SUBSIDIARIES	1,959,894	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,959,894)	—
OTHER ASSETS	49,419	3,277	—	—	—	—	2,005	147	—	5,629	9,857	214	64	1,163	54	(24,057)	47,772
TOTAL ASSETS	$ 3,531,215	$ 164,990	$ 88,859	$ 247,827	$ 374,075	$ 34,069	$ 535,895	$ 36,733	$ 517,713	$ 259,283	$ 61,898	$ 240,022	$ 110,082	$ 1,165,268	$ 366,052	$ (3,469,858)	$ 4,264,123
LIABILITIES AND STOCKHOLDERS' EQUITY																	
CURRENT LIABILITIES:																	
Current maturities of long-term debt	$ 68,071	$ 2,426	$ —	$ 2,248	$ 2,931	$ 2,774	$ —	$ —	$ —	$ —	$ —	$ —	$ 723	$ 483	$ 11,092	$ (60,000)	$ 30,748
Accounts payable, including retainage	295,880	4,035	21,513	28,795	58,127	1,155	97,456	16,060	290,219	115,376	27,475	47,292	8,303	189,979	4,724	(244,598)	961,791
Billings in excess of costs and estimated earnings	200,421	—	2,626	22,050	34,718	92	2,762	—	45,640	345	11,780	8,057	21,957	98,774	44,194	(36,547)	456,869
Intercompany notes and advances payable-short term	28,786	—	—	—	—	—	—	—	—	—	—	—	—	—	51,730	(80,516)	—
Accrued expenses and other current liabilities	69,072	1,523	1,218	8,046	5,053	484	2,288	101	13,241	7,426	3,670	539	6,547	24,254	26,698	(37,722)	132,438
Total current liabilities	662,230	7,984	25,357	61,139	100,829	4,505	102,506	16,161	349,100	123,147	42,925	55,888	37,530	313,490	138,438	(459,383)	1,581,846
LONG TERM DEBT, less current maturities	667,694	18,254	—	—	1,042	6,836	—	—	—	—	—	—	4,316	8,577	5,074	(6,265)	705,528
DEFERRED INCOME TAXES	18,530	20,132	2,420	10,268	22,636	3,649	—	—	82	—	—	—	646	16,038	29,868	(15,765)	108,504
OTHER LONG-TERM LIABILITIES	107,779	1,730	—	—	—	—	—	531	—	—	—	—	—	—	53,442	(17)	163,465
INTERCOMPANY NOTES & ADVANCES PAYABLE	372,010	53,225	3,819	72,239	—	13,266	2,798	8	—	129,417	—	423	—	354,344	244	(1,001,793)	—
TOTAL LIABILITIES	1,828,243	101,325	31,596	143,646	124,507	28,256	105,304	16,700	349,182	252,564	42,925	56,311	42,492	692,449	227,066	(1,483,223)	2,559,343
STOCKHOLDERS' EQUITY:																	
Treasury Stock-Perini	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(658)	658	—
Common stock	49,781	—	7	1	2,231	10	95	4	11	—	3	1	1,499	7	710	(4,579)	49,781
Additional paid-in capital	1,084,205	27,406	1	56,297	37,167	—	—	279	6,303	10,000	22,439	—	16,251	226,117	188,319	(590,579)	1,084,205
Retained earnings (deficit)	622,007	36,259	57,255	50,704	210,170	5,803	430,496	19,750	162,217	(3,281)	(3,469)	183,710	51,475	246,651	(49,385)	(1,398,355)	622,007
Accumulated other comprehensive income (loss)	(42,718)	—	—	(4,629)	—	—	—	—	—	—	—	—	(1,635)	44	—	6,220	(42,718)
Total stockholders' equity	1,713,275	63,665	57,263	102,373	249,568	5,813	430,591	20,033	168,531	6,719	18,973	183,711	67,590	472,819	138,986	(1,986,635)	1,713,275
Noncontrolling interests	(10,303)	—	—	1,808	—	—	—	—	—	—	—	—	—	—	—	—	(8,495)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,531,215	$ 164,990	$ 88,859	$ 247,827	$ 374,075	$ 34,069	$ 535,895	$ 36,733	$ 517,713	$ 259,283	$ 61,898	$ 240,022	$ 110,082	$ 1,165,268	$ 366,052	$ (3,469,858)	$ 4,264,123

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture assets and liabilities is included in the respective amounts shown above.
(4) Consolidating Balance Sheet does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.
(5) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc , WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(6) Management has determined the allocation of intercompany notes and receivable (or advance payable) balances between current assets (liabilities) and noncurrent assets (liabilities) based upon management's intent as to when such amounts will be settled.

CCU Regular Meeting June 5, 2019 - GWA

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
REVENUE	$ 1,241,189	$ 8,674	$ 89,837	$ 157,359	$ 338,502	$ 21,660	$ 424,081	$ 19,348	$ 1,087,220	$ 221,035	$ 158,725	$ 82,249	$ 96,941	$ 1,213,709	$ 52,483	$ (455,804)	$ 4,757,208
COST OF OPERATIONS	(1,095,039)	(11,139)	(81,527)	(133,625)	(287,126)	(16,430)	(409,103)	(18,961)	(1,037,201)	(217,035)	(146,812)	(73,245)	(75,282)	(1,129,774)	(26,308)	455,804	(4,302,803)
GROSS PROFIT (LOSS)	146,150	(2,465)	8,310	23,734	51,376	5,230	14,978	387	50,019	4,000	11,913	9,004	21,659	83,935	26,175	—	454,405
General and administrative expenses	(101,523)	(20)	(659)	(14,179)	(14,620)	(2,464)	(16,969)	(1,170)	(23,970)	(5,723)	(8,399)	(5,770)	(8,994)	(68,531)	(1,937)	—	(274,928)
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	44,627	(2,485)	7,651	9,555	36,756	2,766	(1,991)	(783)	26,049	(1,723)	3,514	3,234	12,665	15,404	24,238	—	179,477
Equity in earnings of subsidiaries	144,444	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(144,444)	-
Other income (expense), net	32,181	(21)	—	3,887	5,114	748	5	—	286	4	24	24	62	443	2,723	(1,598)	43,882
Interest expense	(69,309)	—	—	(34)	(136)	(392)	—	—	—	—	—	—	(186)	(372)	(553)	1,598	(69,384)
INCOME (LOSS) BEFORE INCOME TAXES	151,943	(2,506)	7,651	13,408	41,734	3,122	(1,986)	(783)	26,335	(1,719)	3,538	3,258	12,541	15,475	26,408	(144,444)	153,975
Income tax benefit (provision)	2,386	15,032	(2,232)	1,305	(6,496)	416	(204)	202	(8,932)	(360)	(3,815)	(1,346)	(4,657)	5,122	4,148	—	569
NET INCOME (LOSS)	154,329	12,526	5,419	14,713	35,238	3,538	(2,190)	(581)	17,403	(2,079)	(277)	1,912	7,884	20,597	30,556	(144,444)	154,544
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(5,947)	—	—	(215)	—	—	—	—	—	—	—	—	—	—	—	—	(6,162)
NET INCOME (LOSS) ATTRIBUTABLE TO TUTOR PERINI CORPORATION	$ 148,382	$ 12,526	$ 5,419	$ 14,498	$ 35,238	$ 3,538	$ (2,190)	$ (581)	$ 17,403	$ (2,079)	$ (277)	$ 1,912	$ 7,884	$ 20,597	$ 30,556	$ (144,444)	$ 148,382

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture net income (loss) is included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc , WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.

CCU Regular Meeting June 5, 2019 - GWA

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2017
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
BALANCE - December 31, 2016	$ 473,625	$ 23,733	$ 51,836	$ 36,206	$ 174,932	$ 2,265	$ 432,686	$ 20,331	$ 144,814	$ (1,202)	$ (3,192)	$ 181,798	$ 43,591	$ 226,054	$ (79,941)	$ (1,253,911)	$ 473,625
Net Income (loss)	148,382	12,526	5,419	14,498	35,238	3,538	(2,190)	(581)	17,403	(2,079)	(277)	1,912	7,884	20,597	30,556	(144,444)	148,382
BALANCE - December 31, 2017	$ 622,007	$ 36,259	$ 57,255	$ 50,704	$ 210,170	$ 5,803	$ 430,496	$ 19,750	$ 162,217	$ (3,281)	$ (3,469)	$ 183,710	$ 51,475	$ 246,651	$ (49,385)	$ (1,398,355)	$ 622,007

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture activities is included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.

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TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:																	
Net Income (loss)	$ 154,329	$ 12,526	$ 5,419	$ 14,713	$ 35,238	$ 3,538	$ (2,190)	$ (581)	$ 17,403	$ (2,079)	$ (277)	$ 1,912	$ 7,884	$ 20,597	$ 30,556	$ (144,444)	$ 154,544
Adjustments to reconcile net income to net cash from operating activities:																	
Depreciation	17,078	5,632	581	2,286	4,364	1,601	818	103	482	212	329	34	2,014	2,897	9,956	—	48,387
Amortization of intangible assets	3,543	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,543
Change in debt discounts and debt issuance costs	17,595	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17,595
Equity in earnings of subsidiaries	(144,444)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	144,444	—
Share-based compensation expense	21,174	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21,174
Deferred income taxes	181	(16,842)	(945)	(6,156)	4,028	(1,497)	(2,235)	444	(275)	3,427	4,340	(113)	965	8,122	(16,540)	—	(23,096)
(Gain) loss on sale of property and equipment	—	—	36	16	(294)	33	(1)	—	(16)	13	(1)	—	(40)	(65)	1,450	—	1,131
Other long-term liabilities	(1,120)	4	—	—	—	—	(14)	(36)	—	—	—	—	—	—	4,822	—	3,656
Other non-cash items	4,361	—	—	1,507	(10,164)	—	—	—	—	—	485	—	413	85	143	—	(3,170)
Changes in other components of working capital	44,066	5,180	(22,211)	(2,910)	13,011	(2,464)	17,223	(3,019)	27,122	(44,829)	(1,172)	(1,816)	2,676	(91,308)	237	—	(60,214)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	116,763	6,500	(17,120)	9,456	46,183	1,211	13,601	(3,089)	44,716	(43,256)	3,704	17	13,912	(59,672)	30,624	—	163,550
CASH FLOWS FROM INVESTING ACTIVITIES:																	
Acquisition of property and equipment	(1,689)	(232)	(97)	(12,144)	(8,176)	(522)	—	(53)	(2)	(105)	(108)	—	(1,715)	(721)	(4,716)	—	(30,280)
Proceeds from sale of property and equipment	—	—	83	13	604	41	2	—	94	—	8	—	93	175	1,631	—	2,744
Investments in securities, restricted	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(54,504)	—	(54,504)
Investments in securities	—	—	—	—	—	—	—	—	—	—	—	—	—	177	(6,640)	—	(6,463)
Proceeds from maturities of investments in securities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,370	—	1,370
Change in restricted cash	944	—	—	—	227	—	—	—	—	—	—	—	—	388	44,165	—	45,724
(Increase) decrease in intercompany advances	—	—	13,833	—	(37,913)	—	(13,603)	3,090	(44,805)	—	(4,523)	9,407	(171)	(3,377)	—	78,062	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(745)	(232)	13,819	(12,131)	(45,258)	(481)	(13,601)	3,037	(44,713)	(105)	(4,623)	9,407	(1,793)	(3,358)	(18,694)	78,062	(41,409)
CASH FLOWS FROM FINANCING ACTIVITIES:																	
Proceeds from debt	2,161,384	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,161,384
Repayment of debt	(2,172,833)	(2,426)	—	(720)	(2,973)	(2,722)	—	—	—	—	—	—	(698)	(556)	(12,140)	—	(2,195,068)
Cash payments related to share-based compensation	(11,769)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(11,769)
Debt issuance and extinguishment costs	(15,266)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(15,266)
Distributions paid to noncontrolling interests	(17,499)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(17,499)
Contributions from noncontrolling interests	1,251	—	—	1,591	—	—	—	—	—	—	—	—	—	—	—	—	2,842
Increase/(decrease) in intercompany advances	(35,655)	(4,220)	2,236	8,428	—	1,996	—	—	—	43,361	—	—	—	59,886	2,030	(78,062)	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(90,387)	(6,646)	2,236	9,299	(2,973)	(726)	—	—	—	43,361	—	—	(698)	59,330	(10,110)	(78,062)	(75,376)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,631	(378)	(1,065)	6,624	(2,048)	4	—	(52)	3	—	(919)	9,424	11,421	(3,700)	1,820	—	46,765
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	80,831	1,021	1,065	17,492	10,033	47	1	1,169	—	—	2,425	303	19,218	12,297	201	—	146,103
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 106,462	$ 643	$ —	$ 24,116	$ 7,985	$ 51	$ 1	$ 1,117	$ 3	$ —	$ 1,506	$ 9,727	$ 30,639	$ 8,597	$ 2,021	$ —	$ 192,868
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR:																	
Interest	$ 49,020	$ —	$ —	$ 34	$ 138	$ 122	$ —	$ —	$ —	$ —	$ —	$ —	$ 187	$ 370	$ 572	$ —	$ 50,443
Income taxes	$ 31,327	$ —	$ —	$ 2,419	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 293	$ 1,737	$ —	$ 4,000	$ —	$ 39,776

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture activities is included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(5) Consolidating Statement of Cash Flows does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.

CCU Regular Meeting June 5, 2019 - GWA

Tutor Perini Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Consolidating Information for Tutor Perini's General Contractor Subsidiaries as of and for the Year Ended December 31, 2016, and Report of Independent Registered Public Accounting Firm

TUTOR PERINI CORPORATION AND SUBSIDIARIES

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Deloitte.

Deloitte & Touche LLP
555 West 5th Street
Suite 2700
Los Angeles, CA 90013-1010
USA

Tel: +1 213 688 0800
Fax: +1 213 688 0100
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Tutor Perini Corporation
Sylmar, California

We have audited the accompanying consolidated balance sheet of Tutor Perini Corporation and subsidiaries (the "Company") as of December 31, 2016, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the year ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Tutor Perini Corporation and subsidiaries as of December 31, 2016, and the results of their operations and their cash flows for the year ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

The supplemental consolidating information on pages 31-34 has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental consolidating information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental consolidating information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental consolidating information. In our opinion, such information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

February 23, 2017
(March 31, 2017 as to the supplemental consolidating information)

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands, except per share data)

REVENUE	$ 4,973,076
COST OF OPERATIONS	(4,515,886)
GROSS PROFIT	457,190
General and administrative expenses	(255,270)
INCOME FROM CONSTRUCTION OPERATIONS	201,920
Other income, net	6,977
Interest expense	(59,782)
INCOME BEFORE INCOME TAXES	149,115
Provision for income taxes	(53,293)
NET INCOME	$ 95,822
BASIC EARNINGS PER COMMON SHARE	$ 1.95
DILUTED EARNINGS PER COMMON SHARE	$ 1.92
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:	
Basic	49,150
Diluted	49,864

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

NET INCOME	$	95,822
OTHER COMPREHENSIVE LOSS, NET OF TAX:		
Defined benefit pension plan adjustments		(2,623)
Foreign currency translation adjustment		(261)
Unrealized loss in fair value of investments		(340)
Unrealized loss in fair value of interest rate swap		(24)
Total other comprehensive loss, net of tax		(3,248)
TOTAL COMPREHENSIVE INCOME	$	92,574

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2016
(In thousands, except share data)

ASSETS	
CURRENT ASSETS:	
Cash, including cash equivalents of $15,302	$ 146,103
Restricted cash	50,504
Accounts receivable, including retainage of $569,391	1,743,300
Costs and estimated earnings in excess of billings	831,826
Other current assets	66,023
Total current assets	2,837,756
PROPERTY AND EQUIPMENT:	
Land	41,382
Building and improvements	124,157
Construction equipment	444,153
Other equipment	181,717
	791,409
Less accumulated depreciation	(313,783)
Total property and equipment, net	477,626
GOODWILL	585,006
INTANGIBLE ASSETS, NET	92,997
OTHER ASSETS	45,235
TOTAL ASSETS	$ 4,038,620
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Current maturities of long-term debt	$ 85,890
Accounts payable, including retainage of $258,294	994,016
Billings in excess of costs and estimated earnings	331,112
Accrued expenses and other current liabilities	107,925
Total current liabilities	1,518,943
LONG-TERM DEBT, less current maturities, net of unamortized discount and debt issuance cost of $56,072	673,629
DEFERRED INCOME TAXES	131,007
OTHER LONG-TERM LIABILITIES	162,018
TOTAL LIABILITIES	2,485,597
STOCKHOLDERS' EQUITY:	
Preferred stock – authorized 1,000,000 shares ($1 par value), none issued	—
Common stock – authorized 75,000,000 shares ($1 par value), issued and outstanding 49,211,353 shares	49,211
Additional paid-in capital	1,075,600
Retained earnings	473,625
Accumulated other comprehensive loss	(45,413)
TOTAL STOCKHOLDERS' EQUITY	1,553,023
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,038,620

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

Cash Flows from Operating Activities:		
Net income	$	95,822
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation		63,759
Amortization of intangible assets		3,543
Share-based compensation expense		13,423
Excess income tax benefit from share-based compensation		(269)
Change in debt discount and deferred debt issuance costs		10,968
Deferred income taxes		(10,169)
Loss on sale of property and equipment		453
Other long-term liabilities		28,210
Other non-cash items		(1,874)
Changes in other components of working capital		(90,530)
NET CASH PROVIDED BY OPERATING ACTIVITIES		113,336
Cash Flows from Investing Activities:		
Acquisition of property and equipment excluding financed purchases		(15,743)
Proceeds from sale of property and equipment		1,899
Change in restricted cash		(4,651)
NET CASH USED IN INVESTING ACTIVITIES		(18,495)
Cash Flows from Financing Activities:		
Issuance of convertible notes		200,000
Proceeds from debt		1,353,895
Repayment of debt		(1,562,684)
Excess income tax benefit from share-based compensation		269
Issuance of common stock and effect of cashless exercise		(584)
Debt issuance costs		(15,086)
NET CASH USED IN FINANCING ACTIVITIES		(24,190)
Net increase in cash and cash equivalents		70,651
Cash and cash equivalents at beginning of year		75,452
Cash and cash equivalents at end of year	$	146,103

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance - December 31, 2015	$ 49,073	$ 1,035,516	$ 377,803	$ (42,165)	$ 1,420,227
Net income	—	—	95,822	—	95,822
Other comprehensive loss	—	—	—	(3,248)	(3,248)
Tax effect of share-based compensation	—	(457)	—	—	(457)
Share-based compensation expense	—	13,423	—	—	13,423
Issuance of common stock, net	138	676	—	—	814
Convertible note proceeds allocated to conversion option, net	—	26,442	—	—	26,442
Balance - December 31, 2016	$ 49,211	$ 1,075,600	$ 473,625	$ (45,413)	$ 1,553,023

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the year ended December 31, 2016

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in compliance with accounting principles generally accepted in the United States of America ("GAAP") as codified in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC").

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries (the "Company"). The Company frequently forms joint ventures or partnerships with unrelated third parties for the execution of single contracts or projects. The Company assesses its joint ventures or partnerships at inception to determine if they meet the qualifications of a variable interest entity ("VIE") in accordance with ASC 810, *Consolidation*. If a joint venture or partnership is a VIE and the Company is the primary beneficiary, the joint venture or partnership is fully consolidated. For construction joint ventures that do not need to be consolidated, the Company accounts for its interest in the joint ventures using the proportionate consolidation method, whereby the Company's proportionate share of the joint ventures' assets, liabilities, revenue and cost of operations are included in the appropriate classifications in the Company's consolidated financial statements. All intercompany transactions and balances have been eliminated in consolidation.

(c) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available through the date of the issuance of the financial statements; therefore, actual results could differ from those estimates.

(d) Construction Contracts

The Company and its affiliated entities recognize construction contract revenue using the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. Cost of revenue includes an allocation of depreciation and amortization. Pre-contract costs are expensed as incurred. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined.

The Company generally provides limited warranties for work performed under its construction contracts with periods typically extending for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred.

The Company classifies construction-related receivables and payables that may be settled in periods exceeding one year from the balance sheet date as current, consistent with the length of time of its project operating cycle. For example:

- Costs and estimated earnings in excess of billings represent the excess of contract costs and profits (or contract revenue) over the amount of contract billings to date and are classified as a current asset.
- Billings in excess of costs and estimated earnings represent the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date and are classified as a current liability.

Costs and estimated earnings in excess of billings result when either: 1) the appropriate contract revenue amount has been recognized in accordance with the percentage-of-completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract, or 2) costs are incurred related to certain claims and unapproved change orders. Claims occur when there is a dispute regarding both a change in the scope of work and the price associated with that change. Unapproved change orders occur when a change in the scope of work results in additional work being performed before the parties have agreed on the corresponding change in the contract price. For both claims and unapproved change orders, the Company recognizes revenue, but not profit, when it is determined that recovery of incurred cost is probable and the amounts can be reliably estimated. For claims, these requirements are satisfied under ASC 605-35-25 when the contract or other evidence provides a legal basis for the claim, additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in the Company's performance, claim-related costs are identifiable and considered reasonable in view of the work performed, and evidence supporting the claim or change order is objective and verifiable.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

Reported costs and estimated earnings in excess of billings as of December 31, 2016 consists of the following (in thousands):

Claims	$ 477,425
Unapproved change orders	207,475
Other unbilled costs and profits	146,926
Total costs and estimated earnings in excess of billings	$ 831,826

The prerequisite for billing claims and unapproved change orders is the final resolution and agreement between the parties. The prerequisite for billing other unbilled costs and profits is provided in the defined billing terms of each of the applicable contracts. The amount of costs and estimated earnings in excess of billings as of December 31, 2016 estimated by management to be collected beyond one year is approximately $414.7 million.

(e) Changes in Estimates

The Company's estimates of contract revenue and cost are highly detailed and many factors change during a contract performance period that result in a change to contract profitability. These factors include, but are not limited to, differing site conditions; availability of skilled contract labor; performance of major material suppliers and subcontractors; on-going subcontractor negotiations and buyout provisions; unusual weather conditions; changes in the timing of scheduled work; change orders; accuracy of the original bid estimate; changes in estimated labor productivity and costs based on experience to date; achievement of incentive-based income targets; and the expected, or actual, resolution terms for claims. The factors that cause changes in estimates vary depending on the maturation of the project within its lifecycle. For example, in the ramp-up phase, these factors typically consist of revisions in anticipated project costs and during the peak and close-out phases, these factors include the impact of change orders and claims as well as additional revisions in remaining anticipated project costs. Generally, if the contract is at an early stage of completion, the current period impact is smaller than if the same change in estimate is made to the contract at a later stage of completion. Management evaluates changes in estimates on a contract by contract basis and discloses significant changes, if material, in the notes to the consolidated financial statements. The cumulative catch-up method is used to account for revisions in estimates.

(f) Depreciation of Property and Equipment and Amortization of Long-Lived Intangible Assets

Property and equipment and long-lived intangible assets are depreciated or amortized on a straight-line basis over their estimated useful lives ranging from three to forty years.

(g) Recoverability of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever circumstances indicate that the future cash flows generated by the assets might be less than the assets' net carrying value. In such circumstances, an impairment loss will be recognized by the amount the assets' net carrying value exceeds their fair value.

(h) Recoverability of Goodwill

The Company tests goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year, and between annual tests if events occur or circumstances change which suggest that goodwill should be reevaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. The Civil, Building and Specialty Contractors segments each represent a reporting unit. We perform our annual quantitative impairment assessment during the fourth quarter of each year using a weighted average of an income and a market approach. The income approach is based on estimated present value of future cash flows for each reporting unit. The market approach is based on assumptions about how market data relates to the Company. The weighting of these two approaches is based on their individual correlation to the economics of each reporting unit. The quantitative assessment performed in 2016 resulted in an estimated fair value for each of our reporting units that exceeded their respective net book values; therefore, no impairment charge was necessary for 2016.

(i) Recoverability of Non-Amortizable Trade Names

Certain trade names have an estimated indefinite life and are not amortized to earnings, but instead are reviewed for impairment annually, or more often if events occur or circumstances change which suggest that the non-amortizable trade names should be reevaluated. We perform our annual quantitative impairment assessment during the fourth quarter of each year using an income approach (relief from royalty method). The quantitative assessment performed in 2016 resulted in an estimated fair value for the non-amortizable trade names that exceeded their respective net book values; therefore, no impairment charge was necessary for 2016.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

(j) Income Taxes

Deferred income tax assets and liabilities are recognized for the effects of temporary differences between the financial statement carrying amounts and the income tax basis of assets and liabilities using tax rates expected to be in effect when such differences reverse. Income tax positions must meet a more-likely-than-not threshold to be recognized. The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision.

(k) Earnings Per Share

Basic EPS is calculated by dividing net income by the weighted-average number of common shares outstanding during the period. Potentially dilutive securities include restricted stock units and stock options. Diluted EPS reflects the assumed exercise or conversion of all dilutive securities using the treasury stock method. The calculations of the basic and diluted EPS for the year ended December 31, 2016 are presented below (in thousands, except per share data):

Net income	$ 95,822
Weighted-average common shares outstanding — basic	49,150
Effect of diluted stock options and unvested restricted stock	714
Weighted-average common shares outstanding — diluted	49,864
Net income per share:	
Basic	$ 1.95
Diluted	$ 1.92
Anti-dilutive securities not included above	1,132

With regard to diluted EPS and the impact of the Convertible Notes (as discussed in Note 5) on the diluted EPS calculation, because the Company has the intent and ability to settle the principal amount of the Convertible Notes in cash, per ASC 260, *Earnings Per Share,* the settlement of the principal amount has no impact on diluted EPS. ASC 260 also requires any potential conversion premium associated with the Convertible Notes' conversion option to be considered in the calculation of diluted EPS when the Company's average stock price, as defined in the indenture governing the Convertible Notes, is higher than 130% of the Convertible Notes' conversion rate of 33.0579 (or $39.32); however, this was not the case during the year ended December 31, 2016.

(l) Cash and Cash Equivalents and Restricted Cash

Cash equivalents include short-term, highly liquid investments with original maturities of three months or less when acquired. Cash and cash equivalents, as reported in the accompanying Consolidated Balance Sheet, consist of amounts held by the Company that are available for general purposes and the Company's proportionate share of amounts held by construction joint ventures that are available only for joint-venture-related uses, including future distributions to joint-venture partners. Restricted cash is primarily held to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit.

Cash and cash equivalents and restricted cash as of December 31, 2016 consisted of the following (in thousands):

Cash and cash equivalents	$ 49,539
Company's share of joint-venture cash and cash equivalents	96,564
Total cash and cash equivalents	$ 146,103
Restricted cash	$ 50,504

(m) Share-Based Compensation

The Company's long-term incentive plan allows the Company to grant share-based compensation awards in a variety of forms, including restricted and unrestricted stock units and stock options. Restricted stock units and stock options generally vest subject to service and/or performance requirements, with related compensation expense equal to the fair value of the award on the date of grant and recognized on a straight-line basis over the requisite service period. Unrestricted stock units are issued to the directors as part of their annual service fee, vest immediately and are expensed over a 12-month service period.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

(n) Insurance Liabilities

The Company typically utilizes third party insurance coverage subject to varying deductible levels with aggregate caps on losses retained. The Company assumes the risk for the amount of the deductible portion of the losses and liabilities primarily associated with workers' compensation and general liability coverage. In addition, on certain projects, the Company assumes the risk for the amount of the deductible portion of losses that arise from any subcontractor defaults. Losses are accrued based upon the Company's estimates of the aggregate liability for claims incurred using historical experience and certain actuarial assumptions followed in the insurance industry. The estimate of insurance liability within the deductible limits includes an estimate of incurred but not reported claims based on data compiled from historical experience.

(o) Other Comprehensive Income (Loss)

ASC 220, *Comprehensive Income*, establishes standards for reporting and displaying comprehensive income and its components in the consolidated financial statements. The Company reports the change in pension benefit plans assets/liabilities, cumulative foreign currency translation, change in fair value of investments and change in fair value of interest rate swap as components of accumulated other comprehensive loss ("AOCI").

The tax effects of the components of other comprehensive loss for the year ended December 31, 2016 are as follows (in thousands):

	Before-Tax Amount	Tax Benefit	Net-of-Tax Amount
Other comprehensive loss:			
Defined benefit pension plan adjustments	$ (4,452)	$ 1,829	$ (2,623)
Foreign currency translation adjustment	(439)	178	(261)
Unrealized loss in fair value of investments	(576)	236	(340)
Unrealized loss in fair value of interest rate swap	(45)	21	(24)
Total other comprehensive loss	$ (5,512)	$ 2,264	$ (3,248)

The changes in AOCI balances by component (after-tax) for the year ended December 31, 2016 are as follows (in thousands):

	Defined Benefit Pension Plan	Foreign Currency Translation	Unrealized Gain (Loss) in Fair Value of Investments	Unrealized Gain (Loss) in Fair Value of Interest Rate Swap	Accumulated Other Comprehensive Loss
Balance as of December 31, 2015	$ (38,242)	$ (4,603)	$ 656	$ 24	$ (42,165)
Other comprehensive loss before reclassifications	(3,722)	(261)	(340)	(24)	(4,347)
Amounts reclassified from AOCI	1,099	—	—	—	1,099
Balance as of December 31, 2016	$ (40,865)	$ (4,864)	$ 316	$ —	$ (45,413)

The significant items reclassified out of AOCI during the year ended December 31, 2016 and the corresponding location and impact on the Consolidated Statement of Operations are as follows (in thousands):

Component of AOCI:	Location in Consolidated Statement of Operations	
Defined benefit pension plan adjustments	Various accounts	$ 1,745
Income tax benefit	Provision for income taxes	(646)
Net of tax		$ 1,099

(p) New Accounting Pronouncements

In May 2014, the FASB issued new accounting guidance which amended the existing accounting standards for revenue recognition. The new accounting guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration to be received in exchange for those goods or services. The guidance will be effective for the Company as of January 1, 2018. The amendments may be applied retrospectively to each prior period presented or with the cumulative effect recognized as of the date of initial application (modified retrospective method). The Company is currently reviewing contracts within types of projects in order to determine the impact, if any, the adoption of this ASU will have on its consolidated financial statements. A number of industry-specific implementation issues are still unresolved and the final resolution

of certain of these issues could impact the Company's current accounting policies and/or revenue recognition patterns. The Company currently expects to adopt this new standard using the modified retrospective method.

In January 2017, The FASB issued ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment.* This ASU simplifies the calculation of goodwill impairment by eliminating Step 2 of the impairment test prescribed by ASC 350. Step 2 requires companies to calculate the implied fair value of their goodwill by estimating the fair value of their assets, other than goodwill, and liabilities, including unrecognized assets and liabilities, following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. The calculated net fair value of the assets would then be compared to the fair value of the reporting unit to determine the implied fair value of goodwill, and to the extent that the carrying value of goodwill was less than the implied fair value, a loss would be recognized. Under ASU 2017-04, however, goodwill is impaired when the calculated fair value of a reporting unit is less than its carrying value, and the impairment charge will equal that difference; i.e., impairment will be calculated at the reporting unit level and there will be no need to estimate the fair value of individual assets and liabilities. This guidance will be effective for the Company for any goodwill impairment tests performed in fiscal years beginning after December 15, 2019, however, early adoption is permitted for tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In the first quarter of 2016, the Company adopted ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30)* and applied the guidance retrospectively. This ASU requires companies to present, in the balance sheet, debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability, consistent with the presentation of debt discounts. In addition, the amortization of debt discounts is required to be presented as a component of interest expense.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic-842),* which amends the existing guidance in ASC 840 *Leases*. This amendment requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases. Other significant provisions of the amendment include (i) defining the "lease term" to include the non-cancellable period together with periods for which there is a significant economic incentive for the lessee to extend or not terminate the lease; (ii) defining the initial lease liability to be recorded on the balance sheet to contemplate only those variable lease payments that depend on an index or that are in substance "fixed"; and (iii) a dual approach for determining whether lease expense is recognized on a straight-line or accelerated basis, depending on whether the lessee is expected to consume more than an insignificant portion of the leased asset's economic benefits. This guidance will be effective for the Company as of January 1, 2019 and will be applied using the modified retrospective transition method for existing leases. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

In the fourth quarter of 2016, the Company elected to early adopt ASU 2015-17, *Balance Sheet Classification of Deferred Taxes (Subtopic 740-10)*, as allowed for by the guidance. This ASU requires entities to present all deferred tax assets and all deferred tax liabilities as noncurrent in a classified balance sheet. The Company applied the guidance retrospectively.

2. Consolidated Statement of Cash Flows

Below are the changes in other components of working capital, as shown in the Consolidated Statement of Cash Flows, and the supplemental disclosure of cash paid for interest and income taxes during the year ended December 31, 2016 (in thousands):

Decrease (Increase) in:	
Accounts receivable	$ (269,900)
Costs and estimated earnings in excess of billings	73,349
Other current assets	39,480
Increase (Decrease) in:	
Accounts payable	56,552
Billings in excess of costs and estimated earnings	42,926
Accrued expenses	(32,937)
Changes in other components of working capital	$ (90,530)
Cash paid during the year for:	
Interest	$ 47,403
Income taxes	$ 26,908

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

3. Fair Value Measurements

The fair value hierarchy established by ASC 820, *Fair Value Measurement*, prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1 — quoted prices in active markets for identical assets and liabilities
Level 2 — inputs other than Level 1 inputs that are observable, either directly or indirectly
Level 3 — unobservable inputs

The following table presents, for each of the fair value hierarchy levels required under ASC 820, the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2016 (in thousands):

		Fair Value Hierarchy		
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents [a]	$ 146,103	$ 146,103	$ —	$ —
Restricted cash [a]	50,504	50,504	—	—
Investments in lieu of customer retainage [b]	51,266	46,855	4,411	—
Total	$ 247,873	$ 243,462	$ 4,411	$ —

(a) Cash, cash equivalents and restricted cash consists primarily of money market funds with original maturity dates of three months or less measured using quoted market prices.
(b) Investments in lieu of customer retainage are classified as accounts receivable and are comprised of money market funds, U.S. Treasury Notes and other municipal bonds, the majority of which are rated Aa3 or better. The fair value of money market funds is measured using quoted market prices; therefore they are classified as Level 1 assets. The fair values of the U.S. Treasury Notes and municipal bonds are measured using readily available pricing sources for comparable instruments; therefore, they are classified as Level 2 assets.

The Company did not have material transfers between Levels 1 and 2 for either financial assets or liabilities during the year ended December 31, 2016.

The carrying values of receivables, payables, other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, are estimated to approximate fair value. Of the Company's long-term debt, the fair value of the 2010 Notes as of December 31, 2016 was $302.6 million and the fair value of the Convertible Notes was $228.4 million as of December 31, 2016; the fair values were determined using Level 1 inputs, specifically current observable market prices. The reported value of the Company's remaining long-term debt at December 31, 2016 approximates fair value.

The fair value of the liability component of the Convertible Notes as of the issuance date of June 15, 2016 was $153.2 million, which was determined using a binomial lattice approach based on Level 2 inputs, specifically quoted prices in active markets for similar debt instruments that do not have a conversion feature. See Note 5 for additional information related to the Company's Convertible Notes.

4. Goodwill and Other Intangible Assets

As of December 31, 2016, the Company had $585.0 million of goodwill allocated to its reporting units as follows: Civil, $415.3 million; Building, $13.5 million; and Specialty Contractors, $156.2 million. The balances presented include historical accumulated impairment of $76.7 million for the Civil segment and $411.3 million for the Building segment.

In addition, as of December 31, 2016, the Company had the following: (1) non-amortizable trade names with a carrying value of $50.4 million; (2) amortizable trade names with a gross carrying value of $51.1 million and accumulated amortization of $13.8 million; and (3) amortizable customer relationships with a gross carrying value of $23.2 million and accumulated amortization of $17.9 million.

Amortization expense related to amortizable intangible assets for the year ended December 31, 2016 totaled $3.5 million. Future amortization expense related to amortizable intangible assets will be approximately $3.5 million per year for the years 2017 through 2021.

The weighted-average amortization period for amortizable trade names and customer relationships is 20 years and 12 years, respectively.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

5. Financial Commitments

Long-Term Debt

Long-term debt as of December 31, 2016 consists of the following (in thousands):

Term Loan	$ 54,650
2014 Revolver	147,990
2010 Notes	298,120
Convertible Notes	152,668
Equipment financing and mortgages	101,558
Other indebtedness	4,533
Total debt	759,519
Less – current maturities	(85,890)
Long-term debt, net	$ 673,629

The following table reconciles the outstanding debt balance to the reported debt balances as of December 31, 2016 (in thousands):

	As of December 31, 2016		
	Outstanding Long-Term Debt	Unamortized Discount and Issuance Cost	Long-Term Debt, as reported
Term Loan	$ 57,000	$ (2,350)	$ 54,650
2014 Revolver	152,500	(4,510)	147,990
2010 Notes	300,000	(1,880)	298,120
Convertible Notes	200,000	(47,332)	152,668

2014 Credit Facility

On June 5, 2014, the Company entered into a Sixth Amended and Restated Credit Agreement (the "Original Facility," with subsequent amendments discussed herein, the "2014 Credit Facility") with Bank of America, N.A. as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. The 2014 Credit Facility provides for a $300 million revolving credit facility (the "2014 Revolver"), a $250 million Term Loan (the "Term Loan") and a sublimit for the issuance of letters of credit up to the aggregate amount of $150 million, all maturing on May 1, 2018. Borrowings under both the 2014 Revolver and the Term Loan bear interest based on either on Bank of America's prime lending rate or the London Interbank Offered Rate ("LIBOR"), each plus an applicable margin ranging from 1.25% to 3.00% contingent upon the latest Consolidated Leverage Ratio.

During the first half of 2016, the Company entered into two amendments to the Original Facility (the "Amendments"): Waiver and Amendment No. 1, entered into on February 26, 2016 ("Amendment No. 1"), and Consent and Amendment No. 2, entered into on June 8, 2016 ("Amendment No. 2"). In Amendment No. 1, the lenders waived the Company's violation of its consolidated leverage ratio covenant and consolidated fixed charge coverage ratio covenant. These violations were the result of the Company's financial results for the year ended December 31, 2015, which included the previously reported $23.9 million non-cash, pre-tax charge related to an adverse ruling on the Brightwater litigation matter in the third quarter of 2015, as well as $45.6 million of pre-tax charges in the third and fourth quarters of 2015 for various Five Star Electric projects. In Amendment No. 2, the lenders consented to the issuance of the Convertible Notes subject to certain conditions, including the prepayment of $125 million on the Term Loan and the paydown of $69 million on the 2014 Revolver, and consented to a potential sale transaction of one of the Company's business units in its Building segment, which the Company later decided not to sell.

In addition to the Amendments' provisions discussed above, the Amendments also modified other provisions and added new provisions to the Original Facility, and Amendment No. 2 superseded and modified some of the provisions of Amendment No. 1. The following reflects the more significant changes to the Original Facility and the results of the Amendments that are now reflected in the 2014 Credit Facility. Unless otherwise noted, the changes below were primarily the result of Amendment No. 1: (1) The Company may utilize LIBOR-based borrowings. (Amendment No. 1 precluded the use of LIBOR-based borrowings until the Company filed its compliance certificate for the fourth quarter of 2016; however, Amendment No. 2 negated this preclusion.) (2) The Company is subject to an increased rate on borrowings, with such rate being 100 basis points higher than the highest rate under the Original Facility if the Company's consolidated leverage ratio is greater than 3.50:1.00 but not more than 4.00:1.00, and an additional 100 basis points higher if the Company's consolidated leverage ratio is greater than 4.00:1.00. (3) The Company will be subject to increased commitment fees if the Company's consolidated leverage ratio is greater than 3.50:1.00. (4) The impact of the Brightwater litigation matter in the third quarter of 2015 is to be excluded from the calculation of the Company's consolidated leverage ratio and

consolidated fixed charge coverage ratio covenants. (5) Interest payments are due on a monthly basis; however, if the Company is in compliance with its consolidated leverage ratio and consolidated fixed charge coverage ratio covenants provided in the Original Facility as of December 31, 2016, the timing of interest payments will revert to the terms of the Original Facility. As of December 31, 2016, the Company is in compliance with its consolidated leverage ratio and consolidated fixed charge coverage ratio covenants provided in the Original Facility and the timing of our interest payments reverted back to the terms of the Original Facility, quarterly for the Term Loan and base rate borrowings and upon maturity for Eurodollar borrowings. (6) The accordion feature of the Original Facility, which would have allowed either an increase of $300 million in the 2014 Revolver or the establishment of one or more new term loan commitments, is no longer available. (7) The Company's maximum allowable consolidated leverage ratio was increased to 4.25:1.00 for the first, second and third quarters of 2016 after which it returns to the Original Facility's range of 3.25:1.00 to 3.00:1.00. (Amendment No. 1 increased the Company's maximum allowable consolidated leverage ratio covenant requirements to 4.25:1.00 for the first quarter of 2016 and 4.0:1.0 for the second and third quarters of 2016. Amendment No. 2 increased the maximum allowable consolidated leverage ratio covenant requirements to 4.25:1.00 for the second and third quarters of 2016.) (8) The Company is subject to additional covenants regarding its liquidity, including a cap on the cash balance in the Company's bank account and a weekly minimum liquidity requirement (based on specified available cash balances and availability under the 2014 Revolver). (9) The Company is required to achieve certain cumulative quarterly cash collection milestones, which were eased somewhat in Amendment No. 2. (10) The Company is required to make additional quarterly principal payments, which will be applied to the Term Loan balloon payment, with some of the payments based on a percentage of certain forecasted cash collections for the prior quarter. This change was effective in the fourth quarter of 2016. (11) The lenders' collateral package was increased by pledging to the lenders (i) the equity interests of each direct domestic subsidiary of the Company and (ii) 65% of the stock of each material first-tier foreign restricted subsidiary of the Company. (12) The 2014 Credit Facility will now mature on May 1, 2018, as opposed to June 5, 2019, the maturity date of the Original Facility.

As of December 31, 2016, there was $147.3 million available under the 2014 Revolver and the Company had utilized the 2014 Credit Facility for letters of credit in the amount of $0.2 million. The Company was in compliance with the financial covenants under the 2014 Credit Facility for the period ended December 31, 2016. As of December 31, 2016, the effective interest rate on the Term Loan and the 2014 Revolver was 4.68% and 5.05%, respectively.

2010 Senior Notes

In October 2010, the Company issued $300 million of 7.625% Senior Notes due November 1, 2018 (the "2010 Notes") in a private placement offering. Interest on the 2010 Notes is payable semi-annually on May 1 and November 1 of each year. The Company may redeem the 2010 Notes at par beginning on November 1, 2016, which was not exercised as of December 31, 2016. At the date of any redemption, any accrued and unpaid interest would also be due.

Convertible Notes

On June 15, 2016, the Company issued $200 million of 2.875% Convertible Senior Notes due June 15, 2021 (the "Convertible Notes") in a private placement offering.

To account for the Convertible Notes, the Company applied the provisions of ASC 470-20, *Debt with Conversion and Other Options*. ASC 470-20 requires issuers of certain convertible debt instruments that may be settled in cash upon conversion to separately account for the liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's nonconvertible debt borrowing rate. This is done by allocating the proceeds from issuance to the liability component based on the fair value of the debt instrument excluding the conversion feature, with the residual allocated to the equity component and classified in additional paid in capital. The $46.8 million difference between the principal amount of the Convertible Notes ($200.0 million) and the proceeds allocated to the liability component ($153.2 million) is treated as a discount on the Convertible Notes. This difference is being amortized as non-cash interest expense using the interest method, as discussed below under *Interest Expense*. The equity component, however, is not subject to amortization nor subsequent remeasurement.

In addition, ASC 470-20 requires that the debt issuance costs associated with a convertible debt instrument be allocated between the liability and equity components in proportion to the allocation of the debt proceeds between these two components. The debt issuance costs attributable to the liability component of the Convertible Notes ($5.1 million) are also treated as a discount on the Convertible Notes and amortized as non-cash interest expense. The debt issuance costs attributable to the equity component ($1.5 million) were netted with the equity component and will not be amortized.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

The following table presents information related to the liability and equity components of the Convertible Notes as of December 31, 2016 (in thousands):

Liability component:	
Principal	$ 200,000
Conversion feature	(46,800)
Allocated debt issuance costs	(5,051)
Amortization of discount and debt issuance costs (non-cash interest expense)	4,519
Net carrying amount	$ 152,668
Equity component:	
Conversion feature	$ 46,800
Allocated debt issuance costs	(1,543)
Net deferred tax liability	(18,815)
Net carrying amount	$ 26,442

The Convertible Notes, governed by the terms of an indenture between the Company and Wilmington Trust, National Association, as trustee, are unsecured obligations and do not contain any financial covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by the Company. The Convertible Notes bear interest at a rate of 2.875% per year, payable in cash semiannually in June and December.

Prior to January 15, 2021, the Convertible Notes will be convertible only under the following circumstances: (1) during the five business day period after any ten consecutive trading day period in which the trading price per $1,000 principal amount of Convertible Notes for such trading day was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; (2) during any calendar quarter commencing after the calendar quarter ending on September 30, 2016, if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion rate of 33.0579 (or $39.32), on each applicable trading day; or (3) upon the occurrence of specified corporate events. On or after January 15, 2021 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes, in multiples of $1,000 principal amount, at the option of the holder regardless of the foregoing circumstances.

The Convertible Notes will be convertible at an initial conversion rate of 33.0579 shares of the Company's common stock per $1,000 principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately $30.25. The conversion rate will be subject to adjustment for some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, the Company is required to increase, in certain circumstances, the conversion rate for a holder who elects to convert their Convertible Notes in connection with such a corporate event including customary conversion rate adjustments in connection with a "make-whole fundamental change" described in the indenture. Upon conversion, and at the Company's election, the Company may satisfy its conversion obligation by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock. As of December 31, 2016, none of the conversion provisions of the Convertible Notes have been triggered.

Equipment Financing and Mortgages

The Company has certain loans entered into for the purchase of specific property, plant and equipment and secured by the assets purchased. The aggregate balance of equipment financing loans was approximately $84.9 million at December 31, 2016 with interest rates ranging from 1.90% to 5.93% with equal monthly installment payments over periods up to ten years with additional balloon payments of $12.4 million in 2021 and $6.3 million in 2022 on the remaining loans outstanding at December 31, 2016. The aggregate balance of mortgage loans was approximately $16.7 million at December 31, 2016 with interest rates ranging from a fixed 2.50% to LIBOR plus 3% and equal monthly installment payments over periods up to seven years with additional balloon payments of $2.6 million in 2018, $2.9 million in 2021 and $6.7 million in 2023.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

The following table presents the future principal payments required under all of the Company's debt obligations, discussed above, including the terms of the Amendments (in thousands).

Year	
2017	$ 85,890
2018	478,583
2019	12,294
2020	5,378
2021	218,923
Thereafter	14,523
	815,591
Less: Unamortized Discount and Issuance Cost	(56,072)
Total	$ 759,519

Interest Expense

Interest Expense as reported in the Consolidated Statement of Operations for the year ended December 31, 2016 consists of the following (in thousands):

Cash interest expense:	
Interest on 2014 Credit Facility	$ 19,201
Interest on 2010 Senior Notes	22,875
Interest on Convertible Notes	3,115
Other interest	3,623
Total cash interest expense	48,814
Non-cash interest expense:[(a)]	
Amortization of debt issuance costs on 2014 Credit Facility	5,447
Amortization of discount and debt issuance costs on 2010 Senior Notes	1,002
Amortization of discount and debt issuance costs on Convertible Notes	4,519
Total non-cash interest expense	10,968
Total cash and non-cash interest expense	$ 59,782

(a) Non-cash interest expense produces effective interest rates that are higher than contractual rates; accordingly, the effective interest rates for the 2014 Credit Facility, the 2010 Senior Notes and the Convertible Notes are 9.86%, 7.99% and 9.39%, respectively.

Leases

The Company leases certain construction equipment, vehicles and office space under non-cancellable operating leases, with future minimum rent payments as of December 31, 2016 as follows (in thousands):

Year	
2017	$ 22,950
2018	13,612
2019	9,983
2020	7,417
2021	5,455
Thereafter	19,260
	78,677
Less - Sublease rental agreements	(3,150)
Total	$ 75,527

Rental expense under operating leases of construction equipment, vehicles and office space was $28.2 million in 2016.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

6. Income Taxes

Income before taxes for the year ended December 31, 2016 is summarized as follows (in thousands):

United States Operations	$ 128,072
Foreign Operations	21,043
Total	$ 149,115

The provision for income taxes for the year ended December 31, 2016 is as follows (in thousands):

Current expense:	
Federal	$ 43,850
State	13,039
Foreign	6,573
Total current	63,462
Deferred (benefit) expense:	
Federal	(3,054)
State	(5,302)
Foreign	(1,813)
Total deferred	(10,169)
Total provision	$ 53,293

The following table is a reconciliation of the Company's provision for income taxes at the statutory rates to the provision for income taxes at the Company's effective rate for the year ended December 31, 2016 (dollars in thousands).

	Amount	Rate
Federal income expense at statutory tax rate	$ 52,190	35.0 %
State income taxes, net of federal tax benefit	5,972	4.0
Officers' compensation	3,807	2.6
Domestic Production Activities Deduction	(4,018)	(2.7)
Impact of state tax rate changes on deferred taxes	(1,358)	(0.9)
Other	(3,300)	(2.3)
Provision for income taxes	$ 53,293	35.7 %

The Company's provision for income taxes and effective tax rate for the year ended December 31, 2016 were significantly impacted by rate changes associated with shifts of revenue affecting state apportionment as well as various return-to-provision and depreciation adjustments. The decrease in the state rate was applied to deferred tax balances, which further decreased the effective rate.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

The following is a summary of the significant components of the deferred tax assets and liabilities as of December 31, 2016 (in thousands):

Deferred Tax Assets	
Timing of expense recognition	$ 36,055
Net operating losses	10,140
Other, net	33,507
Deferred tax assets	79,702
Valuation allowance	(460)
Net deferred tax assets	79,242
Deferred Tax Liabilities	
Intangible assets, due primarily to purchase accounting	(34,679)
Fixed assets, due primarily to purchase accounting	(107,081)
Construction contract accounting	(12,564)
Joint ventures - construction	(29,609)
Other	(24,970)
Deferred tax liabilities	(208,903)
Net deferred tax liability	$ (129,661)

The net deferred tax liability as of December 31, 2016 is presented in the Consolidated Balance Sheet as follows (in thousands):

Deferred tax asset	$ 1,346
Deferred tax liability	(131,007)
Net deferred tax liability	$ (129,661)

The Company had a valuation allowance of $0.5 million as of December 31, 2016 for federal and state capital loss carryforwards as the ultimate utilization of this item was not likely.

The Company has not provided for deferred income taxes or foreign withholding tax on basis differences in its non-U.S. subsidiaries that result from undistributed earnings aggregating $19.7 million which the Company has the intent and the ability to reinvest in its foreign operations. Generally, the U.S. income taxes imposed upon repatriation of undistributed earnings would be reduced by foreign tax credits from foreign income taxes paid on the earnings. Determination of the deferred income tax liability on these basis differences is not reasonably estimable because such liability, if any, is dependent on circumstances existing if and when remittance occurs.

The Company's policy is to record interest and penalties on unrecognized tax benefits as an element of income tax expense. The cumulative amounts related to interest and penalties are added to the total unrecognized tax liabilities on the balance sheet. The total amount of gross unrecognized tax benefits as of December 31, 2016 that, if recognized, would affect the effective tax rate is $7.6 million. During 2016, the Company recognized a net increase of $4.0 million in liabilities. The Company does not expect any significant release of unrecognized tax benefits within the next twelve months.

The Company accounts for its uncertain tax positions in accordance with GAAP. A reconciliation of the beginning and ending amounts of these tax benefits for the year ended December 31, 2016 is as follows (in thousands):

Beginning balance	$ 3,612
Change in tax positions of prior years	3,543
Change in tax positions of current year	419
Reduction in tax positions for statute expirations	—
Ending Balance	$ 7,574

We conduct business internationally and, as a result, one or more of our subsidiaries files income tax returns in U.S. federal, U.S. state and certain foreign jurisdictions. Accordingly, in the normal course of business, we are subject to examination by taxing authorities principally throughout the United States, Guam and Canada. We are no longer under examination by the taxing authority regarding any U.S. federal income tax returns for years before 2011 while the years open for examination under various state and local jurisdictions vary.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

7. Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its customers have made claims arising from the performance under their contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, assets and liabilities may change in the future due to various factors. Management believes that, based on current information and discussions with the Company's legal counsel, the ultimate resolution of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations, or cash flows.

Several matters are in the litigation and dispute resolution process. The following discussion provides a background and current status of the more significant matters.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange project for the New York State Department of Transportation (the "NYSDOT"). The $130 million project was substantially completed in January 2004 and was accepted by the NYSDOT as complete in February 2006. The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, seeking damages in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT which resulted in an amount of $0.5 million payable to the Company and formally closed out the project allowing the Company to re-file its claim. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012. In May 2012, the NYSDOT served its answer and counterclaims in the amount of $151 million alleging fraud in the inducement and punitive damages related to disadvantaged business enterprise ("DBE") requirements for the project. The Court subsequently ruled that NYSDOT's counterclaims may only be asserted as a defense and offset to the Company's claims and not as affirmative claims. In November 2014, the Appellate Division First Department affirmed the dismissal of the City's affirmative defenses and affirmative counterclaims based on DBE fraud. The Company does not expect the counterclaims to have any material effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Fontainebleau Matter

Desert Mechanical Inc. ("DMI") and Fisk Electric Company ("Fisk"), wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida. Fontainebleau is headquartered in Miami, Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc., the general contractor, in the 8th Judicial District Court, Clark County, Nevada (the "District Court"), and in May 2010, the court entered an order in favor of DMI for approximately $45 million.

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC, and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens, there was approximately $125 million set aside from this sale, which is available for distribution to satisfy the creditor claims based on seniority. At that time, the total estimated sustainable lien amount was approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court ruled in October 2012 in an advisory opinion at the request of the Bankruptcy Court that lien priorities would be determined in favor of the mechanic lien holders under Nevada law.

In October 2013, a settlement was reached by and among the Statutory Lienholders and the other interested parties. The Bankruptcy Court appointed a mediator to facilitate the execution of that settlement agreement. Settlement discussions are ongoing.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges project for the City of New York (the "City"). In June 2003, after substantial completion of the project, the Company initiated an action to recover $8.8 million in claims against the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6 million and other relief, alleging fraud in connection with the DBE requirements for the project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. In August 2013, the Court granted the Company's motion to dismiss the City's affirmative defenses and counterclaims relating to fraud.

In January 2017, the Court granted the City's motion for summary judgment and dismissed the Company's claim against the City of New York. The Company has filed a notice of appeal. The Court also granted the Company's motion for summary judgment for release of retention plus interest from 2010 for an aggregate amount of approximately $1.1 million.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, contracted to construct a timeshare development project in Las Vegas which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in the amount of $23.2 million, and filed its complaint with the District Court, Clark County, Nevada. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. WPH has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs, and liquidated damages. WPH revised the amount of their counterclaims to approximately $45 million.

Following multiple post-trial motions, final judgment was entered in this matter on March 20, 2014. TSC was awarded total judgment in the amount of $19.7 million on its breach of contract claim, which includes an award of interest up through the date of judgment, plus attorney's fees and costs. WPH has paid $0.6 million of that judgment. WPH was awarded total judgment in the amount of $3.1 million on its construction defect claims, which includes interest up through the date of judgment. The awards are not offsetting. WPH and its Sureties have filed a notice of appeal. TSC has filed a notice of appeal on the defect award. In July 2014, the Court ordered WPH to post an additional supersedeas bond on appeal, in the amount of $1.7 million, in addition to the lien release bond of $22.3 million, which increases the security up to $24.0 million. The Nevada Supreme Court has not yet ruled on this matter.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

U.S. Department of Commerce, National Oceanic and Atmospheric Administration Matter

Rudolph and Sletten, Inc. ("R&S"), a wholly owned subsidiary of the Company, entered into a contract with the United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") for the construction of a 287,000 square-foot facility for NOAA's Southwest Fisheries Science Center Replacement Headquarters and Laboratory in La Jolla, California. The contract work began on May 24, 2010, and was substantially completed in September 2012. R&S incurred significant additional costs as a result of a design that contained errors and omissions, NOAA's unwillingness to correct design flaws in a timely fashion and a refusal to negotiate the time and pricing associated with change order work.

R&S has filed three certified claims against NOAA for contract adjustments related to the unresolved Owner change orders, delays, design deficiencies and other claims. The First Certified Claim was submitted on August 20, 2013, in the amount of $26.8 million

("First Certified Claim") and the Second Certified Claim was submitted on October 30, 2013, in the amount of $2.6 million ("Second Certified Claim") and the Third Certified Claim was submitted on October 1, 2014 in the amount of $0.7 million ("Third Certified Claim").

NOAA requested an extension to issue a decision on the First Certified Claim and on the Third Certified Claim, but did not request an extension of time to review the Second Certified Claim. On January 6, 2014, R&S filed suit in the United States Federal Court of Claims on the Second Certified Claim plus interest and attorney's fees and costs. This was followed by a submission of a lawsuit on the First Certified Claim on July 31, 2014. In February 2015, the Court denied NOAA's motion to dismiss the Second Certified Claim. In March 2015, the Contracting Officer issued decisions on all Claims accepting a total of approximately $1.0 million of claims and denying approximately $29.5 million of claims. On April 14, 2015, the Court consolidated the cases. Trial is scheduled to commence in December 2017.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Five Star Electric Matter

In the third quarter of 2015, Five Star Electric Corp. ("Five Star"), a subsidiary of the Company that was acquired in 2011, entered into a tolling agreement related to an ongoing investigation being conducted by the United States Attorney for the Eastern District of New York ("USAO EDNY"). The tolling agreement extended the statute of limitations to avoid the expiration of any unexpired statute of limitations while the investigation is pending. Five Star has been cooperating with the USAO EDNY since late June 2014, when it was first made aware of the investigation, and has been providing information related to its use of certain minority-owned, women-owned, small and disadvantaged business enterprises and, in addition, most recently, information regarding certain of Five Star's employee compensation, benefit and tax practices. The investigation covers the period of 2005-2014.

The Company cannot predict the ultimate outcome of the investigation and cannot accurately estimate any potential liability that Five Star or the Company may incur or the impact of the results of the investigation on Five Star or the Company.

Alaskan Way Viaduct Matter

In January 2011, Seattle Tunnel Partners ("STP"), a joint venture between Dragados USA, Inc. and the Company, entered into a design-build contract with the Washington State Department of Transportation ("WSDOT") for the construction of a large diameter bored tunnel in downtown Seattle, King County, Washington to replace the Alaskan Way Viaduct, also known as State Route 99.

The construction of the large diameter bored tunnel requires the use of a tunnel boring machine ("TBM"). In December 2013, the TBM struck a steel pipe, installed by WSDOT as a well casing for an exploratory well. The TBM was damaged and was required to be shut down for repair. STP has asserted that the steel pipe casing was a differing site condition that WSDOT failed to properly disclose. The Disputes Review Board mandated by the contract to hear disputes issued a decision finding the steel casing was a Type I differing site condition. WSDOT has not accepted that finding.

The TBM is insured under a Builder's Risk Insurance Policy ("the Policy") with Great Lakes Reinsurance (UK) PLC and a consortium of other insurers (the "Insurers"). STP submitted the claims to the insurer and requested interim payments under the Policy. The Insurers refused to pay and denied coverage. In June 2015, STP filed a lawsuit in the King County Superior Court, State of Washington ("Washington Superior Court") seeking declaratory relief concerning contract interpretation as well as damages as a result of the Insurers' breach of its obligations under the terms of the Policy. WSDOT is deemed a plaintiff since WSDOT is an insured under the Policy and had filed its own claim for damages. Hitachi, the manufacturer of the TBM, has also joined the case as a plaintiff for costs incurred to repair the damages to the TBM. Trial is scheduled for June 2018.

In March 2016, WSDOT filed a complaint against STP in Thurston County Superior Court for breach of contract alleging STP's delays and failure to perform and declaratory relief concerning contract interpretation. STP filed its answer to WSDOT's complaint and filed a counterclaim against WSDOT and against the manufacturer of the TBM. Trial is set for June 2018.

As of December 31, 2016, the Company has concluded that the potential for a material adverse financial impact due to the Insurer's and WSDOT's respective legal actions is neither probable nor remote. With respect to STP's counterclaim, management has included an estimate of the total anticipated recovery, concluded to be both probable and reliably estimable, in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

8. Share-Based Compensation

The Amended and Restated Tutor Perini Corporation Long-Term Incentive Plan (the "Plan") provides for various types of share-based grants, including restricted and unrestricted stock units and stock options. Restricted and unrestricted stock units give the holder the right to exchange their stock units for shares of the Company's common stock on a one-for-one basis. Stock options give the holder the right to purchase shares of the Company's common stock at an exercise price equal to the fair value of the Company's common stock on the date of the stock option's award. Restricted stock units and stock options are usually subject to certain service and performance conditions and may not be sold or otherwise transferred until those restrictions have been satisfied; however, unrestricted stock units have no such restrictions. The term for stock options is limited to 10 years from the date of grant. As of December 31, 2016, there were 327,584 shares available to be granted under the Company's share-based compensation plan.

Many of the awards issued under the Plan contain separate tranches, each for a separate performance period and each with a performance target to be established subsequent to the award date; accordingly, the tranches are accounted for under ASC 718 *Stock Compensation* ("ASC 718") as separate grants, with the grant date being the date the performance targets for a given tranche are established and communicated to the grantee. Similarly, for these awards, compliance with the requirements of the Plan is also based on the number of units granted in a given year, as determined by ASC 718, rather than the number of units awarded in a given year. As a result, as of December 31, 2016, the Company had outstanding awards with 448,000 restricted stock units and 448,000 stock options that had not been granted yet. These units will be granted in 2017, 2018 and 2019 when the performance targets for those respective years are established.

The following table summarizes restricted stock unit and stock option activity during the year ended December 31, 2016:

	Restricted Stock Units		Stock Options	
	Number	Weighted-Average Grant Date Fair Value Per Share	Number	Weighted-Average Exercise/ (Strike) Price Per Share
Outstanding as of December 31, 2015	725,597	$ 25.28	1,998,000	$ 19.62
Granted	483,387	19.14	274,000	16.20
Vested/exercised	(52,500)	18.74	(97,500)	12.72
Outstanding as of December 31, 2016	1,156,484	$ 22.64	2,174,500	$ 19.50

The following table summarizes unrestricted stock units issued to the members of the Company's Board of Directors during the year ended December 31, 2016 as part of their annual retainers:

	Unrestricted Stock Units	
Year	Number	Weighted-Average Grant Date Fair Value Per Share
2016	64,603	$21.67

The fair value of unrestricted stock units issued during 2016 was approximately $1.4 million.

The fair value of restricted stock units that vested during 2016 was approximately $1.0 million. The aggregate intrinsic value, representing the difference between the market value on the date of exercise and the option price of the stock options exercised during 2016 was $1.1 million. As of December 31, 2016, the balance of unamortized restricted stock and stock option expense was $6.5 million and $0.7 million, respectively, which will be recognized over weighted-average periods of 1.3 years for restricted stock units and 0.5 years for stock options.

The 2,174,500 outstanding stock options as of December 31, 2016 had an intrinsic value of $18.5 million and a weighted-average remaining contractual life of 4.3 years. Of those outstanding options: 1) 1,402,500 were exercisable with an intrinsic value of $11.3 million, a weighted-average exercise price of $19.95 per share and a weighted-average remaining contractual life of 3.1 years; and

2) 772,000 have been granted but have not vested, of which 756,876 are expected to vest and have an intrinsic value of $7.2 million, a weighted-average exercise price of $18.49 and a weighted-average remaining contractual life of 6.5 years.

The fair value on the grant date and the significant assumptions used in the Black-Scholes option-pricing model for stock option awards granted during 2016 are as follows:

Total stock options granted		274,000
Weighted-average grant date fair value	$	5.31
Weighted-average assumptions:		
Risk-Free Rate		1.2 %
Expected life of options[a]		4.2
Expected volatility[b]		40.6 %
Expected quarterly dividends	$	—

(a) Calculated using the simplified method due to the terms of the stock options and the limited pool of grantees.
(b) Calculated using historical volatility of the Company's common stock over periods commensurate with the expected life of the option.

For the year ended December 31, 2016, the Company recognized, as part of general and administrative expense, costs for stock-based payment arrangements for both employees of $13.4 million and non-employee directors of $1.4 million with related aggregate tax benefit of $6.1 million.

9. Employee Benefit Plans

Defined Benefit Pension Plan

The Company has a defined benefit pension plan that covers certain of its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The plan is noncontributory and benefits are based on an employee's years of service and "final average earnings," as defined by the plan. The plan provides reduced benefits for early retirement and takes into account offsets for social security benefits. The Company also has an unfunded supplemental retirement plan ("Benefit Equalization Plan") for certain employees whose benefits under the defined benefit pension plan were reduced because of compensation limitations under federal tax laws. Effective June 1, 2004, all benefit accruals under the Company's pension plan and Benefit Equalization Plan were frozen; however, the current vested benefit was preserved. Pension disclosure as presented below includes aggregated amounts for both of the Company's plans, except where otherwise indicated.

The Company historically has used the date of its year-end as its measurement date to determine the funded status of the plan.

The long-term investment goals of our plan are to manage the assets in accordance with the legal requirements of all applicable laws; produce investment returns which maximize return within reasonable and prudent levels of risks; and achieve a fully funded status with regard to current pension liabilities. Some risk must be assumed in order to achieve the investment goals. Investments with the ability to withstand short and intermediate term variability are considered and some interim fluctuations in market value and rates of return are tolerated in order to achieve the plan's longer-term objectives.

The pension plan's assets are managed by a third-party investment manager. The Company monitors investment performance and risk on an ongoing basis.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

A summary of net periodic benefit cost for the year ended December 31, 2016 is as follows (in thousands):

Interest cost	$ 4,153
Service cost	600
Expected return on plan assets	(4,803)
Recognized net actuarial losses	1,745
Net periodic benefit cost	$ 1,695
Actuarial assumptions used to determine net cost:	
Discount rate	4.10 %
Expected return on assets	6.00 %
Rate of increase in compensation	N/A

The target asset allocation for the Company's pension plan by asset category for 2017 and the actual asset allocation as of December 31, 2016 by asset category are as follows:

	Percentage of Plan Assets	
Asset Category	Target Allocation 2017	Actual Allocation 2016
Cash	5 %	4 %
Equity securities:		
Domestic	50	47
International	25	28
Fixed income securities	20	21
Total	100 %	100 %

As of December 31, 2016, plan assets included approximately $39.1 million of investments in hedge funds and equity partnerships which do not have readily determinable fair values. The underlying holdings of the funds were comprised of a combination of assets for which the estimate of fair value is determined using information provided by fund managers.

The Company expects to contribute approximately $2.6 million to its defined benefit pension plan in 2017.

Future benefit payments under the plans are estimated as follows (in thousands):

Year ended December 31,	
2017	$ 6,488
2018	6,632
2019	6,691
2020	6,717
2021	6,732
Thereafter	32,722
Total	$ 65,982

The following tables provide a reconciliation of the changes in the fair value of plan assets and plan benefit obligations during 2016, and a summary of the funded status as of December 31, 2016 (in thousands).

Change in Fair Value of Plan Assets	
Balance at beginning of year	$ 72,296
Actual return on plan assets	(1,909)
Company contribution	2,025
Benefit payments	(6,355)
Balance at end of year	$ 66,057

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

Change in Benefit Obligations	
Balance at beginning of year	$ 105,942
Interest cost	4,153
Service cost	600
Assumption change (gain) loss	308
Actuarial (gain) loss	(967)
Benefit payments	(6,355)
Balance at end of year	$ 103,681
Funded status	$ (37,624)
Amounts recognized in Consolidated Balance Sheet consist of:	
Current liabilities	$ (271)
Long-term liabilities	(37,353)
Net amount recognized in Consolidated Balance Sheet	$ (37,624)
Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive loss	
Net actuarial loss	$ (61,132)
Cumulative Company contributions in excess of net periodic benefit cost	23,508
Net amount recognized in Consolidated Balance Sheet	$ (37,624)

The change in actuarial loss during the period resulting from changed assumptions was $4.3 million in 2016.

The estimated amount of the net accumulated loss that will be amortized from accumulated other comprehensive loss into net period benefit cost in 2017 is $1.8 million.

The discount rate used in determining the accumulated post-retirement benefit obligation was 3.9% as of December 31, 2016. The discount rate used for the accumulated post-retirement obligation was derived using a blend of U.S. Treasury and high-quality corporate bond discount rates.

The expected long-term rate of return on assets assumption was 6.0% for 2016. The expected long-term rate of return on assets assumption was developed considering forward looking capital market assumptions and historical return expectations for each asset class assuming the plans' target asset allocation and full availability of invested assets.

Fund strategies seek to capitalize on inefficiencies identified across different asset classes or markets. Hedge fund strategy types include long-short, event-driven, multi-strategy, equity partnerships and distressed credit.

Plan assets were measured at fair value. The following provides a description of the valuation techniques employed for each major asset class: Corporate equities were valued at the closing price reported on the active market on which the individual securities were purchased.

Registered investment companies are public investment vehicles valued using the Net Asset Value (NAV) of shares held by the plan at year-end. Closely held funds held by the plan, which are only available through private offerings, do not have readily determinable fair values. Estimates of fair value of these funds were determined using the information provided by the fund managers and it is generally based on the net asset value per share or its equivalent. Corporate bonds were valued based on market values quoted by dealers who are market makers in these securities, and by independent pricing services which use multiple valuation techniques that incorporate available market information and proprietary valuation models using market characteristics, such as benchmark yield curve, coupon rates, credit spreads, estimated default rates and other features.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

The following table sets forth the plan assets as of December 31, 2016 at fair value in accordance with the fair value hierarchy described in Note 3 (in thousands):

		Fair Value Hierarchy		
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 2,437	$ 2,437	$ —	$ —
Fixed Income	14,023	14,023	—	—
Equities	—	—	—	—
Mutual Funds	10,489	10,489	—	—
	$ 26,949	$ 26,949	$ —	$ —
Closely held funds[(a)]				
Equity Partnerships	6,931			
Hedge Fund Investments	32,177			
Total closely held funds[(a)]	39,108			
Total	$ 66,057	$ 26,949	$ —	$ —

(a) Closely held funds in private investment were measured at fair value using NAV and were not categorized in the fair value hierarchy. Although the investments were not categorized within the fair value hierarchy, the holdings of these private investment funds were comprised of a combination of Level 1, 2 and 3 investments, but were not categorized in the fair value hierarchy because they were measured at NAV using the practical expedient. This is a change from prior years' presentation as there is no longer a requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the NAV per share practical expedient.

The plans have benefit obligations in excess of the fair value of each plan's assets as of December 31, 2016 detailed as follows (in thousands):

	Pension Plan	Benefit Equalization Plan	Total
Projected benefit obligation	$ 100,336	$ 3,345	$ 103,681
Accumulated benefit obligation	100,336	3,345	103,681
Fair value of plans' assets	66,057	—	66,057
Projected benefit obligation greater than fair value of plans' assets	$ 34,279	$ 3,345	$ 37,624
Accumulated benefit obligation greater than fair value of plans' assets	$ 34,279	$ 3,345	$ 37,624

Section 401(k) Plans

The Company has several contributory Section 401(k) plans which cover its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The 401(k) expense provision was $4.0 million for the year ended December 31, 2016. The Company's contribution is based on a non-discretionary match of employees' contributions, as defined by each plan.

Cash-Based Compensation Plans

The Company has multiple cash-based compensation plans and a share-based incentive compensation plan for key employees, which are generally based on the Company's achievement of a certain level of profit. For information on the Company's share-based incentive compensation plan, see Note 8.

Multiemployer Plans

In addition to the Company's defined benefit pension and contribution plans discussed above, the Company participates in multiemployer pension plans for its union construction employees. Contributions are based on the hours worked by employees covered under various collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is only liable for its proportionate share of a plan's unfunded vested liability upon termination, or withdrawal from, a plan. The Company currently has no intention of withdrawing from any of the multiemployer pension plans in which it participates and, therefore, has not recognized a liability for its proportionate share of any unfunded vested liabilities associated with these plans.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

The following tables summarize key information for the plans that the Company had significant involvement with during the year ended December 31, 2016.

Pension Fund	EIN/Pension Plan Number	Pension Protections Act Zone Status 2016	FIP/RP Status Pending Or Implemented	Company Contributions[a] (in millions)	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
The Pension, Hospitalization and Benefit Plan of the Electrical Industry - Pension Trust Fund	13-6123601/001	Green	N/A	$15.8	No	5/31/2019
Laborers Pension Trust Fund for Northern California	94-6277608	Yellow	Implemented	5.6	No	6/30/2019
Carpenters Pension Trust Fund for Northern California	94-6050970	Red	Implemented	4.4	No	6/30/2019
Excavators Union Local 731 Pension Fund	13-1809825/002	Green	N/A	4.2	No	4/30/2022
Steamfitters Industry Pension Fund	13-6149680/001	Green	N/A	3.9	No	6/30/2017
Iron Workers Locals 40, 361 & 417 Pension Fund	51-6102576/001	Green	Implemented	3.8	No	6/30/2020
Local 147 Construction Workers Retirement Fund	13-6528181	Green	N/A	3.7	No	6/30/2018
Southern California Gunite Workers Pension Fund	95-4354179	Green	N/A	3.5	No	6/30/2019

(a) The Company's contributions as a percentage of total plan contributions were not available for any of our plans.

In addition to the individually significant plans described above, the Company also contributed approximately $38.8 million to other multiemployer pension plans during the year ended December 31, 2016.

10. Business Segments

The Company offers general contracting, pre-construction planning and comprehensive project management services, including planning and scheduling of manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. The Company also offers self-performed construction services: site work, concrete forming and placement, steel erection, electrical, mechanical, plumbing and heating, ventilation and air conditioning (HVAC). As described below, our business is conducted through three segments: Civil, Building and Specialty Contractors. These segments are determined based on how the Company's Chairman and Chief Executive Officer (chief operating decision maker) aggregates business units when evaluating performance and allocating resources.

The Civil segment specializes in public works construction and the replacement and reconstruction of infrastructure. The civil contracting services include construction and rehabilitation of highways, bridges, tunnels, mass-transit systems, and water management and wastewater treatment facilities.

The Building segment has significant experience providing services to a number of specialized building markets for private and public works customers, including the high-rise residential, hospitality and gaming, transportation, health care, commercial and government offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical, industrial and high-tech markets.

The Specialty Contractors segment specializes in electrical, mechanical, plumbing, HVAC, fire protection systems and pneumatically placed concrete for a full range of civil and building construction projects in the industrial, commercial, hospitality and gaming, and mass-transit end markets. This segment provides the Company with unique strengths and capabilities that allow the Company to position itself as a full-service contractor with greater control over scheduled work, project delivery and risk management.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

The following table sets forth certain reportable segment information relating to the Company's operations for the year ended December 31, 2016 (in thousands).

	Reportable Segments					
	Civil	Building	Specialty Contractors	Segment Total	Corporate	Consolidated Total
Total revenue	$ 1,830,857	$ 2,146,747	$ 1,234,272	$ 5,211,876	$ —	$ 5,211,876
Elimination of intersegment revenue	(161,894)	(76,906)	—	(238,800)	—	(238,800)
Revenue from external customers	$ 1,668,963	$ 2,069,841	$ 1,234,272	$ 4,973,076	$ —	$ 4,973,076
Income from construction operations	$ 172,668	$ 51,564	$ 37,908	$ 262,140	$ (60,220)[a]	$ 201,920
Capital expenditures	$ 13,541	$ 516	$ 1,005	$ 15,062	$ 681	$ 15,743
Depreciation and amortization [b]	$ 48,561	$ 2,186	$ 5,035	$ 55,782	$ 11,520	$ 67,302

(a) Consists primarily of corporate general and administrative expenses.
(b) Depreciation and amortization is included in income from construction operations.

During the year ended December 31, 2016, the Company recorded the following offsetting adjustments in the Specialty Contractors segment: a favorable adjustment of $14.0 million for a completed project ($0.17 per diluted share) and an unfavorable adjustment of $13.8 million for a project that is substantially complete ($0.16 per diluted share).

The above were the only changes in estimates considered material to the Company's results of operations during the period presented herein.

The following table sets forth the total assets for the reportable segments as of December 31, 2016 (in thousands).

Civil	$ 2,152,123
Building	917,317
Specialty Contractors	813,851
Corporate and other [a]	155,329
Total Assets	$ 4,038,620

(a) Consists principally of cash, equipment, tax-related assets and insurance-related assets, offset by the elimination of assets related to intersegment revenue.

Geographic Information

Information concerning principal geographic areas as of and for the year ended December 31, 2016 is as follows (in thousands):

Revenue:	
United States	$ 4,802,393
Foreign and U.S. territories	170,683
Total	$ 4,973,076
Assets:	
United States	$ 3,911,865
Foreign and U.S. territories	126,755
Total Assets	$ 4,038,620

Reconciliation of Segment Information to Consolidated Amounts

The following table reconciles segment results to the consolidated income before income taxes for the year ended December 31, 2016 (in thousands).

Income from construction operations	$ 201,920
Other income, net	6,977
Interest expense	(59,782)
Income before income taxes	$ 149,115

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
As of and for the year ended December 31, 2016

11. Related Party Transactions

The Company leases certain facilities from an entity owned by Ronald N. Tutor, the Company's Chairman and Chief Executive Officer, at market lease rates. Under these leases the Company paid $2.8 million and recognized expense of $3.2 million for the year ended December 31, 2016.

Raymond R. Oneglia, Vice Chairman of O&G Industries, Inc. ("O&G"), is a director of the Company. The Company occasionally forms construction project joint ventures with O&G, and O&G often provides equipment and services for the projects on customary trade terms. Currently, the Company has a 30% interest in a joint venture for a highway construction project. The payments made by the joint venture to O&G during the year ended December 31, 2016 were immaterial.

Peter Arkley, Senior Managing Director, Construction Services Group, of Alliant Insurance Services, Inc. ("Alliant"), is a director of the Company. The Company uses Alliant for various insurance related services. The associated expense for services provided for the year ended December 31, 2016 was $8.9 million. The Company owed Alliant $5.2 million as of December 31, 2016 for services rendered.

SUPPLEMENTAL CONSOLIDATING INFORMATION

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
ASSETS																	
CURRENT ASSETS:																	
Cash	$ 80,831	$ 1,021	$ 1,065	$ 17,492	$ 10,033	$ 47	$ 1	$ 1,169	$ —	$ —	$ 2,425	$ 303	$ 19,218	$ 12,297	$ 201	$ —	$ 146,103
Restricted cash	2,016	—	—	—	401	—	—	—	—	—	—	—	—	1,810	46,277	—	50,504
Accounts receivable, including retainage	405,095	44,727	26,405	78,445	78,831	11,989	108,352	21,141	293,516	96,813	42,813	13,741	29,050	615,519	108,382	(231,519)	1,743,300
Costs and estimated earnings in excess of billings	115,788	75,526	40,935	69,497	14,725	2,969	19,091	13,034	26,741	82,943	21,667	32,030	3,494	380,619	152	(67,385)	831,826
Intercompany notes and receivables	—	—	—	—	—	—	—	—	50,895	—	—	13,743	—	6	—	(64,644)	—
Other current assets	75,742	678	343	4,356	10,543	351	2,648	37	4,385	3,596	1,115	—	6,723	6,177	8,082	(58,753)	66,023
Total current assets	679,472	121,952	68,748	169,790	114,533	15,356	130,092	35,381	375,537	183,352	68,020	59,817	58,485	1,016,428	163,094	(422,301)	2,837,756
PROPERTY AND EQUIPMENT, at cost																	
Land	4,090	—	2,407	492	1,771	—	15,396	—	4,456	—	124	—	8,874	3,284	488	—	41,382
Building and improvements	22,160	—	4,421	1,798	2,663	—	23,547	852	13,236	1,888	3,907	—	12,346	24,015	13,324	—	124,157
Construction equipment	52,015	8,294	14,409	59,840	50,201	22,725	1,415	297	4,910	—	48	—	24,519	7,225	198,255	—	444,153
Other equipment	62,576	70,326	2,644	1	9,627	32	3,678	1,080	9,084	1,864	2,990	183	5,218	9,035	3,379	—	181,717
	140,841	78,620	23,881	62,131	64,262	22,757	44,036	2,229	31,686	3,752	7,069	183	50,957	43,559	215,446	—	791,409
Less accumulated depreciation	(66,103)	(24,262)	(10,836)	(23,270)	(26,909)	(4,032)	(8,083)	(1,599)	(19,123)	(2,492)	(3,583)	(90)	(21,726)	(18,681)	(82,994)	—	(313,783)
Total property and equipment, net	74,738	54,358	13,045	38,861	37,353	18,725	35,953	630	12,563	1,260	3,486	93	29,231	24,878	132,452	—	477,626
INTERCOMPANY NOTES AND RECEIVABLES	—	—	13,832	1	170,521	—	368,561	5,402	138,921	—	—	182,029	10,284	44,005	30,864	(964,420)	—
GOODWILL	571,519	—	—	—	—	—	—	—	—	—	—	—	—	13,487	—	—	585,006
INTANGIBLE ASSETS, NET	92,997	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	92,997
INVESTMENTS IN SUBSIDIARIES	1,812,845	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,812,845)	—
OTHER ASSETS	44,733	3,274	—	—	—	—	3	590	—	9,056	14,680	100	1,827	6,585	54	(35,667)	45,235
TOTAL ASSETS	$ 3,276,304	$ 179,584	$ 95,625	$ 208,652	$ 322,407	$ 34,081	$ 534,609	$ 42,003	$ 527,021	$ 193,668	$ 86,186	$ 242,039	$ 99,827	$ 1,105,383	$ 326,464	$ (3,235,233)	$ 4,038,620
LIABILITIES AND STOCKHOLDERS' EQUITY																	
CURRENT LIABILITIES:																	
Current maturities of long-term debt	$ 122,166	$ 2,426	$ —	$ 2,331	$ 2,973	$ 2,722	$ —	$ —	$ —	$ —	$ —	$ —	$ 700	$ 582	$ 11,990	$ (60,000)	$ 85,890
Accounts payable, including retainage	265,317	6,977	25,277	21,094	62,799	2,953	96,703	19,750	324,751	95,333	46,170	51,875	11,229	187,389	2,648	(226,249)	994,016
Billings in excess of costs and estimated earnings	102,373	—	13,328	12,391	11,586	88	2,081	708	36,748	951	10,773	6,702	15,461	118,763	19,730	(20,571)	331,112
Intercompany notes and advances payable-short term	13,697	—	—	—	—	—	—	—	—	—	—	—	—	—	50,941	(64,638)	—
Accrued expenses and other current liabilities	59,878	2,215	229	6,313	8,139	940	—	356	14,037	2,530	7,771	1,240	6,665	27,150	21,140	(50,678)	107,925
Total current liabilities	563,431	11,618	38,834	42,129	85,497	6,703	98,784	20,814	375,536	98,814	64,714	59,817	34,055	333,884	106,449	(422,136)	1,518,943
LONG TERM DEBT, less current maturities	614,607	20,677	—	637	3,972	9,339	—	—	—	—	—	—	5,036	9,036	16,320	(5,995)	673,629
DEFERRED INCOME TAXES	16,475	36,975	3,365	16,423	18,608	5,146	247	—	357	—	—	—	963	13,251	46,404	(27,207)	131,007
OTHER LONG-TERM LIABILITIES	111,108	1,727	—	—	—	—	—	567	—	—	—	—	—	—	48,619	(3)	162,018
INTERCOMPANY NOTES & ADVANCES PAYABLE	417,660	57,448	1,582	63,814	—	10,618	2,797	8	—	86,056	2,222	423	—	296,985	241	(939,854)	—
STOCKHOLDERS' EQUITY:																	
Treasury Stock-Perini	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(658)	658	—
Common stock	49,211	—	7	1	2,231	10	95	4	11	—	3	1	1,499	7	711	(4,580)	49,211
Additional paid-in capital	1,075,600	27,406	1	56,297	37,167	—	—	279	6,303	10,000	22,439	—	16,251	226,117	188,319	(590,579)	1,075,600
Retained earnings (deficit)	473,625	23,733	51,836	36,206	174,932	2,265	432,686	20,331	144,814	(1,202)	(3,192)	181,798	43,591	226,054	(79,941)	(1,253,911)	473,625
Accumulated other comprehensive income (loss)	(45,413)	—	—	(6,855)	—	—	—	—	—	—	—	—	(1,568)	49	—	8,374	(45,413)
Total stockholders' equity	1,553,023	51,139	51,844	85,649	214,330	2,275	432,781	20,614	151,128	8,798	19,250	181,799	59,773	452,227	108,431	(1,840,038)	1,553,023
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,276,304	$ 179,584	$ 95,625	$ 208,652	$ 322,407	$ 34,081	$ 534,609	$ 42,003	$ 527,021	$ 193,668	$ 86,186	$ 242,039	$ 99,827	$ 1,105,383	$ 326,464	$ (3,235,233)	$ 4,038,620

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture assets and liabilities are included in the respective amounts shown above.
(4) Consolidating Balance Sheet does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.
(5) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(6) Management has determined the allocation of intercompany notes and receivable (or advance payable) balances between current assets (liabilities) and noncurrent assets (liabilities) based upon management's intent as to when such amounts will be settled.

CCU Regular Meeting June 5, 2019 - GWA

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
REVENUE	$ 963,623	$ 25,615	$ 80,875	$ 251,333	$ 438,591	$ 15,990	$ 380,377	$ 26,568	$ 1,307,801	$ 161,871	$ 196,361	$ 89,875	$ 120,803	$ 1,234,273	$ 42,549	$ (363,429)	$ 4,973,076
COST OF OPERATIONS	(851,562)	(26,159)	(73,621)	(216,481)	(372,072)	(13,828)	(358,199)	(25,851)	(1,260,375)	(160,134)	(183,077)	(80,218)	(100,759)	(1,136,118)	(20,861)	363,429	(4,515,886)
GROSS PROFIT	112,061	(544)	7,254	34,852	66,519	2,162	22,178	717	47,426	1,737	13,284	9,657	20,044	98,155	21,688	—	457,190
General and administrative expenses	(85,017)	(44)	(4,008)	(14,024)	(14,540)	(2,439)	(14,628)	(1,309)	(20,294)	(5,497)	(8,159)	(6,485)	(8,497)	(68,367)	(1,962)	—	(255,270)
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	27,044	(588)	3,246	20,828	51,979	(277)	7,550	(592)	27,132	(3,760)	5,125	3,172	11,547	29,788	19,726	—	201,920
Equity in earnings of subsidiaries	115,644	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(115,644)	—
Other income (expense), net	893	308	—	341	954	1,456	5	46	1	12	(2)	32	208	2,265	1,669	(1,211)	6,977
Interest expense	(58,788)	(31)	(1)	(95)	(245)	(458)	—	—	—	—	—	—	(187)	(337)	(851)	1,211	(59,782)
INCOME (LOSS) BEFORE INCOME TAXES	84,793	(311)	3,245	21,074	52,688	721	7,555	(546)	27,133	(3,748)	5,123	3,204	11,568	31,716	20,544	(115,644)	149,115
(Provision) benefit for income taxes	11,029	110	(1,159)	(7,532)	(18,830)	(258)	(2,699)	195	(9,697)	1,339	(1,832)	(1,145)	(4,135)	(11,336)	(7,343)	—	(53,293)
NET INCOME (LOSS)	$ 95,822	$ (201)	$ 2,086	$ 13,542	$ 33,858	$ 463	$ 4,856	$ (351)	$ 17,436	$ (2,409)	$ 3,291	$ 2,059	$ 7,433	$ 20,380	$ 13,201	$ (115,644)	$ 95,822

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture net income (loss) is included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(5) The Company applied the consolidated effective tax rate when computing the tax provision of the respective consolidating entities.

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TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
BALANCE - December 31, 2015	$ 377,803	$ 23,934	$ 49,750	$ 22,664	$ 141,074	$ 1,802	$ 427,830	$ 20,682	$ 127,378	$ 1,207	$ (6,483)	$ 179,739	$ 36,158	$ 205,674	$ (93,142)	$ (1,138,267)	$ 377,803
Net Income (loss)	95,822	(201)	2,086	13,542	33,858	463	4,856	(351)	17,436	(2,409)	3,291	2,059	7,433	20,380	13,201	(115,644)	95,822
BALANCE - December 31, 2016	$ 473,625	$ 23,733	$ 51,836	$ 36,206	$ 174,932	$ 2,265	$ 432,686	$ 20,331	$ 144,814	$ (1,202)	$ (3,192)	$ 181,798	$ 43,591	$ 226,054	$ (79,941)	$ (1,253,911)	$ 473,625

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture activities are included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.

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TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:																	
Net Income (loss)	$ 95,822	$ (201)	$ 2,086	$ 13,542	$ 33,858	$ 463	$ 4,856	$ (351)	$ 17,436	$ (2,409)	$ 3,291	$ 2,059	$ 7,433	$ 20,380	$ 13,201	$ (115,644)	$ 95,822
Adjustments to reconcile net income to net cash from operating activities:																	
Depreciation	31,660	5,638	565	4,732	2,458	1,490	849	94	599	209	363	29	1,861	3,232	9,980	—	63,759
Amortization of intangible assets, change in debt discount and debt issuance costs	14,511	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	14,511
Equity in earnings of subsidiaries	(115,644)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	115,644	—
Share-based compensation expense	13,423	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13,423
Excess income tax benefit from stock-based compensation	(269)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(269)
Deferred income taxes	2,877	(38,288)	(1,726)	1,018	7,364	1,810	(4,565)	408	425	(13,917)	409	26	(10)	738	33,262	—	(10,169)
(Gain) loss on sale of property and equipment	138	—	31	—	(62)	88	—	—	2	—	4	—	168	(2)	86	—	453
Other long-term liabilities	4,768	—	—	—	—	—	(3)	(40)	(945)	—	—	—	—	—	24,430	—	28,210
Other non-cash items	(1,113)	347	—	243	—	—	—	—	—	—	(388)	—	(1,252)	18	—	271	(1,874)
Changes in other components of working capital	34,220	(18,010)	17,885	(13,355)	(46,178)	(3,134)	22,260	(9,076)	8,104	(33,854)	(2,635)	11,186	(1,255)	(27,095)	(29,617)	24	(90,530)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	80,393	(50,514)	18,841	6,180	(2,560)	717	23,397	(8,965)	25,621	(49,971)	1,044	13,300	6,945	(2,729)	51,342	295	113,336
CASH FLOWS FROM INVESTING ACTIVITIES:																	
Acquisition of property and equipment, excluding financed purchase	(1,397)	—	(202)	(1,490)	(1,508)	(2,642)	—	(37)	(321)	(70)	(110)	(45)	(1,919)	(1,006)	(4,996)	—	(15,743)
Proceeds from sale of property and equipment	164	—	113	—	324	169	67	—	71	—	3	—	—	153	835	—	1,899
Change in restricted cash	1,353	—	—	—	(1)	—	—	—	—	—	330	—	—	746	(7,079)	—	(4,651)
(Increase) decrease in intercompany advances	—	—	(17,608)	—	18,464	—	(23,463)	8,640	(25,371)	—	—	(12,952)	4,072	(14,221)	—	62,439	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	120	—	(17,697)	(1,490)	17,279	(2,473)	(23,396)	8,603	(25,621)	(70)	223	(12,997)	2,153	(14,328)	(11,240)	62,439	(18,495)
CASH FLOWS FROM FINANCING ACTIVITIES:																	
Issuance of convertible notes	200,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	200,000
Proceeds from debt	1,348,506	—	—	—	—	—	—	—	—	—	—	—	5,389	—	—	—	1,353,895
Repayment of debt	(1,523,579)	(2,426)	(79)	(8,660)	(6,830)	(2,674)	—	—	—	—	—	—	(6,152)	(588)	(11,696)	—	(1,562,684)
Excess income tax benefit from share-based compensation	269	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	269
Issuance of common stock and effect of cashless exercise	(584)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(584)
Debt issuance costs	(15,086)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(15,086)
Increase (decrease) in intercompany advances	(56,406)	53,122	—	6,944	—	4,379	—	—	—	50,041	(776)	—	—	27,906	(29,566)	(55,644)	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(46,880)	50,696	(79)	(1,716)	(6,830)	1,705	—	—	—	50,041	(776)	—	(763)	27,318	(41,262)	(55,644)	(24,190)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	33,633	182	1,065	2,974	7,889	(51)	1	(362)	—	—	491	303	8,335	10,261	(1,160)	7,090	70,651
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	47,198	839	—	14,518	2,144	98	—	1,531	—	—	1,934	—	10,883	2,036	1,361	(7,090)	75,452
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 80,831	$ 1,021	$ 1,065	$ 17,492	$ 10,033	$ 47	$ 1	$ 1,169	$ —	$ —	$ 2,425	$ 303	$ 19,218	$ 12,297	$ 201	$ —	$ 146,103
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR:																	
Interest	$ 45,177	$ 31	$ 1	$ 99	$ 245	$ 459	$ —	$ —	$ —	$ —	$ —	$ —	$ 183	$ 337	$ 871	$ —	$ 47,403
Income taxes	$ 20,553	$ 1,438	$ —	$ 897	$ —	$ —	$ —	$ —	$ 2	$ —	$ —	$ 18	$ —	$ —	$ 4,000	$ —	$ 26,908

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture activities are included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(5) Consolidating Statement of Cash Flows does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.

CCU Regular Meeting June 5, 2019 - GWA

Tutor Perini Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Consolidating Information for Tutor Perini's General Contractor Subsidiaries as of and for the Year Ended December 31, 2015, and Independent Auditors' Report

TUTOR PERINI CORPORATION AND SUBSIDIARIES

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Deloitte.

Deloitte & Touche LLP
Suite 2700
555 West 5th Street
Los Angeles, CA 90013-1010
USA

Tel +1 213 688 0800
Fax +1 213 688 0100
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Tutor Perini Corporation
Sylmar, CA

We have audited the accompanying consolidated balance sheet of Tutor Perini Corporation and subsidiaries (the "Company") as of December 31, 2015, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the year ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Tutor Perini Corporation and subsidiaries as of December 31, 2015, and the results of their operations and their cash flows for the year ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

The supplemental consolidating information on pages 31–34 has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental consolidating information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental consolidating information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental consolidating information. In our opinion, such information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

February 29, 2016

(April 11, 2016 as to the supplemental consolidating information)

Member of
Deloitte Touche Tohmatsu Limited

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands, except per share data)

REVENUE	$	4,920,472
COST OF OPERATIONS		(4,564,219)
GROSS PROFIT		356,253
General and administrative expenses		(250,840)
INCOME FROM CONSTRUCTION OPERATIONS		105,413
Other income, net		12,453
Interest expense		(44,027)
INCOME BEFORE INCOME TAXES		73,839
Provision for income taxes		(28,547)
NET INCOME	$	45,292
BASIC EARNINGS PER COMMON SHARE	$	0.92
DILUTED EARNINGS PER COMMON SHARE	$	0.91
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:		
BASIC		48,981
DILUTED		49,666

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

NET INCOME	$	45,292
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:		
Defined benefit pension plan adjustments		2,026
Foreign currency translation adjustment		(3,214)
Unrealized gain in fair value of investments		766
Unrealized loss in fair value of interest rate swap		(125)
Total other comprehensive loss, net of tax	$	(547)
TOTAL COMPREHENSIVE INCOME	$	44,745

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2015
(In thousands, except share data)

ASSETS		
CURRENT ASSETS:		
Cash, including cash equivalents of $1,696	$	75,452
Restricted cash		45,853
Accounts receivable, including retainage of $484,255		1,473,615
Costs and estimated earnings in excess of billings		905,175
Deferred income taxes		26,306
Other current assets		108,844
Total current assets		2,635,245
PROPERTY AND EQUIPMENT, at cost:		
Land		41,382
Building and improvements		123,600
Construction equipment		431,080
Other equipment		181,940
		778,002
Less - Accumulated depreciation		254,477
Total property and equipment, net		523,525
GOODWILL		585,006
INTANGIBLE ASSETS, NET		96,540
OTHER ASSETS		202,125
TOTAL ASSETS	$	4,042,441
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$	88,917
Accounts payable, including retainage		937,464
Billings in excess of costs and estimated earnings		288,311
Accrued expenses and other current liabilities		159,016
Total current liabilities		1,473,708
LONG-TERM DEBT, less current maturities		734,531
DEFERRED INCOME TAXES		273,310
OTHER LONG-TERM LIABILITIES		140,665
TOTAL LIABILITIES		2,622,214
CONTINGENCIES AND COMMITMENTS (Note 7)		
STOCKHOLDERS' EQUITY:		
Preferred stock - authorized 1,000,000 shares ($1 par value), none issued		—
Common stock - authorized 75,000,000 shares ($1 par value), issued and outstanding - 49,072,710 shares		49,073
Additional paid-in capital		1,035,516
Retained earnings		377,803
Accumulated other comprehensive loss		(42,165)
TOTAL STOCKHOLDERS' EQUITY		1,420,227
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	4,042,441

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$	45,292
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation		37,919
Amortization of intangible assets and debt issuance costs		5,810
Share-based compensation expense		9,477
Excess income tax benefit from share-based compensation		(186)
Deferred income taxes		22,214
Loss on sale of investments		—
Gain on sale of property and equipment		(2,909)
Other long-term liabilities		28,912
Other non-cash items		(3,680)
Changes in other components of working capital		(128,777)
NET CASH PROVIDED BY OPERATING ACTIVITIES		14,072
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment excluding financed purchases		(35,912)
Proceeds from sale of property and equipment		4,980
Proceeds from sale of available-for-sale securities		—
Change in restricted cash		(1,483)
NET CASH USED IN INVESTING ACTIVITIES		(32,415)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from debt		1,013,205
Repayment of debt		(1,054,371)
Business acquisition-related payments		—
Excess income tax benefit from share-based compensation		186
Issuance of common stock and effect of cashless exercise		(808)
Debt issuance costs		—
NET CASH USED IN FINANCING ACTIVITIES		(41,788)
Net decrease in cash and cash equivalents		(60,131)
Cash and cash equivalents at beginning of year		135,583
Cash and cash equivalents at end of year	$	75,452

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance - December 31, 2014	**$ 48,671**	**$ 1,025,941**	**$ 332,511**	**$ (41,618)**	**$ 1,365,505**
Net income	—	—	45,292	—	45,292
Other comprehensive loss	—	—	—	(547)	(547)
Total comprehensive income					44,745
Tax effect of share-based compensation	—	(186)	—	—	(186)
Share-based compensation expense	—	9,477	—	—	9,477
Issuance of common stock, net	402	284	—	—	686
Balance - December 31, 2015	**$ 49,073**	**$ 1,035,516**	**$ 377,803**	**$ (42,165)**	**$ 1,420,227**

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As Of And For The Year Ended December 31, 2015

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in compliance with accounting principles generally accepted in the United States of America ("GAAP") as codified in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC").

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries (the "Company"). The Company's interests in construction joint ventures are accounted for using the proportionate consolidation method whereby the Company's proportionate share of each joint venture's assets, liabilities, revenue and cost of operations are included in the appropriate classifications in the consolidated financial statements. All intercompany transactions and balances have been eliminated in consolidation.

(c) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available through the date of the issuance of the financial statements. Therefore, actual results could differ from those estimates.

(d) Construction Contracts

The Company and its affiliated entities recognize construction contract revenue using the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. Cost of revenue includes an allocation of depreciation and amortization. Pre-contract costs are expensed as incurred. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined.

The Company generally provides limited warranties for work performed under its construction contracts with periods typically extending for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred.

The Company classifies construction-related receivables and payables that may be settled in periods exceeding one year from the balance sheet date as current, consistent with the length of time of its project operating cycle. For example:

- Costs and estimated earnings in excess of billings represent the excess of contract costs and profits (or contract revenue) over the amount of contract billings to date and are classified as a current asset.
- Billings in excess of costs and estimated earnings represent the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date and are classified as a current liability.

Costs and estimated earnings in excess of billings result when either: 1) costs are incurred related to certain claims and unapproved change orders, or 2) the appropriate contract revenue amount has been recognized in accordance with the percentage-of-completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract. Claims occur when there is a dispute regarding both a change in the scope of work and the price associated with that change. Unapproved change orders occur when there is a dispute regarding only the price associated with a change in scope of work. For both claims and unapproved change orders, the Company recognizes revenue, but not profit, when it is determined that recovery of incurred cost is probable and the amounts can be reliably estimated. For claims, these requirements are satisfied under ASC 605-35-25 when the contract or other evidence provides a legal basis for the claim, additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in the Company's performance, claim-related costs are identifiable and considered reasonable in view of the work performed, and evidence supporting the claim or change order is objective and verifiable.

Reported costs and estimated earnings in excess of billings as of December 31, 2015 consists of the following (in thousands):

Claims	$	407,164
Unapproved change orders		270,019
Other unbilled costs and profits		227,992
Total costs and estimated earnings in excess of billings	$	905,175

The prerequisite for billing claims and unapproved change orders is the final resolution and agreement between the parties. The prerequisite for billing other unbilled costs and profits is provided in the defined billing terms of each of the applicable contracts. The amount of costs and estimated earnings in excess of billings as of December 31, 2015 estimated by management to be collected beyond one year is approximately $353.2 million.

(e) Changes in Estimates

The Company's estimates of contract revenue and cost are highly detailed and many factors change during a contract performance period that result in a change to contract profitability. These factors include, but are not limited to, differing site conditions; availability of skilled contract labor; performance of major material suppliers and subcontractors; on-going subcontractor negotiations and buyout provisions; unusual weather conditions; changes in the timing of scheduled work; change orders; accuracy of the original bid estimate; changes in estimated labor productivity and costs based on experience to date; achievement of incentive-based income targets; and, the expected, or actual, resolution terms for claims. The factors that cause changes in estimates vary depending on the maturation of the project within its lifecycle. For example, in the ramp-up phase, these factors typically consist of revisions in anticipated project costs and during the peak and close-out phases, these factors include the impact of change orders and claims as well as additional revisions in remaining anticipated project costs. Generally, if the contract is at an early stage of completion, the current period impact is smaller than if the same change in estimate is made to the contract at a later stage of completion. Management focuses on evaluating the performance of contracts individually and uses the cumulative catch-up method to account for revisions in estimates. Material changes in estimates are disclosed in the notes to the consolidated financial statements.

(f) Depreciation of Property and Equipment and Amortization of Long-Lived Intangible Assets

Property and equipment and long-lived intangible assets are depreciated or amortized on a straight-line basis over their estimated useful lives ranging from three to forty years.

(g) Recoverability of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever circumstances indicate that the future cash flows generated by the assets might be less than the assets' net carrying value. In such circumstances, an impairment loss will be recognized by the amount the assets' net carrying value exceeds their fair value.

(h) Recoverability of Goodwill

Goodwill is not amortized to earnings, but instead is reviewed for impairment at a reporting unit level annually, or more often if there are indicators between the annual review dates that signal that impairment is probable. The Civil, Building and Specialty Contractors segments each represent a reporting unit. We perform our annual quantitative impairment assessment during the fourth quarter of each year using a weighted average of an income and a market approach. The income approach is based on estimated future cash flows for each reporting unit, which then are discounted to their present value. The market approach is based on assumptions about how market data relates to the Company. The weighting of these two approaches is based on their individual correlation to the economics of each reporting unit. The quantitative assessment performed in 2015 resulted in an estimated fair value for each of our reporting units that exceeded their respective net book values; therefore, no impairment charge was necessary for 2015.

(i) Recoverability of Non-Amortizable Trade Names

Certain trade names have an estimated indefinite life and are not amortized to earnings, but instead are reviewed for impairment annually, or more often if there are indicators between the annual review dates that signal that impairment is probable. We perform our annual quantitative impairment assessment during the fourth quarter of each year using an income approach (relief from royalty method). The quantitative assessment performed in 2015 resulted in an estimated fair value for the non-amortizable trade names that exceeded their respective net book values; therefore, no impairment charge was necessary for 2015.

(j) Income Taxes

Deferred income tax assets and liabilities are recognized for the effects of temporary differences between the financial statement carrying amounts and the income tax basis of assets and liabilities using tax rates expected to be in effect when such differences reverse. Income tax positions must meet a more-likely-than-not threshold to be recognized. The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision.

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(k) Earnings Per Share

Basic EPS is calculated by dividing net income by the weighted-average number of common shares outstanding during the period. Potentially dilutive securities include restricted stock units and stock options. Diluted EPS reflects the assumed exercise or conversion of all dilutive securities using the treasury stock method.

The calculations of the basic and diluted EPS for the year ended December 31, 2015 under the treasury stock method are presented below (in thousands, except per share data):

Net income	$	45,292
Weighted-average common shares outstanding - basic		48,981
Effect of diluted stock options and unvested restricted stock		685
Weighted-average common shares outstanding - diluted		49,666
Net income (loss) per share:		
Basic	$	0.92
Diluted	$	0.91
Anti-dilutive securities not included above		1,372

(l) Cash and Cash Equivalents and Restricted Cash

Cash equivalents include short-term, highly liquid investments with original maturities of three months or less when acquired. Cash and cash equivalents, as reported in the accompanying Consolidated Balance Sheets, consist of amounts held by the Company that are available for general purposes and the Company's proportionate share of amounts held by construction joint ventures that are available only for joint venture-related uses, including future distributions to joint venture partners. Restricted cash is primarily held to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit.

Cash and cash equivalents and restricted cash as of December 31, 2015 consisted of the following (in thousands):

Cash and cash equivalents	$	18,409
Company's share of joint venture cash and cash equivalents		57,043
Total cash and cash equivalents	$	75,452
Restricted cash	$	45,853

(m) Share-Based Compensation

The Company's long-term incentive plan allows the Company to grant share-based compensation awards in a variety of forms, including restricted stock units and stock options. Restricted stock units and stock options generally vest subject to service and/or performance requirements, with related compensation expense equal to the fair value of the award on the date of grant and recognized on a straight-line basis over the requisite service period.

(n) Insurance Liabilities

The Company typically utilizes third party insurance coverage subject to varying deductible levels with aggregate caps on losses retained. The Company assumes the risk for the amount of the deductible portion of the losses and liabilities primarily associated with workers' compensation and general liability coverage. In addition, on certain projects, the Company assumes the risk for the amount of the deductible portion of losses that arise from any subcontractor defaults. Losses are accrued based upon the Company's estimates of the aggregate liability for claims incurred using historical experience and certain actuarial assumptions followed in the insurance industry. The estimate of insurance liability within the deductible limits includes an estimate of incurred but not reported claims based on data compiled from historical experience.

(o) Other Comprehensive Income (Loss)

ASC 220, *Comprehensive Income*, establishes standards for reporting and displaying comprehensive income and its components in the consolidated financial statements. The Company reports the change in pension benefit plans assets/liabilities, cumulative foreign

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currency translation, change in fair value of investments and change in fair value of interest rate swap as components of accumulated other comprehensive loss ("AOCI").

The tax effects of the components of other comprehensive income (loss) for the year ended December 31, 2015 are as follows (in thousands):

	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Other comprehensive income (loss):			
Defined benefit pension plan adjustments	$ 31	$ 1,995	$ 2,026
Foreign currency translation adjustment	(5,897)	2,683	(3,214)
Unrealized gain (loss) in fair value of investments	1,123	(357)	766
Unrealized gain (loss) in fair value of interest rate swap	(37)	(88)	(125)
Total other comprehensive income (loss)	$ (4,780)	$ 4,233	$ (547)

The changes in AOCI balances by component (after-tax) for the year ended December 31, 2015 are as follows[(1)] (in thousands):

	Defined Benefit Pension Plan	Foreign Currency Translation	Unrealized Gain (Loss) in Fair Value of Investments	Unrealized Gain (Loss) in Fair Value of Interest Rate Swap	Accumulated Other Comprehensive Income (Loss), Net
Balance as of December 31, 2014	$ (40,268)	$ (1,389)	$ (110)	$ 149	$ (41,618)
Other comprehensive income (loss)	2,026	(3,214)	766	(125)	(547)
Balance as of December 31, 2015	$ (38,242)	$ (4,603)	$ 656	$ 24	$ (42,165)

[(1)] There were no reclassifications from AOCI during the year ended December 31, 2015.

(p) New Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606),* which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition.* This ASU addresses when and how an entity should recognize revenue for the transfer of goods and/or services to customers. This ASU is effective for fiscal year and interim periods within those years beginning after December 15, 2017. The Company is currently evaluating the effect that the adoption of this ASU will have on its financial statements.

In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810)* , which amends the consolidation standard and updates the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. The amendment modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities and affects the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships, among other provisions. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. The Company is currently evaluating the effect that the adoption of this ASU will have on its financial statements.

In April 2015, the FASB issued ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30).* This ASU requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. In August 2015, the FASB also issued ASU 2015-15, *Interest—Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated With Line-of-Credit Arrangements — Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015, EITF Meeting.* This update allows an entity to defer and present debt issuance costs related to line-of-credit arrangements as an asset and subsequently amortize the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. These ASUs are effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. The adoption of these ASUs is not expected to have a material impact on the Company's financial statements.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes (Subtopic 740-10).* This ASU require entities to present all deferred tax assets and all deferred tax liabilities as noncurrent in a classified balance sheet. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. The Company had $26.3 million

of current deferred tax assets and $24.9 million of current deferred tax liabilities as of December 31, 2015, which will be presented as noncurrent upon adoption of this ASU.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic-842)* which amends the existing guidance in ASC 840 *Leases*. This amendment requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases. Other significant provisions of the amendment include (i) defining the "lease term" to include the non-cancellable period together with periods for which there is a significant economic incentive for the lessee to extend or not terminate the lease; (ii) defining the initial lease liability to be recorded on the balance sheet to contemplate only those variable lease payments that depend on an index or that are in substance "fixed"; and (iii) a dual approach for determining whether lease expense is recognized on a straight-line or accelerated basis, depending on whether the lessee is expected to consume more than an insignificant portion of the leased asset's economic benefits. This ASU is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is currently evaluating the effect that the adoption of this ASU will have on its financial statements.

2. Consolidated Statement of Cash Flows

Below are the changes in other components of working capital, as shown in the Consolidated Statement of Cash Flows, and the supplemental disclosure of cash paid for interest and income taxes for the year ended December 31, 2015 (in thousands):

Decrease (Increase) in:		
Accounts receivable	$	4,734
Costs and estimated earnings in excess of billings		(178,774)
Other current assets		(38,616)
Increase (Decrease) in:		
Accounts payable		139,290
Billings in excess of costs and estimated earnings		(30,985)
Accrued expenses		(24,426)
Changes in other components of working capital	$	(128,777)
Cash paid during the year for:		
Interest	$	45,055
Income taxes	$	35,299

3. Fair Value Measurements

The fair value hierarchy established by ASC 820, *Fair Value Measurement*, prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1 — quoted prices in active markets for identical assets and liabilities
Level 2 — inputs other than Level 1 inputs that are observable, either directly or indirectly
Level 3 — unobservable inputs

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The following table presents, for each of the fair value hierarchy levels required under ASC 820, the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2015 (in thousands):

	Fair Value Hierarchy			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents (a)	$ 75,452	$ 75,452	$ —	$ —
Restricted cash (a)	45,853	45,853	—	—
Investments in lieu of customer retainage (b)	41,566	35,350	6,216	—
Total	$ 162,871	$ 156,655	$ 6,216	$ —
Liabilities:				
Interest rate swap contract (c)	$ 45	$ —	$ 45	$ —
Contingent consideration (d)	—	—	—	—
Total	$ 45	$ —	$ 45	$ —

(a) Cash, cash equivalents and restricted cash consist primarily of money market funds with original maturity dates of three months or less, for which fair value is determined through quoted market prices.
(b) Investments in lieu of customer retainage are classified as accounts receivable and are comprised of money market funds, U.S. Treasury Notes and other municipal bonds, the majority of which are rated Aa3 or better. The fair values of the U.S. Treasury Notes and municipal bonds are obtained from readily-available pricing sources for comparable instruments, and as such, the Company has classified these assets as Level 2.
(c) The Company values the interest rate swap liability utilizing a discounted cash flow model that takes into consideration forward interest rates observable in the market and the counterparty's credit risk.
(d) Represents earn-out payments for businesses acquired in 2011. The earn-out payments were estimated based on the projected operating results of the acquired businesses. The fair value of the earn-out payments was estimated by calculating their present value using discount rates ranging from 14% to 18%.

The following is a summary of changes in Level 3 liabilities during 2015 (in thousands):

	Contingent Consideration
Balance as of December 31, 2014	$ 24,814
Fair value adjustments included in other income (expense), net	(3,739)
Amount no longer subject to contingency	(21,075)
Balance as of December 31, 2015	$ —

The carrying amount of cash and cash equivalents approximates fair value due to the short-term nature of these items. The carrying values of receivables, payables, other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, are estimated to approximate fair value. Of the Company's long-term debt, the fair value of the Senior Notes as of December 31, 2015 was $305.6 million, compared to the carrying value of $299.0 million. The fair value of the Senior Notes was calculated using Level 1 inputs based on quoted prices in the active markets for the Senior Notes as of December 31, 2015. For other fixed rate debt, fair value is determined using Level 3 inputs based on discounted cash flows for the debt at the Company's current incremental borrowing rate for similar types of debt. The estimated fair values of other fixed rate debt as of December 31, 2015 was $121.7 million, compared to the carrying amounts of $124.7 million. The fair value of variable rate debt, which includes the Revolving Credit Facility and the Term Loan, approximated its carrying value of $399.7 million as of December 31, 2015.

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4. Goodwill and Other Intangible Assets

The following table presents the changes in the carrying amount of goodwill allocated to the Company's reporting units for 2015 (in thousands):

	Civil	Building	Specialty Contractors	Total
Balance as of December 31, 2014[(a)]	$ 415,358	$ 13,455	$ 156,193	$ 585,006
2015 activity	—	—	—	—
Balance as of December 31, 2015[(a)]	$ 415,358	$ 13,455	$ 156,193	$ 585,006

(a) Balances presented include historical accumulated impairment of $76.7 million for the Civil segment and $411.3 million for the Building segment.

The following table presents the carrying value and accumulated amortization, as appropriate, of intangible assets other than goodwill as of December 31, 2015 (in thousands):

	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Trade names (non-amortizable)	$ 50,410	$ N/A	$ 50,410
Trade names (amortizable) [(a)]	51,118	(11,316)	39,802
Customer relationships [(a)]	23,155	(16,827)	6,328
Total	$ 124,683	$ (28,143)	$ 96,540

(a) The weighted-average amortization period for amortizable trade names and customer relationships is 20 years and 11 years, respectively.

Amortization expense related to amortizable intangible assets for the year ended December 31, 2015 totaled $3.7 million. Future amortization expense related to amortizable intangible assets is as follows (in millions):

Fiscal Year	
2016	$ 3.5
2017	3.5
2018	3.5
2019	3.5
2020	3.5
Thereafter	28.6
Total	$ 46.1

5. Financial Commitments

Long-Term Debt

Long-term debt as of December 31, 2015 consists of the following (in thousands):

Senior Notes ($300,000 face, less unamortized discount of $933)	$ 299,067
Revolving Credit Facility	158,000
Term Loan	223,750
Equipment financing, mortgages and acquisition-related notes	133,288
Other indebtedness	9,343
Total debt	823,448
Less – current maturities	(88,917)
Long-term debt, net	$ 734,531

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Senior Notes

In October 2010, the Company issued $300 million of 7.625% senior unsecured notes (the "Senior Notes") due November 1, 2018, in a private offering exempt from the registration requirements of the Securities Act of 1933. The Company received net proceeds of $293.2 million from the issuance, after discounts and issuance costs. The Senior Notes pay interest semi-annually on May 1 and November 1 of each year. The Company may redeem these notes at a redemption price equal to 101.9 percent of their principal amount prior to October 31, 2016 and subsequently without a redemption premium. However, if a change of control triggering event occurs, as defined by the terms of the indenture, the Company is required to offer to redeem the notes at a redemption price equal to 101 percent of their principal amount. At the date of any redemption, any accrued and unpaid interest is also due. The Senior Notes are senior unsecured obligations of the Company and are guaranteed by substantially all of the Company's existing and future subsidiaries that also guarantee obligations under the Company's Credit Agreement as defined below. In addition, the indenture for the Senior Notes provides for customary events of default such as restrictions on the payment of dividends and share repurchases.

Credit Agreement – Revolving Credit Facility and Term Loan

In June 2014, the Company entered into a Sixth Amended and Restated Credit Agreement (the "Original Facility"), restructuring its former $300 million Revolving Credit Facility and $200 million Term Loan and providing for a $300 million revolving credit facility (the "Original Revolver") and a $250 million term loan (the "Original Term Loan"), both maturing on June 5, 2019. Principal on the Original Term Loan was originally payable on a quarterly basis beginning on September 30, 2014, with approximate aggregate principal payments for each year ending December 31, as follows: $7 million in 2014, $19 million in 2015, $26 million in 2016, $34 million in 2017, $41 million in 2018 and $123 million in 2019. The Company may repay all borrowings under the Original Facility at any time before maturity without penalty.

Interest on the Original Revolver depended on how the Company utilized the facility to meet its liquidity needs. As a result, the interest rate could equal either Bank of America's prime lending rate, plus an applicable margin, or the London Interbank Offered Rate ("LIBOR"), plus an applicable margin, ranging from either 1.25% to 2.00% or 2.25% to 3.00%, based on a pricing tier utilizing the Company's consolidated leverage ratio. Similarly, the interest rate on the Original Term Loan was equal to LIBOR plus an applicable margin ranging from 1.25% to 2.00%. The Company also has an interest rate swap agreement with a notional amount of $25 million that effectively converted interest on $25 million of the debt from a variable rate to a fixed rate of 0.975%. The swap expires in June 2016, and there is no requirement under the Original Facility to enter into an additional swap agreement at that time.

The Original Facility provides a sublimit for the issuance of letters of credit up to the aggregate amount of $150 million.

The Original Facility also allowed the Company to either increase the Original Facility or establish one or more new term loan commitments (an accordion feature), up to an aggregate amount not to exceed $300 million.

Amended Credit Agreement

On February 26, 2016, we entered into Waiver and Amendment No. 1 (the "Amendment") to the Original Facility (collectively, the "Credit Facility") with Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. As a result of the Company's financial results for the fiscal year ended December 31, 2015, which included the previously reported $23.9 million non-cash, pre-tax charge from an adverse ruling on the Brightwater litigation matter in the third quarter as well as $45.6 million of pre-tax charges in the third and fourth quarters for Five Star Electric, the Company was not in compliance with the required consolidated leverage ratio and consolidated fixed charge coverage ratio under the Original Facility, which are both calculated on a rolling four quarter basis. In the Amendment, the lenders waived these covenant violations and modified certain provisions of the Original Facility.

The Credit Facility provides for a $300 million revolving credit facility (the "Revolver") and a $250 million term loan (the "Term Loan"). As a result of the Amendment, both the Revolver and the Term Loan will now mature on May 1, 2018. The Term Loan principal payments have been modified to include certain additional principal payments which will be applied against the balloon payment (discussed below). Borrowings under the Revolver bear interest, based either on Bank of America's prime lending rate, plus an applicable margin, or the London Interbank Offered Rate ("LIBOR"), plus an applicable margin. Borrowings under the Term Loan bear interest based on LIBOR plus an applicable margin. Under the terms of the Amendment, for so long as the Company's consolidated leverage ratio is greater than 3.5 to 1.0, it will not be permitted to make LIBOR-based borrowings and will be subject to an increased interest rate on borrowings, with such rate being 100 basis points higher than the highest rate under the Original Facility while the Company's consolidated leverage ratio is greater than 3.5 to 1.0 but not more than 4.0 to 1.0, and an additional 100 basis points higher while the Company's consolidated leverage ratio is greater than 4.0 to 1.0. The Company also will be subject to increased commitment fees at these higher leverage ratio levels. In addition, until the Company's consolidated leverage ratio goes below 3.5 to 1.0, LIBOR-based borrowings will convert to base rate borrowings. The Amendment provides for the exclusion of the

impact of the Brightwater litigation matter from the calculation of the Company's consolidated leverage ratio and consolidated fixed charge coverage ratio. Interest payments will be due on a monthly basis, rather than a quarterly basis. If the Company is in compliance with the leverage and fixed charge ratio covenants provided in the Original Facility as of December 31, 2016, interest payments will again be due on a quarterly basis thereafter. The Amendment also removes the accordion feature of the Original Facility, which would have allowed, as noted above, either an increase of $300 million in the Revolver or the establishment of one or more new term loan commitments.

The Amendment also modifies several of the covenants in the Original Facility, including the Company's maximum allowable consolidated leverage ratio to be at 4.25:1.00 in the first quarter of 2016, stepping down to 4.0:1.0 in the second and third quarters of 2016 and then returning to the Original Facility's range of 3.25:1.00 to 3.00:1.00 beginning with the fourth quarter of 2016. The Credit Facility will continue to require the Company to maintain a minimum consolidated fixed charge coverage ratio of 1.25:1.00. Other usual and customary covenants for credit facilities of this type (such as, restrictions on the payment of dividends and share repurchases) were included in the Original Facility (subject to certain modifications made in the Amendment), while the Amendment adds covenants regarding the Company's liquidity, including a cap on the cash balance in the Company's bank account and a weekly minimum liquidity requirement (based on specified available cash balances and availability under the Revolver). The Amendment also requires the Company to achieve certain quarterly cash collection milestones and increases the lenders' collateral package. Beginning in the fourth quarter of 2016, the Company will be required to make quarterly principal payments towards the Term Loan balloon payment, based on a percentage of certain forecasted cash collections for the prior quarter, in addition to the scheduled amortization payments of the Original Facility.

Substantially all of the Company's subsidiaries unconditionally guarantee our obligations under the Credit Facility. The obligations under the Credit Facility are secured by a lien on substantially all real and personal property of the Company and its subsidiaries party thereto. Under the Amendment, the Company agreed to increase the lenders' collateral package, including by pledging to the lenders (i) the equity interests of each direct domestic subsidiary of the Company and (ii) 65% of the stock of each material first-tier foreign restricted subsidiary of the Company.

The Term Loan balance was $223.8 million at December 31, 2015. The next quarterly Term Loan payment under the Credit Facility is due and payable in March of 2016.

We had $158.0 million of outstanding borrowings under our Revolver as of December 31, 2015. We utilized the Revolver for letters of credit in the amount of $0.2 million as of December 31, 2015. Accordingly, as of December 31, 2015, we had $141.8 million available to borrow under the Revolver.

There were no other material changes in our contractual debt obligations as of December 31, 2015. As of the issuance date of these consolidated financial statements and giving effect to the Amendment, we are in compliance with the modified financial covenants under the Credit Facility.

Equipment Financing, Mortgages and Acquisition-Related Notes

The Company has certain loans entered into for the purchase of specific property, plant and equipment and secured by the assets purchased. The aggregate balance of equipment financing loans was approximately $70.6 million as of December 31, 2015 with interest rates ranging from 2.12% to 4.85% with schedules calling for equal principal and interest payments over periods up to five years. The aggregate balance of transportation-equipment financing loans was approximately $45.0 million December 31, 2015 with interest rates ranging from a fixed 3.35% to LIBOR plus 3% and equal monthly installment payments over periods up to ten years and balloon payments of $12.4 million in 2021 and $6.15 million in 2022 on the remaining loans outstanding at December 31, 2015. The aggregate balance of mortgage loans was approximately $17.7 million as of December 31, 2015 with interest rates based on LIBOR plus applicable margins up to 3% or prime less 1.0%, depending on the loan, and equal monthly installment payments over periods up to ten years with additional balloon payments of $5.6 million in 2016, $2.6 million in 2018 and $6.7 million in 2023.

During 2011, the Company issued approximately $21.7 million of 5% promissory notes in conjunction with an acquisition. The Company paid all outstanding principal and accrued interest on these notes in 2015.

The following table presents the future principal payments required under all of the Company's debt obligations, discussed above, including the terms of the Amendment (in thousands).

Fiscal Year		
2016	$	88,917
2017		124,008
2018		407,575
2019		169,790
2020		4,824
Thereafter		28,334
	$	823,448

Leases

The Company leases certain construction equipment, vehicles and office space under non-cancelable operating leases. Future minimum rent payments under non-cancelable operating leases as of December 31, 2015 are as follows (in thousands):

Fiscal Year		
2016	$	26,819
2017		19,958
2018		15,478
2019		10,549
2020		8,923
Thereafter		24,927
Subtotal		106,654
Less - Sublease rental agreements		(3,833)
Total	$	102,821

Rental expense under operating leases of construction equipment, vehicles and office space was $17.4 million in 2015.

6. Income Taxes

Income before taxes for the year ended December 31, 2015 is summarized as follows (in thousands):

United States Operations	$	69,822
Foreign Operations		4,017
Total	$	73,839

The provision for income taxes for the year ended December 31, 2015 is as follows (in thousands):

Current expense:		
Federal	$	5,465
State		(362)
Foreign		1,126
Total current		6,229
Deferred (benefit) expense:		
Federal		19,583
State		2,735
Foreign		—
Total deferred		22,318
Total provision	$	28,547

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The following table is a reconciliation of the Company's provision for income taxes at the statutory rates to the provision for income taxes at the Company's effective rate for 2015 (dollars in thousands).

	Amount	Rate
Federal income expense at statutory tax rate	$ 25,844	35.0 %
State income taxes, net of federal tax benefit	1,250	1.7
Officers' compensation	2,900	3.9
Domestic Production Activities Deduction	(1,499)	(2.0)
Impact of state tax rate changes on deferred	2,435	3.3
Other	(2,383)	(3.2)
Provision for income taxes	$ 28,547	38.7 %

The Company's provision for income taxes and effective tax rate for the year ended December 31, 2015 were significantly impacted by a favorable discrete item related to the reversal of FIN 48 reserves due to the resolution of certain state tax matters.

The following is a summary of the significant components of the deferred tax assets and liabilities as of December 31, 2015 (in thousands):

Deferred Tax Assets	
Timing of expense recognition	$ 58,048
Net operating losses	3,564
Other, net	114,225
Deferred tax assets	175,837
Valuation allowance	(460)
Net deferred tax assets	175,377
Deferred Tax Liabilities	
Intangible assets, due primarily to purchase accounting	(99,549)
Fixed assets, due primarily to purchase accounting	(101,022)
Construction contract accounting	(7,530)
Joint ventures - construction	(27,604)
Other	(62,494)
Deferred tax liabilities	(298,199)
Net deferred tax liability	$ (122,822)

The net deferred tax liability is classified in the Consolidated Balance Sheet as of December 31, 2015 based on when the future tax benefit or expense is expected to be realized as follows (in thousands):

Current deferred tax asset	$ 26,306
Long-term deferred tax asset	149,071
Current deferred tax liability	(24,889)
Long-term deferred tax liability	(273,310)
Net deferred tax liability	$ (122,822)

The Company had a valuation allowance of $0.5 million as of December 31, 2015 for federal and state capital loss carryforwards as the ultimate utilization of this item was not likely.

The Company has not provided for deferred income taxes or foreign withholding tax on basis differences in its non-U.S. subsidiaries that result from undistributed earnings aggregating $12.1 million which the Company has the intent and the ability to reinvest in its foreign operations. Generally, the U.S. income taxes imposed upon repatriation of undistributed earnings would be reduced by foreign tax credits from foreign income taxes paid on the earnings. Determination of the deferred income tax liability on these basis differences is not reasonably estimable because such liability, if any, is dependent on circumstances existing if and when remittance occurs.

The Company's policy is to record interest and penalties on unrecognized tax benefits as an element of income tax expense. The cumulative amounts related to interest and penalties are added to the total unrecognized tax liabilities on the balance sheet. The total

amount of gross unrecognized tax benefits as of December 31, 2015 that, if recognized, would affect the effective tax rate is $3.6 million. The Company does not expect any significant release of unrecognized tax benefits within the next twelve months.

The Company accounts for its uncertain tax positions in accordance with GAAP. A reconciliation of the beginning and ending amounts of these tax benefits for the year ended December 31, 2015 is as follows (in thousands):

Beginning balance	$	7,636
Change in tax positions of prior years		(3,073)
Change in tax positions of current year		169
Reduction in tax positions for statute expirations		(1,120)
Ending Balance	$	3,612

We conduct business internationally and, as a result, one or more of our subsidiaries files income tax returns in U.S. federal, U.S. state and certain foreign jurisdictions. Accordingly, in the normal course of business, we are subject to examination by taxing authorities principally throughout the United States, Guam and Canada. We are no longer under examination by the taxing authority regarding any U.S. federal income tax returns for years before 2011 while the years open for examination under various state and local jurisdictions vary.

7. Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its customers have made claims arising from the performance under their contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, liabilities may change in the future due to various factors.

Several matters are in the litigation and dispute resolution process and represent contingent losses or gains to the Company. The following discussion provides a background and current status of the more significant matters.

Tutor-Saliba-Perini Joint Venture vs. Los Angeles MTA Matter

During 1995, Tutor-Saliba-Perini ("Joint Venture") filed a complaint in the Superior Court of the State of California for the County of Los Angeles against the Los Angeles County Metropolitan Transportation Authority ("LAMTA"), seeking to recover costs for extra work required by LAMTA in connection with the construction of certain tunnel and station projects, all of which were completed by 1996. In 1999, LAMTA countered with civil claims under the California False Claims Act against the Joint Venture, Tutor-Saliba and Perini Corporation jointly and severally (together, "TSP"), and obtained a judgment that was reversed on appeal and remanded for retrial before a different judge.

Between 2005 and 2010, the court granted certain Joint Venture motions and LAMTA capitulated on others, which reduced the number of false claims LAMTA may seek and limited LAMTA's claims for damages and penalties. In September 2010, LAMTA dismissed its remaining claims and agreed to pay the entire amount of the Joint Venture's remaining claims plus interest. In the remanded proceedings, the Court subsequently entered judgment in favor of TSP and against LAMTA in the amount of $3.0 million after deducting $0.5 million, representing the tunnel handrail verdict plus accrued interest against TSP. The parties filed post-trial motions for costs and fees. The Court ruled that TSP's sureties could recover costs, LAMTA could recover costs for the tunnel handrail trial and no party could recover attorneys' fees. TSP appealed the false claims jury verdict on the tunnel handrail claim and other issues, including the denial of TSP's and its sureties' request for attorneys' fees. LAMTA subsequently filed its cross-appeal. In June 2014, the Court of Appeal issued its decision reversing judgment on the People's Unfair Competition claim and reversing the denial of TSP's Sureties' request for attorney's fees and affirming the remainder of the judgment. In January 2015, payment was made by LAMTA in the amount of $3.8 million in settlement of all outstanding issues except for the attorney's fees for TSP's Sureties.

On May 1, 2015, TSP's Surety's motions for attorney's fees were heard, and the Court issued its written ruling on May 5, 2015 in favor of TSP's Sureties for a total award of $2.1 million. The Court denied adding interest onto these amounts. On June 26, 2015, payment was made by LAMTA for these amounts, which was received by TSP. Based on the Court's decision, the Company wrote off the remaining booked position, which was immaterial to its consolidated financial statements. On June 23, 2015, TSP's Sureties filed a Notice of Appeal challenging the amount awarded to seek an increase. The appeal remains pending while the Court prepares the trial record for the Court of Appeal. However, the Company does not expect the ultimate resolution of this matter to have a material effect on its consolidated financial statements.

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Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange project for the New York State Department of Transportation (the "NYSDOT"). The $130 million project was substantially completed in January 2004 and was accepted by the NYSDOT as finally complete in February 2006. The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, seeking damages in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT which resulted in an amount of $0.5 million payable to the Company and formally closed out the project allowing the Company to re-file its claim. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012. In May 2012, the NYSDOT served its answer and counterclaims in the amount of $151 million alleging fraud in the inducement and punitive damages related to disadvantaged business enterprise ("DBE") requirements for the project. The Court subsequently ruled that NYSDOT's counterclaims may only be asserted as a defense and offset to the Company's claims and not as affirmative claims. In November 2014, the Appellate Division First Department affirmed the dismissal of the City's affirmative defenses and counterclaims based on DBE fraud. The Company does not expect the counterclaims to have any material effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Fontainebleau Matter

Desert Mechanical Inc. ("DMI") and Fisk Electric Company ("Fisk"), wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida. Fontainebleau is headquartered in Miami, Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc., the general contractor, in the 8th Judicial District Court, Clark County, Nevada, and in May 2010, the court entered an order in favor of DMI for approximately $45 million.

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC, and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens, there was approximately $125 million set aside from this sale, which is available for distribution to satisfy the creditor claims based on seniority. At that time, the total estimated sustainable lien amount was approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court ruled in October 2012 in an advisory opinion at the request of the Bankruptcy Court that lien priorities would be determined in favor of the mechanic lien holders under Nevada law.

In October 2013, a settlement was reached by and among the Statutory Lienholders and the other interested parties. The agreed upon settlement has not had an impact on the Company's recorded accounting position as of the year ended December 31, 2015. The execution of that settlement agreement continues under the supervision of a mediator appointed by the Bankruptcy Court.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges project for the City of New York (the "City"). In June 2003, after substantial completion of the project, the Company initiated an action to recover $8.8 million in claims against the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6

million and other relief, alleging fraud in connection with the DBE requirements for the project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. In August 2013, the Court granted the Company's motion to dismiss the City's affirmative defenses and counterclaims relating to fraud. In September 2013, the City filed a Notice of Appeal to the Court's decision; said appeal was dismissed by the Appellate Court in November 2014. Discovery is ongoing and is expected to conclude in early 2016.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, contracted to construct a timeshare development project in Las Vegas which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in the amount of $23.2 million, and filed its complaint with the District Court, Clark County, Nevada. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. WPH has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs, and liquidated damages. WPH revised the amount of their counterclaims to approximately $45 million.

Following multiple post-trial motions, final judgment was entered in this matter on March 20, 2014. TSC was awarded total judgment in the amount of $19.7 million on its breach of contract claim, which includes an award of interest up through the date of judgment, plus attorney's fees and costs. WPH has paid $0.6 million of that judgment. WPH was awarded total judgment in the amount of $3.1 million on its construction defect claims, which includes interest up through the date of judgment. The awards are not offsetting. WPH and its Sureties have filed a notice of appeal. TSC has filed a notice of appeal on the defect award. In July 2014, the Court ordered WPH to post an additional supersedeas bond on appeal, in the amount of $1.7 million, in addition to the lien release bond of $22.3 million, which increases the security up to $24.0 million. The Nevada Supreme Court is anticipated to rule on this matter during the first quarter of 2016.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Brightwater Matter

In 2006, the Department of Natural Resources and Parks Wastewater Treatment Division of King County ("King County"), as Owner, and Vinci Construction Grands Projects/Parsons RCI/Frontier-Kemper, Joint Venture ("VPFK"), as Contractor, entered into a contract to construct the Brightwater Conveyance System and tunnel sections in Washington State. Frontier-Kemper, a 20% minority partner in the joint venture, is a wholly owned subsidiary of the Company that was acquired in June 2011.

In April 2010, King County filed a lawsuit alleging damages in the amount of $74 million, plus costs, for VPFK's failure to complete specified components of the project in the King County Superior Court, State of Washington. Shortly thereafter, VPFK filed a counterclaim in the amount of approximately $75 million, seeking reimbursement for additional costs incurred as a result of differing site conditions, King County's defective specifications, and for damages sustained on VPFK's tunnel boring machines ("TBM"), and increased costs as a result of hyperbaric interventions. VPFK's claims were presented to a Dispute Resolution Board who generally found that King County was liable to VPFK for VPFK's claims for encountering differing site conditions, including damages to the TBM, but not on claims related to defective design specifications. From June through August 2012, each party filed several motions for summary judgment on certain claims and requests in preparation for trial, which were heard and ruled upon by the Court. The Court granted and denied various requests of each party related to evidence and damages.

In December 2012, a jury verdict was received in favor of King County in the amount of $155.8 million and a verdict in favor of VPFK in the amount of $26.3 million. In late April 2013, the Court ruled on post-trial motions and ordered VPFK's sureties to pay King County's attorneys' fees and costs in the amount of $14.7 million. All other motions were denied. On May 7, 2013, VPFK paid the full verdict amount and the associated fees, thus terminating any interest on the judgment. VPFK's notice of appeal was filed on May 31, 2013. King County has appealed approximately $17.0 million of the verdict award in VPFK's favor and VPFK's sureties have appealed the Court's order granting King County's request for legal fees and costs. Oral argument was held on March 9, 2015.

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The Company received notice on November 9, 2015, that the Court of Appeals of the State of Washington filed their decision that day, which affirmed the trial court's judgment and denied the appeals brought forth by both VPFK and King County. Management booked the impact of this judgment during the third quarter of 2015, resulting in a non-cash, pre-tax charge of $23.9 million. The Court granted King County's request for recovery of reasonable attorney fees and appellate costs but did not quantify an amount. The Company does not expect the award of attorney fees, while not specifically determinable, to have a material financial impact on its consolidated financial statements.

156 Stations Matter

In December 2003, Five Star Electric Corporation ("FSE"), a wholly owned subsidiary of the Company, entered into an agreement with the Prime Contractor Transit Technologies, L.L.C., a Consortium member of Siemens Transportation Transit Technologies, L.L.C., to assist in the installation of new public address and customer information screens system for each of the 156 stations for the New York City Transit Authority as the owner.

In June 2012, an arbitration panel awarded FSE a total of approximately $11.9 million. Subsequently, the Court affirmed FSE's position; however, it decided that only $8.5 million of the total arbitration award of $11.9 million can be recovered against the payment bond. In December 2014, FSE filed its reply for the motion for re-argument with regard to the reduction in recoverable costs against the payment bond.

This matter was fully settled in April 2015 and payment was received. The settlement amount was consistent with the Company's recorded position and, accordingly, the settlement did not have a material impact on the Company's consolidated financial statements.

U.S. Department of Commerce, National Oceanic and Atmospheric Administration Matter

Rudolph and Sletten, Inc. ("R&S"), a wholly owned subsidiary of the Company, entered into a contract with the United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") for the construction of a 287,000 square-foot facility for NOAA's Southwest Fisheries Science Center Replacement Headquarters and Laboratory in La Jolla, California. The contract work began on May 24, 2010, and was substantially completed in September 2012. R&S incurred significant additional costs as a result of a design that contained errors and omissions, NOAA's unwillingness to correct design flaws in a timely fashion and a refusal to negotiate the time and pricing associated with change order work.

R&S has filed three certified claims against NOAA for contract adjustments related to the unresolved Owner change orders, delays, design deficiencies and other claims. The First Certified Claim was submitted on August 20, 2013, in the amount of $26.8 million ("First Certified Claim") and the Second Certified Claim was submitted on October 30, 2013, in the amount of $2.6 million ("Second Certified Claim") and the Third Certified Claim was submitted on October 1, 2014 in the amount of $0.7 million ("Third Certified Claim").

NOAA requested an extension to issue a decision on the First Certified Claim and on the Third Certified Claim, but did not request an extension of time to review the Second Certified Claim. On January 6, 2014, R&S filed suit in the United States Federal Court of Claims on the Second Certified Claim plus interest and attorney's fees and costs. This was followed by a submission of a lawsuit on the First Certified Claim on July 31, 2014. In February 2015, the Court denied NOAA's motion to dismiss the Second Certified Claim. In March 2015, the Contracting Officer issued decisions on all Claims accepting a total of approximately $1.0 million of claims and denying approximately $29.5 million of claims. On April 14, 2015, the Court consolidated the cases and has commenced discovery through mid-2016. No trial date has been set.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Five Star Electric Matter

In the third quarter of 2015, Five Star Electric Corp ("Five Star"), a subsidiary of the Company that was acquired in 2011, entered into a tolling agreement related to an ongoing investigation being conducted by the United States Attorney for the Eastern District of New York ("USAO EDNY"). The tolling agreement extended the statute of limitations to avoid the expiration of any unexpired statute of limitations while the investigation is pending. Five Star has been cooperating with the USAO EDNY since late June 2014, when it was first made aware of the investigation, and has been providing information related to its use of certain minority-owned, women-owned, small and disadvantaged business enterprises and, in addition, most recently information regarding certain of Five Star's employee compensation, benefit and tax practices. The investigation covers the period of 2005-2014.

The Company cannot predict the ultimate outcome of the investigation and cannot accurately estimate any potential liability that Five Star or the Company may incur or the impact of the results of the investigation on Five Star or the Company.

Alaskan Way Viaduct Matter

In January 2011, Seattle Tunnel Partners ("STP"), a joint venture between Dragados USA, Inc. and the Company, entered into a design-build contract with the Washington State Department of Transportation ("WSDOT") for the construction of a large diameter bored tunnel in downtown Seattle, King County, Washington to replace the Alaskan Way Viaduct, also known as State Route 99.

The construction of the large diameter bored tunnel requires the use of a tunnel boring machine ("TBM"). In December 2013, the TBM struck a steel pipe, installed by WSDOT as a well casing for an exploratory well. The TBM was damaged and was required to be shut down for repair. STP has asserted that the steel pipe casing was a differing site condition that WSDOT failed to properly disclose. The Disputes Review Board mandated by the contract to hear disputes issued a decision finding the steel casing was a Type I differing site condition. WSDOT has not accepted that finding.

The TBM is insured under a Builder's Risk Insurance Policy ("the Policy") with Great Lakes Reinsurance (UK) PLC and a consortium of other insurers (the "Insurers"). STP submitted the claims to the insurer and requested interim payments under the Policy. The Insurers refused to pay and denied coverage. In June 2015, STP filed a lawsuit in the King County Superior Court, State of Washington seeking declaratory relief concerning contract interpretation as well as damages as a result of the Insurers' breach of its obligations under the terms of the Policy, and added WSDOT as a defendant since WSDOT is an insured under the Policy and had filed its own claim for damages. In August 2015, the Insurers filed a complaint in the Supreme Court, State of New York County seeking declaratory relief concerning contract interpretation. The Court in New York has stayed the Insurers' lawsuit pending a decision from the Washington State Court.

In October 2015, WSDOT filed a complaint against STP in the King County Superior Court, State of Washington for breach of contract and declaratory relief concerning contract interpretation.

As of December 2015, the Company has concluded that the potential for a material adverse financial impact due to the Insurer's and WSDOT's respective legal actions are neither probable nor remote. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

8. Share-Based Compensation

The Company's executive share-based compensation plan provides for various types of share-based grants, including restricted stock units and stock options. Restricted stock units give the holder the right to exchange their restricted stock units for shares of the Company's common stock on a one-for-one basis. Stock options give the holder the right to purchase shares of the Company's common stock at an exercise price equal to the fair value of the Company's common stock on the date of the stock option's award. Awards are usually subject to certain service and performance conditions and may not be sold or otherwise transferred until those restrictions have been satisfied. The term for stock options is limited to 10 years from the date of grant. As of December 31, 2015, there were 489,022 shares available to be granted under the Company's share-based compensation plan. Many of the awards under the plan allow for the fractional earning of the entire award based on achieving separate vesting criteria for separate performance periods. The Company accounts for each fractional portion of these awards as a separate grant, with the grant date established at the date when the performance target for a given period is set and communicated to the grantee. As of December 31, 2015, there were 754,500 restricted stock units and 722,000 stock options that have been awarded, but are not yet granted.

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The following table summarizes restricted stock unit and stock option activity during the year ended December 31, 2015:

	Restricted Stock Units		Stock Options	
	Number	Weighted-Average Grant Date Fair Value Per Share	Number	Weighted-Average Exercise/(Strike) Price Per Share
Outstanding as of December 31, 2014	1,056,597	$ 26.54	1,989,000	$ 19.63
Granted	321,500	23.07	259,000	16.07
Expired or forfeited	(281,560)	23.89	(250,000)	15.97
Vested/exercised	(370,940)	27.07	-	-
Outstanding as of December 31, 2015	725,597	$ 25.28	1,998,000	$ 19.62

The fair value of restricted stock units that vested during 2015 was approximately $8.0 million. As of December 31, 2015, the balance of unamortized restricted stock and stock option expense was $7.5 million and $1.9 million, respectively, which will be recognized over weighted-average periods of 1.6 years for restricted stock units and 1.4 years for stock options.

The 1,998,000 outstanding stock options as of December 31, 2015 had an intrinsic value of $3.0 million and a weighted-average remaining contractual life of 4.9 years. Of those outstanding options: 1) 1,485,000 were exercisable with an intrinsic value of $1.6 million, a weighted-average exercise price of $19.57 per share and a weighted-average remaining contractual life of 4.0 years; and 2) 513,000 have been granted but have not vested, of which 483,000 are expected to vest and have an intrinsic value of $1.3 million, a weighted-average exercise price of $19.27 and a weighted-average remaining contractual life of 7.3 years.

The fair value on the grant date and the significant assumptions used in the Black-Scholes option-pricing model for stock option awards granted during 2015 are as follows:

Total stock options granted		259,000
Weighted-average grant date fair value	$	12.48
Weighted-average assumptions:		
Risk-Free Rate		1.3 %
Expected life of options[(a)]		4.7
Expected volatility[(b)]		45.5 %
Expected quarterly dividends	$	—

(a) Calculated using the simplified method due to the terms of the stock options and the limited pool of grantees.
(b) Calculated using historical volatility of the Company's common stock over periods commensurate with the expected life of the option.

The Company recognized, as part of general and administrative expense, cost for stock-based payment arrangements of $9.5 million for the year ended December 31, 2015 with related tax benefits of $4.0 million.

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9. Business Segments

The Company offers general contracting, pre-construction planning and comprehensive project management services, including planning and scheduling of the manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. The Company also offers self-performed construction services, including site work, concrete forming and placement, steel erection, electrical, mechanical, plumbing and HVAC. Our business is conducted through three segments: Civil, Building and Specialty Contractors, as described further below. These segments are determined based on how the Company's Chairman and Chief Executive Officer (chief operating decision maker) aggregates business units when evaluating performance and allocating resources.

The Civil segment specializes in public works construction and the repair, replacement and reconstruction of infrastructure. The civil contracting services include construction and rehabilitation of highways, bridges, mass-transit systems, and water management and wastewater treatment facilities.

The Building segment has significant experience providing services to a number of specialized building markets for private and public works customers, including the high-rise residential, hospitality and gaming, transportation, health care, commercial and government offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical, industrial and high-tech markets.

The Specialty Contractors segment specializes in electrical, mechanical, plumbing, HVAC, fire protection systems and pneumatically placed concrete for a full range of civil and building construction projects in the industrial, commercial, hospitality and gaming, and mass-transit end markets. This segment provides unique strengthens and capabilities which position the Company as a full-service contractor with greater control over scheduled work, project delivery and risk management.

The following tables set forth certain reportable segment information relating to the Company's operations for the years ended December 31, 2015 (in thousands):

	Reportable Segments					
	Civil	Building	Specialty Contractors	Segment Total	Corporate	Consolidated Total
Total Revenue	$ 2,005,193	$ 1,900,492	$ 1,228,030	$ 5,133,715	$ —	$ 5,133,715
Elimination of intersegment revenue	(115,286)	(97,957)	—	(213,243)	—	(213,243)
Revenue from external customers	$ 1,889,907	$ 1,802,535	$ 1,228,030	$ 4,920,472	$ —	$ 4,920,472
Income from construction operations:						
Before litigation-related charge	$ 169,073	$ (1,240)	$ 15,682	$ 183,515	$ (54,242)(a)	$ 129,273
Litigation-related charge (b)	(23,860)	—	—	(23,860)	—	(23,860)
Total	$ 145,213	$ (1,240)	$ 15,682	$ 159,655	$ (54,242)	$ 105,413
Capital Expenditures	$ 8,383	$ 2,877	$ 1,193	$ 12,453	$ 23,459	$ 35,912

(a) Consists primarily of corporate general and administrative expenses.
(b) The Company recorded a non-cash, pre-tax charge of $23.9 million for an adverse appellate court decision related to a long-standing litigation matter for which the Company, as part of a 2011 acquisition, assumed liability as a minority partner in a joint venture for a project that had already been completed. (For further information, refer to the Brightwater Matter discussion in Note 7.)

During the year ended December 31, 2015, the Company recorded unfavorable adjustments totaling $45.6 million in income from construction operations ($0.53 in diluted EPS) related to various Five Star Electric projects in New York, none of which were individually material. Most of these projects are complete or nearing completion. In addition, there were unfavorable adjustments to the estimated cost to complete a Building segment project, which has been completed and resulted in a decrease of $24.3 million in income from construction operations ($0.28 in diluted EPS). Furthermore, the Company recorded a non-cash litigation-related charge for the Brightwater Matter, which resulted in a $23.9 million in income from construction operations ($0.28 in diluted EPS), as discussed in Note 7. Finally, the Company recorded favorable adjustments for a Civil segment runway reconstruction project, which resulted in an increase of $13.7 million in income from construction operations ($0.16 in diluted EPS).

The above were the only changes in estimates considered individually material to the Company's results of operations during the year ended December 31, 2015.

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The following table sets forth the total assets for the reportable segments as of December 31, 2015 (in thousands):

Building	$	798,022
Civil		1,964,674
Specialty Contractors		863,242
Corporate and other (a)		416,503
Total Assets	$	4,042,441

(a) Consists principally of cash and cash equivalents and corporate transportation equipment.

Geographic Information

Information concerning principal geographic areas as of and for the year-ended December 31, 2015 is as follows (in thousands):

Revenue		
United States	$	4,694,165
Foreign and U.S. territories		226,307
Total	$	4,920,472
Income (loss) from construction operations		
United States	$	128,869
Foreign and U.S. territories		30,786
Corporate		(54,242)
Total	$	105,413

Income from construction operations has been allocated geographically based on the location of the job site.

Assets		
United States	$	3,868,449
Foreign and U.S. territories		173,992
Total Assets	$	4,042,441

Reconciliation of Segment Information to Consolidated Amounts

The following table reconciles segment results to the consolidated income before income taxes for the year ended December 31, 2015 (in thousands).

Income from construction operations	$	105,413
Other income (expense), net		12,453
Interest expense		(44,027)
Income before income taxes	$	73,839

10. Employee Benefit Plans

Defined Benefit Pension Plan

The Company has a defined benefit pension plan that covers certain of its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The plan is noncontributory and benefits are based on an employee's years of service and "final average earnings," as defined by the plan. The plan provides reduced benefits for early retirement and takes into account offsets for social security benefits. The Company also has an unfunded supplemental retirement plan ("Benefit Equalization Plan") for certain employees whose benefits under the defined benefit pension plan were reduced because of compensation limitations under federal tax laws. Effective June 1, 2004, all benefit accruals under the Company's pension plan and Benefit Equalization Plan were frozen; however, the current vested benefit was preserved. Pension disclosure as presented below includes aggregated amounts for both of the Company's plans, except where otherwise indicated.

The Company historically has used the date of its fiscal year-end as its measurement date to determine the funded status of the plan.

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The long-term investment goals of our plan are to manage the assets in accordance with the legal requirements of all applicable laws; produce investment returns which maximize return within reasonable and prudent levels of risks; and achieve a fully funded status with regard to current pension liabilities. Some risk must be assumed in order to achieve the investment goals. Investments with the ability to withstand short and intermediate term variability are considered and some interim fluctuations in market value and rates of return are tolerated in order to achieve the plan's longer-term objectives.

The plan's assets are managed by a third-party investment manager. The investment manager is limited to pursuing the investment strategies regarding asset mix and purchases and sales of securities within the parameters defined in the Investment Objectives & Policy Statement and investment management agreement. Investment performance and risk is measured and monitored on an ongoing basis through quarterly investment meetings.

A summary of net periodic benefit cost for the year ended December 31, 2015 is as follows (in thousands):

Interest cost	$	4,055
Expected return on plan assets		(5,021)
Recognized net actuarial losses		1,869
Net periodic benefit cost	$	903
Actuarial assumptions used to determine net cost:		
Discount rate		3.75%
Expected return on assets		6.50%
Rate of increase in compensation		n.a.

The target asset allocation for the Company's pension plan by asset category for 2016 and the actual asset allocation as of December 31, 2015 by asset category are as follows:

	Percentage of Plan Assets	
Asset Category	Target Allocation 2016	Actual Allocation 2015
Cash	5 %	4 %
Equity securities:		
Domestic	65	61
International	25	30
Fixed income securities	5	5
Total	100 %	100 %

As of December 31, 2015, plan assets included approximately $44.1 million of investments in hedge funds which do not have readily determinable fair values. The underlying holdings of the funds are comprised of a combination of assets for which the estimate of fair value is determined using information provided by fund managers.

The Company expects to contribute approximately $1.8 million to its defined benefit pension plan in 2016. Future benefit payments under the plans are estimated as follows (in thousands):

2016	$	6,399
2017		6,439
2018		6,601
2019		6,687
2020		6,720
Thereafter		33,510
	$	66,356

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The following tables provide a reconciliation of the changes in the fair value of plan assets and plan benefit obligations during 2015, and a summary of the funded status as of December 31, 2015 (in thousands).

Change in Fair Value of Plan Assets		
Balance at beginning of year	$	75,956
Actual return on plan assets		(984)
Company contribution		2,900
Benefit payments		(5,576)
Balance at end of year	$	72,296
Change in Benefit Obligations		
Balance at beginning of year	$	110,923
Interest cost		4,055
Assumption change (gain) loss		(3,838)
Actuarial loss		378
Benefit payments		(5,576)
Balance at end of year	$	105,942
Funded status	$	(33,646)
Amounts recognized in Consolidated Balance Sheets consist of:		
Current liabilities	$	(218)
Long-term liabilities		(33,428)
Net amount recognized in Consolidated Balance Sheets	$	(33,646)

Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive loss:		
Net actuarial loss	$	(56,824)
Accumulated other comprehensive loss		(56,824)
Cumulative Company contributions in excess of net periodic benefit cost		23,178
Net amount recognized in Consolidated Balance Sheets	$	(33,646)

The net actuarial gain arising during the period, netted against the amortization of the previously existing actuarial loss resulted in a net other comprehensive loss of $0.7 million in 2015.

The estimated amount of the net accumulated loss that will be amortized from accumulated other comprehensive loss into net period benefit cost in 2016 is $1.7 million.

Actuarial assumptions used to determine benefit obligation:	
Discount rate	4.10 %
Rate of increase in compensation	n.a.
Measurement date	December 31

The expected long-term rate of return on assets assumption was 6.5% for 2015. The expected long-term rate of return on assets assumption was developed considering forward looking capital market assumptions and historical return expectations for each asset class assuming the Company's target asset allocation and full availability of invested assets.

Plan assets are measured at fair value. The following provides a description of the valuation techniques employed for each major asset class: Corporate equities are valued at the closing price reported on the active market on which the individual securities are purchased. Registered investment companies are public investment vehicles valued using the Net Asset Value (NAV) of shares held by the plan at year-end. The NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy. Closely held funds held by the plan, which are only available through private offerings, do not have readily determinable fair values. Estimates of fair value of these funds are determined using the information provided by the fund managers and it is generally based on the net asset value per share or its equivalent. Corporate bonds are valued based on market values quoted by dealers who are market makers in these securities, and by independent pricing services which use multiple valuation techniques that incorporate available market

TUTOR PERINI CORPORATION AND SUBSIDIARIES
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information and proprietary valuation models using market characteristics, such as benchmark yield curve, coupon rates, credit spreads, estimated default rates and other features.

The following table sets forth the plan assets as of December 31, 2015 at fair value in accordance with the fair value hierarchy described in Note 3 (in thousands):

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total Value
Cash and cash equivalents	$ 2,654	$ —	$ —	$ 2,654
Fixed Income	4,029	—	—	4,029
Equities	6,566	—	—	6,566
Mutual Funds	6,994	—	—	6,994
Equity Partnerships	—	7,920	—	7,920
Hedge Fund Investments:				
Cash	324	—	—	324
Long-Short Equity Fund	—	12,640	16,370	29,010
Event-Driven Fund	—	3,618	6,984	10,602
Distressed Credit	—	—	935	935
Multi-Strategy Fund	—	—	1,262	1,262
Private Credit	—	—	2,000	2,000
Total	$ 20,567	$ 24,178	$ 27,551	$ 72,296

Fund strategies seek to capitalize on inefficiencies identified across different asset classes or markets. Hedge fund strategy types include long-short, event-driven, multi-strategy and distressed credit. Generally, the redemption of the Company's hedge fund investments is subject to certain notice-period requirements and, as such, the Company has classified these assets as Level 3 assets.

The table below sets forth a summary of changes in the fair value of the Level 3 assets (in thousands):

	Changes in Fair Value of Level 3 Assets					
	Long-Short Equity Fund	Event-Driven Fund	Distressed Credit	Multi-Strategy Fund	Private Credit	Total
Balance, December 31, 2014	$ 12,755	$ 9,562	$ 1,320	$ 1,494	$ —	$ 25,131
Realized gains	(50)	(16)	(7)	(9)	—	(82)
Unrealized gains	581	(585)	(28)	(38)	—	(70)
Purchases	5,631	—	—	225	2,642	8,498
Sales	(2,547)	(1,977)	(350)	(410)	(642)	(5,926)
Balance, December 31, 2015	$ 16,370	$ 6,984	$ 935	$ 1,262	$ 2,000	$ 27,551

The Company's plans have benefit obligations in excess of the fair value of the plans' assets. The following table provides information relating to each of the plans' benefit obligations compared to the fair value of its assets as of December 31, 2015 (in thousands):

(in thousands)	Pension Plan	Benefit Equalization Plan	Total
Projected benefit obligation	$ 102,495	$ 3,447	$ 105,942
Accumulated benefit obligation	102,495	3,447	105,942
Fair value of plan assets	72,296	—	72,296
Projected benefit obligation greater than fair value of plan assets	$ 30,199	$ 3,447	$ 33,646
Accumulated benefit obligation greater than fair value of plan assets	$ 30,199	$ 3,447	$ 33,646

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As Of And For The Year Ended December 31, 2015

Section 401(k) Plans

The Company has several contributory Section 401(k) plans which cover its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The 401(k) expense provision was $4.0 million in 2015. The Company's contribution is based on a non-discretionary match of employees' contributions, as defined by each plan.

Cash-Based Compensation Plans

The Company has multiple cash-based compensation plans and a share-based incentive compensation plan for key employees, which are generally based on the Company's achievement of a certain level of profit. For information on the Company's share-based incentive compensation plan, see Note 8.

Multiemployer Plans

In addition to the Company's defined benefit pension and contribution plans discussed above, the Company participates in multiemployer pension plans for its union construction employees. Contributions are based on the hours worked by employees covered under various collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is only liable for its proportionate share of a plan's unfunded vested liability upon termination, or withdrawal from, a plan. The Company currently has no intention of withdrawing from any of the multiemployer pension plans in which it participates and, therefore, has not recognized a liability for its proportionate share of any unfunded vested liabilities associated with these plans.

The following tables summarize key information for the plans that the Company had significant involvement with during the year ended December 31, 2015.

Pension Fund	EIN/Pension Plan Number	Pension Protections Act Zone Status	FIP/RP Status Pending Or Implemented	Company Contributions (in millions)	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
Pension, Hospitalization and Benefit Plan of the Electrical Industry - Pension Trust Account	13-6123601/001	Green	No	13.6 [a]	No	5/31/2016
Steamfitters Industry Pension Fund	13-6149680/001	Green	No	6.2 [a]	No	6/30/2017
Excavators Union Local 731 Pension Fund	13-1809825/002	Green	No	7.1	No	6/30/2016
Local 147 Construction Workers Retirement Fund	13-6528181	Green	No	5.6 [a]	No	6/30/2018
Iron Workers Locals 40,361 & 417 Pension Fund	51-6102576/001	Yellow	Implemented	5.2 [a]	No	6/30/2020
New York City District Council of Carpenters Pension Plan	51-0174276/001	Green [b]	No	3.1	No	6/30/2016

(a) These amounts exceeded 5% of the respective total plan contributions.
(b) Pension Protection Act zone status is as of July 1, 2015.

In addition to the individually significant plans described above, the Company also contributed approximately $40.6 million in 2015.

11. Related Party Transactions

The Company leases certain facilities from an entity owned by Ronald N. Tutor, the Company's Chairman and Chief Executive Officer, at market lease rates. Under these leases the Company paid $2.7 million and recognized expense of $3.2 million for the year ended December 31, 2015.

Raymond R. Oneglia, Vice Chairman of O&G Industries, Inc. ("O&G"), is a director of the Company, and O&G owns 500,000 shares of the Company's common stock. The Company and O&G formed a joint venture to provide contracting services for a highway construction project. O&G provides equipment and services to the joint venture on customary trade terms. The joint venture paid O&G $10.7 million for the year ended December 31, 2015. The Company has a 30% percent interest in the joint venture, which it accounts for using the proportionate consolidation method.

Peter Arkley, Senior Managing Director, Construction Services Group, of Alliant Insurance Services, Inc. ("Alliant"), is a director of the Company. The Company uses Alliant for various insurance related services and has paid Alliant $9.8 million for the year ended December 31, 2015. The Company owed Alliant $7.5 million for services rendered as of December 31, 2015.

SUPPLEMENTAL CONSOLIDATING INFORMATION

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2015
(In thousands, except share data)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Andersen Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
ASSETS																	
CURRENT ASSETS:																	
Cash	$ 47,198	$ 839	$ —	$ 14,518	$ 2,144	$ 98	$ —	$ 1,531	$ —	$ —	$ 1,934	$ —	$ 10,883	$ 2,036	$ 1,361	$ (7,090)	$ 75,452
Restricted cash	3,370	—	—	—	400	—	—	—	—	—	330	—	—	2,552	39,201	—	45,853
Accounts receivable, including retainage	339,488	30,993	16,854	59,347	54,002	6,975	99,671	29,083	245,622	70,891	35,501	11,658	19,042	517,575	83,658	(146,745)	1,473,615
Costs and estimated earnings in excess of billings	97,576	71,457	46,584	86,644	17,702	2,997	35,886	10,231	23,601	37,400	21,737	37,182	8,325	485,285	151	(77,583)	905,175
Deferred income taxes	16,566	—	—	5,239	—	—	—	—	—	—	—	—	314	4,185	2	—	26,306
Intercompany notes and receivables	—	—	—	—	28,889	—	—	—	45,504	—	—	3,738	—	—	—	(78,131)	—
Other current assets	59,792	974	2,161	5,331	7,690	4,525	2,077	56	3,483	2,134	1,497	285	6,818	11,305	12,319	(11,603)	108,844
Total current assets	563,990	104,263	65,599	171,079	110,827	14,595	137,634	40,901	318,210	110,425	60,999	52,863	45,382	1,022,938	136,692	(321,152)	2,635,245
PROPERTY AND EQUIPMENT, at cost																	
Land	4,090	—	2,407	492	1,771	—	15,396	—	4,456	—	123	—	8,874	3,284	489	—	41,382
Building and improvements	22,132	—	4,409	1,798	2,663	—	23,547	852	12,908	1,887	3,986	—	12,367	23,727	13,324	—	123,600
Construction equipment	52,894	8,294	14,384	58,065	49,209	16,422	1,415	297	4,910	—	310	—	22,703	6,875	195,302	—	431,080
Other equipment	61,924	70,326	2,834	—	9,866	32	3,745	1,044	9,625	1,794	2,923	139	5,038	9,241	3,409	—	181,940
	141,040	78,620	24,034	60,355	63,509	16,454	44,103	2,193	31,899	3,681	7,342	139	48,982	43,127	212,524	—	778,002
Less - Accumulated depreciation	(35,735)	(18,624)	(10,478)	(18,114)	(24,941)	(3,004)	(7,234)	(1,506)	(18,986)	(2,283)	(3,597)	(61)	(19,916)	(15,870)	(74,128)	—	(254,477)
Total property and equipment, net	105,305	59,996	13,556	42,241	38,568	13,450	36,869	687	12,913	1,398	3,745	78	29,066	27,257	138,396	—	523,525
INTERCOMPANY NOTES AND RECEIVABLES	—	—	—	—	160,096	—	343,783	14,030	121,655	—	—	179,538	14,357	31,367	872	(865,698)	—
GOODWILL	571,520	—	—	—	—	—	—	—	—	—	—	—	—	13,486	—	—	585,006
INTANGIBLE ASSETS, NET	96,540	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	96,540
OTHER ASSETS	741,322	24,052	5,789	—	7,607	1,118	1,369	5,753	2,803	431	22,237	641	351	13,576	26,856	(651,780)	202,125
TOTAL ASSETS	$ 2,078,677	$ 188,311	$ 84,944	$ 213,320	$ 317,098	$ 29,163	$ 519,655	$ 61,371	$ 455,581	$ 112,254	$ 86,981	$ 233,120	$ 89,156	$ 1,108,624	$ 302,816	$ (1,838,630)	$ 4,042,441
LIABILITIES AND STOCKHOLDERS' EQUITY																	
CURRENT LIABILITIES:																	
Current maturities of long-term debt	$ 107,282	$ 2,426	$ 79	$ 11,200	$ 6,830	$ 2,945	$ —	$ —	$ —	$ —	$ —	$ —	$ 5,886	$ 574	$ 11,695	$ (60,000)	$ 88,917
Accounts payable, including retainage	199,238	5,459	12,300	27,667	70,344	1,354	78,082	32,848	285,390	55,187	46,453	46,750	15,551	224,518	4,028	(167,705)	937,464
Billings in excess of costs and estimated earnings	89,304	115	4,064	14,665	24,083	179	1,088	1,014	19,313	1,836	7,109	4,052	6,808	118,675	1,717	(5,711)	288,311
Intercompany notes and advances payable—short term	27,331	—	362	—	—	—	1,482	—	2,714	1,193	—	879	—	459	50,801	(85,221)	—
Accrued expenses and other current liabilities	24,045	4,122	2,507	15,760	9,569	388	4,897	1,187	10,792	2,720	6,932	1,183	6,822	30,134	40,289	(2,331)	159,016
Total current liabilities	447,200	12,122	19,312	69,292	110,826	4,866	85,549	35,049	318,209	60,936	60,494	52,864	35,067	374,360	108,530	(320,968)	1,473,708
LONG TERM DEBT, less current maturities	659,432	23,103	—	428	6,946	11,791	—	—	—	—	—	—	613	9,634	28,307	(5,723)	734,531
DEFERRED INCOME TAXES	39,143	95,695	10,880	14,955	18,851	4,454	6,181	4,755	2,735	5,292	7,537	514	364	22,008	39,946	—	273,310
OTHER LONG-TERM LIABILITIES	106,590	1,725	—	2	—	—	—	602	945	—	—	1	—	—	30,800	—	140,665
INTERCOMPANY NOTES & ADVANCES PAYABLE	460,704	4,326	4,994	56,869	—	6,239	—	—	—	34,820	2,996	—	—	270,206	—	(841,154)	—
STOCKHOLDERS' EQUITY:																	
Treasury Stock—Perini	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(658)	658	—
Common stock	49,073	—	7	1	2,233	10	95	4	11	—	—	1	1,500	6	712	(4,580)	49,073
Additional paid-in-capital	1,035,514	27,406	1	56,297	37,168	1	—	279	6,303	9,999	22,437	1	16,250	226,112	188,321	(590,573)	1,035,516
Retained earnings (deficit)	(684,174)	23,934	49,750	22,664	141,074	1,802	427,830	20,682	127,378	1,207	(6,483)	179,739	36,158	205,674	(93,142)	(76,290)	377,803
Accumulated and other comprehensive loss	(34,805)	—	—	(7,188)	—	—	—	—	—	—	—	—	(796)	624	—	—	(42,165)
TOTAL STOCKHOLDERS' EQUITY	365,608	51,340	49,758	71,774	180,475	1,813	427,925	20,965	133,692	11,206	15,954	179,741	53,112	432,416	95,233	(670,785)	1,420,227
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,078,677	$ 188,311	$ 84,944	$ 213,320	$ 317,098	$ 29,163	$ 519,655	$ 61,371	$ 455,581	$ 112,254	$ 86,981	$ 233,120	$ 89,156	$ 1,108,624	$ 302,816	$ (1,838,630)	$ 4,042,441

NOTE: Consolidating Balance Sheet is presented using the cost method of accounting.
NOTE: Proportional share of joint venture assets and liabilities are included in the respective amounts shown above.
NOTE: Consolidating Balance Sheet does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.
NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
NOTE: Management has determined the allocation of intercompany notes and receivable (or advance payable) balances between current assets (liabilities) and noncurrent assets (liabilities) based upon management's intent as to when such amounts will be settled.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands, except per share data)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
REVENUE	$ 1,030,133	$ 30,021	$ 43,903	$ 266,693	$ 547,447	$ 9,419	$ 352,442	$ 124,902	$ 940,372	$ 146,125	$ 267,674	$ 74,220	$ 108,213	$ 1,228,030	$ —	$ (249,122)	$ 4,920,472
COST OF OPERATIONS	(886,604)	(37,356)	(42,498)	(263,282)	(483,331)	(10,485)	(364,397)	(120,941)	(909,765)	(145,942)	(255,276)	(65,748)	(98,093)	(1,147,786)	18,163	249,122	(4,564,219)
GROSS PROFIT	143,529	(7,335)	1,405	3,411	64,116	(1,066)	(11,955)	3,961	30,607	183	12,398	8,472	10,120	80,244	18,163	—	356,253
General and administrative expenses	(77,806)	(67)	(4,453)	(12,838)	(13,939)	(2,079)	(14,815)	(1,649)	(18,720)	(6,024)	(9,601)	(6,993)	(7,063)	(72,821)	(1,972)	—	(250,840)
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	65,723	(7,402)	(3,048)	(9,427)	50,177	(3,145)	(26,770)	2,312	11,887	(5,841)	2,797	1,479	3,057	7,423	16,191	—	105,413
Other income (expense), net	8,155	(36)	1	(780)	1,126	1,663	5	—	47	4	38	8	313	1,095	814	—	12,453
Interest expense	(41,006)	—	(6)	(279)	(427)	(521)	(6)	—	—	—	—	—	(162)	(341)	(1,279)	—	(44,027)
INCOME (LOSS) BEFORE INCOME TAXES	32,872	(7,438)	(3,053)	(10,486)	50,876	(2,003)	(26,771)	2,312	11,934	(5,837)	2,835	1,487	3,208	8,177	15,726	—	73,839
(Provision) Benefit for income taxes	(8,325)	1,996	1,288	5,022	(21,061)	768	10,731	(993)	(4,905)	(63)	(1,497)	(592)	(136)	(4,877)	(5,903)	—	(28,547)
NET INCOME (LOSS)	$ 24,547	$ (5,442)	$ (1,765)	$ (5,464)	$ 29,815	$ (1,235)	$ (16,040)	$ 1,319	$ 7,029	$ (5,900)	$ 1,338	$ 895	$ 3,072	$ 3,300	$ 9,823	$ —	$ 45,292

NOTE: Consolidating Statement of Operations is presented using the cost method of accounting.
NOTE: Proportional share of joint venture net income (loss) is included in the respective amounts shown above.
NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.

CCU Regular Meeting June 5, 2019 - GWA

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
BALANCE - December 31, 2014	$ (708,721)	$ 29,376	$ 51,515	$ 28,128	$ 111,259	$ 3,037	$ 443,870	$ 19,363	$ 120,349	$ 7,107	$ (7,821)	$ 178,844	$ 33,086	$ 202,374	$ (102,965)	$ (76,290)	$ 332,511
Net Income (Loss)	24,547	(5,442)	(1,765)	(5,464)	29,815	(1,235)	(16,040)	1,319	7,029	(5,900)	1,338	895	3,072	3,300	9,823	—	45,292
BALANCE - December 31, 2015	$ (684,174)	$ 23,934	$ 49,750	$ 22,664	$ 141,074	$ 1,802	$ 427,830	$ 20,682	$ 127,378	$ 1,207	$ (6,483)	$ 179,739	$ 36,158	$ 205,674	$ (93,142)	$ (76,290)	$ 377,803

NOTE: Consolidating Statement of Retained Earnings is presented using the cost method of accounting.
NOTE: Proportional share of joint venture net income (loss) is included in the respective amounts shown above.
NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.

CCU Regular Meeting June 5, 2019 - GWA

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:																	
Net Income	$ 24,547	$ (5,442)	$ (1,765)	$ (5,464)	$ 29,815	$ (1,235)	$ (16,040)	$ 1,319	$ 7,029	$ (5,900)	$ 1,338	$ 895	$ 3,072	$ 3,300	$ 9,823	$ —	$ 45,292
Adjustments to reconcile net income to net cash from operating activities:																	
Depreciation	6,517	5,624	565	4,068	2,492	1,026	884	88	962	170	390	19	1,714	3,704	9,696	—	37,919
Amortization of intangible assets and debt issuance costs	5,810	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,810
Share-based compensation expense	9,477	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	9,477
Adjustment of investments to fair value	(9)	—	—	—	—	—	—	—	—	—	—	—	—	9	—	—	—
Excess income tax benefit from stock-based compensation	(186)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(186)
Deferred income taxes	(114,507)	75,264	5,091	13,690	11,244	2,220	4,812	(930)	(68)	4,861	(12,604)	(126)	(617)	20,740	13,144	—	22,214
Loss (Gain) on sale of property and equipment	(2,260)	—	(20)	3	(410)	(233)	—	—	(14)	(14)	(38)	—	212	(148)	13	—	(2,909)
Other long-term liabilities	(4,813)	(157)	273	—	—	(39)	1,261	436	945	—	—	265	—	(58)	30,799	—	28,912
Other non-cash items	2,327	—	—	(4,763)	—	—	—	—	129	—	(1,077)	—	(591)	(105)	—	400	(3,680)
Changes in other components of working capital	(155,597)	17,247	(9,858)	(32,683)	(9,479)	7,800	131,255	(13,462)	4,834	(25,748)	5,358	298	1,109	(18,789)	(52,427)	21,365	(128,777)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(228,694)	92,536	(5,714)	(25,149)	33,662	9,539	122,172	(12,549)	13,817	(26,631)	(6,633)	1,351	4,899	8,653	11,048	21,765	14,072
CASH FLOWS FROM INVESTING ACTIVITIES:																	
Acquisition of property and equipment	(21,498)	—	(49)	(3,316)	(4,043)	(181)	(168)	(482)	(570)	(1,415)	(233)	(11)	(772)	(1,192)	(1,982)	—	(35,912)
Proceeds from sale of property and equipment	2,259	—	217	1	1,128	487	—	—	17	14	93	—	162	197	405	—	4,980
Change in restricted cash	1	—	—	—	428	—	—	—	—	—	240	—	—	1,322	(3,474)	—	(1,483)
(Increase) Decrease in intercompany advances	—	—	270	—	(41,356)	—	(122,320)	12,965	(13,264)	—	4,449	(1,340)	(1,288)	(15,370)	—	177,254	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(19,238)	—	438	(3,315)	(43,843)	306	(122,488)	12,483	(13,817)	(1,401)	4,549	(1,351)	(1,898)	(15,043)	(5,051)	177,254	(32,415)
CASH FLOWS FROM FINANCING ACTIVITIES:																	
Proceeds from debt	978,731	—	—	(776)	—	270	—	—	—	—	—	—	1	(5)	254	34,730	1,013,205
Repayment of debt	(959,577)	(2,426)	(81)	(5,993)	(7,969)	(2,562)	—	—	—	—	—	—	(955)	(613)	(14,195)	(60,000)	(1,054,371)
Excess income tax benefit from share-based compensation	186	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	186
Issuance of common stock and effect of cashless exercise	(808)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(808)
(Decrease) Increase in intercompany advances	201,511	(89,686)	5,357	36,138	—	(8,249)	—	—	—	27,185	2,996	—	—	9,044	(14,390)	(169,906)	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	220,043	(92,112)	5,276	29,369	(7,969)	(10,541)	—	—	—	27,185	2,996	—	(954)	8,426	(28,331)	(195,176)	(41,788)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(27,889)	424	—	905	(18,150)	(696)	(316)	(66)	—	(847)	912	—	2,047	2,036	(22,334)	3,843	(60,131)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	75,087	415	—	13,613	20,294	794	316	1,597	—	847	1,022	—	8,836	—	23,695	(10,933)	135,583
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 47,198	$ 839	$ —	$ 14,518	$ 2,144	$ 98	$ —	$ 1,531	$ —	$ —	$ 1,934	$ —	$ 10,883	$ 2,036	$ 1,361	$ (7,090)	$ 75,452
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR:																	
Interest	$ 41,962	$ 16	$ 5	$ 285	$ 427	$ 521	$ 6	$ —	$ —	$ —	$ —	$ —	$ 163	$ 341	$ 1,329	$ —	$ 45,055
Income taxes	$ 32,651	$ —	$ —	$ 319	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 111	$ 2,190	$ 28	$ —	$ —	$ 35,299

NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.

CCU Regular Meeting June 5, 2019 - GWA

PROOF OF STATUS AS VETERAN

PROOF OF STATUS AS VETERAN

A TutorPerini Company

Black Construction Corporation is not a Veteran-Owned Company

FORMS OR DOCUMENTS REQUIRED BY BID

APPENDIX K
AFFIDAVIT RE GRATUITIES OR KICKBACKS

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM)

Leonard K. Kaae _____ *(state name of affiant signing below)*, being first duly sworn, deposes, and says that:

1. The name of the offering company or individual is Black Construction Corporation _____.
(state name of company)
Affiant is an officer of the offeror _____ *(state one of the following: the offeror, a partner of the offeror, an officer of the offeror)* making the foregoing identified bid or proposal.

2. To the best of affiant's knowledge, neither affiant, nor any of the offeror's officers, representative, agents, subcontractors, or employees have violated, are violating the prohibition against gratuities and kickbacks set forth in 2 GAR Division 4 §11107(e). Further, affiant promises, on behalf of offeror, not to violate the prohibition against gratuities and kickbacks as set forth in 2 GAR Division 4 §11107(e).

3. To the best of affiant's knowledge, neither affiant, nor any of the offeror's officers, representatives, agents, subcontractors, or employees have been offered, given or agreed to give, any government of Guam employee or former government employee, any payment, gift, kickback, gratuity or offer of employment in connection with the offeror's proposal.

4. I make these statements on behalf of myself as a representative of the offeror, and on behalf of the offeror's officers, representatives, agents, subcontractors, and employees.

_____
Signature of one of the following:

Offeror, if the offeror is an individual;
Partner, if the offeror is a partnership;
Officer, if the offeror is a corporation.

Subscribed and sworn to before me this 29th day of May, 2019.

_____
NOTARY PUBLIC

My commission expires DEC. 14, 2019.

JULIE WENDA T. GALILA
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: DEC. 14, 2019
P.O. Box 24667 Barrigada, Guam 96921

APPENDIX L
AFFIDAVIT RE ETHICAL STANDARDS

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM)

Leonard K. Kaae
_____ *(state name of affiant signing below)*, being first duly sworn, deposes, and says that:

The affiant is an officer of the offeror *(state one of the following: the offeror, a partner of the offeror, an officer of the offeror)* making the foregoing identified bid or proposal. To the best of affiant's knowledge, neither affiant nor any officers, representatives, agents, subcontractors, or employees of offeror have knowingly influenced any government of Guam employee to breach any of the ethical standards set forth in 5 GCA Chapter 5, Article 11. Further, affiant promises that neither he or she, nor any officer, representative, agent, subcontractor, or employee of offeror will knowingly influence any government of Guam employee to breach any ethical standards set for in 5 GCA Chapter 5, Article 11. These statements are made pursuant to 2 GAR Division 4 §11103(b).

_____
Signature of one of the following:

Offeror, if the offeror is an individual;
Partner, if the offeror is a partnership;
Officer, if the offeror is a corporation.

Subscribed and sworn to before me this 29th day of May, 2019.

_____
NOTARY PUBLIC

My commission expires DEC. 14, 2019.

JULIE WENDA T. GALILA
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **DEC. 14, 2019**
P.O. Box 24667 Barrigada, Guam 96921

APPENDIX M

AFFIDAVIT RE CONTINGENT FEES

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM)

Leonard K. Kaae
_____ *(state name of affiant signing below),* being first duly sworn, deposes, and says that:

1. The name of the offering company or individual is Black Construction Corporation
(state name of company)

2. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained any person or agency on a percentage, commission, or other contingent arrangement to secure this contract. This statement is made pursuant to 2 GAR Division 4 11108(f).

3. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained a person to solicit or secure a contract with the government of Guam upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bon fide established commercial selling agencies for the purpose of securing business. This statement is made pursuant to 2 GAR division 4 11108(h).

4. I make these statements on behalf of myself as a representative of the offeror, and on behalf of the offeror's officers, representatives, agents, subcontractors, and employees.

_____
Signature of one of the following:

Offeror, if the offeror is an individual;
Partner, if the offeror is a partnership;
Officer, if the offeror is a corporation.

Subscribed and sworn to before me this 29th day of May, 2019.

_____
NOTARY PUBLIC

JULIE WENDA T. GALILA
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: DEC. 14, 2019
P.O. Box 24667 Barrigada, Guam 96921

My commission expires DEC. 14, 2019.

SECRETARY'S CERTIFICATE

I, John D. Barrett, certify that I am the Assistant Secretary and an officer of Black Construction Corporation, a corporation duly organized and existing under the laws of Guam (the "Corporation"), and that as such I have access to and custody of the corporate records and minute books of the Corporation; and

I further certify:

That the following represents a complete and current list of officers of the Corporation:

Ronald N. Tutor	President
Leonard K. Kaae	Senior Vice President and General Manager
Mark J. Mamczarz	Vice President, Treasurer and Secretary
John McSweeney	Vice President
John D. Barrett	Vice President, Assistant Treasurer & Assistant Secretary

IN WITNESS WHEREOF, I have hereunto set my hand by order of the Board of Directors thereof this 12th day of February, 2019.

John D. Barrett, Assistant Secretary

I, Mark J. Mamczarz, certify that I am the Secretary and officer of Black Construction Corporation, a corporation duly organized and existing under the laws of Guam (the "Corporation") , and hereby certify this is a true and correct copy.

Mark J. Mamczarz, Secretary

Corporate Seal

GUAM WATERWORKS AUTHORITY
"Better Water, Better Lives."
Gloria B. Nelson Public Service Building| 688 Route 15 | Mangilao, Guam 96913
Tel: (671) 300-6846

Issues for Decision

Resolution No. 36-FY2019
Relative to Approving the Five-Year Financial Plan and Capital Improvement Program

What is the project's objective and is it necessary and urgent?
The objective of the 5-year Financial Plan and Capital Improvement Program is to present the first five-years of capital improvement projects adopted under the 2018 Water Resource Master Plan update, as well as projects necessary to complete the 2011 Court Order and other regulatory compliance objectives. The projects outlined in the Capital Improvement Program will also provide for the continued modernization, operation, maintenance and repair of GWA's water and sewer systems while the ancillary Financial Plan provides the revenues to support debt service on approximately $260 million in bond borrowing to pay for these much-needed capital improvements which will benefit all residents and visitors of Guam.

The Financial Plan addresses the 5-year period FY2020-FY2024 and includes: (1) estimated annual budgets for operations, maintenance and repair of GWA's water and sewer system, including capital improvement projects; and (2) a detailed descriptive plan for raising sufficient revenue to meet the projected costs set forth in the budget.

Approval of the Five-Year Financial Plan and Capital Improvement Program is urgent and necessary to allow for the filing of a Guam Public Utilities Commission Rate Petition following approval by the CCU in an effort to get the matter on the agenda for decision by the PUC at its August 2019 meeting, if possible.

Where is the location? The Five-Year Financial Plan and Capital Improvement Program includes projects that will be conducted island-wide.

How much will it cost? The total funding required for the Five-Year Financial Plan and Capital Improvement Program is $291,000,000, of which $260,000,000 will be required in new bond issuances.

When will it be completed? The period covered by the plan is from FY2020 to FY2024.

What is the funding source? N/A

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. 36-FY2019

RELATIVE TO APPROVING THE FIVE-YEAR FINANCIAL PLAN AND CAPITAL IMPROVEMENT PROGRAM

WHEREAS, the Consolidated Commission on Utilities ("CCU") is the governing body of the utilities and as such it possesses fiscal, contract and policy oversight over the Guam Waterworks Authority ("GWA"); and

WHEREAS, GWA is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, GWA prepared its third consecutive five-year financial plan FY2020-2024 which will provide for the continued modernization, operation, maintenance, and repair of GWA's water and sewer systems and provide for appropriate debt service on approximately $260 million in bonds to pay for the planned capital improvements to the benefit all of the people of Guam; and

WHEREAS, the Five-Year Financial Plan ("Financial Plan") addresses the 5 year period FY2020-FY2024: (1) estimated annual budgets for operations, maintenance and repair of GWA's water and sewer system, including capital improvement projects; and (2) a detailed descriptive plan for raising sufficient revenue to meet the projected costs set forth in the budget; and

WHEREAS, GWA's proposed Financial Plan contains annual rate increases that are driven primarily by obligatory investment for system reliability, federal regulatory compliance, the 2011 Federal Court order and a forthcoming U.S.E.P.A. Consent Decree while concurrently meeting the bond rate covenants and PUC debt coverage requirements along with credit rating considerations; and

WHEREAS, GWA management has presented its comprehensive Financial Plan to the CCU for its approval for release as described in the CFO Summary and accompanying documents attached hereto as Exhibit A; and

WHEREAS, GWA's proposed Financial Plan provides the structure to support the 5-year Capital Improvement Program attached hereto as Exhibit B, the FY2020 Budget and will become the foundation for subsequent 5-year plans to enable the implementation of the 20-year 2018 Water Resources Master Plan; and

WHEREAS, highlights of the Financial Plan include:

1) Rate increase utilizing a "cash basis" analysis of 10% in FY2020, 8.5% in FY2021, 8% in FY2022, 6.5% in FY2023 and 5% in FY2024 to fund increases in operating expenses and other costs subject to inflationary pressures, to pay for current debt service and future debt service of approximately Two Hundred Sixty Million Dollars ($260,000,000) of bond financing in FY2020, FY2022 for much needed capital improvement projects for service improvements which includes, but is not limited to, the following projects:
    a. continued development of water wells needed to support growth;
    b. water distribution upgrades that will reduce GWA's water losses which translates into lower power rates and lower costs for GWA's customers;
    c. water booster station upgrades;
    d. upgrades to GWA's sewer collection system and a comprehensive sewer line replacement and rehabilitation program;
    e. upgrades to over 20 wastewater pumping stations;
    f. numerous upgrade projects for the electrical systems on sewer collection and treatment facilities;
    g. installing additional SCADA system so that GWA can monitor and operate its water and wastewater system more efficiently;
    h. continue the Court Order replacement of some of GWA's remaining steel water storage tanks and add new concrete tanks that have a better life cycle cost;

i. continue the Court Order refurbishment of some of GWA's steel water storage tanks that will give the tanks an additional ten to fifteen years of life to allow GWA the ability to replace the tanks as necessary; and

2) Ensure that the cash reserves required under the Bond Indenture and Stipulated Order will be fully funded by the end of Fiscal Year 2024;

3) Ensures that the proper debt service coverage ratio that is required under the 2005, 2010, 2013 and 2016 Series Bond Indentures and future bond financing are maintained.

4) Continuation of on-going efforts to reduce water losses by 10% over the next five years through an aggressive leak detection and repair program, and prioritizing line replacement projects;

5) Internally funded capital improvement projects of approximately Ninety-Six Million Dollars ($96,000,000) to reduce GWA's need to finance all capital projects and thereby reduce costs to the consumers by eliminating the interest and costs associated with financing.

6) Augments the existing Working Capital Reserve funds for Operations & Maintenance and Debt Service by Fifteen Million Five Hundred Thousand Dollars ($15,500,000) to improve liquidity for dealing with unexpected events and to bring GWA closer to conforming with industry standards for working capital and cash reserves of four (4) months and sixty (60) days, respectively, as well as to create opportunities to enhance investment grade status for GWA bonds, attain better access to financial market and lower future debt costs; and

WHEREAS, the CCU has directed and Management has conducted a comprehensive public information campaign, including public work sessions with the CCU, television and radio interviews by the General Manager, several detailed presentations to the public in villages in the north, central and south of Guam, the Mayor's Council of Guam, the Speaker and GWA's oversight Chair at the Guam Legislature, and other community stakeholder groups such as the Rotary Club of Guam and the Guam Chamber of Commerce, as well as distribution of information on the plan to every GWA customer via billing inserts in the mail and publication of

the full text of the proposed plan on GWA's website, so that the plan can be thoroughly evaluated and commented on by the public; and

WHEREAS, having thoroughly reviewed and analyzed the plan, the CCU now finds that the Financial Plan is ready for approval and the CCU will authorize GWA management to file the Financial Plan with the Guam Public Utilities Commission after the expiration of thirty days from the date the notice is published in a newspaper of general circulation and on the GWA webpage as required by the Ratepayers Bill of Rights as contained in Guam Code Annotated.

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

The five-year Financial Plan required under GWA's master plan is hereby approved for filing with the Guam Public Utilities Commission which includes, but is not limited to the highlights set forth herein and below:

a. Rate increases of 10% in FY2020, 8.5% in FY2021, 8% in FY2022, 6.5% in FY2023, and 5% in FY2024 to account for current debt service and future debt service for approximately $260 million in financing for capital projects and increases in costs such as power costs; Navy water purchases and other normal and recurring operating expenses due to inflation;
b. A reduction in water losses by 10% by the end of the five-year period;
c. Ninety-Six Million Dollars ($96,000,000) set aside for internally funded capital improvement projects to offset amounts GWA is required to borrow;
d. Fifteen Million Five Hundred Thousand Dollars ($15,500,000) to augment the existing Working Capital Reserve funds for Operations & Maintenance and Debt Service of four (4) months and sixty (60) days respectively and beginning FY2020 and thereafter, deposit into the Fund from monthly revenues collected an amount equal to $1/12^{th}$ of the budgeted amount detailed in the Plan or GWA's annual budget, of which no expenditure or withdrawal shall be made without prior written approval by the CCU.

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

DULY ADOPTED AND APPROVED this 5th day of June 2019.

Certified by:	Attested by:
_____	_____
JOSEPH T. DUENAS	**MICHAEL T. LIMTIACO**
Chairperson	Secretary

SECRETARY'S CERTIFICATE

I, Michael T. Limtiaco, Secretary for the Consolidated Commission on Utilities 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: _____

ABSTENTIONS: _____

ABSENT: _____

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GUAM WATERWORKS AUTHORITY

5-YR FINANCIAL PLAN & CAPITAL IMPROVEMENT PROGRAM (PROPOSED)

FY 2020 - 2024



The Consolidated Commission on Utitlies and Guam Waterworks Authority 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 prevent unnecessary cost increases. This five (5) year financial plan demonstrates the Authority's commitment to thoughtful planning, intelligent investment of resources, and innovative initiatives to achieve needed capital improvements, improve operational performance, and better manage regulatory compliance, with the overall objective of providing better service to our ratepayers.

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, replacement and construction projects. GWA has also instituted an asset management and maintenance program to ensure capital investments are protected, and system performance does not back-slide to previously experienced conditions resulting in Clean Water Act (CWA) and or Safe Drinking Water Act (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, 91 (97.8%) are completed or on-schedule for completion by the relevant deadlines, with only 2 projects either remaining or behind schedule for completion. It has been over seven years since the utility has been fined by U.S. EPA for not meeting mandated deadlines.

Secondary Treatment
Through the work funded by the previous 5-yr financial plan and capital improvement program, GWA has followed through with planning efforts and recently completed replacement of two of its non-compliant wastewateter treatment plants (WWTPs) – the Agat WWTP and Baza Gardens WWTP. GWA now has a fully-compliant secondary treatment plant functioning in Agat-Santa Rita, and has eliminated discharge from the Baza Gardens plant, achieving improvements to effluent quality and compliance with EPA regulations.

EPA issued revised National Pollutant Discharge and Elimination Standards (NPDES) permits for the Northern District and Hagatna WWTPs that became effective on June 1, 2013. The NPDES permits include secondary treatment standards, some of which the existing WWTPs are unable to meet until a secondary treatment process is implemented. These two WWTPs are currently meeting the requirements of the Court Order with chemically enhanced primary treatment, but are not in compliance with the secondary treatment standards and will require significant upgrades to comply with the permit. GWA continues discussions with EPA regarding the timing of upgrades required for the Hagatna WWTP.

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 several water and wastewater system improvements, including upgrading the Northern District WWTP to full secondary treatment capability. In late 2017, the Authority received an additional grant award totaling $117.9 million to augment funding for construction of the NDWWTP improvements. The NDWWTP secondary treatment upgrades have been designed (100% complete), and a contract for preliminary site-work construction has been awarded. The complete upgrade construction package is currently under procurement and slated for award by mid-year 2019.

Non-Revenue Water
One of the Authority's most challenging issues is non-revenue water. According to the latest figures, approximately 58% of water produced annually is not consumed or contributing to GWA's revenue, due to either water losses (leaks, breaks), theft, metering inaccuracies, unauthorized or unbilled consumption. Leaks for the most part account for the largest source of non-revenue water and GWA has expanded its on-going water loss control program, adding a pressure zone re-alignment program, district metering, and advanced leak detection

techniques, in addition to traditional leak detection methods to help reduce non-revenue water. Real losses, or those attributable to leaks within the system, have been reduced to 49% of total water supplied.

A substantial amount of work and resources have been allotted to the distribution system to improve and optimize the Authority's loss prevention program. This includes such efforts as the prioritization and acceleration of leak repairs (backlog reduced by more than 90% in the last 2 years), the rehabilitation and upgrades of main lines; the installation of monitoring and measuring devices (i.e. master flow meters, production meters) to accurately measure water production and demand in water service areas, and pressure management, which aims to monitor and correctly align water pressure within each service area of the system to avoid over-pressurization that can lead to main breaks, increased line leakage, and more frequent pipe repairs/replacement. Most recently, GWA is currently pilot-testing satellite-based leak detection which uses advanced satellite imaging to detect potable water leaks within the GWA service area. The Authority will continue to make improvements in operations and proactively manage water loss, enhance leak detection efforts, and improve its leak repair performance.

Metering Challenges
GWA has seen short-term effects of a defective meter issue for a limited number of GWA's residential meter inventory. The Authority has stepped up meter testing and replacement efforts, and is phasing out the problematic meter model from its distribution system. The effect of the meter issue has been a reduction in projected revenues, requiring corresponding adjustments to expenditures. A related effect has been to negatively offset gains made in water loss control, by showing an artificial decrease in consumption figures in GWA's annual water audit calculations. The challenge moving forward will be to quickly replace the remaining defective meter model in our inventory, to which GWA has assigned additional personnel and resources to complete this by September 2019.

Water Resource Master Plan
In 2018, the Consolidated Commission on Utilities approved the adoption of the 2018 Water Resource Master Plan (WRMP) update, which outlines the Authority's 20-year planning projections, enterprise considerations, updated goals and objectives, and the Capital Improvement Program (CIP) needed to upgrade, maintain and sustain the GWA Water and Wastewater Systems. The Master Plan also contains the financial plan and model necessary to support the CIP, as well as programmatic maintenance and improvement initiatives over the 20-year planning period. The 2018 WRMP 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 Capital Improvement Program and Financial Plan. Each 5-year CIP & Financial Plan 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.

Using the information from the WRMP with updated planning projections for needed short-term compliance projects, this 5-year strategy outlines GWA's financial, operational and CIP plan covering Fiscal Years 2020-2024.

Revenue Requirements
To determine revenue requirements for Fiscal Years 2020 thru 2024, critical considerations focused on GWA's financial capacity to meet debt service obligations and preserve mandatory rate-coverage ratios without compromising the improvements gained thus far in operational performance. Inasmuch as this plan attempts to balance GWA's system-required investments with adaptable rate schedules for its customers, the primary driver is GWA's need to issue as many as three separate bonds, raising an estimated $260 million in the next 5 years; the proceeds of which will supplement other fund sources for capital projects already in progress and execute new projects estimated to cost nearly $500 million during this fiscal year and the proposed 5-year plan period.

The first bond issuance of $134 million is planned in FY2020. The additional bond offers, slated to occur in FY 2022 at $60 million and again in FY2023 for $66 million, require legislative authorization for additional borrowing. The rate plan, as proposed, will support GWA's financial stability to meet these obligations, fund all cash reserve

requirements, provide for internally funded capital outlays and pay for onging operations and maintenance (O&M) programs. Combined, these efforts will keep GWA in compliance with the Safe Drinking Water Act, Clean Water Act and other mandates.

The plan proposes an aggregate 38% rate increase across all rate structures and customer classes (with some exception to lifeline rates), phased in at the start of each fiscal year beginning with a 10% increase in FY2020, 8.5% in FY2021; 8% in FY2022; 6.5% in FY2023; and 5% in FY2024. Adjustments to GWA's lifeline rates is projected for FY2022. These increases are subject to yearly reviews for prudence and reasonableness. Additionally, this proposal is lower than previous adjustments implemented in the past decade with cumulative rate increases of 47% from FY2009 thru FY2013 and 53.5% between FY2014 and FY2018. There were no rate increases in FY2019.

Assuming this Rate Plan is approved, Table I below lays out the incremental adjustments from FY2020 thru FY2024 and projected revenue derived therein.

Table I

	Projection				
	2020	2021	2022	2023	2024
Basic Charge -Water	10.00%	8.50%	8.00%	6.50%	5.00%
Lifeline Increase	0.00%	0.00%	8.00%	0.00%	0.00%
Non-Lifeline Increase	10.00%	8.50%	8.00%	6.50%	5.00%
Legislative Surcharge	3.60%	3.60%	3.50%	3.40%	3.45%
Customer Growth	0.50%	0.50%	0.50%	0.50%	0.50%
Demand Growth	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATING REVENUES					
Water Revenues	$77,204,920	$83,410,356	$90,162,843	$95,753,251	$100,357,472
Wastewater Revenues	43,990,559	47,006,664	50,816,250	53,527,730	55,758,216
Legislative Surcharge	3,855,370	4,185,719	4,397,793	4,552,730	4,853,770
Other Revenues	431,932	430,737	433,741	432,137	432,205
System Development Char	914,964	929,304	832,509	892,259	884,691
Total Operating Revenues	**126,397,745**	**135,962,780**	**146,643,136**	**155,158,107**	**162,286,353**

Debt Service

GWA currently has an estimated $500 million in outstanding debt comprised mostly of revenue bonds and a subordinate loan. Payment of these debts make up the largest line item of GWA's annual budgets. With the additional borrowing, payments will increase from the current $31 million to an estimed $47 million a year by FY 2024. With the rates as proposed, GWA will continue to meet two standards of debt service coverage ratios of 1.75 and 1.25 respectively required by the Public Utilities Commisson and GWA Bond Convenants.

Operations & Maintenance

In conjunction with capital programs to build the island's water and wastewater systems, O&M costs require corresponding growth in the coming years. This budget plan allows GWA to augment efforts that stabilize and standardize day-to-day routines of line replacements, leak repairs, asset management, and improved customer services and operations. O&M costs excluding depreciation are projected to increase an average 6% each year during this period. The increases are attributable largely to projected costs in contractual services, labor and water purchases.

Table II summarizes the O&M costs excluding depreciation from year to year by major cost category.

O&M Expenses	Projected FY2020	Projected FY2021	Projected FY2022	Projected FY2023	Projected FY2024
Water Purchases	$ 9,902,414	$ 10,694,607	$ 11,550,175	$ 12,474,189	$ 13,472,124
Power Purchases	$ 14,935,381	$ 15,234,089	$ 15,538,771	$ 15,849,546	$ 16,166,537
Salaries & Benefits	27,199,775	28,677,206	29,340,741	30,018,089	30,709,538
Administrative and General Expenses	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631
Contractual Expense	6,054,073	7,397,524	8,675,011	10,009,518	11,832,223
Retiree Supplemental Annuities and healt	3,763,479	3,933,179.8	4,112,018	4,300,483	4,499,094
Total Operating Expenses (Less Depreciation)	**73,922,025**	**78,347,471**	**81,676,670**	**85,349,791**	**89,819,147**
Increase/(Decrease)	**9%**	**6%**	**4%**	**4%**	**5%**

Utilities

Utility costs (water and power) are a major cost component of GWA's annual expenses making up about 33% of operating costs (excluding depreciation). Energy costs are driven by water production and pumping activities; GWA uses the kilowatt hours (KWH) required for both activities to estimate power purchases that meet demand. While KWH remains relatively unchanged for the next 5 years, the plan provides for adjustments in the cost of fuel. Future fuel increases that exceed budget estimates can be offset by decreases in demand that result from reducing non-revenue water.

Water purchases from the US Navy to supplement GWA sources for customers in certain areas are based primarily on historical rate increases per kilo-gallon of water charged by the Navy to GWA. In the previous 5 years, rates increased an average of 14% each year. While the rates were recently reduced in FY2019, GWA assumes an 8% increase moving forward. GWA does not plan to increase the volume of water purchased.

Personnel

In the first two years of this plan salaries and benefits will increase an average of 8% due to updating GWA's compensation plan and recruiting for unfilled positions and additional staff. A market review of GWA positions and pay scales was updated in 2017 by consultant Alan Searle and Associates that determined salaries were below the 5th market percentile of the 2017 data. Salary projections assume migration of GWA's compensation plan to the 20th market percentile by the end of FY2020. Thereafter, base salaries adjust an average of 2% per employee per year as determined by annual performance reviews. This plan provides for 400 full time employees (FTEs) in the first year and 412 FTEs from FY2021 moving forward.

Premium pay, such as Night Differential and Holiday Work are estimated at 1.4 and 1% respectively of total base pay, which aligns with historical levels. Overtime is capped at $1 million each year assuming GWA maintains authorized staff levels. Costs for medical, dental and life insurance benefits are based on the current average rate GWA contributes for each benefit-type, then adjusts upward by 2% each year. Medicare is budgeted at 1.45% of base salaries; and retirement benefits are projected at 28% of base salaries increasing less than half a percent each year thereafter.

In the first six months of the Fiscal Year 2019, GWA averaged 365 FTEs each pay period. GWA anticipates filling all 400 positions by the end of the fiscal period with ongoing recruitment to fill positions as they become vacant through normal attrition from retirement, resignation and other means of separation. Staffing levels have steadily increased over the previous 5 years, mostly by under-filling senior positions with entry level recruits as veteran employees retire. Recruitment efforts have extended beyond local media to industry organizations abroad for those critical positions deemed "hard to fill" as a result of professional certification or other requirements.

Table III

Salaries & Benefits	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024
Salaries & Wages	19,254,479	20,211,432	20,679,621	21,157,173	21,644,277
Benefits & Retirement	7,945,297	8,465,774	8,661,120	8,860,916	9,065,261
Total	27,199,775	28,677,206	29,340,741	30,018,089	30,709,538
Full-Time Employee Count					
*Filled	363	363	363	363	363
*Vacant	37	37	37	37	37
New		12	12	12	12
TOTAL	400	412	412	412	412

Administrative & General Expenses
General overhead costs that comprise these categories of expenses altogether remain relatively stable over the next 5 years with 2% and 3% adjustments for inflation and other budgetary considerations. This is applicable across the individual line items that comprise this expense group with the exception of chemicals and sludge.

Chemical costs escalate 14% in FY2020 over the current year as a result of contractual price increases for liquid chlorine and other treatment chemicals. Future projections are adjusted assuming a reduction in wastewater chemcials upon completion of the secondary treatment upgrade at the Northern District Wastewater Treatment Plant in December 2021 and minor changes to price and timing of chemical purchases for water treatment.

In FY2020 sludge costs reflect a slight reduction from the FY2019 budget based on actual cost per ton for disposal. The volume of sludge is generally based on wastewater flow. For planning purposes, projections applied a 1% increase in flow each year and 2% increase on the cost per ton for disposal.

Table IV

Administrative and General	Projected FY2020	Projected FY2021	Projected FY2022	Projected FY2023	Projected FY2024
Sludge	1,689,381	1,740,401	1,792,961	1,847,108	1,902,891
Chemicals	2,539,046	2,572,745	2,372,530	2,293,729	2,337,531
Materials & Supplies	2,369,442	2,440,525	2,467,552	2,555,410	2,632,073
Transportation Expense	477,684	492,014	506,775	521,978	537,637
Telephone & Communication	186,069	191,012	196,742	202,645	208,724
Claims	66,351	68,342	70,392	72,504	74,679
Insurance	982,136	1,011,600	1,041,948	1,073,206	1,105,403
Training & Travel	375,523	411,517	423,863	436,579	535,043
Advertising	145,312	149,672	154,162	158,787	163,550
Regulatory	309,358	318,639	328,198	338,044	348,186
Bad Debts Provision	1,781,672	1,835,123	1,890,176	1,946,882	2,005,288
Miscellaneous	1,144,928	1,179,276	1,214,654	1,251,094	1,288,627
	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631

Contractual Expenses

As GWA shifts from manual labor-intensive processes to automated technologies that will capture real-time data, protect system information and manage assets, significant increases in the Information Technology (IT) contractual services are expected over the next 5 years to support day-to-day business operations. GWA will be upgrading its 20-year-old JD Edwards World Enterprise system to the new E-1 environment. While the initial upgrade is included in the CIP plan, GWA must fund annual services and support that follow. These include provisions for user licenses, software maintenance and service support, hardware upgrades and systems connectivity. Initial estimates for annual costs following implementation to support E-1 alone is earmarked at $340,000 upwards to $500,000 per year depending on optional features GWA requires. As GWA expands its technology systems with features such as cloud-based back-up, content management, asset management, and other system securities, IT contractual costs are projected to escalate over the rate plan period.

Other contractual services that are not considered as IT, Rental or Lab services encompass a large of array of support for daily operations. These include subordinate activites like grounds maintenance, pump and motor rewinding, machining work, fabrication, security, printing and the like. While some of these services are funded annually, more recent services have been included for on-demand engineering and land surveying services to provide interim needs below the capitalization threshold, particularly in light of the deliberate phasing-out of Program Management Office (Brown & Caldwell) contract. Services for technical diagnostics and repairs are likewise funded for operating equipments at the various plants and stations that are associated with exclusive agreements with manufacturers.

Table V

Contractual Services	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024
Other	3,073,788	3,509,524	4,234,041	5,057,747	5,994,430
Rental (Building)	474,142	488,366	503,017	518,107	533,651
Rental (Equipment)	1,003,554	1,053,733	1,243,405	1,417,482	1,601,754
Finance & Information Technology	1,065,238	1,855,138	2,189,063	2,495,532	3,166,119
Lab Testing	430,899	480,763	495,186	510,041	525,343
Legal	6,452	10,000	10,300	10,609	10,927
Total	**$6,054,073**	**$7,397,524**	**$8,675,011**	**$10,009,518**	**$11,832,223**

Internally Funded CIP
Internally funded capital outlays will also be funded through the proposed rate adjustments. Service rates that support capital outlays reduce the amount of financing required by GWA, hence, saving rate-payers the cost of interest and other associated expenses. These also allow GWA to fund smaller capital projects (less than $1 million) that may not qualify for bond funds under the terms defined by GWA's bond indenture.

This 5-Year Rate Plan positions GWA to continue investing in long-term, lasting improvements for GWA customers, the environment and our community.

The following pages outlines GWA's financial plan for the next 5 years.

GUAM WATERWORKS 5-YEAR RATE PLAN	Projection				
	2020	2021	2022	2023	2024
Basic Charge -Water	10.00%	8.50%	8.00%	6.50%	5.00%
Lifeline Increase	0.00%	0.00%	8.00%	0.00%	0.00%
Non-Lifeline Increase	10.00%	8.50%	8.00%	6.50%	5.00%
Legislative Surcharge	3.60%	3.60%	3.50%	3.40%	3.45%
Customer Growth	0.50%	0.50%	0.50%	0.50%	0.50%
Demand Growth	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATING REVENUES					
Water Revenues	$ 77,204,920	$83,410,356	$90,162,843	$95,753,251	$100,357,472
Wastewater Revenues	43,990,559	47,006,664	50,816,250	53,527,730	55,758,216
Legislative Surcharge	3,855,370	4,185,719	4,397,793	4,552,730	4,853,770
Other Revenues	431,932	430,737	433,741	432,137	432,205
System Development Charge	914,964	929,304	832,509	892,259	884,691
Total Operating Revenues	**126,397,745**	**135,962,780**	**146,643,136**	**155,158,107**	**162,286,353**
O & M EXPENSES					
Power Purchases	14,935,381	15,234,089	15,538,771	15,849,546	16,166,537
Water Purchases	9,902,414	10,694,607	11,550,175	12,474,189	13,472,124
	24,837,795	25,928,696	27,088,946	28,323,736	29,638,662
Salaries and Benefits	27,199,775	28,677,206	29,340,741	30,018,089	30,709,538
Administrative and General Expenses	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631
Depreciation Expense	21,962,670	22,271,032	22,300,621	22,648,171	24,038,420
Contractual Expense	6,054,073	7,397,524	8,675,011	10,009,518	11,832,223
Retiree Supplemental Annuities/Health care costs	3,763,479	3,933,180	4,112,018	4,300,483	4,499,094
Total Operating Expenses	**95,884,695**	**100,618,503**	**103,977,291**	**107,997,963**	**113,857,568**
Earnings (Loss) from Operations	**30,513,050**	**35,344,278**	**42,665,845**	**47,160,144**	**48,428,785**
Interest Income-Bond 2013,2014 Refunding,2016,2017 Re	1,350,758	1,539,593	1,303,222	1,397,858	1,413,558
Interest Income-Other Funds	216,573	248,637	210,495	225,235	228,122
Interest Income-SDC	25,567	29,850	26,760	27,392	28,001
Interest Expense-Bond 2013,2014 Refunding,2016,2017 F	(32,105,188)	(31,659,950)	(34,164,716)	(36,851,565)	(36,200,087)
Interest Expense-BOG	(67,345)	-	-	-	-
AFUDC	-	-	-	-	-
Amortization of Discount, Premium and Issuance Costs	(403,640)	(276,930)	(298,049)	(326,206)	(300,395)
Grants & other contributions (net of federal expenditures)	39,732,857	39,732,857	33,430,130	8,000,000	8,000,000
Deferred outflows from Pension	(344,114)	(269,263)	(306,689)	(287,976)	(297,332)
Recoveries of bad debts/ Miscellaneous Revenue	-	-	-	-	-
Loss on Defeasance Bond- Refunding	-	-	-	-	-
Loss on Asset Disposal	-	-	-	-	-
Loss on Inventory write-down	-	-		-	-
Prior Year Adjustment	-	-	-	-	-
Net Income (Loss)	**38,918,519**	**44,689,072**	**42,866,999**	**19,344,881**	**21,300,653**

GUAM WATERWORKS 5-YEAR RATE PLAN Continued	Projection 2020	2021	2022	2023	2024
INCREASE (DECREASE) in Capital	**38,918,519**	**44,689,072**	**42,866,999**	**19,344,881**	**21,300,653**
BOND DEBT SERVICE	**34,175,188**	**34,229,950**	**43,204,135**	**43,195,705**	**47,217,036**
DEBT SERVICE COVERAGE CALCULATION - Section 6.12					
Earnings (Loss) from Operations	**30,513,050**	**35,344,278**	**42,665,845**	**47,160,144**	**48,428,785**
Investment Income-Other funds	216,573	248,637	210,495	225,235	228,122
COLA	644,877	688,520	735,117	784,867	837,984
System Development Charge	(914,964)	(929,304)	(832,509)	(892,259)	(884,691)
Depreciation	21,962,670	22,271,032	22,300,621	22,648,171	24,038,420
Balance Available for Debt Service - Section 6.12	**52,422,206**	**57,623,163**	**65,079,569**	**69,926,159**	**72,648,621**
Debt Service Coverage (1.25X) - Section 6.12	**1.53**	**1.68**	**1.51**	**1.62**	**1.54**
DEBT SERVICE COVERAGE CALCULATION - PUC Debt Ratio					
Balance Available for Debt Service	**52,422,206**	**57,623,163**	**65,079,569**	**69,926,159**	**72,648,621**
Transfer - Reserve for O & M					
Transfer - Reserve for Debt Service			8,000,000		5,000,000
2017 Refunding bond savings					
Available for Debt Service -Reserve for Debt Service	11,244,664	11,244,664	11,244,664	19,244,664	19,244,664
Balance Available for Debt Service - PUC	**63,666,870**	**68,867,828**	**84,324,235**	**89,170,823**	**96,893,286**
Debt Service Coverage (1.75X) - PUC	**1.86**	**2.01**	**1.95**	**2.06**	**2.05**
CASH FLOW STATEMENT					
Net Income (Loss)	**38,918,519**	**44,689,072**	**42,866,999**	**19,344,881**	**21,300,653**
Depreciation & Amortization	22,366,310	22,547,962	22,598,670	22,974,378	24,338,815
AFUDC	-	-	-	-	-
Principal Payments - Bonds	(8,770,000)	(9,270,000)	(12,039,419)	(12,644,140)	(14,316,949)
Working Capital Change (Increase)Decrease	(878,321)	(542,131)	(932,331)	(625,421)	(319,479)
Principal Payments-BOG	(2,780,552)	-	-	-	-
Transfer to Trust	-	-	-	-	-
Deferred outflows from pension	344,114	269,263	306,689	287,976	297,332
Gross Bond Proceeds	134,000,000	-	60,000,000	66,000,000	-
Deposit to Bond Construction Fund	(108,925,581)	-	(48,772,648)	(53,649,913)	-
Deposit to CAP Interest Fund	(13,400,000)	-	(4,027,352)	(6,600,000)	-
Deposit to Debt Service Reserve Fund	(8,994,419)	-	(6,000,000)	(4,430,087)	-
Cost of Issuance/Underwriter Discount	(2,680,000)	-	(1,200,000)	(1,320,000)	-
Loss on Defeasance Bond/Amortization of Disct, Premium&	403,640	276,930	298,049	326,206	300,395
Revenue Funded CAPEX	-	-	-	-	-
Bond Reserve Requirement	-	-	-	-	(449,399)
System Development Charge	(914,964)	(929,304)	(832,509)	(892,259)	(884,691)
Working Capital Reserve for CAPEX/PAYGO	(15,000,000)	(15,000,000)	(20,500,000)	(21,000,000)	(24,500,000)
Working Capital Reserve for O & M	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Working Capital Reserve for Debt Service	-	(8,000,000)	-	(5,000,000)	-
Grants and Contributions	(39,732,857)	(39,732,857)	(33,430,130)	(8,000,000)	(8,000,000)
Transfer from Capitalized Interest Fund	6,700,000	6,700,000	3,000,000	6,300,000	3,300,000
Prior Year Adjustment & Loss on Asset Disposal/Invty write	-	-	-	-	-
Transfer to 2017 refunding savings					
Cash Surplus (Deficit)	155,888	508,935	836,019	571,621	586,678
Beginning Balance	3,094,384	3,250,272	3,759,207	4,595,226	5,166,846
Ending Balance	**$ 3,250,272**	**$ 3,759,207**	**$ 4,595,226**	**$ 5,166,846**	**5,733,524**

GUAM WATERWORKS AUTHORITY

EXHIBIT A



GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
RATE PLAN (PROPOSED)2020 - 2024

SCHEDULE A	Audited	APPROVED BUDGET	Projection				
	2018	2019	2020	2021	2022	2023	2024
Basic Charge -Water	4.00%	0.00%	10.00%	8.50%	8.00%	6.50%	5.00%
Lifeline Increase	0.00%	0.00%	0.00%	0.00%	8.00%	0.00%	0.00%
Non-Lifeline Increase	4.00%	0.00%	10.00%	8.50%	8.00%	6.50%	5.00%
Legislative Surcharge	3.75%	3.75%	3.60%	3.60%	3.50%	3.40%	3.45%
Customer Growth	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Demand Growth			0.00%	0.00%	0.00%	0.00%	0.00%
OPERATING REVENUES							
Water Revenues	66,375,564	69,758,957	$ 77,204,920	$ 83,410,356	$ 90,162,843	$ 95,753,251	$ 100,357,472
Wastewater Revenues	38,301,405	38,967,180	43,990,559	47,006,664	50,816,250	53,527,730	55,758,216
Legislative Surcharge	3,470,508	3,536,002	3,855,370	4,185,719	4,397,793	4,552,730	4,853,770
Other Revenues	519,529	459,046	431,932	430,737	433,741	432,137	432,205
System Development Charge	1,070,985	1,173,270	914,964	929,304	832,509	892,259	884,691
Total Operating Revenues	**109,737,991**	**113,894,455**	**126,397,745**	**135,962,780**	**146,643,136**	**155,158,107**	**162,286,353**
O & M EXPENSES							
Power Purchases	14,686,486	14,775,781	14,935,381	15,234,089	15,538,771	15,849,546	16,166,537
Water Purchases	8,684,974	9,167,696	9,902,414	10,694,607	11,550,175	12,474,189	13,472,124
	23,371,460	23,943,477	24,837,795	25,928,696	27,088,946	28,323,736	29,638,662
Salaries and Benefits	18,534,508	24,435,234	27,199,775	28,677,206	29,340,741	30,018,089	30,709,538
Intentionally Left Blank							
Administrative and General Expenses	11,743,583	10,777,027	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631
Intentionally Left Blank							
Depreciation Expense	19,280,249	21,108,780	21,962,670	22,271,032	22,300,621	22,648,171	24,038,420
Intentionally Left Blank							
Contractual Expense	5,036,651	5,111,471	6,054,073	7,397,524	8,675,010	10,009,518	11,832,223
Intentionally Left Blank							
Retiree Supplemental Annuities/Health care costs	8,548,967	3,622,150	3,763,479	3,933,180	4,112,018	4,300,483	4,499,094
Total Operating Expenses	**86,515,418**	**88,998,139**	**95,884,695**	**100,618,503**	**103,977,291**	**107,997,963**	**113,857,568**
Earnings (Loss) from Operations	**23,222,572**	**24,896,316**	**30,513,050**	**35,344,278**	**42,665,846**	**47,160,144**	**48,428,785**
Interest Income-Bond 2013,2014 Refunding,2016,2017 Refunding	3,064,490	1,019,316	1,350,758	1,539,593	1,303,222	1,397,858	1,413,558
Interest Income-Other Funds	547,738	166,274	216,573	248,637	210,495	225,235	228,122
Interest Income-SDC	166,221	24,862	25,567	29,850	26,760	27,392	28,001
Interest Expense-Bond 2013,2014 Refunding,2016,2017 Refunding	(26,129,613)	(28,653,415)	(32,105,188)	(31,659,950)	(34,164,716)	(36,851,565)	(36,200,087)
Interest Expense-BOG	(368,427)	(237,144)	(67,345)	-	-	-	-
AFUDC	12,501,196	13,887,666	-	-	-	-	-
Amortization of Discount, Premium and Issuance Costs	(512,295)	(213,575)	(403,640)	(276,930)	(298,049)	(326,206)	(300,395)
Grants & other contributions (net of federal expenditures)	14,462,063	66,398,461	39,732,857	39,732,857	33,430,130	8,000,000	8,000,000
Deferred outflows from Pension	391,104	(194,412)	(344,114)	(269,263)	(306,689)	(287,976)	(297,332)
Recoveries of bad debts/ Miscellaneous Revenue	-	-	-	-	-	-	-
Loss on Defeasance Bond- Refunding	(744,522)	-	-	-	-	-	-
Loss on Asset Disposal	(1,945,630)	-	-	-	-	-	-
Loss on Inventory write-down	-	-	-	-		-	-
Prior Year Adjustment	158,629	-	-	-	-	-	-
Net Income (Loss)	**24,813,527**	**77,094,350**	**38,918,519**	**44,689,072**	**42,867,000**	**19,344,881**	**21,300,653**
INCREASE (DECREASE) in Capital	**24,813,527**	**77,094,350**	**38,918,519**	**44,689,072**	**42,867,000**	**19,344,881**	**21,300,653**
BOND DEBT SERVICE	**26,738,920**	**31,368,415**	**34,175,188**	**34,229,950**	**43,204,135**	**43,195,705**	**47,217,036**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
RATE PLAN (PROPOSED)2020 - 2024

SCHEDULE A	Audited	APPROVED BUDGET	Projection				
	2018	2019	2020	2021	2022	2023	2024
Basic Charge -Water	4.00%	0.00%	10.00%	8.50%	8.00%	6.50%	5.00%
Lifeline Increase	0.00%	0.00%	0.00%	0.00%	8.00%	0.00%	0.00%
Non-Lifeline Increase	4.00%	0.00%	10.00%	8.50%	8.00%	6.50%	5.00%
Legislative Surcharge	3.75%	3.75%	3.60%	3.60%	3.50%	3.40%	3.45%
Customer Growth	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Demand Growth			0.00%	0.00%	0.00%	0.00%	0.00%
DEBT SERVICE COVERAGE CALCULATION - Section 6.12							
Earnings (Loss) from Operations	23,222,572	24,896,316	30,513,050	35,344,278	42,665,846	47,160,144	48,428,785
Investment Income-Other funds	547,738	166,274	216,573	248,637	210,495	225,235	228,122
COLA	594,000	623,700	644,877	688,520	735,117	784,867	837,984
System Development Charge	(1,070,985)	(1,173,270)	(914,964)	(929,304)	(832,509)	(892,259)	(884,691)
Depreciation	19,280,249	21,108,780	21,962,670	22,271,032	22,300,621	22,648,171	24,038,420
Balance Available for Debt Service - Section 6.12	42,573,574	45,621,800	52,422,206	57,623,163	65,079,570	69,926,159	72,648,621
Debt Service Coverage (1.25X) - Section 6.12	1.59	1.45	1.53	1.68	1.51	1.62	1.54
DEBT SERVICE COVERAGE CALCULATION - PUC Debt Ratio							
Balance Available for Debt Service	42,573,574	45,621,800	52,422,206	57,623,163	65,079,570	69,926,159	72,648,621
Transfer - Reserve for O & M	1,000,000						
Transfer - Reserve for Debt Service	-				8,000,000		5,000,000
2017 Refunding bond savings							
Available for Debt Service -Reserve for Debt Service	11,217,733	11,217,733	11,244,664	11,244,664	11,244,664	19,244,664	19,244,664
Balance Available for Debt Service - PUC	54,791,308	56,839,534	63,666,870	68,867,828	84,324,235	89,170,823	96,893,286
Debt Service Coverage (1.75X) - PUC	2.05	1.81	1.86	2.01	1.95	2.06	2.05
CASH FLOW STATEMENT							
Net Income (Loss)	24,813,527	77,094,350	38,918,519	44,689,072	42,867,000	19,344,881	21,300,653
Depreciation & Amortization	19,792,544	20,895,205	22,366,310	22,547,962	22,598,670	22,974,378	24,338,815
AFUDC	(12,501,196)	(13,887,666)	-	-	-	-	-
Principal Payments - Bonds	(5,200,000)	(5,715,000)	(8,770,000)	(9,270,000)	(12,039,419)	(12,644,140)	(14,316,949)
Working Capital Change (Increase)Decrease	(2,403,918)	-	(878,321)	(542,131)	(932,330)	(625,422)	(319,479)
Principal Payments-BOG	(3,018,019)	(3,180,334)	(2,780,552)	-	-	-	-
Transfer to Trust	-	-	-	-	-	-	-
Deferred outflows from pension	(391,104)	-	344,114	269,263	306,689	287,976	297,332
Gross Bond Proceeds	124,047,361	-	134,000,000	-	60,000,000	66,000,000	-
Deposit to Bond Construction Fund	(122,155,328)	-	(106,925,581)	-	(48,772,648)	(53,649,913)	-
Deposit to CAP Interest Fund	-	-	(13,400,000)	-	(4,027,352)	(6,600,000)	-
Deposit to Debt Service Reserve Fund	-	-	(8,994,419)	-	(6,000,000)	(4,430,087)	-
Cost of Issuance/Underwriter Discount	(1,892,033)	-	(2,680,000)	-	(1,200,000)	(1,320,000)	-
Loss on Defeasance Bond/Amortization of Disct, Premium&IssuanceCost	1,256,817	407,987	403,640	276,930	298,049	326,206	300,395
Revenue Funded CAPEX	(6,961,172)	-	-	-	-	-	-
Bond Reserve Requirement	-	-	-	-	-	-	(449,399)
System Development Charge	(1,070,985)	(1,173,270)	(914,964)	(929,304)	(832,509)	(892,259)	(884,691)
Working Capital Reserve for CAPEX/PAYGO	(4,191,798)	(13,152,585)	(15,000,000)	(15,000,000)	(20,500,000)	(21,000,000)	(24,500,000)
Working Capital Reserve for O & M	(1,000,000)	(3,347,412)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Working Capital Reserve for Debt Service	-		-	(8,000,000)	-	(5,000,000)	-
Grants and Contributions	(14,462,063)	(66,398,461)	(39,732,857)	(39,732,857)	(33,430,130)	(8,000,000)	(8,000,000)
Transfer from Capitalized Interest Fund	1,771,471	-	6,700,000	6,700,000	3,000,000	6,300,000	3,300,000
Prior Year Adjustment & Loss on Asset Disposal/Invty writedown	1,787,001	-	-	-	-	-	-
Transfer to 2017 refunding savings							
Cash Surplus (Deficit)	(1,778,894)	(8,457,186)	155,888	508,934	836,019	571,620	566,678
Beginning Balance	4,873,279	9,419,782	3,094,384	3,250,272	3,759,207	4,595,226	5,166,846
Ending Balance	$ 3,094,384	$ 962,596	$ 3,250,272	$ 3,759,207	$ 4,595,226	$ 5,166,846	5,733,524

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenues

	FY2018					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chgr**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	366	79,644	$ 109,675	$ 381,511	$ 18,349	$ 509,534
Golf Course	16	2,741	10,448	36,292	1,828	48,567
Hotels	56	988,969	116,983	13,205,003	480,995	13,802,981
Commercial	2,702	907,752	1,096,844	12,050,906	519,735	13,667,485
Government/Federal	408	459,491	274,761	6,051,740	277,048	6,603,549
Residential	38,927	1,923,824	10,643,966	18,192,313	1,059,048	29,895,327
Residential Lifeline		1,396,170		4,205,123		4,205,123
						-
Total Water	**42,474**	**5,758,590**	**$ 12,252,677**	**$ 54,122,887**	**$ 2,357,002**	**$ 68,732,566**
Wastewater Revenues						
Commercial I	1,773	427,727		$ 3,214,793	$ 122,761	$ 3,337,554
Commercial II & Hotel	61	725,910		13,059,683	491,162	13,550,845
Commercial III	261	148,458		3,643,108	141,489	3,784,597
Government/Federal	250	937,868		9,764,431	358,095	10,122,526
Residential	27,029	1,836,672		8,619,390		8,619,390
Total Wastewater	**29,374**	**4,076,635**	**-**	**$ 38,301,403**	**$ 1,113,508**	**$ 39,414,911**
Grand Total		**9,835,226**	**$ 12,252,677**	**$ 92,424,291**	**$ 3,470,509**	**$ 108,147,477**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2019					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chge**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	370	85,951	$ 110,932	$ 369,840	$ 18,029	$ 498,801
Golf Course	15	2,617	10,444	34,953	1,702	47,100
Hotels	55	1,005,313	116,550	13,426,114	507,850	14,050,513
Commercial	2,664	907,887	1,095,541	12,124,976	495,769	13,716,286
Government/Federal	411	466,672	276,872	6,232,482	244,101	6,753,454
Residential	38,870	1,857,465	10,630,534	20,266,511	1,146,297	32,043,342
Residential Lifeline		1,681,096		5,063,209		5,063,209
Total Water	**42,385**	**6,007,000**	**$ 12,240,872**	**$ 57,518,084**	**$ 2,413,749**	**$ 72,172,705**
Wastewater Revenues						
Commercial I	1,779	447,163		$ 3,292,551	$ 123,471	$ 3,416,022
Commercial II & Hotel	61	742,306		13,309,258	499,097	13,808,355
Commercial III	259	140,004		3,481,390	130,552	3,611,942
Government/Federal	254	935,161		9,842,378	369,089	10,211,468
Residential	27,359	2,169,836		9,041,602		9,041,602
Total Wastewater	**29,713**	**4,434,470**	**-**	**$ 38,967,180**	**$ 1,122,209**	**$ 40,089,389**
Grand Total		**10,441,470**	**$ 12,240,872**	**$ 96,485,264**	**$ 3,535,958**	**$ 112,262,094**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2020					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chrg**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	356	82,979	$ 117,159	$ 392,730	$ 18,356	$ 528,246
Golf Course	14	2,317	8,592	34,036	1,535	44,162
Hotels	53	1,071,638	127,596	15,743,088	571,345	16,442,029
Commercial	2,666	958,854	1,202,476	14,086,217	550,393	15,839,086
Government/Federal	400	531,832	296,281	7,812,977	291,933	8,401,192
Residential	39,155	1,739,911	11,776,179	20,544,380	1,163,540	33,484,099
Residential Lifeline		1,681,096		5,063,209		5,063,209
Total Water	**42,644**	**6,068,626**	**$ 13,528,283**	**$ 63,676,637**	**$ 2,597,102**	**$ 79,802,022**
Wastewater Revenues						
Commercial I	1,763	479,676		$ 3,885,148	$ 139,865	$ 4,025,014
Commercial II & Hotel	61	777,696		15,338,148	552,173	15,890,321
Commercial III	265	165,294		4,521,288	162,766	4,684,055
Government/Federal	248	968,045		11,207,323	403,464	11,610,787
Residential	27,350	2,195,980		9,038,651		9,038,651
Total Wastewater	**29,687**	**4,586,691**	**-**	**$ 43,990,559**	**$ 1,258,269**	**$ 45,248,828**
Grand Total		**10,655,317**	**$ 13,528,283**	**$ 107,667,196**	**$ 3,855,370**	**$ 125,050,849**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2021					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chrg**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	358	82,979	$ 127,753	$ 426,112	$ 19,939	$ 573,805
Golf Course	14	2,317	9,368	36,929	1,667	47,964
Hotels	54	1,071,638	139,134	17,081,251	619,934	17,840,318
Commercial	2,679	958,854	1,311,210	15,283,546	597,411	17,192,167
Government/Federal	402	531,832	323,072	8,477,080	316,805	9,116,958
Residential	39,351	1,739,911	12,841,040	22,290,652	1,264,741	36,396,433
Residential Lifeline		1,681,096		5,063,209		5,063,209
Total Water	**42,857**	**6,068,626**	**$ 14,751,578**	**$ 68,658,778**	**$ 2,820,497**	**$ 86,230,854**
Wastewater Revenues						
Commercial I	1,772	479,676		$ 4,215,386	$ 151,754	$ 4,367,140
Commercial II & Hotel	61	777,696		16,641,891	599,108	17,240,999
Commercial III	266	165,294		4,905,598	176,602	5,082,199
Government/Federal	249	968,045		12,159,946	437,758	12,597,704
Residential	27,487	2,195,980		9,083,844		9,083,844
Total Wastewater	**29,835**	**4,586,691**	**-**	**$ 47,006,664**	**$ 1,365,222**	**$ 48,371,886**
Grand Total		**10,655,317**	**$ 14,751,578**	**$ 115,665,443**	**$ 4,185,719**	**$ 134,602,739**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2022					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chge**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	360	82,979	$ 138,664	$ 460,201	$ 20,960	$ 619,825
Golf Course	15	2,317	10,169	39,883	1,752	51,803
Hotels	54	1,071,638	151,016	18,447,751	650,957	19,249,723
Commercial	2,692	958,854	1,423,187	16,506,229	627,530	18,556,946
Government/Federal	404	531,832	350,663	9,155,246	332,707	9,838,616
Residential	39,547	1,739,911	13,937,665	24,073,904	1,330,405	39,341,974
Residential Lifeline		1,681,096		5,468,265		5,468,265
Total Water	**43,072**	**6,068,626**	**$ 16,011,363**	**$ 74,151,481**	**$ 2,964,310**	**$ 93,127,154**
Wastewater Revenues						
Commercial I	1,781	479,676		$ 4,552,617	$ 159,342	$ 4,711,958
Commercial II & Hotel	62	777,696		17,973,242	629,063	18,602,305
Commercial III	267	165,294		5,298,045	185,432	5,483,477
Government/Federal	250	968,045		13,132,741	459,646	13,592,387
Residential	27,624	2,195,980		9,859,605		9,859,605
Total Wastewater	**29,984**	**4,586,691**	**-**	**$ 50,816,250**	**$ 1,433,483**	**$ 52,249,733**
Grand Total		**10,655,317**	**$ 16,011,363**	**$ 124,967,731**	**$ 4,397,793**	**$ 145,376,886**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2023					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chge**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	361	82,979	$ 148,415	$ 490,115	$ 21,710	$ 660,240
Golf Course	15	2,317	10,884	42,475	1,814	55,173
Hotels	54	1,071,638	161,636	19,646,855	673,489	20,481,979
Commercial	2,706	958,854	1,523,273	17,579,134	649,482	19,751,889
Government/Federal	406	531,832	375,323	9,750,337	344,272	10,469,933
Residential	39,745	1,739,911	14,917,831	25,638,708	1,378,922	41,935,461
Residential Lifeline		1,681,096		5,468,265		5,468,265
Total Water	**43,287**	**6,068,626**	**$ 17,137,362**	**$ 78,615,890**	**$ 3,069,690**	**$ 98,822,941**
Wastewater Revenues						
Commercial I	1,790	479,676		$ 4,848,537	$ 164,850	$ 5,013,387
Commercial II & Hotel	62	777,696		19,141,503	650,811	19,792,314
Commercial III	269	165,294		5,642,418	191,842	5,834,261
Government/Federal	251	968,045		13,986,370	475,537	14,461,906
Residential	27,762	2,195,980		9,908,903		9,908,903
Total Wastewater	**30,134**	**4,586,691**	**-**	**$ 53,527,730**	**$ 1,483,040**	**$ 55,010,770**
Grand Total		**10,655,317**	**$ 17,137,362**	**$ 132,143,620**	**$ 4,552,730**	**$ 153,833,711**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2024					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chrg**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	363	82,979	$ 156,615	$ 514,620	$ 23,158	$ 694,393
Golf Course	15	2,317	11,485	44,599	1,935	58,019
Hotels	54	1,071,638	170,566	20,629,197	717,592	21,517,356
Commercial	2,719	958,854	1,607,434	18,458,091	692,261	20,757,785
Government/Federal	408	531,832	396,060	10,237,854	366,870	11,000,784
Residential	39,944	1,739,911	15,742,041	26,920,643	1,471,863	44,134,547
Residential Lifeline		1,681,096		5,468,265		5,468,265
Total Water	**43,503**	**6,068,626**	**$ 18,084,201**	**$ 82,273,271**	**$ 3,273,678**	**$ 103,631,150**
Wastewater Revenues						
Commercial I	1,799	479,676		$ 5,090,964	$ 175,638	$ 5,266,602
Commercial II & Hotel	62	777,696		20,098,578	693,401	20,791,979
Commercial III	270	165,294		5,924,539	204,397	6,128,936
Government/Federal	253	968,045		14,685,688	506,656	15,192,344
Residential	27,901	2,195,980		9,958,447		9,958,447
Total Wastewater	**30,285**	**4,586,691**	**-**	**$ 55,758,216**	**$ 1,580,092**	**$ 57,338,308**
Grand Total		**10,655,317**	**$ 18,084,201**	**$ 138,031,487**	**$ 4,853,770**	**$ 160,969,458**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule C - Operating Expenses (Combined C1+C2+C3)

	PROJECTION				
	FY2020	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Water Purchases- Navy	9,902,414	10,694,607	11,550,175	12,474,189	13,472,124
Power Purchases	14,935,381	15,234,089	15,538,771	15,849,546	16,166,537
Salaries and Wages					
Salaries and Wages & Benefits	27,199,775	28,677,206	29,340,741	30,018,089	30,709,538
Intentionally Left Blank					
Subtotal	27,199,775	28,677,206	29,340,741	30,018,089	30,709,538
Administrative & General					
Administrative & General Expenses	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631
Intentionally Left Blank					
Subtotal	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631
Contractual					
Contractual charges	6,054,073	7,397,524	8,675,010	10,009,518	11,832,223
Intentionally Left Blank					
Subtotal	6,054,073	7,397,524	8,675,010	10,009,518	11,832,223
Depreciation	21,962,670	22,271,032	22,300,621	22,648,171	24,038,420
Retiree Benefits	3,763,479	3,933,180	4,112,018	4,300,483	4,499,094
Total Operating & Maint. Expense	**95,884,695**	**100,618,503**	**103,977,291**	**107,997,963**	**113,857,568**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule C1 - Operating Expenses (Water)

	Projection				
	FY2020	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Water Purchases	9,902,414	10,694,607	11,550,175	12,474,189	13,472,124
Power Purchases	12,607,905	12,860,063	13,117,264	13,379,610	13,647,202
Salaries and Wages					
Salaries and Wages & Benefits	5,915,951	6,237,292	6,381,611	6,528,934	6,679,325
Intentionally Left Blank					
Subtotal	5,915,951	6,237,292	6,381,611	6,528,934	6,679,325
Administrative & General					
Administrative & General Expenses	2,172,043	2,233,956	2,242,792	2,285,634	2,365,134
Intentionally Left Blank					
Subtotal	2,172,043	2,233,956	2,242,792	2,285,634	2,365,134
Contractual					
Contractual charges	1,029,192	1,257,579	1,474,752	1,701,618	2,011,478
Intentionally Left Blank					
Subtotal	1,029,192	1,257,579	1,474,752	1,701,618	2,011,478
Depreciation	-	-	-	-	-
Supplemental Annuities Benefits	-	-	-	-	-
Total O & M. Expense	**$ 31,627,505**	**$ 33,283,497**	**$ 34,766,594**	**$ 36,369,985**	**$ 38,175,262**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule C2 - Operating Expenses (WasteWater)

	Projection				
	FY2020	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Power Purchases	2,174,118	2,217,600	2,261,952	2,307,191	2,353,335
Salaries and Wages					
Salaries and Wages & Benefits	5,643,953	5,950,520	6,088,204	6,228,753	6,372,229
Intentionally Left Blank					
Subtotal	5,643,953	5,950,520	6,088,204	6,228,753	6,372,229
Administrative & General					
Administrative & General Expenses	2,534,050	2,606,282	2,616,590	2,666,573	2,759,322
Intentionally Left Blank					
Subtotal	2,534,050	2,606,282	2,616,590	2,666,573	2,759,322
Contractual					
Contractual charges	2,058,385	2,515,158	2,949,504	3,403,236	4,022,956
Intentionally Left Blank					
Subtotal	2,058,385	2,515,158	2,949,504	3,403,236	4,022,956
Depreciation	-	-	-	-	-
Supplemental Annuities Benefits	-	-	-	-	-
Total O & M Expense	**$ 12,410,505**	**$ 13,289,560**	**$ 13,916,250**	**$ 14,605,753**	**$ 15,507,843**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule C3 - Operating Expenses (OPERATIONS SUPPORT)

	Projection				
	FY2020	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Power Purchases - GPA	153,359	156,426	159,554	162,745	166,000
Salaries and Wages					
Salaries and Wages & Benefits	15,639,871	16,489,394	16,870,926	17,260,401	17,657,984
Intentionally Left Blank					
Subtotal	15,639,871	16,489,394	16,870,926	17,260,401	17,657,984
Administrative & General					
Administrative & General Expenses	7,360,811	7,570,628	7,600,572	7,745,759	8,015,175
Intentionally Left Blank					
Subtotal	7,360,811	7,570,628	7,600,572	7,745,759	8,015,175
Contractual					
Contractual charges	2,966,496	3,624,787	4,250,755	4,904,664	5,797,789
Intentionally Left Blank					
Subtotal	2,966,496	3,624,787	4,250,755	4,904,664	5,797,789
Depreciation	21,962,670	22,271,032	22,300,621	22,648,171	24,038,420
Supplemental Annuities Benefits	3,763,479	3,933,180	4,112,018	4,300,483	4,499,094
Total O & M Expense	**$ 51,846,684**	**$ 54,045,445**	**$ 55,294,447**	**$ 57,022,224**	**$ 60,174,463**

GUAM WATERWORKS AUTHORITY

NAVY WATER PURCHASES
SCHEDULE D

Description	Projection				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Water Purchases					
Navy Contract (FENA)					
Purchased kGal	753,303	753,303	753,303	753,303	753,303
Rate Per Kgal	$ 13.15	$ 14.20	$ 15.33	$ 16.56	$ 17.88
% Increase	8%	8%	8%	8%	8%
Total Purchase Costs	9,902,414	10,694,607	11,550,175	12,474,189	13,472,124
Total Costs	**$ 9,902,414**	**$ 10,694,607**	**$ 11,550,175**	**$ 12,474,189**	**$ 13,472,124**

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Schedule F - Debt Service

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Senior Lien Debt Service							
Series 2010 Revenue Bonds - Principal	1,725,000	1,800,000	1,895,000	-	-	-	-
Series 2010 Revenue Bonds - Interest	262,375	184,750	94,750	-			-
Total	1,987,375	1,984,750	1,989,750	-	-	-	-
Series 2013 Revenue Bonds - Principal	-	-	2,695,000	2,840,000	2,990,000	3,145,000	3,315,000
Series 2013 Revenue Bonds - Interest	9,331,688	9,331,688	9,331,688	9,190,200	9,041,100	8,884,125	8,719,013
Total	9,331,688	9,331,688	12,026,688	12,030,200	12,031,100	12,029,125	12,034,013
Series 2014 Refunding Revenue Bonds - Principal	3,475,000	3,620,000	3,760,000	530,000	555,000	4,005,000	4,205,000
Series 2014 Refunding Revenue Bonds - Interest	3,694,847	3,588,477	3,445,000	3,257,000	3,230,500	3,202,750	3,002,500
Total	7,169,847	7,208,477	7,205,000	3,787,000	3,785,500	7,207,750	7,207,500
Series 2016 Revenue Bonds - Principal	-	-	420,000	3,860,000	4,055,000	835,000	875,000
Series 2016 Revenue Bonds - Interest	7,165,500	7,165,500	7,165,500	7,144,500	6,951,500	6,748,750	6,707,000
Total	7,165,500	7,165,500	7,585,500	11,004,500	11,006,500	7,583,750	7,582,000
Series 2017 Refunding Bonds - Principal	-	295,000	-	2,040,000	2,145,000	2,250,000	2,365,000
Series 2017 Refunding Bonds - Interest	2,855,981	5,383,000	5,368,250	5,368,250	5,266,250	5,159,000	5,046,500
Total	2,855,981	5,678,000	5,368,250	7,408,250	7,411,250	7,409,000	7,411,500
Series 2020 Revenue Bonds - Principal	-	-	-	-	2,294,419	2,409,140	2,529,597
Series 2020 Revenue Bonds - Interest	-	-	6,700,000	6,700,000	6,675,366	6,556,940	6,436,104
Total	-	-	6,700,000	6,700,000	8,969,785	8,966,080	8,965,701
Series 2022 Revenue Bonds - Principal	-	-	-	-	-	-	1,027,352
Series 2022 Revenue Bonds - Interest	-	-	-	-	3,000,000	3,000,000	2,988,970
Total	-	-	-	-	3,000,000	3,000,000	4,016,322
Series 2023 Revenue Bonds - Principal	-	-	-	-	-	-	-
Series 2023 Revenue Bonds - Interest	-	-	-	-	-	3,300,000	3,300,000
Total	-	-	-	-	-	3,300,000	3,300,000
Bond Debt Service	**28,510,390**	**31,368,415**	**40,875,188**	**40,929,950**	**46,204,135**	**49,495,705**	**50,517,036**
Senior Lien - Bond Debt Service							
Principal	5,200,000	5,715,000	8,770,000	9,270,000	12,039,419	12,644,140	14,316,949
Interest	23,310,390	25,653,415	32,105,188	31,659,950	34,164,716	36,851,565	36,200,087
Less: Capitalized Interest	(1,771,471)	-	(6,700,000)	(6,700,000)	(3,000,000)	(6,300,000)	(3,300,000)
Interest Net of Cap I	21,538,920	25,653,415	25,405,188	24,959,950	31,164,716	30,551,565	32,900,087
Debt Service- Bonds Net of Cap I	**26,738,920**	**31,368,415**	**34,175,188**	**34,229,950**	**43,204,135**	**43,195,705**	**47,217,036**
Subordinate Loan- Bank of Guam							
Principal	3,018,019	3,180,334	2,780,552	-	-	-	-
Interest	399,458	237,144	67,345	-	-	-	-
Bank of Guam Debt Service	3,417,477	3,417,477	2,847,898	-	-	-	-
Total Principal -Bonds and BOG	8,218,019	8,895,334	11,550,552	9,270,000	12,039,419	12,644,140	14,316,949
Total Interest -Bonds and BOG	23,709,849	25,890,558	32,172,533	31,659,950	34,164,716	36,851,565	36,200,087
Total Debt Service-Bonds and Bank of Guam	**31,927,868**	**34,785,892**	**43,723,085**	**40,929,950**	**46,204,135**	**49,495,705**	**50,517,036**

GUAM WATERWORKS AUTHORITY

REVENUE FUNDED PROJECTS
SCHEDULE G

	ACTUAL	PROJECTION	
	2018	2019	2020
WATER			
PRV	198,043	47,600	
Main Lines & Valves	140,286	449,641	
Hydrants	183,669	258,969	
Pumps & Motors	601,202	736,866	300,000
Pipes			
Pumping Equipments		65,460	
Submersible Cables		165,000	
Leak Detection & Equipment		88,330	
Facility Improvements		250,000	
	1,123,200	**2,061,866**	**300,000**
WASTEWATER			
Pumps & Motors	250,000	220,673	400,000
Spare Parts & Equipment	-	42,819	
Pipes			
Collection System Replacements	-	30,000	
Emergency Replacements	500,000		
Treatment Plant Improvement	250,000	171,015	
	1,000,000	**464,507**	**400,000**
UTILITY SERVICES			
Meter Replacements - Small Meter	1,546,688	448,930	1,000,000
Large Meters > 2"			
	1,546,688	**448,930**	**1,000,000**
Transportation			
1. Light Fleet	521,910	928,090	550,000
2. Heavy Equipment		776,090	
	521,910	**1,704,180**	**550,000**
Information Technology			
1. Applications Software - Implementation		294,373	2,000,000
2. New Hardware		426,145	250,000
	-	**720,518**	**2,250,000**
Other Projects			
1. Facility Renovations		100,000	500,000
	-	**100,000**	**500,000**
TOTAL	**4,191,798**	**5,500,000**	**5,000,000**

GUAM WATERWORKS AUTHORITY

WORKING CAPITAL
SCHEDULE H

	PROJECTION				
	FY2020	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Accounts Receivable, Net					
Accounts Receivable	(1,923,129)	(1,177,630)	(1,328,319)	(1,042,622)	(879,750)
Intentionally Left Blank					
Accounts Payable					
Accounts Payable	1,436,060	545,603	410,449	452,851	551,017
Intentionally Left Blank					
Intentionally Left Blank					
Other Cash Flow Items					
Materials & Supplies Inventory	(419,087)	62,273	(23,778)	(7,891)	-
Prepaid Expenses	22,621	29,590	11,769	(29,277)	8,676
Customer Deposits	5,214	(1,966)	(2,451)	1,518	579
Intentionally Left Blank					
Intentionally Left Blank					
Increase/(Decrease) in Working Capital	**(878,321)**	**(542,131)**	**(932,330)**	**(625,422)**	**(319,479)**

GUAM WATERWORKS AUTHORITY

FY 2020 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
R Residential														
	3/4"	24.82	3.01	11.81	38,646	3,148,003	1,657,216	1,490,788	$ 11,508,130	$ 4,991,285	$ 17,602,802	$ 34,102,218	$ 1,047,994	$ 35,150,211
	1"	28.95	3.01	11.81	343	37,599	15,096	22,502	119,304	45,468	265,700	430,472	13,860	444,332
	1 1/2"	45.44	3.01	11.81	103	44,745	5,425	39,320	56,076	16,339	464,281	536,696	18,733	555,429
	2"	57.88	3.01	11.81	28	38,323	1,352	36,971	19,545	4,071	436,546	460,162	16,419	476,582
	3"	103.37	3.01	11.81	10	23,469	480	22,989	12,051	1,446	271,443	284,940	10,206	295,146
	4"	144.69	3.01	11.81	14	71,945	899	71,046	25,010	2,708	838,886	866,604	31,100	897,704
	6"	268.71	3.01	11.81	10	54,398	568	53,830	31,326	1,710	635,609	668,645	24,010	692,655
	8"	392.70	3.01	11.81	1	2,526	60	2,466	4,736	181	29,113	34,030	1,219	35,248
	10"	537.40	3.01	11.81	-	-	-	-	-	-	-	-	-	-
	12"	640.71	3.01	11.81	-	-	-	-	-	-	-	-	-	-
					39,155	3,421,007	1,681,096	1,739,911	$ 11,776,179	$ 5,063,209	$ 20,544,380	$ 37,383,767	$ 1,163,540	$ 38,547,307
C Commercial														
	3/4"	24.82	-	14.69	1,720	272,666	-	272,666	512,259	-	4,005,653	4,517,913	162,645	4,680,558
	1"	28.95	-	14.69	322	71,990	-	71,990	111,738	-	1,057,586	1,169,324	42,096	1,211,420
	1 1/2"	45.44	-	14.69	333	144,810	-	144,810	181,746	-	2,127,352	2,309,098	83,128	2,392,226
	2"	57.88	-	14.69	162	132,473	-	132,473	112,383	-	1,946,121	2,058,504	74,106	2,132,610
	3"	103.37	-	14.69	33	73,374	-	73,374	40,725	-	1,077,920	1,118,645	40,271	1,158,916
	4"	144.69	-	14.69	53	109,234	-	109,234	92,480	-	1,604,715	1,697,195	61,099	1,758,294
	6"	268.71	-	14.69	36	73,838	-	73,838	114,502	-	1,084,738	1,199,240	43,173	1,242,412
	8"	392.70	-	14.69	5	72,320	-	72,320	23,680	-	1,062,427	1,086,107	39,100	1,125,206
	10"	537.40	-	14.69	2	8,148	-	8,148	12,962	-	119,706	132,668	4,776	137,444
	12"	640.71	-	14.69	-	-	-	-	-	-	-	-	-	-
					2,666	958,854	-	958,854	1,202,476	-	14,086,217	15,288,693	550,393	15,839,086
F Federal														
	3/4"	24.82	-	14.69	6	1,088	-	1,088	$ 1,796	$ -	$ 15,979	$ 17,775	$ 640	$ 18,415
	1"	28.95	-	14.69	3	341	-	341	1,048	-	5,016	6,063	218	6,282
	1 1/2"	45.44	-	14.69	1	33	-	33	548	-	482	1,030	37	1,067
	2"	57.88	-	14.69	3	432	-	432	2,094	-	6,339	8,433	304	8,737
	3"	103.37	-	14.69	1	222	-	222	1,247	-	3,255	4,502	162	4,664
	4"	144.69	-	14.69	-	-	-	-	-	-	-	-	-	-
	6"	268.71	-	14.69	-	-	-	-	-	-	-	-	-	-
	8"	392.70	-	14.69	-	-	-	-	-	-	-	-	-	-
	10"	537.40	-	14.69	-	-	-	-	-	-	-	-	-	-
	12"	640.71	-	14.69	-	-	-	-	-	-	-	-	-	-
					14	2,115	-	2,115	6,732	-	31,072	37,804	1,361	39,164
	SUBTOTAL FY2020:				41,834	4,381,976	1,681,096	2,700,880	12,985,387	5,063,209	34,661,668	52,710,264	1,715,294	54,425,558

GUAM WATERWORKS AUTHORITY

FY 2020 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
G Government														
	3/4"	24.82	-	14.69	149	13,476	-	13,476	$ 44,492	$ -	$ 197,978	$ 242,470	$ 8,729	$ 251,199
	1"	28.95	-	14.69	42	8,536	-	8,536	14,433	-	125,393	139,826	5,034	144,860
	1 1/2"	45.44	-	14.69	75	32,352	-	32,352	40,733	-	475,272	516,005	18,576	534,581
	2"	57.88	-	14.69	45	52,554	-	52,554	31,179	-	772,053	803,232	28,916	832,148
	3"	103.37	-	14.69	27	61,093	-	61,093	33,245	-	897,491	930,736	33,506	964,242
	4"	144.69	-	14.69	30	210,757	-	210,757	52,929	-	3,096,169	3,149,098	113,368	3,262,465
	6"	268.71	-	14.69	12	101,877	-	101,877	38,887	-	1,496,636	1,535,524	55,279	1,590,803
	8"	392.70	-	14.69	3	19,127	-	19,127	14,208	-	280,992	295,200	10,627	305,827
	10"	537.40	-	14.69	3	29,946	-	29,946	19,443	-	439,921	459,364	16,537	475,902
	12"	640.71	-	14.69	-	-	-	-	-	-	-	-	-	-
					386	529,717	-	529,717	289,549	-	7,781,905	8,071,455	290,572	8,362,027
H Hotel														
	3/4"	24.82	-	14.69	-	-	-	-	-	-	-	-	-	-
	1"	28.95	-	14.69	2	6	-	6	698	-	89	787	28	815
	1 1/2"	45.44	-	14.69	2	2,067	-	2,067	913	-	30,372	31,285	1,126	32,412
	2"	57.88	-	14.69	5	121,195	-	121,195	3,257	-	1,780,434	1,783,692	64,213	1,847,905
	3"	103.37	-	14.69	4	4,924	-	4,924	4,571	-	72,337	76,909	2,769	79,677
	4"	144.69	-	14.69	18	123,182	-	123,182	31,408	-	1,809,633	1,841,041	66,277	1,907,319
	6"	268.71	-	14.69	16	553,013	-	553,013	51,850	-	8,124,136	8,175,985	294,335	8,470,321
	8"	392.70	-	14.69	6	166,793	-	166,793	28,416	-	2,450,303	2,478,719	89,234	2,567,953
	10"	537.40	-	14.69	1	100,457	-	100,457	6,481	-	1,475,785	1,482,266	53,362	1,535,627
	12"	640.71	-	14.69	-	-	-	-	-	-	-	-	-	-
					53	1,071,638	-	1,071,638	127,596	-	15,743,088	15,870,684	571,345	16,442,029
G Golf														
	3/4"	24.82	-	14.69	8	65	-	65	2,294	-	962	3,257	117	3,374
	1"	28.95	-	14.69	-	-	-	-	-	-	-	-	-	-
	1 1/2"	45.44	-	14.69	3	210	-	210	1,644	-	3,078	4,722	170	4,892
	2"	57.88	-	14.69	2	1,802	-	1,802	1,163	-	26,466	27,629	995	28,624
	3"	103.37	-	14.69	-	-	-	-	-	-	-	-	-	-
	4"	144.69	-	14.69	2	240	-	240	3,490	-	3,530	7,020	253	7,272
	6"	268.71	-	14.69	-	-	-	-	-	-	-	-	-	-
	8"	392.70	-	14.69	-	-	-	-	-	-	-	-	-	-
	10"	537.40	-	14.69	-	-	-	-	-	-	-	-	-	-
	12"	640.71	-	14.69	-	-	-	-	-	-	-	-	-	-
					14	2,317	-	2,317	8,592	-	34,036	42,627	1,535	44,162
	SUBTOTAL FY2020:				454	1,603,672	-	1,603,672	425,737	-	23,559,029	23,984,766	863,452	24,848,218

GUAM WATERWORKS AUTHORITY

FY 2020 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
A Agriculture														
	3/4"	23.98	-	4.72	258	35,218	-	35,218	74,216	-	166,159	240,376	8,654	249,029
	1"	27.97	-	4.72	39	11,378	-	11,378	12,933	-	53,681	66,613	2,398	69,011
	1 1/2"	43.90	-	4.72	22	25,803	-	25,803	11,471	-	121,737	133,208	4,795	138,003
	2"	55.92	-	4.72	11	3,076	-	3,076	7,419	-	14,515	21,933	790	22,723
	3"	99.88	-	4.72	-	-	-	-	-	-	-	-	-	-
	4"	139.79	-	4.72	-	-	-	-	-	-	-	-	-	-
	6"	259.62	-	4.72	-	-	-	-	-	-	-	-	-	-
	8"	379.42	-	4.72	-	-	-	-	-	-	-	-	-	-
	10"	519.23	-	4.72	-	-	-	-	-	-	-	-	-	-
	12"	619.04	-	4.72	-	-	-	-	-	-	-	-	-	-
					329	75,475	-	75,475	106,039	-	356,091	462,130	16,637	478,767
I Irrigation														
	3/4"	24.82	-	4.88	14	2,890	-	2,890	4,090	-	14,111	18,201	655	18,856
	1"	28.95	-	4.88	5	702	-	702	1,746	-	3,426	5,172	186	5,359
	1 1/2"	45.44	-	4.88	2	1,656	-	1,656	1,096	-	8,085	9,181	330	9,511
	2"	57.88	-	4.88	6	2,256	-	2,256	4,188	-	11,017	15,205	547	15,753
	3"	103.37	-	4.88	-	-	-	-	-	-	-	-	-	-
	4"	144.69	-	4.88	-	-	-	-	-	-	-	-	-	-
	6"	268.71	-	4.88	-	-	-	-	-	-	-	-	-	-
	8"	392.70	-	4.88	-	-	-	-	-	-	-	-	-	-
	10"	537.40	-	4.88	-	-	-	-	-	-	-	-	-	-
	12"	640.71	-	4.88	-	-	-	-	-	-	-	-	-	-
					27	7,503	-	7,503	11,120	-	36,639	47,759	1,719	49,479
SUBTOTAL FY2020:					356	82,979	-	82,979	117,159	-	392,730	509,890	18,356	528,246
GRAND TOTAL FY2020					42,644	6,068,626	1,681,096	4,387,530	$ 13,528,283	$ 5,063,209	$ 58,613,428	$ 77,204,920	$ 2,597,102	$ 79,802,022

GUAM WATERWORKS AUTHORITY

FY2020 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE CONSUMPTION (kGal)	BASIC	NON-LIFFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 27.54		27,350	2,195,980	$ 9,038,651		$ 9,038,651	$	9,038,651
Commercial 1		$ 8.10	1,763	479,676		3,885,148	3,885,148	139,865	4,025,014
Commercial 2		$ 19.72	61	777,696		15,338,148	15,338,148	552,173	15,890,321
Commercial 3		$ 27.35	265	165,294		4,521,288	4,521,288	162,766	4,684,055
Navy/Airforce		$ 11.58	11	659,338		7,633,346	7,633,346	274,800	7,908,147
Government		$ 11.58	237	308,706		3,573,977	3,573,977	128,663	3,702,640
Totals at Current Rates			29,687	4,586,691	$ 9,038,651	$ 34,951,908	$ 43,990,559	$ 1,258,269	$ 45,248,828

GUAM WATERWORKS AUTHORITY

FY 2021 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
R Residential														
	3/4"	26.92	3.01	12.81	38,839	3,148,003	1,657,216	1,490,788	$ 12,548,753	$ 4,991,285	$ 19,099,040	$ 36,639,078	$ 1,139,321	$ 37,778,399
	1"	31.41	3.01	12.81	345	37,599	15,096	22,502	130,092	45,468	288,285	463,845	15,062	478,906
	1 1/2"	49.30	3.01	12.81	103	44,745	5,425	39,320	61,147	16,339	503,744	581,231	20,336	601,567
	2"	62.80	3.01	12.81	28	38,323	1,352	36,971	21,312	4,071	473,652	499,036	17,819	516,855
	3"	112.16	3.01	12.81	10	23,469	480	22,989	13,141	1,446	294,516	309,102	11,076	320,178
	4"	156.98	3.01	12.81	14	71,945	899	71,046	27,272	2,708	910,191	940,171	33,749	973,919
	6"	291.55	3.01	12.81	10	54,398	568	53,830	34,159	1,710	689,636	725,505	26,057	751,562
	8"	426.08	3.01	12.81	1	2,526	60	2,466	5,164	181	31,588	36,933	1,323	38,256
	10"	583.08	3.01	12.81	-	-	-	-	-	-	-	-	-	-
	12"	695.17	3.01	12.81	-	-	-	-	-	-	-	-	-	-
					39,351	3,421,007	1,681,096	1,739,911	$ 12,841,040	$ 5,063,209	$ 22,290,652	$ 40,194,901	$ 1,264,741	$ 41,459,642
C Commercial														
	3/4"	26.92	-	15.94	1,729	272,666	-	272,666	$ 558,580	$ -	$ 4,346,134	$ 4,904,714	$ 176,570	$ 5,081,284
	1"	31.41	-	15.94	323	71,990	-	71,990	121,842	-	1,147,480	1,269,323	45,696	1,315,018
	1 1/2"	49.30	-	15.94	335	144,810	-	144,810	198,180	-	2,308,177	2,506,358	90,229	2,596,586
	2"	62.80	-	15.94	163	132,473	-	132,473	122,545	-	2,111,541	2,234,086	80,427	2,314,514
	3"	112.16	-	15.94	33	73,374	-	73,374	44,407	-	1,169,544	1,213,951	43,702	1,257,653
	4"	156.98	-	15.94	54	109,234	-	109,234	100,843	-	1,741,116	1,841,959	66,311	1,908,269
	6"	291.55	-	15.94	36	73,838	-	73,838	124,856	-	1,176,940	1,301,796	46,865	1,348,661
	8"	426.08	-	15.94	5	72,320	-	72,320	25,821	-	1,152,733	1,178,554	42,428	1,220,982
	10"	583.08	-	15.94	2	8,148	-	8,148	14,134	-	129,881	144,015	5,185	149,199
	12"	695.17	-	15.94	-	-	-	-	-	-	-	-	-	-
					2,679	958,854	-	958,854	$ 1,311,210	$ -	$ 15,283,546	$ 16,594,756	$ 597,411	$ 17,192,167
F Federal														
	3/4"	26.92	-	15.94	6	1,088	-	1,088	$ 1,958	$ -	$ 17,337	$ 19,295	$ 695	$ 19,990
	1"	31.41	-	15.94	3	341	-	341	1,142	-	5,442	6,585	237	6,822
	1 1/2"	49.30	-	15.94	1	33	-	33	598	-	523	1,120	40	1,161
	2"	62.80	-	15.94	3	432	-	432	2,283	-	6,878	9,162	330	9,491
	3"	112.16	-	15.94	1	222	-	222	1,359	-	3,532	4,892	176	5,068
	4"	156.98	-	15.94	-	-	-	-	-	-	-	-	-	-
	6"	291.55	-	15.94	-	-	-	-	-	-	-	-	-	-
	8"	426.08	-	15.94	-	-	-	-	-	-	-	-	-	-
	10"	583.08	-	15.94	-	-	-	-	-	-	-	-	-	-
	12"	695.17	-	15.94	-	-	-	-	-	-	-	-	-	-
					14	2,115	-	2,115	$ 7,341	$ -	$ 33,713	$ 41,053	$ 1,478	$ 42,531
SUBTOTAL FY2021:					42,044	4,381,976	1,681,096	2,700,880	$ 14,159,591	$ 5,063,209	$ 37,607,910	$ 56,830,710	$ 1,863,630	$ 58,694,340

GUAM WATERWORKS AUTHORITY

FY 2021 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
G Government														
	3/4"	26.92	-	15.94	150	13,476	-	13,476	$ 48,515	$ -	$ 214,806	$ 263,321	$ 9,480	$ 272,801
	1"	31.41	-	15.94	42	8,536	-	8,536	15,738	-	136,052	151,790	5,464	157,254
	1 1/2"	49.30	-	15.94	75	32,352	-	32,352	44,416	-	515,670	560,086	20,163	580,249
	2"	62.80	-	15.94	45	52,554	-	52,554	33,998	-	837,678	871,676	31,380	903,056
	3"	112.16	-	15.94	27	61,093	-	61,093	36,251	-	973,778	1,010,029	36,361	1,046,390
	4"	156.98	-	15.94	31	210,757	-	210,757	57,715	-	3,359,343	3,417,058	123,014	3,540,072
	6"	291.55	-	15.94	12	101,877	-	101,877	42,404	-	1,623,850	1,666,254	59,985	1,726,239
	8"	426.08	-	15.94	3	19,127	-	19,127	15,493	-	304,876	320,369	11,533	331,902
	10"	583.08	-	15.94	3	29,946	-	29,946	21,201	-	477,315	498,516	17,947	516,463
	12"	695.17	-	15.94	-	-	-	-	-	-	-	-	-	-
					388	529,717	-	529,717	$ 315,732	$ -	$ 8,443,367	$ 8,759,099	$ 315,328	$ 9,074,427
H Hotel														
	3/4"	26.92	-	15.94	-	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -
	1"	31.41	-	15.94	2	6	-	6	762	-	96	858	31	889
	1 1/2"	49.30	-	15.94	2	2,067	-	2,067	996	-	32,954	33,950	1,222	35,172
	2"	62.80	-	15.94	5	121,195	-	121,195	3,552	-	1,931,771	1,935,323	69,672	2,004,995
	3"	112.16	-	15.94	4	4,924	-	4,924	4,984	-	78,486	83,471	3,005	86,476
	4"	156.98	-	15.94	18	123,182	-	123,182	34,249	-	1,963,452	1,997,700	71,917	2,069,617
	6"	291.55	-	15.94	16	553,013	-	553,013	56,539	-	8,814,687	8,871,226	319,364	9,190,590
	8"	426.08	-	15.94	6	166,793	-	166,793	30,986	-	2,658,579	2,689,564	96,824	2,786,388
	10"	583.08	-	15.94	1	100,457	-	100,457	7,067	-	1,601,227	1,608,294	57,899	1,666,192
	12"	695.17	-	15.94	-	-	-	-	-	-	-	-	-	-
					54	1,071,638	-	1,071,638	$ 139,134	$ -	$ 17,081,251	$ 17,220,384	$ 619,934	$ 17,840,318
G Golf														
	3/4"	26.92	-	15.94	8	65	-	65	$ 2,502	$ -	$ 1,044	$ 3,546	$ 128	$ 3,674
	1"	31.41	-	15.94	-	-	-	-	-	-	-	-	-	-
	1 1/2"	49.30	-	15.94	3	210	-	210	1,793	-	3,340	5,132	185	5,317
	2"	62.80	-	15.94	2	1,802	-	1,802	1,269	-	28,715	29,984	1,079	31,063
	3"	112.16	-	15.94	-	-	-	-	-	-	-	-	-	-
	4"	156.98	-	15.94	2	240	-	240	3,805	-	3,830	7,635	275	7,910
	6"	291.55	-	15.94	-	-	-	-	-	-	-	-	-	-
	8"	426.08	-	15.94	-	-	-	-	-	-	-	-	-	-
	10"	583.08	-	15.94	-	-	-	-	-	-	-	-	-	-
	12"	695.17	-	15.94	-	-	-	-	-	-	-	-	-	-
					14	2,317	-	2,317	$ 9,368	$ -	$ 36,929	$ 46,297	$ 1,667	$ 47,964
SUBTOTAL FY2021:					456	1,603,672	-	1,603,672	$ 464,234	$ -	$ 25,561,547	$ 26,025,781	$ 936,928	$ 26,962,709

GUAM WATERWORKS AUTHORITY

FY 2021 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
A Agriculture														
	3/4"	26.01	-	5.12	259	35,218	-	35,218	$ 80,927	$ -	$ 180,283	$ 261,210	$ 9,404	$ 270,614
	1"	30.35	-	5.12	39	11,378	-	11,378	14,102	-	58,243	72,345	2,604	74,950
	1 1/2"	47.63	-	5.12	22	25,803	-	25,803	12,509	-	132,084	144,593	5,205	149,798
	2"	60.68	-	5.12	11	3,076	-	3,076	8,090	-	15,749	23,838	858	24,696
	3"	108.37	-	5.12	-	-	-	-	-	-	-	-	-	-
	4"	151.68	-	5.12	-	-	-	-	-	-	-	-	-	-
	6"	281.69	-	5.12	-	-	-	-	-	-	-	-	-	-
	8"	411.67	-	5.12	-	-	-	-	-	-	-	-	-	-
	10"	563.36	-	5.12	-	-	-	-	-	-	-	-	-	-
	12"	671.66	-	5.12	-	-	-	-	-	-	-	-	-	-
					331	75,475	-	75,475	$ 115,628	$ -	$ 386,359	$ 501,987	$ 18,072	$ 520,058
I Irrigation														
	3/4"	26.92	-	5.30	14	2,890	-	2,890	$ 4,460	$ -	$ 15,310	$ 19,770	$ 712	$ 20,482
	1"	31.41	-	5.30	5	702	-	702	1,904	-	3,718	5,621	202	5,824
	1 1/2"	49.30	-	5.30	2	1,656	-	1,656	1,195	-	8,772	9,967	359	10,326
	2"	62.80	-	5.30	6	2,256	-	2,256	4,567	-	11,954	16,521	595	17,115
	3"	112.16	-	5.30	-	-	-	-	-	-	-	-	-	-
	4"	156.98	-	5.30	-	-	-	-	-	-	-	-	-	-
	6"	291.55	-	5.30	-	-	-	-	-	-	-	-	-	-
	8"	426.08	-	5.30	-	-	-	-	-	-	-	-	-	-
	10"	583.08	-	5.30	-	-	-	-	-	-	-	-	-	-
	12"	695.17	-	5.30	-	-	-	-	-	-	-	-	-	-
					27	7,503	-	7,503	$ 12,126	$ -	$ 39,754	$ 51,879	$ 1,868	$ 53,747
SUBTOTAL FY2021:					358	82,979	-	82,979	$ 127,753	$ -	$ 426,112	$ 553,866	$ 19,939	$ 573,805
GRAND TOTAL FY2021					42,857	6,068,626	1,681,096	4,387,530	$ 14,751,578	$ 5,063,209	$ 63,595,570	$ 83,410,356	$ 2,820,497	$ 86,230,854

GUAM WATERWORKS AUTHORITY

FY2021 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE CONSUMPTION (kGal)	BASIC	NON-LIFFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 27.54		27,487	2,195,980	$ 9,083,844		$ 9,083,844	$	9,083,844
Commercial 1		$ 8.79	1,772	479,676		4,215,386	4,215,386	151,754	4,367,140
Commercial 2		$ 21.40	61	777,696		16,641,891	16,641,891	599,108	17,240,999
Commercial 3		$ 29.68	266	165,294		4,905,598	4,905,598	176,602	5,082,199
Navy/Airforce		$ 12.56	11	659,338		8,282,181	8,282,181	298,159	8,580,339
Government		$ 12.56	238	308,706		3,877,765	3,877,765	139,600	4,017,365
Totals at Current Rates			29,835	4,586,691	$ 9,083,844	$ 37,922,820	$ 47,006,664	$ 1,365,222	$ 48,371,886

GUAM WATERWORKS AUTHORITY

FY 2022 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
R	Residential														
		3/4"	29.08	3.25	13.84	39,033	3,148,003	1,657,216	1,490,788	$ 13,620,416	$ 5,390,588	$ 20,626,964	$ 39,637,968	$ 1,198,658	$ 40,836,626
		1"	33.93	3.25	13.84	347	37,599	15,096	22,502	141,202	49,106	311,347	501,655	15,839	517,494
		1 1/2"	53.24	3.25	13.84	104	44,745	5,425	39,320	66,369	17,647	544,044	628,060	21,364	649,424
		2"	67.82	3.25	13.84	28	38,323	1,352	36,971	23,132	4,397	511,544	539,074	18,714	557,788
		3"	121.13	3.25	13.84	10	23,469	480	22,989	14,263	1,561	318,077	333,901	11,632	345,533
		4"	169.54	3.25	13.84	15	71,945	899	71,046	29,601	2,924	983,006	1,015,531	35,441	1,050,973
		6"	314.87	3.25	13.84	10	54,398	568	53,830	37,076	1,847	744,807	783,730	27,366	811,096
		8"	460.17	3.25	13.84	1	2,526	60	2,466	5,605	195	34,115	39,915	1,390	41,305
		10"	629.73	3.25	13.84	-	-	-	-	-	-	-	-	-	-
		12"	750.78	3.25	13.84	-	-	-	-	-	-	-	-	-	-
						39,547	3,421,007	1,681,096	1,739,911	$ 13,937,665	$ 5,468,265	$ 24,073,904	$ 43,479,834	$ 1,330,405	$ 44,810,239
C	Commercial														
		3/4"	29.08	-	17.21	1,737	272,666	-	272,666	$ 606,283	$ -	$ 4,693,825	$ 5,300,108	$ 185,504	$ 5,485,612
		1"	33.93	-	17.21	325	71,990	-	71,990	132,248	-	1,239,279	1,371,526	48,003	1,419,530
		1 1/2"	53.24	-	17.21	337	144,810	-	144,810	215,105	-	2,492,831	2,707,936	94,778	2,802,714
		2"	67.82	-	17.21	163	132,473	-	132,473	133,011	-	2,280,464	2,413,475	84,472	2,497,947
		3"	121.13	-	17.21	33	73,374	-	73,374	48,200	-	1,263,107	1,311,307	45,896	1,357,203
		4"	169.54	-	17.21	54	109,234	-	109,234	109,455	-	1,880,405	1,989,860	69,645	2,059,505
		6"	314.87	-	17.21	36	73,838	-	73,838	135,519	-	1,271,096	1,406,614	49,231	1,455,846
		8"	460.17	-	17.21	5	72,320	-	72,320	28,026	-	1,244,952	1,272,978	44,554	1,317,532
		10"	629.73	-	17.21	2	8,148	-	8,148	15,341	-	140,271	155,612	5,446	161,059
		12"	750.78	-	17.21	-	-	-	-	-	-	-	-	-	-
						2,692	958,854	-	958,854	$ 1,423,187	$ -	$ 16,506,229	$ 17,929,417	$ 627,530	$ 18,556,946
F	Federal														
		3/4"	29.08	-	17.21	6	1,088	-	1,088	$ 2,125	$ -	$ 18,724	$ 20,849	$ 730	$ 21,579
		1"	33.93	-	17.21	3	341	-	341	1,240	-	5,878	7,117	249	7,367
		1 1/2"	53.24	-	17.21	1	33	-	33	649	-	565	1,213	42	1,256
		2"	67.82	-	17.21	3	432	-	432	2,478	-	7,428	9,907	347	10,254
		3"	121.13	-	17.21	1	222	-	222	1,475	-	3,815	5,290	185	5,475
		4"	169.54	-	17.21	-	-	-	-	-	-	-	-	-	-
		6"	314.87	-	17.21	-	-	-	-	-	-	-	-	-	-
		8"	460.17	-	17.21	-	-	-	-	-	-	-	-	-	-
		10"	629.73	-	17.21	-	-	-	-	-	-	-	-	-	-
		12"	750.78	-	17.21	-	-	-	-	-	-	-	-	-	-
						14	2,115	-	2,115	$ 7,968	$ -	$ 36,410	$ 44,377	$ 1,553	$ 45,930
	SUBTOTAL FY2022:					42,254	4,381,976	1,681,096	2,700,880	$ 15,368,820	$ 5,468,265	$ 40,616,543	$ 61,453,628	$ 1,959,488	$ 63,413,116

GUAM WATERWORKS AUTHORITY

FY 2022 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
G	Government														
		3/4"	29.08	-	17.21	151	13,476	-	13,476	$ 52,659	$ -	$ 231,990	$ 284,649	$ 9,963	$ 294,612
		1"	33.93	-	17.21	42	8,536	-	8,536	17,082	-	146,936	164,018	5,741	169,759
		1 1/2"	53.24	-	17.21	75	32,352	-	32,352	48,209	-	556,924	605,133	21,180	626,313
		2"	67.82	-	17.21	45	52,554	-	52,554	36,902	-	904,692	941,593	32,956	974,549
		3"	121.13	-	17.21	27	61,093	-	61,093	39,347	-	1,051,680	1,091,027	38,186	1,129,213
		4"	169.54	-	17.21	31	210,757	-	210,757	62,644	-	3,628,091	3,690,735	129,176	3,819,910
		6"	314.87	-	17.21	12	101,877	-	101,877	46,025	-	1,753,758	1,799,784	62,992	1,862,776
		8"	460.17	-	17.21	3	19,127	-	19,127	16,816	-	329,266	346,082	12,113	358,195
		10"	629.73	-	17.21	3	29,946	-	29,946	23,012	-	515,500	538,512	18,848	557,360
		12"	750.78	-	17.21	-	-	-	-	-	-	-	-	-	-
						390	529,717	-	529,717	$ 342,695	$ -	$ 9,118,837	$ 9,461,532	$ 331,154	$ 9,792,686
H	Hotel														
		3/4"	29.08	-	17.21	-	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -
		1"	33.93	-	17.21	2	6	-	6	827	-	104	930	33	963
		1 1/2"	53.24	-	17.21	2	2,067	-	2,067	1,081	-	35,590	36,671	1,283	37,954
		2"	67.82	-	17.21	5	121,195	-	121,195	3,855	-	2,086,313	2,090,168	73,156	2,163,324
		3"	121.13	-	17.21	4	4,924	-	4,924	5,410	-	84,765	90,175	3,156	93,331
		4"	169.54	-	17.21	18	123,182	-	123,182	37,173	-	2,120,528	2,157,701	75,520	2,233,221
		6"	314.87	-	17.21	16	553,013	-	553,013	61,367	-	9,519,862	9,581,229	335,343	9,916,572
		8"	460.17	-	17.21	6	166,793	-	166,793	33,632	-	2,871,265	2,904,897	101,671	3,006,568
		10"	629.73	-	17.21	1	100,457	-	100,457	7,671	-	1,729,325	1,736,995	60,795	1,797,790
		12"	750.78	-	17.21	-	-	-	-	-	-	-	-	-	-
						54	1,071,638	-	1,071,638	$ 151,016	$ -	$ 18,447,751	$ 18,598,767	$ 650,957	$ 19,249,723
G	Golf														
		3/4"	29.08	-	17.21	8	65	-	65	$ 2,716	$ -	$ 1,128	$ 3,843	$ 135	$ 3,978
		1"	33.93	-	17.21	-	-	-	-	-	-	-	-	-	-
		1 1/2"	53.24	-	17.21	3	210	-	210	1,946	-	3,607	5,552	194	5,747
		2"	67.82	-	17.21	2	1,802	-	1,802	1,377	-	31,012	32,389	1,134	33,523
		3"	121.13	-	17.21	-	-	-	-	-	-	-	-	-	-
		4"	169.54	-	17.21	2	240	-	240	4,130	-	4,136	8,267	289	8,556
		6"	314.87	-	17.21	-	-	-	-	-	-	-	-	-	-
		8"	460.17	-	17.21	-	-	-	-	-	-	-	-	-	-
		10"	629.73	-	17.21	-	-	-	-	-	-	-	-	-	-
		12"	750.78	-	17.21	-	-	-	-	-	-	-	-	-	-
						15	2,317	-	2,317	$ 10,169	$ -	$ 39,883	$ 50,051	$ 1,752	$ 51,803
	SUBTOTAL FY2022:					458	1,603,672	-	1,603,672	$ 503,879	$ -	$ 27,606,471	$ 28,110,350	$ 983,862	$ 29,094,212

GUAM WATERWORKS AUTHORITY

FY 2022 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
A	Agriculture														
		3/4"	28.10	-	5.53	261	35,218	-	35,218	$ 87,839	$ -	$ 194,705	$ 282,544	$ 9,889	$ 292,433
		1"	32.78	-	5.53	39	11,378	-	11,378	15,306	-	62,903	78,209	2,737	80,947
		1 1/2"	51.44	-	5.53	22	25,803	-	25,803	13,577	-	142,651	156,228	5,468	161,696
		2"	65.53	-	5.53	11	3,076	-	3,076	8,780	-	17,008	25,789	903	26,691
		3"	117.04	-	5.53	-	-	-	-	-	-	-	-	-	-
		4"	163.81	-	5.53	-	-	-	-	-	-	-	-	-	-
		6"	304.22	-	5.53	-	-	-	-	-	-	-	-	-	-
		8"	444.61	-	5.53	-	-	-	-	-	-	-	-	-	-
		10"	608.43	-	5.53	-	-	-	-	-	-	-	-	-	-
		12"	725.39	-	5.53	-	-	-	-	-	-	-	-	-	-
						333	75,475	-	75,475	$ 125,502	$ -	$ 417,268	$ 542,770	$ 18,997	$ 561,767
I	Irrigation														
		3/4"	29.08	-	5.72	14	2,890	-	2,890	$ 4,841	$ -	$ 16,535	$ 21,376	$ 748	$ 22,124
		1"	33.93	-	5.72	5	702	-	702	2,066	-	4,015	6,081	213	6,294
		1 1/2"	53.24	-	5.72	2	1,656	-	1,656	1,297	-	9,473	10,771	377	11,148
		2"	67.82	-	5.72	6	2,256	-	2,256	4,957	-	12,910	17,867	625	18,492
		3"	121.13	-	5.72	-	-	-	-	-	-	-	-	-	-
		4"	169.54	-	5.72	-	-	-	-	-	-	-	-	-	-
		6"	314.87	-	5.72	-	-	-	-	-	-	-	-	-	-
		8"	460.17	-	5.72	-	-	-	-	-	-	-	-	-	-
		10"	629.73	-	5.72	-	-	-	-	-	-	-	-	-	-
		12"	750.78	-	5.72	-	-	-	-	-	-	-	-	-	-
						27	7,503	-	7,503	$ 13,161	$ -	$ 42,934	$ 56,095	$ 1,963	$ 58,058
	SUBTOTAL FY2022:					360	82,979	-	82,979	$ 138,664	$ -	$ 460,201	$ 598,865	$ 20,960	$ 619,825
	GRAND TOTAL FY2022					43,072	6,068,626	1,681,096	4,387,530	$ 16,011,363	$ 5,468,265	$ 68,683,215	$ 90,162,843	$ 2,964,310	$ 93,127,154

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GUAM WATERWORKS AUTHORITY

FY2022 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE CONSUMPTION (kGal)	BASIC	NON-LIFFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 29.74		27,624	2,195,980	$ 9,859,605		$ 9,859,605	$	9,859,605
Commercial 1		$ 9.49	1,781	479,676		4,552,617	4,552,617	159,342	4,711,958
Commercial 2		$ 23.11	62	777,696		17,973,242	17,973,242	629,063	18,602,305
Commercial 3		$ 32.05	267	165,294		5,298,045	5,298,045	185,432	5,483,477
Navy/Airforce		$ 13.57	11	659,338		8,944,755	8,944,755	313,066	9,257,822
Government		$ 13.57	239	308,706		4,187,986	4,187,986	146,580	4,334,566
Totals at Current Rates			29,984	4,586,691	$ 9,859,605	$ 40,956,645	$ 50,816,250	$ 1,433,483	$ 52,249,733

GUAM WATERWORKS AUTHORITY

FY 2023 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFELINE	WATER	SURCHARGE	TOTAL
R	Residential														
		3/4"	30.97	3.25	14.74	39,228	3,148,003	1,657,216	1,490,788	$ 14,578,272	$ 5,390,588	$ 21,967,716	$ 41,936,576	$ 1,242,564	$ 43,179,140
		1"	36.13	3.25	14.74	349	37,599	15,096	22,502	151,132	49,106	331,585	531,822	16,412	548,235
		1 1/2"	56.70	3.25	14.74	104	44,745	5,425	39,320	71,037	17,647	579,407	668,090	22,115	690,205
		2"	72.23	3.25	14.74	29	38,323	1,352	36,971	24,759	4,397	544,795	573,951	19,365	593,316
		3"	129.01	3.25	14.74	10	23,469	480	22,989	15,266	1,561	338,752	355,580	12,037	367,616
		4"	180.56	3.25	14.74	15	71,945	899	71,046	31,683	2,924	1,046,901	1,081,509	36,672	1,118,180
		6"	335.34	3.25	14.74	10	54,398	568	53,830	39,683	1,847	793,219	834,750	28,319	863,068
		8"	490.08	3.25	14.74	1	2,526	60	2,466	5,999	195	36,332	42,527	1,439	43,966
		10"	670.66	3.25	14.74	-	-	-	-	-	-	-	-	-	-
		12"	799.58	3.25	14.74	-	-	-	-	-	-	-	-	-	-
						39,745	3,421,007	1,681,096	1,739,911	$ 14,917,831	$ 5,468,265	$ 25,638,708	$ 46,024,804	$ 1,378,922	$ 47,403,727
C	Commercial														
		3/4"	30.97	-	18.33	1,746	272,666	-	272,666	$ 648,920	$ -	$ 4,998,923	$ 5,647,843	$ 192,027	$ 5,839,870
		1"	36.13	-	18.33	326	71,990	-	71,990	141,548	-	1,319,832	1,461,380	49,687	1,511,067
		1 1/2"	56.70	-	18.33	338	144,810	-	144,810	230,232	-	2,654,865	2,885,098	98,093	2,983,191
		2"	72.23	-	18.33	164	132,473	-	132,473	142,365	-	2,428,695	2,571,059	87,416	2,658,475
		3"	129.01	-	18.33	33	73,374	-	73,374	51,589	-	1,345,209	1,396,798	47,491	1,444,290
		4"	180.56	-	18.33	54	109,234	-	109,234	117,152	-	2,002,631	2,119,784	72,073	2,191,856
		6"	335.34	-	18.33	36	73,838	-	73,838	145,049	-	1,353,717	1,498,766	50,958	1,549,724
		8"	490.08	-	18.33	5	72,320	-	72,320	29,997	-	1,325,873	1,355,871	46,100	1,401,970
		10"	670.66	-	18.33	2	8,148	-	8,148	16,420	-	149,389	165,809	5,637	171,446
		12"	799.58	-	18.33	-	-	-	-	-	-	-	-	-	-
						2,706	958,854	-	958,854	$ 1,523,273	$ -	$ 17,579,134	$ 19,102,407	$ 649,482	$ 19,751,889
F	Federal														
		3/4"	30.97	-	18.33	6	1,088	-	1,088	$ 2,275	$ -	$ 19,941	$ 22,216	$ 755	$ 22,971
		1"	36.13	-	18.33	3	341	-	341	1,327	-	6,260	7,587	258	7,845
		1 1/2"	56.70	-	18.33	1	33	-	33	694	-	601	1,296	44	1,340
		2"	72.23	-	18.33	3	432	-	432	2,653	-	7,911	10,564	359	10,923
		3"	129.01	-	18.33	1	222	-	222	1,579	-	4,063	5,642	192	5,834
		4"	180.56	-	18.33	-	-	-	-	-	-	-	-	-	-
		6"	335.34	-	18.33	-	-	-	-	-	-	-	-	-	-
		8"	490.08	-	18.33	-	-	-	-	-	-	-	-	-	-
		10"	670.66	-	18.33	-	-	-	-	-	-	-	-	-	-
		12"	799.58	-	18.33	-	-	-	-	-	-	-	-	-	-
						14	2,115	-	2,115	$ 8,528	$ -	$ 38,776	$ 47,304	$ 1,608	$ 48,913
	SUBTOTAL FY2023:					42,465	4,381,976	1,681,096	2,700,880	$ 16,449,632	$ 5,468,265	$ 43,256,618	$ 65,174,516	$ 2,030,013	$ 67,204,528

GUAM WATERWORKS AUTHORITY

FY 2023 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFELINE	WATER	SURCHARGE	TOTAL
G	Government														
		3/4"	30.97	-	18.33	152	13,476	-	13,476	$ 56,362	$ -	$ 247,070	$ 303,432	$ 10,317	$ 313,748
		1"	36.13	-	18.33	42	8,536	-	8,536	18,283	-	156,487	174,770	5,942	180,712
		1 1/2"	56.70	-	18.33	76	32,352	-	32,352	51,600	-	593,124	644,724	21,921	666,644
		2"	72.23	-	18.33	46	52,554	-	52,554	39,497	-	963,497	1,002,994	34,102	1,037,095
		3"	129.01	-	18.33	27	61,093	-	61,093	42,114	-	1,120,039	1,162,153	39,513	1,201,666
		4"	180.56	-	18.33	31	210,757	-	210,757	67,049	-	3,863,916	3,930,966	133,653	4,064,619
		6"	335.34	-	18.33	12	101,877	-	101,877	49,262	-	1,867,753	1,917,015	65,178	1,982,193
		8"	490.08	-	18.33	3	19,127	-	19,127	17,998	-	350,668	368,667	12,535	381,201
		10"	670.66	-	18.33	3	29,946	-	29,946	24,630	-	549,007	573,637	19,504	593,141
		12"	799.58	-	18.33	-	-	-	-	-	-	-	-	-	-
						392	529,717	-	529,717	$ 366,795	$ -	$ 9,711,561	$ 10,078,356	$ 342,664	$ 10,421,021
H	Hotel														
		3/4"	30.97	-	18.33	-	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -
		1"	36.13	-	18.33	2	6	-	6	885	-	111	995	34	1,029
		1 1/2"	56.70	-	18.33	2	2,067	-	2,067	1,157	-	37,903	39,060	1,328	40,388
		2"	72.23	-	18.33	5	121,195	-	121,195	4,127	-	2,221,923	2,226,050	75,686	2,301,735
		3"	129.01	-	18.33	4	4,924	-	4,924	5,791	-	90,275	96,065	3,266	99,332
		4"	180.56	-	18.33	18	123,182	-	123,182	39,788	-	2,258,362	2,298,150	78,137	2,376,287
		6"	335.34	-	18.33	16	553,013	-	553,013	65,683	-	10,138,653	10,204,336	346,947	10,551,283
		8"	490.08	-	18.33	6	166,793	-	166,793	35,997	-	3,057,897	3,093,894	105,192	3,199,086
		10"	670.66	-	18.33	1	100,457	-	100,457	8,210	-	1,841,731	1,849,941	62,898	1,912,839
		12"	799.58	-	18.33	-	-	-	-	-	-	-	-	-	-
						54	1,071,638	-	1,071,638	$ 161,636	$ -	$ 19,646,855	$ 19,808,491	$ 673,489	$ 20,481,979
G	Golf														
		3/4"	30.97	-	18.33	8	65	-	65	$ 2,907	$ -	$ 1,201	$ 4,107	$ 140	$ 4,247
		1"	36.13	-	18.33	-	-	-	-	-	-	-	-	-	-
		1 1/2"	56.70	-	18.33	3	210	-	210	2,083	-	3,841	5,924	201	6,125
		2"	72.23	-	18.33	2	1,802	-	1,802	1,474	-	33,028	34,502	1,173	35,675
		3"	129.01	-	18.33	-	-	-	-	-	-	-	-	-	-
		4"	180.56	-	18.33	2	240	-	240	4,421	-	4,405	8,826	300	9,126
		6"	335.34	-	18.33	-	-	-	-	-	-	-	-	-	-
		8"	490.08	-	18.33	-	-	-	-	-	-	-	-	-	-
		10"	670.66	-	18.33	-	-	-	-	-	-	-	-	-	-
		12"	799.58	-	18.33	-	-	-	-	-	-	-	-	-	-
						15	2,317	-	2,317	$ 10,884	$ -	$ 42,475	$ 53,359	$ 1,814	$ 55,173
	SUBTOTAL FY2023:					460	1,603,672	-	1,603,672	$ 539,315	$ -	$ 29,400,891	$ 29,940,206	$ 1,017,967	$ 30,958,173

GUAM WATERWORKS AUTHORITY

FY 2023 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFELINE	WATER	SURCHARGE	TOTAL
A	Agriculture														
		3/4"	29.92	-	5.89	262	35,218	-	35,218	$ 94,016	$ -	$ 207,361	$ 301,377	$ 10,247	$ 311,624
		1"	34.91	-	5.89	39	11,378	-	11,378	16,383	-	66,992	83,374	2,835	86,209
		1 1/2"	54.79	-	5.89	22	25,803	-	25,803	14,532	-	151,923	166,455	5,659	172,114
		2"	69.79	-	5.89	11	3,076	-	3,076	9,398	-	18,114	27,512	935	28,447
		3"	124.64	-	5.89	-	-	-	-	-	-	-	-	-	-
		4"	174.46	-	5.89	-	-	-	-	-	-	-	-	-	-
		6"	324.00	-	5.89	-	-	-	-	-	-	-	-	-	-
		8"	473.51	-	5.89	-	-	-	-	-	-	-	-	-	-
		10"	647.98	-	5.89	-	-	-	-	-	-	-	-	-	-
		12"	772.54	-	5.89	-	-	-	-	-	-	-	-	-	-
						334	75,475	-	75,475	$ 134,328	$ -	$ 444,390	$ 578,718	$ 19,676	$ 598,395
I	Irrigation														
		3/4"	30.97	-	6.09	14	2,890	-	2,890	$ 5,181	$ -	$ 17,610	$ 22,791	$ 775	$ 23,566
		1"	36.13	-	6.09	5	702	-	702	2,212	-	4,276	6,488	221	6,708
		1 1/2"	56.70	-	6.09	2	1,656	-	1,656	1,388	-	10,089	11,478	390	11,868
		2"	72.23	-	6.09	6	2,256	-	2,256	5,306	-	13,749	19,055	648	19,702
		3"	129.01	-	6.09	-	-	-	-	-	-	-	-	-	-
		4"	180.56	-	6.09	-	-	-	-	-	-	-	-	-	-
		6"	335.34	-	6.09	-	-	-	-	-	-	-	-	-	-
		8"	490.08	-	6.09	-	-	-	-	-	-	-	-	-	-
		10"	670.66	-	6.09	-	-	-	-	-	-	-	-	-	-
		12"	799.58	-	6.09	-	-	-	-	-	-	-	-	-	-
						27	7,503	-	7,503	$ 14,087	$ -	$ 45,725	$ 59,811	$ 2,034	$ 61,845
	SUBTOTAL FY2023:					361	82,979	-	82,979	$ 148,415	$ -	$ 490,115	$ 638,530	$ 21,710	$ 660,240
	GRAND TOTAL FY2023					43,287	6,068,626	1,681,096	4,387,530	$ 17,137,362	$ 5,468,265	$ 73,147,624	$ 95,753,251	$ 3,069,690	$ 98,822,941

GUAM WATERWORKS AUTHORITY

FY2023 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE CONSUMPTION (kGal)	BASIC	NON-LIFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 29.74		27,762	2,195,980	$ 9,908,903		$ 9,908,903		$ 9,908,903
Commercial 1		$ 10.11	1,790	479,676		4,848,537	4,848,537	164,850	5,013,387
Commercial 2		$ 24.61	62	777,696		19,141,503	19,141,503	650,811	19,792,314
Commercial 3		$ 34.14	269	165,294		5,642,418	5,642,418	191,842	5,834,261
Navy/Airforce		$ 14.45	11	659,338		9,526,164	9,526,164	323,890	9,850,054
Government		$ 14.45	240	308,706		4,460,206	4,460,206	151,647	4,611,853
Totals at Current Rates			30,134	4,586,691	$ 9,908,903	$ 43,618,827	$ 53,527,730	$ 1,483,040	$ 55,010,770

GUAM WATERWORKS AUTHORITY

FY 2024 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
R	Residential														
		3/4"	32.52	3.25	15.47	39,424	3,148,003	1,657,216	1,490,788	$ 15,383,722	$ 5,390,588	$ 23,066,102	$ 43,840,412	$ 1,326,519	$ 45,166,931
		1"	37.94	3.25	15.47	350	37,599	15,096	22,502	159,482	49,106	348,164	556,752	17,514	574,266
		1 1/2"	59.54	3.25	15.47	105	44,745	5,425	39,320	74,961	17,647	608,377	700,985	23,575	724,560
		2"	75.84	3.25	15.47	29	38,323	1,352	36,971	26,127	4,397	572,035	602,559	20,637	623,195
		3"	135.46	3.25	15.47	10	23,469	480	22,989	16,110	1,561	355,690	373,361	12,827	386,188
		4"	189.59	3.25	15.47	15	71,945	899	71,046	33,433	2,924	1,099,246	1,135,604	39,077	1,174,682
		6"	352.11	3.25	15.47	10	54,398	568	53,830	41,876	1,847	832,880	876,603	30,179	906,782
		8"	514.58	3.25	15.47	1	2,526	60	2,466	6,331	195	38,149	44,675	1,535	46,209
		10"	704.19	3.25	15.47	-	-	-	-	-	-	-	-	-	-
		12"	839.56	3.25	15.47	-	-	-	-	-	-	-	-	-	-
						39,944	3,421,007	1,681,096	1,739,911	$ 15,742,041	$ 5,468,265	$ 26,920,643	$ 48,130,950	$ 1,471,863	$ 49,602,812
C	Commercial														
		3/4"	32.52	-	19.25	1,755	272,666	-	272,666	$ 684,773	$ -	$ 5,248,869	$ 5,933,642	$ 204,711	$ 6,138,353
		1"	37.94	-	19.25	328	71,990	-	71,990	149,368	-	1,385,824	1,535,192	52,964	1,588,156
		1 1/2"	59.54	-	19.25	340	144,810	-	144,810	242,953	-	2,787,609	3,030,561	104,554	3,135,116
		2"	75.84	-	19.25	165	132,473	-	132,473	150,230	-	2,550,129	2,700,360	93,162	2,793,522
		3"	135.46	-	19.25	33	73,374	-	73,374	54,440	-	1,412,470	1,466,909	50,608	1,517,518
		4"	189.59	-	19.25	54	109,234	-	109,234	123,625	-	2,102,763	2,226,388	76,810	2,303,198
		6"	352.11	-	19.25	36	73,838	-	73,838	153,063	-	1,421,403	1,574,466	54,319	1,628,785
		8"	514.58	-	19.25	5	72,320	-	72,320	31,655	-	1,392,167	1,423,822	49,122	1,472,944
		10"	704.19	-	19.25	2	8,148	-	8,148	17,327	-	156,858	174,185	6,009	180,195
		12"	839.56	-	19.25	-	-	-	-	-	-	-	-	-	-
						2,719	958,854	-	958,854	$ 1,607,434	$ -	$ 18,458,091	$ 20,065,525	$ 692,261	$ 20,757,785
F	Federal														
		3/4"	32.52	-	19.25	6	1,088	-	1,088	$ 2,400	$ -	$ 20,938	$ 23,339	$ 805	$ 24,144
		1"	37.94	-	19.25	3	341	-	341	1,400	-	6,573	7,973	275	8,248
		1 1/2"	59.54	-	19.25	1	33	-	33	733	-	631	1,364	47	1,411
		2"	75.84	-	19.25	3	432	-	432	2,799	-	8,307	11,106	383	11,489
		3"	135.46	-	19.25	1	222	-	222	1,667	-	4,266	5,932	205	6,137
		4"	189.59	-	19.25	-	-	-	-	-	-	-	-	-	-
		6"	352.11	-	19.25	-	-	-	-	-	-	-	-	-	-
		8"	514.58	-	19.25	-	-	-	-	-	-	-	-	-	-
		10"	704.19	-	19.25	-	-	-	-	-	-	-	-	-	-
		12"	839.56	-	19.25	-	-	-	-	-	-	-	-	-	-
						14	2,115	-	2,115	$ 8,999	$ -	$ 40,715	$ 49,714	$ 1,715	$ 51,429
	SUBTOTAL FY2024:					42,677	4,381,976	1,681,096	2,700,880	$ 17,358,474	$ 5,468,265	$ 45,419,449	$ 68,246,189	$ 2,165,838	$ 70,412,027

GUAM WATERWORKS AUTHORITY

FY 2024 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
G	Government														
		3/4"	32.52	-	19.25	152	13,476	-	13,476	$ 59,476	$ -	$ 259,423	$ 318,899	$ 11,002	$ 329,901
		1"	37.94	-	19.25	42	8,536	-	8,536	19,293	-	164,311	183,604	6,334	189,939
		1 1/2"	59.54	-	19.25	76	32,352	-	32,352	54,451	-	622,780	677,231	23,364	700,595
		2"	75.84	-	19.25	46	52,554	-	52,554	41,679	-	1,011,672	1,053,351	36,341	1,089,691
		3"	135.46	-	19.25	27	61,093	-	61,093	44,440	-	1,176,041	1,220,482	42,107	1,262,588
		4"	189.59	-	19.25	31	210,757	-	210,757	70,754	-	4,057,112	4,127,866	142,411	4,270,278
		6"	352.11	-	19.25	12	101,877	-	101,877	51,984	-	1,961,140	2,013,124	69,453	2,082,577
		8"	514.58	-	19.25	3	19,127	-	19,127	18,993	-	368,202	387,194	13,358	400,553
		10"	704.19	-	19.25	3	29,946	-	29,946	25,991	-	576,458	602,449	20,784	623,233
		12"	839.56	-	19.25	-	-	-	-	-	-	-	-	-	-
						394	529,717	-	529,717	$ 387,061	$ -	$ 10,197,139	$ 10,584,200	$ 365,155	$ 10,949,355
H	Hotel														
		3/4"	32.52	-	19.25	-	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -
		1"	37.94	-	19.25	2	6	-	6	934	-	116	1,050	36	1,086
		1 1/2"	59.54	-	19.25	2	2,067	-	2,067	1,221	-	39,799	41,019	1,415	42,435
		2"	75.84	-	19.25	5	121,195	-	121,195	4,355	-	2,333,019	2,337,374	80,639	2,418,013
		3"	135.46	-	19.25	4	4,924	-	4,924	6,111	-	94,789	100,899	3,481	104,380
		4"	189.59	-	19.25	18	123,182	-	123,182	41,986	-	2,371,280	2,413,266	83,258	2,496,524
		6"	352.11	-	19.25	16	553,013	-	553,013	69,311	-	10,645,586	10,714,897	369,664	11,084,561
		8"	514.58	-	19.25	6	166,793	-	166,793	37,986	-	3,210,792	3,248,778	112,083	3,360,860
		10"	704.19	-	19.25	1	100,457	-	100,457	8,664	-	1,933,817	1,942,481	67,016	2,009,497
		12"	839.56	-	19.25	-	-	-	-	-	-	-	-	-	-
						54	1,071,638	-	1,071,638	$ 170,566	$ -	$ 20,629,197	$ 20,799,764	$ 717,592	$ 21,517,356
G	Golf														
		3/4"	32.52	-	19.25	8	65	-	65	$ 3,067	$ -	$ 1,261	$ 4,328	$ 149	$ 4,477
		1"	37.94	-	19.25	-	-	-	-	-	-	-	-	-	-
		1 1/2"	59.54	-	19.25	3	210	-	210	2,198	-	4,033	6,231	215	6,446
		2"	75.84	-	19.25	2	1,802	-	1,802	1,555	-	34,680	36,235	1,250	37,485
		3"	135.46	-	19.25	-	-	-	-	-	-	-	-	-	-
		4"	189.59	-	19.25	2	240	-	240	4,665	-	4,625	9,291	321	9,611
		6"	352.11	-	19.25	-	-	-	-	-	-	-	-	-	-
		8"	514.58	-	19.25	-	-	-	-	-	-	-	-	-	-
		10"	704.19	-	19.25	-	-	-	-	-	-	-	-	-	-
		12"	839.56	-	19.25	-	-	-	-	-	-	-	-	-	-
						15	2,317	-	2,317	$ 11,485	$ -	$ 44,599	$ 56,084	$ 1,935	$ 58,019
	SUBTOTAL FY2024:					463	1,603,672	-	1,603,672	$ 569,112	$ -	$ 30,870,936	$ 31,440,048	$ 1,084,682	$ 32,524,729

GUAM WATERWORKS AUTHORITY

FY 2024 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE(kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
A Agriculture														
	3/4"	31.42	-	6.18	263	35,218	-	35,218	$ 99,210	$ -	$ 217,729	$ 316,939	$ 10,934	$ 327,874
	1"	36.66	-	6.18	39	11,378	-	11,378	17,288	-	70,341	87,629	3,023	90,652
	1 1/2"	57.53	-	6.18	22	25,803	-	25,803	15,335	-	159,519	174,854	6,032	180,887
	2"	73.28	-	6.18	11	3,076	-	3,076	9,917	-	19,020	28,937	998	29,935
	3"	130.88	-	6.18	-	-	-	-	-	-	-	-	-	-
	4"	183.18	-	6.18	-	-	-	-	-	-	-	-	-	-
	6"	340.20	-	6.18	-	-	-	-	-	-	-	-	-	-
	8"	497.18	-	6.18	-	-	-	-	-	-	-	-	-	-
	10"	680.38	-	6.18	-	-	-	-	-	-	-	-	-	-
	12"	811.17	-	6.18	-	-	-	-	-	-	-	-	-	-
					336	75,475	-	75,475	$ 141,750	$ -	$ 466,609	$ 608,359	$ 20,988	$ 629,348
I Irrigation														
	3/4"	32.52	-	6.40	14	2,890	-	2,890	$ 5,468	$ -	$ 18,491	$ 23,958	$ 827	$ 24,785
	1"	37.94	-	6.40	5	702	-	702	2,334	-	4,490	6,824	235	7,059
	1 1/2"	59.54	-	6.40	2	1,656	-	1,656	1,465	-	10,594	12,059	416	12,475
	2"	75.84	-	6.40	6	2,256	-	2,256	5,599	-	14,437	20,035	691	20,726
	3"	135.46	-	6.40	-	-	-	-	-	-	-	-	-	-
	4"	189.59	-	6.40	-	-	-	-	-	-	-	-	-	-
	6"	352.11	-	6.40	-	-	-	-	-	-	-	-	-	-
	8"	514.58	-	6.40	-	-	-	-	-	-	-	-	-	-
	10"	704.19	-	6.40	-	-	-	-	-	-	-	-	-	-
	12"	839.56	-	6.40	-	-	-	-	-	-	-	-	-	-
					27	7,503	-	7,503	$ 14,865	$ -	$ 48,011	$ 62,876	$ 2,169	$ 65,045
SUBTOTAL FY2024:					363	82,979	-	82,979	$ 156,615	$ -	$ 514,620	$ 671,235	$ 23,158	$ 694,393
GRAND TOTAL FY2024					43,503	6,068,626	1,681,096	4,387,530	$ 18,084,201	$ 5,468,265	$ 76,805,005	$ 100,357,472	$ 3,273,678	$ 103,631,150

GUAM WATERWORKS AUTHORITY

FY2024 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE CONSUMPTION (kGal)	BASIC	NON-LIFFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 29.74		27,901	2,195,980	$ 9,958,447		$ 9,958,447		$ 9,958,447
Commercial 1		$ 10.61	1,799	479,676		5,090,964	5,090,964	175,638	5,266,602
Commercial 2		$ 25.84	62	777,696		20,098,578	20,098,578	693,401	20,791,979
Commercial 3		$ 35.84	270	165,294		5,924,539	5,924,539	204,397	6,128,936
Navy/Airforce		$ 15.17	11	659,338		10,002,472	10,002,472	345,085	10,347,558
Government		$ 15.17	241	308,706		4,683,216	4,683,216	161,571	4,844,787
Totals at Current Rates			30,285	4,586,691	$ 9,958,447	$ 45,799,769	$ 55,758,216	$ 1,580,092	$ 57,338,308

GUAM WATERWORKS AUTHORITY

FY 2019 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
R Residential														
	3/4"	22.56	3.01	10.73	38,453	3,148,003	1,657,216	1,490,788	$ 10,409,887	$ 4,991,285	$ 16,002,547	$ 31,403,720	$ 990,466	$ 32,394,186
	1"	26.32	3.01	10.73	342	37,599	15,096	22,502	107,919	45,468	241,545	394,932	13,105	408,037
	1 1/2"	41.31	3.01	10.73	102	44,745	5,425	39,320	50,725	16,339	422,073	489,138	17,730	506,868
	2"	52.62	3.01	10.73	28	38,323	1,352	36,971	17,680	4,071	396,860	418,611	15,545	434,156
	3"	93.98	3.01	10.73	10	23,469	480	22,989	10,901	1,446	246,766	259,113	9,663	268,776
	4"	131.53	3.01	10.73	14	71,945	899	71,046	22,624	2,708	762,623	787,955	29,447	817,401
	6"	244.28	3.01	10.73	10	54,398	568	53,830	28,337	1,710	577,827	607,873	22,731	630,604
	8"	357.00	3.01	10.73	1	2,526	60	2,466	4,284	181	26,466	30,931	1,153	32,084
	10"	488.55	3.01	10.73	-	-	-	-	-	-	-	-	-	-
	12"	582.46	3.01	10.73	-	-	-	-	-	-	-	-	-	-
					38,960	3,421,007	1,681,096	1,739,911	$ 10,652,355	$ 5,063,209	$ 18,676,709	$ 34,392,273	$ 1,099,840	$ 35,492,113
C Commercial														
	3/4"	22.56	-	13.36	1,712	272,666	-	272,666	$ 463,374	$ -	$ 3,641,503	$ 4,104,877	$ 153,933	$ 4,258,809
	1"	26.32	-	13.36	320	71,990	-	71,990	101,075	-	961,441	1,062,516	39,844	1,102,361
	1 1/2"	41.31	-	13.36	332	144,810	-	144,810	164,402	-	1,933,957	2,098,358	78,688	2,177,047
	2"	52.62	-	13.36	161	132,473	-	132,473	101,658	-	1,769,201	1,870,859	70,157	1,941,016
	3"	93.98	-	13.36	33	73,374	-	73,374	36,838	-	979,928	1,016,766	38,129	1,054,895
	4"	131.53	-	13.36	53	109,234	-	109,234	83,655	-	1,458,832	1,542,486	57,843	1,600,330
	6"	244.28	-	13.36	35	73,838	-	73,838	103,575	-	986,125	1,089,700	40,864	1,130,564
	8"	357.00	-	13.36	5	72,320	-	72,320	21,420	-	965,842	987,263	37,022	1,024,285
	10"	488.55	-	13.36	2	8,148	-	8,148	11,725	-	108,823	120,548	4,521	125,069
	12"	582.46	-	13.36	-	-	-	-	-	-	-	-	-	-
					2,652	958,854	-	958,854	$ 1,087,722	$ -	$ 12,805,652	$ 13,893,373	$ 521,002	$ 14,414,375
F Federal														
	3/4"	22.56	-	13.36	6	1,088	-	1,088	$ 1,624	$ -	$ 14,526	$ 16,151	$ 606	$ 16,756
	1"	26.32	-	13.36	3	341	-	341	948	-	4,560	5,508	207	5,714
	1 1/2"	41.31	-	13.36	1	33	-	33	496	-	438	934	35	969
	2"	52.62	-	13.36	3	432	-	432	1,894	-	5,763	7,657	287	7,944
	3"	93.98	-	13.36	1	222	-	222	1,128	-	2,960	4,087	153	4,240
	4"	131.53	-	13.36	-	-	-	-	-	-	-	-	-	-
	6"	244.28	-	13.36	-	-	-	-	-	-	-	-	-	-
	8"	357.00	-	13.36	-	-	-	-	-	-	-	-	-	-
	10"	488.55	-	13.36	-	-	-	-	-	-	-	-	-	-
	12"	582.46	-	13.36	-	-	-	-	-	-	-	-	-	-
					14	2,115	-	2,115	$ 6,090	$ -	$ 28,247	$ 34,336	$ 1,288	$ 35,624
SUBTOTAL FY2019:					41,626	4,381,976	1,681,096	2,700,880	$ 11,746,167	$ 5,063,209	$ 31,510,608	$ 48,319,983	$ 1,622,129	$ 49,942,112

GUAM WATERWORKS AUTHORITY

FY 2019 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
G Government														
	3/4"	22.56	-	13.36	149	13,476	-	13,476	$ 40,246	$ -	$ 179,980	$ 220,226	$ 8,258	$ 228,485
	1"	26.32	-	13.36	41	8,536	-	8,536	13,056	-	113,994	127,049	4,764	131,814
	1 1/2"	41.31	-	13.36	74	32,352	-	32,352	36,846	-	432,065	468,911	17,584	486,495
	2"	52.62	-	13.36	45	52,554	-	52,554	28,203	-	701,867	730,070	27,378	757,447
	3"	93.98	-	13.36	27	61,093	-	61,093	30,072	-	815,901	845,973	31,724	877,697
	4"	131.53	-	13.36	30	210,757	-	210,757	47,878	-	2,814,699	2,862,577	107,347	2,969,923
	6"	244.28	-	13.36	12	101,877	-	101,877	35,176	-	1,360,578	1,395,755	52,341	1,448,096
	8"	357.00	-	13.36	3	19,127	-	19,127	12,852	-	255,447	268,299	10,061	278,360
	10"	488.55	-	13.36	3	29,946	-	29,946	17,588	-	399,928	417,516	15,657	433,173
	12"	582.46	-	13.36	-	-	-	-	-	-	-	-	-	-
					384	529,717	-	529,717	$ 261,917	$ -	$ 7,074,459	$ 7,336,377	$ 275,114	$ 7,611,491
H Hotel														
	3/4"	22.56	-	13.36	-	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -
	1"	26.32	-	13.36	2	6	-	6	632	-	81	712	27	739
	1 1/2"	41.31	-	13.36	2	2,067	-	2,067	826	-	27,611	28,437	1,066	29,504
	2"	52.62	-	13.36	5	121,195	-	121,195	2,947	-	1,618,577	1,621,523	60,807	1,682,330
	3"	93.98	-	13.36	4	4,924	-	4,924	4,135	-	65,761	69,896	2,621	72,517
	4"	131.53	-	13.36	18	123,182	-	123,182	28,411	-	1,645,121	1,673,532	62,757	1,736,289
	6"	244.28	-	13.36	16	553,013	-	553,013	46,902	-	7,385,578	7,432,480	278,718	7,711,198
	8"	357.00	-	13.36	6	166,793	-	166,793	25,704	-	2,227,548	2,253,252	84,497	2,337,749
	10"	488.55	-	13.36	1	100,457	-	100,457	5,863	-	1,341,623	1,347,485	50,531	1,398,016
	12"	582.46	-	13.36	-	-	-	-	-	-	-	-	-	-
					53	1,071,638	-	1,071,638	$ 115,419	$ -	$ 14,311,898	$ 14,427,318	$ 541,024	$ 14,968,342
G Golf														
	3/4"	22.56	-	13.36	8	65	-	65	$ 2,075	$ -	$ 875	$ 2,950	$ 111	$ 3,061
	1"	26.32	-	13.36	-	-	-	-	-	-	-	-	-	-
	1 1/2"	41.31	-	13.36	3	210	-	210	1,487	-	2,798	4,285	161	4,446
	2"	52.62	-	13.36	2	1,802	-	1,802	1,052	-	24,060	25,112	942	26,054
	3"	93.98	-	13.36	-	-	-	-	-	-	-	-	-	-
	4"	131.53	-	13.36	2	240	-	240	3,157	-	3,209	6,366	239	6,604
	6"	244.28	-	13.36	-	-	-	-	-	-	-	-	-	-
	8"	357.00	-	13.36	-	-	-	-	-	-	-	-	-	-
	10"	488.55	-	13.36	-	-	-	-	-	-	-	-	-	-
	12"	582.46	-	13.36	-	-	-	-	-	-	-	-	-	-
					14	2,317	-	2,317	$ 7,772	$ -	$ 30,941	$ 38,713	$ 1,452	$ 40,165
SUBTOTAL FY2019:					451	1,603,672	-	1,603,672	$ 385,108	$ -	$ 21,417,299	$ 21,802,407	$ 817,590	$ 22,619,997

GUAM WATERWORKS AUTHORITY

FY 2019 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
A Agriculture														
	3/4"	21.80	-	4.29	257	35,218	-	35,218	$ 67,134	$ -	$ 151,054	$ 218,188	$ 8,182	$ 226,370
	1"	25.43	-	4.29	38	11,378	-	11,378	11,698	-	48,800	60,499	2,269	62,768
	1 1/2"	39.91	-	4.29	22	25,803	-	25,803	10,377	-	110,670	121,046	4,539	125,586
	2"	50.84	-	4.29	11	3,076	-	3,076	6,711	-	13,195	19,906	746	20,652
	3"	90.80	-	4.29	-	-	-	-	-	-	-	-	-	-
	4"	127.08	-	4.29	-	-	-	-	-	-	-	-	-	-
	6"	236.02	-	4.29	-	-	-	-	-	-	-	-	-	-
	8"	344.93	-	4.29	-	-	-	-	-	-	-	-	-	-
	10"	472.03	-	4.29	-	-	-	-	-	-	-	-	-	-
	12"	562.76	-	4.29	-	-	-	-	-	-	-	-	-	-
					328	75,475	-	75,475	$ 95,920	$ -	$ 323,719	$ 419,639	$ 15,736	$ 435,375
I Irrigation														
	3/4"	22.56	-	4.44	14	2,890	-	2,890	$ 3,700	$ -	$ 12,828	$ 16,528	$ 620	$ 17,148
	1"	26.32	-	4.44	5	702	-	702	1,579	-	3,115	4,694	176	4,870
	1 1/2"	41.31	-	4.44	2	1,656	-	1,656	991	-	7,350	8,341	313	8,654
	2"	52.62	-	4.44	6	2,256	-	2,256	3,789	-	10,016	13,804	518	14,322
	3"	93.98	-	4.44	-	-	-	-	-	-	-	-	-	-
	4"	131.53	-	4.44	-	-	-	-	-	-	-	-	-	-
	6"	244.28	-	4.44	-	-	-	-	-	-	-	-	-	-
	8"	357.00	-	4.44	-	-	-	-	-	-	-	-	-	-
	10"	488.55	-	4.44	-	-	-	-	-	-	-	-	-	-
	12"	582.46	-	4.44	-	-	-	-	-	-	-	-	-	-
					27	7,503	-	7,503	$ 10,059	$ -	$ 33,308	$ 43,367	$ 1,626	$ 44,994
SUBTOTAL FY2019:					354	82,979	-	82,979	$ 105,979	$ -	$ 357,028	$ 463,006	$ 17,363	$ 480,369
GRAND TOTAL FY2019					42,432	6,068,626	1,681,096	4,387,530	$ 12,237,253	$ 5,063,209	$ 53,284,935	$ 70,585,396	$ 2,457,082	$ 73,042,478

GUAM WATERWORKS AUTHORITY

FY2019 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE (kGal)	BASIC	NON-LIFFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 27.54		27,214	2,195,980	$ 8,993,683		$ 8,993,683		$ 8,993,683
Commercial 1		$ 7.36	1,755	479,676		3,531,953	3,531,953	132,448	3,664,401
Commercial 2		$ 17.93	61	777,696		13,943,771	13,943,771	522,891	14,466,662
Commercial 3		$ 24.87	263	165,294		4,110,262	4,110,262	154,135	4,264,397
Navy/Airforce		$ 10.52	11	659,338		6,939,406	6,939,406	260,228	7,199,633
Government		$ 10.52	235	308,706		3,249,070	3,249,070	121,840	3,370,910
Totals at Current Rates			29,539	4,586,691	$ 8,993,683	$ 31,774,462	$ 40,768,144	$ 1,191,542	$ 41,959,687

GUAM WATERWORKS AUTHORITY

2020 SERIES REVENUE BOND
DEBT SERVICE

Date		10/1/2019	(FY2020)
Avg. Coupon Rate (%)		5.00%	
Term (years)		30	
Underwriter Discount		1%	
Cost of Issuance		1%	
OID		0%	
Premium		0%	
Capitalized Interest (years)		2	
Annual Debt Service		$8,994,419	
Sources			
Bonds @ Par	$	134,000,000	
Premium	$	-	
Net Original Issue Discount		-	
Total Sources	$	134,000,000	
Uses			
Debt Service Reserve		($8,994,419)	
Capitalized Interest		(13,400,000)	
Cost of Issuance		(1,340,000)	1.00%
Underwriter Discount		(1,340,000)	1.00%
Total Deposit to Construction Fund	$	108,925,581	

FY Ending September 30	Principal	Interest	Total Debt Service	CAPI
2020	-	6,700,000	6,700,000	6,700,000
2021	-	6,700,000	6,700,000	6,700,000
2022	2,294,419	6,675,366	8,969,785	
2023	2,409,140	6,558,940	8,968,080	
2024	2,529,597	6,436,104	8,965,701	
2025	2,656,077	6,309,152	8,965,229	
2026	2,788,881	6,175,772	8,964,653	
2027	2,928,325	6,035,640	8,963,965	
2028	3,074,741	5,888,414	8,963,155	
2029	3,228,478	5,733,735	8,962,213	
2030	3,389,902	5,571,225	8,961,126	
2031	3,559,397	5,400,487	8,959,884	
2032	3,737,367	5,221,107	8,958,474	
2033	3,924,235	5,032,645	8,956,880	
2034	4,120,447	4,834,642	8,955,089	
2035	4,326,469	4,626,615	8,953,085	
2036	4,542,793	4,408,057	8,950,850	
2037	4,769,932	4,178,435	8,948,367	
2038	5,008,429	3,937,188	8,945,617	
2039	5,258,851	3,683,728	8,942,578	
2040	5,521,793	3,417,436	8,939,229	
2041	5,797,883	3,137,663	8,935,546	
2042	6,087,777	2,843,727	8,931,504	
2043	6,392,166	2,534,910	8,927,076	
2044	6,711,774	2,210,460	8,922,234	
2045	7,047,363	1,869,584	8,916,947	
2046	7,399,731	1,511,451	8,911,182	
2047	7,769,717	1,135,188	8,904,905	
2048	8,158,203	739,876	8,898,080	
2049	8,566,113	324,552	8,890,666	
	134,000,000	129,830,098	263,830,098	

GUAM WATERWORKS AUTHORITY

2022 SERIES REVENUE BOND
DEBT SERVICE

Date	10/1/2021	(FY2022)
Avg. Coupon Rate (%)	5.00%	
Term (years)	30	
Underwriter Discount	1%	
Cost of Issuance	1%	
OID	0%	
Premium	0%	
Capitalized Interest (years)	2	
Annual Debt Service	$4,027,352	
Sources		
Bonds @ Par	$ 60,000,000	
Premium	$ -	
Net Original Issue Discount	-	
Total Sources	**$ 60,000,000**	
Uses		
Debt Service Reserve	($4,027,352)	
Capitalized Interest	(6,000,000)	
Cost of Issuance	(600,000)	1.00%
Underwriter Discount	(600,000)	1.00%
Total Deposit to Construction Fund	**$ 48,772,648**	

FY Ending September 30	Principal	Interest	Total Debt Service	CAPI
2022	-	3,000,000	3,000,000	3,000,000
2023	-	3,000,000	3,000,000	3,000,000
2024	1,027,352	2,988,970	4,016,322	
2025	1,078,719	2,935,943	4,014,663	
2026	1,132,655	2,881,838	4,014,493	
2027	1,189,288	2,824,993	4,014,281	
2028	1,248,753	2,765,271	4,014,024	
2029	1,311,190	2,702,525	4,013,716	
2030	1,376,750	2,636,603	4,013,353	
2031	1,445,587	2,567,344	4,012,931	
2032	1,517,867	2,494,578	4,012,445	
2033	1,593,760	2,418,129	4,011,889	
2034	1,673,448	2,337,809	4,011,257	
2035	1,757,120	2,253,423	4,010,543	
2036	1,844,976	2,164,765	4,009,741	
2037	1,937,225	2,071,619	4,008,844	
2038	2,034,086	1,973,757	4,007,843	
2039	2,135,791	1,870,941	4,006,732	
2040	2,242,580	1,762,920	4,005,500	
2041	2,354,709	1,649,430	4,004,139	
2042	2,472,445	1,530,195	4,002,640	
2043	2,596,067	1,404,924	4,000,991	
2044	2,725,870	1,273,311	3,999,181	
2045	2,862,164	1,135,034	3,997,198	
2046	3,005,272	989,758	3,995,030	
2047	3,155,536	837,127	3,992,663	
2048	3,313,312	676,769	3,990,081	
2049	3,478,978	508,293	3,987,271	
2050	3,652,927	331,288	3,984,215	
2051	3,835,573	145,322	3,980,895	
	60,000,000	58,132,880	118,132,880	

GUAM WATERWORKS AUTHORITY

2023 SERIES REVENUE BOND
DEBT SERVICE

Date	10/1/2022	(FY2023)
Avg. Coupon Rate (%)	5.00%	
Term (years)	30	
Underwriter Discount	1%	
Cost of Issuance	1%	
OID	0%	
Premium	0%	
Capitalized Interest (years)	2	
Annual Debt Service	$4,430,087	
Sources		
Bonds @ Par	$ 66,000,000	
Premium	$ -	
Net Original Issue Discount	-	
Total Sources	**$ 66,000,000**	
Uses		
Debt Service Reserve	($4,430,087)	
Capitalized Interest	(6,600,000)	
Cost of Issuance	(660,000)	1.00%
Underwriter Discount	(660,000)	1.00%
Total Deposit to Construction Fund	**$ 53,649,913**	

FY Ending September 30	Principal	Interest	Total Debt Service	CAPI
2023	-	3,300,000	3,300,000	3,300,000
2024	-	3,300,000	3,300,000	3,300,000
2025	1,130,087	3,287,867	4,417,954	
2026	1,186,591	3,229,537	4,416,129	
2027	1,245,921	3,170,021	4,415,942	
2028	1,308,217	3,107,493	4,415,710	
2029	1,373,628	3,041,798	4,415,426	
2030	1,442,309	2,972,778	4,415,087	
2031	1,514,425	2,900,264	4,414,688	
2032	1,590,146	2,824,078	4,414,224	
2033	1,669,653	2,744,036	4,413,689	
2034	1,753,136	2,659,942	4,413,077	
2035	1,840,793	2,571,590	4,412,382	
2036	1,932,832	2,478,765	4,411,598	
2037	2,029,474	2,381,242	4,410,715	
2038	2,130,948	2,278,781	4,409,728	
2039	2,237,495	2,171,133	4,408,628	
2040	2,349,370	2,058,035	4,407,405	
2041	2,466,838	1,939,212	4,406,050	
2042	2,590,180	1,814,373	4,404,553	
2043	2,719,689	1,683,215	4,402,904	
2044	2,855,674	1,545,416	4,401,090	
2045	2,998,457	1,400,642	4,399,099	
2046	3,148,380	1,248,538	4,396,918	
2047	3,305,799	1,088,734	4,394,533	
2048	3,471,089	920,840	4,391,929	
2049	3,644,644	744,446	4,389,090	
2050	3,826,876	559,122	4,385,998	
2051	4,018,220	364,417	4,382,636	
2052	4,219,130	159,854	4,378,985	
	66,000,000	63,946,168	129,946,168	

GUAM WATERWORKS AUTHORITY

2013 SERIES REVENUE BOND
DEBT SERVICE

Date		12/12/2013
Avg. Coupon Rate (%)		5.44%
Sources		
Bonds @ Par	$	172,630,000
Net Original Issue Discount		(1,532,983)
Total Sources	$	171,097,017
Uses		
Construction Fund	$	139,280,961
Debt Service Reserve		12,031,688
Capitalized Interest		16,822,959
Cost of Issuance		1,698,948
Underwriter Discount		1,261,952
Additional Proceeds		509
Total Uses	$	171,097,017

FY Ending September 30	Principal	Interest	Total Debt Service	CAPI
2014	$ -	$ 5,158,349	$ 5,158,349	5,158,349
2015	-	9,331,688	9,331,688	9,331,688
2016	-	9,331,688	9,331,688	2,332,922
2017	-	9,331,688	9,331,688	
2018	-	9,331,688	9,331,688	
2019	-	9,331,688	9,331,688	
2020	2,695,000	9,331,688	12,026,688	
2021	2,840,000	9,190,200	12,030,200	
2022	2,990,000	9,041,100	12,031,100	
2023	3,145,000	8,884,125	12,029,125	
2024	3,315,000	8,719,013	12,034,013	
2025	3,485,000	8,544,975	12,029,975	
2026	3,670,000	8,362,013	12,032,013	
2027	3,850,000	8,178,513	12,028,513	
2028	4,045,000	7,986,013	12,031,013	
2029	4,250,000	7,783,763	12,033,763	
2030	4,470,000	7,560,638	12,030,638	
2031	4,705,000	7,325,963	12,030,963	
2032	4,950,000	7,078,950	12,028,950	
2033	5,210,000	6,819,075	12,029,075	
2034	5,485,000	6,545,550	12,030,550	
2035	5,790,000	6,243,875	12,033,875	
2036	6,105,000	5,925,425	12,030,425	
2037	6,440,000	5,589,650	12,029,650	
2038	6,795,000	5,235,450	12,030,450	
2039	7,170,000	4,861,725	12,031,725	
2040	7,565,000	4,467,375	12,032,375	
2041	23,250,000	4,051,300	27,301,300	
2042	24,530,000	2,772,550	27,302,550	
2043	25,880,000	1,423,400	27,303,400	
	$ 172,630,000	$ 213,739,112	$ 386,369,112	

GUAM WATERWORKS AUTHORITY

2014 REFUNDING SERIES REVENUE BOND (SERIES 2005)
DEBT SERVICE

Date		8/7/2014
Avg. Coupon Rate (%)		4.9%
Sources		
Bonds @ Par	$	85,600,000
Net Original Issue Premium		5,648,970
Bond Funds on Hand		1,283,799
DSRF Release		269
Total Sources	$	92,533,037
Uses		
SLGS Purchases	$	90,996,840
Refunding Escrow Cash Deposit		21
Cost of Issuance		768,201
Underwriter Discount		759,121
Additional Proceeds		8,854
Total Uses	$	92,533,037

FY Ending September 30	Principal	Interest	Total Debt Service
2015	$ 2,900,000	$ 3,499,425	$ 6,399,425
2016	3,320,000	3,842,430	7,162,430
2017	3,385,000	3,780,014	7,165,014
2018	3,475,000	3,694,847	7,169,847
2019	3,620,000	3,588,477	7,208,477
2020	3,760,000	3,445,000	7,205,000
2021	530,000	3,257,000	3,787,000
2022	555,000	3,230,500	3,785,500
2023	4,005,000	3,202,750	7,207,750
2024	4,205,000	3,002,500	7,207,500
2025	4,410,000	2,792,250	7,202,250
2026	4,630,000	2,571,750	7,201,750
2027	4,865,000	2,340,250	7,205,250
2028	5,110,000	2,097,000	7,207,000
2029	5,365,000	1,841,500	7,206,500
2030	5,630,000	1,573,250	7,203,250
2031	5,915,000	1,291,750	7,206,750
2032	6,205,000	996,000	7,201,000
2033	6,520,000	685,750	7,205,750
2034	6,845,000	359,750	7,204,750
2035	350,000	17,500	367,500
	$ 85,600,000	$ 51,109,692	$ 136,709,692

GUAM WATERWORKS AUTHORITY

2016 SERIES REVENUE BOND
DEBT SERVICE

Date		2/24/2016
Avg. Coupon Rate (%)		5.0%
Sources		
Bonds @ Par	$	143,310,000
Net Original Issue Premium		18,224,842
Total Sources	$	161,534,842
Uses		
Construction Fund	$	140,019,463
Debt Service Reserve		7,582,725
Capitalized Interest		11,464,800
Cost of Issuance		1,297,820
Underwriter Discount		1,170,034
Total Uses	$	161,534,842

FY Ending September 30	Principal	Interest	Total Debt Service	CAPI
2016	$ -	$ 2,527,829	$ 2,527,829	2,527,829
2017	-	7,165,500	7,165,500	7,165,500
2018	-	7,165,500	7,165,500	1,771,471
2019	-	7,165,500	7,165,500	
2020	420,000	7,165,500	7,585,500	
2021	3,860,000	7,144,500	11,004,500	
2022	4,055,000	6,951,500	11,006,500	
2023	835,000	6,748,750	7,583,750	
2024	875,000	6,707,000	7,582,000	
2025	925,000	6,663,250	7,588,250	
2026	965,000	6,617,000	7,582,000	
2027	1,015,000	6,568,750	7,583,750	
2028	1,065,000	6,518,000	7,583,000	
2029	1,120,000	6,464,750	7,584,750	
2030	1,180,000	6,408,750	7,588,750	
2031	1,240,000	6,349,750	7,589,750	
2032	1,300,000	6,287,750	7,587,750	
2033	1,365,000	6,222,750	7,587,750	
2034	1,435,000	6,154,500	7,589,500	
2035	8,340,000	6,082,750	14,422,750	
2036	1,920,000	5,665,750	7,585,750	
2037	2,015,000	5,569,750	7,584,750	
2038	2,115,000	5,469,000	7,584,000	
2039	2,215,000	5,363,250	7,578,250	
2040	2,330,000	5,252,500	7,582,500	
2041	2,450,000	5,136,000	7,586,000	
2042	2,570,000	5,013,500	7,583,500	
2043	2,700,000	4,885,000	7,585,000	
2044	30,135,000	4,750,000	34,885,000	
2045	31,640,000	3,243,250	34,883,250	
2046	33,225,000	830,625	34,055,625	
	$ 143,310,000	$ 180,258,204	$ 323,568,204	

GUAM WATERWORKS AUTHORITY

2017 REFUNDING SERIES REVENUE BOND (SERIES 2010)
DEBT SERVICE

Date		12/20/2017
Avg. Coupon Rate (%)		5.0%
Sources		
Bonds @ Par	$	107,660,000
Net Original Issue Premium		13,854,833
Bond Funds on Hand		2,532,453
DSRF Release		75
Total Sources	$	124,047,361
Uses		
Open Market Purchases	$	122,155,328
Refunding Escrow Cash Deposit		589
Cost of Issuance		963,283
Underwriter Discount		925,066
Additional Proceeds		3,095
Total Uses	$	124,047,361

FY Ending September 30	Principal	Interest	Total Debt Service
2018	$ -	$ 2,855,981	$ 2,855,981
2019	295,000	5,383,000	5,678,000
2020	-	5,368,250	5,368,250
2021	2,040,000	5,368,250	7,408,250
2022	2,145,000	5,266,250	7,411,250
2023	2,250,000	5,159,000	7,409,000
2024	2,365,000	5,046,500	7,411,500
2025	2,485,000	4,928,250	7,413,250
2026	2,610,000	4,804,000	7,414,000
2027	2,740,000	4,673,500	7,413,500
2028	2,875,000	4,536,500	7,411,500
2029	3,015,000	4,392,750	7,407,750
2030	3,170,000	4,242,000	7,412,000
2031	3,325,000	4,083,500	7,408,500
2032	3,495,000	3,917,250	7,412,250
2033	3,665,000	3,742,500	7,407,500
2034	3,850,000	3,559,250	7,409,250
2035	4,040,000	3,366,750	7,406,750
2036	11,455,000	3,164,750	14,619,750
2037	12,025,000	2,592,000	14,617,000
2038	12,630,000	1,990,750	14,620,750
2039	13,260,000	1,359,250	14,619,250
2040	13,925,000	696,250	14,621,250
	$ 107,660,000	$ 90,496,481	$ 198,156,481

GUAM WATERWORKS AUTHORITY

Bank of Guam $30 million Short Term Debt
DEBT SERVICE

Principal $15,000,000
Int. % 5.25%
Date 7/15/15
Term 5
Annual det $302,354.40

	Date	Payment	Interest	Principal	Balance		
27	10/15/2017	$284,789.76	$39,282.71	$245,507.05	$8,733,398	FY2018	
28	11/15/2017	$284,789.76	$38,208.62	$246,581.14	$8,486,817		
29	12/15/2017	$284,789.76	$37,129.82	$247,659.93	$8,239,157		
30	1/15/2018	$284,789.76	$36,046.31	$248,743.45	$7,990,413		
31	2/15/2018	$284,789.76	$34,958.06	$249,831.70	$7,740,582		
32	3/15/2018	$284,789.76	$33,865.04	$250,924.71	$7,489,657		
33	4/15/2018	$284,789.76	$32,767.25	$252,022.51	$7,237,634		
34	5/15/2018	$284,789.76	$31,664.65	$253,125.11	$6,984,509		
35	6/15/2018	$284,789.76	$30,557.23	$254,232.53	$6,730,277		
36	7/15/2018	$284,789.76	$29,444.96	$255,344.80	$6,474,932		
37	8/15/2018	$284,789.76	$28,327.83	$256,461.93	$6,218,470		
38	9/15/2018	$284,789.76	$27,205.81	$257,583.95	$5,960,886		$ 3,417,477
39	10/15/2018	$284,789.76	$26,078.88	$258,710.88	$5,702,175	FY2019	
40	11/15/2018	$284,789.76	$24,947.02	$259,842.74	$5,442,332		
41	12/15/2018	$284,789.76	$23,810.20	$260,979.55	$5,181,353		
42	1/15/2019	$284,789.76	$22,668.42	$262,121.34	$4,919,231		
43	2/15/2019	$284,789.76	$21,521.64	$263,268.12	$4,655,963		
44	3/15/2019	$284,789.76	$20,369.84	$264,419.92	$4,391,543		
45	4/15/2019	$284,789.76	$19,213.00	$265,576.76	$4,125,967		
46	5/15/2019	$284,789.76	$18,051.10	$266,738.65	$3,859,228		
47	6/15/2019	$284,789.76	$16,884.12	$267,905.64	$3,591,322		
48	7/15/2019	$284,789.76	$15,712.04	$269,077.72	$3,322,245		
49	8/15/2019	$284,789.76	$14,534.82	$270,254.94	$3,051,990		
50	9/15/2019	$284,789.76	$13,352.46	$271,437.30	$2,780,552		$ 3,417,477
51	10/15/2019	$284,789.76	$12,164.92	$272,624.84	$2,507,928	FY2020	
52	11/15/2019	$284,789.76	$10,972.18	$273,817.57	$2,234,110		
53	12/15/2019	$284,789.76	$9,774.23	$275,015.53	$1,959,094		
54	1/15/2020	$284,789.76	$8,571.04	$276,218.72	$1,682,876		
55	2/15/2020	$284,789.76	$7,362.58	$277,427.18	$1,405,449		
56	3/15/2020	$284,789.76	$6,148.84	$278,640.92	$1,126,808		
57	4/15/2020	$284,789.76	$4,929.78	$279,859.97	$846,948		
58	5/15/2020	$284,789.76	$3,705.40	$281,084.36	$565,863		
59	6/15/2020	$284,789.76	$2,475.65	$282,314.11	$283,549		
60	7/15/2020	$284,789.76	$1,240.53	$283,549.23	$0		$ 2,847,898

Guam Waterworks Authority
Sample Bill Summary
FY2019-2024

AVERAGE MONTHLY BILLING INFORMATION for Water & Sewer

Average Monthly Consumption by Rate Class	Current 2019	Proposed Rate Adjustments 10.0% 2020	8.5% 2021	8.0% 2022	6.5% 2023	5.0% 2024	5-yr Average Increase
1 Residential < 5k (4.0Kgal)	$ 62.98	$ 65.29	$ 67.47	$ 72.84	$ 74.77	$ 76.38	
Increase		$ 2.30	$ 2.19	$ 5.37	$ 1.93	$ 1.62	$ 2.68
2 Residential > 5k (7.5Kgal)	$ 93.83	$ 98.87	$ 103.66	$ 111.89	$ 116.10	$ 119.64	
Increase		$ 5.04	$ 4.78	$ 8.23	$ 4.22	$ 3.54	$ 5.16
3 Commercial 1 (35.91 Kgal)	$ 740.38	$ 813.24	$ 882.36	$ 952.03	$ 1,012.93	$ 1,064.09	
Increase		$ 72.86	$ 69.13	$ 69.67	$ 60.90	$ 51.16	$ 64.74
4 Commercial 2 (425.86 kgal)	$ 12,292.07	$ 13,501.73	$ 14,649.37	$ 15,806.05	$ 16,817.18	$ 17,666.58	
Increase		$ 1,209.66	$ 1,147.65	$ 1,156.68	$ 1,011.13	$ 849.40	$ 1,074.90
5 Commercial 3 (52.19 Kgal)	$ 1,823.76	$ 2,003.23	$ 2,173.51	$ 2,345.12	$ 2,495.14	$ 2,621.16	
Increase		$ 179.48	$ 170.27	$ 171.61	$ 150.02	$ 126.02	$ 159.48
6 Government - G6 (73.0 Kgal)	$ 1,785.53	$ 1,961.24	$ 2,127.95	$ 2,295.96	$ 2,442.84	$ 2,566.22	
Increase		$ 175.71	$ 166.71	$ 168.02	$ 146.88	$ 123.38	$ 156.14
7 Irrigation (20.96 Kgal)	$ 119.98	$ 131.78	$ 142.99	$ 154.28	$ 164.15	$ 172.44	
Increase		$ 11.81	$ 11.20	$ 11.29	$ 9.87	$ 8.29	$ 10.49
8 Agriculture (19.80 Kgal)	$ 110.75	$ 121.65	$ 131.99	$ 142.41	$ 151.52	$ 159.17	
Increase		$ 10.90	$ 10.34	$ 10.42	$ 9.11	$ 7.65	$ 9.68

GUAM WATERWORKS AUTHORITY

EXHIBIT B



GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Schedule of Capital Projects
FY 2019-2024

	2019	2020	2021	2022	2023	2024	TOTAL
2010 Bond Series	3,804	-	-	-	-	-	3,804
2013 Bond Series	1,453	-	-	-	-	-	1,453
2016 Bond Series	52,563	2,703	-	-	-	-	55,266
2020 Bond Series	50,345	28,631	28,350	1,600	-	-	108,926
2022 Bond Series	-	-	-	24,209	18,664	5,900	48,773
2023 Bond Series	-	-	-	-	18,824	18,852	37,676
State Revolving Fund (SRF)	7,000	5,088	3,000	8,000	8,000	8,000	39,088
System Development Charge (SDC)	6,700	500	1,000	500	500	500	9,700
GRANTS	110,387	13,061	-	-	-	-	123,448
Internally Funded CIP (PAY GO)	-	15,000	15,000	20,500	21,000	24,500	96,000
Total	232,252	64,983	47,350	54,809	66,988	57,752	524,134

	2019	2020	2021	2022	2023	2024	TOTAL
Potable Water	100,586	28,870	14,450	27,540	38,996	27,403	237,845
Wastewater	126,703	28,003	26,350	24,069	22,242	21,119	248,486
Electrical	1,710	1,510	2,600	1,500	3,200	5,530	16,050
Miscellaneous	3,253	6,600	3,950	1,700	2,550	3,700	21,753
Total	232,252	64,983	47,350	54,809	66,988	57,752	524,134

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Potable Water Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
PW 05-01	Ground Water Disinfection	-	-	-	-	-	-	-
PW 05-03	Santa Rita Springs Booster Pump Rehab Phase II	-	-	-	-	-	-	-
PW 05-05	"A" Series Well Transmission Line	-	-	-	-	-	-	-
PW 05-06	Water Booster Pump Station	387	1,200	700	300	2,000	-	4,587
PW 05-07	Meter Replacement Program	1,426	-	-	-	-	-	1,426
PW 05-08	Barrigada Tank Repair/Replacement	0	-	-	-	-	-	0
PW 05-09	Leak Detection	100	-	500	-	-	100	700
PW 05-10	Potable Water System Planning	-	-	500	-	-	-	500
PW 05-11	Implement Ground Water Rule	-	-	-	-	-	-	-
PW 05-12	Brigade II (Ugum Lift) BPS Upgrade	1,568	-	-	-	-	-	1,568
PW 05-13	Deep Well Rehabilitation	6,140	1,538	-	4,000	-	-	11,678
PW 05-14	New Deep Wells at Down Hard	1,190	500	-	-	-	-	1,690
PW 05-15	Rehabilitation of Asan Springs	759	550	-	-	-	-	1,309
PW 05-16	Master Meters	2,000	-	-	-	-	-	2,000
PW 09-01	Ugum Water Treatment Plant Intake	200	-	500	500	-	-	1,200
PW 09-02	Water Wells	5,135	1,500	1,400	-	2,000	-	10,035
PW 09-03	Water Distribution System Pipe Replacement and Upgrades	2,153	500	1,000	2,250	1,750	2,250	9,903
PW 09-04	Pressure Zone Realignment / Development 2005 Improvements	400	561	-	-	-	650	1,611
PW 09-06	Central Water Distribution System 2005 Improvements	-	-	-	-	-	-	-
PW 09-08	Mechanical/Electrical Equipment	-	-	-	-	-	-	-
PW 09-09	Water Reservoir Internal/External	636	-	-	-	-	-	636
PW 09-10	Water Reservoir Internal/External	-	-	-	-	-	-	-
PW 09-11	Water System Reservoirs 2005 Improvements	57,000	10,891	1,000	1,000	1,000	-	70,891
PW 11-01	Distribution System Upgrade	-	-	-	-	-	-	-
PW 11-02	Ugum Water Treatment Plant Reservoir	7,500	-	-	-	-	-	7,500
PW 12-01	Water Audit Program & Water Loss Control Plan	160	-	-	-	-	-	160
PW 12-02	Production Plan / Reduce Navy Purchases	-	-	-	-	-	-	-
PW 12-03	Hydraulic Assessment of Tanks	-	-	-	-	-	-	-
PW 12-04	Agana Heights & Chaot Tanks	720	-	-	-	-	-	720
PW 12-05	Tank Major Repair Yigo #1, Mangilao #2, Astumbo #1	0	-	-	-	-	-	0
PW 12-06	Tank Replacement Piti & Hyundai	6,500	-	-	-	-	-	6,500
PW 12-07	Assessment/Replacement of Malojloj Elevated & Yigo Elevated	-	-	-	-	-	-	-
PW 12-08	Public Water System Asset Inventory/ Condition Assessment	-	-	-	-	-	-	-
PW 12-09	Public Water System GIS & Mapping	-	-	-	-	-	-	-
PW 14-01	Fire Hydrant Replacement Program	1,200	-	-	500	-	500	2,200
MP-PW-Pipe-01	Astumbo Zone Piping	-	-	-	368	4,482	-	4,850
MP-PW-Pipe-02	Route 1 Astumbo Zone Piping	-	-	-	-	545	3,324	3,869
MP-PW-Pipe-03	Harmon Cliffline Piping to Route 1	-	-	-	-	424	-	424
MP-PW-Pipe-04	Hyundai Well Piping	-	500	-	-	-	-	500
MP-PW-Pipe-05	Kaiser Zone Looping	-	300	-	-	-	-	300

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Potable Water Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
MP-PW-Pipe-06	Mangilao Pressure Zone Realignment	-	300	-	-	-	-	300
MP-PW-Pipe-07	Mataguac BPS Suction Piping	-	-	500	-	-	-	500
MP-PW-Pipe-08	Nimitz Lower BPS Piping	-	-	-	-	121	1,469	1,590
MP-PW-Pipe-09	Yigo, Santa Rosa Zone Realignment	-	-	-	178	2,164	-	2,342
MP-PW-Pipe-10	Miscellaneous Piping Projects	-	100	100	694	-	-	894
MP-PW-Pipe-11	Miscellaneous Piping Connections	-	100	100	194	-	-	394
MP-PW-Pipe-12	Rehabilitation and Replacement Program	1,000	-	1,000	2,500	3,400	2,000	9,900
MP-PW-Pipe-13	2-Inch Pipe Replacement Program	1,550	1,180	1,200	1,750	1,750	1,750	9,180
MP-PW-Pipe-14	Asbestos Cement Pipe Replacement Program	-	-	-	3,850	3,850	3,850	11,550
MP-PW-Pipe-15	PRV Rehab and Replacement	500	500	1,450	1,000	1,468	1,468	6,386
MP-PW-Pipe-16	Valve Exercise, Repair, and Replacement Program	-	250	-	250	-	250	750
MP-PW-Pipe-17	Cross Island Highway Piping	-	-	100	1,401	-	-	1,501
MP-PW-Tank-22	Existing Tank Inspections	150	-	-	-	-	-	150
MP-PW-Tank-23	Recurring Tank Inspections	-	200	200	214	214	214	1,042
MP-PW-BPS-01	Rehabilitate and Replace BPSs	209	200	150	150	150	150	1,009
MP-PW-BPS-02	Nimitz Hill Upper BPS	48	-	-	-	-	-	48
MP-PW-BPS-03	Route 15 BPS	-	-	-	-	-	86	86
MP-PW-SWTP-01	Ugum SWTP River Intake Cleaning Project	380	-	-	-	-	-	380
MP-PW-SWTP-02	Ugum SWTP Intake Modifications	174	1,000	-	-	-	-	1,174
MP-PW-SWTP-03	Ugum SWTP Reliability Improvements	150	1,000	-	-	-	-	1,150
MP-PW-SWTP-04	Ugum SWTP 7-Year Improvement Project	-	-	-	-	-	3,168	3,168
MP-PW-Well-01	Well Rehabilitation Program	-	400	3,500	2,308	5,368	440	12,016
MP-PW-Well-02	Well Equipment Overhaul Program	-	-	-	1,000	-	1,518	2,518
MP-PW-Well-03	Capacity Enhancement – Well Exploration Program	500	-	-	-	-	1,188	1,688
MP-PW-Well-04	Capacity Enhancement – Well Development and Construction Program	-	-	-	379	4,622	-	5,001
MP-PW-Well-05	Wellhead Protection Program	-	350	-	-	660	-	1,010
MP-PW-Well-06	Well Repair Program	500	500	250	1,000	1,274	1,274	4,798
MP-PW-Misc-01	South Guam Water Supply Study	-	200	-	-	-	-	200
MP-PW-Misc-02	Master Meter Implementation and Ongoing Meter Replacement	250	250	250	734	734	734	2,952
MP-PW-Misc-03	Hydrant Condition Assessment and Maintenance	-	-	-	970	970	970	2,910
MP-PW-Misc-04	OneGuam Program	-	50	50	50	50	50	250
MP-PW-Misc-05	Leak Detection Assistance	-	250	-	-	-	-	250
DoD-3	Rehabilitation and New NGLA Monitoring Wells	-	4,000	-	-	-	-	4,000
	Sub-Total	100,586	28,870	14,450	27,540	38,996	27,403	237,845
	Grand Total for Potable Water Funding	237,845						

CIP 3 of 7

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Wastewater Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
WW 05-04	Wastewater System Planning	-	150	-	-	-	-	150
WW 09-01	Lift station upgrades	1,750	1,200	1,000	-	2,000	2,291	8,241
WW 09-02	Moratorium	-	-	-	-	-	-	-
WW 09-06	Wastewater Collection System Repl/ Rehabilitation	1,087	2,000	2,000	-	2,000	2,000	9,087
WW 09-08	Facilities Plan/Design/Interim for Baza Gardens STP Impr.	-	-	-	-	-	-	-
WW 09-10	Facilities Plan/Design/Interim for Agat-Santa Rita STP Impr.	-	-	-	-	-	-	-
WW 09-11	WWTP Priority 1 Upgrades	1,000	-	-	-	-	-	1,000
WW 11-03	Baza Gardens STP Replacement	366	-	550	-	-	-	916
WW 11-04	Facilities Plan/Design/Interim for Umatac-Merizo STP Impr.	-	-	-	-	-	-	-
WW 11-08	Agat/ Santa Rita STP Replacement	394	-	-	-	-	-	394
WW 12-01	Northern District WWTP Primary Treatment Upgrades	186	-	-	-	-	-	186
WW 12-02	Bio Solids Management Plan	-	-	-	-	-	-	-
WW 12-03	Agana WWTP Interim Measures	-	-	-	-	-	-	-
WW 12-04	I&I SSES Southern	-	-	-	-	-	-	-
WW 12-05	I&I SSES Central	-	-	-	-	-	-	-
WW 12-06	I&I SSES Northern	-	-	-	-	-	-	-
WW 12-07	Umatac Merizo STP Replacement	1,083	-	-	-	-	-	1,083
WW 12-09	Wastewater Facility Back Up Power	-	-	-	-	-	-	-
WW 17-01	Wastewater Sewer System Expansion	1,000	-	-	-	-	-	1,000
WW 17-02	Northern District WWTP Secondary Treatment Upgrades	52	-	-	-	-	-	52
MP-WW-Pipe-01	Gravity Pipe Rehabilitation/Replacement Program	-	170	2,000	5,346	750	6,186	14,452
MP-WW-Pipe-02	Barrigada Pump Station Pipe Rehabilitation/Replacement	-	-	-	411	3,218	-	3,629
MP-WW-Pipe-03	Route 1 Piti Pipe Rehabilitation/Replacement	340	2,000	-	-	-	-	2,340
MP-WW-Pipe-04	Southern Link Pump Station Pipe Rehabilitation/Replacement	657	-	-	-	-	-	657
MP-WW-Pipe-05	Agana Heights Pipe Replacement	-	-	-	169	2,500	-	2,669
MP-WW-Pipe-06	Northern District Route 1 Capacity Replacement - Phase 1	-	-	-	-	-	1,169	1,169
MP-WW-Pipe-07	Northern District Route 1 Capacity Replacement - Phase 2	-	-	-	-	-	-	-
MP-WW-Pipe-08	Northern District Route 1 Capacity Replacement - Phase 3	-	-	-	-	-	-	-
MP-WW-Pipe-09	North Dededo Capacity Replacement - Phase 1	-	-	-	-	-	-	-
MP-WW-Pipe-10	North Dededo Capacity Replacement - Phase 2	-	-	-	-	-	-	-
MP-WW-Pipe-11	Route 16 Capacity Replacement	-	-	-	-	-	571	571
MP-WW-Pipe-12	Barrigada Capacity Replacement	-	-	-	-	-	47	47
MP-WW-Pipe-13	Mangilao Capacity Replacement	-	-	-	-	-	-	-
MP-WW-Pipe-14	Dededo Capacity Replacement	-	-	-	-	-	-	-
MP-WW-Pipe-16	Yigo Capacity Replacement	-	-	-	-	-	-	-
MP-WW-Pipe-17	Mamajanao Capacity Replacement	-	400	1,300	2,574	-	-	4,274
MP-WW-Pipe-18	Agat-Santa Rita Capacity Replacement - Phase 1	-	-	-	-	-	-	-
MP-WW-Pipe-19	Agat-Santa Rita Capacity Replacement - Phase 2	-	-	-	-	-	-	-
MP-WW-Pipe-20	Agat-Santa Rita Capacity Replacement - Phase 3	-	-	-	-	-	-	-

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Wastewater Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
MP-WW-Pipe-21	Baza Gardens Capacity Replacement - Phase 1	-	-	-	-	-	320	320
MP-WW-Pipe-22	Baza Gardens Capacity Replacement - Phase 2	-	-	-	-	-	-	-
MP-WW-Pipe-23	Baza Gardens Capacity Replacement - Phase 3	-	-	-	-	-	-	-
MP-WW-Pipe-24	Umatac-Merizo Capacity Replacement	-	-	-	-	-	207	207
MP-WW-Pipe-25	Piping Near Bayside Lift Station	-	-	2,000	-	250	-	2,250
MP-WW-Pipe-26	Finile Drive Rehabilitation - Agat	63	750	-	-	-	-	813
MP-WW-Pipe-27	Septic/Cesspool System Reduction Program	-	-	-	350	3,000	5,238	8,588
MP-WW-MH-01	Manhole Rehabilitation Program	-	350	-	350	-	350	1,050
MP-WW-FM-01	Force Main Rehabilitation/Replacement Program	-	-	100	1,458	-	120	1,678
MP-WW-FM-02	Replace Ylgo Lift Station Force Main	-	-	200	1,829	-	-	2,029
MP-WW-FM-03	Route 1 Asan Force Main Rehabilitation/Replacement	2,124	-	-	-	-	-	2,124
MP-WW-FM-04	Hagåtña WWTP Force Main Rehabilitation/Replacement	5,000	1,689	-	-	-	-	6,689
MP-WW-Pump-01	Lift Station Rehabilitation/Replacement Program	-	2,120	6,500	982	6,124	2,420	18,146
MP-WW-Pump-02	Tumon Basin - Fujita Lift Station Analysis	1,000	6,923	3,000	-	-	-	10,923
MP-WW-Pump-03	Replacement of Former Navy Pump Station (Donut Hole)	100	1,201	-	-	-	-	1,301
MP-WW-WWTP-01	Hagåtña WWTP Primary Treatment Repair/Rehabilitation Program	-	-	-	-	-	-	-
MP-WW-WWTP-02	Hagåtña WWTP Secondary Treatment Upgrade	-	-	-	-	-	-	-
MP-WW-WWTP-03	Inarajan WWTP Repair/Rehabilitation Program	-	-	-	-	-	-	-
MP-WW-WWTP-04	Pago Socio WWTP Pump Station Conversion	-	-	-	1,700	1,000	-	2,700
MP-WW-WWTP-05	Umatac-Merizo WWTP Repair/Rehabilitation Program	-	-	-	-	-	-	-
MP-WW-WWTP-06	Agat-Santa Rita WWTP Repair/Rehabilitation Program	-	-	-	-	-	-	-
MP-WW-WWTP-07	Baza Gardens Cross Island Pipeline - Preliminary Treatment Equipment Repair and Rehabilitation Program	-	-	-	-	-	-	-
MP-WW-WWTP-08	Northern District WWTP Completion	-	-	7,500	7,800	-	-	15,300
MP-WW-WWTP-09	Ocean Outfall Inspection Program	-	150	-	-	-	-	150
MP-WW-Misc-01A	Update Wastewater Collection System Model (Major Update)	-	-	-	-	-	-	-
MP-WW-Misc-01B	Update Wastewater Collection System Model (Continued)	-	100	-	100	-	200	400
MP-WW-Misc-02	I/I and SSES Assessments	-	150	-	-	400	-	550
MP-WW-Misc-03	Miscellaneous Wastewater Improvements	500	-	200	1,000	1,000	-	2,700
MP-WW-Misc-04	Fats, Oils, and Grease Study	-	150	-	-	-	-	150
DoD-01	NDWWTP Secondary Treatment Capacity 12MGD	110,000	2,500	-	-	-	-	112,500
DoD-02	Northern Systems Wastewater System	-	6,000	-	-	-	-	6,000
	Sub-Total	126,703	28,003	26,350	24,069	22,242	21,119	248,486
	Grand Total for Wastewater Funding	248,486						

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Electrical Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
EE 05-02	SCADA Pilot Project	-	-	-	-	-	-	-
EE 09-01	Wastewater Pumping Station Electrical Upgrade	-	-	-	-	-	-	-
EE 09-02	Electrical Upgrade - Water Wells	-	90	-	-	-	-	90
EE 09-03	Electrical Upgrade - Water Booster	-	-	-	-	-	-	-
EE 09-04	Electrical Upgrade -Water Booster	-	150	-	-	-	-	150
EE 09-05	Electrical Upgrade - Other Water	-	100	-	-	-	-	100
EE 09-07	SCADA Improvements – Phase 2	-	45	-	-	-	-	45
EE 09-08	SCADA Improvements – Phase 3	275	125	-	-	-	2,000	2,400
EE 09-09	SCADA Improvements – Phase 4	434	-	-	-	-	-	434
MP-Gen-EE-01	SCADA Implementation Phase A2 – Initial Project Completion	1,000	1,000	2,600	1,500	2,600	2,600	11,300
MP-Gen-EE-02	SCADA Implementation Phase B – Additional Sites	-	-	-	-	600	600	1,200
MP-Gen-EE-03	SCADA Implementation Phase C – Additional Instruments	-	-	-	-	-	-	-
MP-Gen-EE-04	SCADA System Improvement Program	-	-	-	-	-	330	330
	Sub-Total	1,710	1,510	2,600	1,500	3,200	5,530	16,050
	Grand Total for Electrical Funding	16,050						

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Miscellaneous Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
MC 05-01	Laboratory Modernization	1	-	-	-	-	-	1
MC 05-02	Land Survey	-	-	-	-	-	-	-
MC 09-01	General Plant Improvements / Water	47	-	100	500	800	1,000	2,447
MC 15-01	Information Technology Intergration Improvements	256	-	100	500	500	500	1,856
MP-Gen-Misc-01	GWA Systems Planning	500	200	500	100	250	1,000	2,550
MP-Gen-Misc-02A	WRMP Update (Comprehensive Update)	-	-	-	100	-	-	100
MP-Gen-Misc-02B	WRMP Update (Interim Update)	-	200	-	-	-	-	200
MP-Gen-Misc-03	Surveying and Property Delineation	250	-	250	-	250	-	750
MP-Gen-Misc-04	Information Technology Improvements	200	5,200	200	100	100	200	6,000
MP-Gen-Misc-05	GWA Infrastructure Improvements	500	-	2,000	-	250	-	2,750
MP-Gen-Misc-06	GPWA Fleet Maintenance Facility	500	-	-	-	-	-	500
MP-Gen-Misc-07	Mobile Equipment Replacement Program	400	400	200	100	100	400	1,600
MP-Gen-Misc-08	General Plant Improvements	500	500	500	200	200	500	2,400
MP-Gen-Misc-09	Security and Resilience Program	100	100	100	100	100	100	600
	Sub-Total	3,253	6,600	3,950	1,700	2,550	3,700	21,753
	Grand Total for Miscellaneous Funding	21,753						

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

Special Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., April 4, 2019

MINUTES

1. CALL TO ORDER

The Chairman called the CCU regular meeting of April 4, 2019 to order at 5:33 p.m. He said four (4) Commissioners were present adding that Comm. Guthertz was present before the start of the meeting but felt ill and is excused. Others in attendance include:

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice Chairman
Michael T. Limtiaco	CCU Secretary
Simon A. Sanchez	Commissioner

Executive Mgmt.:

Miguel Bordallo	GM / GWA
Chris Budasi	AGMA / GWA
Gilda Mafnas	CFO (A) / GWA
Kelly Clark	Staff Attorney / GWA

Management & Staff:

Paul Kemp	AGM Compliance & Safety / GWA
Ron Topasna	O&M Mgr, Water Treatment / GWA
Vangie Lujan	Compliance & Safety / GWA
Heidi Ballendorf	Public Information Officer / GWA
Tom Cruz	Chief Engineer / GWA
Dave Fletcher	O&M Mgr, WW Treatment / GWA
Chris Putin	IT / GWA
Yvonne Cruz	Budget Officer, GWA
Josephine Evangelista	GWA
Antoinette Acfalle	Legal Secretary / GWA
Lou Sablan	Board Secretary / CCU

Guest:

Mark Miller	Commissioner / PUC

2. **COMMUNICATIONS**

2.1 Public Comments - None

3. **GWA**

3.1 New Business

3.1.1 Resolution No. 20-FY2019 – Draft 5-Year Capital Improvement Program and Financial Plan

The objective of the Draft 5-year Financial Plan and Capital Improvement Program is to present the first five-years of capital improvement projects adopted under the 2018 Water Resource Master Plan update, as well as projects necessary to complete the 2011 Court Order and other regulatory compliance objectives. The projects outlined in the Capital Improvement Program includes projects that will be conducted island-wide and will also provide for the continued modernization, operation, maintenance, and repair of GWA's water and sewer systems and the Financial Plan provides for revenues to support debt service on approximately $260 million bonds to pay for much-needed capital improvements to benefit all of the people of Guam.

The Financial Plan addresses the 5-year period FY2020-FY2024 and includes: (1) estimated annual budgets for operations, maintenance and repair of GWA's water and sewer system, including capital improvement projects; and (2) a detailed descriptive plan for raising sufficient revenue to meet the projected costs set forth in the budgets, including adjustments or increases in other sources of revenue such as the Legislative surcharge.

Approval of the Draft Five-Year Financial Plan and Capital Improvement Program is urgent and necessary to begin the 90-day Public Notice period mandated under the Ratepayer's Bill of Rights (12GCA §12102.2 (b)), and to allow sufficient time for CCU and PUC approval prior to the start of the next fiscal year.

The total funding required for the Draft Five-Year Financial Plan and Capital Improvement Program is $260,000,000. The period covered by the draft plan is from FY2020 to FY2024

Comm. Duenas asked clarification if the $260M includes the currently authorized $130M; GM Bordallo said it includes the already authorized $130M. Comm. Sanchez reiterated that this is just the borrowing portion of the CIP. The total CIP is $524M from all sources - $170M from Dept. of Defense; $96M from revenues due to rate increases.

GM Bordallo mentioned that the complete financial plan and CIP is included in Exhibit A of the resolution and additional supplemental information and schedules are included in that package. The GM referenced the operating revenues from 2020 to 2024.

Comm. Sanchez asked if there will be sample bill illustrations to show ratepayers what to expect and the GM said yes.

In Table 1 below, GM Bordallo said that the projected basic water rate increases will range from 10% in 2020, 8.5% in 2021, 8% in 2022, 6.5% in 2023 and 5% in 2024 and showed corresponding growth and operating revenues.

Table I

	Projection				
	2020	2021	2022	2023	2024
Basic Charge -Water	10.00%	8.50%	8.00%	6.50%	5.00%
Lifeline Increase	0.00%	0.00%	8.00%	0.00%	0.00%
Non-Lifeline Increase	10.00%	8.50%	8.00%	6.50%	5.00%
Legislative Surcharge	3.60%	3.60%	3.50%	3.40%	3.45%
Customer Growth	0.50%	0.50%	0.50%	0.50%	0.50%
Demand Growth	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATING REVENUES					
Water Revenues	$77,204,920	$83,410,356	$90,162,843	$95,753,251	$100,357,472
Wastewater Revenues	43,990,559	47,006,664	50,816,250	53,527,730	55,758,216
Legislative Surcharge	3,855,370	4,185,719	4,397,793	4,552,730	4,853,770
Other Revenues	431,932	430,737	433,741	432,137	432,205
System Development Char	914,964	929,304	832,509	892,259	884,691
Total Operating Revenues	**126,397,745**	**135,962,780**	**146,643,136**	**155,158,107**	**162,286,353**

Comm. Sanchez noted that management forecasted the lifeline rates to increase in 2022. When costs are projected to increase the lifeline rate is also expected to move up in time. He reconfirmed with management that revenue streams shown here is result of estimated projections on population growth, demand growth, kgal sales projections and based on these, ran rates to create these revenue streams – the GM confirmed yes that is correct.

Table II

O&M Expenses	Projected FY2020	Projected FY2021	Projected FY2022	Projected FY2023	Projected FY2024
Water Purchases	$ 9,902,414	$ 10,694,607	$ 11,550,175	$ 12,474,189	$ 13,472,124
Power Purchases	$ 14,935,381	$ 15,234,089	$ 15,538,771	$ 15,849,546	$ 16,166,537
Salaries & Benefits	27,199,775	28,677,206	29,340,741	30,018,089	30,709,538
Administrative and General Expenses	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631
Contractual Expense	6,054,073	7,397,524	8,675,011	10,009,518	11,832,223
Retiree Supplemental Annuities and healt	3,763,479	3,933,179.8	4,112,018	4,300,483	4,499,094
Total Operating Expenses (Less Depreciation)	**73,922,025**	**78,347,471**	**81,676,670**	**85,349,791**	**89,819,147**
Increase/(Decrease)	9%	6%	4%	4%	5%

In Table II above, the GM projected increases ranging from 4-9% for the next 5 years ranging from $74.9M to $89.8M for FY2020 – F2024.

In Table III below relative to salaries and wages including benefits details $27.2M in FY2020 up to $30.7M in FY2024. RE employee count filled vs. vacant it is projected that all vacancies would be filled by FY2020 at 400 FTE with further increase to 412 in FY 2021 due to planned asset management activity.

Comm. Santos asked if salaries and wages are tied to increments and asked what other factors were considered the GM responded yes and also includes provisions for the Boards directive migration towards the 20th percentile; premium pay is also allotted in estimates $1M every year over time and night differential and holiday work based on historical values of 1.4%.

Comm. Santos asked the # of employees are on defined benefit and DC – management said

they can get the details for him. He asked for modeling of savings to GWA if the agency breaks away from GovGuam relative to health insurance. On salary / wages – what is due to increments and other factors. He would like a better look at the numbers.

Table III

Salaries & Benefits	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024
Salaries & Wages	19,254,479	20,211,432	20,679,621	21,157,173	21,644,277
Benefits & Retirement	7,945,297	8,465,774	8,661,120	8,860,916	9,065,261
Total	**27,199,775**	**28,677,206**	**29,340,741**	**30,018,089**	**30,709,538**
Full-Time Employee Count					
*Filled	363	363	363	363	363
*Vacant	37	37	37	37	37
New		12	12	12	12
TOTAL	**400**	**412**	**412**	**412**	**412**

- SALARIES:
  - FY2020 – funds 400 Full Time Employees (FTEs)
  - FY2021 – Projected 12 FTEs for Construction & Maintenance Division
  - Provides funds to migrate to 20th Market Percentile
- PREMIUM PAY
  - Overtime is flat at $1M each year assuming all positions filled
  - Night Differential and Holiday Work based on historical 1.4% and 1% of base
- BENEFITS
  - Insurance based on average rate GWA currently pays and adjusts 2% annually
  - Medicare is based on the standard rate of 1.45%
  - Retirement budgeted at 28% of base salaries

Table IV

Administrative and General	Projected FY2020	Projected FY2021	Projected FY2022	Projected FY2023	Projected FY2024
Sludge	1,689,381	1,740,401	1,792,961	1,847,108	1,902,891
Chemicals	2,539,046	2,572,745	2,372,530	2,293,729	2,337,531
Materials & Supplies	2,369,442	2,440,525	2,467,552	2,555,410	2,632,073
Transportation Expense	477,684	492,014	506,775	521,978	537,637
Telephone & Communication	186,069	191,012	196,742	202,645	208,724
Claims	66,351	68,342	70,392	72,504	74,679
Insurance	982,136	1,011,600	1,041,948	1,073,206	1,105,403
Training & Travel	375,523	411,517	423,863	436,579	535,043
Advertising	145,312	149,672	154,162	158,787	163,550
Regulatory	309,358	318,639	328,198	338,044	348,186
Bad Debts Provision	1,781,672	1,835,123	1,890,176	1,946,882	2,005,288
Miscellaneous	1,144,928	1,179,276	1,214,654	1,251,094	1,288,627
	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631

In Table IV above GM said this details Administrative and General Expenses which represents a 2-3% increase from year to year based on the factors below:

Sludge

- GWA's projection for sludge costs in FY2020 show an 8% reduction from the current FY2019 budget levels. In prior years, GWA budgeted for anticipated rate increases in disposal fees that did not materialize resulting in actual costs much lower than approved budgets.

- The FY2020 budget estimate is more consistent with prior year disposal costs. Moving forward, the budgets are based on 1% increases in flowdata that determines sludge production, and 2% increases in per ton disposal rates.

Chemicals

- Chemicals are projected to spike in FY2020 due to significant price changes in recent months, particularly for wastewater chemicals. Thereafter, chemical costs are estimated based on changes in projected demand and contractual price adjustments.

- Wastewater chemical requirements are expected to decrease after December 2021 upon commissioning of secondary treatment at the Northern District Treatment Plant.

Chemicals	Original Cost	New Cost	% Change
ACH	1.06	1.25	18%
Anionic	1.40	1.98	41%
Cationic	1.45	1.56	8%
Chlorine - 150lb	559	587	5%
Chlorine - 1 Ton	5,807	6,098	5%

In Table V below Contractual Services is projected to increase from $6M in FY2020 to $11.8M in FY2024. It is anticipated that there will be increases in finance and information technology software and software maintenance requirements will increase after moving to Enterprise One. The software maintenance cost is a big chunk of this expense

Comm. Sanchez asked details for Other on the category – the GM said this includes road repair. grounds maintenance and things that GWA has not been doing in the past. The Commissioner said he would like more detail on this category since not much narrative is provided.

The GM also said that in the past there's been swings in the amount spent and many times deferred due to revenue flow. Management is now trying to be more consistent.

Comm. Santos asked on migration to new software for Enterprise One – how much can be postponed without jeopardizing the system. AGMA Budasi said that their estimates were conservative and there is flexibility to reduce it if needed.

Comm. Sanchez commented that these projections are not set in stone and will be reviewed annually. Comm. Duenas clarified that the PUC will approve the 5-year rate plan and annually via the true-up process adjustments will be made going forward rate increases for future years, as needed. Comm. Sanchez said that he would recommend that management include language in the resolution that the projections will be reviewed annually or if you want to call it a true up and subsequently make the increases smaller if possible. He wants to make sure we protect the CCU's ability to review this often. Comm. Duenas cautioned and asked legal counsel / management to make sure that the language is consistent with the other prior 5 year rate plans. Comm. Limtiaco commented that the resolution mentions the Commission will review the final rate plan in 90 days.

Table V

Contractual Services	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024
Other	3,073,788	3,509,524	4,234,041	5,057,747	5,994,430
Rental (Building)	474,142	488,366	503,017	518,107	533,651
Rental (Equipment)	1,003,554	1,053,733	1,243,405	1,417,482	1,601,754
Finance & Information Technology	1,065,238	1,855,138	2,189,063	2,495,532	3,166,119
Lab Testing	430,899	480,763	495,186	510,041	525,343
Legal	6,452	10,000	10,300	10,609	10,927
Total	**$6,054,073**	**$7,397,524**	**$8,675,011**	**$10,009,518**	**$11,832,223**

Contractual Services reflect the largest of increases from year to year in this Rate Plan. When managers initially submitted budget proposals for FY2019, contractual services amounted to nearly $16 million. Those requests were drastically reduced to slightly more than $5 million. The differences instead have been spread out over the next 5 years.

- Between 2014 and 2018, GWA's audited contractual expenses reflect erratic spending with variances from year to year between -15% and 47%.
- The increases reflected below are intended to consistently fund contractual costs and provide for new services associated primarily with new technology, interim professional services and equipment rental.
- While most of the contractual line items are self-explanatory, an array of services comprises "Other" contractual expenses to include grounds maintenance, print and copier services, trash collection, permits, drug testing, consulting services, road restoration and other operational support functions.

Contractual Services	Requested FY 2019	Approved FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Other	$ 7,905,591	$ 2,561,490	3,073,788	3,509,524	4,234,041	5,057,747	5,994
Rental (Building)	449,460	460,332	474,142	488,366	503,017	518,107	533
Rental (Equipment)	3,167,910	959,755	1,003,564	1,053,733	1,243,405	1,417,482	1,601
Finance & Information Technology	3,105,473	705,400	1,065,238	1,855,138	2,189,063	2,495,532	3,166
Lab Testing	997,785	418,349	430,899	480,763	495,186	510,041	525
Legal	50,000	6,145	6,452	10,000	10,300	10,609	10
Total	$ 15,676,219	$ 5,111,471	$ 6,054,073	$ 7,397,524	$ 8,675,011	$ 10,009,518	$ 11,832
Increase/(Decrease)			18%	22%	17%	15%	

Referencing the next table, GM Bordallo next talked about GWA Capital Improvement Projects (CIPs) which led to discussion on the borrowing figures. The total CIP amount is $520. At the end of the discussion Comm. Sanchez asked management to give the Commission the gross borowing that will net $260. Comm. Sanchez said the numbers have to be accurately reflected in the resolution. GM Bordallo confirmed that the gross borrowing is $260 which will net is $211.

Guam Waterworks Authority
Schedule of Capital Projects
FY2020-2024

	2019	2020	2021	2022	2023	2024	TOTAL
2010 Bond Series	3,804	-	-	-	-	-	3,804
2013 Bond Series	1,453	-	-	-	-	-	1,453
2016 Bond Series	52,563	2,703	-	-	-	-	55,266
2020 Bond Series	50,345	28,631	28,350	1,600	-	-	108,926
2022 Bond Series	-	-	-	24,209	18,664	5,900	48,773
2023 Bond Series	-	-	-	-	18,824	18,852	37,676
State Revolving Fund (SRF)	7,000	5,088	3,000	8,000	8,000	8,000	39,088
System Development Charge (SDC)	6,700	500	1,000	500	500	500	9,700
Grants	110,387	13,061		-	-	-	123,448
Internally Funded CIP (PAY GO)	-	15,000	15,000	20,500	21,000	24,500	96,000
Total	232,252	64,983	47,350	54,809	66,988	57,752	524,134

	2019	2020	2021	2022	2023	2024	TOTAL
Potable Water	100,586	28,870	14,450	27,540	38,996	27,403	237,845
Wastewater	126,703	28,003	26,350	24,069	22,242	21,119	248,486
Electrical	1,710	1,510	2,600	1,500	3,200	5,530	16,050
Miscellaneous	3,253	6,600	3,950	1,700	2,550	3,700	21,753
Total	232,252	64,983	47,350	54,809	66,988	57,752	524,134

The next discussion was regarding Debt Service Coverage. GM Bordallo said the debt service coverage ranges from 1.86 to 2.05 over the 5 year period.

Comm. Sanchez asked management if the debt service coverage was 1.75, the level that PUC preferred indenture coverage, how much would that lower the rate increases and would it still protect the 1.25 debt service coverage in the indenture. He was asking for a sensitivity analysis.

GM Bordallo said yes management could do that but wanted the Commission to understand how the they arrived at these coverages with recommended goal of indenture coverage of 1.5. Doing so would enhance GWA's borrowing, improve ratings etc. The logic that GWA's financial consultant has shared and understanding that the PUC coverage is 1.75, the rating agencies look at is the indenture number not the PUC number.

Chairman Duenas concurred that management should look at what this number is in the past and stick to this number – this is the driving force.

Comm Sanchez asked management to run both numbers and what the resulting indenture coverages are to see if it makes sense.

GM Bordallo said that historically it's been above the 1.25 but not meeting the 1.5 target. Comm. Sanchez said he just wants to see the sensitivity analysis to see if we can make ratepayers happy and that they can afford this. Let's run the analysis to see if there needs to be little less or little more cushion

	Projection				
	2020	2021	2022	2023	2024
BOND DEBT SERVICE	34,175,188	34,229,950	43,204,135	43,195,705	47,217,036
DEBT SERVICE COVERAGE CALCULATION - Section 6.12					
Earnings (Loss) from Operations	30,513,050	35,344,278	42,665,845	47,160,144	48,428,785
Investment Income-Other funds	216,573	248,637	210,495	225,235	228,122
COLA	644,877	688,520	735,117	784,867	837,984
System Development Charge	(914,964)	(929,304)	(832,509)	(892,259)	(884,691)
Depreciation	21,962,670	22,271,032	22,300,621	22,648,171	24,038,420
Balance Available for Debt Service - Section 6.12	52,422,206	57,623,163	65,079,569	69,926,159	72,648,621
Debt Service Coverage (1.25X) - Section 6.12	1.53	1.68	1.51	1.62	1.54
DEBT SERVICE COVERAGE CALCULATION - PUC Debt Ratio					
Balance Available for Debt Service	52,422,206	57,623,163	65,079,569	69,926,159	72,648,621
Transfer - Reserve for O & M					
Transfer - Reserve for Debt Service			8,000,000		5,000,000
2017 Refunding bond savings					
Available for Debt Service -Reserve for Debt Service	11,244,664	11,244,664	11,244,664	19,244,664	19,244,664
Balance Available for Debt Service - PUC	63,666,870	68,867,828	84,324,235	89,170,823	96,893,286
Debt Service Coverage (1.75X) - PUC	1.86	2.01	1.95	2.06	2.05

The GM said the table below shows the cumulative percentage rate increase for prior year borrowings which ranged from 17.4%, 53.5% and now 28%

Guam Waterworks Authority
New Borrowing Requires Legislative Authorization
FY2020-2024

Total Amount Authorized	670,000,000
Less: Amount Borrowed - 2005 Series Bond	101,175,000
2010 Series Bond	118,825,000
2013 Series Bond	172,630,000
2016 Series Bond	143,310,000
	535,940,000
Amount Available for 2020 Series Bond	134,060,000
Amount Requires Legislative Authorization for New Bonds	
2022 Series Bond	60,000,000
2023 Series Bond	66,000,000
Total	126,000,000

Rate Plan Period	Yr-1	Yr-2	Yr-3	Yr-4	Yr-5	Cumulative
FY2009 - FY2013	6.60%	14.00%	8.00%	12.77%	6.10%	47.47%
FY2014 - FY2018	15.00%	14.50%	16.50%	3.50%	4.00%	53.50%
FY2020 - FY2024	10.00%	8.50%	8.00%	6.50%	5.00%	38.00%

GM Bordallo then discussed some sample bills across all customer bases – residential, commercial, government and hotel. Under residential, the combined bill currently at $62.98 which will move up to $76.38 at the end of the 5year period. It was pointed out that the average water customer range is more than 5k per month, currently $93.83 on chart provided and will move up to $119.64 per month at the end of the 5year period.

Comm. Sanchez then pointed out the increases for commercial customers. The magnitude is huge for this sector.

There was discussion on farming rates and the Commission wanted a sampling of this segment in the scenario as well. Management have kept rates for his sector static for more than 3 years but it was mentioned that they will be impacted. As the process reaches the 90-day period this may change.

Comm. Duenas commented that one of the biggest problem management has to put redundancy and resiliency in the Tumon area.

Comm. Santos said that what happens to this model if we spread it out over a longer period of time. GM Bordallo said the first thing that would be compromised is compliance. Another thing is improving service and getting service to where it should be – this may also be impacted. The focus has been to work in areas that are in the worse condition. Management is trying to get to these areas asap.

Comm. Sanchez says what is good about this board is we are willing to look at all possible scenarios and tradeoffs.

Comm. Santos asked what USEPA is focused on – GM Miguel said pump stations. He added that management is in sensitive discussion with USEPA and would not want to discuss in this setting.

There was a discussion on the possibility of increasing the model another 5-10 years. The Chairman said it is important that we not lose sight.

The GM reiterated that management is not asking the CCU for approval of this plan, management is asking to release the draft to start the process. He said the pubic notice must be released to kick off the 90-day period. He showed the Commission the Draft Financing Schedule for the 2020 borrowing. The Court Ordered project has not gone away and we need to get the draft release to cover the funding we need the first rate increase. If the CCU approves the release, management will schedule public hearings and by June, management will present the approval in June petition PUC to hear it in August and go to market late October and close in late November.

Comm. Sanchez said the sensitivity analysis is important for the Commission to see the analysis on behalf of ratepayers to ensure all things are being considered.

Comm Santos asked about bond terms – it was confirmed that the term is 30 years.

Comm. Santos motioned to adopt Resolution 20-FY2019; second by Comm. Sanchez. There being no further discussion or objection the motion passed 4-ayes; 1 absent.

Guam Waterworks Authority
Sample Bill Summary
FY2019-2024

Rate Class	Current 2019	10.00% 2020	8.5% 2021	8.0% 2022	6.5% 2023	5.0% 2024
Residential = 5k	62.98	65.29	67.47	72.84	74.77	76.38
Increase		2.30	2.19	5.37	1.93	1.62
Residential > 5k	93.83	98.87	103.66	111.89	116.10	119.64
Increase		5.04	4.78	8.23	4.22	3.54
Commercial 1	740.38	813.24	882.36	952.03	1,012.93	1,064.09
Increase		72.86	69.13	69.67	60.90	51.16
Commercial 2	12,292.07	13,501.73	14,649.37	15,806.05	16,817.18	17,666.58
Increase		1,209.66	1,147.65	1,156.68	1,011.13	849.40
Commercial 3	1,823.76	2,003.23	2,173.51	2,345.12	2,495.14	2,621.16
Increase		179.48	170.27	171.61	150.02	126.02
Government - G6	1,785.53	1,961.24	2,127.95	2,295.96	2,442.84	2,566.22
Increase		175.71	166.71	168.02	146.88	123.38
Hotel	298,649.32	328,039.29	355,922.63	384,025.40	408,591.90	429,228.95
Increase		29,389.97	27,883.34	28,102.77	24,566.49	20,637.05

4. **ANNOUNCEMENTS**

4.1 **Next CCU Meetings: April 16 – GWA WS; April 18 – GPA WS; April 23**

The Chairman announced that the next CCU meeting would be a work session for GWA on April 16; GPA Work Session on April 18 and this month the regular monthly CCU meeting on Thurs., April 25.

5. **ADJOURNMENT**

There was no further business to bring before the Commission.

Comm. Santos motioned to adjourn the meeting; Comm. Limtiaco seconded.

It was 6:52 p.m.

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Attested:

JOSEPH T. DUENAS, Chairman

MICHAEL T. LIMTIACO Secretary

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

Special Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
4:00 p.m., May 10, 2019

MINUTES

1. CALL TO ORDER

The Chairman called the CCU Special Meeting of May 10, 2019 to order at 4:19 p.m. He said four (4) Commissioners were present and that there was a quorum; Comm. Santos was off-island and excused. Others in attendance include:

Commissioners:	
Joseph T. Duenas	CCU Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	Commissioner
Executive Mgmt.:	
John Benavente	GM / GPA
Miguel Bordallo	GM / GWA
John Cruz	AGMET / GPA
Chris Budasi	AGMA / GWA
John Kim	CFO / GPA
Kelly Clark	Staff Attorney / GWA
Management & Staff:	
Heidi Ballendorf	Communications Manager / GWA
Paul Kemp	AGM Compliance & Safety / GWA
Vangie Lujan	Compliance & Safety / GWA
Patti Diego	Communications / GPA
Zina Charfauros	Personnel Admin. / GWA HR
Lou Sablan	Board Secretary / CCU
Guest:	
Mark Miller	Commissioner / PUC
Ken Leon Guerrero	Guam Citizens for Public Accountability
Kenneth Kerrigan	Editor / The Guam Post
Joyciynn Atalig	Reporter / PNC News
Nestor Licanto	Reporter / KUAM News
Steve Limtiaco	Reporter / PDN

2. COMMUNICATIONS

2.1 Public Comments

Mr. Ken Guerrero, representative for Citizens for Public Accountability, addressed the Commission. Chairman Duenas welcomed him saying that he is allowed 2 minutes. Mr. Guerrero said he comes with 1000 signatures from citizen ratepayers and thinks this allows him more than 2 minutes. The Chairman said Mr. Guerrero can have 5-minutes because the Commission needs to get on with its business. Mr. Guerrero started by saying that the actions of the Board has sparked such an outrage. There is a perception in the public that this body is very arrogant that this body perceives itself above the people that elected them to represent them. The public sees the action of this body to be more in line to be self-serving than representing the public. He said this utility is owned by the ratepayers and the CCU needs to do a better job listening to what the public has to say and take those things into consideration. If the CCU gives bonuses that are equal to or larger than the average salary on Guam it is a gross injustice and we consider that a big problem. The average income on Guam is $26,400 according GovGuam Dept. of Labor. Guam has a very small utility system but GPA/GWA is paying salaries that are comparable to utility systems with more than a million customers. The public are having a hard time understanding why the salaries, bonus and raises are as high as they are with very little improvement in the system or the service. There's lot of pain in the public and there is no sympathy and support from CCU that supposedly represent the ratepayers. He said the perception is that ratepayers work for you and that your job is to get as much money from ratepayers as you can. The CCU has Legal Counsels that got you into this mess and you need to rethink their value – use the AG's office and safe nearly $400k per year for ratepayers. He said he and 1000 other ratepayers expect that the CCU does not move forward with salaries and bonuses until it can be justified to the ratepayers, not the CCU, the ratepayers.

Comm. Sanchez questioned the absence of both Legal Counsels and the Chairman said because of the conflict they thought it best that outside counsel handle the meeting. Comm. Sanchez said, for the record, that he thinks it is appropriate that senior management be present to witness the discussion in open session. They are part of senior management and played a critical role on what happened and it is prudent for them to listen to the discussion with outside counsel as well. Being conflicted doesn't mean that they cannot be here. The Chairman said they are not physically here. Comm. Guthertz said that she also would also like to speak with the staff attorneys.

3. GPA

3.1 New Business

3.1.1 To Address Letter Received by the CCU From the Guam Attorney General Regarding the November 27, 2018 CCU Meeting and Other Related Matters

Outside Counsel Vince Leon Guerrero said he was asked to appear to render an opinion as to the validity of the letter from the Attorney General to the Commission wherein the AG advised the Commission that pay raises and bonuses were improper because they were discussed and approved during the Executive Session of the CCU meeting of November 27, 2018. Counsel said

his research agrees with the opinion of the AG. The law is specific if salary is to be discussed it has to be done in the open – in public; if evaluation is to be done – that it can be done in private. He said the bottom line is he concurs with the AG's opinion and the CCU action must be void, the increases must be rescinded and any increase and bonuses paid out must be paid back.

Relative to repayment Counsel Leon Guerrero said there is no statute guiding how repayment is to be made however a similar issue happened not too long ago with the Governor's Office and employees there were allowed to affect the payback over term.

Counsel Leon Guerrero then reiterated that the CCU is charged with evaluating and setting the salaries for the (2) General Managers, the (2) CFO's, the (2) Legal Counsels and the Board Secretary. Asst. GM of Operation's salary is brought before the CCU on the recommendation of the GM and the CCU vote to approve or not approve the salary.

The Chairman then opened the floor to questions.

Comm. Sanchez said he wants to make clear he understands that the CCU enabling act authorizes by law to evaluate and approve performances – particularly for (6) people - to hire, fire, discipline, raise or cut pay for who he called the CCU 7 - the (2) GM's, CFO's, Counsel's and Bd. Secretary. The issue is what must be done in open session and what can / is allowed to be done in executive session. Comm. Sanchez then read that section of the AG's letter relative to the specific open government law that the AG cited specifically [reads the open govt. law verbatim] and ended by reconfirming with counsel that evaluations are ok in private but once salary is discussed it must be in the open / in public. Counsel Leon Guerrero concurred.

Comm. Sanchez then referenced the Counsel's opinion about the Asst. GM of Operations. He asked Counsel if the CCU sets the AGMO's pay because he thought the CCU does not have power to set AGMO's pay - Counsel responded - yes. Counsel said that the GM of GPA sets the salary subject to board approval. The GM evaluates the AGMO and the CCU approves. Comm. Sanchez said so in fact there are 8 people that CCU can set pay for but any discussion relative to pay must be in public and any evaluations can be done in private. Counsel concurred.

Comm. Sanchez then asked about the other (4) Asst. GM's – Administration – one for power and other for water, Engineering & Technical Services for power, Compliance & Safety for water does CCU have power to set their pay; Counsel said he did not see that in the law and Comm. Sanchez said he didn't either. Comm. Sanchez said there are 800 employees at GPA and GWA – the GMs set their pay and CCU has no power over pay; Counsel said yes. Comm. Sanchez then said if the CCU has no power over the (4) Asst. GM's salary then just like they have no power over the 800 line employees of GPA and GWA why should the Asst. GM's salary increases be rescinded. At this point the Chairman injected and reminded Comm. Sanchez that the AG's letter was specific – that money was talked about in executive session and because of that the action was void – that is the point. Comm. Sanchez said yes but money was talked about in executive session for people the Commission has no power over? He said he would like an opinion. Counsel Leon Guerrero said he would look into this matter and render an opinion.

Comm. Sanchez said for the record that he listened to the audio and will listen to it again. He said he does not remember any discussion on pay for these (4) Asst. General Managers and would like guidance for these particular managers. Comm. Michael injected to get opinion directly of the AG as well on the (4) AGM's because the AG may not know any of the fine details just discussed. Comm. Sanchez said there may be other matters that may emerge that we would like the AG's opinion as well. He added a lawyer's opinion is all it is - an opinion and it's only the courts that matters but it is opinions that guide us. In the same spirit of Comm. Limtiaco there may be other things that we may ask the AG to opine and would like to add on if needed.

Comm. Limtiaco said that he was not present at the November 27th Executive Session because he was not a Commission member at the time, having been inducted in January 2019. His question is 1) does he as a CCU member now, have access to these executive session minutes and 2) does the AG have access to the executive session minutes. He said Counsel cited the section of law that speaks about personnel matters so does the AG have access? Comm. Limtiaco said he does not think that he does but wants Counsel's opinion.

Comm. Guthertz said she is happy that this meeting is going on and wants to make correction where needed. The Commissioner cited section 5GCA, the Sunshine Reform Act, Limitation of Right of Inspection Chapter 10, of law about privacy issues. The law specifically states in section 10108 except as provided in 10109 of this chapter that Personnel medical or similar files the disclosure of which will constitute an unwarranted invasion of personnel privacy. All information about salary, names etc. shall remain of record. The Commissioner said her interpretation of this is the CCU is prohibited from disclosing personnel files. Obviously, there is great interest about the evaluation of our employees. If we were requested of this information would we be in violation if we release it. Counsel confirmed yes. Comm. Guthertz mentioned that the CCU Board Secretary was asked and she declined because of the provision of this law which was the correct action on her part as it would be the correct action on our part. Counsel concurred. She said the remedy should someone want to challenge this would be to take this matter to court; Counsel concurred. Comm. Guthertz said that she wanted this on the record because she has dealt with personnel matters before and it has always been her experience that these matters cannot be disclosed. She stated that it was not the intent of anyone on this Commission to do anything in contravention and she is looking forward to correcting the issue immediately. She is saddened by this episode and is committed to do the right thing at all times and hopes that the Commission will have the understanding of the employees who were affected that it was never the intent.

Comm. Limtiaco had a question on - Section 8111 Executive Session of the Open Govt. Law as it related to Section 8113 relative to the Minutes. Section 8111, Section 7 talks about the 6-month seal of transcripts – the question is this just in relation to subsection c – for legal matters only. For these personnel matters do they ever become public record – Counsel said no. For those section that discusses salaries these can be made public and Counsel said yes. Comm. Limtiaco said there may be sections of the discussion where salaries and evaluations may be intertwined. I would like to make a motion to release those portions of the meeting minutes

that discuss salaries and if needed redact those portions that are protected under the personnel sections and he wants to discuss this motion.

Chairman Duenas asked about the liability about inadvertently releasing something. Counsel said if employees' rights are infringed this is the big concern. There was discussion on releasing this type of information – if someone wants the Minutes they can go to court. Chairman Duenas said if a court orders the release it is different because it is coming from the court. The Chairman said he would not vote on a motion to release Minutes and then be liable. If a court releases the CCU will not be liable. Comm. Limtiaco said he understands and is sensitive to this and the potential liability. If there is any way that some portions can be redacted and release the information on salaries he would like to do so. Comm. Limtiaco said perhaps Counsel can give his legal opinion.

Comm. Sanchez said once again evaluations, personnel records are protected. If we were to redact would Counsel be willing to redact it for the Commission. There is the public's right to know and the employees right to privacy. He asked if Counsel would review and recommend to the Commission what he would redact.

Comm. Guthertz also wanted Counsel to research and opine that if the affected employees would agree to discuss their evaluations in public despite the provisions in the sunshine law that it would be their decision and the Commission would not be liable.

Comm. Sanchez said in review the Counsel will look at specific issue of the (4) Asst. GM's that were impacted but not under the responsibility of the CCU are their pay raises valid. Comm. Sanchez asked Counsel to review the list of requested opinions / deliverables to the Commission.

Counsel listed the following – 1) Comm. Limtiaco' s question if the AG has access to Ex. Session Minutes 2) Whether Limtiaco has access to Minutes 3) Matter of the (4) Asst. GM's that CCU has no responsibility over 4) Redaction of the Minutes 4) Waiver of Employees rights

Comm. Limtiaco said after all this discussion there are many items that are still pending opinions but for those where the law is clear he motioned that the pay raises be rescinded and returned; second by Comm. Guthertz.

In discussion Comm. Sanchez asked how the monies are to be repaid – Counsel said there is no statute that he could find. Counsel said he could ask the AG's office for an opinion. There was discussion that at the Gov's Office incident employees were allowed the payback in terms. At this point there was no decision as to the time frame for payback.

Comm. Guthertz motioned to amend main motion to revert the salaries of the GM's of GPA and GWA, the CFO of GPA, the Legal Counsels of GPA and GWA and the CCU Board Secretary to levels of pay of 11/27/18; second by Comm. Limtiaco.

In discussion on payback there was no mention of timeframe for payment and will wait for Counsel Opinion.

On the amended motion the vote was (4) ayes, (1) absent

For clarity Comm. Sanchez asked for the motion to be restated one more time to be ensure everyone is on the same page.

Comm. Limtiaco said the motion is to return the pay raises that were received by the GM for GPA & GWA, the CFO of GPA the Legal Counsel of GPA and GWA and the CCU Board Secretary and to restore salaries back to the Nov. 27, 2018 salary level.

The Vote was (4); absent (1) – the motion carried.

There was discussion about the questions that the Commission has asked outside counsel to opine on and the draft letter to the AG to opine on these same questions. There was discussion if a motion is required. Counsel said he does not think a motion is necessary but Comm. Guthertz would like it for the record. The Chairman recommended to ask Counsel to draft the letter to the AG relative to his opinion and for the Commission to review the AG's letter beforehand. All agreed.

There was discussion on how long it would take to draft the letter and for Counsel to formulate his own opinion. Chairman Duenas said he would like to give outside counsel time to draft the letter. It was decided to recess this meeting and Counsel can present his opinion and the AG draft letter at the continuation meeting.

Comm. Limtiaco asked Counsel to opine on bonuses and Counsel said there is a prohibition on bonuses.

Comm. Limtiaco motioned that bonuses that were approved on Nov. 27, 2018 be repaid; second by Comm. Guthertz.

Comm. Guthertz stated that since bonuses are not allowed the only way to recognize someone is through a continuing salary adjustment. There was discussion on classified and contract employees and it was clarified that the employees in question are classified not contract employees.

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Comm. Guthertz motioned to recess the meeting until Tues., May 14 at 4 p.m.; second by Comm. Sanchez

Special Board Meeting of 5/10/19
CCU Conference Room, Gloria B. Nelson Public Service Building
Continuation at 4:00 p.m., May 14, 2019

CALL TO ORDER

The Chairman called the Continuation Meeting of the CCU Special Meeting of May 10, 2019 to order at 4:20 p.m. He said this is a continuation of a meeting that started on May 10th and that four (4) Commissioners were present – for the record Comm. Guthertz, Limtiaco and Sanchez and that there was a quorum; Comm. Santos was off-island still and excused. Others in attendance include:

Commissioners:	
Joseph T. Duenas	CCU Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	Commissioner
Executive Mgmt.:	
John Benavente	GM / GPA
Miguel Bordallo	GM / GWA
Kelly Clark	Staff Attorney / GWA
Management & Staff:	
Heidi Ballendorf	Communications Manager / GWA
Vangie Lujan	Compliance & Safety / GWA
Patti Diego	Communications / GPA
Ron Topasna	Operations / GWA
Zina Charfauros	Personnel Admin. / GWA HR
Lou Sablan	Board Secretary / CCU
Guest:	
Ken Leon Guerrero	Guam Citizens for Public Accountability
Joyciynn Atalig	Reporter / PNC News
Allan Balbin	Reporter / PNC News
John O'Connor	Reporter / The Guam Post

The Chairman said that where we left off at last meeting, outside legal counsel was to prepare a draft letter to the Attorney General which he forwarded to the Commission in advance. The Chairman also reported that since the last meeting (3) additional FOIA requests have been received for a total of (4) to include one sent by Mr. Ken Leon Guerrero. The others were from Mr. Kevin Kerrigan, Mr. Steve Limtiaco and Mr. Robert Klitzkie.

Comm. Sanchez said the CCU has not been able to collectively respond to any of the FOIA's and today is a good opportunity for comment.

Counsel Leon Guerrero said he sent the Commission the proposed draft and he received some comments from the Commissioners. There were (4) questions to ask the AG's opinion, if the Commission agrees.

Counsel said the first is relative to the Asst. General Managers. Comm. Sanchez raised the issue as to whether the Asst. GM's pay raises are supposed to be done by the General Manager with no input from the CCU and would the raises to the Asst. GM's be valid. Counsel said his initial opinion is that the pay raises should be rescinded and repaid. His concern is that the related GG1's for at least (2) of the Asst. GM's were signed by a Commissioner and there is notation at the bottom of the GG1 that says "per CCU Executive Session of Nov. 27. 2018". It was clarified that the (2) GG1's in question were for the Asst.GM of Administration and the Asst. GM of the Engineering & Technical Service. The Asst. GM of Operations was discussed at the last meeting and it was brought forward that the CCU is responsible to approve the pay of the AGMO along with the GM's the CFO's the Legal Counsels and the CCU Board Secretary.

Comm. Sanchez said he viewed that the fact that a Commissioner signed the GG1 is a ministerial issue. It could be that the General Manager was not on island – he speculates that in the absence of the GM a Commissioner, in this case the Vice Chairman, signed on his behalf. It was noted that the Commissioner Duenas was also off-island. Comm. Sanchez added, if the CCU is not empowered by law to view, change or evaluate the AGM's what difference does it make that they were discussed in executive session. There was discussion on what the CCU Enabling Act states and it was clarified that advise and consent of the CCU is required for the hiring of the Asst. GM of Operations. Relative to pay it is the responsibility of the GM to determine the pay with the approval of the Board.

Comm Duenas said that at the first meeting of May 10, there was a motion made to rescind the pay of the original seven (7) employees whose pay is determined by the CCU but in light of this clarification, it is now apparent that the AGMO's pay is also approved by the CCU and that any related pay increase be also rescinded.

Comm. Sanchez motioned to return the salary of the Asst. GM of Operations of GPA back to the level of pay of 11/27/18; second by Comm. Guthertz. There was no further discussion or objection and the motion passed unanimously.

On question on the Asst GM of Technology, Asst GM of Administration Counsel Leon Guerrero said that his concern is the GGI was signed by the CCU and notation on GGI mentioned action was taken during ex-session. It is his opinion is that these (2) raises were not valid because of his concerns.

It was clarified by the GM Bordallo that the Asst. GM of Compliance & Safety was evaluated via the usual pay for performance process and his salary information was provided for information purposes only and not for discussion or approval.

Comm. Duenas said that In reading the AG's letter the discussion in Executive Session about salary at that meeting makes them void; his opinion is that CCU rescind all of them but that we need to point out that (2) AGM's were included in the discussion but these 2 positions should not have been included and ask the AG to opine if the salaried for these 2 positions stand.

Comm. Limtiaco said he agrees and would like to rescind all of the salaries

A motion was made by Comm. Guthertz to rescind all the salaries for GM's GPA CFO, Legal Counsels, the AGMO, AGMA and the AGMET; Comm. Limtiaco seconded.

Comm. Sanchez commended Comm. Limtiaco for his participation in the discussion and action stating that technically he is conflicted in this matter. Comm. Limtiaco said the discussion / decision is based upon the actions of the CCU as opposed to specific employees per se. He disclosed for the record that his wife Beatrice Limtiaco is the AGMA for GPA. Comm. Limtiaco seconded the motion to rescind the salary increases which includes the AGMA. Comm. Guthertz said this action conforms with the AG's guidance.

On the motion there was no further discussion or objection and the motion passed unanimously

Comm. Sanchez said it is important to note in the letter to the AG that at the 5/10 meeting the CCU rescinded the action and to be specific and list the salaries that were rescinded. He also said he is concerned about signing a letter that he did not see in final form.

Chairman Duenas said it is best if the CCU recesses this meeting again and entertain the final draft letter to the AG at a continuation meeting.

There was discussion returned to the body of the letter and the questions that Counsel has drafted to date. to notate the action of the Commission to date, to specifically list the names / positions of all whose pay were rescinded and the question about the (2) Asst. GM and who can sign GG1's.

It was mentioned to get the counsels opinion to all the questions in addition to the AG's opinion

Discussion continued forward to other questions on the AG's draft letter listed here

1. Guidance on the salary adjustments of GPAs other assistant mangers who do not require CCU approval. At issue is the GG1's that were signed by a CCU Commissioner on behalf of the GM and the remarks section that referenced the salary was discussed in executive session?

Comm. Guthertz said signing of GG1's is managements responsibility and it might be unnecessary to ask this question. Comm. Duenas said it is a good question to ask. Comm. Sanchez said this matter is good to ask for all other Boards / Commissions on Guam. Does Guam Law allow the signing of the GG1 by a board member to be valid

2. To requests whether or not current CCU Commissioners have access to executive session minutes from prior CCU Commissions that the Commissioners were not part of?

3. Whether evaluations are personnel matters and should not be open to the public in compliance with 10GCA Section 10108 © and if they are protected by statute can these portions of the executive session minutes be redacted and the remaining minutes released?

4. In repaying of the improper salary adjustment can the affected employees pay back the money through a promissory note as was done during the last administration?

5. Can an employee named in the Executive Session waive his/her privacy interest and allow information concerning that particular employee be made public?

Relative to the FOIA's received to date, Counsel said he can review it and respond in a day. There was discussion on who responds to FOIA's if it is addressed to a board. Counsel said it is the Chairman who should respond if a FOIA is directed to a board. At the end of the discussion it was confirmed that the FOIA's would be responded to by Thursday.

Comm. Limtiaco asked about the Executive Session Minutes and if non personnel matters contained in the discussion can be released. Chairman Duenas said he would rather have a judge release the information. Comm. Guthertz said it would be better to go directly to the court to ask them for their judgement because they would give more clarity and response would be more definitive. Counsel said that the CCU can file a declaratory judgement with the Court. Comm. Guthertz said it would be good for the Commission to inform the AG of what the CCU is doing or planning to do. The value is that the court action would be good for other boards as well.

Chairman Duenas said for clarity, the CCU has rescinded all the pay increases and bonuses and established that the increases/bonuses must be repaid. The priority is to get counsel's opinions to the questions, to respond to the FOIA's and then based on counsel's opinion to move to court action where matters can be considered further. The Chairman said he wants to make a point that he was never advised by anybody about the salary discussion in executive session. What's important is that CCU is seeking best action / outcome within the law.

Comm. Guthertz motioned to recess the meeting until 4 p.m. on Tuesday, May 21; second by Comm. Limtiaco. There was no further discussion objection and the meeting was recessed. It was 5:45 p.m.

Special Board Meeting of 5/10/19
CCU Conference Room, Gloria B. Nelson Public Service Building
Continuation at 4:00 p.m., May 21, 2019

CALL TO ORDER

The Chairman called the Continuation Meeting of the CCU Special Meeting of May 10, 2019 to order at 4:00 p.m. He said this is a continuation of a meeting that started on May 10th, continued on May 14th and recessed for further continuation today, May 21. He said all five (5) Commissioners were present. Others in attendance include:

Commissioners:	
Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice Chairman
Michael T. Limtiaco	CCU Secretary
Judith P. Guthertz	CCU Treasurer
Simon A. Sanchez	Commissioner

Executive Mgmt.:

John Benavente	GM / GPA
Miguel Bordallo	GM / GWA
Kelly Clark	Staff Attorney / GWA
Gilda Mafnas	CFO [A] / GWA

Management & Staff:

Heidi Ballendorf	Communications Manager / GWA
Vangie Lujan	Compliance & Safety / GWA
Patti Diego	Communications / GPA
Ron Topasna	Operations / GWA
Paul Kemp	AGM Compliance & Safety / GWA
Dave Fletcher	Operations / GWA
Lisa San Agustin	Utility Services Admin. GWA
Zina Charfauros	Personnel Admin. / GWA HR
Lou Sablan	Board Secretary / CCU

Guest:

Ken Leon Guerrero	Guam Citizens for Public Accountability
Joyciynn Atalig	Reporter / PNC News

At last meeting outside counsel was tasked to prepare a letter to the AG but since the meeting the CCU was served a suit and CCU needs to respond in 10 days, or by May 31. Many of the things included in the summons would have been included in the letter to the AG. Since there is a litigation going on now perhaps the Commission should consider going into executive session to discuss this further.

The Chaiman said there is no Executive Session schedule for today's meeting so the Commission cannot go into executive session today. There is an exective session scheduled for next Tuesday, 5/28 and the Commission could bring this matter to the table at that meeting. This pending litigation could be discussed then. Counsel said that he is waiting for SAG designation by the AG.

To recap the Chairman said the Board took action to rescind all the pay raises and bonuses and to require that the money be paid back. This was to apply to the GM's CFO, Legal Counsels and the Board Secretary. Also rescinded were the pay for the AGMO, AGMA and AGMET. While these positions do not fall under the responsibility of the Commission what happened was the respective GG1's noted that the salary increase was discussed in executive session of 11/27/18 so all related pay was also rescinded as per the AG's initial opinion. There was a request for some questions that Counsel was to ask the AG's opinion and that of Counsel. Counsel Leon Guerreo concurred that there were questions but that these should be addressed during Executive Session.

Comm. Limitaco said that he feels that the legal opinions openly discussed at the past 2 meetings and requested Counsel to opine on should be discussed openly at this meeting since we have already openly discussed them in the past. Counsel said that some of the questions would be ok to discuss openly but there are others that he feels enfringe on the lawsuit and should not be discussed. Comm. Limtiaco said the lawsuit was relative to releasing the executive session minutes in its totality and some of the other questions are more specific and have already been discussed in past meetings so he

does not understand why the discussion cannot happen now rather than at an executive session. All the questions that CCU asked Counsel to opine on he recommends to disuss at this meeting.

Counsel said what was agreed upon was the issue of salary adjustment is pubic knowledge via GG1 anyway but when you listen to the tape and you take out the salary adjustment portion the rest has to do with evaluation and if it is not releasable they must be redacted. He said he does not know if evaluations can be extracted from pay adustment if these are taken out there is not much left. If CCU takes this to court, for the protection of the employees privacy, the court will decide what is releasable and what is not.

Chairman Dueans asked the fact that a litigation is filed, does this now change the dynamics off the meeting we are having and Counsel said it could. He recommended talking to the AG and how to go about handling the lawsuit that's why he recommends not discussing this matter further.

Comm. Sanchez asked what the suit filed by Mr. Leon Guerrero is asking. Counsel explaned that he is suing to disclose the full discussion at the executive session – all minutes, notes, rcordings etc. so that is everything.

Comm. Sanchez asked if Counsel had a chance to listen to the recording of the meeting and asked if there was discussion on salary and salary adjustment and Counsel said yes. If the Minutes were released what would be the penalties in law for releasing the discussion. Counsel said the employee could sue the CCU for discussing their evaluations in public, good or bad. The Commissioner said that the discussion in executive session was all positive – everyone got an increase. The risk the CCU runs is that the managers that got a raise could sue the Commission. The risk of not releasing it due to FOIA request could be a $1000 fine.

Comm. Guthertz shared that evaluations are a very sensitive area and the Commisison should exercise caution relative to releasing executve session Minutes containing personnel information citing some examples of her experience while at GPD.

Comm. Michael said he was not at the exeutive session and wanted the opportunity to listen and to get input from other Commissiomers. He said he understands Comm. Guthertz's concern but this is a little different and said I motion to release the Minutes; second by Comm. Simon Sanchez

Vote was recorded via Roll Call accordingly:
Sanchez – vote yes to release
Limtiaco – vote yes to release
Duenas – vote no to release
Guthertz – vote no to release
Santos – vote yes to release

There were a couple of other motions that were brought to the floor for voting, in particular:

Comm. Guthertz motion to ask the Court via declaratory judgement for definitive interpretation of 5 GCA Chapter 10 regarding personnel matters specifically if it includes employment, evaluations and discipline; second by Comm. Santos. There was no objection and the vote was unanimous.

4. ANNOUNCEMENTS

4.1 Next CCU Meetings

The Chairman said the next meeting would be a work session for GWA on May 21, a GPA work session on May 23 and the regular monthly CCU meeting on May 28.

5. ADJOURNMENT

There was no further business to bring before the Commission.

Comm. Santos motioned to adjourn the meeting; Comm. Limtiaco seconded.

It was 5:26 p.m.

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Bls

Attested:

JOSEPH T. DUENAS, Chairman

MICHAEL T. LIMTIACO Secretary

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. 24-FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER TO THE BAZA GARDENS WASTEWATER CROSS-ISLAND PUMPING AND CONVEYANCE SYSTEM PHASE II CONTRACT

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

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

WHEREAS, to meet a mandate of the 2011 federal Court Order regarding the Baza Gardens Wastewater Treatment Plant (WWTP), GWA elected to remove the treatment plant from operation and to instead pump the wastewater to the new (under construction) Agat-Santa Rita WWTP; and

WHEREAS, due to schedule and funds constraints, the project was divided into three phases (I, II and III) and three separate construction contracts, extending from the Baza Gardens WWTP, across Route 17 (cross-island road), and terminating at the entrance to the new Agat-Santa Rita WWTP on Route 2A; and

WHEREAS, the CCU approved via Resolution 01-FY2017 a total funding authorization for Phase I with BME & Sons in the amount of Eight Million Two Hundred Eighty-Two Thousand Five Hundred Fifty-Eight Dollars and Seventy-Five Cents ($8,282,558.75); via Resolution 13-FY2017 a total funding authorization for Phase II with BME & Sons in the amount of Six Million Two Hundred Fourteen Thousand Nine Hundred Ninety-Seven Dollars and Seventy Cents ($6,214,997.70) and via Resolution 29-FY2017 a total funding authorization

for Phase III with Sumitomo-Mitsui Construction Company in the amount of Sixteen Million Three Hundred Seven Thousand Four Hundred Thirty Six Dollars and Sixty Cents ($16,307,436.60); and

WHEREAS, the portion of the gravity conveyance system along the entrance road (from Route 2A to the Agat-Santa Rita WWTP site) that is 0.5 miles long was not included in Phase I, II or III of the Cross-Island project as it was deemed in 2016 that the contractor for the new Agat-Santa Rita WWTP project might be better positioned to more cost-effectively execute the gravity line installation work; and

WHEREAS, as of September 2018, the contractor for Phase I of the subject project completed gravity line installation along Route 2A and reached the entrance road to the new Agat Santa Rita WWTP and the contractor for the new WWTP unfortunately was not ready to execute additional scope related to installing of the gravity line along the entrance roadway; and

WHEREAS, due to efforts to comply with Court Order deadlines related to the Baza Gardens WWTP as best as possible, GWA management executed Change Order #4 with BME & Sons, Inc., (Phase II Contract) to install part of the 21-inch diameter gravity sewer along the entrance roadway to the new WWTP to complete the wastewater conveyance system; and

WHEREAS, the execution of Change Order #4 related to the 21-inch gravity line installation depleted the contingency funds approved via CCU Resolution No. 13-FY2017 for Phase II contract; and

WHEREAS, GWA subsequently received additional funding authorization in the amount of One Hundred Forty-One Thousand Eight Hundred Seventy-Two Dollars and Seventy-Eight Cents ($141,872.78) for the Phase II contract via CCU Resolution 52-FY2018 that addresses unexpected costs for endangered species mitigation measures, unexpected buried utilities in the Navy right-of-way, as well as various sites changes that impacted project cost; and

WHEREAS, the approval of CCU Resolution 52-FY2018 increased the total authorized funding for the Phase II contract to Six Million Three Hundred Fifty-Six Thousand Eight Hundred Seventy Dollars and Forty-Eight Cents ($6,356,870.48); and

WHEREAS, GWA further executed two Change Orders using the fund authorization from Resolution 52-FY2018 which brought the contract value with BME & Sons for Phase II to Six Million Three Hundred Fifty Thousand Eight Hundred Twenty-Two Dollars and Nine Cents ($6,350,822.09); and

WHEREAS, GWA is working towards wrapping up all pending items to close the contract and one unresolved claim from the contractor involves additional excavation to meet hard stable ground surfaces and filling up of flowable fill at the new SPS for which GWA has finally agreed to the claim after further discussion with the CM and geotechnical engineer; and

WHEREAS, the contractor's claim for additional excavation to the SPS as noted above is Fifteen Thousand Two Hundred Twenty-Two Dollars and Fifty-Five Cents ($15,222.55) (See Exhibit A) and the balance of the funding authorization is insufficient to cover thus GWA management is seeking CCU approval to increase the project fund authorization so as to be able to execute a Change Order and close this contractor claim; and

WHEREAS, the approval of this resolution will bring the total authorized funding for Phase II to Six Million Three Hundred Seventy-Two Thousand Ninety-Three Dollars and Three Cents ($6,372,093.03); and

WHEREAS, funding for this project will be from wastewater bond funds applicable to the project; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU hereby approves additional funding to Phase II contract for the Baza Gardens Wastewater Cross-Island Pumping and Conveyance project in the

amount of Fifteen Thousand Two Hundred Twenty-Two Dollars and Fifty-Five Cents ($15,222.55) (Exhibit A).

3. The CCU further authorizes the total authorized funding to Phase II contract to Six Million Three Hundred Seventy-Two Thousand Ninety-Three Dollars and Three Cents ($6,372,093.03).
4. The CCU further authorizes the funding for this project will be from wastewater bond funds applicable to the project.

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

DULY AND REGULARLY ADOPTED, this 28th day of May 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson

Attested by:

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: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

EXHIBIT A

ACTIVITY AND LOCATION: **GWA BAZA GARDEN WASTEWATER CROSS-ISLAND PUMPING AND CONVEYANCE SYSTEM PH-2**			CONSTRUCTION CONTRACT NO.:								DATE: **Tuesday, April 02, 2019**	
CCR#07rev2 Wetwell Additional Excavation and Flowable Fill Due to Unsuitable soil Condition per GEO Field Instructions			ESTIMATED BY: **BME & SONS, INC** STATUS OF DESIGN:									
Item No.	ITEM DESCRIPTION	QUANTITY		MATERIAL COST		LABOR COST		EQUIPMENT COST			ENGG ESTIMATE	
		QTY	UNIT	UNIT $	TOTAL	UNIT $	TOTAL				UNIT $	TOTAL
	Additional Excavtion and Flowable Fill											
	Additional excavation works to meet hard stable ground surface as per GEO Field instructions	*92.9*	*CY*		$ -		$ -	$	*14.00*	$ *1,300.81*	*14.00*	$ *1,300.81*
	Disposal of excess soil	*92.9*	*CY*		$ -		$ -	$	*7.00*	$ *650.30*	*7.00*	$ *650.30*
	Total actual poured flowable fill (see HRP delivery receipts)	*135.0*	*CY*	*110.75*	$ *14,951.25*		$ -	$	*5.00*	$ *675.00*	*115.75*	$ *15,626.25*
	Less: Estimated volume per SOP	*-41.3*	*CY*	*110.75*	$ *(4,573.98)*		$ -	$	*5.00*	$ *(206.50)*	*115.75*	$ *(4,780.48)*
					$ -		$ -			$ -	-	$ -
	Total Direct (Additive)				$ *10,377.28*		$ -			$ *2,419.61*		$ *12,796.89*
	Overhead	*10%*										$ *1,279.69*
	Direct Admin & Supervisory Cost	*3%*										$ *383.91*
	SUB-TOTAL											$ *14,460.48*
	Profit	*0%*										$ -
	SUB-TOTAL											$ *14,460.48*
	GRT	*5%*										$ *762.07*
	TOTAL PROPOSED ADDITIVE AMOUNT FOR CCR#07											$ *15,222.55*

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

RESOLUTION NO. 25-FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER TO THE CONSTRUCTION MANAGEMENT CONTRACT FOR THE BAZA GARDENS WASTEWATER CROSS-ISLAND PUMPING AND CONVEYANCE SYSTEM (PHASES I, II&III)

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

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

WHEREAS, GWA currently has a number of critical Court Order ("CO") projects to include the Baza Gardens WWTP which has been recommended and approved to be converted to a sewer pumping station to transfer/convey wastewater flows from the Baza Gardens/Talofofo wastewater basin across the Route 17 (Cross Island Road) to a new Agat-Santa Rita WWTP site; and

WHEREAS, in February 2016 GWA management entered into a contract with Duenas Camacho and Associates to design the wastewater conveyance and pumping system which includes new Sewer Pump Station (SPS), gravity mains, force mains and all incidentals and appurtenances to these main components; and

WHEREAS, GWA management further executed three separate construction contracts (Phases I, II&III) with Sumitomo Mitsui Construction Company (SMCC) and BME &Sons Incorporated (BME) to construct the new Conveyance System by April 16, 2018, per CCU Resolutions 01-FY2017, 13-FY2017 and 29-FY2017; and

WHEREAS, CCU further authorized via Resolution 02-FY2017 for GWA to execute a contract with SSFM, Inc. (SSFM) to provide construction management services in the amount not to exceed Two Million Eight Hundred Seventy-One Thousand Dollars ($2,871,000.00); and

WHEREAS, GWA had subsequently executed the original contract with SSFM for an amount of Two Million Two Hundred Eighty-Five Thousand Two Hundred Sixty-Eight Dollars ($2,285,268.00) as well as allotted Two Hundred Twenty-Eight Thousand Five Hundred Twenty-Six Dollars and Eighty Cents ($228,526.80) as a ten percent (10%) contingency to the contract; and

WHEREAS, GWA further executed Change Order No. 1 in the amount of One Hundred Eighty-Five Thousand Six Hundred Ninety-One Dollars ($185,691.00) which was covered under the original ten percent (10%) contingency; and

WHEREAS, CCU further authorized via Resolution 09-FY2019 in November 2018 an increase of fund authorization in the amount of Three Hundred One Thousand Five Hundred Sixty-Four Dollars and Fifty-Nine Cents ($301,564.59) to bring the total authorized funding of Three Million One Hundred Seventy-Two Thousand Five Hundred Sixty-Four Dollars and Fifty-Nine Cents ($3,172.564.59) to address continued Construction Management services past the original construction period date; and

WHEREAS, GWA had executed Change Order No. 2 in the amount of Six Hundred Two Thousand Seven Hundred Dollars and Fifty-Seven Cents ($602,700.57) to bring the total contract value to Three Million Seventy-Three Thousand Six Hundred Fifty-Nine Dollars and Fifty-Seven Cents ($3,073,659.57) which provided CM services up until April 30, 2019; and

WHEREAS, the overall construction project to date still has minor close out items for the Phase I and II contractor as well as remaining refurbish work at the existing clarify, civil works and SCADA for the Phase III contractor which still requires Construction Management services thus GWA will be working to execute a Change Order to cover CM services with the balance of the fund authorization which will only be until May 30, 2019; and

WHEREAS, the contractor for Phase III, SMCC, has submitted documentation to GWA management (See Exhibit A) wherein they are stating the completion of construction activities is now expected to extend through June 9, 2019 and are requesting approval for delay claims due to inclement weather and removal and disposal of sludge at approximately 3,080 cubic yards that were hauled and disposed to Layon Landfill which was outside of the bid; and

WHEREAS, notwithstanding the issues surrounding one of the contractor's delay and when ultimately GWA approves additional time extension and as means of allowing for continuity of construction management services as it relates to any construction extension due to contractor issues, GWA management finds CM Services is likely necessary through July 2019 to provide continued Construction Management Services; and

WHEREAS, GWA is negotiating with SSFM for a fee proposal to provide continued construction management services to July 2019 on a Time and Materials basis and part of this negotiation is for SSFM to take into account a reduction in staffing levels as the project reaches the end of the construction period; and

WHEREAS, to ensure timely execution of any forthcoming Change Order so that services are not stalled, GWA is seeking CCU approval of additional funding to a not to-exceed amount of One Hundred Sixty Thousand Dollars ($160,000.00) for the extended contract performance period through July 2019; and

WHEREAS, funding for any Change Order to SSFM moving forward will be from any available bond funds under the line item - WW 11-03 "Baza Gardens STP Replacement", and Internally Funded CIP funds as well as Liquidated Damages of $3,000 per day from the contractor; and

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

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

2. The CCU hereby approves the funding increase for construction management services an additional amount not to exceed One Hundred Sixty Thousand Dollars ($160,000.00).
3. The CCU further approves the total funding authorization for the contract with SSFM to an amount not to exceed Three Million Three Hundred Thirty-Two Thousand Five Hundred Sixty-Four Dollars and Fifty-Nine Cents ($3,332,564.59).
4. The source of funding for any Change Order to SSFM moving forward will be from any available bond funds under the line item - WW 11-03 "Baza Gardens STP Replacement", and Internally Funded CIP funds as well as Liquidated Damages of $3,000 per day from the contractor (Exhibit A).

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

DULY AND REGULARLY ADOPTED, this 28th day of May 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson

Attested by:

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: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0



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EXHIBIT A

SUMITOMO MITSUI CONSTRUCTION CO.,LTD.
Guam Office : P. O. Box 9670 Tamuning, Guam 96931

April 17, 2019 Reference : LT-19-21

Mr. John Davis / Project Manager
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao Guam 96913

Project : **IFB-05-ENG-2017**
Baza Gardens Wastewater Cross-Island Pumping and Conveyance System Phase III
GWA Project No. S15-008-BND

Subject : Request for Time Extension and to Not Assess Liquidated Damages

Dear Mr. Davis,

Thank you for sending a memo acknowledging portions of the project that are substantially complete as of December 31, 2018 and April 1, 2019, respectively.

We would like to request GWA not to impose Liquidated Damage from April 1st 2019, due to the reasons indicated below.

[Time Extension Request of 69days]

- 42 days of extension due to the difference of Bid Quantity of Sludge removal.
  Regarding sludge removal and disposal, while the anticipated quantity per contract was 30 cy, the actual quantity is expected to be more than 2500 cy. Based on actual 10 days hauling to GWA's drying bed recorded from March 13 – 29, 2019 to haul 2000 cy, to complete the remaining quantity of 500 cy to be hauled to Inarajan Landfill, we estimated a total extra time of 42 days for this increased scope of work. Please see attachment #1

- 27 additional unworkable days comparing to project specification.
  We lost unexpected working days due to unusually severe weather encountered for the months of August and September 2018. Rainy days exceeded 27 days compared to the average number of non-working days as indicated in the project specs Section 013216 Paragraph 2.2E. Please see attachment #2 and #3.

[Status and Remaining Value of the Project]

Please also note that the facility is operational and was already functioning for its intended purpose as of April 1st, 2019. The remaining works you mentioned in your memo are correct. However, the total value of the remaining works, such as EQ Basin, building demolition, and miscellaneous site works are only about 6.9% of our total contract amount. Assessing the full daily rate of liquidated delay damages when the facility is operational seems inappropriate to us. Please see attachment #4.

SMCC will continue to use our best efforts to complete the remaining scope of work as early as possible until we obtain GWA and SSFM's full satisfaction.

SMCC therefore request time extension for the reasons set forth above. SMCC also request GWA's consideration to reduce the daily rate of Liquidated damage based on the completion and use situation described above if GWA still feels it necessary to impose Liquidated damages.

Sincerely yours,

Takeyuki Shiino
General Manager

CC: Rizaldy B. Cortez/SSFM
SMCC file with attachments

Attachment #1: Record of Sludge removal and disposal
Attachment #2: Daily record weather and site condition
Attachment #3: Unworkable days specified in Bid documents.
Attachment #4: Schedule value of remaining scope of works

ATTACHMENT # 1

Summary:

A) Estimated extra time based on the bid and the actual quantity

1) Average production per day based on the tabulated 10days hauling record (March 13 ~ 29, 2019)

= 2072.115cy /10days
= 207.21cy/day
or 25.90cy/hour

2) Total hours to haul bid quantity of 30cy

= 30cy / 25.90cy/hour
= 1.16 hours, say 1/2 day

3) Remaining 500cy to be mixed with soil (1:1 ratio) and haul/dispose to Inarajan Landfill

= 500 x 2
= 1000cy

4) Hauling time with estimated 4 dump truck loads production per day per dump truck

= 1000cy/15cy/dump truck load/4loads/day
= 16.67days (For one dump truck)
= 8.34days (Using two dump trucks)

5) Total extra hauling and disposal time

= 10 + 8.34 - 0.5
= 17.84, say 18days

B) 2days extra time for hauling suspension due to complain of the residence nearby the disposal site

C) 3days extra time for waiting for the availability of the Detry Vacuum truck after hauling suspension

D) 14days extra time for preparation and arrangement of new disposal site (Inarajan Landfill)

E) 5days extra time for Sundays covered within the hauling time

NOTE :

Total extra time : (18 + 2 + 3 + 14 + 5)= 42days

ATTACHMENT #1

Project : Baza Gardens Wastewater Cross-Island Pumping and Conveyance System Phase III

Activity : Tabulated Sludge Removal and Disposal

Vacuum Truck = 3000 gallons/Truck load

No.	Days	Date	Number of trucks	Time	Number of loads	Removed volume		Remarks
						Unit (gal)	Unit (cy)	
1	Wed	3/13	3	8:35 ~ 16:50	19	57000	282.2	Sludge hauling to inarajan drying bed started
2	Thu	3/14	3	8:40 ~ 16:40	18	54000	267.4	Continue sludge hauling
3	Fri	3/15	3	7:40 ~ 16:40	16	48000	237.7	"
4	Sat	3/16	2	8:05 ~ 17:02	12	36000	178.2	"
5	Sun	3/17						Sunday (No work)
6	Mon	3/18	3	8:05 ~ 16:40	16	48000	237.7	Continue sludge hauling
7	Tue	3/19	4	7:55 ~ 16:40	10	30000	148.5	"
8	Wed	3/20	3	8:00 ~ 15:30	13	39000	193.1	"
9	Thu	3/21	3	7:45 ~ 14:00	12	36000	178.2	"
10	Fri	3/22						Hauling suspended due to Inarajan residence complain (EPA to inspect the issue)
11	Sat	3/23						"
12	Sun	3/24						Sunday (No work)
13	Mon	3/25						Residence complain resolved (GWA cleared issue with EPA) Detry not available to resume the hauling
14	Tue	3/26						Residence complain resolved (GWA cleared issue with EPA) Detry not available to resume the hauling
15	Wed	3/27						Residence complain resolved (GWA cleared issue with EPA) Detry not available to resume the hauling
16	Thu	3/28	4	8:15 ~ 17:20	12	36000	178.2	Resumed sludge hauling
17	Fri	3/29	4	8:40 ~ 17:30	10	30000	148.5	Resumed sludge hauling
18	Sat	3/30						Stopped hauling, drying bed full
19	Sun	3/31						Sunday (No work)
20	Mon	4/1						Communicating with GWA & GSWA for hauling sludge to Inaran Landfill
21	Tue	4/2						Communicating with GWA & GSWA for hauling sludge to Inaran Landfill
22	Wed	4/3	1	8:30 ~ 17:00	-			Remove only water in preparation for mixing soil
23	Thu	4/4						Communicating with GWA & GSWA for hauling sludge to Inaran Landfill
24	Fri	4/5						Communicating with GWA & GSWA for hauling sludge to Inaran Landfill
25	Sat	4/6	1	13:00 ~ 17:00	-			Transfer sludge from small to big chamber in preparation for mixing soil
26	Sun	4/7						Sunday (No work)
27	Mon	4/8	1	8:30 ~ 17:00	-			Transfer sludge from small to big chamber in preparation for mixing soil
28	Tue	4/9	1	9:00 ~ 17:00	-			Transfer sludge from small to big chamber in preparation for mixing soil
29	Wed	4/10			-			Continue communicating with GWA & GSWA for hauling remaining sludge to Inaran Landfill
30	Thu	4/11			-			"
31	Fri	4/12			-			GWA communicating with GSWA for hauling remaining sludge to Inaran Landfill
32	Sat	4/13			-			"
33	Sun	4/14			-			Sunday (No work)
34	Mon	4/15			-			Preparation of documents needed for hauling remaining sludge to Inaran Landfill
35	Tue	4/16			-			Preparation of documents needed for hauling remaining sludge to Inaran Landfill
Total						414000	2049.8	

ATTACHMENT #2

Project :		Baza Gardens Wastewater Cross-Island Pumping and Conveyance System, Phase III			
		SUMMARY OF SMCC's SUBMITTED DAILY PRODUCTION REPORT			
BGWW3-DPR No.	Category	Date	AM Weather	PM Weather	Remarks
400	2	1-Aug	Rainy	Rainy	No Major activities due to rain & very wet site condition
401	1	2-Aug	Heavy Rain	Heavy Rain	Work suspended, heavy downpour from 8:30 all throughout the day.
402	1	3-Aug	Heavy Rain	Heavy Rain	Work suspended due to heavy rain.
403	1	4-Aug	Heavy Rain	Heavy Rain	Work suspended due to heavy rain.
404		5-Aug	Cloudy/Rainy		Sunday
405	2	6-Aug	Cloudy	Cloudy/Rainy	No major activities due to wet site condition, heavy rain from 7:00 to 7:21 am and in the afternoon.
406	2	7-Aug	Cloudy	Fair	No major activities due to very wet site condition.
408	2	9-Aug	Fair/Cloudy	Heavy Rain	No major activities due to very wet site condition.
409	2	10-Aug	Cloudy/Fair	Cloudy/Rainy	Less production due to wet site condition.
410	2	11-Aug	Cloudy/Rainy	Cloudy/Rainy	Heavy rain at 11:30 less production due to very wet site condition.
412	2	13-Aug	Cloudy/Rainy	Cloudy	No major activities due to very wet site condition and heavy rain.
413	2	14-Aug	Rainy/Cloudy	Cloudy/Rainy	Less production due to very wet site condition & rain. Heavy rain at
414	2	15-Aug	Rainy	Cloudy	No major activities due to very wet site condition. Rain at 10:45am.
415	1	16-Aug	Rainy	Rainy	Work suspended due to very wet site condition and heavy rain.
416	2	17-Aug	Rainy	Rainy	No major activities due to rain and wet site condition.
417	2	18-Aug	Rainy	Rainy	No major activities due to heavy rain.
418	2	19-Aug	Rainy	Heavy Rain	Less production due to heavy rain.
419	1	20-Aug	Heavy Rain	Heavy Rain	Work suspended due to heavy rain.
					NWS has issued a flash flood advisory for Guam due to heavy rainfall. Tropical storm Comaron intensifies on Northern Marianas.
420	1	21-Aug	Heavy Rain	Heavy Rain	Work suspended due to heavy rainfall.
					NWS issues a flash flood warning. The governor declares a state of emergency for Guam at 4:00pm.
421	2	22-Aug	Fair	Fair	Less production due to very wet site condition
422	2	23-Aug	Fair	Fair	Less production due to very wet site condition & rain
423	2	24-Aug	Moderate to Heavy Rain	Fair/Rainy	Less production due to very wet site condition.
425	2	26-Aug	Rainy	Cloudy/Rainy	Less production due to rain and very wet site condition.
426	2	27-Aug	Moderate to Heavy Rain	Rainy/Fair	Less production due to heavy rain and very wet site condition. Other activities were shut down.
					Concrete pouring was postponed at first due to bad weather condition but pushed through at 3pm when it stopped raining.
430	2	31-Aug	Fair	Rainy	Less production due to very wet site condition (Heavy Rain at 1:30 pm).
431	1	1-Sep	Rainy	Rainy	Work suspended due to heavy rain.
432	2	2-Sep	Rainy	Fair	Less production due to wet site condition
434	2	4-Sep	Fair	Rainy/Fair	Heavy rain at 1:15 PM. Production affected due to very wet site condition.
436	2	6-Sep	Fair	Rainy	Less production due to wet site condition & isolated rainshowers in the afternoon.
438	1	8-Sep	Rainy	Rainy	Less production due to wet site condition. Securing site in preparation for typhoon Mangkhut.
439	1	9-Sep	Rainy	Cloudy	Work suspended, no production. Workers are securing the jobsite for incoming Typhoon Mangkhut.
440	1	10-Sep	Rainy	Stormy	No work due to Typhoon Mangkhut.
441	1	11-Sep	Stormy	Rainy	No work due to Typhoon Mangkhut.
442	2	12-Sep	Rainy	Fair	Less production due to very wet site condition and water retained at dry well and generator building due to Typhoon Mangkhut.
443	2	13-Sep	Rainy	Rainy	Equipment and work suspended at force main due to heavy rain from early morning to 9:30 am and isolated rainshower for the rest of the day.

ATTACHMENT #2

444	2	14-Sep	Fair/Rainy	Fair	Less production due to very wet site condition and early morning rain. Heavy Rain at 11:17 AM. Communication line excavation schedule postponed due to wet site condition.
445	2	15-Sep	Rainy	Rainy	Less production due to rain. Eaxcavation works at communication line postponed. Most workers were sent home due to rain.
447	2	17-Sep	Fair	Fair	Less production due to very wet site condition because of early morning rain. Communication line excavation schedule sespended due to wet site condition.
448	2	18-Sep	Rainy/Fair	Fair	No major activity due to heavy rain
449	2	19-Sep	Rainy	Rainy	Production affected due to very wet site condition. Isolated rainshower (10:45 am) heavy rain from 1:05 PM and rainshowers in the afternoon.
451	2	21-Sep	Rainy	Heavy Rain	Less production due to heavy rain from *am to 6 pm. National weather service issued flash flood warning for the weekend due to tropical depression.
452	2	22-Sep	Rainy	Heavy Rain	Less production due to very wet site condition and rainshower in the morning. Work shutdown in the afternoon due to heavy rain.
453	2	23-Sep	Rainy	Cloudy	No major activities due to wet site condition.
454	2	24-Sep	Light Rain	Fair	Less production due to very wet site condition due to early morning rain and light rainshower.
455	2	25-Sep	Rainy	Heavy Rain	Less production due to heavy rain. Force main line manhole concrete casting cancelled due to heavy rain.
456	2	26-Sep	Cloudy	Cloudy/ Rainy	Minimal production due to wet site condition.
458	2	28-Sep	Cloudy/Rainy	Rainy/Cloudy	Less production due to very wet site condition and heavy rain due to tropical depression on Guam.
459	2	29-Sep	Rainy	Rainy	Less production due to troipcal storm 30W (TS-30W). Work shutdown due to heavy rain.
460	2	30-Sep	Fair	Rainy	

NOTE :

Month			Actual unworkable days	Exceeded days from the specs	Average non-working days due to unusually severe weather days per specs (See attached)
August			25	14	11
Sept			24	13	11
Total			49	27	22

NOTE :

Category 1	11days	Work suspended due to storm/typhoon/heavy rain
Category 2	38days	No major activities/wet site condition/Less production
Total	49days	Unworkable days
Less	22days	Total allowable non-working days for the month of August & September per specs
Extra Time	27days	Total number of days exceeded the specs for the month of August & September

d. Partial occupancy before Substantial Completion.
e. Use of premises restrictions.
f. Provisions for future construction.
g. Seasonal variations.
h. Environmental control.

D. Cost Correlation: At the head of schedule, provide a cost correlation line, indicating planned and actual costs. On the line, show dollar volume of the Work performed as of dates used for preparation of payment requests.

1. Refer to Division 1 Section "Payment Procedures" for cost reporting and payment procedures.

E. The required construction time for this project includes the following non-work days due to unusually serve weather. Contractor shall allow for these average unusually severe weather days in their construction schedule:

January	7	July	10
February	5	August	11
March	5	September	11
April	4	October	10
May	5	November	7
June	6	December	7

2.3 PRELIMINARY CONSTRUCTION SCHEDULE

A. Bar-Chart Schedule: Submit preliminary horizontal bar-chart-type construction schedule within seven days of date established for the Notice to Proceed.

B. Preparation: Indicate each significant construction activity separately. Identify first workday of each week with a continuous vertical line. Outline significant construction activities for first 60 days of construction. Include skeleton diagram for the remainder of the Work and a cash requirement prediction based on indicated activities.

2.4 CONTRACTOR'S CONSTRUCTION SCHEDULE (GANTT CHART)

A. Gantt-Chart Schedule: Submit a comprehensive, fully developed, horizontal Gantt-chart-type, Contractor's Construction Schedule within 10 days of date established for the Notice to Proceed Base schedule on the Preliminary Construction Schedule and whatever updating and feedback was received since the start of Project.

B. Preparation: Indicate each significant construction activity separately. Identify first workday of each week with a continuous vertical line.

ATTACHMENT #4

Baza Gardens Wastewater Cross-Island Pumping and Conveyance System, Phase III			
SUMMARY			
Item No.	Description	Amount ($)	Remarks
A	**Total Amount Deleted Scope of Works**	**2,828,302.00**	
13	Perimeter Fence Line and Gates (Retaining walls)	103,033.00	
15	Headworks and pump station structure and finishing (Davit Crane)	34,283.00	
39	Equalization tank 2 complete in place	2,690,986.00	
B	**Total Amount Remaining Scope of Works**	**876,985.40**	
8	Site grading	34,667.00	
10	Building and site demolition and disposal	135,073.00	
12	Ste Access Road and Pavement	157,584.00	
13	Perimeter Fence Line and Gates	104,890.40	
14	Ste drainage improvement	53,042.00	
25	Site process piping complete in place	113,913.00	
31	Site electrical inclusive of transformer, light poles, communication and power lines complete in-place	48,285.00	
36	Baza Gardens WWTP Facility Demolition	85,811.00	
38	Equalization tank 1 complete in place	143,720.00	
C	**Original Contract Amount**	**15,530,892.00**	
D	**Balance of Contract Amount (C-A)**	**12,702,590.00**	
E	**Percentage of Total Remaining Works (B/D)**	**6.90%**	

ATTACHMENT #4

BREAKDOWN OF DELETED SCOPE OF WORKS			
Item No.	Description	Scheduled Value ($)	Remarks
13	**Perimeter Fence Line and Gates**		
13.3	Retaining Wall, Det. 1A/S0.1.10		
13.3.1	Foundation	30,981.00	
13.3.2	Walls	44,943.00	
13.3.3	Backfilling (Including required testing)	27,109.00	
15	**Headworks and pump station structure and finishing**		
15.3.6	Davit Crane and Pre-Engineered Hoist Assembly	34,283.00	
39	**Equalization tank 2 complete in place**		
39.1	Excavation and Disposal	302,629.00	
39.2	Basecourse Preparation (Including required testing)	30,753.00	
39.3	Backfill and Compaction (Including soil testing required)	282,135.00	
39.4	36" Thick Floor Slab	1,128,230.00	
39.5	24" Thick Walls and Columns	641,161.00	
39.6	12" Thick Wall	122,602.00	
39.7	Equalization Tank #2 leak test, H=18FT	38,880.00	
39.8	Sluice Gate, Det. 1&2/MP0.0.4	23,738.00	
39.9	Concrete walkway, 5Ft. Wide Det. 7/C9.1.1	66,743.00	
39.10	Coating works	54,115.00	
	Total Amount Deleted	**2,828,302.00**	

ATTACHMENT #4

BREAKDOWN OF REMAINING SCOPE OF WORKS			
Item No.	Description	Scheduled Value ($)	Remarks
8	**Site grading**		
8.2	Sequence 2 (50% completed)	34,667.00	
10	**Building and site demolition and disposal**		
10.1	Demolition and Disposal of Existing Headworks Building	66,871.00	
10.2	Demolition and Disposal of Existing Generator Building	34,089.00	
10.4	Required concrete demolition works for existing Equalization Tank #1	34,113.00	
12	**Ste Access Road and Pavement**		
12.2	New AC Paving Access Road	157,584.00	
13	**Perimeter Fence Line and Gates**		
13.1	Chainlink Fence, 8' High, Det. 1/C9.1.12 (30% completed)	75,314.40	
13.2	Chainlink Fence, 6' High, Det. 2/C9.1.10	29,576.00	
14	**Ste drainage improvement**		
	Sequence 1		
14.1.3	Riprap Splash Apron, Det. 1/C9.1.16	4,603.00	
14.1.5	Concrete Swale (4' Wide and 6' Wide), Det. C9.1.2	2,531.50	
14.1.6	Overflow Structure Type 2 (Riprap)	6,828.00	
	Sequence 2		
14.2.5	Riprap Splash Apron, Det. 1/C9.1.16	4,603.00	
14.2.7	Concrete Swale (4' Wide and 6' Wide), Det. C9.1.2	28,428.50	
14.2.8	Overflow Structure Type 1 (Riprap)	6,048.00	
25	**Site process piping complete in place**		
25.2	Sequence 2 (Including required testing)	113,913.00	
31	**Site electrical inclusive of transformer, light poles, communication and power lines complete in-place**		
31.4	Electrical Light Pole Foundation	48,285.00	
36	**Baza Gardens WWTP Facility Demolition**		
36.8	Removal of existing Clarifier's catwalk, steel walls, equipment, process pipings, pipe railings etc.	85,811.00	
38	**Equalization tank 1 complete in place**		
38.2	Construct new sump pit and overflow pipe opening, Det. 1/S2.1.4 (Including finishing floor slab)	14,842.00	
38.3	Equalization Tank #1 leak test, H=18FT	25,187.00	
38.4	New concrete barriers, Det 3/S2.1.4	30,560.00	
38.5	Sluice Gate, Det. 1&2/MP0.0.4	19,387.00	
38.6	New Aluminum Railings - 1 1/2" Dia. - 2EA Rails x 3' - 6"High	17,541.00	
38.7	Coating works	36,203.00	
	Total Amount Remaining	**876,985.40**	

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. 28-FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER NO. 01 TO CONSTRUCTION MANAGEMENT SERVICES CONTRACT FOR THE GWA SCADA SYSTEM FOR WATER AND WASTEWTER FACILITIES PHASE A-1

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 advertised for Request for Proposal (RFP-02-ENG-2018) soliciting statement of qualification from experienced and qualified engineering firms to provide construction management services for the GWA SCADA System for Water and Wastewater Facilities Phase A-1 project; and

WHEREAS, on August 24, 2018, GWA entered into a contract with GHD, Inc. to provide Construction Management ("CM") Services for the aforementioned project in the amount of Five Hundred Fifteen Thousand Six Hundred Thirty-One Dollars ($515,631.00), which is within GWA General Manager's obligating authority of Seven Hundred Fifty Thousand dollars ($750,000.00) in accordance with GWA Resolution No. 31-FY2017 adopted by the CCU on May 23, 2017; and

WHEREAS, on June 19, 2018, GWA awarded the construction contract for the aforementioned project to G4S Security Systems, Inc. ("G4S") with final project completion date of August 12, 2019; and

WHEREAS, on November 1, 2018 GWA delivered a letter to G4S expressing GWA's concerns over G4S's failure to perform its obligation under the Contract resulting in delays; and

WHEREAS, as part of negotiated conditions for extending the final completion date to December 31, 2019, G4S agreed to pay, via deduction to the construction contract amount, for costs associated with additional construction management services as a result of the contract time extension and extra work needed to provide additional review, coordination and monitoring of contractor's remedy to performance issues, which amounts to Three Hundred Eighty-Three Thousand Five Hundred Eighty-Nine Dollars ($383,589.00) (see EXHIBIT A – Fee Proposal); and

WHEREAS, on May 1, 2019, Change Order No. 01 to the G4S construction contract for the aforementioned project was executed to extend final completion date to December 31, 2019 and deduct Three Hundred Eighty-Three Thousand Five Hundred Eighty-Nine Dollars ($383,589.00) from the construction contract amount; and

WHEREAS, GWA Management seeks CCU approval to execute Change Order No. 01 with GHD, Inc. for additional construction management services described hereinabove in an amount not-to-exceed Three Hundred Eighty-Three Thousand Five Hundred Eighty-Nine Dollars ($383,589.00); and

WHEREAS, GWA Management seeks funding authorization of Nine Hundred Fifty Thousand Seven Hundred Eighty-Three Dollars and Ten Cents ($950,783.10), which includes Five Hundred Fifteen Thousand Six Hundred Thirty-One Dollars ($515,631.00) for original CM contract amount, Fifty-One Thousand Five Hundred Sixty-Three Dollars ($51,563.10) for ten percent (10%) contingency on original CM contract amount, and Three Hundred Eighty-Three Thousand Five Hundred Eighty-Nine Dollars ($383,589.00) for Change Order No. 01; and

WHEREAS, the funding source will be bond funds from CIP EE 09-09, SCADA Improvement – Phase 4; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the change order fee proposal submitted by GHD are fair and reasonable.
3. The CCU hereby authorizes the management of GWA to allocate Fifty-One Thousand Five Hundred Sixty-Three Dollars ($51,563.00) as a ten percent (10%) contingency on the original construction management service contact with GHD.
4. The CCU hereby authorizes the management of GWA to execute Change Order No. 01 to the construction management services contract with GHD, Inc. in the amount of Three Hundred and Eighty-Three Thousand Five Hundred Eighty-Nine Dollars ($383,589.00) (Exhibit A).
5. The CCU hereby further authorizes the requested total maximum funding amount of Nine Hundred Fifty Thousand Seven Hundred Eighty-Three Dollars ($950,783.00) funded by CIP EE 09-09, SCADA Improvement – Phase 4.

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

DULY AND REGULARLY ADOPTED, this 28th day of May, 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson

Attested by:

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: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

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EXHIBIT A - Fee Proposal

Phase Letter and Task Number	Task Description	Principal Construction Manager (Bryan)	PM/Resident Engineer (Aaron)	On-Island Electrical Inspector (Patrick/Jorasa)	Admin (Quinn)	ArcSine (10% Markup)	Amount
		211	181	144	71	1.1	
A	CONSTRUCTION EXTENSION CM TASKS						
A1.0	Extension 171 days (24.5 weeks)		245	75		49,920	110,057
A2.0	Pre-termination Support		24		3	16,440	22,641
A3.0	Additional submittal reviews (assume GHD overlap)		45	5		146,010	169,476
A4.0	Multiple subs (submittal complications) coordination		24			19,040	25,288
A5.0	Additional 2 weeks on-site (with ArcSine) coordination		10	20	2	23,500	30,682
A6.0	Field photo taking to accommodate poor Contractor fieldwork		4	40		-	6,484
	CONSTRUCTION EXTENSION HOURS SUBTOTAL	-	352	140	5	254,910	
	CONSTRUCTION EXTENSION SUBTOTAL	-	63,712	20,160	355	280,401	364,628
	CONSTRUCTION EXTENSION EXPENSES SUBTOTAL						
	CONSTRUCTION EXTENSION SERVICES & EXPENSES TOTAL						364,628
ALL	SUBTOTAL HOURS	-	352	140	5	254,910	
	GHD SUBTOTAL COST (EXCEPT EXPENSES)	-	63,712	20,160	355		84,227
	ARCSINE SUBTOTAL COST					280,401	280,401
ALL	SUBTOTAL						364,628
ALL	GRT AT 5%						18,961
ALL	GRAND TOTAL						$383,589

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–FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER TO THE YIGO AND ASTUMBO RESERVOIR CONSTRUCTION MANAGEMENT CONTRACT

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

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

WHEREAS, GWA is currently working on critical reservoir projects under the 2011 Court Order ("CO") Paragraph 29 – Storage Tank/Reservoir Repair, Replacement, and Relocation Program; and

WHEREAS, Resolution No. 29–FY2018 authorized the total funding of Two Million Three Hundred Thirty-Three Thousand Four Hundred Three Dollars and Thirty Cents ($2,331,403.30) for the construction management services of the Yigo No.1 reservoir, Yigo No. 3 reservoir, Yigo Elevated booster pump station, and Astumbo No. 1 reservoir construction; and

WHEREAS, the original completion date for the Yigo and Astumbo sites are as follows:

- Yigo No. 1 and pump station – October 31, 2017
- Yigo No. 3 – July 31, 2018
- Astumbo No. 1 – October 31, 2017; and

WHEREAS, GWA issued Change Order No. 1 to Change Order No. 4 for construction management services for the Yigo No. 3 reservoir and extension of construction management

services to November 21, 2018 for the Yigo site and the Astumbo site due to the Contractor's delay in completing the project; and

WHEREAS, the Contractor has agreed through a new Memorandum of Understanding (Exhibit A) to pay for the additional construction management cost until Final Completion is achieved for all sites; and

WHEREAS, due to continued delay by the Contractor, the revised final completion date is projected to be August 16, 2019; and

WHEREAS, GWA and GHD have negotiated a time and material price of One Hundred Twenty-Three Thousand One Hundred Ninety Dollars ($123,190.00) for the continued construction management services described above (Exhibit B); and

WHEREAS, if the project is delayed further than the revised completion date of August 16, 2019 by the Contractor, the Contractor shall cover any additional construction management services and all other associated costs until final completion; and

WHEREAS, GWA management is requesting authorization to increase the funding amount for construction management services by One Hundred Twenty-Three Thousand One Hundred Ninety Dollars ($123,190.00) to bring the total authorized funding to Two Million Four Hundred Fifty-Four Thousand Five Hundred Ninety-Three Dollars and Thirty Cents ($2,454,593.30); and

WHEREAS, the funding sources to address paying the CM services due to the extended completion date will be from Internal Funded CIP, PW 09-11 "Water System Reservoirs 2005 Improvements", and PW 12-05 "Tank Major Repair Yigo No. 1, Mangilao No. 2, and Astumbo No. 1"; and

WHEREAS, money received from the Contractor through a deductive change order from Contractor's contract will be applied to replenish the funding sources used for the additional construction management work; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the fee proposal submitted by GHD are fair and reasonable.
3. The CCU hereby authorizes GWA management to accept the fee proposal of One Hundred Twenty-Three Thousand One Hundred Ninety Dollars ($123,190.00) (Exhibit B) from GHD and execute a Change Order.
4. The CCU hereby approves the total funding amount to Two Million Four Hundred Fifty-Four Thousand Five Hundred Ninety-Three Dollars and Thirty Cents ($2,454,593.30).
5. The CCU approves the funding sources from Internal Funded CIP; PW 09-11: Water System Reservoirs 2005 Improvements; and PW 12-05: Tank Major Repair Yigo No. 1, Mangilao No. 2, and Astumbo No. 1.
6. The CCU approves that money received from the Contractor through a deductive change order from the Contractor's contract will be applied to replenish funding sources for the additional construction management work.

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

DULY AND REGULARLY ADOPTED, this 28th day of May, 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson

Attested by:

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: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

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Exhibit A

Memorandum

28 February 2019

To:	Abhyash Chand, Pernix Guam, LLC John Wilson, Pernix Guam, LLC Tom Cruz, GWA Brett Railey, GWA Garrett Yeoh, GWA Bryan Ryley, GHD Inc.		
From:	Aaron Sutton, GHD Inc.	**Tel:**	(671) 472-6792
Subject:	Contract Extension Memorandum of Understanding #2	**Job No:**	W13-001-BND
Project:	PW 12-05 GWA Construction of Yigo and Astumbo Reservoir		

This Memorandum of Understanding ("MOU") supplements the Contract between the Guam Waterworks Authority ("GWA") and Pernix Guam LLC ("Contractor") and will be attached to a Modification to that Contract. This MOU is to extend the MOU dated March 16, 2018 agreed upon and signed by all parties. This MOU details the extension of responsibilities for costs as agreed by the GWA and Contractor.

1. **Time Extension** – The Substantial Completion date of October 15, 2018 and Final Completion date of November 21, 2018 for the Astumbo Reservoir, Yigo No. 1 Reservoir and Yigo No. 2 Reservoir extended by the MOU dated March 16, 2018 have expired.

   Contract change requests may be considered to the extent allowed by the Contract Documents provided they are considered reasonable and justified in the opinion of GWA.

2. **Costs** – Costs for Construction Management services at the Astumbo and Yigo sites shall be borne by the Contractor from November 21, 2018 until Final Completion is achieved as defined by GWA.

   The additional Construction Management services shall be invoiced to GWA by GHD directly, on a time and material basis, and are estimated to be in the total amount of $3,500 to $4,500 per week per site for the Astumbo and Yigo sites. GWA and Contractor agree that the total Construction Management costs shall not exceed $9,500 per week per site, or $19,000 per week for both sites. On a monthly basis, GWA shall provide a copy of the GHD invoice to Contractor and GWA may deduct the applicable portion of the CM's invoice amount as a deductive change order under the Contract with Pernix.

GHD Inc. 885 S Marine Corps Drive Suite 202 Tamuning Guam 96913
T 1 671 472 6792 F 1 671 477 6228 E guam@ghd.com W www.ghd.com

Further delays in the Final Completion of the project will be considered eligible for liquidated damages at $4,500 per day per reservoir per site at the discretion of GWA.

In the event that GWA is assessed fines for not complying with the November 11, 2011 Order for Preliminary Relief of the Federal District Court of Guam in Civil Case No. 02-00035 with respect to completion of the Astumbo and Yigo No. 1 and No. 2 reservoirs, Contractor shall reimburse GWA for the full amount of such fines.

Except as revised by this MOU and related Change Order No. 10 and future related Change Order(s), all other terms and conditions of the Contract as revised by Change Orders No. 1, through 9, including the provisions for inclement weather in Paragraph 1.10 of Section 01311, shall continue to apply.

By signing this MOU, all parties are agreeing to the above conditions.

Abhyash Chand
Pernix Guam, Inc.
(Contractor)

Thomas Cruz, PE
Guam Waterworks Authority
(Owner)

Aaron Sutton, PE
Construction Manager, GHD Inc.

Bryan Farley
Construction Manager, GHD Inc.

Cc: Brett Railey, GWA
Garrett Yeoh, GWA
Steve Greco, Pernix

Exhibit B

May 8, 2019

Mr. Tom Cruz , P.E.
Chief Engineer
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913

RE: Change Proposal 06 (CP-6) for Construction Management Services for PW12-05 GWA Yigo and Astumbo Replacement Reservoirs, GWA Project W13-001-BND
Additional CM Services for Astumbo and Yigo No. 1 and 2 Reservoirs Construction Due to Construction Delay

Dear Mr. Cruz:

GHD is pleased to submit this proposal for an amendment to our Scope of Work and Fee for the above referenced project. This scope of work defines the construction management services that will be provided by GHD Inc. and their subconsultants for additional CM services due to construction delays of Astumbo and Yigo No. 1 and 2 Reservoirs. The additional scope for **CP-06** as discussed with GWA is detailed below. The additional scope will be charged on a time and material (T&M) basis per the fees in the table below.

SCOPE OF WORK

General: GHD shall provide additional Construction Management (CM) Services for the four and a half (4.5) month period of April 1, 2019 through August 16, 2019. This is expected to cover services for substantial completion to final completion and closeout services of the Yigo No. 1 and 2 Reservoirs. This is based on expected schedule as stated by the Contractor for the delivery and completion of punch list items. This CP is in conjunction with a Memorandum of Understanding (MOU) dated March 16, 2018 and MOU dated February 28, 2019, both signed by GHD, Pernix and GWA. The extended October 15, 2018 substantial completion date and November 21, 2018 final completion date as agreed upon in the MOU dated March 16, 2018 has expired. From then to the March invoice, the CM services have been deducted from the budget allotted in Change Order #4.

The extended CM services included in this Change Proposal will be billed on a Time and Material basis. GHD's invoices will be paid by GWA directly, and the same amount will be deducted from Pernix's contract as agreed upon in the before mentioned MOUs.

Details: The Scope of Work will provide an extension of the construction phase tasks detailed in our original Scope of Work that relate to the construction of Astumbo and Yigo No. 1 and 2 Reservoirs. No

additional QA testing and survey service are included as they were covered in the original Scope of Work and Change Order No. 2.

Data and Assumptions:

a. These CM Services are being provided for the construction of improvements shown on the construction plans and included in the bid schedule that was awarded to Pernix at the Astumbo and Yigo No. 1 and 2 Reservoir sites. If additional improvements are added to the construction contract then fees for additional CM Services will be negotiated with GWA.

b. For the Yigo and Astumbo Reservoirs, it is understood that the intent is for GHD to provide four and a half (4.5) consecutive months (20 weeks) of part-time, as-needed Resident Engineer (RE)/Project Manager (PM) services and four and a half (4.5) consecutive months of part- time onsite inspection averaging three (3) days per week. RE/PM services have been estimated at 8 hours per week and onsite inspector at 24 hours per week up to a maximum of $5,000 per week. This is based upon a standard 40 hour work week.

c. GWA agrees to negotiate with GHD for change orders for additional construction phase services for final completion beyond August 16, 2019 at either site due to construction delays, adverse weather delays, or any other reason not due to the negligent acts of GHD until final acceptance of the project is achieved.

Our time and material fees are summarized in the following Fee Schedule:

FEE SCHEDULE FOR ADDITIONAL CONSTRUCTION MANAGEMENT SERVICES FOR ASTUMBO AND YIGO NO. 1 AND 2 RESERVOIRS

TASKS	TOTALS
Original Contract Amount	$1,387,982
Contract Amount with CO #1	$1,422,905
Contract Amount with CO #2	$1,820,471
Contract Amount with CO#4	$2,331,403.30
CP-06 Yigo and Astumbo Reservoir CM Services from Construction Delay	$117,324
GUAM GRT (at 5%)	$5,866
TOTAL CHANGE PROPOSAL COST	**$123,190**
AMENDED CONTRACT AMOUNT	**$2,454,593.30**

* Work which exceeds the scope of this proposal will be brought to your attention for review, approval and fee adjustment. Such extra services, will be performed on a time and materials basis (per our Fee Schedule in effect at the time services are performed), or for a mutually agreed upon lump sum fees. Work performed will be billed monthly based on estimated percent complete. Payment is due within 30 days of receipt and acceptance of the invoice. We stand ready to provide the professional services necessary to assist GWA in this endeavor.

Sincerely,

Aaron Sutton
Construction Manager

Reviewed by

Bryan Ryley
Construction Manager

Attachments: GHD Change Proposal Fees for Astumbo and Yigo sites dated 05/08/2019
Cc: file

Phase Letter and Task Number	Task Description	Principal Engineer (Paul)	PM/Resident Engineer (Aaron)	Structural/Special Inspector (Aaron)	CM Safety Officer (Mark)	Civil Inspector/Structural (Peter)	Admin (Quinn)	Amount
	HOURLY LABOR RATES	245	205	205	95	146	60	
B	**CONSTRUCTION PHASE TASKS**							
B1.0	**Implement & Maintain Project Controls**		-					
B2.0	**Project Correspondence**							
B2.1	Daily Construction Reports (assumes 3 days/wk @ 20 wks = 39 logs)	-	10			60	-	10,810
B2.2	Material Testing Logs		-			-	-	
B2.3	Progress Photo Log					20	-	2,920
B2.4	Videography & Live Video Feed (not included)					-	-	
B3.0	**Submittals & Shop Drawings (assumes 0)**			-			-	
B3.1	Contractor Project Schedules (assumes 1 ea.)		-			2		292
B3.2	CM Master project Schedule	-	-					
B4.0	**Payment Requests** (assumes 3)		2			9		1,724
B4.1	Payroll Reports (assumes 3)					4		584
B5.0	**Project Meetings**							
B5.1	Pre-construction Conference	-	-			-		
B5.2	Progress Meetings (10 x 2 hours each plus prep & minutes)	-	30			45		12,720
B5.3	As-built Drawing Reviews							
B5.4	Other Meetings	-	-					
B6.0	**Request for Information** (assumes 0 RFIs at 2 hours each)	-		-				
B7.0	**General Compliance Monitoring**							
B7.1	Labor Laws (see Task B4.1)							
B7.2	Permit Compliance							
B7.3	Insurance (see Task A5)							
B8.0	**Claims and Disputes (see Tasks B8.1 to B8.7)**							
B8.1	Claim Records (assumes 1 potential claim incidents)							
B8.2	Claims Reviews & Interpretations	-		-				
B8.3	Change Order Review (assumes 1 CO's)	-	2			4		994
B8.4	Design Changes (assumes 0 design changes)	-	-	-				
B8.5	Design Change/Verification Request (DCVR)	-	-					
B8.6	Change Order Negotiation with Contractor	-						
B8.7	Change Order Documents (see task 9.0)							
B9.0	**Project Records & Document Management/Communication**		80			120	-	33,920
B10.0	**Construction Inspection and Quality Control Monitoring**							
B10.1	Onsite Inspector (see notes)		36			216	-	38,916
B10.2	Special Inspections							
B10.3	Testing							
B10.3.1	Contractor Testing (part of Task B10.1)							
B10.3.2	CM/CQA Testing (also see expenses)							
B10.3.3	GWA Testing (part of Task B10.1)							
B10.3.4	Acceptance (part of Task B10.1)							
B11.0	**Construction QA Survey Services** (also see expenses)							
B12.0	**Project Closeout**							
B12.1	Punchlist Development	-						
B12.2	Project Closeout Inspections	-	8			6		2,516
B13.0	**Training and Warranty Periods**							
B13.1	Training		-			-		
B13.2	Warranties		-					
	CONSTRUCTION PHASE SERVICES HOUR SUBTOTAL	-	168	-	-	486	-	
	CONSTRUCTION PHASE SERVICES SUBTOTAL	-	34,440	-	-	70,956	-	**105,396**
	CONSTRUCTION PHASE EXPENSES SUBTOTAL							
	CONSTRUCTION PHASE SERVICES & EXPENSES TOTAL	-	34,440	-	-	70,956	-	**105,396**
C	**POST CONSTRUCTION SERVICES**							
C1	Final Report	-	16			40		9,120
C2	Record Drawings		8			8		2,808
	POST CONSTRUCTION PHASE SERVICES HOUR SUBTOTAL	-	24	-	-	48	-	
	POST CONSTRUCTION PHASE SERVICES SUBTOTAL	-	4,920	-	-	7,008	-	11,928
	POST CONSTRUCTION PHASE EXPENSES SUBTOTAL							
	SUBTOTAL POST CONSTRUCTION SERVICES	-	4,920	-	-	7,008	-	**11,928**
ALL	**SUBTOTAL HOURS**	-	192	-	-	534	-	

Phase Letter and Task Number	Task Description	Principal Engineer (Paul)	PM/Resident Engineer (Aaron)	Structural/Special Inspector (Aaron)	CM Safety Officer (Mark)	Civil Inspector/Structural (Peter)	Admin (Quinn)	Amount
ALL	SUBTOTAL							117,324
ALL	GRT AT 5%							5,866
ALL	GRAND TOTAL							123,190

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. 30–FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER NO. 4 FOR THE CENTRAL GUAM RESERVOIRS DESIGN

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, GWA is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, GWA is currently working on critical reservoir projects under the 2011 Court Order ("CO") Paragraph 29 – Storage Tank/Reservoir Repair, Replacement, and Relocation Program; and

WHEREAS, the CCU approved Resolution No. 21-FY2015 that authorized a funding of Two Million Five Hundred Fifty-Two Thousand Four Hundred Forty-Five Dollars ($2,552,445.00) plus 10% contingency of Two Hundred Fifty-Five Thousand Two Hundred Forty-Four Dollars and Fifty Cents ($255,244.50) bringing the total authorized funding to a maximum of Two Million Eight Hundred Seven Thousand Six Hundred Eight Nine Dollars and Fifty Cents ($2,807,689.50); and

WHEREAS, following CCU approval in Resolution No. 21-FY2015, GWA contracted with GHD in the amount of Two Million Five Hundred Fifty-Two Thousand Four Hundred Forty-Five Dollars ($2,552,445.00) in May 2015 to provide design services for the Central Guam Reservoirs; and

WHEREAS, GWA subsequently issued Change Order No. 1 and Change Order No. 2 with GHD for additional design services in the amount of Two Hundred Fifty-Five Thousand Two Hundred and Forty-Four Dollars ($255,244.00);

WHEREAS, in July 2016 the CCU approved Resolution No. 49-FY2016 which authorized an additional Six Hundred Eighty Thousand Five Hundred Forty-Eight Dollars ($680,548.00) for additional design services to bring the total authorized funding to Three Million Four Hundred Eighty-Eight Thousand Two Hundred Thirty-Seven Dollars and Fifty Cents ($3,488,237.50); and

WHEREAS, following CCU approval in Resolution No. 49-FY2016, GWA issued the Change Order No. 3 to GHD; and

WHEREAS, GWA engineering has further determine through the course of the design process that additional system improvements associated with the central reservoir project are needed; and

WHEREAS, GWA is requesting for additional design work which includes the following (Exhibit A):

(1) Task A: Design changes to install a new pump controller unit at the new Hyundai Tank Booster Pump Station,
(2) Task B: Design changes to the Chaot No. 1, Chaot No. 2, and Agana Heights Reservoirs SCADA,
(3) Task C: Programming of the Chaot No. 1, Chaot No. 2, and Agana Heights Reservoirs SCADA,
(4) Task D: Programming of the Manenggon, Tamuning No. 1 (Airport), and Piti Reservoirs SCADA,
(5) Task E: Tamuning No. 1 (Airport) Reservoir - Tiyan Booster Pump Station, Sewer Line Rehabilitation, and Water Line Abandonment,
(6) Task F: A-23 and A-25 GAC System Additional Design,
(7) Task G: Manenggon Reservoir Access Pump Station Additional Design,

(8) Task H: Additional Structural Design to Increase Tamuning No. 1 Reservoir (Airport) from 2 Million Gallon Capacity to 3 Million Gallon Capacity.

WHEREAS, GWA engineering and GHD negotiated the price for the services to be provided in the amount of Two Hundred Thousand Four Hundred Fifty-Eight Dollars ($200,458.00); and

WHEREAS, GWA Management is seeking CCU approval of the fee proposal relative to Change Order No. 4 in the amount of Two Hundred Thousand Four Hundred Fifty-Eight Dollars ($200,458.00) to fund the design services; and

WHEREAS, GWA Management further seeks CCU approval of the total authorized funding for the design contract with GHD, Inc to Three Million Six Hundred Eighty-Eight Thousand Six Hundred Ninety-Five Dollars and Fifty Cents ($3,688,695.50); and

WHEREAS, funding for this project will be from PW 09-11 Water System Reservoirs 2005 Improvements and EE 09-09 SCADA Improvement – Phase 4; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the fee proposal submitted by GHD is fair and reasonable.
3. The CCU finds that the terms of the conditions set by GWA relative to commencement of subsequent work activities are fair and reasonable and serve as a measure of Quality Assurance/Quality Control (QA/QC).
4. The CCU hereby authorizes the management of GWA to issue Change Order No. 4 in the amount of Two Hundred Thousand Four Hundred Fifty-Eight Dollars ($200,458.00) (Exhibit A).

5. The CCU hereby further approves the total authorized funding to Three Million Six Hundred Eighty-Eight Thousand Six Hundred Ninety-Five Dollars and Fifty Cents ($3,688,695.50); and
6. Funding source will be CIP PW 09-11 Water System Reservoir 2005 Improvements and EE 09-09 SCADA Improvement – Phase 4.

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

DULY AND REGULARLY ADOPTED, this 28th day of May 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson

Attested by:

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: 5
NAYS: 0
ABSTENTIONS: 0
ABSENT: 0

///

Exhibit A

May 13, 2019

Mr. Tom Cruz, PE
Chief Engineer
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913

RE: Change Proposal 10 for PW12-04 Design Services for GWA's Central Water Reservoirs, GWA Project W14-006-BND
Design Changes for SCADA System at Hyundai Pump Station and Agana Heights and Chaot Reservoir Sites and Miscellaneous

Dear Mr. Cruz:

GHD is pleased to submit this change proposal to amend our Scope of Work and Fee for the above referenced project. This scope of work defines the additional design services GHD will provide in connection with the Design Services for GWA's Central Water Reservoirs Project. Deliverables of the tasks will be amendments to the Tumon 2, Hyundai and Chaot 2 Reservoirs construction project. The additional scope for CP-10 is detailed below. The original project scope will be amended on a lump sum basis per the fees in the table below.

SCOPE OF WORK

Task A – Design Changes for Grundfos Controller at Hyundai Pump Station: GWA requested GHD make design adjustments to the pump controller at the new Hyundai Pump Station to add a package triplex Grundfos controller for the pumps. The current design provides for the pumps to be controlled by the SCADAPak. GWA is requesting the addition of the Grunfos controller to keep consistency between GWA facilities. GWA and the Contractor have requested only a change to the P&ID on sheet J-002 which will be issued as an addendum to the construction drawings that are currently under construction by AIC. No additional Division 1 specifications or front-end documents are included in this scope.

Task B – Design Changes to Chaot and Agana Heights SCADA: See attached SOW from ArcSine dated April 4, 2019.

Task C – Programming of Chaot and Agana Heights SCADA: See attached, revised SOW from ArcSine dated May 8, 2019. The scope of work includes programming for all of the Central Reservoirs project, but only the costs for programming at Agana Heights Reservoir and Chaot Reservoirs are

included in this Change Proposal because they were not included in the SOW for Change Order 3. The remaining of the cost of $85,000 for the programming at the other sites will be divided by three and covered by GHD, remaining funds from the Water Hydraulic Modeling Data Collection - Barrigada Service Area project, and excess funds from Change Order No. 2 Task P that were not used.

Task D – Programming of Manenggon, Tamuning No. 1, and Piti Reservoirs SCADA: See attached revised SOW from ArcSine dated May 8, 2019.

Task E – Tiyan Booster Pump Station, Sewer Line Repair and Waterline Abandonment: Change Order No. 2 included a task from Change Proposal 4 for the design of additional piping to connect the area west of the airport runways to GWA waterlines. The task assumed that properties along the cliff line would be purchased by DPW and disconnected from an existing GWA waterline. There was a delay in the purchase of these properties. In order to abandon a waterline under the runways and still serve these houses, GHD was requested to design a small booster pump station in Tiyan to boost the pressure. GWA also requested the replacement or repair of the sewer line through GIAA property west of the runways. The work for this task has already been completed.

Task F – Wells A-23 and A-25 GAC System Additional Design: The scope for approved Task A of Change Proposal 9 included piping design for the installation of an existing GAC system at Well A-23 that would treat water from A-23 and A-25. A concrete slab for the relocated tanks was part of the scope. The fee for Task A of Change Proposal 9 was covered by unused fee for the Pulantat Reservoir site. The design has expanded to include sizing of the GAC system, investigation of treatment options, option figures for locations for the GAC tanks, additional piping design, and design of new GAC systems at both sites. The additional work is the scope for this task and has already begun.

Task G – Access Pump Station Additional Design: Amendment 1 provided scope to refurbish the Access Water Booster Pump Station. The fees for the scope were covered by a contingency in the original contract. The scope of Amendment 1 included new pumps, piping, pump system evaluation, possible replacement of electrical, instrumentation, and control equipment. Architectural improvements and replacement of the generator and fuel storage were also part of the scope. GWA requested additional improvements during the design including a roof hatch above the pumps, converting an office to an electrical room, and changing the piping to stainless steel. The scope for this task consists of structural design for the roof hatch, electrical design to move the electrical and controls to the new electrical room, piping design to change to stainless steel pipe, and fuel changes to move the tank to the exterior of the building. The work for this task has already begun and is almost completed.

Task H – Additional Structural Design for 3 MG Reservoir at Tumon (Tamuning) No. 1: The original scope for the Tumon No. 1 site was for the design of a 2.0 MG reservoir. GWA has requested we upsize the reservoir to 3.0 MG. The structural design for the larger reservoir requires more effort and is included in this task. The cost for this task will be deducted from the design budget meant for the relocation of the Tumon No. 1 Reservoir included in Task P of Change Order No. 3.

ASSUMPTIONS AND EXCEPTIONS

- This change proposal only applies to the scope of work. The terms of the original executed agreement still apply.

Our lump sum fees are summarized in the following Fee Schedule:

FEE SCHEDULE FOR ADDITIONAL DESIGN SERVICES

TASKS	TOTALS
Original Contract Amount	$2,552,445
Contract Amount with CO #1	$2,675,912
Contract Amount with CO #2	$2,807,689
Contract Amount with CO #3	$3,488,237
Task A: Grundfos Controller at Hyundai Pump Station	$2,500
Task B: Chaot and Agana Heights SCADA	$20,146
Task C: Programming of Chaot and Agana Heights SCADA	$24,500
Task D: Programming of Manenggon, Tamuning No. 1 and Piti SCADA	$55,995
Task E: Tiyan BPS, Sewer Line Repair and Waterline Abandonment	$20,960
Task F: Wells A-23 and A-25 GAC System Additional Design	$21,950
Task G: Access Pump Station Additional Design	$44,861
Task H: Additional Structural Design for 3 MG Reservoir at Tumon (Tamuning) No. 1 – ($15,000 deducted from Tumon #1 relocation budget)	$0
Subtotal Cost	**$190,912**
Guam GRT (at 5%)	$9,546
TOTAL CHANGE PROPOSAL COST	**$200,458**
AMENDED CONTRACT AMOUNT	**$3,688,695**

Work that exceeds the scope of this proposal will be brought to your attention for review, approval and fee adjustment. Work performed will be billed monthly based on the estimated percent complete. We stand ready to provide the professional services necessary to assist GWA in this endeavor.

Sincerely,

Aaron Sutton, PE, ENV SP
Project Manager

Reviewed by,

Eric Penn
Electrical Engineer

Attachments: Task B SOW from ArcSine dated April 4, 2019
Task C and D SOW from ArcSine dated May 8, 2019

Cc: file

GUAM WATERWORKS AUTHORITY
SCADA PHASE A1/CENTRAL RESERVOIRS DESIGN CHANGE
SCOPE OF WORK

ArcSine Project XM1809007 **April 4, 2019**

INTRODUCTION

This document describes design services to be performed by ArcSine Engineering on behalf of the Guam Waterworks Authority (GWA), as a subconsultant to GHD, for the SCADA Phase A1 project, and the Central Reservoirs project, both under construction as of April 2019.

The following sites are included in this Scope of Work:

- Chaot Reservoir
- Agana Heights Reservoirs

SCOPE

This Task is to develop change documentation to effect the following:

SCADA Phase A1 Project

- Remove Chaot Reservoir from the project.
- Remove Agana Heights Reservoirs from the project.

Central Reservoirs Project

For Chaot, incorporate the SCADA Phase A1 provisions into the Central Reservoirs project. Reconcile RTU approach and depictions, to result in a single new control panel/RTU to be furnished and installed under the Central Reservoirs project. Coordinate and consolidate interconnection. Resolve layout considerations/conflicts.

DELIVERABLES

For each project, develop narrative summaries of the changes, and accompanying drawing packages. To the extent practical, existing Contract Drawings will be neatly handmarked depicting the changes.

The narratives will reinforce that Central Reservoirs' submittals from the Contractor must be integrated, even if multiple drawings are used to depict the Scope.

Provide peer review support to GHD to review GHD's Design Change for Hyundai Reservoir/Pumping Station.

DRAFT

CHANGE SUPPORT

Provide support to GWA and the respective CM organizations, in negotiating and finalizing the contractual aspects of the changes (price, time, etc.).

DRAFT

GUAM WATERWORKS AUTHORITY
CENTRAL RESERVOIRS PROGRAMMING
SCOPE OF WORK

September 20, 2018
Revised November 28, 2018
Revised December 21, 2018
Revised April 4, 2019
Revised April 17, 2019
Revised May 8, 2019

ArcSine Project XM1809007

INTRODUCTION

This document describes programming services to be performed by ArcSine Engineering on behalf of the Guam Waterworks Authority (GWA), as a subconsultant to GHD, for the Central Reservoirs project under construction as of April 2019, and other similar project(s).

The following Central Reservoir's sites are included in this Scope of Work:

- Barrigada Booster Pump Station (and its reservoirs) – New RTU/ programming.
- Hyundai Reservoir and Booster Pump Station (co-located sites) – New RTU/programming.
- Tumon Tank 2 Reservoir – New RTU/programming (including two chlorine analyzers).
- Chaot Reservoir - New RTU/programming (including three chlorine analyzers).
- Agana Heights Reservoirs – New RTU/programming.
- Dero Road PRV (1 PRV and 1 flowmeter) – New RTU/programming.
- Pale San Vitores PRV (2 PRV's and 2 flowmeters) – New RTU/programming.
- St Johns (Marine Corps) PRV (2 PRV's and 1 flowmeter) – New RTU/programming.

Programming and testing for the sites above will be coordinated with the RTU panel builder, CPC.

The following additional sites are included in this Scope of Work, with the Construction Contract structure to be determined.

- Airport Reservoirs (also known as Tamuning No. 1, two reservoirs)
- Piti (one reservoir)
- Manenggan (up to three reservoirs)

Programming and testing for the sites above will be coordinated with the applicable Contractor(s).

TASK 1 - INFORMATION REQUESTS, COORDINATION, AND WORKSHOPS

1.1 Information Requests

Request the following information:

- Example RTU code and structure, and standards to the extent they are available.
- Example remote site graphical displays and standards developed by the Central SCADA project (Benson/Siemens) to the extent they are available.
- Example control strategy format and standards.
- Latest information on tagnaming and identification conventions.
- CPC's favorably reviewed shop drawing submittals.

Also consider responses to CM RFI's authored by ArcSine for the SCADA Phase A-1 project.

1.2 Project Coordination

It is expected that available GWA standards will be minimal. Accordingly, coordinate with the work under the SCADA Phase A-1 project, with the goal of achieving uniformity between the projects, and thus establishing defacto standards. Allow 12 hours.

1.3 Workshop #1 – Overview, Programming and Communications, Testing

Conduct a telephone workshop with project stakeholders; allow two people, 2 hours each. The following are topics to discuss at the workshop:

- Status of Island-wide communications.
- Status of GWA SCADA.
- Communications, general.
- Communications, DNP3 configuration.
- RTU configuration/programming, data types, data mapping, data management.
- Local Graphical Operator Interface.
- Supervisory system (graphics, databases, alarm notification coordination with work at each site).
- Supervisory outputs for use in Water Model.
- Testing, parties involved and their roles, acceptance criteria.

1.4 Ongoing Coordination

Provide ongoing coordination with the Construction Manager (TG Engineers), Contractor, GHD, and GWA via e-mail and telephone over the course of construction, on topics specific to this Scope. Allow 20 hours.

TASK 2 - PROGRAMMING STANDARDS (NOT INCLUDED)

2.1 Define Approach; Develop Standards

Limited standards exist. Develop and submit the proposed approach to the following items, prior to Workshop #1. Revise following the Workshop, and as-built at project conclusion, as brief standards.

1. RTU program organization.
2. RTU programming techniques.
3. Local graphical operator interface configuration:
    a. Layout
    b. Navigation
    c. Colors
    d. Animation
    e. Depictions
    f. Alarming
    g. Setpoints
    h. Passwords/privilege/protection
    i. Consistency with supervisory layout
    j. Other display topics
4. Data mapping and structure at the point of demarcation in the RTU (where the communications system "picks up" values).
5. RTU input/output data management:
    a. Debouncing
    b. Scaling
    c. Detection/management on loss of input
    d. Related topics
6. File naming, file management.
7. Configuration management and recordkeeping (RTU's, communications, instrument scaling, etc.)
8. Other topics as covered in the workshop.

TASK 3 - PROGRAMMING SERVICES

3.1 For existing Barrigada Booster Pump Station Descriptions, assume no existing control descriptions exist and that this Scope of Work will develop them. For all sites included, develop site-by-site, function-by-function Control Descriptions. Submit to GWA for review and approval. Allow one round of revisions, then final submission.

- For each control loop, provide a functional description of the operation of the equipment, signals, and controls shown on the P&IDs and as otherwise included in the project:
    - Include functions depicted or described in the Contract Documents.

- Include the following within each loop description:
  - Requirements specific to that loop.
  - List of ranges, setpoints, timers, values, counters, etc.
- Functions to consider:
  - Program a "semi-auto" functionality so that sites can run "automatically" when unable to connect to the Island-wide SCADA network. (For various reasons this could occur – Island-wide SCADA network is not configured by the time site is commissioned, nearby router(s) to link the site to the Island-wide network are not available, etc.).
  - Address functionality/flow totalization at PRV's if communications are down. Totalize flows locally, so upon communications restoration totals are correctly reported.

- If similar loops exist with identical control, such as multiple loops for individual equipment or process units, only develop one loop description, and reference the remaining loops to that loop description.
- Organize loop descriptions with a Table of Contents, page numbers, and footers.

3.2 Program the local PLC and display (OIP) for each site in accordance with the Control Strategies. Apply a structured approach, suitable for later emulation at other GWA projects. All sites are new RTU's and OIP's.

3.3 Prepare written test procedures for factory test off-Island at CPC's facility in Seattle, Washington, for the Central Reservoir's sites.

3.4 For the additional reservoirs, assume no factory testing will be provided. Only field testing will be undertaken.

3.5 Review and mark up screens, developed by others under the Central SCADA project, to cause the screens to be applicable to these sites. Provide Central SCADA Consultant with a tag list to achieve the required handshaking. **Item 3.5 is not included.**

TASK 4 - TESTING AND STARTUP

4.1 Startup Testing Summary

- Develop an overview suitable for distribution to the Contractor's organization and GWA, of startup and testing responsibilities. Reference specification sections. Include also the roles of GWA's programmer (ArcSine), and expected coordination.

4.2 Unwitnessed Factory Testing at ArcSine's Facility:

- Perform in-house unwitnessed factory testing on the RTU's and displays programmed under this Scope of Work.

- Submit RTU code to CPC for downloading to each site's RTU, for the Central Reservoir's sites.

4.3 Witnessed Factory Testing at Panel Fabricator's Facility (Central Reservoir's sites):

- The Contractor's panel fabricator has responsibility for panel physical construction, including hardwired relay logic. Testing of those functions is under the Contractor's jurisdiction. For programmed functions, under this Scope develop test procedures for factory and field testing.
- Attend witnessed factory testing at the panel fabricator's facility in Seattle, Washington. Allow one person, 5 man-days.
- In the event that project schedule, including panel fabrication and shipping schedules, do not correlate well with program development schedules, factory testing of the automation functions will comprise "best efforts," with ArcSine testing whatever remains unwitnessed at ArcSine's facility.

4.4 Preliminary Electrical Field Tests (Operational Readiness Test, ORT)

- Provide test checklists for the specified Preliminary Electrical Field Tests. The goal will be to have the Contractor conduct the tests, witnessed by the CM and/or GWA, without the programmer present. Tests covered by the programmer's procedure will largely be comprised of end-to-end signal tests, where signal existence is confirmed at the local displays (and at central SCADA, if so available).

4.5 Final Control System Field Tests (Functional Acceptance Tests, FAT):

- Provide testing support on-Island during the Final Control System Field Tests. For the Central Reservoir's sites, assume 1 day each for reservoir and PRV sites, 2 days each for booster pumping stations. Assume Final Control System Field Tests for all sites will occur over a consecutive 2-week period.
- For the additional sites, allow an additional week on-Island, under a separate schedule, to start up and test these sites.
- The automation portion of the test procedures will be developed by ArcSine, as an adaptation of the factory test procedures. The hardwired portion will be by the Contractor. Using these procedures, execute complete testing of the hardwired and programmed logic. Prove out local stand-alone functionality.
- In the event that site commissioning and final testing do not fall on a consecutive 2-week period (Central Reservoirs) or the 1-week followup period (other), the procedures will be developed such that a preliminary first run can be work by the Contractor on his schedule with witnessing by the CM/GWA. Then ArcSine's on-Island work will comprise a revisit by the CM/GWA to verify final testing completion and close out loose ends.
- In cooperation with GPA and its Central SCADA consultant, these procedures will also test functions and data transmissions end-to-end, to the extent practical.

4.6 In conjunction with the FAT's, provide the following on-Island services:

Item 4.6 is not included.

- Provide training of GWA personnel on site-specific functions. PLC training to include description of PLC parameters and how values are determined. Training will be optimized within the available timeframe.
- During this time, coordinate/facilitate the activities above, assisting the parties in achieving the end-to-end functionality desired.
- Handmark Contractor control-related shop drawings for as-built conditions, as observed by ArcSine in the course of the work. The on-Island time will make best use of ArcSine's staff including as-builting these details to the extent possible.
- Mark up control strategies.
- Perform file management, and provide version-controlled final programs for structured storage within the central server environment. Coordinate with GPA, GWA, and GPWA IT.
- Provide a log of setpoints as-installed.
- Submit electronic copy and one hardcopy of the RTU program.
- Allow 2 days, contiguous with the FAT allowance, for the items above.

TASK 5 - AS-BUILT RESULTS (NOT INCLUDED)

- Submit the documents described under Subtask 4.5, as-built.
- Submit RTU program settings sheets, listing parameters, descriptions, and how values are determined.

TASK 6 - PROGRAMMING PLATFORM

Obtain for programming and unwitnessed factory testing purposes, one RTU with a selection of I/O, and one graphical display. Assume these can be made available by the project Contractor.

NOT INCLUDED

1. Programming or testing of network switch, firewall, and Tropos radio.
2. Developing DNP3 philosophies and resulting configurations. This information is the subject of outstanding RFI's for the SCADA Phase A-1 project.
3. Furnishing, installing, and configuring a temporary central SCADA system at GWA's headquarters if the Benson/Siemens SCADA system is not installed/operational at time of commissioning the sites programmed in this Scope of Work.
4. Task 2, Programming Standards, is not included.
5. Screen Coordination (Task 3.5), is not included.
6. Additional on-Island services (Task 4.6), is not included.

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

GWA RESOLUTION NO. 31-FY2019

RELATIVE TO APPROVING THE LIQUID CHLORINE SUPPLY CONTRACT FOR WATER PRODUCTION AND TREATMENT FACILITIES ISLAND-WIDE

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, on February 27, 2019, GWA issued an Invitation for Bid No. 2019-05 (IFB) for an Indefinite Quantity/Indefinite Delivery (ID/IQ) requirements contract (see Exhibit A); and

WHEREAS, five (5) interested parties registered to download a bid package from GWA's website and on April 17, 2019, GWA received one (1) bid proposal from Island Equipment Company; and

WHEREAS, on April 22, 2019, the IFB 2019-05 offer was evaluated by GWA's review committee and determined that the best and only offer was made by Island Equipment Company (see Exhibit B); and

WHEREAS, GWA Management seeks CCU approval of the IDQ/ID contract for Liquid Chlorine 150lb. Cylinder for a quantity of One Thousand Two Hundred Sixty (1,260) at a cost of Six Hundred Eighteen Dollars ($618.00) each, for an annual cost of Seven Hundred Seventy

Eight Thousand Six Hundred Eighty Dollars ($778,680.00) and Liquid Chlorine One (1) Ton for a quantity of twelve (12) at a cost of Six Thousand Ninety Seven Dollars and Seventy Eight ($6,097.78) each, for an annual cost of Seventy Three Thousand One Hundred Seventy Three Dollars and Thirty Six Cents ($73,173.36), for a combined annual cost of Eight Hundred Fifty One Thousand Eight Hundred Fifty Three Dollars and Thirty Six Cents, ($851,853.36) for a total amount of Two Million Five Hundred Fifty Five Thousand Five Hundred Sixty Dollars and Eight Cents ($2,555,560.08) for the initial three (3) year contract term.

WHEREAS, GWA has determined that the issuance of the bid will allow GWA to continue to purchase liquid chlorine used for disinfecting GWA's drinking water for the protection of public health and safety, and as required under the Safe Drinking Water Act and federal and local regulations; and

WHEREAS, a multiple year contract term of three (3) years with the option to renew for an additional two (2) one (1) year term is in the best interest of GWA due to the fact that it provides fixed prices over a longer period of time and economies of scale may result in a lower bid price than what GWA would otherwise receive for a shorter contract term; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that cost proposal submitted by Island Equipment Company are fair and reasonable.
3. The CCU hereby authorizes the management of GWA to accept the bid offer from Island Equipment Company (Exhibit B).
4. The CCU hereby further authorizes the funding amount for this project to a maximum of Two Million Five Hundred Fifty-Five Thousand Five Hundred Sixty Dollars and Eight Cents ($2,555,560.08) for the initial three (3) year term with the option to renew for an additional two (2) one (1) year terms.

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

DULY AND REGULARLY ADOPTED, this 28th day of May, 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson

Attested by:

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: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

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EXHIBIT A

INVITATION TO BID

The GUAM WATERWORKS AUTHORITY, will receive sealed bids for **Liquid Chlorine**, in **GWA IFB. NO. 2019-05**. Bids will be accepted until 10:00 a.m. Chamorro Standard Time, March 20, 2019 at the GWA Procurement Office, first floor located at the Gloria B. Nelson Public Services Building in Mangilao at which time and place all bids will be publicly opened and read aloud. All bids must be accompanied by a Bid / Performance Bond, in the amount of 15 percent (15%) of the total bid price. Bid security may be bid/performance bond, Surety Bond, certified check or cashier check made payable to Guam Waterworks Authority. A non-refundable amount of $15.00 is required for the purchase price of every set of bidding documents which are available at the GWA Procurement Office. Bidders can download a bid package at www.guamwaterworks.org without charge, although vendors are strongly encouraged to contact or visit GWA Procurement Office to register to ensure that updated information, notices or bid amendments are distributed to you.

GWA reserves the right to revise or reject any or all proposals and to waive any minor imperfection in the bid proposal in the interest of the Guam Waterworks Authority.

Miguel C. Bordallo, P.E.
General Manager

GWA STAMP ISSUE DATE:

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MAJOR SHAREHOLDER DISCLOSURE AFFIDAVIT
BID AND PERFORMANCE BOND FOR GOODS AND SERVICES
AS REQUIRED UNDER 5 G.C.A. § 5212
(This form must be used, failure to utilize this form is subject to rejection of bid)

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GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Invitation for Bid Number: GWA IFB 2019-05
For Liquid Chlorine

Indefinite Quantity Bid

Any reference in the Solicitation to a manufacturer brand name or product number is solely due to need by GWA to provide minimum satisfactory product specifications. Thus, all references to a brand name is solely intended to provide a description of the type of products or services sought by GWA and not to limit bids nor restrict a vendor from providing equivalent products or services. Bids on comparable items will be considered provided the bidder clearly states in his bid the exact articles he is offering and clearly indicates how it differs from the original specification. Approved equivalents will be acceptable.

I. BID ITEM(s)

Item No	Description	Min Qty	Unit Cost	Total Cost
1.0	Liquid Chlorine 150 lb. Cylinders	1,260 each	_____	_____
2.0	Liquid Chlorine One (1) Ton	12 each	_____	_____
			Grand Total $	_____

BIDDING ON:

MFG: _____

Brand: _____

Place of Origin: _____

Date of Delivery: _____
After Receipt of Purchase Order

TECHNICAL SPECIFICATIONS ON ITEM 1.0

A. **GENERAL**: The Guam Waterworks Authority ("GWA") uses liquid chlorine in 150 lbs. and One (1) Ton. Cylinders in order to disinfect drinking water at approximately 100 well sites and one (1) water treatment plant. GWA intends to enter into a three (3) year contract with the option to renew for two (2) additional one-year terms for the purchase of liquid chlorine in 150-pound cylinders. All extensions of the contract are subject to the availability of funding. Price modifications for the extensions may be made if the contractor provides proof of changes in their invoice price as required under 2 G.A.R. Section 3118. This specification describes the requirements for the provision of liquid chlorine under this solicitation.

The product described herein shall be manufactured, packaged, shipped, and stored in accordance with the latest additions of the following codes and standards as well as any applicable referenced standards within.

1. AWWA B301-04: Standard for Liquid Chlorine.
2. ANSI/NSF Standard 60: Drinking Water Chemicals.
3. Chlorine Institute, Pamphlet 17: Cylinder and Ton Container Procedures for Chlorine Packaging.
4. Compressed Gas Association, Pamphlet C6: Standards for Visual Inspection of Steel Compressed Gas Cylinders.
5. US Department of Transportation, Hazardous Materials Regulations 49 C.F.R. § 100-177 (Chapter 1, Subchapter C).

B. **MATERIAL SPECIFICATION:** Liquid Chlorine for disinfection of potable water supplies must meet the requirements of AWWA Standard B-301-04, Section 4.

The supplier under this contract shall be responsible for providing certified analysis from the manufacturer demonstrating compliance with the requirements set forth in this bid.

CONTAINERS: The supplier shall be responsible for providing, inspecting, testing and cleaning of cylinders in accordance with all referenced standards.

1. GWA currently has an inventory of 280 each 150 lbs. and 12 each One Ton GWA-owned cylinders that are currently being used by GWA. These cylinders shall be used by the successful bidder upon exchange on an empty 150 lbs.' or 1-ton cylinder. GWA shall have the right to certify whether or not said cylinders are in good useable condition.
2. Cylinders shall be inspected, tested, and cleaned in accordance with AWWA Standard B301-04, Section 5. The supplier must maintain at all times documentation of compliance with these requirements at the supplier's facility.
3. GWA reserves the right to reject any cylinders that do not meet the chemical, physical, or safety requirements of this specification. In the event that a cylinder is rejected, the supplier shall replace it with a like amount of satisfactory liquid chlorine in an acceptable container.
4. No cylinder deposit or cleaning charge shall be separately levied. All fees for the maintenance of 150 lb and One Ton. cylinders in accordance with applicable codes shall be included in the unit cylinder price.

C. STORAGE AND MINIMUM INVENTORY REQUIREMENTS:

Due to the potential for interruption of shipping networks to Guam due to typhoons and other causes, it is necessary to maintain a minimum inventory (backup reserve) of chlorine in order to insure availability at all times. The minimum backup reserve has been established for GWA by the USEPA as noted below.

1. The supplier shall maintain a sufficient inventory of 150 pound and one-ton chlorine cylinders such that a backup reserve of at least 200 150 lbs. cylinders and three (3) one ton shall be available at any and all times. This reserve shall be exclusive of any reserve required by other customers.
2. The supplier shall provide an inventory plan (along with bid), based on the quantities described above, illustrating compliance with these backup reserve provisions.
3. The supplier shall responsible for maintaining a storage facility in compliance with OSHA and other applicable law, codes and standards regarding the receiving, handling, storage, delivery, and emergency response to chlorine gas. The supplier shall maintain documentation of compliance to be provided at the request of GWA.
4. No additional facility maintenance or storage charges (or any other charge) shall be separately levied. All fees for shipping, storage and facility maintenance shall be included in the unit cylinder price.

D. SPECIAL CONDITIONS:

1. The contract for the supply of liquid chlorine shall be for a period of three (3) years. GWA reserves the right to renew this contract for two (2) additional one-year terms with both parties so agree in writing. All extensions of the contract are subject to the availability of funding. Price modifications for the extensions may be made if the contractor provides proof of changes in their invoice price as provided under 2 G.A.R. Section 3118.
2. Cost data pursuant to 2 G.A.R. § 3118 to support any proposed increase must be submitted to the Purchasing Director no less than 90 days prior to the effective date of any such requested price increase. Any adjustment allowed shall consist of verifiable material cost increases which may be passed on to the consumer.
3. No adjustment shall be made to compensate a supplier for inefficiency in operation, or for additional profit.
4. Bids indicating price in effect at time of shipment will be considered invalid.
5. Bidder shall respond to a GWA facility should an emergency situation develop, with the appropriate tools necessary to deal with a leak; said response shall be no longer than two hours from the time of notification. Emergency numbers for this procedure shall accompany the bid.
6. If the products proposed in the response to this bid vary in any way from the requirements contained in this specification or other solicitation documents, the bidder is responsible to clearly identify by specification section number, all such differences in writing at the time of bid. Otherwise, it will be assumed that bidder's offer is in total compliance with all aspects of the specification and bid.

II. GENERAL TERMS AND CONDITIONS

A. AUTHORITY.

This Invitation for Bids is issued subject to all of the provisions of the Guam Procurement Act and the Guam Procurement Regulations. The bid requires all parties involved in the preparation, negotiation, performance, or administration of contracts to act in good faith. Failure on the part of any bidder to act in good faith shall serve as a basis for voiding a bid or shall constitute a material breach of any contract entered into between GWA and any bidder which shall allow GWA to immediately terminate the contract.

B. EXPLANATION TO BIDDERS.

Except as otherwise provided herein, no oral explanation in regard to the meaning of any provision of this Bid will be made and no oral instructions will be given before the award of the bid. Discrepancies, omissions, or doubts as to the meaning of any provision of this Bid shall be communicated in writing to the named individual of GWA.

C. QUESTIONS.

All questions regarding the bid must be submitted in writing and be delivered, via US mail, via express delivery, e-mail or via fax and directed to the following:

Guam Waterworks Authority
Procurement Section
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, GU 96913
Fax. No.: (671) 649-3750
psabids@guamwaterworks.org

D. METHOD OF AWARD.

GWA intends to review the bids immediately upon the opening of the bids as provided herein. The bids submitted will be the primary documents for evaluation. GWA reserves the right to waive any minor information or irregularity in bids received. GWA shall have the prerogative to award, amend or reject bids in whole or in part. GWA is not responsible for any and all costs incurred by any person or party incurred in preparing any bid. GWA reserves the right to retain all bids submitted regardless of whether a firm is selected. Submission of a bid indicates acceptance of all terms and conditions by the bidder.

E. REJECTION.

GWA has the right to reject all bids or offers which have been submitted in response to this Bid, at any time, including after delivery if goods are determined to be non-conforming, if GWA

determines such to be in the best interest of GWA. All bids and contractual obligations are subject to the availability of funding.

F. TAXES.

Bidders are cautioned that they may be subject to Guam Business Privilege Taxes, including Gross Receipt Tax and Guam Income Taxes on Guam transactions. GWA shall not be responsible for paying any taxes owed by any vendor. Specific information of taxes may be obtained from the Director of the Guam Department of Revenue and Taxation.

G. LICENSING.

Bidders are cautioned that GWA will not consider for award any bid offer submitted by a bidder who has not complied with Guam Licensing Laws. Specific information on licenses may be obtained from the Director of Revenue and Taxation.

H. COVENANT AGAINST CONTINGENT FEES.

The bidder warrants that it has not employed any person to solicit or secure any resultant contract upon agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give GWA the right to terminate the contract, or in its discretion, deduct from the contract price or consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commissions payable by the bidder upon contracts or sales secure or made through bona fide established commercial or selling agencies maintained by the bidder for the purpose of securing business.

I. JUSTIFICATION OF DELAY.

The bidder who is awarded the bid guarantees that performance will be completed within the agreed upon completion date. If, however, the selected bidder cannot comply with the completion requirement, it is the selected bidder's responsibility to advise GWA in writing explaining the cause and reasons of the delay.

J. DISCLOSURE OF MAJOR SHAREHOLDERS.

As a condition of bidder, any partnership, sole proprietorship or corporation doing business with GWA shall submit an affidavit executed under oath that list the name address of any person who has held more than ten percent (10%) of the outstanding interest or shares in said partnership, sole proprietorship or corporation at any time during the twelve (12) month period immediately preceding submission of a bid. The affidavit shall contain the number of shares or the percentage of all assets of such partnership, sole proprietorship or corporation, which have held by each such person during the twelve (12) month period. In addition, the affidavit shall contain the name and address of any person who has received or is entitle to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid for the bidder and shall also contain the amounts of any such commission, gratuity or other compensation. A bid from any firm that has person on the list 10% or more affidavit that is a member of the CCU or a GWA

or Guam Power Authority officer that reports directly to the Board will not be evaluated and will be rejected. The affidavit shall be open and available to the public inspection and copying.

K. EQUAL EMPLOYMENT OPPORTUNITY.

Section 3.01(1) of Presidential Executive Order No. 10935 dated March 7, 1965, that was adopted on Guam, requires that the bidder not discriminate against any employee or applicant for employment because of race, creed, color or national origin. The bidder will take whatever steps are necessary to ensure that its employees are treated equally during employment without regard to their race, creed, color or national origin.

L. DETERMINATION OF RESPONSIBILITY OF OFFERORS.

GWA reserves the right to secure information necessary to assess the competency and qualifications of the bidder, in accordance with the "Standard for Determination of the most Qualified bidder" section of the General Terms and Conditions. The competency of bidders, includes, but is not limited to testing of goods and/or services provided by the bidder.

M. STANDARD FOR DETERMING WHETHER BIDDER IS QUALIFIED.

In determining whether a bidder is qualified, GWA shall be guided by the following:

1. the ability, capacity, and skill of the bidder to perform (i.e., is bidder qualified);
2. whether GWA believes that the bidder can perform promptly or within the specified time;
3. the character, integrity, reputation, judgment experience, and efficiency of the bidder;
4. the sufficiency of the financial resources and ability of the bidder to perform;
5. whether the bidder has submitted all documents required under this Bid; and
6. whether the bidder can meet the terms and conditions of the Bid.

N. PRE-BID CONFERENCES.

Pre-bid conferences may be held at any time prior to the date established herein for submission of bids to explain the procurement requirements for this Bid. GWA will notify all bidders of any substantive clarification provided in response to any inquiry. GWA may extend the due date if such information significantly amends the solicitation or makes compliance with the original proposed due date impractical.

O. BIDS.

The Bidder is required to read each and every page of the bid and by the act of submitting a bid shall be deemed to have accepted all conditions contained therein except as noted elsewhere in the bid. In no case will failure to inspect constitute grounds for a claim or for the withdrawal of a bid after opening. Bids shall be filled out in ink or typewritten and signed in ink. Erasures or other changes in a bid must be explained or noted over the signature of the bidder. Bids containing any conditions, omissions, unexplained erasures or alterations or items not called for in the bid or irregularities of any kind may be rejected by GWA in whole or in part.

P. COMPETENCY OF BIDDERS.

Bids will be considered only from such bidders who, in the sole opinion of GWA, can show evidence of their ability, experience, equipment, and facilities to render satisfactory performance of the terms and conditions herein (see item "N" above for standards). GWA reserves the right to take all reasonable steps to determine the competency of bidders, including asking questions, testing or any other act deemed prudent by GWA based on the circumstances.

Q. REQUEST FOR BID FORMS.

Each bidder shall be provided with one (1) set of the Bid packet at a cost of $15.00. If the bidder wishes to download a bid packet on GWA website www.guamwaterworks.org, the fee will not be charged and be automatically registered with GWA procurement office. All payments shall be by cash, certified check, credit card or money order and shall be made payable to GWA. Prospective bidders are encouraged to visit our website or visit/contact GWA Procurement section located on the first floor of Gloria B. Nelson Public Service Building, 688 Route 15, Mangilao, GU 96913 @ 300-6027/6030 to **ensure that updated information, for obtaining answers to questions, bid amendments and notices are distributed.**

R. BID ENVELOPE.

Bid envelopes shall be sealed and marked with the bidder's name and GWA's Invitation for Bid Number

S. FORM OF BID.

One (1) original hard copy, two (2) complete hard copies and one (1) electronic copy of the bid must be submitted. The original bid must be signed in ink by a person authorized to submit bids on behalf of the bidder. All bids shall be submitted entirely in English (including brochures).

The electronic copy of the bid shall be submitted on a compact disk ("CD"). All documents shall be in ".pdf" format. Electronic bids shall constitute an exact replica of the original hard copy of the bid that is being submitted.

Bidders may declare portions of their bid as being confidential. Material so designated shall accompany the bid and shall be readily separable from the bid in order to facilitate public inspection of the non-confidential portion of the bid. However, prices and makes and models or catalogue numbers of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary. GWA may review the material declared to be confidential to determine the validity of any requests for nondisclosure of trade secrets and other proprietary data identified in writing. If the parties do not agree as to the disclosure of data, GWA shall inform the bidders in writing what portions of the bids will be disclosed. All bids shall be opened to public inspections subject to any continuing prohibition on the **confidential** data.

T. **MODIFICATION / ALTERATION.**

After the opening of bids, GWA or its designee(s) may conduct discussions with bidders that have submitted valid bids for the purpose of clarification to provide GWA with a full understanding as to the responsiveness and capabilities of the proposed bidder in meeting the requirements of the bid. In conducting discussions there shall be complete confidentiality of any information derived from bids submitted by competing bidders.

U. **MODIFICATION OR WITHDRAWAL OF BIDS.**

Bids may be modified or withdrawn at any time prior to submission, as otherwise provided herein or by the Guam Procurement Code.

V. **CONTACT FOR CONTRACT NEGOTIATION.**

All vendors are required to designate a person whom GWA may contact for prompt negotiation.

NAME: _____ TITLE: _____

_____

ADDRESS: _____ TELEPHONE: _____

_____

W. **AWARD OF CONTRACT AND NEGOTIATION (IF APPLICABLE).**

The lowest responsible bidder may be required to enter into a contract with GWA on terms and conditions acceptable to GWA. If the services are to be secured via Purchase Order, the bidder must still comply with all applicable laws, bid requirements and directives from GWA regardless of whether or formal "contract" has been issued.

The bidder who submits the lowest responsible bid for the required services or supplies may be required to enter into a contract within twenty (20) days following Bidder's receipt of the Notice of Award of Bid. Contract negotiations will be directed toward: (1) making certain that the bidder has a clear understanding of the scope of work, specifically, the essential requirements involved in providing the required services; and (2) determining that the bidder will make available the necessary personnel and facilities to perform the services within the required time. Bidders will be required to follow all laws applicable to this bid at all times and the Bidder is responsible for ascertaining what laws are applicable to this bid.

X. **NOTICE OF AWARD.**

Written notice of award will be public information and made a part of the procurement file.

Y. **CERTIFICATION AGAINST THE EMPLOYMENT OF CONVICTED SEX**

OFFENDERS.

All vendors must complete and fill out a Certification Against the Employment of Convicted Sex Offenders (part of bid packet – if not present, make sure you ask for one).

Z. TERMINATION OF BID.

After opening, but prior to award, GWA may terminate the bid in whole, or in part if:

1. It is in the best interest of GWA to do so.
2. The goods or services being sought are no longer required.
3. Bid amounts exceed available funding.
4. No bidder is qualified.

III. SPECIAL TERMS AND CONDITIONS

Note, these special terms and conditions apply in the event that GWA uses a purchase order. However, in the event a formal contract is entered into, the terms of the Contract shall control in the event of a conflict between these terms and conditions and the contract.

A. GENERAL COMPLIANCE WITH LAWS.

The Bidder agrees that they shall comply with all Federal and territorial laws, rules, regulations and ordinances applicable to the work being performed hereunder. Bidder shall attach a copy of appropriate business license or an affidavit executed under penalty of perjury that indicates that Bidder is exempt under Guam law (must include legal citations proving exemption). Bidder agrees that they have and will continue to familiarize themselves with the requirements of all laws and rules applicable to this procurement. Failure on the part of the bidder to familiarize themselves with the law and rules shall not excuse Bidder in any way.

B. All OR NONE BIDS

If applicable to this bid, GWA is requesting all of the bid items to be bidded or none at all. GWA will not award on an itemize basis.

C. BIDDERS PRICE

GWA will consider not more than (2) (Basic and Alternate Bids) item prices and the bidder shall explain fully each price if supplies, materials, equipment, and/or specified services offered comply with specifications and the products origin. Where basic or alternate bid meets the minimum required specification, cost and other factors will be considered. Failure to explain the requirements will result in rejection of the bid.

D. ACCESS TO RECORDS AND OTHER REVIEW.

The bidder, including his subcontractors, if any, shall maintain copies of all books, documents, papers, accounting records and other evidence pertaining to costs incurred and to make such materials available at their respective offices at all reasonable times during the contract period and for three (3) years from the date of the final payment under the contract, for inspection by the Guam Waterworks Authority. All originals of any documents related to this Contract shall be provided to GWA as soon as possible, but not later than one day prior to the conclusion of this Agreement. Each subcontract entered into by Bidder pursuant to this agreement shall include a provision containing the conditions of this Section.

E. OWNERSHIP OF DOCUMENTS.

All briefs, memoranda and other incidental Bidder work or materials furnished hereunder shall be and remain the property of GWA including all publication rights and copyright interests and may be used by GWA without any additional cost to GWA.

F. INDEMNITY.

Bidder agrees to save and hold harmless the CCU, GWA, its officers, agents, representatives, successors and assigns and other governmental agencies from any and all suits or actions of every nature and kind, which may be brought for or on account of any injury, death, or damage to the extent arising or growing out of the negligent acts or omissions of the Bidder, Bidder's officers, agents (including subcontractors), servants or employees under this agreement.

G. CHANGES.

By written order, at any time, and without notice to bidder's surety, GWA may, subject to all appropriate adjustments, make changes within the general scope of work of this Contract in any one or more of the followings:

1. Drawings, designs or specifications, if the supplies or services to be furnished are to be specifically manufactured for GWA in accordance therewith;
2. Method of shipping or packing; or
3. Place of delivery.

If any such change order increases or decreases the bidder's cost of, or the time required for performance of any part of the work under this contract, whether or not changed by the order, an adjustment shall be made and the contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this Contract.

Failure of the parties to agree to an adjustment shall not excuse the bidder from proceeding with the Contract as changed, provided that GWA promptly and duly make such provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the bidder shall not be deemed to have prejudiced any claim for additional compensation, or an extension of time for completion.

Within 30 days after receipt of a written change order, unless such period is extended by GWA in writing, the Bidder shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the Bidder's claim unless GWA is prejudiced by the delay in notification. No claim by the Bidder for an adjustment hereunder shall be allowed if notice is not given prior to final payment given under this bid.

In the absence of such a change order, nothing in this clause shall be deemed to restrict the bidder's right to pursue a claim arising under the contract if pursued in accordance with the clause entitled "Claims Based on Acts or Omissions by GWA" of this Contract.

H. TERMINATION.

TERMINATION FOR DEFAULT:

(1) Default. If the Bidder refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract, or any extension thereof, otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of this contract as determined by GWA, then GWA may notify the Bidder in writing of the delay or non-performance and if not cured in ten days or any longer time specified in writing by GWA. GWA may terminate the Bidder's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part GWA may procure similar services in a manner and upon terms deemed appropriate by GWA. The Bidder shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar services.

(2) Bidder's Duties. Notwithstanding termination of the contract and subject to any directions from GWA, the Bidder shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the Bidder in which GWA has an interest.

(3) Compensation. Payment for completed services delivered and accepted by GWA shall be at the contract price. Payment for the protection and preservation of property shall be in an amount agreed upon by the Bidder and GWA; if the parties fail to agree, GWA shall set an amount subject to the Bidder's rights under Chapter 9 (Legal and Contractual Remedies) of the Guam Procurement Regulations. GWA may withhold from amounts due the Bidder such sums as GWA deems to be necessary to protect GWA against loss because of outstanding liens or claims of former lien holders and to reimburse GWA for the excess costs incurred in procuring similar goods and services.

(4) Excuse for Nonperformance or Delayed Performance. Except with respect to defaults of sub-contractor(s) of Bidder, the Bidder shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the Bidder to make progress in the prosecution of the work hereunder which endangers such performance) if the Bidder has notified GWA within 15 days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the public enemy; acts of the government of Guam and any other governmental entity in its sovereign or contractual capacity; fires; floods; epidemics;

quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform or to make progress due to such causes similar to those set forth above, the Bidder shall not be deemed to be in default, unless the services to be furnished by the sub-contractor were reasonably obtainable from other sources in sufficient time to permit the Bidder to meet the contract requirements. Failure of the sub-contractor to perform for reasons other than cited above shall constitute a default of the Bidder unless cured by Bidder with a reasonable time. Upon request of the Bidder, GWA shall ascertain the facts and extent of such failure, and, if GWA determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the Bidder's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of GWA and the government of Guam under the laws of Guam.

(5) Erroneous Termination for Default. If, after notice of termination of the Bidder's right to proceed under the provisions of this clause, it is determined for any reason that the Bidder was not in default under the provisions of this clause, or that the delay was excusable under the provisions of Paragraph (4) (Excuse for **Nonperformance** or Delayed Performance) of this clause, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Subsection C, below.

(6) Additional Rights and Remedies. The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract

TERMINATION FOR CONVENIENCE:

(1) Termination. GWA may, when the interest of GWA so requires, terminate this contract in whole or in part, for the **convenience** of GWA. GWA shall give written notice of the termination to the Bidder specifying the part of the contract terminated and when termination becomes effective.

(2) Bidder's Obligations. The Bidder shall incur no further obligations in connection with the terminated work and on the dated set in the notice of termination the Bidder will stop work to the extent specified. The Bidder shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The Bidder shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. GWA may direct the Bidder to assign the Bidder's right, title, and interest under terminated orders or subcontracts to GWA. The Bidder must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

(3) Right to Work Product. Upon termination of the contract for the convenience of GWA or for any other reason, Bidder shall transfer title and deliver to GWA all documents and reports, plans, drawings, information and other material produced by Bidder or any of its sub-contractors in connection with the performance of this contract. The Bidder shall protect and preserve property in its possession or in the possession of any of its sub-contractors in which GWA has an interest.

(4) Compensation.

(a) The Bidder shall submit a termination claim specifying the amount due because of the termination for convenience together with cost or pricing data to the extent required by 2 G.A.R. § 3118 (Cost or Pricing Data) of the Guam Procurement Regulations bearing on such claim. If the Bidder fails to file a termination claim within one year from the effective date of termination, GWA may pay the Bidder, if at all, an amount set in accordance with Subparagraph (c) of this Paragraph.

(b) GWA and the Bidder may agree to a settlement provided the Bidder has filed a termination claim supported by cost or pricing data to the extent required by 2 G.A.R. § 3118 (Cost or Pricing Data) of the Guam Procurement Regulations and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by GWA and the contract price of the work not terminated.

(c) Absent complete agreement under Subparagraph 4(b) of this Section, GWA shall pay the Bidder the following amounts, provided payments that are agreed upon under Subparagraph 4(b) shall not duplicate payments under this Subparagraph:

(i) contract prices for services accepted under the contract;

(ii) costs incurred in preparing to perform and performing the terminated portion of the work plus a fair and reasonable profit on such portion of the work (such profit shall not include anticipatory profit or consequential damages) less amounts paid or to be paid for accepted supplies or services; provided, however, that if it appears that the Bidder would have sustained a loss if the entire contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(iii) costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Subparagraph (b) of this clause;

(iv) the reasonable settlement costs of the Bidder including accounting, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract for the termination and settlement of subcontracts hereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this contract. Attorney's fees if for any reason it files suit against the government must be paid by the Bidder. The total sum to be paid the Bidder under this Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the Bidder reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under Subparagraph (b) of this Paragraph, and the contract price of work not terminated.

(d) Cost claimed, agreed to, or established under Subparagraph (b) and (c) of this Paragraph shall be in accordance with Chapter 7 (Cost Principles) of the Guam Procurement Regulations.

I. SEVERABLE PROVISIONS.

If any provision of this agreement shall be deemed by a court of competent jurisdiction to be invalid, then such provision shall be deemed stricken from the agreement and the agreement shall be enforced according to its valid and subsisting terms and provisions. The terms of this Contract shall control in the event of any conflict between this Contract and any other document incorporated or referenced herein.

J. GOVERNING LAW AND VENUE.

The validity of any agreement entered into under this bid and any of its terms or provisions, as well as the rights and duties of the parties to this agreement, shall be governed by the laws of Guam. Moreover, any and all actions governing this agreement shall be brought in either the Guam Superior Court or the Guam District Court if applicable.

K. EFFECTIVE DATE OF AGREEMENT.

Any agreement under this Bid shall take effect upon the date said agreement is signed by the GWA General Manger (who shall sign last). Agreements under this provision includes Purchase Orders in the absence of a formal written contract.

L. GOVERNMENT NOT LIABLE.

1. GWA, its officers, agents, employees and governing board assumes no Liability for any accident or injury that may occur to the bidder, bidder's agents, employees, or to bidder's property while on the job or otherwise en route to or from the job during any travel required by the terms of this agreement.

2. GWA, its officers, agents, employees and governing board shall not be liable to bidder for any work performed by the bidder prior to the written and signed approval of this Contract by the General Manager for GWA and by submitting a bid, the bidder expressly waives any and all claims for service performed in expectation of this agreement prior to its signature of the General Manager.

M. ASSIGNMENT.

An assignment of any portion of the performance required under this Bid is not valid unless written approval is first obtained from GWA. Requests for approval of the right to assign any portion of the contract or obligation, if awarded, must be made in writing and submitted with the bid. No other requests for assignment will be accepted.

N. LIQUIDATED DAMAGES.

By submitting a bid, the Bidder agrees to commence work on the date to be specified in a written "Notice to Proceed" from GWA and to fully complete the project within the allotted time

thereafter. In the event that the Bidder fails to complete the work called for in the bid, fails to provide the goods or services in the allotted time, then Bidder shall pay to GWA ¼ of 1% of the total bid price per day as liquidated damages for the non-performance as specified by the Guam Code Annotated. The liquidated damages herein are not a penalty, but rather a reasonable estimate by GWA of the loss it would suffer as a result of non-performance.

O. CONTRACT DOCUMENTS.

It is hereby mutually agreed that the following list of instruments, plans, specifications and documents which are attached hereto, bound herewith or incorporated herein by reference shall constitute the Contract Documents, all of which are made a part hereof, and collectively evidence and constitute the Contract between the parties, hereto, and they are as fully a part of any Agreement resulting from this bid as if they were set out verbatim and in full therein, and are designated as follows:

a. Invitation to Bid
b. Instructions to Bidders
c. Bid
d. Form of Non-Collusion Affidavit
e. Bid Bond
f. Formal Contract (which shall control in the event of conflict between this and any other contract document)
g. Performance Bond (if applicable)
h. Payment Bond (if applicable)
i. General Provisions
j. Special Provisions
k. Technical Specifications
l. Plans (if any)
m. Addenda/Amendments
n. Answers to Questions (if GWA determines they are applicable).

P. DISPUTES.

Except as otherwise specifically provided in this contract, all disputes concerning questions of fact arising under this bid shall be decided by the GWA General Manager whose decision shall be final and conclusive upon the parties thereto. In the meantime, the bidder shall diligently proceed with the work as directed. However, the final decision of the GWA General Manager is appealable to the Guam Public Auditor as provided under 5 G.C.A. § 5427(e).

Q. CONTRACT ISSUED UNDER THIS BID IS BINDING.

It is agreed that any contract under this bid and all the Covenants hereof shall insure to the benefit of and binding upon GWA and the bidder respectively and his parties, successors, assignees and legal representative. Neither GWA nor the Bidder shall have the right to assign, transfer or sublet his interests or obligations hereunder without written consent of the other party.

It is hereby mutually agreed by and between the parties hereto that no mechanic, contractor, subcontractor, material man or other person can or will contract for or in any other manner have or acquire any lien upon the binding or works covered by the contract, or the land upon which the same is situated.

R. BIDDER'S RESPONSIBILITIES.

The Bidder shall be responsible for the quality and workmanship of all services and materials furnished under this contract. The Bidder shall, without additional cost to GWA, correct or revise all errors or deficiencies in his/her products or work.

GWA's review, approval, acceptance of, and payment for goods, fee, or for services required under this contract, shall not be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of the Bidder's failure of performance of this contract and the Bidder shall be and remain liable to the GWA for all costs of any kind which may be incurred by the GWA as a result of the Bidder's negligent or erroneous performance of any of the services performed under this Bid. GWA shall continue to remain liable for its own negligent acts and those of its employees and its failure to perform as provided under this agreement.

S. SCOPE OF AGREEMENT.

Any Agreement issued under this bid and signed by the GWA General Manager (formal contract or Purchase Order) supersedes any and all other Agreements, either oral or in writing, between the parties hereto with respect to retaining the services of Bidder by the GWA and contains all of the covenants and terms between the parties with respect to such this project. Each party to this Agreement acknowledges that no representation, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement and addenda will be effective only if it is in writing signed by the party to be charged. For the purposes of this paragraph and of the entire agreement, the signature of the General Manager for the Guam Waterworks Authority (or his designee) is the only signature that will bind the GWA.

T. CHANGE ORDERS.

By written order, at any time, and without notice to Bidder's surety, GWA may, subject to all appropriate adjustments, make changes within the general scope of work of this Contract in any one or more of the followings:

1. Drawings, designs or specifications, if the supplies or services to be furnished are to be specifically manufactured for GWA in accordance therewith;
2. Method of shipping or packing; or
3. Place of delivery.

If any such change order increases or decreases the Bidder's cost of, or the time required for performance of any part of the work under this contract, whether or not changed by the order, an

adjustment shall be made and the contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this Contract.

Failure of the parties to agree to an adjustment shall not excuse the Bidder from proceeding with the Contract as changed, provided that GWA promptly and duly make such provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the Bidder shall not be deemed to have prejudiced any claim for additional compensation, or an extension of time for completion.

Within 30 days after receipt of a written change order, unless such period is extended by GWA in writing, the Bidder shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the Bidder's claim unless GWA is prejudiced by the delay in notification. No claim by the Bidder for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this Contract.

In the absence of such a change order, nothing in this clause shall be deemed to restrict the Bidder's right to pursue a claim arising under the contract if pursued in accordance with the clause entitled "Claims Based on Acts or Omissions by GWA" of this Contract.

U. STOP WORK ORDERS.

GWA may by written order to the Bidder, at any time, and without notice to any surety, require the Bidder to stop all or any part of the work called for in the Contract. This order shall be for a specified period not exceeding ninety (90) days after the order is received by the Bidder, unless the parties agree to any longer period. Upon receipt of the order, the Bidder shall comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties have agreed, GWA shall either cancel the work order or terminate the work covered by the order as provided under the Termination for Default or Termination for Convenience Clauses contained in this contract.

If a stop work order issued under this clause is cancelled at any time during the period specified in the order, of the period of the order or any extension thereof expires, the Bidder shall have the right to resume work. An appropriate adjustment shall be made to the delivery schedule or Bidder only if: (a) the stop work order results in an increase in the time required for performance or the Bidder's cost; and (b) if the Bidder asserts a claim for such an adjustment within thirty (30) days after the end of the period of work stoppage; provided that, if GWA decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract. If a stop work order is not cancelled and the work covered by the order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowed pursuant to the price adjustment clause of this Contract.

V. CLAIMS BASED ON ACTS OR OMISSIONS BY GWA.

If any action or omission on the part of GWA requiring performance changes within the scope of the contract constitutes the basis for a claim by the Bidder for additional compensation, damages,

or an extension of time for completion, the Bidder shall continue with performance of the contract in compliance with the directions or orders of GWA, but by so doing, the Bidder shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

(a) the Bidder shall have given written notice to GWA:

(i) prior to the commencement of the work involved, if at that time the Bidder knows of the occurrence of such action or omission;

(ii) within 30 days after the Bidder knows of the occurrence of such action or omission, if the Bidder did not have such knowledge prior to the commencement of the work; or

(iii) within such further time as may be allowed by the Procurement Officer in writing.

This notice shall state that the Bidder regards the act or omission as a reason which may entitle the Bidder to additional compensation, damages, or an extension of time. The Procurement Officer or designee of such officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Procurement Officer or designee of such officer.

(b) the notice required by Subparagraph (a) of this Paragraph describes as clearly as practicable at the time the reasons why the Bidder believes that additional compensation, damages, or an extension of time may be remedies to which the Bidder is entitled; and

(c) the Bidder maintains and, upon request, makes available to the Procurement Officer within a reasonable time, detailed records to the extent practicable, of the claimed additional costs or basis for an extension of time in connection with such changes.

Nothing herein contained, however, shall excuse the Bidder from compliance with any rules of law precluding any GWA official or its Bidders from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the contract.

Any adjustment in the contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this contract.

W. PRICE ADJUSTMENT CLAUSE.

Any adjustment in contract price pursuant to clauses in this contract shall be made in one or more of the following ways:

(a) by agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

(b) by unit prices specified in the contract or subsequently agreed upon;

(c) by the costs attributable to the event or situation covered by the clause, plus appropriate profit or fee, all as specified in the contract or subsequently agreed upon;

(d) in such other manner as the parties may mutually agree; or

(e) in the absence of an agreement between the parties, by a unilateral determination by the GWA General Manager of costs attributable to the event or situation covered by the clause, plus appropriate profit or fee, all as computed by the GWA General Manager in accordance with generally accepted accounting principles and applicable sections under Chapter 7 (Cost Principles) of the Guam Procurement Regulations and subject to the provisions under Title 5, Chapter 5 of the Guam Code Annotated (Legal and Contractual Remedies).

X. SERVICE DISABLED VETERAN PREFERENCE.

Please note that in the event a bid is submitted by a bona-fide service disabled veteran where the bidder is at least fifty-one percent (51%) owned by a service-disabled veteran and the price for the supply or service *does not* exceed one hundred five percent (105%) of the lowest price bidder, GWA is required under 5 G.C.A. § 5011 to award the bid to the service-disabled owned business. A service-disabled veteran business must meet all of the following qualifications under 5 G.C.A. § 5012:

(a) the business concern is licensed to do business on Guam;
(b) the business concern maintains its headquarters on Guam;
(c) the business concern is *at least* fifty-one percent (51%) owned by a service-disabled veteran(s) who served in the active U.S. military service, was discharged or released under honorable conditions and whose disability is service-connected as demonstrated by a DD214, and certified by an award letter from the U.S. Department of Veterans Affairs;
(d) the DD214 and Disability award letter from the U.S. Department of Veterans Affairs are submitted to the procuring entity for every service or supply offered; and;
(e) the service-disabled veteran(s) owner of the business concern has filed individual tax returns on Guam for a period of *at least* three (3) consecutive years.

For any request for a price adjustment, the contractor shall submit cost or pricing data for any price adjustments subject to the provisions of 2 G.A.R. § 3118 of the Guam Procurement Regulations.

IV. ADDITIONAL SPECIAL TERMS AND CONDITIONS

This is an "Indefinite Quantity Bid" pursuant to the Guam Procurement Regulations. **The quantities reflected in the bid are estimated requirements only and not guaranteed minimums. The amounts listed are GWA's best estimate of its average annual needs.** Quantities may increase or decrease thru the duration of the contract and continued purchase is subject to the availability of funds. No commitment is made to vendors in terms of purchasing quantity.

A. The purpose of this bid is to provide GWA with a sufficient quantity of 150 lbs. and one-ton liquid chlorine cylinders and to provide GWA with a sufficient supply of liquid chlorine to allow GWA to safely operate its water system and to comply with the terms and conditions of the USEPA / GWA Stipulated Order for Preliminary Relief (as amended) entered into on June 5, 2003. In addition, these specifications have been written to describe minimum performance requirements of the items to be supplied.

B. GWA reserves the right to conduct a reasonable test following delivery and prior to acceptance to confirm that the products (both the cylinders and the chlorine) meet the minimum specifications set forth herein or otherwise performs as required.

C. These specifications have been written to describe the minimum requirements to be supplied by the vendor bidding. This bid is subject to Guam's Procurement Laws.

GWA hereby notifies vendors that a reasonable test may be conducted upon delivery of each shipment and prior to acceptance, which may include, but is not limited to testing the goods to be provided under this Bid for quality, manufacturing defects, other irregularities and for compliance with these specifications. GWA also reserves the right to have any goods provided hereunder tested by an independent firm to ensure quality and compliance with requirements set forth in this bid. GWA also reserves the right to have the manufacturing process inspected for all goods provided hereunder.

D. The Guam Waterworks Authority reserves the right to accept and/or reject any and all bids, to waive any defects, irregularities, or specification discrepancies and to award the bid as deemed to be the best interest to GWA.

E. As required under Guam law, GWA reserves the right to cancel this bid if it is in the best interest of GWA to do so.

F. The successful bidder shall warrant that all goods and services to be provided herein are fit for the intended purpose stated in this Bid, are **manufactured** in the **United States** and meet the standards set forth in this Bid. The bidder shall also warrant all goods provided under this Bid to have a useful product shelf life of a period of not less than one year. However, if the manufacturer of such goods provides a shelf life warranty for any period of time **greater** than one year for any item, that same warranty period shall be extended to GWA.

G. In addition, the successful bidder will handle all warranty issues arising out of this agreement and shall act as the warranty administrator for the duration of any warranty provided under this Bid. Thus, if the vendor is not the manufacturer of the products provided under this Bid, GWA will not be required by the bidder to contact any manufacturer directly unless the bidder is the manufacturer of all goods provided hereunder and the bidder shall designate a delivery point on Guam for goods to be delivered or bidder shall pay all freight and handling charges associated with the return of the goods to the manufacturer and all costs for replacement.

H. The successful bidder may be required to enter into a written contract on terms and conditions acceptable to GWA (also please note that a Purchase Order is a contract).

I. Bidders are advised that they are required to follow all laws, rules and regulations relating to the provision of goods and services. Ignorance of any law, rule or regulation by the bidder at any time during the bidding process or performance under the bid shall not relieve the vendor from the applicability thereof.

J. All Bidders shall maintain $1,000,000 liability insurance policy throughout the duration of the performance of any contract entered into. Bidders shall provide a copy of the insurance policy to GWA as a condition for entering into the contract with GWA. Bidders shall also provide GWA with proof the policy has been renewed and kept in force throughout the contract term.

K. Prior to entering into any contract with GWA, any and all successful bidders shall provide GWA with a valid and up-to-date copy of their Guam Business License which provides proof that they are able to engage in the type of business required for this bid.

L. Bidders are also advised to use and fill out all forms attached to this Bid, including but not limited to the Affidavit of Non-Collusion, Certification Regarding Hiring Convicted Sex Offenders, Bid Bond, and any other form required to complete their bid.

M. Bidders are reminded that submission of a bid constitutes an acknowledgement that they have read and understood all bid terms and agree to be bound by such an that failure to read the bid shall not excuse performance or otherwise give rise to any claim by bidder, including mistake, neglect or for any other reason.

V. SPECIAL PROVISIONS

1. **Bid and Performance Bond Requirements:**

All bidders are required to submit bid security in the amount of **15%** of their total bid amount which must also indicate that the security is not only for a bid bond, but also for performance under this Bid as required by 5 G.C.A. 5312. Failure to submit a proper bid bond will cause the bid to be rejected. Bid amounts are based on the total cost for the total number of units specified.

As required by law, the bid security shall not be released upon award of the bid, but instead shall continue in full force and effect until after delivery of the supplies or services required by the contract awarded to the Bidder under the associated Invitation for Bid is completed to secure the faithful performance under this Bid (**e.g., until warranty period has ended as any warranty is a service provided in conjunction with the delivery of goods**).

THE BID/PERFORMANCE GUARANTEE MAY BE IN THE FORM OF:

a. Cashier's Check or Certified Check

b. Letter of Credit
c. Surety Bond – Valid only if accompanied by:
   i. Current Certificate of Authority;
   ii. Power of Attorney issued by the Surety to the Resident General Agent;
   iii. Power of Attorney issued by two (2) major officers of the Surety to whoever is signing on their behalf

2. **Performance Bond**: see Section 1 above.

3. **Failure To Submit Required Documentation.**

Failure by Bidder to submit the required information or data will be cause to declare the bidder as non-compliant with the bid. Any declaration of non-compliance shall be at the sole discretion of the General Manager of the Guam Waterworks Authority.

4. **Shipping and Cost:**

Total cost must include CIF delivery to GWA's Ugum Water Treatment Facility located in Talafofo, Guam. Deliveries shall be made via flatbed truck or other means acceptable to GWA. If necessary, a forklift must be provided during deliveries by the successful vendor to unload the truck and place the chemicals at places at the Ugum facility designated by GWA staff. The contractor shall contact GWA's Procurement Division at least 72 hours in advance of each delivery to determine whether or not a forklift will need to be provided

5. **Delivery and Payment**

a. The vendor will be responsible for all cost and all risks associated with the provision of these goods until delivery is made and the items are formally accepted by GWA. Formal acceptance under this bid shall not be deemed to be the mere delivery of the goods. Acceptance will only occur after delivery and inspection / testing is performed by GWA. Delivery time is 30 days from the date on the Notice to Proceed. GWA reserves the right to reject non-conforming goods at any time prior to use after the goods have been delivered.

b. All goods shall be delivered CIF to GWA's Ugum Water Treatment Facility.

c. The initial shipment shall be delivered to GWA within thirty days after the Notice to Proceed has been provided to the vendor. **A Material Safety Data Sheet (MSDS) must be provided with each delivery, regardless of amount. Aside from the initial delivery, all goods must be delivered within 5 businesses from the date the vendor is notified of the need for goods and the amount of goods required to be delivered.**

d. Vendors must maintain at least a three (3) month supply of goods they are responsible for supplying on Guam at all times. Goods shall be stored in a manner to ensure that typhoons or other natural disasters do not make them unavailable to GWA when needed

since weather and natural disasters are exactly why the three (3) month supply is being required given the fact that water is a necessary element to ensuring public health.

e. Please note that usage of the chemicals is dependent upon many factors, including time of year, weather, etc.

Payment for all goods delivered shall be net 30 following the date that an invoice for goods delivered to GWA has been provided to GWA and verified by GWA. Verification shall take no longer than 10 business days. Vendors may not bill GWA for the inventory stock required to be maintained hereunder.

6. **Quality:**

All items to be delivered under this bid shall be of high quality and be of U.S. manufacture and they shall at all times conform to the specifications set out under this bid.

GWA reserves the right to reject items based on failure to meet the standards set forth herein or based upon quality.

GWA reserves the right to request samples from each bidder to test independently. If bidders do not provide a sample for testing if such a request is made, the bidder may not be deemed to be a qualified bidder and as such their bid may be rejected.

7. **Contract Term:**

The lowest responsive and responsible bidder for the item above will enter into a contract on terms acceptable to GWA. **Form contracts from vendors shall not be used.** The contract term shall commence on the date of the vendor's acknowledged receipt of a formal Notice to Proceed from GWA. The initial term is for three (3) years for chemicals to be used by GWA to operate the Ugum Surface Water Treatment Facility in compliance with the Long Term 2 Enhanced Surface Water Treatment Rule of the Safe Drinking water Act during the operation of a membrane water treatment facility. GWA finds that a multi-year fixed price contract will ensure the best price in the long-term to hedge against fluctuating prices which tend to increase over time and to increases efficiency in operations by not having to proceed through the bid process annually. This contract may be extended out annually for a maximum period of two (2) years subject to the consent of both parties. In the third-year price adjustments may be made subject to the provision of verified cost and pricing data from the vendor.

8. These specifications have been written to describe minimum performance requirements to be supplied by the manufacturers bidding.

9. The successful bidder shall furnish all necessary information and instructions for the proper operation / completion of all requirements in bid specifications.

10. GWA reserves the right to accept and/or reject any and all bids, to waive any defects, irregularities, or specification discrepancies and to award the bid in the best interest of Guam Waterworks Authority.

These specifications were approved and/or prepared by Miguel C. Bordallo, P.E. General Manager, and hereby constitute the findings and determinations of the General Manager.

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NON-COLLUSION AFFIDAVIT

Guam)
)ss:
Tamuning)

I, _____ first being duly sworn, depose and say:
(Name of Declarant)

1. That I am the _____ of _____.
(Title) (Name of Company or Person Bidding/RFP

2. That in making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham, that said bidder/offeror has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham or to refrain from bidding or submitting a proposal and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or any other bidder, or to secure any overhead, project or cost element of said bid price, or of that of any bidder, or to secure any advantage against the GUAM WATERWORKS AUTHORITY or any person interested in the proposed contract; and

3. That all statements in said proposal or bid are true.

4. This affidavit is made in compliance with 2 G.A.R. § 3126(b).

So sayeth _____
(Declarant)

Signed on this ____ day of _____ 201___, before me a Notary Public in and for Guam, personally appeared _____, known to me to be the authorized representative of _____, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of _____, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the date last above written.

) Seal (

Notary Public

CERTIFICATION OF NON-EMPLOYMENT OF CONVICTED SEXUAL OFFENDERS

Pursuant to Guam Public Law 28-24, as amended by Guam Public Law 28-98, if a contract for services is awarded to the bidder or offeror, then the service provider must warrant that no person in its employment who has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 of the Guam Code Annotated or of an offense defined in Article 2 of Chapter 28 of Title 9 of the Guam Code Annotated, or who has been convicted in any other jurisdiction of an offense with the same elements as heretofore defined, or who is listed on the Sex Offender Registry, shall provide services on behalf of the service provider while on government of Guam property, with the exception of public highways. If any employee of a service provider is providing services on government property and is convicted subsequent to an award of a contract, then the service provider warrants that it will notify the Guam Waterworks authority ("GWA") of the conviction within twenty-four hours of the conviction, and will immediately remove such convicted person from providing services on government property. If the service provider is found to be in violation of any of the provisions of this paragraph, then the GWA will give notice to the service provider to take corrective action. The service provider shall take corrective action within twenty-four hours of notice from GWA, and the service provider shall notify GWA when action has been taken. If the service provider fails to take corrective steps within twenty-four hours of notice from GWA, then GWA in its sole discretion may suspend temporarily any contract for services until corrective action has been taken.

I, _____ being a duly authorized representative acknowledge the
(print name)

directive as describe above and ensure the Bid Proposal as submitted addresses the directive.

_____
(Company Name)

_____
(Title)

_____ _____
(Signature) (Date)

MAJOR SHAREHOLDER DISCLOSURE AFFIDAVIT

TERRITORY OF GUAM)
)
HAGATNA, GUAM)

I, the undersigned _____, being first duly sworn, depose and says:

1. That the persons who have held more than ten percent (10%) of the company's share during the past twelve months preceding the submission of the bid are as follows (**if none, so state**):

NAME	ADDRESS	PERCENTAGE OF SHARES HOLD

TOTAL NUMBER OF SHARES _____

2. Persons who have received or are entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid for which this affidavit is submitted are as follows:

NAME	ADDRESS	AMOUNT OF COMMISSIONS, GRATUITY OR OTHER COMPENSATION

Further, affiant sayeth naught.

Date: _____ _____

Signature of individual if bidder is a sole proprietorship; partner, if the bidders is a partnership, officer, if the bidder is a corporation (or other authorized person)

Subscribed and sworn to before me this ____day of _____, 201__.

Notary Public
In and for the Territory of Guam
My commission expires

BID AND PERFORMANCE BOND FOR GOODS AND SERVICES AS REQUIRED UNDER 5 G.C.A. § 5212

KNOW ALL MEN BY THESE PRESENTS, that (bidder name)_____ _____ as Principal, herein after called the Principal and (name of surety) _____ as duly admitted insurer under the laws of the Territory of Guam, as Surety, hereafter called the Surety, are held and firmly bound unto the Guam Waterworks Authority for the sum of_____Dollars ($_____), for payment of which sum will and truly to be made, the said Principal and the said Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents:

WHEREAS, the Principal has submitted a bid for and is anticipated to enter into a contract in the amount specified below,

_____

_____

NOW, THEREFORE, if the Guam Waterworks Authority shall accept the bid and the Principal shall not withdraw said bid within one hundred twenty (120) calendar days after the opening of bids, and shall within twenty-one (21) calendar days after the prescribed forms are presented to him for signature, enter into a Contract with the Guam Waterworks Authority in accordance with the terms of such bid. This bond shall also be held by the Guam Waterworks Authority to secure the faithful performance of such Contract and for the prompt payment of labor, goods, services and materials furnished in the prosecution thereof. In the event of the failure of the Principal to enter into such Contract, or if the Principals (Bidder) fails to perform in accordance with the requirements set out under the Bid or any other written instrument requirement performance thereunder, the Surety, on behalf of the Principals shall pay to the Guam Waterworks Authority the differences not to exceed the penalty hereof between the amounts specified in said bid and such larger amount for which the Guam Waterworks Authority may in good faith contract with another party to perform work covered by said bid or an appropriate liquidated amount as specified in the Invitation for Bids then this obligation shall be null and void, otherwise to remain in full force and effect.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION is such that, if the Bidder shall promptly and faithfully perform said Contract, and shall promptly make payment to all claimants as hereinafter defined for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

A. The Surety hereby waives notice of any alteration or extension of the time made by the Authority provided the same is within the scope of the Contract or any modification thereto.

B. Whenever the Bidder shall be and is declared in default by the Authority to be in default under the Contract, the Authority having performed its obligations hereunder, the Surety may promptly remedy the default or shall promptly:

1. Complete the Contract in accordance with its terms and conditions; or

2. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by the Authority and the Surety of the lowest responsible bidder, arrange for a Contract between such bidder and the Authority, and make available as work progresses (even though there should be a default or a succession of defaults under the Contract or Contracts or completion arranged under this paragraph) sufficient funds to pay the cost of completion, less than balance of the Contract price, but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the Contract Price," as used in this paragraph shall mean the total amount payable by the Authority to Bidder under the Contract and any amendments thereto, less the amount properly paid by the Authority to Bidder. No right of action shall accrue on this bond to or for use of any person or corporation other than the Authority or successors of the Authority.

C. A claimant is defined as one having a direct contract with the Bidder or with a sub-bidder of the Bidder for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.

D. The above named Bidder and Surety hereby jointly and severally agree with the Authority that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date of which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for use of such claimant, prosecute the suit to final judgment to final judgment for such sum or sums as may be justly due the claimant, and have execution thereon. The Authority shall not be liable for the payment of any costs or expenses of any such suit.

E. No suit or action shall be commenced hereunder by any claimant:

1. Unless claimant, other than one having a direct contract with the Bidder, shall have given written notice to any two (2) of the following entities named below:

(a) the Bidder; (b) the Guam Waterworks Authority, or (c) the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be personally served by mailing the same by registered mail or certified mail, postage

prepaid, in an envelope addressed to the Bidder at any place the principal maintains an office or conducts its business.

2. After the expiration of one (1) year following the date on which the last of the labor was performed or material was supplied by the party bringing suit.

3. Other than in a court of competent jurisdiction in and for the Territory of Guam.

F. The amount of the bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

SIGNED AND SEALED THIS _____ day of _____, 20___, A.D.

IN THE PRESENCE OF:
(Note: If the Principals are Partners, each must execute the Bond)

_____	_____
(WITNESS)	(BIDDER) (SEAL)
_____	_____
(TITLE)	(TITLE)
_____	_____
(MAJOR OFFICER OF SURETY)	(MAJOR OFFICER OF SURETY)
_____	_____
TITLE)	(TITLE)

_____
(RESIDENT GENERAL AGENT)

EXHIBIT B

GUAM AUTHORITY

"Better Water, Better Lives."
Gloria B. Nelson Public Services Building
688 Route 15, Mangilao, Guam 96913

MEMORANDUM

TO: General Manager

VIA: Supply Management Administrator

SUBJECT: Invitation to Bid No. GWA 2019-05
Ref: Liquid Chlorine

FROM: Evaluation Committee Members

REF: Recommendation of Award

DATE: April 23, 2019

Invitation for Bid No: GWA 2019-05 was officially announced and advertised in the Pacific Daily News, Guam Daily Post and Guam Waterworks Authority Website on February 27, 2019 and open as scheduled on April 17, 2019 @ 10:00am Five (5) prospective bidders expressed their interests by acknowledging receipt of the bid package thru GWA's website.

Bidders Register:

1. M.D. Wholesale
2. Deltek
3. Island Equipment Company
4. Innovative Water Care
5. Martech Services, Inc.

Of the Five (5) One (1) submitted their bid package, namely:

- Island Equipment Company

An evaluation committee was formally assembled and met on April 22, 2019 @ 10:30 am in GPWA conference room 1st floor to review/discuss and evaluate the bid.

Upon further clarifications the committee members completed the evaluation process and have determined 'Island Equipment Company have been deemed a responsive bidder and respectfully submitted their bid proposal and is recommend to be awarded based on the lowest cost given on each line item below as follows:

I. BID ITEM(s)

Item No	Description	Min Qty	Unit Cost	Total Cost
1.0	Liquid Chlorine 150 lb. Cylinders	1,260 each	$618.00	$778,680.00
2.0	Liquid Chlorine One (1) Ton	12 each	$6,097.78	$73,173.36
			Grand Total $	**$851,853.36**

BIDDING ON:

MFG: Chemtrade Electrochem, Inc.

Brand: Chemtrade

Place of Origin: North Vancouver (BC Source)

Date of Delivery: 30-35 days ARO
After Receipt of Purchase Order

After a thorough evaluation the committee members agreed and accepts the bid offer from 'Island Equipment and have been determined complied with all specifications and requirements set forth in the IFB.

SUMMARY:

Shipping and Cost:

Total cost must include CIF delivery to GWA's Ugum Water Treatment Facility located in Talafofo, Guam. Deliveries shall be made via flatbed truck or other means acceptable to GWA. If necessary, a forklift must be provided during deliveries by the successful vendor to unload the truck and place the chemicals at places at the Ugum facility designated by GWA staff. The contractor shall contact GWA's Procurement Division at least 72 hours in advance of each delivery to determine whether or not a forklift will need to be provided

Delivery and Payment

a. The vendor will be responsible for all cost and all risks associated with the provision of these goods until delivery is made and the items are formally accepted by GWA. Formal acceptance under this bid shall not be deemed to be the mere delivery of the goods. Acceptance will only occur after delivery and inspection / testing is performed by GWA. Delivery time is 30 days from the date on the Notice to Proceed. GWA reserves the right to reject non-conforming goods at any time prior to use after the goods have been delivered.

b. All goods shall be delivered CIF to GWA's Ugum Water Treatment Facility.

c. The initial shipment shall be delivered to GWA within thirty days after the Notice to Proceed has been provided to the vendor. A Material Safety Data Sheet (MSDS) must be provided with each delivery, regardless of amount. Aside from the initial delivery, all goods must be delivered within 5 businesses from the date the vendor is notified of the need for goods and the amount of goods required to be delivered.

d. Vendors must maintain at least a three (3) month supply of goods they are responsible for supplying on Guam at all times. Goods shall be stored in a manner to ensure that typhoons or other natural disasters do not make them unavailable to GWA when needed since weather and natural disasters are exactly why the three (3) month supply is being required given the fact that water is a necessary element to ensuring public health.

e. Please note that usage of the chemicals is dependent upon many factors, including time of year, weather, etc.

Payment for all goods delivered shall be net 30 following the date that an invoice for goods delivered to GWA has been provided to GWA and verified by GWA. Verification shall take no longer than 10 business days. Vendors may not bill GWA for the inventory stock required to be maintained hereunder.

Contract Term:

The lowest responsive and responsible bidder for the item above will enter into a contract on terms acceptable to GWA. **Form contracts from vendors shall not be used.** The contract term shall commence on the date of the vendor's acknowledged receipt of a formal Notice to Proceed from GWA. **The initial term is for three (3) years** for chemicals to be used by GWA to operate the Ugum Surface Water Treatment Facility in compliance with the Long Term 2 Enhanced Surface Water Treatment Rule of the Safe Drinking water Act during the operation of a membrane water treatment facility. GWA finds that a multi-year fixed price contract will ensure the best price in the long-term to hedge against fluctuating prices which tend to increase over time and to increases efficiency in operations by not having to proceed through the bid process annually. This contract may be extended out annually for a maximum period of two (2) years subject to the consent of both parties. In the third-year price adjustments may be made subject to the provision of verified cost and pricing data from the vendor.

NOTE: Subject to CCU's approval.

Concurred and accepted by the committee members:

Paul Kemp, AGM Compliance and Safety

Ron Topasna, Operations and Maintenance Manager Water Productions

Mary Torres, Buyer II

Roland Lumongsud, Buyer II

Your approval is greatly appreciated.

Antonio Camacho

Reviewed by legal: _____

In consideration of the foregoing, please indicate your approval of this recommendation by your signature below.

[✓] CONCURRED [ ] UNCONCURRED

VINCENT ED. GUERRERO, SMA

[✓] APPROVED [ ] DISAPPROVED

MIGUEL C. BORDALLO, P.E. GENERAL MANAGER

REF: IFB 2019-05 Liquid Chlorine

GUAM WATERWORKS AUTHORITY

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

NOTICE OF CONDITIONAL AWARD

Date: April 24, 2019

Island Equipment Company.
151 West Harmon Industrial Park Road, Unit A.
Tamuning Guam 96913
Phone- #671-646-5261
Fax- #671-646-5268

Re: Invitation for Bid Number: GWA IFB-2019-05
For: Island Equipment Company

Hafa Adai Ms. Bing Mejia,

The Guam Waterworks Authority ("GWA") has considered the bid submitted by Island Equipment Company, for the above described reference in response to its Advertisement for Bids dated February 27, 2019 you are hereby notified of your bid offer on Item Number (s) 1.0, 2.0 been accepted by GWA. Please be advised that you must now deliver all other documents required by the bid, including, but not limited to:

- Proof of Insurance: (if applicable/required part of the bid requirements.)
- Performance and Payment Bond: (if applicable/required part of the bid requirements.)

(Which must remain in full force and effect until all performance has ended, which includes all warranty periods).

You are also advised that any obligation incurred by your firm prior to execution of the contract is entirely at your own risk and GWA shall have no obligation to reimburse costs incurred prior to execution of the contract.

Please note this Notice of Award is conditional on obtaining the approval of the Guam Consolidated Commission on Utilities for any award over $750,000 and the approval of the Guam Public Utilities Commission where the total value over the life of the contract could exceed $1M. Also, award is conditional upon providing any documents such as proof of licensure, proof of insurance or other documents required to be submitted to GWA under the Bid or Guam law.

/

You are required to return an acknowledged copy of this Conditional Notice of Award to GWA Procurement Office.

Sincerely,

Miguel C. Bordallo, P.E.
General Manager

ACCEPTANCE OF CONDITIONAL NOTICE OF AWARD

Receipt of the above Notice of Conditional Award for GWA IFB No. GWA 2019-05 is hereby acknowledged

By: _____ Title: _____
Signature (Please Print)

Dated this ____ day of _____, 2019.

* * * * * * * * END OF CONDITIONAL NOTICE OF AWARD * * * * * * *

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

RESOLUTION NO. 32-FY2019

RELATIVE TO AUTHORIZING THE RATIFICATION OF EXPENDITURES FOR TRACK ME GUAM, LLC.

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

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

WHEREAS, the Consolidated Commission on Utilities under Section 5452 of Title 5 of the Guam Code Annotated has the authority to ratify the procurement of goods and services if there is no indication that the company who was awarded the procurement acted in bad faith and there is a finding that the procurement is for GWA's use and is in the best interest of the Territory of Guam; and

WHEREAS, GWA originally obtained the services through a GPA-led procurement, and a Memorandum of Understanding between GPA and GWA for fleet and fuel management software services; and

WHEREAS, after the expiration of this original contract, GWA issued purchase order no. 301506-000 for fleet and fuel management software services through a Sole Source Procurement (Exhibit A) to Track Me Guam, LLC for system access & data communication, also referred to as on-board vehicle diagnostics and GPS tracking, for proprietary fleet management devices already installed in active GWA fleet vehicles; and

WHEREAS, throughout the course of the service period, GWA exhausted the funds under purchase order no. 301506-000 and on March 21, 2019 a new purchase order request, (no. 303483-000), was prepared, but not initiated, processed or released in a timely manner. (Exhibit B); and

WHEREAS, GWA has received services from Track Me Guam, LLC in excess of the authorized Purchase Order value, as shown in the invoices for the recurring monthly charges (Exhibit C), in the amount of Twenty-Four Thousand Six Hundred Forty Dollars ($24,640.00); and

WHEREAS, GWA Management is requesting ratification by the CCU for expenditures for the monthly recurring charges for system access & data communication of the proprietary fleet management devices installed in active GWA fleet vehicles in the amount of Twenty-Four Thousand Six Hundred Forty Dollars ($24,640.00) and

WHEREAS, the CCU hereby recognizes GWA's obligation to remit for services by Track Me Guam LLC, provided in good faith and also approves, authorizes and ratifies the expenditures.

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

Section 1. The foregoing recitals hereto are hereby ratified, confirmed, and incorporated herein by reference.

Section 2. The Consolidated Commission on Utilities hereby ratifies the payment to Track Me Guam LLC, in the amount not to exceed Twenty-Four Thousand Six Hundred Forty Dollars ($24,640.00) (Exhibit C) on the following grounds:

a. There was no indication of bad faith or fraud in any of the procurements contained herein.
b. According to GWA management, the services is required to ensure the ongoing need to maintain the existing tracking services conducted by Track Me Guam LLC.
c. All of the procurements herein are in the best interest of the Territory of Guam and the Guam Waterworks Authority.

Section 3. This Resolution is hereby determined to be a declaration of official intent of the Consolidated Commission on Utilities

Section 4. All actions heretofore taken by the GWA or the officers thereof or on their behalf not inconsistent herewith related to these purchases are hereby ratified, approved and confirmed.

Section 5. Based on the foregoing, the CCU authorizes GWA management to pay the amount owed between GWA and Track Me Guam LLC, for the monthly recurring charges for system access & data communication for proprietary fleet management devices installed in active GWA fleet vehicles in the amount of Twenty-Four Thousand Six Hundred Forty Dollars ($24,640.00).

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

DULY AND REGULARLY ADOPTED, this 28th day of May, 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson

Attested by:

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: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

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GUAM WATERWORKS AUTHORITY

"Better Water. Better Lives."
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao, Guam 96913

MAR 2 8 2018

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

CC: Vince Guerrero, SMA

FROM: Nicolas Cabo, Buyer

SUBJECT: Sole Source Determination

RE: Sole Source Justification for maintenance services for Track Me Guam LLC under 2 G.A.R. 3111

The Guam Waterworks Authority has been doing business with Track Me Guam LLC since June 23, 2009 thru a MEMORANDUM OF UNDERSTANDING, between GWA and GPA in reference to IFB No. GPA-006-15 for Fleet and Fuel Management Software Services which expired on January 2018. This service provided Fleet Management GPS for a number of GWA vehicles. At the time of the initial procurement, Track Me Guam LLC was the Sole and Exclusive distributor to install, perform repairs and support services for vehicle tracking device for E-Drive Technology LTD on island and remains so to this day. Presently, Track Me Guam is providing maintenance services to GWA's existing vehicle fleet (estimated 125) and it has been highly recommended by GWA fleet management that Track Me Guam continue providing these services. GWA has determined and confirmed that no other tracking device product is compatible with E-Drive Technology (corporate number 511295131) system setup, which is solely supported by Track Me Guam. Based upon the forgoing justification, GWA specifically finds it in the best interest of the authority and the Territory of Guam will be best served by granting award to Track Me Guam LLC on the basis of Sole Source as determined.

Concurred by:

Miguel C. Bordallo, P.E, GWA General Manager

Cc: Procurement file

GUAM WATERWORKS AUTHORITY

1 : Page
6852: B/U
03/29/18: Date
FOB GWA, P.O.B.

PURCHASE ORDER
GUAM WATERWORKS AUTHORITY

P.O. Box 3010, Hagatna, Guam 96932
PHONE: (671) 647-7818 FAX: (671) 649-3750

No. 301506-000 OP

THIS PURCHASE ORDER MUST APPEAR ON ALL INVOICES PACKING SLIPS, PACKAGES, B/L CORRESPONDENCE, ETC.

Payment Terms: Net 30 Days

VENDOR:

TRACK ME GUAM, LLC
DBA TRACKME] GUAM
107 E. HARMON INDUSTRIAL P
UNIT B
TAMUNING GU 96913

SHIP TO:

GUAM WATERWORKS AUTHORITY
578 N. Marine Corps. Dr.
ATTENTION: P & S WAREHOUSE
Tamuning GU 96913

AUTHORITY	IFB / REFERENCE	TIME FOR DELIVERY	EXPIRATION
PL 16-124 / PL 21-148			09/30/2018

ARTICLES OR SERVICES	QTY	UNIT	UNIT PRICE	AMOUNT
CONDITIONS: 2GAR§ Sole Source Procurement REQUESTED BY: PAUL LUJAN / VINCE P. AUTHORIZED PERSONNEL: PAUL LUJAN/PETER BORJA/ERIC HALMI BUSINESS UNIT: 6852 G/L ACCOUNT NO: 6852.950.35022 FUNDING SOURCE (REVENUE FUNDED) OQ# 31017 OR# 31206 BUYER: NICOLAS CABO #1008 * IMPORTANT NOTICE TO VENDORS " All invoices must indicate P.O. Number for payment " All invoices must indicate on the invoice the Employee's " Name, Badge Number that must be signed and printed clearly " Submit signed and dated P.O. acknowledgement with invoice " GWA will not be liable for any unauthorized services that are not listed in the Purchase Order - only the services listed on the Purchase Order will be paid by GWA. " Only the authorized names listed on the Purchase Order are allowed to transact. Unauthorized person(s) will not be honored by GWA. * SPECIFICATIONS (ARTICLES OR SERVICES): AGREEMENT TO COVER THE COST FOR MONTHLY RECURRING CHARGES FOR DEVICES THAT ARE INSTALLED IN GWA'S FLEET FOR A TWELVE (12) MONTH PERIOD. * AN ESTIMATED OF 125 GWA VEHICLES TO BE SERVICED. *				
MAINTENANCE SERVICE	MO	.00	MO	63,000.00

Funds Certification: 3.30.18
Greg Cruz, CFO

NOTE: "SUBJECT TO THE GUAM PROCUREMENT CODE AND ACCOMPANYING REGULATIONS"

SPECIAL INSTRUCTIONS TO VENDOR:
Send certified original and three (3) copies of invoice to Guam Waterworks Authority, Government of Guam, at the address shown above.

Payment upon receipt of merchandise in Guam in good condition.

SEE BACK FOR TERMS AND CONDITIONS

DO NOT FILL THIS ORDER if your total cost exceeds this total. >>

TOTAL $ 63,000.00

ACKNOWLEDGED BY: _____ DATE: 4/9/18
SIGNATURE OF VENDOR

RETURN TO PROCUREMENT DIVISION AT THE ABOVE ADDRESS

SIGNATURE: 4-5-18

Miguel C. Bordallo, P.E. General Manager
NAME TITLE

GUAM WATERWORKS AUTHORITY

1 : Page
6852: B/U
03/21/19: Date
FOB GWA: F.O.B.

PURCHASE ORDER
GUAM WATERWORKS AUTHORITY

P.O. Box 3010, Hagatna, Guam 96932
PHONE: (671) 300-6026 FAX: (671) 649-3750

No. 303483-000 OP

THIS PURCHASE ORDER MUST APPEAR ON ALL INVOICES PACKING SLIPS, PACKAGES, B/L CORRESPONDENCE, ETC.

Payment Terms: Net 30 Days

VENDOR:

TRACK ME GUAM, LLC
DBA: TRACKME] GUAM
107 E. HARMON INDUSTRIAL P
SUITE 201
TAMUNING GU 96913

SHIP TO:

GUAM WATERWORKS AUTHORITY
578 N. Marine Corps. Dr.
ATTENTION: P & S WAREHOUSE
Tamuning GU 96913

AUTHORITY	IFB / REFERENCE	TIME FOR DELIVERY	EXPIRATION
PL 16-124 / PL 21-148			09/30/2019

ARTICLES OR SERVICES	QTY	UNIT	UNIT PRICE	AMOUNT

*** SERVICES DESCRIPTION:

*

MONTHLY RECURRING CHARGES FOR EXISTING DEVICES INSTALLED IN GWA FLEET VEHICLES.

*

*** SPECIFICATIONS (ARTICLES OR SERVICES):

SERVICES AGREEMENT TO COVER COST FOR MONTHLY RECURRING CHARGES FOR EXISTING DEVICES THAT ARE INSTALLED IN GWA'S FLEET FOR TWELVE (12) MONTH PERIOD.

** NOTE: AN ESTIMATED OF 126 GWA VEHICLES TO BE SERVICED

CONDITIONS:
2GAR§ Sole Source Procurement
REQUESTED BY: Paul Lujan
AUTHORIZED PERSONNEL: Vincent P./Paul L./Eric Halmi
BUSINESS UNIT: 6853
G/L ACCOUNT NO: 6852.950 .35022
FUNDING SOURCE (REVENUE FUNDED)
OQ# 33701 OR# 33390
BUYER: NICOLAS CABO #1008

*

IMPORTANT NOTICE TO VENDORS

" All invoices must indicate P.O. Number for payment
" All invoices must indicate on the invoice the Employee's
" Name, Badge Number that must be signed and printed clearly
" Submit signed and dated P.O. acknowledgement with invoice
" GWA will not be liable for any unauthorized services that are not listed in the Purchase Order - only the services listed on the Purchase Order will be paid by GWA.
" Only the authorized names listed on the Purchase Order are allowed to transact. Unauthorized person(s) will not be honored by GWA.

*

LIQUIDATED DAMAGES:
In the event Vendor fails to deliver the Goods/Services in Accordance with Gaum Waterworks Authority requirements

NOTE:"SUBJECT TO THE GUAM PROCUREMENT CODE AND ACCOMPANYING REGULATIONS"

SPECIAL INSTRUCTIONS TO VENDOR:
Send certified original and three (3) copies of invoice to Guam Waterworks Authority, Government of Guam, at the address shown above.

Payment upon receipt of merchandise in Guam in good condition.

SEE BACK FOR TERMS AND CONDITIONS

DO NOT FILL THIS ORDER if your total cost exceeds this total. >>

TOTAL $

ACKNOWLEDGED BY: _____ DATE: 4-10-19
SIGNATURE OF VENDOR

RETURN TO PROCUREMENT DIVISION AT THE ABOVE ADDRESS

SIGNATURE:

AGENCY ACKNOWLEDGMENT COPY

Miguel C. Bordallo, P.E. General Manager
NAME

GUAM WATERWORKS AUTHORITY

2 : Page
6852, B/U
03/21/19, Date
FOB GWA, F.O.B.

PURCHASE ORDER
GUAM WATERWORKS AUTHORITY

P.O. Box 3010, Hagatna, Guam 96932
PHONE: (671) 300-6026 FAX: (671) 649-3750

No. 303483-000 OP

THIS PURCHASE ORDER MUST APPEAR ON ALL INVOICES PACKING SLIPS, PACKAGES, B/L CORRESPONDENCE, ETC.

Payment Terms: Net 30 Days

VENDOR:

TRACK ME GUAM, LLC
DBA: TRACKME] GUAM
107 E. HARMON INDUSTRIAL P
SUITE 201
TAMUNING GU 96913

SHIP TO:

GUAM WATERWORKS AUTHORITY
578 N. Marine Corps. Dr.
ATTENTION: P & S WAREHOUSE
Tamuning GU 96913

AUTHORITY	IFB / REFERENCE	TIME FOR DELIVERY	EXPIRATION
PL 16-124 / PL 21-148			09/30/2019

ARTICLES OR SERVICES	QTY	UNIT	UNIT PRICE	AMOUNT
and by the delivery date(s) specified therein, Vendor shall be liable to GWA for liquidated damages in accordance with the provisions of this clause and the amount of such liquidated damages shall be calculated in accordance with the Guam Procurement Regulations, 2 GAR Div.4 §6101(9) Liquidated Damages. *				
MONTHLY RECURRING CHARGES SOLE SOURCE PROCUREMENT	EA	.00	EA	70,000.00

Gilda M. Mafnas, Acting CFO

NOTE: "SUBJECT TO THE GUAM PROCUREMENT CODE AND ACCOMPANYING REGULATIONS"

SPECIAL INSTRUCTIONS TO VENDOR:
Send certified original and three (3) copies of invoice to Guam Waterworks Authority, Government of Guam, at the address shown above.

Payment upon receipt of merchandise in Guam in good condition.

SEE BACK FOR TERMS AND CONDITIONS

DO NOT FILL THIS ORDER if your total cost exceeds this total. >>

TOTAL $ 70,000.00

ACKNOWLEDGED BY: _____ DATE: 4-10-19
SIGNATURE OF VENDOR

RETURN TO PROCUREMENT DIVISION AT THE ABOVE ADDRESS

SIGNATURE: _____
(ACKNOWLEDGEMENT COPY)

Miguel C. Bordallo, P.E. General Manager
NAME TITLE

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
11/1/2018	18-0833

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	12/1/2018

P.O. No.	Month Charges Apply To
	OCTOBER 2018

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
102	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,570.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

Total	$3,570.00
Payments/Credits	$0.00
Balance Due	$3,570.00

PRINT NAME _____ SIGNATURE _____ DATE _____

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
12/3/2018	18-0913

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	1/2/2019

P.O. No.	Month Charges Apply To
	NOVEMBER 2018

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
101	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,535.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

PRINT NAME _____ SIGNATURE _____ DATE _____

Total	**$3,535.00**
Payments/Credits	$0.00
Balance Due	**$3,535.00**

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
1/3/2019	19-0007

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	2/2/2019

P.O. No.	Month Charges Apply To
	DECEMBER 2018

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
104	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,640.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

Total	$3,640.00
Payments/Credits	$0.00
Balance Due	$3,640.00

PRINT NAME _____ SIGNATURE _____ DATE _____

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
2/1/2019	19-0146

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	3/3/2019

P.O. No.	Month Charges Apply To
	JANUARY 2019

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
101	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,535.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

Total	$3,535.00
Payments/Credits	$0.00
Balance Due	$3,535.00

PRINT NAME _____ SIGNATURE _____ DATE _____

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL.: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
3/1/2019	19-0230

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	3/31/2019

P.O. No.	Month Charges Apply To
	FEBRUARY 2019

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
98	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,430.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

Total	$3,430.00
Payments/Credits	$0.00
Balance Due	$3,430.00

PRINT NAME _____ SIGNATURE _____ DATE _____

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACK ME GUAM, LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671-649-6347/8 | FAX: 671-649-6346
EMAIL: acct@trackmeguam.com

Invoice

Date	Invoice #
4/4/2019	19-0306

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	5/4/2019

P.O. No.	Month Charges Apply To
	MARCH 2019

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
98	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	35.00	3,430.00
	**********BASED ON ACTIVE VEHICLE LISTING**********		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-6346 THAT YOU HAVE RECEIVED THIS INVOICE

Total	**$3,430.00**
Payments/Credits	$0.00
Balance Due	**$3,430.00**

PRINT NAME _____ SIGNATURE _____ DATE _____

Monthly Reccuring Charges must be paid on or before the 5th of every month. A late fee of $10 shall be applied for unpaid invoices with an aging date of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and accounts must be made current.
Should you have any questions regarding this policy please contact TrackMe! Guam Administrators at (671) 649-6348, or thru email support@trackmeguam.com.
PRICES ARE ALSO INDICATED ON TRACKME! GUAM SCHEDULE OF FEES & CHARGES, AND ADDITIONAL SERVICES

TRACKME GUAM LLC
107 E. HARMON INDUSTRIAL PARK RD.
SUITE 201, TAMUNING, GUAM 96913
TEL: 671 649 83478 | FAX: 671 649-8345
EMAIL: accounting@trackmeguam.com

ORIGINAL

Invoice

Date	Invoice #
4/10/2019	19-0315

Bill To

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Terms	Due Date
Net 30	5/10/2019

P.O. No.	Month Charges Apply To
	APRIL 2019

Veh. Cnt.	Charges Are For	Fee Rate/Veh.	Amount
100	Monthly Recurring Charge for System Access & Data Communication for Fleet Management Devices Installed in ACTIVE GWA VEHICLES	30.00	3,000.00
	***** BASED ON ACTIVE VEHICLE LISTING *****		

PLEASE PRINT NAME, SIGN, DATE & FAX BACK TO 649-8345 THAT YOU HAVE RECEIVED THIS INVOICE

Total	$3,000.00
Payments/Credits	$0.00
Balance Due	$3,000.00

ERIC Hsieh — PRINT NAME
Eric 943 — SIGNATURE
4-10-19 — DATE

Monthly Recurring Charges must be paid on or before the 5th of every month. A late fee of $40 shall be applied to unpaid invoices with an aging age of 10 days.
If invoices are 30 days past due, accounts will be temporarily de-activated until payment is received. To re-activate account, a $35.00 re-activation fee will be charged and re-activation must be made in person.
Should you have any questions regarding late policy, please call our Trackme Guam Administrator at (671) 649-8343, or thru email support@trackmeguam.com.

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

RESOLUTION NO. 33-FY2019

RELATIVE TO APPROVAL OF THE ONE (1) YEAR EXTENSION OF THE INDEFINITE QUANTITY CONTRACT WITH BADGER METER INC FOR THE ADDITIONAL PURCHASE OF WATER METERS OF VARIOUS SIZES AND ACESSORIES.

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 order to support fulfilling Court Order requirements for meter replacements and provide for maintaining an adequate inventory, GWA advertised an Invitation for Bid (IFB) 2015-13 soliciting proposals from experienced and responsive bidders to provide water meters to replenish Guam Waterworks Authority stock as needed for water meter change outs and new installations; and

WHEREAS, out of fifteen (15) bidders expressing interest, there were two (2) responsive and responsible bidders who offered water meters of various sizes and accessories meeting the requirements of IFB 2015-13; and

WHEREAS, the IFB 2015-13 offers were evaluated by GWA's review committee; and

WHEREAS, GWA's review committee reviewed the proposals for IFB 2015-13 and determined that the offer for "All or None Bid for water meters of various sizes and accessories" with an estimated amount of Four Hundred Twenty-Seven Thousand Five Hundred Forty Dollars and Two Cents (427,540.02) over a three (3) year contract term, made

by Badger Meter Inc. ("Badger") was fair and reasonable and recommended Badger Meter Inc. be awarded the contract (see Res. No. 24-FY2018 at Exhibit A); and

WHEREAS, GWA issued a Notice to Proceed to Badger Meter Inc. on February 23, 2016 at which time Badger Meter accepted the notice (see Res. No. 24-FY2018 at Exhibit B); and

WHEREAS, GWA submitted Resolution No. 32-FY2017 which sought approval of purchases up to One Million Dollars ($1,000,000.00) for additional water meters and CCU approved it on May 23, 2017 (see Res. No. 24-FY2018 at Exhibit C); and

WHEREAS, GWA Management, in response to emergent functional issues with Badger's Model LP Meter, had initiated efforts to replace that model under warranty with a more robust and reliable model, and such efforts have outpaced the receipt of warranty replacement from the manufacturer; and

WHEREAS, GWA Management seeks to continue its increased efforts to replace the Model LP meters to mitigate impacts to, and improve revenues, and will need to purchase additional meters to achieve this goal; and

WHEREAS, during the course of the replacement program additional meters were found to have failed the testing procedure and it is GWA's position that those meters are still under warranty and will be either credited toward the supplier's future invoices or under a reimbursement program; and

WHEREAS, In Resolution 24-FY2018, GWA sought and received approval of the ratification for purchases in excess of the $1M threshold related to IFB 2015-13 in the amount of Fourteen Thousand Two Hundred Twenty-Four Dollars and Thirty-Two Cents ($14,224.32), plus One Million One Hundred Fifteen Thousand Seven Hundred Eighteen Dollars and Sixty-Five Cents ($1,115,718.65) for the meter inventory replenishment, and One Million Four Hundred Forty-Nine Thousand Eight Hundred Fifty-Five Thousand for additional water meter supply, which brought the total authorized funding to Three Million Five Hundred Seventy-

Nine Thousand Seven Hundred Ninety-Seven Dollars and Ninety-Seven Cents ($3,579,797.97) (Exhibit A); and

WHEREAS, GWA Management encumbered purchases under previously issued purchase orders totaling $3.3M which leaves a remaining authorization of Two Hundred Thirty Thousand Nine Hundred Seven and Twelve Cents ($230,907.12); and

WHEREAS, the three (3) year contract term with Badger expired on February 23, 2019 and on February 25, 2019 GWA and Badger mutually agreed to extend the contract for an additional year with amendments outlined in a letter from Badger to include a price increase of five (5%) percent, as per Section U, Price Adjustment Clause of the Agreement. (Exhibit B); and

WHEREAS, on April 10, 2019 GWA issued a Contract Renewal Notice to Badger Meter Inc. for the One (1) year contract extension of IFB 2015-13 for Water Meters Various Sizes and Accessories. (Exhibit C); and

WHEREAS, GWA seeks approval of additional funding under the one (1) year contract extension for IFB 2015-13 with Badger to purchase and additional Nine Thousand One (9001) water meters of various sizes and accessories in the amount of One Million Five Hundred Fifty-Nine Thousand Eight Hundred Eighty-Three and Nineteen Cents ($1,559,883.19) which will cover the costs of both meter supply and replenishment inventory throughout the one (1) year term (Exhibit D); and

WHEREAS, GWA Management is still negotiating the terms of adjustments and/or credits for replacement meters for the failed LP meters which were replaced by GWA with M25 Models, and therefore the proposed additional amounts are estimated as a not-to-exceed value; and

WHEREAS, the source of the funding increase for the purchase of additional water meters will come from Internally Funded Capital Improvement Projects and any other appropriate funds identified by finance.

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

a. The recitals set forth above hereby constitute the findings of the CCU.

b. The CCU finds that the negotiated contract terms and price agreed to by Badger Meter Inc. is fair and reasonable.

c. The CCU hereby authorizes the management of GWA to exercise the one (1) year option period allowed under the contracts with Badger Meter Inc.

d. The CCU hereby further authorizes the funding amount under IFB 2015-13 not to exceed One Million Five Hundred Fifty-Nine Thousand Eight Hundred Eighty-Three Dollars and Nineteen Cents ($1,559,883.19) bringing the total authorized funding to Five Million Three Hundred Seventy Thousand Five Hundred Eighty-Eight Dollars and Twenty-Eight Cents ($5,370,588.28).

e. The CCU hereby further authorizes GWA Management to notify the PUC of this procurement as set forth in Section 3 of the PUC Order filed April 11, 2003, as a continuing obligation under the Court Order.

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

DULY AND REGULARLY ADOPTED, this 28th day of May, 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson

Attested by:

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: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

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EXHIBIT A

Guam Waterworks Authority
Accounting of Remaining CCU Authorization for IFB 2015-13 - Water Meters

Summary of Payments to Badger	$	35,205.27
	$	11,659.70
	$	3,001.71
	$	102,727.15
	$	107.30
	$	7,291.20
	$	10,722.58
	$	14,355.00
	$	43,088.30
	$	28,710.00
	$	49,793.35
	$	43,065.00
	$	57,420.00
	$	14,355.00
	$	50,242.50
	$	430,650.00
	$	46,979.70
	$	5,426.10
	$	6,003.42
	$	23,718.24
	$	4,537.40
	$	14,355.00
	$	10,810.40
	$	1,435,500.00
	$	12,355.00
	$	7,234.80
Pending Order	$	448,926.73
Pending Order	$	430,650.00
Total Amount to Badger:	**$**	**3,348,890.85**
CCU Authorized Spending Amount	**$**	**3,579,797.97**

GWA Resolution No. 32-FY2017	$ 1,000,000.00
GWA Resolution No. 24-FY2018	
Ratification	$ 14,224.32
Additional Meter Purchases	$ 1,449,855.00
Meter Inventory Replenishment	$ 1,115,718.65
Total CCU Authorization	**$ 3,579,797.97**
Payments to Badger	**$ 3,348,890.85**
Remaining CCU Authorized Funds:	**$ 230,907.12**

EXHIBIT B

Badger Meter

4545 W Brown Deer Road
PO Box 245036
Milwaukee, Wisconsin 53224-9536
414-355-0400 | 800-876-3837
www.badgermeter.com

VIA EMAIL

Guam Waterworks Authority
Attention: Mr. Miguel C. Bordallo, P.E.
GWA Procurement Division
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, GU 96913

RE: IFB 2015-13 Renewal Option Water Meters Various Sizes and Accessories

Dear Mr. Bordallo,

In accordance with your request dated February 20, 2019 to exercise the option to extend for a period of 12 months, per Paragraph 7 of the Agreement we would like to request an amendment to the IFB 2015 – 13 Agreement (Agreement) to extend the term with the following considerations.

- Badger Meter, Inc. (Badger Meter) and Guam Waterworks Authority (GWA) mutually agree to extend the Agreement for an additional year, with a price increase of five (5%) percent, per Section U, Price Adjustment Clause of the Agreement. This increase is necessary due to significant increases in the costs of metals, including copper and aluminum in addition to the increased costs of energy, oil and plastic resins. Please see the attached quotes to amend and replace previous product offering.

- Badger Meter continues to improve and redesign our products to provide our customers with state-of-the-art technology solutions. Therefore, Badger Meter reserves the right to provide our newest product solutions as an alternative to the proposed products, provided the replacement products meet the following requirements: are substantially similar to and are at least of equal quality and performance to, are in conformance with the requirements in the applicable specifications, meet the actual needs or are otherwise suitable for the intended use, and are priced at an amount that does not exceed the price of the quoted products. Wherefore, the attached quotes provide alternative product options for inclusion to the Agreement.

- All other terms and conditions remain the same.

We acknowledge and agree the IFB2015-13 Agreement is separate and apart from the warranty claims or any claims related to the previous procurement of LP meters. We request acceptance of the aforementioned term extension, price increase and alternative product offering by the issuance of GWA's Amendment to the Agreement.

Badger Meter appreciates this opportunity to extend this Agreement in an effort to meet the metering needs of the Guam Waterworks Authority.

Sincerely,
BADGER METER, INC.

Fleming

Kodine L. Fleming
Assistant Secretary

EXPORT QUOTATION

Badger Meter

Quotation No. 413922

4545 W Brown Deer Road Milwaukee WI 53223
PO Box 245036 Milwaukee WI 53224-9536
Phone: 800-876-3837 Fax: 888-371-5982
Customer Service Rep: utilityorders2@badgermeter.com

February 25, 2019

TO Mr. Miguel Bordllo
GUAM WATERWORKS AUTHORITY
P O BOX 3010

HAGATNA 96932

Phone: 1 (671) 300-6845

Fax: 1 (671) 649-3750

E-mail: mcbordallo@guamwaterworks.org

CUSTOMER ID: 00003307

EFFECTIVE DATES: 2/25/2019-2/26/2020

FINAL DESTINATION :GUAM

SALESPERSON	PROPOSAL SUBJECT	SHIPPING TERMS/INCO TERMS	PAYMENT TERMS
030000	Guam - Orion ME2	PREPAY/NO CHARGE EXW FACTORY	NET 30 DAYS

LINE #	DESCRIPTION	QTY	UNIT NET PRICE USD	LINE TOTALS USD
1	No Register, Orion ME 2, Traditional, Indoor-Outdoor, Pig-Tail (gel-cap), 10 ft Wire, UM1-0015-7639	21	$112.67	$2,365.97
2	RCDL M25 LL Disc Meter (NSF 61-G), 5/8" X 3/4-3/4 Bore (3/4 X 7 1/2), Cast Iron Bottom, Less Connections, HRE Registration, Gallon, 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft, UM1-0016-7978	500	$150.73	$75,365.00
3	RCDL M25 LL Disc Meter (NSF 61-G), 5/8" X 3/4-3/4 Bore (3/4 X 7 1/2), Cast Iron Bottom, Less Connections, HRE Registration, Gallon, 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Integral Indoor-Outdoor, Factory Pre-Wired, 3 ft Break-Away Wire, UM1-0016-7979	1	$155.38	$155.38
4	RCDL M55 LL Disc Meter (NSF 61-G), 1" (1 X 10 3/4), Cast	1	$233.56	$233.56

THANK YOU FOR YOUR BUSINESS!

This quotation is an offer, made subject to the terms & conditions found on our website: www.badgermeter.com/Company/Legal/Sales-Terms.aspx
Quoted prices are firm for acceptance, via an order, within the effective dates provided, shipping within 60 calendar days past the expiration of the quotation.

EXPORT QUOTATION

Badger Meter

Quotation No. 413922

LINE #	DESCRIPTION	QTY	UNIT NET PRICE USD	LINE TOTALS USD
	Iron Bottom, Less Connections, HRE Registration, Gallon, 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft. UM1-0018-0772			
5	RCDL M55 LL Disc Meter (NSF 61-G), 1" (1 X 10 3/4), Cast Iron Bottom, Less Connections, HRE Registration, Gallon, 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Integral Indoor-Outdoor, Factory Pre-Wired, 3 ft Break-Away Wire. UM1-0018-0756	10	$238.21	$2,382.10
6	RCDL M120 LL Disc Meter (NSF 61-G), 1 1/2", Elliptical Long Drilled, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft. UM1-0018-0757	10	$379.83	$3,798.30
7	RCDL M170 LL Disc Meter (NSF 61-G), 2", Elliptical Long Drilled, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft. UM1-0018-0759	15	$567.55	$8,513.25
8	RCDL Turbo Series Meter LL (NSF 61-G), 3", Round, Without Integral Strainer, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft. UM1-0018-0760	5	$775.03	$3,875.15
9	RCDL Turbo Series Meter LL (NSF 61-G), 4", Round, Without Integral Strainer, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft. UM1-0018-0761	5	$1,260.97	$6,304.85
10	RCDL Turbo Series Meter LL (NSF 61-G), 6", Round, Less Connections, HRE Registration, Gallon, 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft. UM1-0018-0762	2	$2,313.00	$4,626.00
11	RCDL Turbo Series Meter LL (NSF 61-G), 8", Round w/Test Plug, Less Connections, HRE Registration, Gallon, 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft.	1	$3,151.80	$3,151.80

THANK YOU FOR YOUR BUSINESS!

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EXPORT QUOTATION

Badger Meter

Quotation No. 413922

LINE #	DESCRIPTION	QTY	UNIT NET PRICE USD	LINE TOTALS USD
	UM1-0018-0763			
12	RCDL Turbo Series Meter LL (NSF 61-G), 10", Round, Less Connections, MRE Registration, Gallon, 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft, UM1-0018-0764	1	$4,284.81	$4,284.81
13	External Plate Strainer, 2", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G) , External Plate Strainer, UM1-0001-2381	1	$324.46	$324.46
14	External Plate Strainer, 3", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G) , External Plate Strainer, UM1-0000-4904	1	$425.93	$425.93
15	External Plate Strainer, 4", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G) , External Plate Strainer, UM1-0000-4801	1	$563.00	$563.00
16	External Plate Strainer, 6", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G) , External Plate Strainer, UM1-0000-4802	1	$799.18	$799.18
17	External Plate Strainer, 8", Round Strainer w/Drain Plug, Steel, Zinc Plated Bolts, Nuts, & Std Black Gaskets, External Plate Strainer, UM1-0000-5939	1	$2,153.88	$2,153.88
18	External Plate Strainer, 10", Round Strainer w/Drain Plug, Steel, Zinc Plated Bolts, Nuts, & Std Black Gaskets, External Plate Strainer, UM1-0001-1470	1	$4,795.56	$4,795.56
19	ASSY ELL.FLG NL BRASS 1-1/2" 20336-046	1	$153.00	$153.00
20	ASSY ELL.FLG NL BRZ 2" 20336-048	1	$207.00	$207.00

Notes and Assumptions:
If applicable, sales tax, freight, and customs-related charges will be added at time of invoice.

Actual lead time to be provided at time of order.

If you have any questions concerning this quotation, please contact: 1 (414) 371-6196, MLeveille@badgermeter.com
To place an order, please contact: Kimmie Drogier, 800 616 3837 option 1, utilityorders2@badgermeter.com

Official authorized quote of Badger Meter Inc.

THANK YOU FOR YOUR BUSINESS!

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Badger Meter

Export Quotation
Quotation No. 3055603

4545 W Brown Deer Road Milwaukee WI 53223
PO Box 245036 Milwaukee WI 53224-9536
Phone: 800-876-3837 Fax: 888-371-5982

Customer Service Rep KDrogier@badgermeter.com

Revised Date

To Yearly Guam Quote - MAG & E-Series Meters
GUAM WATERWORKS AUTHORITY
P O BOX 3010
HAGATNA
96932
Phone(671) 300-6845
Email mcbordallo@guamwaterworks.org

Customer ID 00003307

Final Destination GUAM

Effective Dates 02-25-2019 - 02-25-2020

Salesperson	Proposal Subject	Shipping Terms / INCO Terms	Payment Terms
030000 Mark Leveille	Yearly Guam Quote - MAG & E-Series Meters	PREPAY/NO CHARGE For SHIPMENTS > $25,000 FCA FACTORY	NET 30 DAYS

Line #	Description	Qty	Unit Net Price USD	Line Totals USD
1	**BMI Part No.: 100-0347** **Description:** M2000, 2" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX - NONE Gal/Gal Per Minute, Factory Calibrated, N/A **Cat String**: M2-020-R1-A-SAC-S-XXGF-STD	2	2,045.40	4,090.80
2	**BMI Part No.: 100-0350** **Description:** M2000, 3" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX - NONE Gal/Gal Per Minute, Factory Calibrated, N/A **Cat String**: M2-030-R1-A-SAC-S-XXGF-STD	2	2,196.81	4,393.62
3	**BMI Part No.: 100-0351** **Description:** M2000, 4" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX - NONE Gal/Gal Per Minute, Factory Calibrated, NSF-61-372 **Cat String**: M2-040-R1-A-SAC-S-XXGF-STD	11	2,308.32	25,391.52

Thank you for your business!

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Line #	Description	Qty	Unit Net Price USD	Line Totals USD
4	**BMI Part No.: 100-0060** **Description:** M2000, 6" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mounted, 15ft. Standard Cable, Standard Output XX - NONE Gal/Gal Per Minute, Factory Calibrated, NSF-61-372 **Cat String:** M2-060-R1-A-RAC-S-XXGF-STD	5	2,580.48	12,902.40
5	**BMI Part No.: 100-0613** **Description:** M2000, 8" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX - NONE Gal/Gal Per Minute, Factory Calibrated, NSF-61-372 **Cat String:** M2-080-R1-A-SAC-S-XXGF-STD	1	2,951.13	2,951.13
6	**BMI Part No.: 100-3773** **Description:** EU - E-Series Ultrasonic SS (NSF-61-372), EAC - 5/8" X 3/4" (3/4 X 7-1/2) Potable, XT - None -ThicK Washers, X - NONE Encoder, DA - ORION ME MIGRATABLE, 1 - Standard, 9 Dial - 0.01 Gal, E - 1,000 A2 - BADGER STD (TS-420) YX - YR MFG 8D & PBB Pit/Remote Thru Lid Kit, TH - TWIST TIGHT - 10 FT (MTR, ASSY) B0A - BADGER METER STANDARD (ID=B0A) **Cat String:** EU-EAC-PXTX-E5-DA-19AE-A2YX-AGTH-AK-B0A	1	184.97	184.97

Subtotal - USD	49,914.44
Total Price - USD	49,914.44

Notes and Assumptions

If applicable, sales tax, freight, and custom-related charges will be added at time of invoice.

Actual lead time to be provided at time of order.

Badger Meter provides certification files to help manage meter and endpoint inventory and to maintain meter accuracy data. The standard method of delivery for this format is via electronic mail. Any deviations from our standard format, or any custom file formats, will be considered on a time and material basis. Please contact your Account Manager if you require more information.

Badger Meter continues to improve and redesign our products to provide our customers with state-of-the-art technology solutions. Therefore, Badger Meter reserves the right to provide our newest product solutions as an alternative to the proposed products, provided the replacement products meet the following requirements: are substantially similar to and are at least of equal quality and performance to, are in conformance with the requirements in the applicable specifications, meet the actual needs or are otherwise suitable for the intended use, and are priced at an amount that does not exceed the price of the quoted products.

If you would like to place an order, please contact your Customer Service Rep Kimmie Drogier, 800-616-3837 x15945 or KDrogier@badgermeter.com

Thank you for your business!

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If you have questions, please contact your Account Manager Mark Leveille, 800-876-3837 X16196 mleveille@badgermeter.com

Thank you for your business!

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EXHIBIT C

GUAM WATERWORKS AUTHORITY
Aturidat Kinalamten Hanom Guahan
"Better Water. Better Lives."
Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913
P.O. Box 3010, Hagatña, Guam 96932
Tel. No. (671) 300-6846/48 Fax No. (671) 648-3290

CONTRACT RENEWAL NOTICE

April 10, 2019

Badger Meter INC.
Attention: Ms. Korrine Fleming
4545 W. Brown Deer Road
P.O. Box 245036
Milwaukee, Wisconsin 53224-9536

RE: Contract Extension for IFB2015-13
"Water Meters Various Sizes and Accessories"

Referencing Invitation for Bid No: 2015-13, GWA issued a Notice of Conditional Award dated January 26, 2016 which was acknowledged by Badger Meter on February 5th, 2016; on February 23, 2016, GWA issued a Notice to Proceed (NPT) which was acknowledged by Badger Meter on the same day.

Contract Terms:
As specified in IFB2015-13, Section IV. Special Provisions, subsection 7. Contract Term, authorizing GWA to enter into 1st year option contract extension, GWA hereby agrees to exercise the contract renewal extension effective February 23, 2019 and expiring February 23, 2020, this contract extension is governed by specifications, pricing, and the terms and conditions set forth per the above reference bid number for Water Meters Various Sizes and Accessories, plus amendments outlines in your enclosed letter.

Please acknowledge your acceptance of this renewal by signing this document in the space provided below and returning to this office within ten (10) days.

Sincerely,

Miguel C. Bordallo, P.E.
General Manager,
Guam Waterworks Authority

(Name) Korrine L. Fleming
(Title) Assistant Secretary

I/We hereby acknowledge acceptance of this Contract renewal, and agree to be bound by all requirements, terms, and conditions as set forth in the above referenced bid number.

Badger Meter, Inc.

Company: ~~Badger Meters~~ Signed: Korrine L. Fleming

Date: April 25, 2019 Print Name: Korrine L. Fleming

Enclosure: Letter from Korrine Fleming emailed on March 5, 2019 by Bill Bergum
Notice of Conditional Award
Notice to Proceed (NPT)

cc: Kelly Clark, GWA General Counsel
Chris Budasi, AGMAS
Gilda Mafnas, Acting CFO
Procurement

Additional Purchases Relative to IFB 2015-13
May 2019 to February 2021

EXHIBIT D

LINE #	GWA STOCK #	PRODUCT DESCRIPTION	QTY.	UNIT NET PRICE USD	TOTALS USD
1	61604	No Register, Orion ME 2. Traditional, Indoor-Outdoor, Pig-Tail (gel cap), 10 ft Wire, UM1-0015-7639	0	112.67	-
2	60484	RCDL M25 LL Disc Meter (NSF 61-G), 5/8" X 3/4-3/4 Bore (3/4 X 7 1/2), Cast Iron Bottom, Less Connections, HRE Registration, Gallon 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-7978	6391	150.73	963,315.43
3	65293	RCDL M25 LL Disc Meter (NSF 61-G), 5/8" X 3/4-3/4 Bore (3/4 X 7 1/2), Cast Iron Bottom, Less Connections, HRE Registration, Gallon 8 Dial - 0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Integral Indoor-Outdoor, Factory Pre-Wired , 3 ft Break-Away Wire., UMI-0016-7979	1598	155.38	248,297.24
4	47466	RCDL M55 LL Disc Meter (NSF 61-G), 1" (1 X 10 3/4), Cast Iron Bottom, Less Connections, HRE Registration, Gallon 8 Dial -0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0772	180	233.56	42,040.80
5	47466	RCDL M55 LL Disc Meter (NSF 61-G), 1" (1 X 10 3/4), Cast Iron Bottom, Less Connections, HRE Registration, Gallon 8 Dial -0.1 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Factory Pre-Wired, 3 ft Break-Away Wire., UMI-0018-0758	180	238.21	42,877.80
6	47474	RCDL M120 LL Disc Meter (NSF 61-G), 1 1/2", Elliptical Long Drilled, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0757	264	379.83	100,275.12
7	47482	RCDL M170 LL Disc Meter (NSF 61-G), 2", Elliptical Long Drilled, Less Connections, HRE Registration, Gallon, 8 Dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0759	129	567.55	73,213.95
8	47491	RCDL Turbo Series Meter LL (NSF 61-G), 3", Round, Without Integral Strainer, Less Connections, HRE Registration, Gallon, 8 dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2. Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0760	4	775.03	3,100.12
9	47520	RCDL Turbo Series Meter LL (NSF 61-G), 4", Round, Without Integral Strainer, Less Connections, HRE Registration, Gallon, 8 dial - 1 Gallon, Plastic Shroud / Plastic Lid (Gray) Orion ME 2. Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0761	6	1,260.97	7,565.82
10	47538	RCDL Turbo Series Meter LL (NSF 61-G), 6", Round Less Connections, HRE Registration, Gallon 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0761	3	2,313.00	6,939.00
11	47546	RCDL Turbo Series Meter LL (NSF 61-G), 8", Round w/Test Plug, Less Connections, HRE Registration, Gallon 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0763	1	3,151.80	3,151.80
12	47554	RCDL Turbo Series Meter LL (NSF 61-G), 10", Round, Less Connections, HRE Registration, Gallon 8 Dial - 10 Gallons, Plastic Shroud / Plastic Lid (Gray) Orion ME 2, Traditional, Indoor-Outdoor, Badger Meter Twist Tight Connector, 5 ft., UMI-0018-0764	1	4,284.81	4,284.81
13	47651	External Plate Strainer, 2", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G), External Plate Strainer, UMI-0001-2381	129	324.46	41,855.34
14	48266	External Plate Strainer, 3", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G), External Plate Strainer, UMI-0000-4904	4	425.93	1,703.72
15	48282	External Plate Strainer, 4", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G), External Plate Strainer, UMI-0000-4801	6	563.00	3,378.00
16	48303	External Plate Strainer, 6", Round Strainer w/Drain Plug, LL Bronze (NSF 61-G), External Plate Strainer, UMI-0000-4802	3	799.18	2,397.54
17	48320	External Plate Strainer, 8", Round Strainer w/Drain Plug, Steel, Zinc Plated Bolts, Nuts, & Std Black Gaskets, External Plate Strainer, UMI-0000-5939	1	2,153.88	2,153.88
18	48338	External Plate Strainer, 10", Round Strainer w/Drain Plug, Steel, Zinc Plated Bolts, Nuts, & Std Black Gaskets, External Plate Strainer, UMI-0000-1470	1	4,795.56	4,795.56

Additional Purchases Relative to IFB 2015-13
May 2019 to February 2021

LINE #	GWA STOCK #	PRODUCT DESCRIPTION	QTY.	UNIT NET PRICE USD	TOTALS USD
19	48231	ASSY ELL FLG NL BRASS 1-1/2", 20336-048	0	153.00	-
20	48240	ASSY ELL FLG NL BRZ 2", 20336-048	0	207.00	-
21	73390	**BMI Part No.: 100-347** **Description: M2000, 2" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX-NONE Gal/Gal per Minute, Factory Calibrated, N/A** **Cat String: M2-020-R1-A-SAC-S-XXGF-STD**	1	2,045.40	2,045.40
22	73402	**BMI Part No.: 100-0350** **Description: M2000, 3" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX-NONE Gal/Gal per Minute, Factory Calibrated, N/A** **Cat String: M2-030-R1-A-SAC-S-XXGF-STD**	1	2,196.81	2,196.81
23	73411	**BMI Part No.: 100-0351** **Description: M2000, 4" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mount Submersible, 15ft. Standard Cable, Standard Output XX-NONE Gal/Gal per Minute, Factory Calibrated, NSF-61-372** **Cat String: M2-040-R1-A-SAC-S-XXGF-STD**	40	2,308.32	92,332.80
24	73429	**BMI Part No.: 100-0060** **Description: M2000, 6" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mounted Submersible, 15ft. Standard Cable, Standard Output XX-NONE Gal/Gal per Minute, Factory Calibrated, NSF-61-372** **Cat String: M2-060-R1-A-RAC-S-XXGF-STD**	1	2,580.48	2,580.48
25	73437	**BMI Part No.: 100-0613** **Description: M2000, 8" standard LL, Hard Rubber, C-Steel with 150# flanges, Alloy C with 316 Stainless Steel Grounding Rings, 110/220 VAC Remote Mounted Submersible, 15ft. Standard Cable, Standard Output XX-NONE Gal/Gal per Minute, Factory Calibrated, NSF-61-372** **Cat String: M2-080-R1-A-SAC-S-XXGF-STD**	1	2,951.13	2,951.13
26	84769	**BMI Part No.: 100-3773** **Description:** EU - E-Series Ultrasonic SS (NSF-61-372), EAC -5/8" X 3/4" (3/4 X7-1/2) Potable, XT - None - ThicK Washers, X-NONE Encoder, DA - ORION ME MIGRATABLE, 1 - Standard, 9 Dial - 0.01 Gal, E 1,000 AD -BADGER STD (TS-420) YX - YR MFG 8D & PBB Pit/Remote Thru Lid Kit, TH - TWIST TIGHT - 10 FT (MTR, ASSY) B0A - BADGER METER STANDARD (ID=B0A) **Cat String: EU-EAC-PXTX-E5-DA-19AE-A2YX-AGTH-AK-B0A**	0	184.97	-
27	51650	RCDL Compound Series Meter LL (NSF 61-G), 3", Round w/Test Plug,	22	1,772.38	38,992.36
28	51668	RCDL Compound Series Meter LL (NSF 61-G), 4", Round w/Test Plug,	31	2,789.88	86,486.28
29	51676	RCDL Compound Series Meter LL (NSF 61-G), 6", Round w/Test Plug,	3	3,953.04	11,859.12
		Total			1,790,790.31

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. 36-FY2019

RELATIVE TO APPROVING THE FIVE-YEAR FINANCIAL PLAN AND CAPITAL IMPROVEMENT PROGRAM

WHEREAS, the Consolidated Commission on Utilities ("CCU") is the governing body of the utilities and as such it possesses fiscal, contract and policy oversight over the Guam Waterworks Authority ("GWA"); and

WHEREAS, GWA is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, GWA prepared its third consecutive five-year financial plan FY2020-2024 which will provide for the continued modernization, operation, maintenance, and repair of GWA's water and sewer systems and provide for appropriate debt service on approximately $260 million in bonds to pay for the planned capital improvements to the benefit all of the people of Guam; and

WHEREAS, the Five-Year Financial Plan ("Financial Plan") addresses the 5 year period FY2020-FY2024: (1) estimated annual budgets for operations, maintenance and repair of GWA's water and sewer system, including capital improvement projects; and (2) a detailed descriptive plan for raising sufficient revenue to meet the projected costs set forth in the budget; and

WHEREAS, GWA's proposed Financial Plan contains annual rate increases that are driven primarily by obligatory investment for system reliability, federal regulatory compliance, the 2011 Federal Court order and a forthcoming U.S.E.P.A. Consent Decree while concurrently meeting the bond rate covenants and PUC debt coverage requirements along with credit rating considerations; and

WHEREAS, GWA management has presented its comprehensive Financial Plan to the CCU for its approval for release as described in the CFO Summary and accompanying documents attached hereto as Exhibit A; and

WHEREAS, GWA's proposed Financial Plan provides the structure to support the 5-year Capital Improvement Program attached hereto as Exhibit B, the FY2020 Budget and will become the foundation for subsequent 5-year plans to enable the implementation of the 20-year 2018 Water Resources Master Plan; and

WHEREAS, highlights of the Financial Plan include:

1) Rate increase utilizing a "cash basis" analysis of 10% in FY2020, 8.5% in FY2021, 8% in FY2022, 6.5% in FY2023 and 5% in FY2024 to fund increases in operating expenses and other costs subject to inflationary pressures, to pay for current debt service and future debt service of approximately Two Hundred Sixty Million Dollars ($260,000,000) of bond financing in FY2020, FY2022 for much needed capital improvement projects for service improvements which includes, but is not limited to, the following projects:
    a. continued development of water wells needed to support growth;
    b. water distribution upgrades that will reduce GWA's water losses which translates into lower power rates and lower costs for GWA's customers;
    c. water booster station upgrades;
    d. upgrades to GWA's sewer collection system and a comprehensive sewer line replacement and rehabilitation program;
    e. upgrades to over 20 wastewater pumping stations;
    f. numerous upgrade projects for the electrical systems on sewer collection and treatment facilities;
    g. installing additional SCADA system so that GWA can monitor and operate its water and wastewater system more efficiently;
    h. continue the Court Order replacement of some of GWA's remaining steel water storage tanks and add new concrete tanks that have a better life cycle cost;

i. continue the Court Order refurbishment of some of GWA's steel water storage tanks that will give the tanks an additional ten to fifteen years of life to allow GWA the ability to replace the tanks as necessary; and

2) Ensure that the cash reserves required under the Bond Indenture and Stipulated Order will be fully funded by the end of Fiscal Year 2024;

3) Ensures that the proper debt service coverage ratio that is required under the 2005, 2010, 2013 and 2016 Series Bond Indentures and future bond financing are maintained.

4) Continuation of on-going efforts to reduce water losses by 10% over the next five years through an aggressive leak detection and repair program, and prioritizing line replacement projects;

5) Internally funded capital improvement projects of approximately Ninety-Six Million Dollars ($96,000,000) to reduce GWA's need to finance all capital projects and thereby reduce costs to the consumers by eliminating the interest and costs associated with financing.

6) Augments the existing Working Capital Reserve funds for Operations & Maintenance and Debt Service by Fifteen Million Five Hundred Thousand Dollars ($15,500,000) to improve liquidity for dealing with unexpected events and to bring GWA closer to conforming with industry standards for working capital and cash reserves of four (4) months and sixty (60) days, respectively, as well as to create opportunities to enhance investment grade status for GWA bonds, attain better access to financial market and lower future debt costs; and

WHEREAS, the CCU has directed and Management has conducted a comprehensive public information campaign, including public work sessions with the CCU, television and radio interviews by the General Manager, several detailed presentations to the public in villages in the north, central and south of Guam, the Mayor's Council of Guam, the Speaker and GWA's oversight Chair at the Guam Legislature, and other community stakeholder groups such as the Rotary Club of Guam and the Guam Chamber of Commerce, as well as distribution of information on the plan to every GWA customer via billing inserts in the mail and publication of

the full text of the proposed plan on GWA's website, so that the plan can be thoroughly evaluated and commented on by the public; and

WHEREAS, having thoroughly reviewed and analyzed the plan, the CCU now finds that the Financial Plan is ready for approval and the CCU will authorize GWA management to file the Financial Plan with the Guam Public Utilities Commission after the expiration of thirty days from the date the notice is published in a newspaper of general circulation and on the GWA webpage as required by the Ratepayers Bill of Rights as contained in Guam Code Annotated.

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

The five-year Financial Plan required under GWA's master plan is hereby approved for filing with the Guam Public Utilities Commission which includes, but is not limited to the highlights set forth herein and below:

a. Rate increases of 10% in FY2020, 8.5% in FY2021, 8% in FY2022, 6.5% in FY2023, and 5% in FY2024 to account for current debt service and future debt service for approximately $260 million in financing for capital projects and increases in costs such as power costs; Navy water purchases and other normal and recurring operating expenses due to inflation;
b. A reduction in water losses by 10% by the end of the five-year period;
c. Ninety-Six Million Dollars ($96,000,000) set aside for internally funded capital improvement projects to offset amounts GWA is required to borrow;
d. Fifteen Million Five Hundred Thousand Dollars ($15,500,000) to augment the existing Working Capital Reserve funds for Operations & Maintenance and Debt Service of four (4) months and sixty (60) days respectively and beginning FY2020 and thereafter, deposit into the Fund from monthly revenues collected an amount equal to $1/12^{th}$ of the budgeted amount detailed in the Plan or GWA's annual budget, of which no expenditure or withdrawal shall be made without prior written approval by the CCU.

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

DULY ADOPTED AND APPROVED this 5th day of June 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson

Attested by:

MICHAEL T. LIMTIACO
Secretary

SECRETARY'S CERTIFICATE

I, Michael T. Limtiaco, Secretary for the Consolidated Commission on Utilities 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: 3

NAYS: 2

ABSTENTIONS: 0

ABSENT: 0

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GUAM WATERWORKS AUTHORITY

EXHIBIT A



GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
RATE PLAN (PROPOSED)2020 - 2024

SCHEDULE A	Audited	APPROVED BUDGET	Projection				
	2018	2019	2020	2021	2022	2023	2024
Basic Charge -Water	4.00%	0.00%	10.00%	8.50%	8.00%	6.50%	5.00%
Lifeline Increase	0.00%	0.00%	0.00%	0.00%	8.00%	0.00%	0.00%
Non-Lifeline Increase	4.00%	0.00%	10.00%	8.50%	8.00%	6.50%	5.00%
Legislative Surcharge	3.75%	3.75%	3.60%	3.60%	3.50%	3.40%	3.45%
Customer Growth	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Demand Growth			0.00%	0.00%	0.00%	0.00%	0.00%
OPERATING REVENUES							
Water Revenues	66,375,564	69,758,957	$ 77,204,820	$ 83,410,356	$ 90,162,843	$ 95,753,251	$ 100,357,472
Wastewater Revenues	38,301,405	38,967,180	43,990,569	47,006,664	50,816,250	53,527,730	55,758,216
Legislative Surcharge	3,470,508	3,536,002	3,856,370	4,165,719	4,397,793	4,552,730	4,853,770
Other Revenues	519,529	459,046	431,932	430,737	433,741	432,137	432,205
System Development Charge	1,070,985	1,173,270	914,964	929,304	832,509	892,259	884,691
Total Operating Revenues	109,737,991	113,894,455	126,397,745	135,962,780	146,643,136	155,158,107	162,286,353
O & M EXPENSES							
Power Purchases	14,686,486	14,775,781	14,935,361	15,234,089	15,538,771	15,848,546	16,165,537
Water Purchases	8,684,974	9,167,696	9,902,414	10,694,807	11,550,175	12,474,189	13,472,124
	23,371,460	23,943,477	24,837,795	25,928,896	27,088,946	28,323,736	29,638,662
Salaries and Benefits	18,534,508	24,435,234	27,199,775	28,677,206	29,340,741	30,016,089	30,709,538
Intentionally Left Blank							
Administrative and General Expenses	11,743,583	10,777,027	12,066,903	12,410,865	12,458,954	12,697,866	13,139,631
Intentionally Left Blank							
Depreciation Expense	19,280,249	21,108,780	21,962,670	22,271,032	22,300,621	22,648,171	24,038,420
Intentionally Left Blank							
Contractual Expense	5,036,651	5,111,471	6,054,073	7,397,524	8,675,010	10,009,518	11,832,223
Intentionally Left Blank							
Retiree Supplemental Annuities/Health care costs	8,548,967	3,622,150	3,783,479	3,933,180	4,112,018	4,300,483	4,499,094
Total Operating Expenses	86,515,418	88,998,138	95,884,695	100,818,503	103,977,291	107,997,963	113,857,568
Earnings (Loss) from Operations	23,222,572	24,896,316	30,513,050	35,344,278	42,665,846	47,160,144	48,428,785
Interest Income-Bond 2013,2014 Refunding,2016,2017 Refunding	3,064,490	1,019,316	1,350,758	1,536,593	1,303,222	1,397,858	1,413,558
Interest Income-Other Funds	547,736	166,274	216,573	246,637	210,495	225,235	228,122
Interest Income-SDC	186,221	24,862	25,587	29,850	26,760	27,392	28,001
Interest Expense-Bond 2013,2014 Refunding,2016,2017 Refunding	(26,129,813)	(28,653,415)	(32,105,168)	(31,659,850)	(34,164,716)	(36,851,585)	(36,200,087)
Interest Expense-BOG	(368,427)	(237,144)	(67,345)	-	-	-	-
AFUDC	12,501,196	13,887,666	-	-	-	-	-
Amortization of Discount, Premium and Issuance Costs	(512,295)	(213,575)	(403,640)	(276,930)	(298,049)	(326,206)	(300,395)
Grants & other contributions (net of federal expenditures)	14,462,063	66,398,461	39,732,857	39,732,857	33,430,130	8,000,000	8,000,000
Deferred outflows from Pension	361,104	(194,412)	(344,114)	(269,283)	(306,689)	(287,976)	(297,332)
Recoveries of bad debts/ Miscellaneous Revenue	-	-	-	-	-	-	-
Loss on Defeasance Bond- Refunding	(744,522)	-	-	-	-	-	-
Loss on Asset Disposal	(1,945,630)	-	-	-	-	-	-
Loss on Inventory write-down	-	-	-	-	-	-	-
Prior Year Adjustment	158,829	-	-	-	-	-	-
Net Income (Loss)	24,813,527	77,094,350	38,918,519	44,689,072	42,867,099	19,344,891	21,306,853
INCREASE (DECREASE) in Capital	24,813,527	77,094,350	38,918,519	44,689,072	42,867,099	19,344,891	21,306,853
BOND DEBT SERVICE	26,738,820	31,388,415	34,175,188	34,229,858	43,294,135	43,195,705	47,217,836

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
RATE PLAN (PROPOSED)2020 - 2024

SCHEDULE A

	Audited	APPROVED BUDGET	Projection				
	2018	2019	2020	2021	2022	2023	2024
Basic Charge -Water	4.00%	0.00%	10.00%	8.50%	8.00%	6.50%	6.00%
Lifeline Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-Lifeline Increase	4.00%	0.00%	10.00%	8.50%	8.00%	6.50%	6.00%
Legislative Surcharge	3.75%	3.75%	3.60%	3.60%	3.50%	3.40%	3.45%
Customer Growth	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Demand Growth			0.00%	0.00%	0.00%	0.00%	0.00%
DEBT SERVICE COVERAGE CALCULATION - Section 6.12							
Earnings (Loss) from Operations	23,222,572	24,696,318	30,513,059	35,344,279	42,685,648	47,180,144	49,428,785
Investment Income-Other funds	547,738	166,274	216,573	248,637	210,495	225,235	228,122
COLA	594,000	623,700	644,877	686,520	736,117	784,867	837,984
System Development Charge	(1,070,965)	(1,173,270)	(914,964)	(929,304)	(832,509)	(892,259)	(884,891)
Depreciation	19,280,249	21,108,780	21,952,670	22,271,032	22,300,621	22,648,171	24,036,420
Balance Available for Debt Service - Section 6.12	42,573,574	45,621,800	52,422,206	57,623,163	65,079,570	69,926,158	72,646,821
Debt Service Coverage (1.25X) - Section 6.12	1.58	1.45	1.53	1.69	1.51	1.62	1.54
DEBT SERVICE COVERAGE CALCULATION - PUC Debt Ratio							
Balance Available for Debt Service	42,573,574	45,621,800	52,422,206	57,623,163	65,079,570	69,926,158	72,646,821
Transfer - Reserve for O & M	1,000,000						
Transfer - Reserve for Debt Service	-				8,000,000		6,000,000
2017 Refunding bond savings							
Available for Debt Service -Reserve for Debt Service	11,217,733	11,217,733	11,244,664	11,244,664	11,244,664	19,244,664	19,244,664
Balance Available for Debt Service - PUC	54,791,308	56,839,534	63,666,870	68,867,828	84,324,235	89,170,823	96,893,296
Debt Service Coverage (1.75X) - PUC	2.05	1.81	1.86	2.01	1.85	2.06	2.05
CASH FLOW STATEMENT							
Net Income (Loss)	24,813,527	77,694,359	38,918,919	44,699,072	42,987,660	19,344,881	21,309,653
Depreciation & Amortization	19,792,544	20,696,206	22,368,310	22,547,982	22,598,670	22,974,378	24,338,815
AFUDC	(12,501,198)	(13,687,666)	-	-	-	-	-
Principal Payments - Bonds	(5,200,000)	(5,715,000)	(8,770,000)	(9,270,000)	(12,038,419)	(12,644,140)	(14,316,949)
Working Capital Change (Increase)Decrease	(2,403,918)	-	(878,321)	(542,131)	(932,330)	(625,422)	(319,479)
Principal Payments-BOG	(3,018,019)	(3,180,334)	(2,780,552)	-	-	-	-
Transfer to Trust	-	-	-	-	-	-	-
Deferred outflows from pension	(391,104)	-	344,114	289,263	306,689	287,976	297,332
Gross Bond Proceeds	124,047,361	-	134,000,000	-	60,000,000	66,000,000	-
Deposit to Bond Construction Fund	(122,155,328)	-	(108,925,581)	-	(48,772,648)	(53,649,913)	-
Deposit to CAP Interest Fund	-	-	(13,400,000)	-	(4,027,392)	(6,600,000)	-
Deposit to Debt Service Reserve Fund	-	-	(8,994,419)	-	(6,000,000)	(4,430,087)	-
Cost of Issuance/Underwriter Discount	(1,892,033)	-	(2,680,000)	-	(1,200,000)	(1,320,000)	-
Loss on Defeasance Bond/Amortization of Disct, Premium&IssuanceCost	1,258,817	407,987	403,640	276,930	298,049	328,208	300,395
Revenue Funded CAPEX	(6,981,172)	-	-	-	-	-	-
Bond Reserve Requirement	-	-	-	-	-	-	(449,389)
System Development Charge	(1,070,965)	(1,173,270)	(914,964)	(929,304)	(832,509)	(892,259)	(884,891)
Working Capital Reserve for CAPEX/PAYGO	(4,191,798)	(13,152,686)	(15,000,000)	(15,000,000)	(20,500,000)	(21,000,000)	(24,500,000)
Working Capital Reserve for O & M	(1,000,000)	(3,347,412)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Working Capital Reserve for Debt Service	-	-	-	(8,000,000)	-	(5,000,000)	-
Grants and Contributions	(14,462,063)	(66,398,461)	(39,732,857)	(39,732,857)	(33,430,130)	(8,000,000)	(8,000,000)
Transfer from Capitalized Interest Fund	1,771,471	-	6,700,000	6,700,000	3,000,000	6,300,000	3,300,000
Prior Year Adjustment & Loss on Asset Disposal/Invty writedown	1,787,001	-	-	-	-	-	-
Transfer to 2017 refunding savings							
Cash Surplus (Deficit)	(1,778,894)	(8,457,186)	155,688	506,934	836,019	571,820	586,678
Beginning Balance	4,873,279	9,419,782	3,094,384	3,250,272	3,759,207	4,595,226	5,166,846
Ending Balance	$ 3,094,384	$ 962,596	$ 3,250,272	$ 3,759,207	$ 4,595,226	$ 5,166,846	$ 5,753,524

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenues

	FY2018					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chgr**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	386	79,644	$ 109,675	$ 381,511	$ 18,349	$ 509,534
Golf Course	16	2,741	10,448	36,292	1,828	48,567
Hotels	58	988,969	116,983	13,205,003	480,995	13,802,981
Commercial	2,702	907,752	1,096,844	12,050,906	519,735	13,667,485
Government/Federal	408	459,491	274,761	6,051,740	277,048	6,603,549
Residential	38,927	1,923,824	10,843,966	18,192,313	1,059,048	29,895,327
Residential Lifeline		1,396,170		4,205,123		4,205,123
						-
Total Water	**42,474**	**5,758,590**	**$ 12,252,677**	**$ 54,122,887**	**$ 2,357,002**	**$ 68,732,566**
Wastewater Revenues						
Commercial I	1,773	427,727		$ 3,214,793	$ 122,761	$ 3,337,554
Commercial II & Hotel	61	725,910		13,059,683	491,162	13,550,845
Commercial III	261	148,458		3,643,108	141,489	3,784,597
Government/Federal	250	937,868		9,764,431	358,095	10,122,526
Residential	27,029	1,836,672		8,619,390		8,619,390
Total Wastewater	**29,374**	**4,076,635**	**-**	**$ 38,301,403**	**$ 1,113,508**	**$ 39,414,911**
Grand Total		**9,835,226**	**$ 12,252,677**	**$ 92,424,291**	**$ 3,470,509**	**$ 108,147,477**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2019					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chge**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	370	85,951	$ 110,932	$ 369,840	$ 18,029	$ 498,801
Golf Course	15	2,617	10,444	34,953	1,702	47,100
Hotels	55	1,005,313	116,550	13,426,114	507,850	14,050,513
Commercial	2,664	907,887	1,095,541	12,124,976	495,769	13,716,286
Government/Federal	411	466,672	276,872	6,232,482	244,101	6,753,454
Residential	38,870	1,857,465	10,630,534	20,266,511	1,146,297	32,043,342
Residential Lifeline		1,681,096		5,063,209		5,063,209
Total Water	**42,385**	**6,007,000**	**$ 12,240,872**	**$ 57,518,084**	**$ 2,413,749**	**$ 72,172,705**
Wastewater Revenues						
Commercial I	1,779	447,163		$ 3,292,551	$ 123,471	$ 3,416,022
Commercial II & Hotel	61	742,306		13,309,258	499,097	13,808,355
Commercial III	259	140,004		3,481,390	130,552	3,611,942
Government/Federal	254	935,161		9,842,378	369,089	10,211,468
Residential	27,359	2,169,836		9,041,602		9,041,602
Total Wastewater	**29,713**	**4,434,470**	**-**	**$ 38,967,180**	**$ 1,122,209**	**$ 40,089,389**
Grand Total		**10,441,470**	**$ 12,240,872**	**$ 96,485,264**	**$ 3,535,958**	**$ 112,262,094**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2020					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chrg**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	356	82,979	$ 117,159	$ 392,730	$ 18,356	$ 528,246
Golf Course	14	2,317	8,592	34,036	1,535	44,162
Hotels	53	1,071,638	127,596	15,743,088	571,345	16,442,029
Commercial	2,666	958,854	1,202,476	14,086,217	550,393	15,839,086
Government/Federal	400	531,832	296,281	7,812,977	291,933	8,401,192
Residential	39,155	1,739,911	11,776,179	20,544,380	1,163,540	33,484,099
Residential Lifeline		1,681,096		5,063,209		5,063,209
Total Water	**42,644**	**6,068,626**	**$ 13,528,283**	**$ 63,676,637**	**$ 2,597,102**	**$ 79,802,022**
Wastewater Revenues						
Commercial I	1,763	479,676		$ 3,885,148	$ 139,865	$ 4,025,014
Commercial II & Hotel	61	777,696		15,338,148	552,173	15,890,321
Commercial III	265	165,294		4,521,288	162,768	4,684,055
Government/Federal	248	968,045		11,207,323	403,464	11,610,787
Residential	27,350	2,195,980		9,038,651		9,038,651
Total Wastewater	**29,687**	**4,586,691**	**-**	**$ 43,990,559**	**$ 1,258,269**	**$ 45,248,828**
Grand Total		**10,655,317**	**$ 13,528,283**	**$ 107,667,196**	**$ 3,855,370**	**$ 125,050,849**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2021					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chrg**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	358	82,979	$ 127,753	$ 426,112	$ 19,939	$ 573,805
Golf Course	14	2,317	9,388	36,929	1,667	47,984
Hotels	54	1,071,638	139,134	17,081,251	619,934	17,840,318
Commercial	2,679	958,854	1,311,210	15,283,546	597,411	17,192,167
Government/Federal	402	531,832	323,072	8,477,080	316,805	9,116,958
Residential	39,351	1,739,911	12,841,040	22,290,652	1,264,741	36,396,433
Residential Lifeline		1,681,096		5,063,209		5,063,209
Total Water	**42,857**	**6,068,626**	**$ 14,751,578**	**$ 68,658,778**	**$ 2,820,497**	**$ 86,230,854**
Wastewater Revenues						
Commercial I	1,772	479,676		$ 4,215,386	$ 151,754	$ 4,367,140
Commercial II & Hotel	61	777,696		16,841,891	599,108	17,240,999
Commercial III	266	165,294		4,905,598	176,602	5,082,199
Government/Federal	249	968,045		12,159,946	437,758	12,597,704
Residential	27,487	2,195,980		9,083,844		9,083,844
Total Wastewater	**29,835**	**4,586,691**	**-**	**$ 47,006,664**	**$ 1,365,222**	**$ 48,371,886**
Grand Total		**10,655,317**	**$ 14,751,578**	**$ 115,665,443**	**$ 4,185,719**	**$ 134,602,739**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2022					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chge**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	360	82,979	$ 138,664	$ 460,201	$ 20,960	$ 619,825
Golf Course	15	2,317	10,169	39,883	1,752	51,803
Hotels	54	1,071,638	151,016	18,447,751	650,957	19,249,723
Commercial	2,692	958,854	1,423,187	16,506,229	627,530	18,556,946
Government/Federal	404	531,832	350,663	9,155,246	332,707	9,838,616
Residential	39,547	1,739,911	13,937,665	24,073,904	1,330,405	39,341,974
Residential Lifeline		1,681,096		5,468,265		5,468,265
Total Water	**43,072**	**6,068,626**	**$ 16,011,363**	**$ 74,151,481**	**$ 2,964,310**	**$ 93,127,154**
Wastewater Revenues						
Commercial I	1,781	479,676		$ 4,552,617	$ 159,342	$ 4,711,958
Commercial II & Hotel	62	777,696		17,973,242	629,063	18,602,305
Commercial III	267	165,294		5,298,045	185,432	5,483,477
Government/Federal	250	968,045		13,132,741	459,646	13,592,387
Residential	27,624	2,195,980		9,859,605		9,859,605
Total Wastewater	**29,984**	**4,586,691**	**-**	**$ 50,816,250**	**$ 1,433,483**	**$ 52,249,733**
Grand Total		**10,655,317**	**$ 16,011,363**	**$ 124,967,731**	**$ 4,397,793**	**$ 145,376,886**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2023					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chge**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	361	82,979	$ 148,415	$ 490,115	$ 21,710	$ 660,240
Golf Course	15	2,317	10,884	42,475	1,814	55,173
Hotels	54	1,071,638	161,636	19,646,855	673,489	20,481,979
Commercial	2,706	958,854	1,523,273	17,579,134	649,482	19,751,889
Government/Federal	406	531,832	375,323	9,750,337	344,272	10,469,933
Residential	39,745	1,739,911	14,917,831	25,638,708	1,378,922	41,935,461
Residential Lifeline		1,681,096		5,468,265		5,468,265
Total Water	**43,287**	**6,068,626**	**$ 17,137,362**	**$ 78,615,890**	**$ 3,069,690**	**$ 98,822,941**
Wastewater Revenues						
Commercial I	1,790	479,676		$ 4,848,537	$ 164,850	$ 5,013,387
Commercial II & Hotel	62	777,696		19,141,503	650,811	19,792,314
Commercial III	269	165,294		5,642,418	191,842	5,834,261
Government/Federal	251	968,045		13,986,370	475,537	14,461,906
Residential	27,762	2,195,980		9,908,903		9,908,903
Total Wastewater	**30,134**	**4,586,691**	**-**	**$ 53,527,730**	**$ 1,483,040**	**$ 55,010,770**
Grand Total		**10,655,317**	**$ 17,137,362**	**$ 132,143,620**	**$ 4,552,730**	**$ 153,833,711**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule B - Summary of Revenue

	FY2024					
Water Revenues	**Customers**	**Consumption (kGal)**	**Customer Chrg**	**Consumption ($$$)**	**Surcharge**	**Total Revenues**
Agriculture/Irrigation	363	82,979	$ 156,615	$ 514,620	$ 23,158	$ 694,393
Golf Course	15	2,317	11,485	44,599	1,935	58,019
Hotels	54	1,071,638	170,566	20,629,197	717,592	21,517,356
Commercial	2,719	958,854	1,607,434	18,458,091	692,261	20,757,785
Government/Federal	408	531,832	396,060	10,237,854	366,870	11,000,784
Residential	39,944	1,739,911	15,742,041	26,920,643	1,471,863	44,134,547
Residential Lifeline		1,681,096		5,468,265		5,468,265
Total Water	**43,503**	**6,068,626**	**$ 18,084,201**	**$ 82,273,271**	**$ 3,273,678**	**$ 103,631,150**
Wastewater Revenues						
Commercial I	1,799	479,676		$ 5,090,964	$ 175,638	$ 5,266,602
Commercial II & Hotel	62	777,696		20,098,578	693,401	20,791,979
Commercial III	270	165,294		5,924,539	204,397	6,128,936
Government/Federal	253	968,045		14,685,688	506,656	15,192,344
Residential	27,901	2,195,980		9,958,447		9,958,447
Total Wastewater	**30,285**	**4,586,691**	**-**	**$ 55,758,216**	**$ 1,580,092**	**$ 57,338,308**
Grand Total		**10,655,317**	**$ 18,084,201**	**$ 138,031,487**	**$ 4,853,770**	**$ 160,969,458**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule C - Operating Expenses (Combined C1+C2+C3)

	PROJECTION				
	FY2020	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Water Purchases- Navy	9,902,414	10,694,607	11,550,175	12,474,189	13,472,124
Power Purchases	14,935,381	15,234,089	15,538,771	15,849,546	16,166,537
Salaries and Wages					
Salaries and Wages & Benefits	27,199,775	28,677,206	29,340,741	30,018,089	30,709,538
Intentionally Left Blank					
Subtotal	27,199,775	28,677,206	29,340,741	30,018,089	30,709,538
Administrative & General					
Administrative & General Expenses	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631
Intentionally Left Blank					
Subtotal	12,066,903	12,410,865	12,459,954	12,697,966	13,139,631
Contractual					
Contractual charges	6,054,073	7,397,524	8,675,010	10,009,518	11,832,223
Intentionally Left Blank					
Subtotal	6,054,073	7,397,524	8,675,010	10,009,518	11,832,223
Depreciation	21,962,670	22,271,032	22,300,621	22,648,171	24,038,420
Retiree Benefits	3,763,479	3,933,180	4,112,018	4,300,483	4,499,094
Total Operating & Maint. Expense	**95,884,695**	**100,618,503**	**103,977,291**	**107,997,963**	**113,857,568**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule C1 - Operating Expenses (Water)

	Projection				
	FY2020	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Water Purchases	9,902,414	10,694,607	11,550,175	12,474,189	13,472,124
Power Purchases	12,607,905	12,860,063	13,117,264	13,379,610	13,647,202
Salaries and Wages					
Salaries and Wages & Benefits	5,915,951	6,237,292	6,381,611	6,528,934	6,679,325
Intentionally Left Blank					
Subtotal	5,915,951	6,237,292	6,381,611	6,528,934	6,679,325
Administrative & General					
Administrative & General Expenses	2,172,043	2,233,956	2,242,792	2,285,634	2,365,134
Intentionally Left Blank					
Subtotal	2,172,043	2,233,956	2,242,792	2,285,634	2,365,134
Contractual					
Contractual charges	1,029,192	1,257,579	1,474,752	1,701,618	2,011,478
Intentionally Left Blank					
Subtotal	1,029,192	1,257,579	1,474,752	1,701,618	2,011,478
Depreciation	-	-	-	-	-
Supplemental Annuities Benefits	-	-	-	-	-
Total O & M. Expense	**$ 31,627,505**	**$ 33,283,497**	**$ 34,766,594**	**$ 36,369,985**	**$ 38,175,262**

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule C2 - Operating Expenses (WasteWater)

	Projection				
	FY2020	FY2021	FY2022	FY2023	FY2024
Power Purchases	2,174,118	2,217,600	2,261,952	2,307,191	2,353,335
Salaries and Wages					
Salaries and Wages & Benefits	5,643,953	5,950,520	6,088,204	6,228,753	6,372,229
Intentionally Left Blank					
Subtotal	5,643,953	5,950,520	6,088,204	6,228,753	6,372,229
Administrative & General					
Administrative & General Expenses	2,534,050	2,606,282	2,616,590	2,666,573	2,759,322
Intentionally Left Blank					
Subtotal	2,534,050	2,606,282	2,616,590	2,666,573	2,759,322
Contractual					
Contractual charges	2,058,385	2,515,158	2,949,504	3,403,236	4,022,956
Intentionally Left Blank					
Subtotal	2,058,385	2,515,158	2,949,504	3,403,236	4,022,956
Depreciation	-	-	-	-	-
Supplemental Annuities Benefits	-	-	-	-	-
Total O & M Expense	$ 12,410,505	$ 13,289,560	$ 13,916,250	$ 14,605,753	$ 15,507,843

GUAM WATERWORKS AUTHORITY

GUAM WATERWORKS AUTHORITY
Schedule C3 - Operating Expenses (OPERATIONS SUPPORT)

	Projection				
	FY2020	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Power Purchases - GPA	153,359	156,426	159,554	162,745	166,000
Salaries and Wages					
Salaries and Wages & Benefits	15,639,871	16,489,394	16,870,926	17,260,401	17,657,984
Intentionally Left Blank					
Subtotal	15,639,871	16,489,394	16,870,926	17,260,401	17,657,984
Administrative & General					
Administrative & General Expenses	7,360,811	7,570,628	7,600,572	7,745,759	8,015,175
Intentionally Left Blank					
Subtotal	7,360,811	7,570,628	7,600,572	7,745,759	8,015,175
Contractual					
Contractual charges	2,966,496	3,624,787	4,250,755	4,904,664	5,797,789
Intentionally Left Blank					
Subtotal	2,966,496	3,624,787	4,250,755	4,904,664	5,797,789
Depreciation	21,962,670	22,271,032	22,300,621	22,648,171	24,038,420
Supplemental Annuities Benefits	3,763,479	3,933,180	4,112,018	4,300,483	4,499,094
Total O & M Expense	**$ 51,846,684**	**$ 54,045,445**	**$ 55,294,447**	**$ 57,022,224**	**$ 60,174,463**

GUAM WATERWORKS AUTHORITY

NAVY WATER PURCHASES
SCHEDULE D

Description	Projection				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Water Purchases					
Navy Contract (FENA)					
Purchased kGal	753,303	753,303	753,303	753,303	753,303
Rate Per Kgal	$ 13.15	$ 14.20	$ 15.33	$ 16.56	$ 17.88
% Increase	8%	8%	8%	8%	8%
Total Purchase Costs	9,902,414	10,694,607	11,550,175	12,474,189	13,472,124
Total Costs	**$ 9,902,414**	**$ 10,694,607**	**$ 11,550,175**	**$ 12,474,189**	**$ 13,472,124**

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Schedule F - Debt Service

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Senior Lien Debt Service							
Series 2010 Revenue Bonds - Principal	1,725,000	1,800,000	1,895,000	-	-	-	-
Series 2010 Revenue Bonds - Interest	262,375	184,750	94,750	-			-
Total	1,987,375	1,984,750	1,989,750	-	-	-	-
Series 2013 Revenue Bonds - Principal	-	-	2,695,000	2,840,000	2,990,000	3,145,000	3,315,000
Series 2013 Revenue Bonds - Interest	9,331,688	9,331,688	9,331,688	9,190,200	9,041,100	8,884,125	8,719,013
Total	9,331,688	9,331,688	12,026,688	12,030,200	12,031,100	12,029,125	12,034,013
Series 2014 Refunding Revenue Bonds - Principal	3,475,000	3,620,000	3,760,000	530,000	555,000	4,005,000	4,205,000
Series 2014 Refunding Revenue Bonds - Interest	3,694,847	3,588,477	3,445,000	3,257,000	3,230,500	3,202,750	3,002,500
Total	7,169,847	7,208,477	7,205,000	3,787,000	3,785,500	7,207,750	7,207,500
Series 2016 Revenue Bonds - Principal	-	-	420,000	3,860,000	4,055,000	835,000	875,000
Series 2016 Revenue Bonds - Interest	7,165,500	7,165,500	7,165,500	7,144,500	6,951,500	6,748,750	6,707,000
Total	7,165,500	7,165,500	7,585,500	11,004,500	11,006,500	7,583,750	7,582,000
Series 2017 Refunding Bonds - Principal	-	295,000	-	2,040,000	2,145,000	2,250,000	2,365,000
Series 2017 Refunding Bonds - Interest	2,855,981	5,383,000	5,368,250	5,368,250	5,266,250	5,159,000	5,046,500
Total	2,855,981	5,678,000	5,368,250	7,408,250	7,411,250	7,409,000	7,411,500
Series 2020 Revenue Bonds - Principal	-	-	-	-	2,294,419	2,409,140	2,529,597
Series 2020 Revenue Bonds - Interest	-	-	6,700,000	6,700,000	6,675,366	6,558,940	6,436,104
Total	-	-	6,700,000	6,700,000	8,969,785	8,968,080	8,965,701
Series 2022 Revenue Bonds - Principal	-	-	-	-	-	-	1,027,352
Series 2022 Revenue Bonds - Interest	-	-	-	-	3,000,000	3,000,000	2,988,970
Total	-	-	-	-	3,000,000	3,000,000	4,016,322
Series 2023 Revenue Bonds - Principal	-	-	-	-	-	-	-
Series 2023 Revenue Bonds - Interest	-	-	-	-	-	3,300,000	3,300,000
Total	-	-	-	-	-	3,300,000	3,300,000
Bond Debt Service	28,510,390	31,368,415	40,875,188	40,929,950	46,204,135	49,495,705	50,517,036
Senior Lien - Bond Debt Service							
Principal	5,200,000	5,715,000	8,770,000	9,270,000	12,039,419	12,644,140	14,316,949
Interest	23,310,390	25,653,415	32,105,188	31,659,950	34,164,716	36,851,565	36,200,087
Less: Capitalized Interest	(1,771,471)	-	(6,700,000)	(6,700,000)	(3,000,000)	(6,300,000)	(3,300,000)
Interest Net of Cap I	21,538,920	25,653,415	25,405,188	24,959,950	31,164,716	30,551,565	32,900,087
Debt Service- Bonds Net of Cap I	26,738,920	31,368,415	34,175,188	34,229,950	43,204,135	43,195,705	47,217,036
Subordinate Loan- Bank of Guam							
Principal	3,018,019	3,180,334	2,780,552	-	-	-	-
Interest	399,458	237,144	67,345	-	-	-	-
Bank of Guam Debt Service	3,417,477	3,417,477	2,847,898	-	-	-	-
Total Principal -Bonds and BOG	8,218,019	8,895,334	11,550,552	9,270,000	12,039,419	12,644,140	14,316,949
Total Interest -Bonds and BOG	23,709,849	25,890,558	32,172,533	31,659,950	34,164,716	36,851,565	36,200,087
Total Debt Service-Bonds and Bank of Guam	31,927,868	34,785,892	43,723,085	40,929,950	46,204,135	49,495,705	50,517,036

GUAM WATERWORKS AUTHORITY

REVENUE FUNDED PROJECTS
SCHEDULE G

	ACTUAL	PROJECTION	
	2018	2019	2020
WATER			
PRV	198,043	47,600	
Main Lines & Valves	140,286	449,641	
Hydrants	183,669	258,969	
Pumps & Motors	601,202	736,866	300,000
Pipes			
Pumping Equipments		65,480	
Submersible Cables		165,000	
Leak Detection & Equipment		88,330	
Facility Improvements		250,000	
	1,123,200	2,061,886	300,000
WASTEWATER			
Pumps & Motors	250,000	220,673	400,000
Spare Parts & Equipment	-	42,819	
Pipes			
Collection System Replacements	-	30,000	
Emergency Replacements	500,000		
Treatment Plant Improvement	250,000	171,015	
	1,000,000	464,507	400,000
UTILITY SERVICES			
Meter Replacements - Small Meter	1,546,688	448,930	1,000,000
Large Meters > 2"			
	1,546,688	448,930	1,000,000
Transportation			
1. Light Fleet	521,910	928,090	550,000
2. Heavy Equipment		776,090	
	521,910	1,704,180	550,000
Information Technology			
1. Applications Software - Implementation		294,373	2,000,000
2. New Hardware		426,145	250,000
	-	720,518	2,250,000
Other Projects			
1. Facility Renovations		100,000	500,000
	-	100,000	500,000
TOTAL	4,191,798	5,500,000	5,000,000

GUAM WATERWORKS AUTHORITY

WORKING CAPITAL
SCHEDULE H

	PROJECTION				
	FY2020	FY2021	FY2022	FY2023	FY2024
Accounts Receivable, Net					
Accounts Receivable	(1,923,129)	(1,177,630)	(1,328,319)	(1,042,622)	(879,750)
Intentionally Left Blank					
Accounts Payable					
Accounts Payable	1,436,060	545,603	410,449	452,851	551,017
Intentionally Left Blank					
Intentionally Left Blank					
Other Cash Flow Items					
Materials & Supplies Inventory	(419,087)	62,273	(23,778)	(7,891)	-
Prepaid Expenses	22,621	29,590	11,769	(29,277)	8,676
Customer Deposits	5,214	(1,966)	(2,451)	1,518	579
Intentionally Left Blank					
Intentionally Left Blank					
Increase/(Decrease) in Working Capital	**(878,321)**	**(542,131)**	**(932,330)**	**(625,422)**	**(319,479)**

GUAM WATERWORKS AUTHORITY

FY 2020 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
R Residential														
	3/4"	24.82	3.01	11.81	38,646	3,148,003	1,657,216	1,490,788	$ 11,508,130	$ 4,991,285	$ 17,602,802	$ 34,102,218	$ 1,047,994	$ 35,150,211
	1"	28.95	3.01	11.81	343	37,599	15,096	22,502	119,304	45,468	265,700	430,472	13,860	444,332
	1 1/2"	45.44	3.01	11.81	103	44,745	5,425	39,320	56,076	16,339	464,281	536,696	18,733	555,429
	2"	57.88	3.01	11.81	28	38,323	1,352	36,971	19,545	4,071	436,546	460,162	16,419	476,582
	3"	103.37	3.01	11.81	10	23,469	480	22,989	12,051	1,446	271,443	284,940	10,206	295,146
	4"	144.69	3.01	11.81	14	71,945	899	71,046	25,010	2,708	838,886	866,604	31,100	897,704
	6"	268.71	3.01	11.81	10	54,398	568	53,830	31,326	1,710	635,609	668,645	24,010	692,655
	8"	392.70	3.01	11.81	1	2,526	60	2,466	4,738	181	29,113	34,030	1,219	35,248
	10"	537.40	3.01	11.81	-	-	-	-	-	-	-	-	-	-
	12"	640.71	3.01	11.81	-	-	-	-	-	-	-	-	-	-
					39,155	3,421,007	1,681,096	1,739,911	$ 11,776,179	$ 5,063,209	$ 20,544,380	$ 37,383,767	$ 1,163,540	$ 38,547,307
C Commercial														
	3/4"	24.82	-	14.69	1,720	272,666	-	272,666	512,259	-	4,005,653	4,517,913	162,645	4,680,558
	1"	28.95	-	14.69	322	71,990	-	71,990	111,738	-	1,057,586	1,169,324	42,096	1,211,420
	1 1/2"	45.44	-	14.69	333	144,810	-	144,810	181,746	-	2,127,352	2,309,098	83,128	2,392,226
	2"	57.88	-	14.69	162	132,473	-	132,473	112,383	-	1,946,121	2,058,504	74,106	2,132,610
	3"	103.37	-	14.69	33	73,374	-	73,374	40,725	-	1,077,920	1,118,645	40,271	1,158,916
	4"	144.69	-	14.69	53	109,234	-	109,234	92,480	-	1,604,715	1,697,195	61,099	1,758,294
	6"	268.71	-	14.69	36	73,838	-	73,838	114,502	-	1,084,738	1,199,240	43,173	1,242,412
	8"	392.70	-	14.69	5	72,320	-	72,320	23,680	-	1,062,427	1,086,107	39,100	1,125,206
	10"	537.40	-	14.69	2	8,148	-	8,148	12,962	-	119,706	132,668	4,776	137,444
	12"	640.71	-	14.69	-	-	-	-	-	-	-	-	-	-
					2,666	958,854	-	958,854	1,202,476	-	14,086,217	15,288,693	550,393	15,839,086
F Federal														
	3/4"	24.82	-	14.69	6	1,088	-	1,088	$ 1,796	$ -	$ 15,979	$ 17,775	$ 640	$ 18,415
	1"	28.95	-	14.69	3	341	-	341	1,048	-	5,016	6,063	218	6,282
	1 1/2"	45.44	-	14.69	1	33	-	33	548	-	482	1,030	37	1,067
	2"	57.88	-	14.69	3	432	-	432	2,094	-	6,339	8,433	304	8,737
	3"	103.37	-	14.69	1	222	-	222	1,247	-	3,255	4,502	162	4,664
	4"	144.69	-	14.69	-	-	-	-	-	-	-	-	-	-
	6"	268.71	-	14.69	-	-	-	-	-	-	-	-	-	-
	8"	392.70	-	14.69	-	-	-	-	-	-	-	-	-	-
	10"	537.40	-	14.69	-	-	-	-	-	-	-	-	-	-
	12"	640.71	-	14.69	-	-	-	-	-	-	-	-	-	-
					14	2,115	-	2,115	6,732	-	31,072	37,804	1,361	39,164
SUBTOTAL FY2020:					41,834	4,381,976	1,681,096	2,700,880	12,985,387	5,063,209	34,661,668	52,710,264	1,715,294	54,425,558

GUAM WATERWORKS AUTHORITY

FY 2020 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
G Government														
	3/4"	24.82	-	14.69	149	13,476	-	13,476	$ 44,492	$ -	$ 197,978	$ 242,470	$ 8,729	$ 251,199
	1"	28.95	-	14.69	42	8,536	-	8,536	14,433	-	125,393	139,826	5,034	144,860
	1 1/2"	45.44	-	14.69	75	32,352	-	32,352	40,733	-	475,272	516,005	18,576	534,581
	2"	57.88	-	14.69	45	52,554	-	52,554	31,179	-	772,053	803,232	28,916	832,148
	3"	103.37	-	14.69	27	61,093	-	61,093	33,245	-	897,491	930,736	33,506	964,242
	4"	144.69	-	14.69	30	210,757	-	210,757	52,929	-	3,096,169	3,149,098	113,368	3,262,465
	6"	268.71	-	14.69	12	101,877	-	101,877	38,887	-	1,496,638	1,535,524	55,279	1,590,803
	8"	392.70	-	14.69	3	19,127	-	19,127	14,208	-	280,992	295,200	10,627	305,827
	10"	537.40	-	14.69	3	29,946	-	29,946	19,443	-	439,921	459,364	16,537	475,902
	12"	640.71	-	14.69	-	-	-	-	-	-	-	-	-	-
					386	529,717	-	529,717	289,549	-	7,781,905	8,071,455	290,572	8,362,027
H Hotel														
	3/4"	24.82	-	14.69	-	-	-	-	-	-	-	-	-	-
	1"	28.95	-	14.69	2	6	-	6	698	-	89	787	28	815
	1 1/2"	45.44	-	14.69	2	2,067	-	2,067	913	-	30,372	31,285	1,126	32,412
	2"	57.88	-	14.69	5	121,195	-	121,195	3,257	-	1,780,434	1,783,692	64,213	1,847,905
	3"	103.37	-	14.69	4	4,924	-	4,924	4,571	-	72,337	76,909	2,769	79,677
	4"	144.69	-	14.69	18	123,182	-	123,182	31,408	-	1,809,633	1,841,041	66,277	1,907,319
	6"	268.71	-	14.69	16	553,013	-	553,013	51,850	-	8,124,136	8,175,985	294,335	8,470,321
	8"	392.70	-	14.69	6	166,793	-	166,793	28,416	-	2,450,303	2,478,719	89,234	2,567,953
	10"	537.40	-	14.69	1	100,457	-	100,457	6,481	-	1,475,785	1,482,266	53,362	1,535,627
	12"	640.71	-	14.69	-	-	-	-	-	-	-	-	-	-
					53	1,071,638	-	1,071,638	127,596	-	15,743,088	15,870,684	571,345	16,442,029
G Golf														
	3/4"	24.82	-	14.69	8	65	-	65	2,294	-	962	3,257	117	3,374
	1"	28.95	-	14.69	-	-	-	-	-	-	-	-	-	-
	1 1/2"	45.44	-	14.69	3	210	-	210	1,844	-	3,078	4,722	170	4,892
	2"	57.88	-	14.69	2	1,802	-	1,802	1,163	-	26,466	27,629	995	28,624
	3"	103.37	-	14.69	-	-	-	-	-	-	-	-	-	-
	4"	144.69	-	14.69	2	240	-	240	3,490	-	3,530	7,020	253	7,272
	6"	268.71	-	14.69	-	-	-	-	-	-	-	-	-	-
	8"	392.70	-	14.69	-	-	-	-	-	-	-	-	-	-
	10"	537.40	-	14.69	-	-	-	-	-	-	-	-	-	-
	12"	640.71	-	14.69	-	-	-	-	-	-	-	-	-	-
					14	2,317	-	2,317	8,992	-	34,036	42,627	1,535	44,162
	SUBTOTAL FY2020:				454	1,603,672	-	1,603,672	425,737	-	23,559,029	23,984,766	863,452	24,848,218

GUAM WATERWORKS AUTHORITY

FY 2020 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
A Agriculture														
	3/4"	23.98	-	4.72	258	35,218	-	35,218	74,216	-	166,159	240,376	8,654	249,029
	1"	27.97	-	4.72	39	11,378	-	11,378	12,833	-	53,681	66,513	2,398	69,011
	1 1/2"	43.90	-	4.72	22	25,803	-	25,803	11,471	-	121,737	133,208	4,795	138,003
	2"	55.92	-	4.72	11	3,076	-	3,076	7,419	-	14,515	21,933	790	22,723
	3"	99.88	-	4.72	-	-	-	-	-	-	-	-	-	-
	4"	139.79	-	4.72	-	-	-	-	-	-	-	-	-	-
	6"	259.62	-	4.72	-	-	-	-	-	-	-	-	-	-
	8"	379.42	-	4.72	-	-	-	-	-	-	-	-	-	-
	10"	519.23	-	4.72	-	-	-	-	-	-	-	-	-	-
	12"	619.04	-	4.72	-	-	-	-	-	-	-	-	-	-
					329	75,475	-	75,475	106,039	-	356,091	462,130	16,637	478,767
I Irrigation														
	3/4"	24.82	-	4.88	14	2,890	-	2,890	4,090	-	14,111	18,201	655	18,856
	1"	28.95	-	4.88	5	702	-	702	1,746	-	3,426	5,172	186	5,359
	1 1/2"	45.44	-	4.88	2	1,656	-	1,656	1,096	-	8,085	9,181	330	9,511
	2"	57.88	-	4.88	6	2,256	-	2,256	4,188	-	11,017	15,205	547	15,753
	3"	103.37	-	4.88	-	-	-	-	-	-	-	-	-	-
	4"	144.69	-	4.88	-	-	-	-	-	-	-	-	-	-
	6"	268.71	-	4.88	-	-	-	-	-	-	-	-	-	-
	8"	392.70	-	4.88	-	-	-	-	-	-	-	-	-	-
	10"	537.40	-	4.88	-	-	-	-	-	-	-	-	-	-
	12"	640.71	-	4.88	-	-	-	-	-	-	-	-	-	-
					27	7,503	-	7,503	11,120	-	36,639	47,759	1,719	49,479
SUBTOTAL FY2020:					356	82,979	-	82,979	117,159	-	392,730	508,890	18,356	528,246
GRAND TOTAL FY2020					42,644	6,068,628	1,681,098	4,387,530	$ 13,528,283	$ 5,063,209	$ 58,613,428	$ 77,204,920	$ 2,597,102	$ 79,802,022

GUAM WATERWORKS AUTHORITY

FY2020 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE CONSUMPTION (kGal)	BASIC	NON-LIFFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 27.54		27,350	2,195,980	$ 9,038,651		$ 9,038,651		$ 9,038,651
Commercial 1		$ 8.10	1,763	479,676		3,885,148	3,885,148	139,865	4,025,014
Commercial 2		$ 19.72	61	777,696		15,338,148	15,338,148	552,173	15,890,321
Commercial 3		$ 27.35	265	165,294		4,521,288	4,521,288	162,768	4,684,055
Navy/Airforce		$ 11.58	11	659,338		7,633,346	7,633,346	274,800	7,908,147
Government		$ 11.58	237	308,706		3,573,977	3,573,977	128,663	3,702,640
Totals at Current Rates			29,687	4,586,691	$ 9,038,651	$ 34,951,908	$ 43,990,559	$ 1,258,269	$ 45,249,828

GUAM WATERWORKS AUTHORITY

FY 2021 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
R Residential														
	3/4"	26.92	3.01	12.81	36,839	3,148,003	1,657,216	1,490,788	$ 12,548,753	$ 4,991,265	$ 19,099,040	$ 36,639,078	$ 1,139,321	$ 37,778,399
	1"	31.41	3.01	12.81	345	37,989	15,096	22,892	130,092	45,468	288,285	463,845	15,062	478,906
	1 1/2"	49.30	3.01	12.81	103	44,745	5,425	39,320	61,147	16,339	503,744	581,231	20,336	601,567
	2"	62.80	3.01	12.81	28	38,323	1,352	36,971	21,312	4,071	473,652	499,036	17,819	516,855
	3"	112.16	3.01	12.81	10	23,469	480	22,989	13,141	1,446	294,516	309,102	11,076	320,178
	4"	156.98	3.01	12.81	14	71,945	999	71,046	27,272	2,706	910,191	940,171	33,749	973,919
	6"	291.55	3.01	12.81	10	54,398	568	53,830	34,159	1,710	689,636	725,505	26,057	751,562
	8"	426.08	3.01	12.81	1	2,526	60	2,466	5,154	181	31,588	36,933	1,323	38,256
	10"	583.08	3.01	12.81	-	-	-	-	-	-	-	-	-	-
	12"	695.17	3.01	12.81	-	-	-	-	-	-	-	-	-	-
					39,351	3,421,007	1,681,096	1,739,911	$ 12,841,040	$ 5,063,209	$ 22,290,652	$ 40,194,901	$ 1,264,741	$ 41,459,642
C Commercial														
	3/4"	26.92	-	15.94	1,729	272,686	-	272,686	$ 558,580	$ -	$ 4,346,134	$ 4,904,714	$ 176,570	$ 5,081,284
	1"	31.41	-	15.94	323	71,990	-	71,990	121,842	-	1,147,480	1,269,323	45,696	1,315,018
	1 1/2"	49.30	-	15.94	335	144,810	-	144,810	198,180	-	2,308,177	2,506,358	90,229	2,596,586
	2"	62.80	-	15.94	183	132,473	-	132,473	122,545	-	2,111,541	2,234,086	80,427	2,314,514
	3"	112.16	-	15.94	33	73,374	-	73,374	44,407	-	1,169,544	1,213,951	43,702	1,257,653
	4"	156.98	-	15.94	54	109,234	-	109,234	100,843	-	1,741,116	1,841,959	66,311	1,908,269
	6"	291.55	-	15.94	36	73,838	-	73,838	124,856	-	1,176,940	1,301,796	46,865	1,348,661
	8"	426.08	-	15.94	5	72,320	-	72,320	25,621	-	1,152,733	1,178,554	42,428	1,220,982
	10"	583.08	-	15.94	2	8,148	-	8,148	14,134	-	129,881	144,015	5,185	149,199
	12"	695.17	-	15.94	-	-	-	-	-	-	-	-	-	-
					2,679	958,854	-	958,854	$ 1,311,210	$ -	$ 15,283,546	$ 16,594,756	$ 597,411	$ 17,192,167
F Federal														
	3/4"	26.92	-	15.94	6	1,068	-	1,068	$ 1,958	$ -	$ 17,337	$ 19,295	$ 695	$ 19,990
	1"	31.41	-	15.94	3	341	-	341	1,142	-	5,442	6,585	237	6,822
	1 1/2"	49.30	-	15.94	1	33	-	33	588	-	523	1,120	40	1,161
	2"	62.80	-	15.94	3	432	-	432	2,283	-	6,878	9,162	330	9,491
	3"	112.16	-	15.94	1	222	-	222	1,359	-	3,532	4,892	176	5,068
	4"	156.98	-	15.94	-	-	-	-	-	-	-	-	-	-
	6"	291.55	-	15.94	-	-	-	-	-	-	-	-	-	-
	8"	426.08	-	15.94	-	-	-	-	-	-	-	-	-	-
	10"	583.08	-	15.94	-	-	-	-	-	-	-	-	-	-
	12"	695.17	-	15.94	-	-	-	-	-	-	-	-	-	-
					14	2,115	-	2,115	$ 7,341	$ -	$ 33,713	$ 41,053	$ 1,478	$ 42,531
SUBTOTAL FY2021:					42,044	4,381,976	1,681,096	2,700,880	$ 14,159,591	$ 5,063,209	$ 37,607,910	$ 56,830,710	$ 1,863,630	$ 58,694,340

GUAM WATERWORKS AUTHORITY

FY 2021 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE> 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
G Government														
	3/4"	26.92	-	15.94	150	13,476	-	13,476	$ 48,515	$ -	$ 214,806	$ 263,321	$ 9,480	$ 272,801
	1"	31.41	-	15.94	42	8,536	-	8,536	15,738	-	136,052	151,790	5,464	157,254
	1 1/2"	49.30	-	15.94	75	32,352	-	32,352	44,416	-	515,670	560,086	20,163	580,249
	2"	62.80	-	15.94	45	52,554	-	52,554	33,998	-	837,678	871,676	31,380	903,056
	3"	112.16	-	15.94	27	61,093	-	61,093	36,251	-	973,778	1,010,029	36,361	1,046,390
	4"	156.98	-	15.94	31	210,757	-	210,757	57,715	-	3,359,343	3,417,058	123,014	3,540,072
	6"	291.55	-	15.94	12	101,877	-	101,877	42,404	-	1,623,850	1,666,254	59,985	1,726,239
	8"	426.06	-	15.94	3	19,127	-	19,127	15,493	-	304,876	320,369	11,533	331,902
	10"	583.08	-	15.94	3	29,946	-	29,946	21,201	-	477,315	498,516	17,947	516,463
	12"	695.17	-	15.94	-	-	-	-	-	-	-	-	-	-
					388	529,717	-	529,717	$ 315,732	$ -	$ 8,443,387	$ 8,759,099	$ 315,328	$ 9,074,427
H Hotel														
	3/4"	26.92	-	15.94	-	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -
	1"	31.41	-	15.94	2	6	-	6	762	-	96	858	31	889
	1 1/2"	49.30	-	15.94	2	2,067	-	2,067	996	-	32,954	33,950	1,222	35,172
	2"	62.80	-	15.94	5	121,195	-	121,195	3,552	-	1,931,771	1,935,323	69,672	2,004,995
	3"	112.16	-	15.94	4	4,924	-	4,924	4,984	-	78,486	83,471	3,005	86,476
	4"	156.98	-	15.94	18	123,182	-	123,182	34,249	-	1,963,452	1,997,700	71,917	2,069,617
	6"	291.55	-	15.94	16	553,013	-	553,013	58,539	-	8,814,687	8,871,226	319,364	9,190,590
	8"	426.06	-	15.94	6	166,793	-	166,793	30,986	-	2,658,579	2,689,564	96,824	2,786,388
	10"	583.08	-	15.94	1	100,457	-	100,457	7,067	-	1,601,227	1,608,294	57,899	1,666,192
	12"	695.17	-	15.94	-	-	-	-	-	-	-	-	-	-
					54	1,071,638	-	1,071,638	$ 139,134	$ -	$ 17,081,251	$ 17,220,384	$ 619,934	$ 17,840,318
G Golf														
	3/4"	26.92	-	15.94	8	65	-	65	$ 2,502	$ -	$ 1,044	$ 3,546	$ 128	$ 3,674
	1"	31.41	-	15.94	-	-	-	-	-	-	-	-	-	-
	1 1/2"	49.30	-	15.94	3	210	-	210	1,793	-	3,340	5,132	185	5,317
	2"	62.80	-	15.94	2	1,802	-	1,802	1,269	-	28,715	29,984	1,079	31,063
	3"	112.16	-	15.94	-	-	-	-	-	-	-	-	-	-
	4"	156.98	-	15.94	2	240	-	240	3,805	-	3,830	7,635	275	7,910
	6"	291.55	-	15.94	-	-	-	-	-	-	-	-	-	-
	8"	426.06	-	15.94	-	-	-	-	-	-	-	-	-	-
	10"	583.08	-	15.94	-	-	-	-	-	-	-	-	-	-
	12"	695.17	-	15.94	-	-	-	-	-	-	-	-	-	-
					14	2,317	-	2,317	$ 9,369	$ -	$ 36,929	$ 46,297	$ 1,667	$ 47,964
SUBTOTAL FY2021:					456	1,603,672	-	1,603,672	$ 464,234	$ -	$ 25,561,547	$ 26,025,781	$ 936,928	$ 26,962,709

GUAM WATERWORKS AUTHORITY

FY 2021 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
A Agriculture														
	3/4"	26.01	-	5.12	259	35,218	-	35,218	$ 80,927	$ -	$ 180,283	$ 261,210	$ 9,404	$ 270,614
	1"	30.35	-	5.12	39	11,378	-	11,378	14,102	-	58,243	72,345	2,604	74,950
	1 1/2"	47.63	-	5.12	22	25,803	-	25,803	12,509	-	132,084	144,593	5,205	149,798
	2"	60.68	-	5.12	11	3,076	-	3,076	8,090	-	15,749	23,838	858	24,696
	3"	108.37	-	5.12	-	-	-	-	-	-	-	-	-	-
	4"	151.68	-	5.12	-	-	-	-	-	-	-	-	-	-
	6"	281.69	-	5.12	-	-	-	-	-	-	-	-	-	-
	8"	411.67	-	5.12	-	-	-	-	-	-	-	-	-	-
	10"	563.36	-	5.12	-	-	-	-	-	-	-	-	-	-
	12"	671.86	-	5.12	-	-	-	-	-	-	-	-	-	-
					331	75,475	-	75,475	$ 115,628	$ -	$ 386,359	$ 501,987	$ 18,072	$ 520,058
I Irrigation														
	3/4"	26.92	-	5.30	14	2,890	-	2,890	$ 4,460	$ -	$ 15,310	$ 19,770	$ 712	$ 20,482
	1"	31.41	-	5.30	5	702	-	702	1,904	-	3,718	5,621	202	5,824
	1 1/2"	49.30	-	5.30	2	1,656	-	1,656	1,195	-	8,772	9,967	359	10,326
	2"	62.80	-	5.30	6	2,256	-	2,256	4,567	-	11,954	16,521	595	17,115
	3"	112.16	-	5.30	-	-	-	-	-	-	-	-	-	-
	4"	156.98	-	5.30	-	-	-	-	-	-	-	-	-	-
	6"	291.55	-	5.30	-	-	-	-	-	-	-	-	-	-
	8"	426.08	-	5.30	-	-	-	-	-	-	-	-	-	-
	10"	583.08	-	5.30	-	-	-	-	-	-	-	-	-	-
	12"	695.17	-	5.30	-	-	-	-	-	-	-	-	-	-
					27	7,503	-	7,503	$ 12,126	$ -	$ 39,754	$ 51,879	$ 1,868	$ 53,747
SUBTOTAL FY2021:					358	82,979	-	82,979	$ 127,753	$ -	$ 426,112	$ 553,866	$ 19,939	$ 573,805
GRAND TOTAL FY2021					42,857	6,068,626	1,681,088	4,387,538	$ 14,751,578	$ 5,063,209	$ 63,595,570	$ 83,410,358	$ 2,920,497	$ 86,330,854

GUAM WATERWORKS AUTHORITY

FY2021 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE CONSUMPTION (kGal)	BASIC	NON-LIFFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 27.54		27,487	2,195,980	$ 9,083,844		$ 9,083,844		$ 9,083,844
Commercial 1		$ 8.79	1,772	479,676		4,215,386	4,215,386	151,754	4,367,140
Commercial 2		$ 21.40	61	777,898		16,641,891	16,641,891	599,108	17,240,999
Commercial 3		$ 29.68	266	165,294		4,905,598	4,905,598	176,602	5,082,199
Navy/Airforce		$ 12.56	11	659,338		8,282,181	8,282,181	298,159	8,580,339
Government		$ 12.56	238	308,706		3,877,765	3,877,765	139,600	4,017,365
Totals at Current Rates			29,835	4,586,891	$ 9,083,844	$ 37,922,820	$ 47,006,664	$ 1,365,222	$ 48,371,886

GUAM WATERWORKS AUTHORITY

FY 2022 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
R	Residential														
		3/4"	29.08	3.25	13.84	39,033	3,148,003	1,657,216	1,490,788	$ 13,620,416	$ 5,390,586	$ 20,626,964	$ 39,637,968	$ 1,198,658	$ 40,836,626
		1"	33.93	3.25	13.84	347	37,599	15,096	22,502	141,202	49,106	311,347	501,655	15,839	517,494
		1 1/2"	53.24	3.25	13.84	104	44,745	5,425	39,320	66,389	17,647	544,044	628,080	21,364	649,424
		2"	67.82	3.25	13.84	28	38,323	1,352	36,971	23,132	4,397	511,544	539,074	18,714	557,788
		3"	121.13	3.25	13.84	10	23,469	480	22,989	14,283	1,561	318,077	333,901	11,632	345,533
		4"	189.54	3.25	13.84	15	71,945	899	71,046	29,801	2,924	983,006	1,015,531	35,441	1,050,973
		6"	314.87	3.25	13.84	10	54,398	568	53,830	37,076	1,847	744,807	783,730	27,386	811,096
		8"	460.17	3.25	13.84	1	2,526	60	2,466	5,605	195	34,115	39,915	1,390	41,305
		10"	629.73	3.25	13.84	-	-	-	-	-	-	-	-	-	-
		12"	750.78	3.25	13.84	-	-	-	-	-	-	-	-	-	-
						39,547	3,421,007	1,681,096	1,739,911	$ 13,937,665	$ 5,468,265	$ 24,073,904	$ 43,479,834	$ 1,330,485	$ 44,810,239
C	Commercial														
		3/4"	29.08	-	17.21	1,737	272,666	-	272,666	$ 606,283	$ -	$ 4,693,825	$ 5,300,108	$ 185,504	$ 5,485,612
		1"	33.93	-	17.21	325	71,990	-	71,990	132,248	-	1,239,279	1,371,526	48,003	1,419,530
		1 1/2"	53.24	-	17.21	337	144,810	-	144,810	215,105	-	2,492,831	2,707,936	94,778	2,802,714
		2"	67.82	-	17.21	163	132,473	-	132,473	133,011	-	2,280,464	2,413,475	84,472	2,497,947
		3"	121.13	-	17.21	33	73,374	-	73,374	48,200	-	1,263,107	1,311,307	45,896	1,357,203
		4"	189.54	-	17.21	54	109,234	-	109,234	109,455	-	1,880,405	1,989,860	69,645	2,059,505
		6"	314.87	-	17.21	36	73,838	-	73,838	135,519	-	1,271,098	1,406,614	49,231	1,455,846
		8"	460.17	-	17.21	5	72,320	-	72,320	28,026	-	1,244,952	1,272,978	44,554	1,317,532
		10"	629.73	-	17.21	2	8,148	-	8,148	15,341	-	140,271	155,612	5,446	161,059
		12"	750.78	-	17.21	-	-	-	-	-	-	-	-	-	-
						2,692	958,854	-	958,854	$ 1,423,187	$ -	$ 16,586,229	$ 17,629,417	$ 627,530	$ 18,256,946
F	Federal														
		3/4"	29.08	-	17.21	6	1,068	-	1,068	$ 2,125	$ -	$ 18,724	$ 20,849	$ 730	$ 21,579
		1"	33.93	-	17.21	3	341	-	341	1,240	-	5,878	7,117	249	7,367
		1 1/2"	53.24	-	17.21	1	33	-	33	649	-	565	1,213	42	1,256
		2"	67.82	-	17.21	3	432	-	432	2,478	-	7,428	9,907	347	10,254
		3"	121.13	-	17.21	1	222	-	222	1,475	-	3,815	5,290	185	5,475
		4"	189.54	-	17.21	-	-	-	-	-	-	-	-	-	-
		6"	314.87	-	17.21	-	-	-	-	-	-	-	-	-	-
		8"	460.17	-	17.21	-	-	-	-	-	-	-	-	-	-
		10"	629.73	-	17.21	-	-	-	-	-	-	-	-	-	-
		12"	750.78	-	17.21	-	-	-	-	-	-	-	-	-	-
						14	2,115	-	2,115	$ 7,968	$ -	$ 36,410	$ 44,377	$ 1,553	$ 45,930
	SUBTOTAL FY2022:					42,254	4,381,976	1,681,096	2,700,880	$ 15,368,820	$ 5,468,265	$ 40,696,543	$ 61,453,628	$ 1,959,488	$ 63,413,116

GUAM WATERWORKS AUTHORITY

FY 2022 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE <5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
G	Government														
		3/4"	29.08	-	17.21	151	13,476	-	13,476	$ 52,659	$ -	$ 231,990	$ 284,649	$ 9,963	$ 294,612
		1"	33.93	-	17.21	42	8,536	-	8,536	17,062	-	146,936	164,018	5,741	169,759
		1 1/2"	53.24	-	17.21	75	32,352	-	32,352	48,209	-	556,924	605,133	21,180	626,313
		2"	67.82	-	17.21	45	52,554	-	52,554	36,902	-	904,692	941,593	32,956	974,549
		3"	121.13	-	17.21	27	61,093	-	61,093	39,347	-	1,051,680	1,091,027	38,186	1,129,213
		4"	169.54	-	17.21	31	210,757	-	210,757	62,644	-	3,628,091	3,690,735	129,176	3,819,910
		6"	314.87	-	17.21	12	101,877	-	101,877	48,025	-	1,753,758	1,799,784	62,992	1,862,776
		8"	460.17	-	17.21	3	19,127	-	19,127	16,816	-	329,266	346,082	12,113	358,195
		10"	629.73	-	17.21	3	29,946	-	29,946	23,012	-	515,500	538,512	18,848	557,360
		12"	750.78	-	17.21	-	-	-	-	-	-	-	-	-	-
						399	529,717	-	529,717	$ 342,695	$ -	$ 9,118,837	$ 9,461,532	$ 331,154	$ 9,792,686
H	Hotel														
		3/4"	29.08	-	17.21	-	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -
		1"	33.93	-	17.21	2	6	-	6	827	-	104	930	33	963
		1 1/2"	53.24	-	17.21	2	2,067	-	2,067	1,081	-	35,590	36,671	1,283	37,954
		2"	67.82	-	17.21	5	121,195	-	121,195	3,855	-	2,086,313	2,090,168	73,156	2,163,324
		3"	121.13	-	17.21	4	4,924	-	4,924	5,410	-	84,765	90,175	3,158	93,331
		4"	169.54	-	17.21	18	123,182	-	123,182	37,173	-	2,120,528	2,157,701	75,520	2,233,221
		6"	314.87	-	17.21	16	553,013	-	553,013	61,367	-	9,519,862	9,581,229	335,343	9,916,572
		8"	460.17	-	17.21	6	166,793	-	166,793	33,632	-	2,871,265	2,904,897	101,671	3,006,568
		10"	629.73	-	17.21	1	100,457	-	100,457	7,671	-	1,729,325	1,736,995	60,795	1,797,790
		12"	750.78	-	17.21	-	-	-	-	-	-	-	-	-	-
						54	1,071,638	-	1,071,638	$ 151,016	$ -	$ 18,447,751	$ 18,598,767	$ 650,957	$ 19,249,723
G	Golf														
		3/4"	29.08	-	17.21	8	65	-	65	$ 2,716	$ -	$ 1,126	$ 3,843	$ 135	$ 3,978
		1"	33.93	-	17.21	-	-	-	-	-	-	-	-	-	-
		1 1/2"	53.24	-	17.21	3	210	-	210	1,946	-	3,607	5,552	194	5,747
		2"	67.82	-	17.21	2	1,802	-	1,802	1,377	-	31,012	32,389	1,134	33,523
		3"	121.13	-	17.21	-	-	-	-	-	-	-	-	-	-
		4"	169.54	-	17.21	2	240	-	240	4,130	-	4,136	8,267	289	8,556
		6"	314.87	-	17.21	-	-	-	-	-	-	-	-	-	-
		8"	460.17	-	17.21	-	-	-	-	-	-	-	-	-	-
		10"	629.73	-	17.21	-	-	-	-	-	-	-	-	-	-
		12"	750.78	-	17.21	-	-	-	-	-	-	-	-	-	-
						15	2,317	-	2,317	$ 10,169	$ -	$ 39,883	$ 50,051	$ 1,752	$ 51,803
	SUBTOTAL FY2022:					468	1,603,672	-	1,603,672	$ 503,879	$ -	$ 27,606,471	$ 28,110,350	$ 983,862	$ 29,094,212

GUAM WATERWORKS AUTHORITY

FY 2022 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
A	Agriculture														
		3/4"	28.10	-	5.53	261	35,218	-	35,218	$ 87,839	$ -	$ 194,705	$ 282,544	$ 9,889	$ 292,433
		1"	32.78	-	5.53	39	11,378	-	11,378	15,306	-	62,903	78,209	2,737	80,947
		1 1/2"	51.44	-	5.53	22	25,803	-	25,803	13,577	-	142,851	156,228	5,468	161,696
		2"	65.53	-	5.53	11	3,076	-	3,076	8,780	-	17,008	25,789	903	26,691
		3"	117.04	-	5.53	-	-	-	-	-	-	-	-	-	-
		4"	163.81	-	5.53	-	-	-	-	-	-	-	-	-	-
		6"	304.22	-	5.53	-	-	-	-	-	-	-	-	-	-
		8"	444.61	-	5.53	-	-	-	-	-	-	-	-	-	-
		10"	606.43	-	5.53	-	-	-	-	-	-	-	-	-	-
		12"	725.39	-	5.53	-	-	-	-	-	-	-	-	-	-
						333	75,475	-	75,475	$ 125,502	$ -	$ 417,268	$ 542,770	$ 18,997	$ 561,767
I	Irrigation														
		3/4"	29.06	-	5.72	14	2,890	-	2,890	$ 4,841	$ -	$ 16,535	$ 21,376	$ 748	$ 22,124
		1"	33.93	-	5.72	5	702	-	702	2,066	-	4,015	6,081	213	6,294
		1 1/2"	53.24	-	5.72	2	1,656	-	1,656	1,297	-	9,473	10,771	377	11,148
		2"	87.82	-	5.72	6	2,256	-	2,256	4,957	-	12,910	17,867	625	18,492
		3"	121.13	-	5.72	-	-	-	-	-	-	-	-	-	-
		4"	189.54	-	5.72	-	-	-	-	-	-	-	-	-	-
		6"	314.87	-	5.72	-	-	-	-	-	-	-	-	-	-
		8"	460.17	-	5.72	-	-	-	-	-	-	-	-	-	-
		10"	629.73	-	5.72	-	-	-	-	-	-	-	-	-	-
		12"	750.78	-	5.72	-	-	-	-	-	-	-	-	-	-
						27	7,503	-	7,503	$ 13,161	$ -	$ 42,934	$ 56,095	$ 1,963	$ 58,058
	SUBTOTAL FY2022:					360	82,979	-	82,979	$ 138,664	$ -	$ 460,201	$ 598,865	$ 20,960	$ 619,825
	GRAND TOTAL FY2022					43,072	6,668,626	1,691,096	4,397,530	$ 16,811,363	$ 5,468,265	$ 58,683,215	$ 80,162,843	$ 2,964,310	$ 83,127,154

GUAM WATERWORKS AUTHORITY

FY2022 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE CONSUMPTION (kGal)	BASIC	NON-LIFFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 29.74		27,624	2,195,980	$ 9,859,605		$ 9,859,605		$ 9,859,605
Commercial 1		$ 9.49	1,781	479,676		4,552,617	4,552,617	159,342	4,711,958
Commercial 2		$ 23.11	62	777,696		17,973,242	17,973,242	629,063	18,602,305
Commercial 3		$ 32.05	267	165,294		5,298,045	5,298,045	185,432	5,483,477
Navy/Airforce		$ 13.57	11	659,338		8,944,755	8,944,755	313,066	9,257,822
Government		$ 13.57	239	308,706		4,187,986	4,187,986	146,580	4,334,566
Totals at Current Rates			29,994	4,586,691	$ 9,859,605	$ 40,956,645	$ 50,816,250	$ 1,433,483	$ 52,249,733

GUAM WATERWORKS AUTHORITY

FY 2023 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFELINE	WATER	SURCHARGE	TOTAL
R	Residential														
		3/4"	30.97	3.25	14.74	39,228	3,148,003	1,657,216	1,490,788	$ 14,578,272	$ 5,390,588	$ 21,967,716	$ 41,936,576	$ 1,242,564	$ 43,179,140
		1"	36.13	3.25	14.74	349	37,599	15,096	22,502	151,132	49,106	331,585	531,822	16,412	548,235
		1 1/2"	56.70	3.25	14.74	104	44,745	5,425	39,320	71,037	17,647	579,407	668,090	22,115	690,205
		2"	72.23	3.25	14.74	29	38,323	1,352	36,971	24,759	4,397	544,795	573,951	19,365	593,316
		3"	129.01	3.25	14.74	10	23,469	480	22,989	15,268	1,561	338,752	355,580	12,037	367,616
		4"	180.56	3.25	14.74	15	71,945	899	71,046	31,683	2,924	1,048,901	1,081,509	36,672	1,118,180
		6"	335.34	3.25	14.74	10	54,396	566	53,830	39,683	1,847	793,219	834,750	28,319	863,068
		8"	490.08	3.25	14.74	1	2,526	60	2,466	5,999	195	36,332	42,527	1,439	43,966
		10"	670.66	3.25	14.74	-	-	-	-	-	-	-	-	-	-
		12"	799.58	3.25	14.74	-	-	-	-	-	-	-	-	-	-
						39,745	3,421,007	1,681,096	1,739,911	$ 14,917,831	$ 5,468,285	$ 25,638,708	$ 46,024,894	$ 1,378,922	$ 47,403,727
C	Commercial														
		3/4"	30.97	-	18.33	1,748	272,666	-	272,666	$ 648,920	$ -	$ 4,998,923	$ 5,647,843	$ 192,027	$ 5,839,870
		1"	36.13	-	18.33	325	71,990	-	71,990	141,548	-	1,319,832	1,461,380	49,687	1,511,067
		1 1/2"	56.70	-	18.33	338	144,810	-	144,810	230,232	-	2,654,865	2,885,098	98,093	2,983,191
		2"	72.23	-	18.33	184	132,473	-	132,473	142,365	-	2,428,695	2,571,059	87,416	2,658,475
		3"	129.01	-	18.33	33	73,374	-	73,374	51,589	-	1,345,209	1,396,798	47,491	1,444,290
		4"	180.56	-	18.33	54	109,234	-	109,234	117,152	-	2,002,631	2,119,784	72,073	2,191,856
		6"	335.34	-	18.33	36	73,838	-	73,838	145,049	-	1,353,717	1,498,766	50,958	1,549,724
		8"	490.08	-	18.33	5	72,320	-	72,320	29,997	-	1,325,873	1,355,871	46,100	1,401,970
		10"	670.66	-	18.33	2	8,148	-	8,148	16,420	-	149,389	165,809	5,637	171,446
		12"	799.58	-	18.33	-	-	-	-	-	-	-	-	-	-
						2,706	958,854	-	958,854	$ 1,523,273	$ -	$ 17,578,134	$ 19,102,407	$ 649,482	$ 19,751,889
F	Federal														
		3/4"	30.97	-	18.33	6	1,088	-	1,088	$ 2,275	$ -	$ 19,941	$ 22,216	$ 755	$ 22,971
		1"	36.13	-	18.33	3	341	-	341	1,327	-	6,260	7,587	258	7,845
		1 1/2"	56.70	-	18.33	1	33	-	33	694	-	601	1,296	44	1,340
		2"	72.23	-	18.33	3	432	-	432	2,653	-	7,911	10,564	359	10,923
		3"	129.01	-	18.33	1	222	-	222	1,579	-	4,063	5,642	192	5,834
		4"	180.56	-	18.33	-	-	-	-	-	-	-	-	-	-
		6"	335.34	-	18.33	-	-	-	-	-	-	-	-	-	-
		8"	490.08	-	18.33	-	-	-	-	-	-	-	-	-	-
		10"	670.66	-	18.33	-	-	-	-	-	-	-	-	-	-
		12"	799.58	-	18.33	-	-	-	-	-	-	-	-	-	-
						14	2,115	-	2,115	$ 8,528	$ -	$ 38,776	$ 47,304	$ 1,608	$ 48,913
	SUBTOTAL FY2023:					42,465	4,381,976	1,681,096	2,700,880	$ 16,449,632	$ 5,468,285	$ 43,256,618	$ 65,174,616	$ 2,030,013	$ 67,204,628

GUAM WATERWORKS AUTHORITY

FY 2023 WATER REVENUE.
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFELINE	WATER	SURCHARGE	TOTAL
G	Government														
		3/4"	30.97	-	18.33	152	13,476	-	13,476	$ 56,362	$ -	$ 247,070	$ 303,432	$ 10,317	$ 313,748
		1"	36.13	-	18.33	42	8,536	-	8,536	18,283	-	156,487	174,770	5,942	180,712
		1 1/2"	56.70	-	18.33	76	32,352	-	32,352	51,800	-	593,124	644,724	21,921	666,644
		2"	72.23	-	18.33	46	52,554	-	52,554	39,497	-	963,497	1,002,994	34,102	1,037,095
		3"	129.01	-	18.33	27	61,093	-	61,093	42,114	-	1,120,039	1,162,153	39,513	1,201,666
		4"	180.56	-	18.33	31	210,757	-	210,757	67,049	-	3,863,916	3,930,966	133,653	4,064,619
		6"	335.34	-	18.33	12	101,877	-	101,877	49,262	-	1,867,753	1,917,015	65,178	1,982,193
		8"	490.06	-	18.33	3	19,127	-	19,127	17,998	-	350,668	368,667	12,535	381,201
		10"	670.66	-	18.33	3	29,946	-	29,946	24,630	-	549,007	573,637	19,504	593,141
		12"	799.58	-	18.33	-	-	-	-	-	-	-	-	-	-
						392	529,717	-	529,717	$ 366,795	$ -	$ 9,711,561	$ 10,078,356	$ 342,664	$ 10,421,021
H	Hotel														
		3/4"	30.97	-	18.33	-	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -
		1"	36.13	-	18.33	2	6	-	6	885	-	111	995	34	1,029
		1 1/2"	56.70	-	18.33	2	2,067	-	2,067	1,157	-	37,903	39,060	1,328	40,388
		2"	72.23	-	18.33	5	121,195	-	121,195	4,127	-	2,221,923	2,226,050	75,686	2,301,735
		3"	129.01	-	18.33	4	4,924	-	4,924	5,791	-	90,275	96,065	3,266	99,332
		4"	180.56	-	18.33	18	123,182	-	123,182	39,788	-	2,258,362	2,296,150	78,137	2,376,287
		6"	335.34	-	18.33	16	553,013	-	553,013	65,683	-	10,138,653	10,204,336	346,947	10,551,283
		8"	490.06	-	18.33	8	166,793	-	166,793	35,997	-	3,057,897	3,093,894	105,192	3,199,086
		10"	670.66	-	18.33	1	100,457	-	100,457	8,210	-	1,841,731	1,849,941	62,898	1,912,839
		12"	799.58	-	18.33	-	-	-	-	-	-	-	-	-	-
						54	1,071,638	-	1,071,638	$ 161,636	$ -	$ 19,646,855	$ 19,808,491	$ 673,489	$ 20,481,979
G	Golf														
		3/4"	30.97	-	18.33	8	65	-	65	$ 2,907	$ -	$ 1,201	$ 4,107	$ 140	$ 4,247
		1"	36.13	-	18.33	-	-	-	-	-	-	-	-	-	-
		1 1/2"	56.70	-	18.33	3	210	-	210	2,083	-	3,841	5,924	201	6,125
		2"	72.23	-	18.33	2	1,802	-	1,802	1,474	-	33,028	34,502	1,173	35,675
		3"	129.01	-	18.33	-	-	-	-	-	-	-	-	-	-
		4"	180.56	-	18.33	2	240	-	240	4,421	-	4,405	8,826	300	9,126
		6"	335.34	-	18.33	-	-	-	-	-	-	-	-	-	-
		8"	490.06	-	18.33	-	-	-	-	-	-	-	-	-	-
		10"	670.66	-	18.33	-	-	-	-	-	-	-	-	-	-
		12"	799.58	-	18.33	-	-	-	-	-	-	-	-	-	-
						15	2,317	-	2,317	$ 10,884	$ -	$ 42,475	$ 53,359	$ 1,814	$ 55,173
	SUBTOTAL FY2023:					460	1,603,672	-	1,603,672	$ 539,315	$ -	$ 29,400,891	$ 29,940,206	$ 1,017,967	$ 30,958,173

GUAM WATERWORKS AUTHORITY

FY 2023 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFELINE	WATER	SURCHARGE	TOTAL
A	Agriculture														
		3/4"	29.92	-	5.89	282	35,218	-	35,218	$ 94,016	$ -	$ 207,361	$ 301,377	$ 10,247	$ 311,624
		1"	34.91	-	5.89	38	11,378	-	11,378	16,383	-	66,992	83,374	2,835	86,209
		1 1/2"	54.79	-	5.89	22	25,803	-	25,803	14,532	-	151,923	166,455	5,659	172,114
		2"	69.79	-	5.89	11	3,076	-	3,076	9,398	-	18,114	27,512	935	28,447
		3"	124.64	-	5.89	-	-	-	-	-	-	-	-	-	-
		4"	174.46	-	5.89	-	-	-	-	-	-	-	-	-	-
		6"	324.00	-	5.89	-	-	-	-	-	-	-	-	-	-
		8"	473.51	-	5.89	-	-	-	-	-	-	-	-	-	-
		10"	647.98	-	5.89	-	-	-	-	-	-	-	-	-	-
		12"	772.54	-	5.89	-	-	-	-	-	-	-	-	-	-
						334	75,475	-	75,475	$ 134,328	$ -	$ 444,390	$ 578,718	$ 19,676	$ 598,395
I	Irrigation														
		3/4"	30.97	-	6.09	14	2,890	-	2,890	$ 5,181	$ -	$ 17,610	$ 22,791	$ 775	$ 23,566
		1"	36.13	-	6.09	5	702	-	702	2,212	-	4,276	6,488	221	6,708
		1 1/2"	56.70	-	6.09	2	1,656	-	1,656	1,388	-	10,089	11,478	390	11,868
		2"	72.23	-	6.09	6	2,256	-	2,256	5,306	-	13,749	19,055	648	19,702
		3"	129.01	-	6.09	-	-	-	-	-	-	-	-	-	-
		4"	180.56	-	6.09	-	-	-	-	-	-	-	-	-	-
		6"	335.34	-	6.09	-	-	-	-	-	-	-	-	-	-
		8"	490.06	-	6.09	-	-	-	-	-	-	-	-	-	-
		10"	670.56	-	6.09	-	-	-	-	-	-	-	-	-	-
		12"	799.58	-	6.09	-	-	-	-	-	-	-	-	-	-
						27	7,503	-	7,503	$ 14,087	$ -	$ 45,725	$ 59,811	$ 2,034	$ 61,845
	SUBTOTAL FY2023:					361	82,979	-	82,979	$ 148,415	$ -	$ 490,115	$ 638,530	$ 21,710	$ 660,240
	GRAND TOTAL FY2023					43,267	8,668,626	1,681,096	4,367,530	$ 17,137,382	$ 5,469,265	$ 73,147,624	$ 95,753,291	$ 3,069,650	$ 98,822,941

GUAM WATERWORKS AUTHORITY

FY2023 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE CONSUMPTION (kGal)	BASIC	NON-LIFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 29.74		27,762	2,195,980	$ 9,908,903		$ 9,908,903		$ 9,908,903
Commercial 1		$ 10.11	1,790	479,676		4,848,537	4,848,537	164,850	5,013,387
Commercial 2		$ 24.61	62	777,696		19,141,503	19,141,503	650,811	19,792,314
Commercial 3		$ 34.14	269	165,294		5,642,418	5,642,418	191,842	5,834,261
Navy/Airforce		$ 14.45	11	659,338		9,526,164	9,526,164	323,890	9,850,054
Government		$ 14.45	240	308,706		4,460,208	4,460,208	151,647	4,611,853
Totals at Current Rates			30,134	4,586,691	$ 9,908,903	$ 43,618,827	$ 53,527,730	$ 1,483,040	$ 55,010,770

GUAM WATERWORKS AUTHORITY

FY 2024 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
R	Residential														
		3/4"	32.52	3.25	15.47	39,424	3,148,003	1,657,216	1,490,788	$ 15,383,722	$ 5,390,588	$ 23,066,102	$ 43,840,412	$ 1,326,519	$ 45,166,931
		1"	37.94	3.25	15.47	350	37,599	15,096	22,502	159,482	49,108	348,164	556,752	17,514	574,266
		1 1/2"	59.54	3.25	15.47	106	44,745	5,425	39,320	74,961	17,647	608,377	700,985	23,575	724,560
		2"	75.84	3.25	15.47	29	38,323	1,352	36,971	26,127	4,397	572,035	602,559	20,637	623,196
		3"	135.46	3.25	15.47	10	23,469	480	22,989	16,110	1,561	355,690	373,361	12,827	386,188
		4"	189.59	3.25	15.47	15	71,945	899	71,046	33,433	2,924	1,099,246	1,135,604	39,077	1,174,682
		6"	352.11	3.25	15.47	10	54,366	536	53,830	41,876	1,547	832,880	876,303	30,179	906,782
		8"	514.58	3.25	15.47	1	2,526	60	2,466	6,331	195	38,149	44,675	1,535	46,209
		10"	704.19	3.25	15.47	-	-	-	-	-	-	-	-	-	-
		12"	839.56	3.25	15.47	-	-	-	-	-	-	-	-	-	-
						39,944	3,421,907	1,681,096	1,739,911	$ 15,742,041	$ 5,468,265	$ 26,920,643	$ 48,130,950	$ 1,471,863	$ 49,602,812
C	Commercial														
		3/4"	32.52	-	19.25	1,756	272,666	-	272,666	$ 684,773	$ -	$ 5,248,869	$ 5,933,642	$ 204,711	$ 6,138,353
		1"	37.94	-	19.25	328	71,990	-	71,990	149,368	-	1,385,824	1,535,192	52,964	1,588,156
		1 1/2"	59.54	-	19.25	340	144,810	-	144,810	242,953	-	2,787,609	3,030,561	104,554	3,135,116
		2"	75.84	-	19.25	165	132,473	-	132,473	150,230	-	2,550,129	2,700,360	93,182	2,793,522
		3"	135.46	-	19.25	33	73,374	-	73,374	54,440	-	1,412,470	1,466,909	50,608	1,517,518
		4"	189.59	-	19.25	54	109,234	-	109,234	123,625	-	2,102,763	2,226,388	76,810	2,303,198
		6"	352.11	-	19.25	36	73,836	-	73,836	153,063	-	1,421,403	1,574,466	54,319	1,628,785
		8"	514.58	-	19.25	5	72,320	-	72,320	31,655	-	1,392,167	1,423,822	49,122	1,472,944
		10"	704.19	-	19.25	2	8,148	-	8,148	17,327	-	156,858	174,185	6,009	180,195
		12"	839.56	-	19.25	-	-	-	-	-	-	-	-	-	-
						2,719	958,854	-	958,854	$ 1,607,434	$ -	$ 18,453,091	$ 20,065,525	$ 692,261	$ 20,757,785
F	Federal														
		3/4"	32.52	-	19.25	6	1,088	-	1,088	$ 2,400	$ -	$ 20,938	$ 23,339	$ 805	$ 24,144
		1"	37.94	-	19.25	3	341	-	341	1,400	-	6,573	7,973	275	8,248
		1 1/2"	59.54	-	19.25	1	33	-	33	733	-	631	1,364	47	1,411
		2"	75.84	-	19.25	3	432	-	432	2,799	-	8,307	11,106	383	11,489
		3"	135.46	-	19.25	1	222	-	222	1,667	-	4,266	5,932	205	6,137
		4"	189.59	-	19.25	-	-	-	-	-	-	-	-	-	-
		6"	352.11	-	19.25	-	-	-	-	-	-	-	-	-	-
		8"	514.58	-	19.25	-	-	-	-	-	-	-	-	-	-
		10"	704.19	-	19.25	-	-	-	-	-	-	-	-	-	-
		12"	839.56	-	19.25	-	-	-	-	-	-	-	-	-	-
						14	2,115	-	2,115	$ 8,999	$ -	$ 40,715	$ 49,714	$ 1,715	$ 51,429
	SUBTOTAL FY2024:					42,677	4,381,876	1,681,096	2,700,880	$ 17,358,474	$ 5,468,265	$ 45,413,449	$ 68,246,189	$ 2,165,839	$ 70,412,027

GUAM WATERWORKS AUTHORITY

FY 2024 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
G	Government														
		3/4"	32.52	-	19.25	152	13,476	-	13,476	$ 59,476	$ -	$ 259,423	$ 318,899	$ 11,002	$ 329,901
		1"	37.94	-	19.25	42	8,536	-	8,536	19,293	-	164,311	183,604	6,334	189,939
		1 1/2"	59.54	-	19.25	76	32,352	-	32,352	54,451	-	622,780	677,231	23,364	700,595
		2"	75.84	-	19.25	46	52,554	-	52,554	41,579	-	1,011,672	1,053,351	36,341	1,089,691
		3"	135.46	-	19.25	27	61,093	-	61,093	44,440	-	1,176,041	1,220,482	42,107	1,262,588
		4"	189.59	-	19.25	31	210,757	-	210,757	70,754	-	4,057,112	4,127,866	142,411	4,270,278
		6"	352.11	-	19.25	12	101,877	-	101,877	51,984	-	1,961,140	2,013,124	69,453	2,082,577
		8"	514.58	-	19.25	3	19,127	-	19,127	18,993	-	368,202	387,194	13,358	400,553
		10"	704.19	-	19.25	3	29,946	-	29,946	25,991	-	576,458	602,449	20,784	623,233
		12"	839.56	-	19.25	-	-	-	-	-	-	-	-	-	-
						394	529,717	-	529,717	$ 387,961	$ -	$ 10,197,139	$ 10,584,299	$ 365,155	$ 10,949,355
H	Hotel														
		3/4"	32.52	-	19.25	-	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -
		1"	37.94	-	19.25	2	6	-	6	934	-	116	1,050	36	1,086
		1 1/2"	59.54	-	19.25	2	2,067	-	2,067	1,221	-	39,799	41,019	1,415	42,435
		2"	75.84	-	19.25	5	121,195	-	121,195	4,355	-	2,333,019	2,337,374	80,639	2,418,013
		3"	135.46	-	19.25	4	4,924	-	4,924	6,111	-	94,789	100,899	3,481	104,380
		4"	189.59	-	19.25	18	123,182	-	123,182	41,986	-	2,371,280	2,413,266	83,258	2,496,524
		6"	352.11	-	19.25	16	553,013	-	553,013	69,311	-	10,645,586	10,714,897	369,664	11,084,561
		8"	514.58	-	19.25	6	166,793	-	166,793	37,986	-	3,210,792	3,248,778	112,063	3,360,860
		10"	704.19	-	19.25	1	100,457	-	100,457	8,664	-	1,933,817	1,942,481	67,016	2,009,497
		12"	839.56	-	19.25	-	-	-	-	-	-	-	-	-	-
						54	1,071,638	-	1,071,638	$ 170,566	$ -	$ 20,629,197	$ 20,799,764	$ 717,592	$ 21,517,356
G	Golf														
		3/4"	32.52	-	19.25	8	65	-	65	$ 3,067	$ -	$ 1,261	$ 4,328	$ 149	$ 4,477
		1"	37.94	-	19.25	-	-	-	-	-	-	-	-	-	-
		1 1/2"	59.54	-	19.25	3	210	-	210	2,198	-	4,033	6,231	215	6,446
		2"	75.84	-	19.25	2	1,802	-	1,802	1,555	-	34,680	36,235	1,250	37,485
		3"	135.46	-	19.25	-	-	-	-	-	-	-	-	-	-
		4"	189.59	-	19.25	2	240	-	240	4,665	-	4,625	9,291	321	9,611
		6"	352.11	-	19.25	-	-	-	-	-	-	-	-	-	-
		8"	514.58	-	19.25	-	-	-	-	-	-	-	-	-	-
		10"	704.19	-	19.25	-	-	-	-	-	-	-	-	-	-
		12"	839.56	-	19.25	-	-	-	-	-	-	-	-	-	-
						15	2,317	-	2,317	$ 11,485	$ -	$ 44,599	$ 56,084	$ 1,935	$ 58,019
	SUBTOTAL FY2024:					463	1,603,672	-	1,603,672	$ 569,112	$ -	$ 30,870,936	$ 31,440,048	$ 1,084,682	$ 32,524,729

GUAM WATERWORKS AUTHORITY

FY 2024 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
A Agriculture[1]														
	3/4"	31.42	-	6.18	283	35,218	-	35,218	$ 99,210	$ -	$ 217,729	$ 316,939	$ 10,934	$ 327,874
	1"	36.86	-	6.18	39	11,378	-	11,378	17,288	-	70,341	87,629	3,023	90,652
	1 1/2"	57.53	-	6.18	22	25,803	-	25,803	15,335	-	159,519	174,854	6,032	180,887
	2"	73.28	-	6.18	11	3,076	-	3,076	9,917	-	19,020	28,937	998	29,935
	3"	130.88	-	6.18	-	-	-	-	-	-	-	-	-	-
	4"	183.18	-	6.18	-	-	-	-	-	-	-	-	-	-
	6"	340.20	-	6.18	-	-	-	-	-	-	-	-	-	-
	8"	497.18	-	6.18	-	-	-	-	-	-	-	-	-	-
	10"	680.38	-	6.18	-	-	-	-	-	-	-	-	-	-
	12"	811.17	-	6.18	-	-	-	-	-	-	-	-	-	-
					336	75,475	-	75,475	$ 141,750	$ -	$ 466,609	$ 608,359	$ 20,988	$ 629,348
I Irrigation														
	3/4"	32.52	-	6.40	14	2,690	-	2,690	$ 5,468	$ -	$ 18,491	$ 23,958	$ 827	$ 24,785
	1"	37.94	-	6.40	5	702	-	702	2,334	-	4,490	6,824	235	7,059
	1 1/2"	59.54	-	6.40	2	1,656	-	1,656	1,465	-	10,594	12,059	416	12,475
	2"	75.84	-	6.40	6	2,256	-	2,256	5,599	-	14,437	20,035	691	20,726
	3"	135.46	-	6.40	-	-	-	-	-	-	-	-	-	-
	4"	189.59	-	6.40	-	-	-	-	-	-	-	-	-	-
	6"	352.11	-	6.40	-	-	-	-	-	-	-	-	-	-
	8"	514.56	-	6.40	-	-	-	-	-	-	-	-	-	-
	10"	704.19	-	6.40	-	-	-	-	-	-	-	-	-	-
	12"	839.56	-	6.40	-	-	-	-	-	-	-	-	-	-
					27	7,503	-	7,503	$ 14,865	$ -	$ 48,011	$ 62,876	$ 2,169	$ 65,045
SUBTOTAL FY2024:					363	82,979	-	82,979	$ 156,615	$ -	$ 514,620	$ 671,235	$ 23,158	$ 694,393
GRAND TOTAL FY2024					43,593	6,068,626	1,681,096	4,387,530	$ 18,094,201	$ 5,468,265	$ 76,805,005	$ 100,367,472	$ 3,273,678	$ 103,631,150

GUAM WATERWORKS AUTHORITY

FY2024 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE CONSUMPTION (kGal)	BASIC	NON-LIFFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 29.74		27,901	2,195,980	$ 9,958,447		$ 9,958,447		$ 9,958,447
Commercial 1		$ 10.61	1,799	479,676		5,090,964	5,090,964	175,638	5,266,602
Commercial 2		$ 25.84	62	777,696		20,098,578	20,098,578	693,401	20,791,979
Commercial 3		$ 35.84	270	165,294		5,924,539	5,924,539	204,397	6,128,936
Navy/Airforce		$ 15.17	11	659,338		10,002,472	10,002,472	345,085	10,347,558
Government		$ 15.17	241	308,706		4,683,216	4,683,216	161,571	4,844,787
Totals at Current Rates			30,285	4,586,691	$ 9,958,447	$ 46,799,769	$ 55,758,216	$ 1,580,092	$ 57,338,308

GUAM WATERWORKS AUTHORITY

FY 2019 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
R Residential														
	3/4"	22.56	3.01	10.73	38,453	3,148,003	1,657,216	1,490,788	$ 10,409,887	$ 4,991,285	$ 16,002,547	$ 31,403,720	$ 990,466	$ 32,394,186
	1"	26.32	3.01	10.73	342	37,599	15,096	22,502	107,919	45,468	241,545	394,932	13,105	408,037
	1 1/2"	41.31	3.01	10.73	102	44,745	5,425	39,320	50,725	16,339	422,073	489,138	17,730	506,868
	2"	52.62	3.01	10.73	28	38,323	1,352	36,971	17,680	4,071	396,860	418,611	15,545	434,156
	3"	93.96	3.01	10.73	10	23,469	490	22,989	10,901	1,446	246,766	259,113	9,663	268,776
	4"	131.53	3.01	10.73	14	71,945	899	71,046	22,624	2,708	762,623	787,955	29,447	817,401
	6"	244.28	3.01	10.73	10	54,398	568	53,830	28,337	1,710	577,827	607,873	22,731	630,604
	8"	357.00	3.01	10.73	1	2,526	60	2,466	4,284	181	25,466	30,931	1,153	32,084
	10"	466.55	3.01	10.73	-	-	-	-	-	-	-	-	-	-
	12"	582.46	3.01	10.73	-	-	-	-	-	-	-	-	-	-
					38,960	3,421,007	1,681,096	1,739,911	$ 10,652,365	$ 5,063,209	$ 18,676,709	$ 34,392,273	$ 1,098,849	$ 35,492,113
C Commercial														
	3/4"	22.56	-	13.36	1,712	272,666	-	272,666	$ 463,374	$ -	$ 3,641,503	$ 4,104,877	$ 153,933	$ 4,258,809
	1"	26.32	-	13.36	320	71,990	-	71,990	101,075	-	961,441	1,062,516	39,844	1,102,361
	1 1/2"	41.31	-	13.36	332	144,810	-	144,810	164,402	-	1,933,957	2,098,358	78,688	2,177,047
	2"	52.62	-	13.36	161	132,473	-	132,473	101,658	-	1,769,201	1,870,859	70,157	1,941,016
	3"	93.96	-	13.36	33	73,374	-	73,374	36,838	-	979,928	1,016,766	38,129	1,054,895
	4"	131.53	-	13.36	53	109,234	-	109,234	83,655	-	1,458,832	1,542,486	57,843	1,600,330
	6"	244.28	-	13.36	35	73,838	-	73,838	103,575	-	986,125	1,089,700	40,864	1,130,564
	8"	357.00	-	13.36	5	72,320	-	72,320	21,420	-	965,842	987,263	37,022	1,024,285
	10"	466.55	-	13.36	2	8,148	-	8,148	11,725	-	108,823	120,548	4,521	125,069
	12"	582.46	-	13.36	-	-	-	-	-	-	-	-	-	-
					2,652	958,854	-	958,854	$ 1,087,722	$ -	$ 12,805,852	$ 13,893,373	$ 521,002	$ 14,414,375
F Federal														
	3/4"	22.56	-	13.36	6	1,068	-	1,068	$ 1,824	$ -	$ 14,326	$ 16,151	$ 606	$ 16,756
	1"	26.32	-	13.36	3	341	-	341	948	-	4,560	5,508	207	5,714
	1 1/2"	41.31	-	13.36	1	33	-	33	496	-	438	934	35	969
	2"	52.62	-	13.36	3	432	-	432	1,894	-	5,763	7,657	287	7,944
	3"	93.96	-	13.36	1	222	-	222	1,126	-	2,960	4,087	153	4,240
	4"	131.53	-	13.36	-	-	-	-	-	-	-	-	-	-
	6"	244.28	-	13.36	-	-	-	-	-	-	-	-	-	-
	8"	357.00	-	13.36	-	-	-	-	-	-	-	-	-	-
	10"	466.55	-	13.36	-	-	-	-	-	-	-	-	-	-
	12"	582.46	-	13.36	-	-	-	-	-	-	-	-	-	-
					14	2,115	-	2,115	$ 6,090	$ -	$ 28,247	$ 34,336	$ 1,288	$ 35,624
SUBTOTAL FY2019:					41,626	4,381,976	1,681,096	2,700,880	$ 11,746,187	$ 5,063,209	$ 31,510,808	$ 48,319,983	$ 1,622,129	$ 49,942,112

GUAM WATERWORKS AUTHORITY

FY 2019 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS		METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
G	Government														
		3/4"	22.56	-	13.36	149	13,476	-	13,476	$ 40,248	$ -	$ 179,960	$ 220,226	$ 8,258	$ 228,485
		1"	26.32	-	13.36	41	8,536	-	8,536	13,056	-	113,994	127,049	4,764	131,814
		1 1/2"	41.31	-	13.36	74	32,352	-	32,352	36,846	-	432,065	468,911	17,584	486,495
		2"	52.62	-	13.36	45	52,554	-	52,554	28,203	-	701,867	730,070	27,378	757,447
		3"	93.96	-	13.36	27	61,093	-	61,093	30,072	-	815,901	845,973	31,724	877,697
		4"	131.53	-	13.36	30	210,757	-	210,757	47,678	-	2,814,899	2,862,577	107,347	2,969,923
		6"	244.28	-	13.36	12	101,877	-	101,877	35,176	-	1,360,578	1,395,755	52,341	1,448,096
		8"	357.00	-	13.36	3	19,127	-	19,127	12,852	-	255,447	268,299	10,061	278,360
		10"	488.55	-	13.36	3	29,946	-	29,946	17,588	-	399,928	417,516	15,657	433,173
		12"	582.46	-	13.36	-	-	-	-	-	-	-	-	-	-
						384	529,717	-	529,717	$ 261,917	$ -	$ 7,074,469	$ 7,336,377	$ 275,114	$ 7,611,491
H	Hotel														
		3/4"	22.56	-	13.36	-	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -
		1"	26.32	-	13.36	2	6	-	6	632	-	81	712	27	739
		1 1/2"	41.31	-	13.36	2	2,067	-	2,067	826	-	27,611	28,437	1,066	29,504
		2"	52.62	-	13.36	5	121,195	-	121,195	2,947	-	1,618,577	1,621,523	60,807	1,682,330
		3"	93.96	-	13.36	4	4,924	-	4,924	4,135	-	65,761	69,896	2,621	72,517
		4"	131.53	-	13.36	18	123,182	-	123,182	28,411	-	1,645,121	1,673,532	62,757	1,736,289
		6"	244.28	-	13.36	16	553,013	-	553,013	48,902	-	7,385,578	7,432,480	278,718	7,711,198
		8"	357.00	-	13.36	6	166,793	-	166,793	25,704	-	2,227,548	2,253,252	84,497	2,337,749
		10"	488.55	-	13.36	1	100,457	-	100,457	5,863	-	1,341,623	1,347,485	50,531	1,398,016
		12"	582.46	-	13.36	-	-	-	-	-	-	-	-	-	-
						53	1,071,638	-	1,071,638	$ 115,419	$ -	$ 14,311,898	$ 14,427,318	$ 541,024	$ 14,968,342
G	Golf														
		3/4"	22.56	-	13.36	8	65	-	65	$ 2,075	$ -	$ 875	$ 2,950	$ 111	$ 3,061
		1"	26.32	-	13.36	-	-	-	-	-	-	-	-	-	-
		1 1/2"	41.31	-	13.36	3	210	-	210	1,487	-	2,798	4,285	161	4,446
		2"	52.62	-	13.36	2	1,802	-	1,802	1,052	-	24,060	25,112	942	26,054
		3"	93.96	-	13.36	-	-	-	-	-	-	-	-	-	-
		4"	131.53	-	13.36	2	240	-	240	3,157	-	3,209	6,366	239	6,604
		6"	244.28	-	13.36	-	-	-	-	-	-	-	-	-	-
		8"	357.00	-	13.36	-	-	-	-	-	-	-	-	-	-
		10"	488.55	-	13.36	-	-	-	-	-	-	-	-	-	-
		12"	582.46	-	13.36	-	-	-	-	-	-	-	-	-	-
						14	2,317	-	2,317	$ 7,772	$ -	$ 30,941	$ 38,713	$ 1,452	$ 40,165
	SUBTOTAL FY2019:					451	1,603,672	-	1,603,672	$ 385,108	$ -	$ 21,417,299	$ 21,802,407	$ 817,590	$ 22,619,997

GUAM WATERWORKS AUTHORITY

FY 2019 WATER REVENUE
Schedule J1- Proof of Revenues (Water)

CLASS	METER SIZE	BASIC RATE	LIFELINE RATE < 5kGal	NON-LIFELINE RATE > 5kGal	NO. OF CUSTOMERS	TOTAL CONSUMPTION (kGal)	LIFELINE (kGal)	NON-LIFELINE (kGal)	BASIC CHARGES	LIFELINE	NON-LIFFELINE	WATER	SURCHARGE	TOTAL
A Agriculture														
	3/4"	21.80	-	4.29	257	35,218	-	35,218	$ 67,134	$ -	$ 151,054	$ 218,188	$ 8,182	$ 226,370
	1"	25.43	-	4.29	38	11,378	-	11,378	11,698	-	48,800	60,499	2,289	62,788
	1 1/2"	39.91	-	4.29	22	25,803	-	25,803	10,377	-	110,670	121,046	4,539	125,586
	2"	50.84	-	4.29	11	3,076	-	3,076	6,711	-	13,195	19,906	746	20,652
	3"	90.80	-	4.29	-	-	-	-	-	-	-	-	-	-
	4"	127.08	-	4.29	-	-	-	-	-	-	-	-	-	-
	6"	236.02	-	4.29	-	-	-	-	-	-	-	-	-	-
	8"	344.93	-	4.29	-	-	-	-	-	-	-	-	-	-
	10"	472.03	-	4.29	-	-	-	-	-	-	-	-	-	-
	12"	562.76	-	4.29	-	-	-	-	-	-	-	-	-	-
					328	75,475	-	75,475	$ 95,920	$ -	$ 323,719	$ 419,639	$ 15,736	$ 435,375
I Irrigation														
	3/4"	22.56	-	4.44	14	2,890	-	2,890	$ 3,700	$ -	$ 12,828	$ 16,528	$ 620	$ 17,148
	1"	26.32	-	4.44	5	702	-	702	1,579	-	3,115	4,694	176	4,870
	1 1/2"	41.31	-	4.44	2	1,656	-	1,656	991	-	7,350	8,341	313	8,654
	2"	52.62	-	4.44	6	2,256	-	2,256	3,789	-	10,016	13,804	518	14,322
	3"	93.98	-	4.44	-	-	-	-	-	-	-	-	-	-
	4"	131.53	-	4.44	-	-	-	-	-	-	-	-	-	-
	6"	244.28	-	4.44	-	-	-	-	-	-	-	-	-	-
	8"	357.00	-	4.44	-	-	-	-	-	-	-	-	-	-
	10"	488.55	-	4.44	-	-	-	-	-	-	-	-	-	-
	12"	582.48	-	4.44	-	-	-	-	-	-	-	-	-	-
					27	7,503	-	7,503	$ 10,059	$ -	$ 33,308	$ 43,367	$ 1,626	$ 44,994
SUBTOTAL FY2019:					354	82,979	-	82,979	$ 105,979	$ -	$ 357,028	$ 463,006	$ 17,363	$ 480,369
GRAND TOTAL FY2019					62,432	8,088,626	1,691,096	4,397,530	$ 12,237,263	$ 8,063,209	$ 53,284,935	$ 70,585,398	$ 2,487,082	$ 73,072,479

GUAM WATERWORKS AUTHORITY

FY2019 WASTEWATER REVENUE
Schedule J2- Proof of Revenues (WasteWater)

	BASIC RATE/ LIFELINE	NON-LIFELINE RATE	NO. OF CUSTOMERS	NON-LIFELINE (kGal)	BASIC	NON-LIFFELINE	WASTEWATER	SURCHARGE	TOTAL
Residential	$ 27.54		27,214	2,195,980	$ 8,993,683		$ 8,993,683		$ 8,993,683
Commercial 1		$ 7.38	1,755	479,676		3,531,953	3,531,953	132,448	3,664,401
Commercial 2		$ 17.93	61	777,696		13,943,771	13,943,771	522,891	14,466,662
Commercial 3		$ 24.87	263	165,294		4,110,262	4,110,262	154,135	4,264,397
Navy/Airforce		$ 10.52	11	659,338		6,939,406	6,939,406	260,228	7,199,633
Government		$ 10.52	235	308,706		3,249,070	3,249,070	121,840	3,370,910
Totals at Current Rates			29,539	4,585,691	$ 8,993,683	$ 31,774,462	$ 40,768,144	$ 1,191,542	$ 41,959,687

GUAM WATERWORKS AUTHORITY

2020 SERIES REVENUE BOND
DEBT SERVICE

Date		10/1/2019	(FY2020)
Avg. Coupon Rate (%)		5.00%	
Term (years)		30	
Underwriter Discount		1%	
Cost of Issuance		1%	
OID		0%	
Premium		0%	
Capitalized Interest (years)		2	
Annual Debt Service		$8,994,419	
Sources			
Bonds @ Par	$	134,000,000	
Premium	$	-	
Net Original Issue Discount		-	
Total Sources	$	134,000,000	
Uses			
Debt Service Reserve		($8,994,419)	
Capitalized Interest		(13,400,000)	
Cost of Issuance		(1,340,000)	1.00%
Underwriter Discount		(1,340,000)	1.00%
Total Deposit to Construction Fund	$	108,925,581	

FY Ending September 30	Principal	Interest	Total Debt Service	CAPI
2020	-	6,700,000	6,700,000	6,700,000
2021	-	6,700,000	6,700,000	6,700,000
2022	2,294,419	6,675,366	8,969,785	
2023	2,408,140	6,556,940	8,965,080	
2024	2,529,597	6,436,104	8,965,701	
2025	2,656,077	6,309,152	8,965,229	
2026	2,788,881	6,176,772	8,964,653	
2027	2,928,325	6,035,640	8,963,965	
2028	3,074,741	5,888,414	8,963,155	
2029	3,228,478	5,733,735	8,962,213	
2030	3,389,902	5,571,225	8,961,128	
2031	3,559,397	5,400,487	8,959,884	
2032	3,737,367	5,221,107	8,958,474	
2033	3,924,235	5,032,646	8,956,880	
2034	4,120,447	4,834,642	8,955,089	
2035	4,326,469	4,626,615	8,953,085	
2036	4,542,793	4,408,057	8,950,850	
2037	4,769,932	4,178,435	8,948,367	
2038	5,008,429	3,937,188	8,945,617	
2039	5,258,851	3,683,728	8,942,578	
2040	5,521,793	3,417,436	8,939,229	
2041	5,797,883	3,137,663	8,935,546	
2042	6,087,777	2,843,727	8,931,504	
2043	6,392,166	2,534,910	8,927,076	
2044	6,711,774	2,210,460	8,922,234	
2045	7,047,363	1,869,584	8,916,947	
2046	7,399,731	1,511,451	8,911,182	
2047	7,769,717	1,135,188	8,904,905	
2048	8,158,203	739,878	8,898,080	
2049	8,566,113	324,552	8,890,665	
	134,000,000	129,830,096	263,830,096	

GUAM WATERWORKS AUTHORITY

2022 SERIES REVENUE BOND
DEBT SERVICE

Date		10/1/2021	(FY2022)
Avg. Coupon Rate (%)		5.00%	
Term (years)		30	
Underwriter Discount		1%	
Cost of Issuance		1%	
OID		0%	
Premium		0%	
Capitalized Interest (years)		2	
Annual Debt Service		$4,027,352	
Sources			
Bonds @ Par	$	60,000,000	
Premium	$	-	
Net Original Issue Discount		-	
Total Sources	$	60,000,000	
Uses			
Debt Service Reserve		($4,027,352)	
Capitalized Interest		(6,000,000)	
Cost of Issuance		(600,000)	1.00%
Underwriter Discount		(600,000)	1.00%
Total Deposit to Construction Fund	$	48,772,648	

FY Ending September 30	Principal	Interest	Total Debt Service	CAPI
2022	-	3,000,000	3,000,000	3,000,000
2023	-	3,000,000	3,000,000	3,000,000
2024	1,027,352	2,988,970	4,016,322	
2025	1,078,719	2,935,943	4,014,663	
2026	1,132,655	2,881,838	4,014,493	
2027	1,189,288	2,824,993	4,014,281	
2028	1,248,753	2,765,271	4,014,024	
2029	1,311,190	2,702,525	4,013,716	
2030	1,376,750	2,636,603	4,013,353	
2031	1,445,587	2,567,344	4,012,931	
2032	1,517,867	2,494,578	4,012,445	
2033	1,593,760	2,418,129	4,011,889	
2034	1,673,448	2,337,809	4,011,257	
2035	1,757,120	2,253,423	4,010,543	
2036	1,844,976	2,164,765	4,009,741	
2037	1,937,225	2,071,619	4,008,844	
2038	2,034,086	1,973,757	4,007,843	
2039	2,135,791	1,870,941	4,006,732	
2040	2,242,580	1,762,920	4,005,500	
2041	2,354,709	1,649,430	4,004,139	
2042	2,472,445	1,530,195	4,002,640	
2043	2,596,067	1,404,924	4,000,991	
2044	2,725,870	1,273,311	3,999,181	
2045	2,862,164	1,135,034	3,997,198	
2046	3,005,272	989,758	3,995,030	
2047	3,155,536	837,127	3,992,663	
2048	3,313,312	676,769	3,990,081	
2049	3,478,978	508,293	3,987,271	
2050	3,652,927	331,288	3,984,215	
2051	3,835,573	145,322	3,980,895	
	60,000,000	58,132,880	118,132,880	

GUAM WATERWORKS AUTHORITY

2023 SERIES REVENUE BOND
DEBT SERVICE

Date		10/1/2022	(FY2023)
Avg. Coupon Rate (%)		5.00%	
Term (years)		30	
Underwriter Discount		1%	
Cost of Issuance		1%	
OID		0%	
Premium		0%	
Capitalized Interest (years)		2	
Annual Debt Service		$4,430,087	
Sources			
Bonds @ Par	$	66,000,000	
Premium	$	-	
Net Original Issue Discount		-	
Total Sources	$	66,000,000	
Uses			
Debt Service Reserve		($4,430,087)	
Capitalized Interest		(6,600,000)	
Cost of Issuance		(660,000)	1.00%
Underwriter Discount		(660,000)	1.00%
Total Deposit to Construction Fund	$	53,649,913	

FY Ending September 30	Principal	Interest	Total Debt Service	CAPI
2023	-	3,300,000	3,300,000	3,300,000
2024	-	3,300,000	3,300,000	3,300,000
2025	1,130,087	3,287,867	4,417,954	
2026	1,188,591	3,229,537	4,418,129	
2027	1,245,921	3,170,021	4,415,942	
2028	1,308,217	3,107,493	4,415,710	
2029	1,373,628	3,041,798	4,415,426	
2030	1,442,309	2,972,778	4,415,087	
2031	1,514,425	2,900,264	4,414,688	
2032	1,590,146	2,824,078	4,414,224	
2033	1,669,653	2,744,036	4,413,689	
2034	1,753,136	2,659,942	4,413,077	
2035	1,840,793	2,571,590	4,412,382	
2036	1,932,832	2,478,785	4,411,596	
2037	2,029,474	2,381,242	4,410,715	
2038	2,130,948	2,278,781	4,409,728	
2039	2,237,495	2,171,133	4,408,628	
2040	2,349,370	2,058,035	4,407,405	
2041	2,466,838	1,939,212	4,406,050	
2042	2,590,180	1,814,373	4,404,553	
2043	2,719,689	1,683,215	4,402,904	
2044	2,855,674	1,545,416	4,401,090	
2045	2,998,457	1,400,642	4,399,099	
2046	3,148,380	1,248,538	4,396,918	
2047	3,305,799	1,088,734	4,394,533	
2048	3,471,089	920,840	4,391,929	
2049	3,644,644	744,446	4,389,090	
2050	3,826,876	559,122	4,385,998	
2051	4,018,220	364,417	4,382,636	
2052	4,219,130	159,854	4,378,985	
	66,000,000	63,946,168	129,946,168	

GUAM WATERWORKS AUTHORITY

2013 SERIES REVENUE BOND
DEBT SERVICE

Date		12/12/2013
Avg. Coupon Rate (%)		5.44%
Sources		
Bonds @ Par	$	172,630,000
Net Original Issue Discount		(1,532,983)
Total Sources	$	171,097,017
Uses		
Construction Fund	$	139,280,961
Debt Service Reserve		12,031,688
Capitalized Interest		16,822,959
Cost of Issuance		1,686,946
Underwriter Discount		1,261,952
Additional Proceeds		509
Total Uses	$	171,097,017

FY Ending September 30	Principal	Interest	Total Debt Service	CAPI
2014	$ -	$ 5,158,349	$ 5,158,349	5,158,349
2015	-	9,331,688	9,331,688	9,331,688
2016	-	9,331,688	9,331,688	2,332,922
2017	-	9,331,688	9,331,688	
2018	-	9,331,688	9,331,688	
2019	-	9,331,688	9,331,688	
2020	2,695,000	9,331,688	12,026,688	
2021	2,840,000	9,190,200	12,030,200	
2022	2,990,000	9,041,100	12,031,100	
2023	3,145,000	8,884,125	12,029,125	
2024	3,315,000	8,719,013	12,034,013	
2025	3,485,000	8,544,975	12,029,975	
2026	3,670,000	8,362,013	12,032,013	
2027	3,850,000	8,178,513	12,028,513	
2028	4,045,000	7,986,013	12,031,013	
2029	4,250,000	7,783,763	12,033,763	
2030	4,470,000	7,560,638	12,030,638	
2031	4,705,000	7,325,963	12,030,963	
2032	4,950,000	7,078,950	12,028,950	
2033	5,210,000	6,819,075	12,029,075	
2034	5,485,000	6,545,550	12,030,550	
2035	5,790,000	6,243,875	12,033,875	
2036	6,105,000	5,925,425	12,030,425	
2037	6,440,000	5,589,650	12,029,650	
2038	6,795,000	5,235,450	12,030,450	
2039	7,170,000	4,861,725	12,031,725	
2040	7,565,000	4,467,375	12,032,375	
2041	23,250,000	4,051,300	27,301,300	
2042	24,530,000	2,772,550	27,302,550	
2043	25,880,000	1,423,400	27,303,400	
	$ 172,630,000	$ 213,739,112	$ 386,369,112	

GUAM WATERWORKS AUTHORITY

2014 REFUNDING SERIES REVENUE BOND (SERIES 2005)
DEBT SERVICE

Date		8/7/2014
Avg. Coupon Rate (%)		4.9%
Sources		
Bonds @ Par	$	85,600,000
Net Original Issue Premium		5,648,970
Bond Funds on Hand		1,283,799
DSRF Release		269
Total Sources	$	92,533,037
Uses		
SLGS Purchases	$	90,996,840
Refunding Escrow Cash Deposit		21
Cost of Issuance		768,201
Underwriter Discount		759,121
Additional Proceeds		8,854
Total Uses	$	92,533,037

FY Ending September 30	Principal	Interest	Total Debt Service
2015	$ 2,900,000	$ 3,499,425	$ 6,399,425
2016	3,320,000	3,842,430	7,162,430
2017	3,385,000	3,780,014	7,165,014
2018	3,475,000	3,694,847	7,169,847
2019	3,620,000	3,588,477	7,208,477
2020	3,760,000	3,446,000	7,206,000
2021	530,000	3,257,000	3,787,000
2022	555,000	3,230,500	3,785,500
2023	4,005,000	3,202,750	7,207,750
2024	4,205,000	3,002,500	7,207,500
2025	4,410,000	2,792,250	7,202,250
2026	4,630,000	2,571,750	7,201,750
2027	4,865,000	2,340,250	7,205,250
2028	5,110,000	2,097,000	7,207,000
2029	5,365,000	1,841,500	7,206,500
2030	5,630,000	1,573,250	7,203,250
2031	5,915,000	1,291,750	7,206,750
2032	6,205,000	996,000	7,201,000
2033	6,520,000	685,750	7,205,750
2034	6,845,000	359,750	7,204,750
2035	350,000	17,500	367,500
	$ 85,600,000	$ 51,109,692	$ 136,709,692

GUAM WATERWORKS AUTHORITY

2016 SERIES REVENUE BOND
DEBT SERVICE

Date		2/24/2016
Avg. Coupon Rate (%)		5.0%
Sources		
Bonds @ Par	$	143,310,000
Net Original Issue Premium		18,224,842
Total Sources	$	161,534,842
Uses		
Construction Fund	$	140,019,463
Debt Service Reserve		7,582,725
Capitalized Interest		11,464,800
Cost of Issuance		1,297,820
Underwriter Discount		1,170,034
Total Uses	$	161,534,842

FY Ending September 30	Principal	Interest	Total Debt Service	CAPI
2016	$ -	$ 2,527,829	$ 2,527,829	2,527,829
2017	-	7,165,500	7,165,500	7,165,500
2018	-	7,165,500	7,165,500	1,771,471
2019	-	7,165,500	7,165,500	
2020	420,000	7,165,500	7,585,500	
2021	3,860,000	7,144,500	11,004,500	
2022	4,055,000	6,951,500	11,006,500	
2023	835,000	6,748,750	7,583,750	
2024	875,000	6,707,000	7,582,000	
2025	925,000	6,663,250	7,588,250	
2026	965,000	6,617,000	7,582,000	
2027	1,015,000	6,568,750	7,583,750	
2028	1,065,000	6,518,000	7,583,000	
2029	1,120,000	6,464,750	7,584,750	
2030	1,180,000	6,408,750	7,588,750	
2031	1,240,000	6,349,750	7,589,750	
2032	1,300,000	6,287,750	7,587,750	
2033	1,365,000	6,222,750	7,587,750	
2034	1,435,000	6,154,500	7,589,500	
2035	8,340,000	6,082,750	14,422,750	
2036	1,920,000	5,665,750	7,585,750	
2037	2,015,000	5,569,750	7,584,750	
2038	2,115,000	5,469,000	7,584,000	
2039	2,215,000	5,363,250	7,578,250	
2040	2,330,000	5,252,500	7,582,500	
2041	2,450,000	5,136,000	7,586,000	
2042	2,570,000	5,013,500	7,583,500	
2043	2,700,000	4,885,000	7,585,000	
2044	30,135,000	4,750,000	34,885,000	
2045	31,640,000	3,243,250	34,883,250	
2046	33,225,000	830,625	34,055,625	
	$ 143,310,000	$ 180,258,204	$ 323,568,204	

GUAM WATERWORKS AUTHORITY

2017 REFUNDING SERIES REVENUE BOND (SERIES 2010)
DEBT SERVICE

Date		12/20/2017
Avg. Coupon Rate (%)		5.0%
Sources		
Bonds @ Par	$	107,660,000
Net Original Issue Premium		13,854,833
Bond Funds on Hand		2,532,453
DSRF Release		75
Total Sources	$	124,047,361
Uses		
Open Market Purchases	$	122,155,328
Refunding Escrow Cash Deposit		589
Cost of Issuance		963,283
Underwriter Discount		925,066
Additional Proceeds		3,095
Total Uses	$	124,047,361

FY Ending September 30	Principal	Interest	Total Debt Service
2018	$ -	$ 2,855,981	$ 2,855,981
2019	295,000	5,383,000	5,678,000
2020	-	5,368,250	5,368,250
2021	2,040,000	5,368,250	7,408,250
2022	2,145,000	5,266,250	7,411,250
2023	2,250,000	5,159,000	7,409,000
2024	2,365,000	5,046,500	7,411,500
2025	2,485,000	4,928,250	7,413,250
2026	2,610,000	4,804,000	7,414,000
2027	2,740,000	4,673,500	7,413,500
2028	2,875,000	4,536,500	7,411,500
2029	3,015,000	4,392,750	7,407,750
2030	3,170,000	4,242,000	7,412,000
2031	3,325,000	4,083,500	7,408,500
2032	3,495,000	3,917,250	7,412,250
2033	3,665,000	3,742,500	7,407,500
2034	3,850,000	3,559,250	7,409,250
2035	4,040,000	3,366,750	7,406,750
2036	11,455,000	3,164,750	14,619,750
2037	12,025,000	2,592,000	14,617,000
2038	12,630,000	1,990,750	14,620,750
2039	13,260,000	1,359,250	14,619,250
2040	13,925,000	696,250	14,621,250
	$ 107,660,000	$ 90,496,481	$ 198,156,481

GUAM WATERWORKS AUTHORITY

Bank of Guam $30 million Short Term Debt
DEBT SERVICE

Principal	$15,000,000
Int. %	5.25%
Date	7/15/15
Term	5
Annual det	$302,354.40

	Date	Payment	Interest	Principal	Balance		
27	10/15/2017	$284,789.76	$39,282.71	$245,507.05	$8,733,398	FY2018	
28	11/15/2017	$284,789.76	$38,208.62	$246,581.14	$8,486,817		
29	12/15/2017	$284,789.76	$37,129.82	$247,659.93	$8,239,157		
30	1/15/2018	$284,789.76	$36,046.31	$248,743.45	$7,990,413		
31	2/15/2018	$284,789.76	$34,958.06	$249,831.70	$7,740,582		
32	3/15/2018	$284,789.76	$33,865.04	$250,924.71	$7,489,657		
33	4/15/2018	$284,789.76	$32,767.25	$252,022.51	$7,237,634		
34	5/15/2018	$284,789.76	$31,664.65	$253,125.11	$6,984,509		
35	6/15/2018	$284,789.76	$30,557.23	$254,232.53	$6,730,277		
36	7/15/2018	$284,789.76	$29,444.96	$255,344.80	$6,474,932		
37	8/15/2018	$284,789.76	$28,327.83	$256,461.93	$6,218,470		
38	9/15/2018	$284,789.76	$27,205.81	$257,583.95	$5,960,886		$ 3,417,477
39	10/15/2018	$284,789.76	$26,078.88	$258,710.88	$5,702,175	FY2019	
40	11/15/2018	$284,789.76	$24,947.02	$259,842.74	$5,442,332		
41	12/15/2018	$284,789.76	$23,810.20	$260,979.55	$5,181,353		
42	1/15/2019	$284,789.76	$22,668.42	$262,121.34	$4,919,231		
43	2/15/2019	$284,789.76	$21,521.64	$263,268.12	$4,655,963		
44	3/15/2019	$284,789.76	$20,369.84	$264,419.92	$4,391,543		
45	4/15/2019	$284,789.76	$19,213.00	$265,576.76	$4,125,967		
46	5/15/2019	$284,789.76	$18,051.10	$266,738.65	$3,859,228		
47	6/15/2019	$284,789.76	$16,884.12	$267,905.64	$3,591,322		
48	7/15/2019	$284,789.76	$15,712.04	$269,077.72	$3,322,245		
49	8/15/2019	$284,789.76	$14,534.82	$270,254.94	$3,051,990		
50	9/15/2019	$284,789.76	$13,352.46	$271,437.30	$2,780,552		$ 3,417,477
51	10/15/2019	$284,789.76	$12,164.92	$272,624.84	$2,507,928	FY2020	
52	11/15/2019	$284,789.76	$10,972.18	$273,817.57	$2,234,110		
53	12/15/2019	$284,789.76	$9,774.23	$275,015.53	$1,959,094		
54	1/15/2020	$284,789.76	$8,571.04	$276,218.72	$1,682,876		
55	2/15/2020	$284,789.76	$7,362.58	$277,427.18	$1,405,449		
56	3/15/2020	$284,789.76	$6,148.84	$278,640.92	$1,126,808		
57	4/15/2020	$284,789.76	$4,929.78	$279,859.97	$846,948		
58	5/15/2020	$284,789.76	$3,705.40	$281,084.36	$565,863		
59	6/15/2020	$284,789.76	$2,475.65	$282,314.11	$283,549		
60	7/15/2020	$284,789.76	$1,240.53	$283,549.23	$0		$ 2,847,898

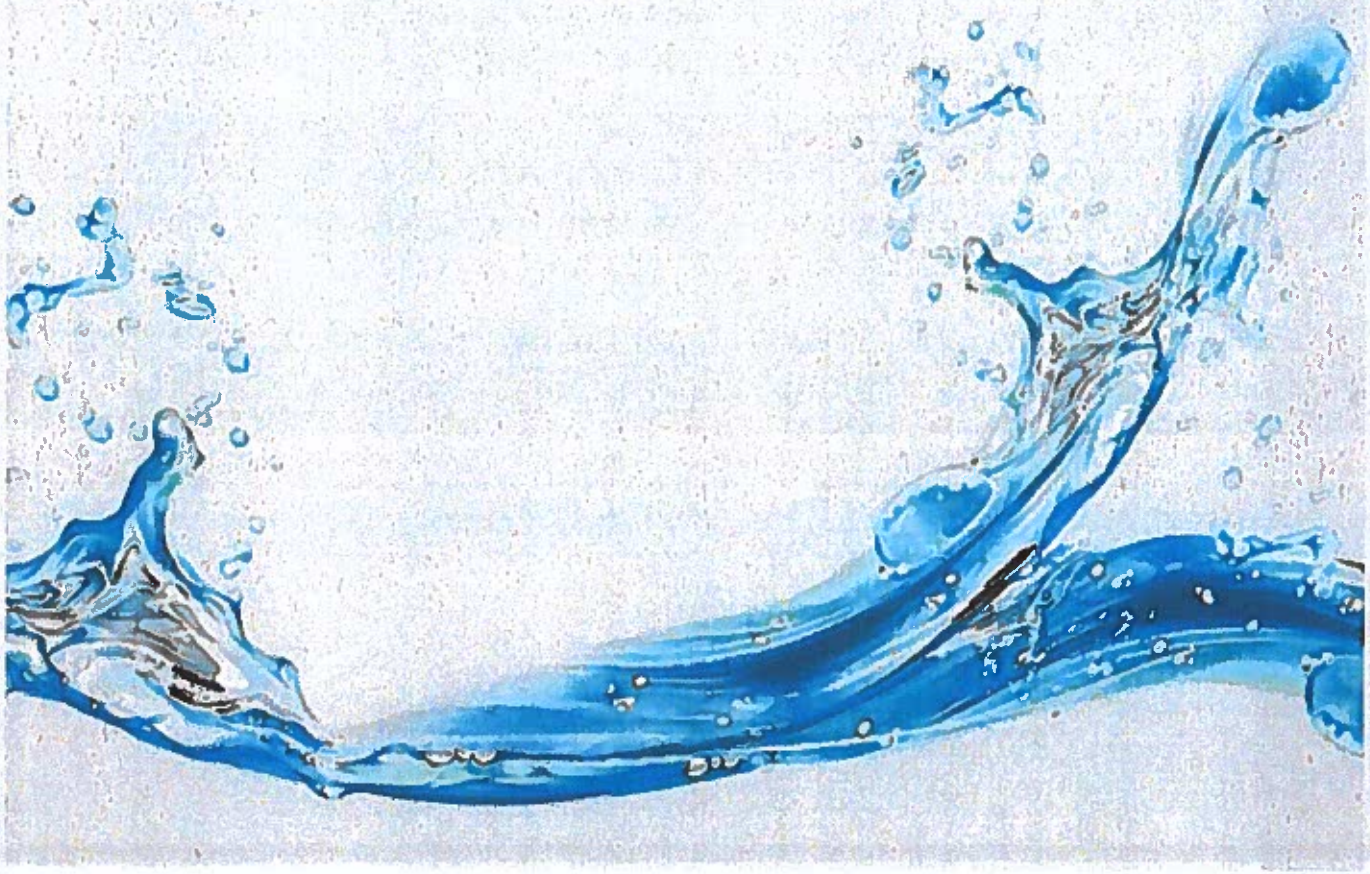
Guam Waterworks Authority
Sample Bill Summary
FY2019-2024

AVERAGE MONTHLY BILLING INFORMATION for Water & Sewer

Average Monthly Consumption by Rate Class	Current 2019	10.0% 2020	8.5% 2021	8.0% 2022	6.5% 2023	5.0% 2024	5-yr Average Increase
		Proposed Rate Adjustments					
1 Residential < 5k (4.0Kgal)	$ 62.98	$ 65.29	$ 67.47	$ 72.84	$ 74.77	$ 76.38	
Increase		$ 2.30	$ 2.19	$ 5.37	$ 1.93	$ 1.62	$ 2.68
2 Residential > 5k (7.5Kgal)	$ 93.83	$ 98.87	$ 103.66	$ 111.89	$ 116.10	$ 119.64	
Increase		$ 5.04	$ 4.78	$ 8.23	$ 4.22	$ 3.54	$ 5.16
3 Commercial 1 (35.91 Kgal)	$ 740.38	$ 813.24	$ 882.36	$ 952.03	$ 1,012.93	$ 1,064.09	
Increase		$ 72.86	$ 69.13	$ 69.67	$ 60.90	$ 51.16	$ 64.74
4 Commercial 2 (425.86 kgal)	$ 12,292.07	$ 13,501.73	$ 14,649.37	$ 15,806.05	$ 16,817.18	$ 17,666.58	
Increase		$ 1,209.66	$ 1,147.65	$ 1,156.68	$ 1,011.13	$ 849.40	$ 1,074.90
5 Commercial 3 (52.19 Kgal)	$ 1,823.76	$ 2,003.23	$ 2,173.51	$ 2,345.12	$ 2,495.14	$ 2,621.16	
Increase		$ 179.48	$ 170.27	$ 171.61	$ 150.02	$ 126.02	$ 159.48
6 Government - G6 (73.0 Kgal)	$ 1,785.53	$ 1,961.24	$ 2,127.95	$ 2,295.96	$ 2,442.84	$ 2,566.22	
Increase		$ 175.71	$ 166.71	$ 168.02	$ 146.88	$ 123.38	$ 156.14
7 Irrigation (20.96 Kgal)	$ 119.98	$ 131.78	$ 142.99	$ 154.28	$ 164.15	$ 172.44	
Increase		$ 11.81	$ 11.20	$ 11.29	$ 9.87	$ 8.29	$ 10.49
8 Agriculture (19.80 Kgal)	$ 110.75	$ 121.65	$ 131.99	$ 142.41	$ 151.52	$ 159.17	
Increase		$ 10.90	$ 10.34	$ 10.42	$ 9.11	$ 7.65	$ 9.68

GUAM WATERWORKS AUTHORITY

EXHIBIT B



GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Schedule of Capital Projects
FY 2019-2024

	2019	2020	2021	2022	2023	2024	TOTAL
2010 Bond Series	3,804	-	-	-	-	-	3,804
2013 Bond Series	1,453	-	-	-	-	-	1,453
2016 Bond Series	52,563	2,703	-	-	-	-	55,266
2020 Bond Series	50,345	28,631	28,350	1,600	-	-	108,926
2022 Bond Series	-	-	-	24,209	18,664	5,900	48,773
2023 Bond Series	-	-	-	-	18,824	18,852	37,676
State Revolving Fund (SRF)	7,000	5,088	3,000	8,000	8,000	8,000	39,088
System Development Charge (SDC)	6,700	500	1,000	500	500	500	9,700
GRANTS	110,387	13,061	-	-	-	-	123,448
Internally Funded CIP (PAY GO)	-	15,000	15,000	20,500	21,000	24,500	96,000
Total	232,252	64,983	47,350	54,809	66,988	57,752	524,134

	2019	2020	2021	2022	2023	2024	TOTAL
Potable Water	100,586	28,870	14,450	27,540	38,996	27,403	237,845
Wastewater	126,703	28,003	26,350	24,069	22,242	21,119	248,486
Electrical	1,710	1,510	2,600	1,500	3,200	5,530	16,050
Miscellaneous	3,253	6,600	3,950	1,700	2,550	3,700	21,753
Total	232,252	64,983	47,350	54,809	66,988	57,752	524,134

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Potable Water Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
PW 05-01	Ground Water Disinfection	-	-	-	-	-	-	-
PW 05-03	Santa Rita Springs Booster Pump Rehab Phase II	-	-	-	-	-	-	-
PW 05-05	"A" Series Well Transmission Line	-	-	-	-	-	-	-
PW 05-06	Water Booster Pump Station	387	1,200	700	300	2,000	-	4,587
PW 05-07	Meter Replacement Program	1,426	-	-	-	-	-	1,426
PW 05-08	Barrigada Tank Repair/Replacement	0	-	-	-	-	-	0
PW 05-09	Leak:Detection	100	-	500	-	-	100	700
PW 05-10	Potable Water System Planning	-	-	500	-	-	-	500
PW 05-11	Implement Ground Water Rule	-	-	-	-	-	-	-
PW 05-12	Brigade II (Ugum Lift) BPS Upgrade	1,568	-	-	-	-	-	1,568
PW 05-13	Deep Well Rehabilitation	6,140	1,538	-	4,000	-	-	11,678
PW 05-14	New Deep Wells at Down Hard	1,190	500	-	-	-	-	1,690
PW 05-15	Rehabilitation of Asan Springs	759	550	-	-	-	-	1,309
PW 05-16	Master Meters	2,000	-	-	-	-	-	2,000
PW 09-01	Ugum Water Treatment Plant Intake	200	-	500	500	-	-	1,200
PW 09-02	Water Wells	5,135	1,500	1,400	-	2,000	-	10,035
PW 09-03	Water Distribution System Pipe Replacement and Upgrades	2,153	500	1,000	2,250	1,750	2,250	9,903
PW 09-04	Pressure Zone Realignment / Development 2005 Improvements	400	561	-	-	-	650	1,611
PW 09-06	Central Water Distribution System 2005 Improvements	-	-	-	-	-	-	-
PW 09-08	Mechanical/Electrical Equipment	-	-	-	-	-	-	-
PW 09-09	Water Reservoir Internal/External	636	-	-	-	-	-	636
PW 09-10	Water Reservoir Internal/External	-	-	-	-	-	-	-
PW 09-11	Water System Reservoirs 2005 Improvements	57,000	10,891	1,000	1,000	1,000	-	70,891
PW 11-01	Distribution System Upgrade	-	-	-	-	-	-	-
PW 11-02	Ugum Water Treatment Plant.Reservoir	7,500	-	-	-	-	-	7,500
PW 12-01	Water Audit Program & Water Loss Control Plan	160	-	-	-	-	-	160
PW 12-02	Production Plan / Reduce Navy Purchases	-	-	-	-	-	-	-
PW 12-03	Hydraulic Assessment of Tanks	-	-	-	-	-	-	-
PW 12-04	Agana Heights & Chaot Tanks	720	-	-	-	-	-	720
PW 12-05	Tank Major Repair Yigo #1, Mangilao #2, Astumbo #1	0	-	-	-	-	-	0
PW 12-06	Tank Replacement Piti & Hyundai	6,500	-	-	-	-	-	6,500
PW 12-07	Assessment/Replacement of Malojloj Elevated & Yigo Elevated	-	-	-	-	-	-	-
PW 12-08	Public Water System Asset Inventory/ Condition Assessment	-	-	-	-	-	-	-
PW 12-09	Public Water System GIS & Mapping	-	-	-	-	-	-	-
PW 14-01	Fire Hydrant Replacement Program	1,200	-	-	500	-	500	2,200
MP-PW-Pipe-01	Astumbo Zone Piping	-	-	-	368	4,482	-	4,850
MP-PW-Pipe-02	Route 1 Astumbo Zone Piping	-	-	-	-	545	3,324	3,869
MP-PW-Pipe-03	Harmon Cliffline Piping to Route 1	-	-	-	-	424	-	424
MP-PW-Pipe-04	Hyundai Well Piping	-	500	-	-	-	-	500
MP-PW-Pipe-05	Kaiser Zone Looping	-	300	-	-	-	-	300

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Potable Water Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
MP-PW-Pipe-06	Mangilao Pressure Zone Realignment	-	300	-	-	-	-	300
MP-PW-Pipe-07	Mataguac BPS Suction Piping	-	-	500	-	-	-	500
MP-PW-Pipe-08	Nimitz Lower BPS Piping	-	-	-	-	121	1,469	1,590
MP-PW-Pipe-09	Yigo, Santa Rosa Zone Realignment	-	-	-	178	2,164	-	2,342
MP-PW-Pipe-10	Miscellaneous Piping Projects	-	100	100	694	-	-	894
MP-PW-Pipe-11	Miscellaneous Piping Connections	-	100	100	194	-	-	394
MP-PW-Pipe-12	Rehabilitation and Replacement Program	1,000	-	1,000	2,500	3,400	2,000	9,900
MP-PW-Pipe-13	2-Inch Pipe Replacement Program	1,550	1,180	1,200	1,750	1,750	1,750	9,180
MP-PW-Pipe-14	Asbestos Cement Pipe Replacement Program	-	-	-	3,850	3,850	3,850	11,550
MP-PW-Pipe-15	PRV Rehab and Replacement	500	500	1,450	1,000	1,468	1,468	6,386
MP-PW-Pipe-16	Valve Exercise, Repair, and Replacement Program	-	250	-	250	-	250	750
MP-PW-Pipe-17	Cross Island Highway Piping	-	-	100	1,401	-	-	1,501
MP-PW-Tank-22	Existing Tank Inspections	150	-	-	-	-	-	150
MP-PW-Tank-23	Recurring Tank Inspections	-	200	200	214	214	214	1,042
MP-PW-BPS-01	Rehabilitate and Replace BPSs	209	200	150	150	150	150	1,009
MP-PW-BPS-02	Nimitz Hill Upper BPS	48	-	-	-	-	-	48
MP-PW-BPS-03	Route 15 BPS	-	-	-	-	-	86	86
MP-PW-SWTP-01	Ugum SWTP River Intake Cleaning Project	380	-	-	-	-	-	380
MP-PW-SWTP-02	Ugum SWTP Intake Modifications	174	1,000	-	-	-	-	1,174
MP-PW-SWTP-03	Ugum SWTP Reliability Improvements	150	1,000	-	-	-	-	1,150
MP-PW-SWTP-04	Ugum SWTP 7-Year Improvement Project	-	-	-	-	-	3,168	3,168
MP-PW-Well-01	Well Rehabilitation Program	-	400	3,500	2,308	5,368	440	12,016
MP-PW-Well-02	Well Equipment Overhaul Program	-	-	-	1,000	-	1,518	2,518
MP-PW-Well-03	Capacity Enhancement – Well Exploration Program	500	-	-	-	-	1,188	1,688
MP-PW-Well-04	Capacity Enhancement – Well Development and Construction Program	-	-	-	379	4,622	-	5,001
MP-PW-Well-05	Wellhead Protection Program	-	350	-	-	660	-	1,010
MP-PW-Well-06	Well Repair Program	500	500	250	1,000	1,274	1,274	4,796
MP-PW-Misc-01	South Guam Water Supply Study	-	200	-	-	-	-	200
MP-PW-Misc-02	Master Meter Implementation and Ongoing Meter Replacement	250	250	250	734	734	734	2,952
MP-PW-Misc-03	Hydrant Condition Assessment and Maintenance	-	-	-	970	970	970	2,910
MP-PW-Misc-04	OneGuam Program	-	50	50	50	50	50	250
MP-PW-Misc-05	Leak Detection Assistance	-	250	-	-	-	-	250
DoD-3	Rehabilitation and New NGLA Monitoring Wells	-	4,000	-	-	-	-	4,000
	Sub-Total	100,586	28,870	14,450	27,540	38,996	27,403	237,845
	Grand Total for Potable Water Funding	237,845						

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Wastewater Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
WW 05-04	Wastewater System Planning	-	150	-	-	-	-	150
WW 09-01	Lift station upgrades	1,750	1,200	1,000	-	2,000	2,291	8,241
WW 09-02	Moratorium	-	-	-	-	-	-	-
WW 09-06	Wastewater Collection System Repl/ Rehabilitation	1,087	2,000	2,000	-	2,000	2,000	9,087
WW 09-08	Facilities Plan/Design/Interim for Baza Gardens STP Impr.	-	-	-	-	-	-	-
WW 09-10	Facilities Plan/Design/Interim for Agat-Santa Rita STP Impr.	-	-	-	-	-	-	-
WW 09-11	WWTP Priority 1 Upgrades	1,000	-	-	-	-	-	1,000
WW 11-03	Baza Gardens STP Replacement	366	-	550	-	-	-	916
WW 11-04	Facilities Plan/Design/Interim for Umatac-Merizo STP Impr.	-	-	-	-	-	-	-
WW 11-08	Agat/ Santa Rita STP Replacement	394	-	-	-	-	-	394
WW 12-01	Northern District WWTP Primary Treatment Upgrades	186	-	-	-	-	-	186
WW 12-02	Bio Solids Management Plan	-	-	-	-	-	-	-
WW 12-03	Agana WWTP Interim Measures	-	-	-	-	-	-	-
WW 12-04	I&I SSES Southern	-	-	-	-	-	-	-
WW 12-05	I&I SSES Central	-	-	-	-	-	-	-
WW 12-06	I&I SSES Northern	-	-	-	-	-	-	-
WW 12-07	Umatac Merizo STP Replacement	1,083	-	-	-	-	-	1,083
WW 12-09	Wastewater Facility Back Up Power	-	-	-	-	-	-	-
WW 17-01	Wastewater Sewer System Expansion	1,000	-	-	-	-	-	1,000
WW 17-02	Northern District WWTP Secondary Treatment Upgrades	52	-	-	-	-	-	52
MP-WW-Pipe-01	Gravity Pipe Rehabilitation/Replacement Program	-	170	2,000	5,346	750	6,186	14,452
MP-WW-Pipe-02	Barrigada Pump Station Pipe Rehabilitation/Replacement	-	-	-	411	3,218	-	3,629
MP-WW-Pipe-03	Route 1 Piti Pipe Rehabilitation/Replacement	340	2,000	-	-	-	-	2,340
MP-WW-Pipe-04	Southern Link Pump Station Pipe Rehabilitation/Replacement	657	-	-	-	-	-	657
MP-WW-Pipe-05	Agana Heights Pipe Replacement	-	-	-	169	2,500	-	2,669
MP-WW-Pipe-06	Northern District Route 1 Capacity Replacement - Phase 1	-	-	-	-	-	1,169	1,169
MP-WW-Pipe-07	Northern District Route 1 Capacity Replacement - Phase 2	-	-	-	-	-	-	-
MP-WW-Pipe-08	Northern District Route 1 Capacity Replacement - Phase 3	-	-	-	-	-	-	-
MP-WW-Pipe-09	North Dededo Capacity Replacement - Phase 1	-	-	-	-	-	-	-
MP-WW-Pipe-10	North Dededo Capacity Replacement - Phase 2	-	-	-	-	-	-	-
MP-WW-Pipe-11	Route 16 Capacity Replacement	-	-	-	-	-	571	571
MP-WW-Pipe-12	Barrigada Capacity Replacement	-	-	-	-	-	47	47
MP-WW-Pipe-13	Mangilao Capacity Replacement	-	-	-	-	-	-	-
MP-WW-Pipe-14	Dededo Capacity Replacement	-	-	-	-	-	-	-
MP-WW-Pipe-16	Yigo Capacity Replacement	-	-	-	-	-	-	-
MP-WW-Pipe-17	Mamajanao Capacity Replacement	-	400	1,300	2,574	-	-	4,274
MP-WW-Pipe-18	Agat-Santa Rita Capacity Replacement - Phase 1	-	-	-	-	-	-	-
MP-WW-Pipe-19	Agat-Santa Rita Capacity Replacement - Phase 2	-	-	-	-	-	-	-
MP-WW-Pipe-20	Agat-Santa Rita Capacity Replacement - Phase 3	-	-	-	-	-	-	-

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Wastewater Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
MP-WW-Pipe-21	Baza Gardens Capacity Replacement - Phase 1	-	-	-	-	-	320	320
MP-WW-Pipe-22	Baza Gardens Capacity Replacement - Phase 2	-	-	-	-	-	-	-
MP-WW-Pipe-23	Baza Gardens Capacity Replacement - Phase 3	-	-	-	-	-	-	-
MP-WW-Pipe-24	Umatac-Merizo Capacity Replacement	-	-	-	-	-	207	207
MP-WW-Pipe-25	Piping Near Bayside Lift Station	-	-	2,000	-	250	-	2,250
MP-WW-Pipe-26	Finile Drive Rehabilitation - Agat	63	750	-	-	-	-	813
MP-WW-Pipe-27	Septic/Cesspool System Reduction Program	-	-	-	350	3,000	5,238	8,588
MP-WW-MH-01	Manhole Rehabilitation Program	-	350	-	350	-	350	1,050
MP-WW-FM-01	Force Main Rehabilitation/Replacement Program	-	-	100	1,458	-	120	1,678
MP-WW-FM-02	Replace Ylgo Lift Station Force Main	-	-	200	1,829	-	-	2,029
MP-WW-FM-03	Route 1 Asan Force Main Rehabilitation/Replacement	2,124	-	-	-	-	-	2,124
MP-WW-FM-04	Hagåtña WWTP Force Main Rehabilitation/Replacement	5,000	1,689	-	-	-	-	6,689
MP-WW-Pump-01	Lift Station Rehabilitation/Replacement Program	-	2,120	6,500	982	6,124	2,420	18,146
MP-WW-Pump-02	Tumon Basin - Fujita Lift Station Analysis	1,000	6,923	3,000	-	-	-	10,923
MP-WW-Pump-03	Replacement of Former Navy Pump Station (Donut Hole)	100	1,201	-	-	-	-	1,301
MP-WW-WWTP-01	Hagåtña WWTP Primary Treatment Repair/Rehabilitation Program	-	-	-	-	-	-	-
MP-WW-WWTP-02	Hagåtña WWTP Secondary Treatment Upgrade	-	-	-	-	-	-	-
MP-WW-WWTP-03	Inarajan WWTP Repair/Rehabilitation Program	-	-	-	-	-	-	-
MP-WW-WWTP-04	Pago Socio WWTP Pump Station Conversion	-	-	-	1,700	1,000	-	2,700
MP-WW-WWTP-05	Umatac-Merizo WWTP Repair/Rehabilitation Program	-	-	-	-	-	-	-
MP-WW-WWTP-06	Agat-Santa Rita WWTP Repair/Rehabilitation Program	-	-	-	-	-	-	-
MP-WW-WWTP-07	Baza Gardens Cross Island Pipeline - Preliminary Treatment Equipment Repair and Rehabilitation Program	-	-	-	-	-	-	-
MP-WW-WWTP-08	Northern District WWTP Completion	-	-	7,500	7,800	-	-	15,300
MP-WW-WWTP-09	Ocean Outfall Inspection Program	-	150	-	-	-	-	150
MP-WW-Misc-01A	Update Wastewater Collection System Model (Major Update)	-	-	-	-	-	-	-
MP-WW-Misc-01B	Update Wastewater Collection System Model (Continued)	-	100	-	100	-	200	400
MP-WW-Misc-02	I/I and SSES Assessments	-	150	-	-	400	-	550
MP-WW-Misc-03	Miscellaneous Wastewater Improvements	500	-	200	1,000	1,000	-	2,700
MP-WW-Misc-04	Fats, Oils, and Grease Study	-	150	-	-	-	-	150
DoD-01	NDWWTP Secondary Treatment Capacity 12MGD	110,000	2,500	-	-	-	-	112,500
DoD-02	Northern Systems Wastewater System	-	6,000	-	-	-	-	6,000
	Sub-Total	126,703	28,003	26,350	24,069	22,242	21,119	248,486
	Grand Total for Wastewater Funding	248,486						

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Electrical Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
EE 05-02	SCADA Pilot Project	-	-	-	-	-	-	-
EE 09-01	Wastewater Pumping Station Electrical Upgrade	-	-	-	-	-	-	-
EE 09-02	Electrical Upgrade - Water Wells	-	90	-	-	-	-	90
EE 09-03	Electrical Upgrade - Water Booster	-	-	-	-	-	-	-
EE 09-04	Electrical Upgrade -Water Booster	-	150	-	-	-	-	150
EE 09-05	Electrical Upgrade - Other Water	-	100	-	-	-	-	100
EE 09-07	SCADA Improvements -- Phase 2	-	45	-	-	-	-	45
EE 09-08	SCADA Improvements – Phase 3	275	125	-	-	-	2,000	2,400
EE 09-09	SCADA Improvements – Phase 4	434	-	-	-	-	-	434
MP-Gen-EE-01	SCADA Implementation Phase A2 -- Initial Project Completion	1,000	1,000	2,600	1,500	2,600	2,600	11,300
MP-Gen-EE-02	SCADA Implementation Phase B – Additional Sites	-	-	-	-	600	600	1,200
MP-Gen-EE-03	SCADA Implementation Phase C – Additional Instruments	-	-	-	-	-	-	-
MP-Gen-EE-04	SCADA System Improvement Program	-	-	-	-	-	330	330
	Sub-Total	1,710	1,510	2,600	1,500	3,200	5,530	16,050
	Grand Total for Electrical Funding	16,050						

GUAM WATERWORKS AUTHORITY

Guam Waterworks Authority
Summary of Capital Projects for Miscellaneous Funding
FY 2019-2024

CIP #	Project Name	2019 (x1000)	2020 (x1000)	2021 (x1000)	2022 (x1000)	2023 (x1000)	2024 (x1000)	Total (x1000)
MC 05-01	Laboratory Modernization	1	-	-	-	-	-	1
MC 05-02	Land Survey	-	-	-	-	-	-	-
MC 09-01	General Plant Improvements / Water	47	-	100	500	800	1,000	2,447
MC 15-01	Information Technology Intergration Improvements	256	-	100	500	500	500	1,856
MP-Gen-Misc-01	GWA Systems Planning	500	200	500	100	250	1,000	2,550
MP-Gen-Misc-02A	WRMP Update (Comprehensive Update)	-	-	-	100	-	-	100
MP-Gen-Misc-02B	WRMP Update (Interim Update)	-	200	-	-	-	-	200
MP-Gen-Misc-03	Surveying and Property Delineation	250	-	250	-	250	-	750
MP-Gen-Misc-04	Information Technology Improvements	200	5,200	200	100	100	200	6,000
MP-Gen-Misc-05	GWA Infrastructure Improvements	500	-	2,000	-	250	-	2,750
MP-Gen-Misc-06	GPWA Fleet Maintenance Facility	500	-	-	-	-	-	500
MP-Gen-Misc-07	Mobile Equipment Replacement Program	400	400	200	100	100	400	1,600
MP-Gen-Misc-08	General Plant Improvements	500	500	500	200	200	500	2,400
MP-Gen-Misc-09	Security and Resilience Program	100	100	100	100	100	100	600
	Sub-Total	3,253	6,600	3,950	1,700	2,550	3,700	21,753
	Grand Total for Miscellaneous Funding	21,753						

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

RESOLUTION NO. 37–FY2018

RELATIVE TO APPROVAL OF CONTRACT FOR CONSTRUCTION OF UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT, PROJECT NO. S17-003-OEA

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

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

WHEREAS, the U.S. Department of Defense, Office of Economic Adjustment awarded to GWA a General Assistance Grant (OCON676-16-02) for the Northern District Wastewater Treatment Plant ("NDWWTP") Upgrade Project (pre-construction) on August 26, 2016 issued for $21,000,000, and subsequent additional grants (OCON676-16-04) for the NDWWTP Upgrade Project (construction) awarded on April 18, 2018 issued for $50,750,000, and (OCON676-16-05) for the NDWWTP Upgrade Project (construction) awarded on August 1, 2018 issued for $67,164,022, of which funding for the Northern District Wastewater Treatment Plant Upgrade is included; and

WHEREAS, the General Assistance Grant is to be used for water and wastewater improvements in support of the relocation of U.S. Marines and their dependents to Guam; and

WHEREAS, the report "Final Guam Water and Wastewater Assessment Report in Support of the Economic Adjustment Committee Implementation Plan," (NAVFAC, Department of the Navy, February 2015) has recommended the design and construction of NDWWTP treatment upgrades to comply with the current National Pollutant Discharge Elimination System

("NPDES") permit and mitigate impacts to wastewater utilities, nearshore waters, and marine biological resources; and

WHEREAS, the upgrade and expansion of the NDWWTP is necessary to provide treatment to secondary standards in accordance with the NDWWTP NPDES permit and to ensure long term, reliable operation; and

WHEREAS, in January 2017, GWA procured the services of a consulting engineering team (Brown and Caldwell) to provide Project Management / Construction Management (PM/CM) Services for the Office of Economic Adjustment "Guam Water and Wastewater Infrastructure Improvements" via Resolution 15-FY2017 of which construction management services for the Northern District WWTP is a component; and

WHEREAS, via Resolution 47-FY2017 Relative to Approval of Contract for Design Services for the Upgrade of the Northern District Wastewater Treatment Plant to Secondary Treatment, GWA Project No. S17-003-OEA (OEA Grant OCO N676-16-02), approved by the CCU in July of 2017, GWA management was authorized to enter into a contract with Duenas Camacho and Associates to design the WWTP Upgrade on the existing site and the new property obtained for the WWTP; and

WHEREAS, GWA has determined that the most expedient process to meeting the OEA Grant deadline for completion of the Northern District WWTP Upgrade of December 31, 2021 was to break the construction activities into two phases with Phase I for Clearing and Grading and Phase II for all vertical and plant process construction; and

WHEREAS, GWA has procured Phase I construction services from IAN Corporation to clear and grade the project site to meet design specifications in preparation for all vertical construction activities that are part of Phase II; and

WHEREAS, GWA has advertised an Invitation for Bid IFB-02-ENG-2019, Step 1 – Technical Proposal on January 11, 2019 soliciting technical proposals for prequalification

purposes from experienced, responsible and responsive bidders to construct the necessary WWTP improvements through a multi-step bid; and

WHEREAS, seventeen (17) interested firms picked up an electronic copy (CD) of the appropriate Step 1 – Technical Proposal bid documents, and thirteen (13) of those firms attended the Step 1 Pre-Bid Conference and of those GWA received five (5) technical proposal submittals before the bid submittal deadline; and

WHEREAS, GWA Engineering evaluated all technical proposals received on March 1, 2019 and determined that five (5) firms met the qualification criteria established for the project (See EXHIBIT A – Step 1 Evaluation and Qualified Bidders List); and

WHEREAS, GWA invited the five (5) firms qualified by the Step 1 Technical Proposal criteria to participate in the Step 2 Pricing Proposal by invitation on March 14, 2019; and

WHEREAS, the Step 2 Bid Form established a Base Bid and four (4) alternate deductive bids, Alternate Bid A (eliminate ATAD and Digester Complex), Alternate Bid B (eliminate New Administration Building), Alternate Bid C (eliminate New Septage Receiving Station) and Alternate Bid D (eliminate Extended Warranty); and

WHEREAS, the Bid documents provide GWA sufficient flexibility to award the contract based on available funding and the elimination of one or more alternate bid items; and

WHEREAS, the five (5) qualified firms picked up the Step 2 – Pricing Proposal bid documents, and those five (5) firms attended the Step 2 Pre-Bid Conference on April 4, 2019 and of those GWA received five (5) pricing proposal submittals before the bid submittal deadline (See EXHIBIT B – Abstract of Bids); and

WHEREAS, GWA Engineering and the Program Manager (PM/CM) and Engineer of Record (EOR) analyzed all bid proposals received on May 29, 2019 and determined that Black Construction Corporation, who submitted the lowest bid for both the Base bid, and all Alternate

bids as being the responsive and responsible bidder and met all the bid requirements set forth by GWA (See EXHIBIT C – Recommendation Letter from DCA dated June 1, 2019); and

WHEREAS, GWA Management desires to complete all work included under the Base Bid and the Bid Submission Requirements allow that "After determination of the Successful Bidder based on this comparative process and on the responsiveness, responsibility, and other factors set forth in these Instructions, the award may be made to said Successful Bidder on its appropriate Base Bid and any combination of its deductive alternate Bid items for which Owner determines funds will be available at the time of award", and

WHEREAS, GWA Management finds the Black Construction Corporation bid proposal of One Hundred Twenty-Two Million Seventy-Seven Thousand and Eighty-Eight Dollars ($122,077,088.00) for the Base Bid to be acceptable (See EXHIBIT D – Bid Proposal); and

WHEREAS, GWA Management is seeking approval to enter into contract with Black Construction Corporation for IFB-02-ENG-2019 in the amount of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00); and

WHEREAS, GWA further seeks CCU approval of the total bid Proposal in the amount of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00); plus a five percent (5%) contingency of Six Million One Hundred Three Thousand Eight Hundred Fifty-Four Dollars and Forty Cents ($6,103,854.40), to bring the total authorized funding amount to One Hundred Twenty-Eight Million One Hundred Eighty Thousand Nine Hundred Forty-Two Dollars and Forty Cents ($128,180,942.40); and

WHEREAS, the funding source for the construction project will be from the General Assistance Grants (OCON676-16-02, OCON676-16-04, and OCON676-16-05), and the System Development Charge (SDC) funds or the Bond funds as necessary; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the bid proposal submitted by Black Construction Corporation are fair and reasonable.
3. The CCU hereby authorizes the management of GWA to accept the bid from Black Construction Corporation attached hereto as EXHIBIT D, and which is also incorporated into this Resolution in its entirety.
4. The CCU hereby authorizes the management of GWA to execute an Agreement with Black Construction Corporation in the amount of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00).
5. The CCU hereby authorizes the funding source for this project to be as described above.
6. The CCU hereby authorizes the funding total of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00); plus a five percent (5%) contingency of Six Million One Hundred Three Thousand Eight Hundred Fifty-Four Dollars and Forty Cents ($6,103,854.40), to bring the total authorized funding amount to One Hundred Twenty-Eight Million One Hundred Eighty Thousand Nine Hundred Forty-Two Dollars and Forty Cents ($128,180,942.40).

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

DULY AND REGULARLY ADOPTED, this 5th day of June, 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson

Attested by:

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: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

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EXHIBIT A

Step 1 Evaluation and Qualified Bidders List

GUAM WATERWORKS AUTHORITY
"Better Water. Better Lives."
Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913
P.O. Box 3010, Hagatna, Guam 96932
Tel. No. (671) 300-6035

IFB-02-ENG-2019
Multi-Step Bid for the Upgrade of the Northern District Wastewater Treatment Plant (NDWWTP)
GWA Project No. S17-003-OEA

STEP I – TECHNICAL PROPOSAL EVALUATION SCORES

STEP 1 Technical Proposal Evaluators	*Qualification and Experience (60 pts.) Technical Approach and Capacity to Perform the Work (40 pts) (Total Points Possible = 100)*				
	STEP 1 – Technical Proposal Offerors				
	Sumitomo Mitsui Construction Co., Ltd.	Black Construction Corporation	Core Tech-Hawaiian Dredging, LLC	Hensel Phelps	Nan Inc.
John Davis, P.E.	85	83	85	83	80
Mauryn McDonald, P.E.	94	93	96	99	93
Prudencio Aguon	90	81	88	97	83
Ernesto Villarin	76	73	77	89	83
David Fletcher	95	90	98	92	78
Total Score	440	420	444	460	417
Average Score	**88**	**84**	**88.8**	**92**	**83.4**
Pass/Fail	Pass	Pass	Pass	Pass	Pass

GUAM WATERWORKS AUTHORITY
Gloria B. Nelson Public Service Building • 688 Route 15, Mangilao, Guam 96913 • Tel. (671) 300-6036

QUALIFIED BIDDERS LIST NOTIFICATION

This is a notification of a current project under the Guam Water and Wastewater Infrastructure Improvements Program. The project is the Upgrade of the Northern District Wastewater Treatment Plant, GWA Project No. S17-003-OEA which will be complete under a Multi-Step Bid process. Step 1 of the Multi-Step Bid which included the Technical Proposals has been completed and the project moved into Step 2 on March 18, 2019.

The Guam Waterworks Authority (GWA) has invited Contractors ("Bidders") who completed Step 1 of the Multi-Step Bid process to provide Step 2 Pricing Proposals to complete the construction services necessary for the Upgrade of Northern District Wastewater Treatment Plant (NDWWTP) project. The five Qualified Bidders invited to proceed to Step 2 are as follows:

1. Black Construction Corporation
2. Core Tech – Hawaiian Dredging LLC
3. Hensel Phelps Construction Co.
4. Nan Inc.
5. Sumitomo Mitsui Construction Co. LTD

Interested Subcontractors and Suppliers must obtain the relevant bid documents from the Qualified Bidders listed above. GWA will not be supplying the Step 2 Pricing Proposal documents to any parties other than the invited Step 2 Contractors.

MIGUEL C. BORDALLO, P.E.
General Manager

EXHIBIT B

Abstract of Bids

GUAM WATERWORKS AUTHORITY

ORIGINAL

ABSTRACT OF BIDS

Project Name: UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT (NDWWTP) **Bid Opening Date:** May 29, 2019
Project Number: S17-0030-OEA IFB No.: IFB-02-ENG-2019 **Time:** 3:00 pm

COMPANY	BID BOND	CERTIFICATIONS								ADDENDUM					
		Qualification Statement	Non-Collusion Affidavit	Equal Employment Opportunity	Non-Segregated Facilities	Sex Offender Certification	Wage and Benefit Determination	Major Shareholder Affidavit	Special Instructions to Bidders	1	2	3	4	5	6
1. SUMITOMO MITSUI CONST. CO., LTD.	Fidelity and Deposit Company of Maryland 15% of total Bid Amount	step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. BLACK CONSTRUCTION CORPORATION	Safeco Insurance Company of America 18,311,563.00	step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. CORE-HAWAIIAN DREDGING, LLC	Zurich American Insurance Company 15% of Bidder's Maximum Bid Price	step 1	Step 1	step 1	Step 1	Step 1	step 1	Step 1	Step 1	✓	✓	✓	✓	✓	✓
4. HENSEL PHELPS	Travelers Casualty and Surety Company 15% of the total Bid Price	step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5. NAN INC.	Zurich American Insurance Company 15% of Bidder's Maximum Bid Price	step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

COMPANY	BID AMOUNT				
	Base Bid	Alternate Bid – A	Alternate Bid – B	Alternate Bid – C	Alternate Bid - D
1. SUMITOMO MITSUI CONST. CO., LTD.	132,079,867.00	~~133,091,620.00~~ 121,000,000.00	118,929,014.00	117,969,523.00	117,681,635.00
2. BLACK CONSTRUCTION CORPORATION	122,077,088.00	106,160,836.00	103,966,246.00	102,858,502.00	102,475,358.00
3. CORE-HAWAIIAN DREDGING, LLC	154,572,600.00	133,037,620.00	130,877,659.00	129,847,046.00	129,354,286.00
4. HENSEL PHELPS	143,600,000.00	127,812,000.00	125,362,000.00	124,552,000.00	123,705,000.00
5. NAN INC.	176,522,000.00	154,437,000.00	151,775,000.00	150,442,000.00	149,644,000.00
GWA ESTIMATE	115,015,314.00	99,935,154.00	98,096,018.00	96,463,526.00	95,589,824.00

Bids Opened and Read by:
GLORIA B. BENSAN
(Name and Signature)

Tabulated by:
CHEUK NAM YAM
(Name and Signature)

GWA Procurement Representative:
ROLAND LUMONGSUD
(Name and Signature)

Witnesses: (Name and Signature)
ROBRIGO BASMONTE
ALON BUMTPARO
J. HUNTER GREGORIO
KAPIL WALI
HONG CHANG KE

EXHIBIT C

Recommendation Letter from DCA dated June 1, 2019

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

June 1, 2019

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

Attn: Jerald Johnson, Brown & Caldwell

Ref: **Upgrade of Northern District Wastewater Treatment Plant (Clearing and Grading) , GWA Project No. S17-003-OEA**

Subj: **Black Construction Corporation, Bid Proposal Review**

Hafa Adai,

Dueñas, Camacho, & Associates, Inc. (DCA) has reviewed the May 29, 2019 bid proposals submitted by the prequalified bidders for the referenced project. Black Construction Corporation's bid proposal was the apparent low bid for the base bid and all alternatives. This apparent lowest bid was compared to the other bids received and the engineer's estimate. In addition to cost, the supplier/equipment and sub-contractor lists were reviewed. Below are noteworthy items identified as part of this bid review.

1) The highest bidder, Nan Inc, is considered an outlier, and as such was not used in comparing the other qualified bids.
2) The engineers estimate provided was considered the lower end of the estimates. It is noted the engineer provided an estimate range to which the three lowest bidders were within.
3) Black Construction Corporation's bid does not appear to be an outlier or excessively low when compared the other bidders and the engineers estimate.
4) Black Construction Corporations supplier list included perceived equal equipment. These perceived equals were not evalauted at this time as clearly stated in the instruction to bidders. Perceived equals will be evaluated after award.
5) Black Construction Corporation listed the fewest sub-contractors under $500,000 when compared to all other bidders.

Based on our review, the design team has no exceptions with GWA moving forward with contracting Black Construction Corporation for this referenced project. A copy of the bid review tab for the base and alternate A bids is attached to this letter.

Regards,

Kenneth M Rekdahl, PE
Vice-President and Project Manager
Dueñas, Camacho & Associates
671-477-7991

Att:

Bid Abstract
Solicitation No. IFB-02-ENG-2019
Project: Upgrade of Northern District Wastewater Treatment Plant (NDWWTP)
Bid Opening: May 28, 2019
This tabulation of a total of 5 Bidders.

Item No.	Description	GWA BUDGET $ 116,634,489.00	Core Tech - Hawaiian Dredging LLC	HAN Inc	Sumitomo Mitsui Construction Co.	Hensel Phelps Construction Co.	GWA Estimate	low bid - engr est	Average (All Bids)	Average (Black & Sumitomo)
								Analysis		
1	Mobilization, Not to Exceed 3% of Total Basic Price	[illegible]	$ 2,111,068.00	$ 4,500,000.00	$ 3,954,096.00	[illegible]	$ 2,848,325	$ 813,987.69	$ 3,470,296.40	$ 3,806,204.50
2	Insurance and Bonds	[illegible]	$ 2,482,375.00	$ 1,000,000.00	$ 3,208,279.00	[illegible]	$ 949,447	$ 1,995,813.92	$ 2,719,531.40	$ 3,081,886.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,164.00	$ 12,282,803.00	$ 28,500,000.00	$ 8,152,727.00	[illegible]	$ 11,411,531	$ 2,718,634.80	$ 14,406,839.20	$ 11,141,446.50
4	Extended Warranty	[illegible]	$ 492,288.00	$ 785,000.00	$ 349,862.00	[illegible]	$ 852,849	$ (83,143.93)	$ 641,229.40	$ 589,885.50
5	Environmental Protection and Erosion Control Measures	$ 268,885.00	$ 128,459.00	$ 250,000.00	$ 261,318.00	[illegible]	$ 9,304	$ 459,564.53	$ 290,773.20	$ 265,103.50
6	Site Clearing	[illegible]	$ 5,786.00	$ 450,000.00	$ 71,050.00	[illegible]	$ 537,491	$ (889,512.87)	$ 223,765.60	$ 94,518.00
7	Access Road, Guard Rails and Pavement	$ 1,417,475.00	$ 2,007,608.00	$ 2,000,000.00	$ 1,314,877.00	[illegible]	$ 23,801	$ 1,113,711.88	$ 1,582,199.60	$ 1,276,195.00
8	Perimeter Fence Line	$ 248,934.00	$ 242,548.00	$ 120,000.00	$ 245,814.00	[illegible]	$ 327,171	$ (82,222.15)	$ 226,104.40	$ 244,881.50
9	Project Site Grading and Site Turf	$ 486,228.00	$ 798,260.00	$ 1,500,000.00	$ 600,828.00	[illegible]	$ 674,568	$ (249,340.00)	$ 1,583,463.20	$ 458,828.00
10	Project Site Drainage Improvements	$ 521,686.00	$ 488,166.00	$ 2,101,000.00	$ 143,302.00	[illegible]	$ 474,727	$ 46,941.63	$ 969,431.20	$ 332,484.00
11	Site yard demolition works	[illegible]	$ 118,980.00	$ 801,000.00	$ 200,854.00	[illegible]	$ 521,361	$ (471,857.38)	$ 286,207.60	$ 125,029.00
12	Facility Demolition Works	$ 715,465.00	$ 1,030,521.00	$ 427,000.00	$ 784,913.00	[illegible]	$ 2,142,962	$ (1,810,156.92)	$ 637,647.80	$ 558,859.00
13	Asbestos and Lead Containing Material Handling and Abatement	$ 155,629.00	$ 97,854.00	$ 12,000.00	$ 209,033.00	[illegible]	$ 90,000	$ 61,928.00	$ 119,943.20	$ 180,031.00
14	Sludge Removal	$ 885,670.00	$ 199,844.00	$ 3,794,000.00	$ 429,153.00	[illegible]	$ 819,518	$ (328,948.31)	$ 1,147,513.40	$ 460,881.50
15	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,290,174.00	$ 11,860,810.00	$ 13,350,000.00	$ 8,084,376.00	[illegible]	$ 7,221,936	$ 1,468,243.30	$ 10,780,873.00	$ 8,402,277.50
16	Project Site Pavement	$ 837,249.00	$ 158,466.00	$ 10,000.00	$ 146,707.00	[illegible]	$ 1,777,976	$ (1,180,678.92)	$ 293,095.00	$ 302,003.00
17	Site Electrical	$ 4,965,280.00	$ 2,820,152.00	$ 5,748,000.00	$ 4,577,491.00	[illegible]	$ 719,057	$ 1,246,322.75	$ 3,782,804.60	$ 3,271,435.50
18	Process 1: Southern Link Pump Station	$ 4,747,950.00	$ 3,480,117.00	$ 3,836,000.00	$ 3,478,977.00	[illegible]	$ 1,632,652	$ 85,297.80	$ 2,894,247.80	$ 2,586,461.00
19	Process 1.1: Route 3 Pump Station	$ 3,126,155.00	$ 1,005,473.00	$ 3,608,000.00	$ 2,997,382.00	[illegible]	$ 1,120,888	$ 455,314.29	$ 2,614,511.40	$ 2,286,742.00
20	Process 2: New Headworks	$ 9,954,418.00	$ 14,732,108.00	$ 13,277,000.00	$ 13,665,424.00	[illegible]	$ 12,382,797	$ (2,394,279.24)	$ 12,639,410.00	$ 11,826,071.00
21	Process 3: Oxidation Ditches	$ 14,867,705.00	$ 21,756,717.00	$ 28,154,000.00	$ 18,248,828.00	[illegible]	$ 14,794,758	$ (889,055.39)	$ 21,118,849.60	$ 16,166,265.50
22	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,284,166.00	$ 13,014,923.00	$ 15,348,000.00	$ 10,188,970.00	[illegible]	$ 11,259,273	$ (775,974.61)	$ 11,963,058.20	$ 10,236,184.00
23	Process 6: UV Disinfection System	$ 4,354,741.00	$ 6,843,471.00	$ 7,738,000.00	$ 5,779,049.00	[illegible]	$ 6,170,396	$ (715,115.13)	$ 6,425,780.20	$ 5,787,885.00
24	Process 7: Septage Receiving Station	$ 1,114,479.00	$ 1,030,813.00	$ 1,543,000.00	$ 1,165,121.00	[illegible]	$ 1,487,220	$ (452,740.94)	$ 1,063,842.60	$ 1,099,800.00
25	Process 8: RAS/WAS Pump Station	$ 2,952,020.00	$ 3,885,464.00	$ 3,260,000.00	$ 3,333,135.00	[illegible]	$ 2,831,805	$ 120,414.71	$ 3,063,523.80	$ 3,142,577.50
26	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 1,860,464.00	$ 3,117,853.00	$ 2,292,000.00	$ 2,778,618.00	[illegible]	$ 1,646,879	$ 2,414,334.08	$ 2,802,771.20	$ 3,379,561.50
27	Process 10: Thickening Facility	$ 6,476,936.00	$ 7,612,187.00	$ 6,795,000.00	$ 5,831,181.00	[illegible]	$ 6,287,531	$ (711,581.98)	$ 6,358,859.40	$ 5,103,555.00
28	Process 11: ATAD	$ 6,474,118.00	$ 11,333,275.00	$ 9,892,000.00	$ 12,193,413.00	[illegible]	$ 423,129	$ 5,056,009.39	$ 8,833,355.20	$ 8,836,275.50
29	Process 12: Digester Equipment Building	$ 8,452,843.00	$ 10,001,911.00	$ 12,400,000.00	$ 5,901,384.00	[illegible]	$ 12,206,728	$ (4,114,094.63)	$ 8,334,187.60	$ 7,358,013.50
30	Process 13: Sludge Storage Tanks	$ 2,134,469.00	$ 2,219,237.80	$ 1,668,000.00	$ 2,151,435.00	[illegible]	$ 1,341,855	$ 601,737.08	$ 1,944,052.80	$ 2,147,813.50
31	Process 14: Dewatering Facility	$ 3,648,265.00	$ 4,414,565.80	$ 4,082,000.00	$ 3,548,374.00	[illegible]	$ 1,993,128	$ 1,352,078.12	$ 3,827,026.40	$ 3,545,788.50
32	Process 15: Side-Stream Pump Station	$ 784,879.00	$ 1,019,200.00	$ 1,051,000.00	$ 885,907.00	[illegible]	$ 1,074,893	$ (298,815.68)	$ 829,636.80	$ 835,992.00
33	Process 16: Plant Water Systems	$ 640,003.00	$ 525,489.80	$ 697,000.00	$ 628,172.00	[illegible]	$ 672,491	$ (32,488.16)	$ 629,832.80	$ 634,087.50
34	Process 17: New Administration Building	$ 3,074,245.00	$ 2,159,961.00	$ 2,642,000.00	$ 2,518,980.00	[illegible]	$ 1,697,427	$ 393,928.04	$ 2,338,826.20	$ 2,265,107.50
35	Process 18: Renovated/ Repurpose Lab	$ 2,068,368.00	$ 2,188,469.00	$ 1,504,000.00	$ 2,157,301.00	[illegible]	$ 366,235	$ 1,872,253.60	$ 1,872,253.60	$ 2,107,849.50
36	Process 19: Maintenance Building	$ 154,884.00	$ 208,781.00	$ 267,000.00	$ 161,182.00	[illegible]	$ 71,905	$ 82,938.68	$ 184,363.00	$ 158,013.00
37	Process 20 and 20-1: Standby Generator and Building	$ 2,840,140.00	$ 2,143,924.80	$ 2,830,000.00	$ 1,824,679.00	[illegible]	$ 1,242,164	$ 1,587,985.84	$ 2,502,752.60	$ 2,332,419.50
38	Plant Startup and Training	$ 308,179.00	$ 32,747.80	$ 1,414,000.00	$ 217,182.00	[illegible]	$ 2,499,599	$ (2,091,470.25)	$ 550,611.60	$ 312,655.50
39	Project Closeout	$ 351,312.00	$ 488,211.80	$ 533,000.00	$ 53,118.00	[illegible]	$ 843,141	$ (391,829.32)	$ 396,832.20	$ 202,215.00
	TOTAL SUM BASIC BID PRICE (ITEMS 1 THROUGH 39, INCLUSIVE)	$ 129,027,086.00	$ 154,572,600.00	$ 176,513,000.00	$ 132,079,867.00	$ 143,840,000.00	$ 115,015,314		$ 145,788,511.00	$ 127,676,477.50
	Deductive A	$ 105,180,836.00	$ 133,837,220.00	$ 154,437,000.00	$ 121,000,000.00	$ 127,812,000.00	$ 99,035,154.00			
	Deductive B	$ 103,966,246.00	$ 130,877,659.00	$ 151,775,000.00	$ 118,929,014.00	$ 125,362,000.00	$ 96,096,018.00			
	Deductive C	$ 102,456,607.00	$ 129,647,046.00	$ 150,442,000.00	$ 117,989,523.00	$ 124,552,000.00	$ 96,463,526.00			
	Deductive D	$ 102,475,358.00	$ 129,354,288.00	$ 149,644,000.00	$ 117,681,635.00	$ 124,705,000.00	$ 95,589,824.00			

TOTAL W ATAD (NO DEDUCTIVE B, C, D)	$	116,391,610.00
ADDITIONAL FUNDING FOR ATAD W/O DEDUCTIVE B,C,D	$	1,737,121.00
ADDITIONAL FUNDING FOR ATAD AND EXTENDED WARRANTY (DEDUCTIVE A&D)	$	2,120,265.00
ADDITIONAL FUNDING FOR ATAD, SEPTAGE, EXTENDED WARRANTY (DEDUCTIVE A,C,D)	$	3,228,009.00
ADDITIONAL FUNDING FOR COMPLETE BASE BID (DEDUCTIVE A, B,C, D)	$	5,422,599.00

Bid Abstract
Solicitation No. IFB-02-ENG-2019
Project: Upgrade of Northern District Wastewater Treatment Plant (NDWWTP)
This tabulation of a total of 5 bidders.

GWA BUDGET $ 118,454,489.00

Item No.	Description	Fast Construction Corporation	Core Tech + Hawaiian Dredging LLC	NAN Inc.	Sumitomo Mitsui Construction Co.	Hensel Phelps Construction Co.	GWA Estimate	low bid - engineer	Average (All Bids)	Average (Black & Sumitomo)
								Analysis		
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 4,184,824.01	$ 2,111,069.00	$ 4,000,000.00	$ 3,554,096.00	$ 1,624,000.00	$ 2,848,325	$ 336,499.69	$ 3,294,797.50	$ 3,369,480.50
2	Insurance and Bonds	$ 8,887,251.00	$ 7,867,325.00	$ 1,000,000.00	$ 3,437,998.00	$ 3,135,000.00	$ 949,447	$ 1,747,963.50	$ 2,648,519.20	$ 3,065,135.50
3	Project Management, Temporary Facilities and Site Layout	$ 11,130,144.00	$ 12,282,803.00	$ 20,609,000.00	$ 8,738,368.00	$ 16,584,000.00	$ 10,500,749	$ 3,629,417.00	$ 14,388,457.40	$ 11,433,267.00
4	Extended Warranty	$ 357,810.00	$ 492,768.00	$ 789,000.00	$ 374,930.00	$ 765,000.00	$ 852,649	$ (494,806.93)	$ 559,896.00	$ 386,385.00
5	Environmental Protection and Erosion Control Measures	$ 448,440.00	$ 128,658.00	$ 243,000.00	$ 289,025.00	$ 147,000.00	$ 9,204	$ 439,584.53	$ 294,514.80	$ 374,457.00
6	Site Clearing	$ 117,987.00	$ 5,786.00	$ 490,000.00	$ 76,136.00	$ 474,000.00	$ 587,495	$ (469,512.62)	$ 224,780.80	$ 97,059.00
7	Access Road, Guard Rails and Pavement	$ 3,137,511.00	$ 2,802,684.00	$ 2,096,000.00	$ 1,409,007.00	$ 1,340,000.00	$ 73,801	$ 1,113,711.96	$ 1,901,025.80	$ 1,273,200.00
8	Perimeter Fence Line	$ 744,949.00	$ 262,550.00	$ 129,000.00	$ 282,956.00	$ 249,000.00	$ 327,171	$ (82,222.15)	$ 329,612.40	$ 253,751.50
9	Project Site Grading and Site Turf	$ 415,228.00	$ 798,280.00	$ 1,102,000.00	$ 536,882.00	$ 1,701,000.00	$ 674,566	$ (259,340.00)	$ 1,190,634.00	$ 475,955.00
10	Project Site Drainage Improvements	$ 421,486.00	$ 488,188.00	$ 1,101,000.00	$ 153,561.00	$ 1,188,000.00	$ 474,722	$ 46,963.63	$ 590,483.00	$ 337,823.50
11	Site yard demolition works	$ 89,836.00	$ 110,980.00	$ 803,000.00	$ 215,019.00	$ 267,000.00	$ 521,361	$ (471,957.36)	$ 289,083.80	$ 132,211.50
12	Facility Demolition Works	$ 139,805.00	$ 3,030,521.00	$ 427,000.00	$ 861,196.00	$ 513,000.00	$ 2,142,962	$ (1,810,156.97)	$ 848,886.00	$ 596,954.50
13	Asbestos and Lead Containing Material Handling and Abatement	$ 84,000.00	$ 97,854.00	$ 12,000.00	$ 223,997.00	$ 330,000.00	$ 90,000	$ 81,029.00	$ 122,938.00	$ 187,513.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,174.00	$ 13,840,810.00	$ 13,390,000.00	$ 8,683,124.00	$ 9,886,000.00	$ 7,221,936	$ 1,498,243.30	$ 10,896,627.80	$ 8,691,851.50
15	Project Site Pavement	$ 417,206.00	$ 154,469.00	$ 382,000.00	$ 157,310.00	$ 157,000.00	$ 1,777,976	$ (1,160,678.82)	$ 295,195.80	$ 387,254.50
16	Site Electrical	$ 2,885,140.00	$ 2,920,152.00	$ 3,799,000.00	$ 4,905,186.00	$ 5,652,000.00	$ 718,687	$ 1,248,327.75	$ 3,848,343.80	$ 3,435,283.00
17	Process 1: Southern Link Pump Station	$ 3,213,650.00	$ 3,488,317.00	$ 3,436,000.00	$ 3,728,026.00	$ 2,430,000.00	$ 1,832,852	$ 85,267.80	$ 2,944,058.80	$ 2,722,988.00
18	Process 1-1: Route 3 Pump Station	$ 1,476,102.00	$ 3,085,073.00	$ 3,609,000.00	$ 3,211,960.00	$ 1,386,000.00	$ 1,120,888	$ 455,214.28	$ 2,357,427.00	$ 2,394,031.00
19	Process 2: New Headworks	$ 8,068,418.00	$ 14,232,108.00	$ 13,272,000.00	$ 14,643,711.00	$ 19,014,000.00	$ 12,382,787	$ (2,394,279.24)	$ 12,835,067.40	$ 12,316,114.50
20	Process 3: Oxidation Ditches	$ 14,187,703.00	$ 21,756,717.00	$ 28,158,000.00	$ 19,555,233.00	$ 23,343,000.00	$ 14,756,758	$ (699,055.20)	$ 21,380,130.60	$ 16,821,468.00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,281,398.00	$ 13,014,923.00	$ 15,338,000.00	$ 10,918,383.00	$ 9,930,000.00	$ 11,058,273	$ (775,874.63)	$ 12,106,940.80	$ 10,899,890.50
22	Process 6: UV Disinfection System	$ 6,855,291.00	$ 6,841,571.00	$ 7,739,000.00	$ 6,129,528.00	$ 5,972,000.00	$ 6,170,396	$ (315,115.13)	$ 6,307,678.00	$ 5,992,409.50
23	Process 7: Septage Receiving Station	$ 1,044,479.00	$ 1,038,813.00	$ 1,533,000.00	$ 1,248,530.00	$ 759,000.00	$ 1,487,220	$ (452,740.94)	$ 1,079,724.40	$ 1,141,504.50
24	Process 8: RAS/WAS Pump Station	$ 3,467,090.00	$ 3,885,464.00	$ 3,260,000.00	$ 3,571,749.00	$ 1,887,000.00	$ 2,831,805	$ 139,414.71	$ 3,111,248.80	$ 3,251,884.50
25	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,981,582.00	$ 3,117,853.00	$ 2,243,000.00	$ 2,976,892.00	$ 1,844,000.00	$ 1,566,679	$ 2,414,304.68	$ 2,942,545.80	$ 3,478,938.00
26	Process 10: Thickening Facility	$ 4,525,934.00	$ 7,612,187.00	$ 8,529,000.00	$ 6,034,267.00	$ 5,168,000.00	$ 5,767,531	$ (711,581.98)	$ 6,339,484.60	$ 5,305,118.00
27	Process 13: Sludge Storage Tanks	$ 2,543,492.00	$ 2,218,237.00	$ 1,685,000.00	$ 2,305,493.00	$ 1,921,000.00	$ 1,341,855	$ 831,737.09	$ 1,974,856.40	$ 2,224,522.50
28	Process 14: Dewatering Facility	$ 3,585,263.00	$ 4,414,565.00	$ 4,082,000.00	$ 3,800,253.00	$ 2,547,000.00	$ 1,995,126	$ 1,552,078.12	$ 3,877,804.20	$ 3,672,726.00
29	Process 15: Side-Stream Pump Station	$ 786,017.00	$ 1,019,200.00	$ 1,041,000.00	$ 949,328.00	$ 696,000.00	$ 1,074,883	$ (299,815.88)	$ 842,321.00	$ 847,702.50
30	Process 16: Plant Water Systems	$ 640,003.00	$ 525,989.00	$ 891,000.00	$ 673,142.00	$ 664,000.00	$ 672,491	$ (31,488.16)	$ 638,826.80	$ 656,572.50
31	Process 17: New Administration Building	$ 3,073,245.00	$ 2,159,961.00	$ 2,662,000.00	$ 2,897,145.00	$ 2,271,000.00	$ 1,692,437	$ 380,878.04	$ 2,372,872.20	$ 2,385,200.00
32	Process 18: Renovated/ Repurpose Lab	$ 2,048,398.00	$ 2,188,569.00	$ 1,894,000.00	$ 2,311,739.00	$ 1,303,000.00	$ 386,735	$ 1,673,163.27	$ 1,903,141.20	$ 2,185,068.50
33	Process 19: Maintenance Building	$ 154,844.00	$ 204,789.00	$ 767,000.00	$ 172,721.00	$ 130,000.00	$ 71,905	$ 82,938.68	$ 186,870.80	$ 163,792.50
34	Process 20 and 20-1: Standby Generator and Building	$ 2,840,140.00	$ 2,143,924.00	$ 2,838,000.00	$ 1,955,305.00	$ 2,869,000.00	$ 1,242,164	$ 1,597,995.84	$ 2,529,877.80	$ 2,397,752.50
35	Plant Startup and Training	$ 208,139.00	$ 32,747.00	$ 1,514,000.00	$ 232,730.00	$ 681,000.00	$ 2,499,586	$ (2,091,470.35)	$ 653,721.20	$ 370,429.50
36	Project Closeout	$ 351,712.00	$ 486,231.00	$ 513,000.00	$ 56,921.00	$ 481,000.00	$ 843,141	$ (581,828.32)	$ 397,592.80	$ 204,116.50
	TOTAL SUM DEDUCTIVE BID A PRICE ITEMS 1 THROUGH 36, INCLUSIVE	$ 106,193,916.00	$ 133,037,620.00	$ 154,428,000.00	$ 121,000,011.00	$ 127,314,000.00	$ 99,835,184	$ 8,228,862.46	$ 126,487,693.40	$ 113,380,423.50

EXHIBIT D

Bid Proposal

UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT

GWA Project No. S17-003-OEA

STEP 2
PRICE PROPOSAL

Submitted to:

Mr. Miguel C. Bordallo, P.E.
General Manager
GUAM WATERWORKS AUTHORITY
GLORIA B. NELSON PUBLIC SERVICE BUILDING
688 ROUTE 15, MANGILAO, GU 96913

Submitted by:

BLACK CONSTRUCTION CORPORATION
P.O. Box 24667, GMF, BARRIGADA, GU 96921

COPY 1 OF 1

UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT
GWA Project No.: S17-003-OEA

MR. MIGUEL C. BORDALLO, P.E.
GENERAL MANAGER
GUAM WATERWORKS AUTHORITY
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao, GU 96913

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed – in whole or in part – for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of – or in connection with – the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets:

- **STEP 2 Price Proposal – all sheets**

May 29, 2019 – NLT 3:00 pm Chamorro Standard Time

Submitted by:

BLACK CONSTRUCTION CORPORATION
Harmon Industrial Park • P.O. Box 24667, GMF Barrigada GU 96921
A Tutor Perini Company

Procurement Checklist

CHECKLIST OF FORMS AND DOCUMENTS REQUIRED TO BE SUBMITTED IN CONJUNCTION WITH BIDS

A. Form or document that must be submitted with bid	Initial if Submitted:
1. Bid Bond Equal to 15% of total amount of bid	
2. Bid Proposal and Bid Schedule	
3. Non-Collusion Affidavit	
4. Certification of Bidder Regarding Equal Employment Opportunity	
5. Certification Regarding Non-Segregated Facilities	
6. Sex Offender Certification	
7. Wage and Benefit Determination	
8. Major Shareholders Disclosure Affidavit	
9. Special Instructions to Bidders	
10. Proof of Licensure (if not included in Step 1) to Perform Work Called For by the Bid	
11. Financial Statements	
12. Proof of Status as Veteran (if applies)	
13. Forms or Documents Required by Bid or Bid Amendments not referred to above	

I, Leonard K. Kaae, a duly authorized representative of Black Construction Corporation, do hereby certify, that the forms list above has in fact been submitted with my firm's bid. I acknowledge that, failure to submit any of the above documents will result in my firm being deemed non-responsive and having my firm's bid rejected.

Signed: _____

Date: May 24, 2019

B. **Forms or documents that must be submitted after the bid but prior to entering into a Contract are as follows:**

1. Proof of Insurance (complete insurance policies) per Article 6 – Bonds and Insurance

2. Performance and Payment Bond

3. Other Forms as Required by GWA

*Most forms or documents above must be submitted on forms supplied by GWA. Failure to use the correct form, or submit a form when required, could result in the vendor being deemed to be non-responsive which would require GWA to reject the bid. Failure to submit the correct forms or documents that are required after award but prior to contract are a condition precedent to GWA entering into a contract. Failing to provide the forms or documents could result in loss of award.

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BID BOND

BID BOND

Any singular reference to Bidder, Surety, Owner or other party shall be considered plural where applicable.

BIDDER *(Name and Address)*:

Black Construction Corporation
JL Baker Street, Harmon Industrial Park, Harmon, Guam 96913
P.O. Box 24667, Barrigada, Guam 96921

SURETY *(Name, and Address of Principal Place of Business)*:

Safeco Insurance Company of America
175 Berkeley Street
Boston, MA 02116

OWNER *(Name and Address)*:

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

BID

Bid Due Date: May 29, 2019
Description *(Project Name— Include Location)*:
Upgrade of Northern District Wastewater Treatment Plant (NDWWTP), Dededo, Guam
GWA Project No. S17-003-OEA

BOND

Bond Number: n/a
Date: May 29, 2019
Penal sum Eighteen Million Three Hundred Eleven Thousand Five Hundred Sixty (Words) Three & 00/100 U.S. Dollars $18,311,563.00 (Figures)

Surety and Bidder, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Bid Bond to be duly executed by an authorized officer, agent, or representative.

BIDDER	**SURETY**
Black Construction Corporation (Seal)	Safeco Insurance Company of America (Seal)
Bidder's Name and Corporate Seal	Surety's Name and Corporate Seal
By: Signature	By: Signature (Attach Power of Attorney)
Leonard K. Kaae	Lisa L. Thornton
Print Name	Print Name
Senior Vice President & General Manager	Attorney in Fact
Title	Title
Attest: Signature	Attest: Signature
Mark J. Mamczarz	Maria Pena, Assistant Vice President
VP of Finance, Secretary & Treasurer	
Title	Title

Resident Agent
Calvo's Insurance Underwriters, Inc.
By: RAYMOND G. MARTINEZ

Doc. No. 35GL-19-0588.*

Note: Addresses are to be used for giving any required notice.
Provide execution by any additional parties, such as joint venturers, if necessary.

1. Bidder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to pay to Owner upon default of Bidder the penal sum set forth on the face of this Bond. Payment of the penal sum is the extent of Bidder's and Surety's liability. Recovery of such penal sum under the terms of this Bond shall be Owner's sole and exclusive remedy upon default of Bidder.

2. Default of Bidder shall occur upon the failure of Bidder to deliver within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents.

3. This obligation shall be null and void if:

   3.1 Owner accepts Bidder's Bid and Bidder delivers within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents, or

   3.2 All Bids are rejected by Owner, or

   3.3 Owner fails to issue a Notice of Award to Bidder within the time specified in the Bidding Documents (or any extension thereof agreed to in writing by Bidder and, if applicable, consented to by Surety when required by Paragraph 5 hereof).

4. Payment under this Bond will be due and payable upon default of Bidder and within 30 calendar days after receipt by Bidder and Surety of written notice of default from Owner, which notice will be given with reasonable promptness, identifying this Bond and the Project and including a statement of the amount due.

5. Surety waives notice of any and all defenses based on or arising out of any time extension to issue Notice of Award agreed to in writing by Owner and Bidder, provided that the total time for issuing Notice of Award including extensions shall not in the aggregate exceed 120 days from the Bid due date without Surety's written consent.

6. No suit or action shall be commenced under this Bond prior to 30 calendar days after the notice of default required in Paragraph 4 above is received by Bidder and Surety and in no case later than one year after the Bid due date.

7. Any suit or action under this Bond shall be commenced only in a court of competent jurisdiction located in the state in which the Project is located.

8. Notices required hereunder shall be in writing and sent to Bidder and Surety at their respective addresses shown on the face of this Bond. Such notices may be sent by personal delivery, commercial courier, or by United States Registered or Certified Mail, return receipt requested, postage pre-paid, and shall be deemed to be effective upon receipt by the party concerned.

9. Surety shall cause to be attached to this Bond a current and effective Power of Attorney evidencing the authority of the officer, agent, or representative who executed this Bond on behalf of Surety to execute, seal, and deliver such Bond and bind the Surety thereby.

10. This Bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Bond shall be deemed to be included herein as if set forth at length. If any provision of this Bond conflicts with any applicable statute, then the provision of said statute shall govern and the remainder of this Bond that is not in conflict therewith shall continue in full force and effect.

11. The term "Bid" as used herein includes a Bid, offer, or proposal as applicable.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT — Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California)
) ss
County of Los Angeles)

On May 29, 2019, before me, Maria Pena, Notary Public, personally appeared Lisa L. Thornton, who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~/are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she~~/they~~ executed the same in ~~his~~/her~~/their~~ authorized capacity~~(ies)~~, and that by ~~his~~/her~~/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

MARIA PENA
Notary Public - California
Los Angeles County
Commission # 2238398
My Comm. Expires May 12, 2022

Signature: _____
Maria Pena, Notary Public

(Seal)

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.
This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No 7538474

American States Insurance Company
First National Insurance Company of America
General Insurance Company of America
Safeco Insurance Company of America

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That American States Insurance Company is a corporation duly organized under the laws of the State of Indiana, that First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America are corporations duly organized under the laws of the State of New Hampshire (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, C. K. Nakamura; E. S. Albrecht, Jr.; Jeffrey Strassner; Jessica L. Rosser; Lisa L. Thornton; Maria Pena; Natalie K. Trofimoff; Noemi Quiroz; Patricia S. Arana; Tim M. Tomko

all of the city of Los Angeles, state of CA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 7th day of November, 2016.

American States Insurance Company
First National Insurance Company of America
General Insurance Company of America
Safeco Insurance Company of America

By: David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 7th day of November, 2016, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of American States Insurance Company, First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires March 28, 2017
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, of American States Insurance Company, First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 29th day of May, 2019.

By: Renee C. Llewellyn
Renee C. Llewellyn, Assistant Secretary

POA - FNICA, GICA & SICA
LMS_12874_082016

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

GOVERNMENT OF GUAM
DEPARTMENT OF REVENUE AND TAXATION
OFFICE OF THE BANKING AND INSURANCE COMMISSIONER

INSURANCE LICENSE

RENEWAL GA32

Know All Men By These Presents That:

Name CALVO'S INSURANCE UNDERWRITERS INC

Address 115 CHALAN SANTO PAPA STREET
HAGATNA GU 96910

Classes of Insurance Authorized } FIDELITY & SURETY
PROP. DAMAGE & LIABILITY

Having complied with the Insurance Law of Guam, is hereby authorized to transact as General Agent *, the above named Classes of Insurance in Guam from the* 01 *day of* July *, 20* 18 *, to the* 01 *day of* July *, 20* 19 *, unless authority is revoked for failure to comply with the law.*

Designated Representatives:
RAYMOND A MARTINEZ

Appointed By:
SAFECO INSURANCE COMPANY OF AMERICA

[SEAL]

JOHN P. CAMACHO
Acting Banking and Insurance Commissioner

Doc. No. 35GL-19-0588.*

GOVERNMENT OF GUAM
DEPARTMENT OF REVENUE AND TAXATION
OFFICE OF THE BANKING AND INSURANCE COMMISSIONER

CERTIFICATE OF AUTHORITY

RENEWAL 184

Know All Men By These Presents That:

Name SAFECO INSURANCE COMPANY OF AMERICA

Address 175 BERKELEY STREET GARLOCK SUITE - MAIL STOP M09G
BOSTON MA 02116

Classes of Insurance Authorized } FIDELITY & SURETY
PROP. DAMAGE & LIABILITY

Having complied with the Insurance Law of Guam, is hereby authorized to transact as an insurer, the above named Classes of Insurance in Guam from the 01 ***day of*** July , ***20*** 18 , ***to the*** 01 ***day of*** July , ***20*** 19 , ***unless authority is revoked for failure to comply with the law.***

General Agent(s):

CALVO'S INSURANCE UNDERWRITERS INC
TAKAGI & ASSOCIATES INC

In Witness Whereof, I have hereunto subscribed my name officially and have hereon impressed my Seal of Office at the City of Hagatña, Guam on this 29 ***day of*** May ***A.D. 20*** 18.

JOHN P. CAMACHO
Acting Banking and Insurance Commissioner

Doc. No. 35GL-19-0588.*

POWER
OF ATTORNEY

KNOW ALL BY THESE PRESENTS: No. 4577

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

************************************RAYMOND A. MARTINEZ; Agana, Guam************************************

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 29th day of May, 2019.

Dexter R. Legg — T A Mikolajewski

Dexter R. Legg, Secretary — Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13, - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

(i) The provisions of Article V, Section 13 of the By-Laws; and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Dexter R. Legg, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 29th day of May, 2019.

SEAL 1953

SEAL 1925

Dexter R. Legg

Dexter R. Legg, Secretary

S-0974/OS 3/09 WEB PDF

BID PROPOSAL AND BID SCHEDULE

BID FORM (ADDENDUM C)

Northern District Wastewater Treatment Plant (NDWWTP) Upgrade to Secondary Treatment

GWA Project No. S17-003-OEA

OEA Grant OCO N676-16-02

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ARTICLE 1 – BID RECIPIENT

1.01 This Bid is submitted to:

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

1.02 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

ARTICLE 2 – BIDDER'S ACKNOWLEDGEMENTS

2.01 Bidder accepts all of the terms and conditions of the Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for 75 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Owner.

ARTICLE 3 – BIDDER'S REPRESENTATIONS

3.01 In submitting this Bid, Bidder represents that:

A. Bidder has examined and carefully studied the Bidding Documents, and any data and reference items identified in the Bidding Documents, and hereby acknowledges receipt of the following Addenda:

Addendum No.	Addendum Date
01	April 09, 2019
02	April 11, 2019
03	April 17, 2019
04	April 29, 2019
05	May 02, 2019
06	May 08, 2019

B. Bidder has conducted a thorough, alert visual examination of the Site, staging and adjacent areas, videos, and become familiar with and satisfied itself as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. Bidder is familiar with and has satisfied itself as to all Laws and Regulations that may affect cost, progress, and performance of the Work.

D. Bidder has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent

to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings.

E. Bidder has considered the information known to Bidder itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Bidding Documents; and any Site-related reports and drawings identified in the Bidding Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder; and (3) Bidder's safety precautions and programs.

F. Bidder agrees, based on the information and observations referred to in the preceding paragraph, that no further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price bid and within the times required, and in accordance with the other terms and conditions of the Bidding Documents.

G. Bidder is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Bidding Documents.

H. Bidder has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and confirms that the written resolution thereof by Engineer is acceptable to Bidder.

I. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance and furnishing of the Work.

J. The submission of this Bid constitutes an incontrovertible representation by Bidder that Bidder has complied with every requirement of this Article, and that without exception the Bid and all prices in the Bid are premised upon performing and furnishing the Work required by the Bidding Documents.

ARTICLE 4 – BIDDER'S CERTIFICATION

4.01 Bidder certifies that:

A. This Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation;

B. Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid;

C. Bidder has not solicited or induced any individual or entity to refrain from bidding; and

D. Bidder has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract. For the purposes of this Paragraph 4.01.D:

1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process;

2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process to the detriment of Owner, (b) to establish bid prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;

3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish bid prices at artificial, non-competitive levels; and

4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

ARTICLE 5 – BASIS OF BID

5.01 Bidder will complete the Work in accordance with the Contract Documents for the following price(s) as delineated per scope item. Prices include all labor, materials, services, and equipment necessary for completion of the Work for a complete and operational wastewater treatment facility at the Northern District WWTP site. All other Work not listed in the following list are considered incidental and are an obligation of the Contractor under the various Bid Items as specified in the Bid at no additional cost to Owner.

A. Bidders are informed that the bid plans are ordered by Process. Each process presented in the list below consists of but may not be limited to Mechanical, Architectural, Structural, Plumbing, Electrical, and Instrumentation disciplines. Bidders will use this ordering system when developing the Price for the bid items below that call out a specific process.

B. Owner may elect to provide a portion (approximately 200 tons) of the reinforcing steel for this project at a unit rate per ton, provided to the Contractor as a deductive change order. This unit rate will be based on Contractor's realized actual unit pricing, delivered to Guam, and supported by receipts. This rebar is currently located at the Baza Gardens WWTP Site approximately 17 miles from the NDWWTP Site. The Contractor will be responsible for transporting this rebar from Baza Gardens WWTP to the NDWWTP. If there is a cost difference between transporting from Baza Gardens WWTP and transporting from the port to the NDWWTP Site, the Contractor will be reasonably compensated at a price agreed to by both parties.

C. Bidders to include in other Bid item(s) the other costs (if any) associated with accepting such assignment and administering the assigned contract.

5.02 Base Bid:

Base Bid		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,662,313.00
2	Insurance and Bonds	$ 2,915,053.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 789,505.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00

Base Bid		
6	Site Clearing	$ 117,982.00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949.00
9	Project Site Grading and Site Turf	$ 415,228.00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404.00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Sludge Removal	$ 492,570.00
15	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00
16	Project off-site Pavement	$ 617,299.00
17	Site Electrical	$ 1,965,380.00
18	Process 1: Southern Link Pump Station	$ 1,717,950.00
19	Process 1-1: Route 3 Pump Station	$ 1,576,102.00
20	Process 2: New Headworks	$ 9,988,518.00
21	Process 3: Oxidation Ditches	$ 14,087,703.00
22	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
23	Process 6: UV Disinfection System	$ 5,855,281.00
24	Process 7: Septage Receiving Station	$ 1,034,479.00
25	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
26	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00

Base Bid		
27	Process 10: Thickening Facility	$ 4,575,949.00
28	Process 11: ATAD	$ 5,479,138.00
29	Process 12: Digester Equipment Building	$ 8,812,643.00
30	Process 13: Sludge Storage Tanks	$ 2,143,592.00
31	Process 14: Dewatering Facility	$ 3,545,203.00
32	Process 15: Side-Stream Pump Station	$ 786,077.00
33	Process 16: Plant Water Systems	$ 640,003.00
34	Process 17: New Administration Building	$ 2,073,255.00
35	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
36	Process 19: Maintenance Building	$ 154,844.00
37	Process 20: Standby Generator and Building	$ 2,840,160.00
38	Plant Start-up and Training	$ 408,129.00
39	Project Closeout	$ 351,312.00
	Total Base Price	$ **122,077,088.00**

[Total Price In words]

ONE HUNDRED TWENTY TWO MILLION, SEVENTY SEVEN THOUSAND, EIGHTY EIGHT & 00/100 U.S.DOLLARS

5.03 The following bid items describe the Deductive Alternate Items, in order of priority, for this Work. Evaluation of Bids and award of Contract will proceed as described in Article 19 of the Instructions to Bidders. In the case that any of the following deductive alternates items are executed to the Contract, the Bidder will complete the following in accordance with the Contract Documents for the following price(s):

A. Alternate Bid A, ATAD and Digester Complex: This deductive alternate item will remove the ATAD treatment process. The solids process system provided in process 9, 10, 11 and 12 will remain and provide for solids stabilization, thickening and dewatering.

i) Alternate Bid A

Alternate Bid A		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,184,825.00
2	Insurance and Bonds	$ 2,692,305.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 357,840.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00
6	Site Clearing	$ 117,982.00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949.00
9	Project Site Grading and Site Turf	$ 415,228.00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404.00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00

Alternate Bid A		
15	Project Off-site Pavement	$ 617,299.00
16	Site Electrical	$ 1,965,380.00
17	Process 1: Southern Link Pump Station	$ 1,717,950.00
18	Process 1-1: Route 3 Pump Station	$ 1,576,102.00
19	Process 2: New Headworks	$ 9,988,518.00
20	Process 3: Oxidation Ditches	$ 14,087,703.00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
22	Process 6: UV Disinfection System	$ 5,855,281.00
23	Process 7: Septage Receiving Station	$ 1,034,479.00
24	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
25	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00
26	Process 10: Thickening Facility	$ 4,575,949.00
27	Process 13: Sludge Storage Tanks	$ 2,143,592.00
28	Process 14: Dewatering Facility	$ 3,545,203.00
29	Process 15: Side-Stream Pump Station	$ 786,077.00
30	Process 16: Plant Water Systems	$ 640,003.00
31	Process 17: New Administration Building	$ 2,073,255.00
32	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
33	Process 19: Maintenance Building	$ 154,844.00
34	Process 20: Standby Generator and Building	$ 2,840,160.00
35	Plant Start-up and Training	$ 408,129.00
36	Project Closeout	$ 351,312.00

Alternate Bid A		
	Total Price	$ 106,160,836.00

[Total Price in words]

ONE HUNDRED SIX MILLION, ONE HUNDRED SIXTY THOUSAND, EIGHT HUNDRED THIRTY-SIX & 00/100 U.S. DOLLARS

B. Alternate Bid B, New Administration Building: This deductive alternate item will remove the processes noted in Alternate A and the new administration building (Process 17). The renovated and repurposed laboratory (process 18) will serve as the administrative office if this alternate bid item is executed.

i) Alternate Bid B

Alternate Bid B		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,118,987.00
2	Insurance and Bonds	$ 2,636,808.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 357,840.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00
6	Site Clearing	$ 117,982.00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949.00
9	Project Site Grading and Site Turf	$ 415,228.00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404.00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00
15	Project Off-site Pavement	$ 617,299.00
16	Site Electrical	$ 1,965,380.00
17	Process 1: Southern Link Pump Station	$ 1,717,950.00
18	Process 1-1: Route 3 Pump Station	$ 1,576,102.00

Alternate Bid B		
19	Process 2: New Headworks	$ 9,988,518.00
20	Process 3: Oxidation Ditches	$ 14,087,703.00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
22	Process 6: UV Disinfection System	$ 5,855,281.00
23	Process 7: Septage Receiving Station	$ 1,034,479.00
24	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
25	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00
26	Process 10: Thickening Facility	$ 4,575,949.00
27	Process 13: Sludge Storage Tanks	$ 2,143,592.00
28	Process 14: Dewatering Facility	$ 3,545,203.00
29	Process 15: Side-Stream Pump Station	$ 786,077.00
30	Process 16: Plant Water Systems	$ 640,003.00
31	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
32	Process 19: Maintenance Building	$ 154,844.00
33	Process 20: Standby Generator and Building	$ 2,840,160.00
34	Plant Start-up and Training	$ 408,129.00
35	Project Closeout	$ 351,312.00
	Total Price	**$ 103,966,246.00**

[Total Price In words]

ONE HUNDRED THREE MILLION, NINE HUNDRED SIXTY SIX THOUSAND, TWO HUNDRED FORTY SIX & 00/100 U.S. DOLLARS

C. Alternate Bid C, New Septage Receiving Station: This deductive alternate item will remove the processes noted in Alternates A and B and the new septage receiving station (Process 7). The existing septage receiving station will remain in operation if this alternate is executed.

i) Alternate Bid C

Alternate Bid C		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,085,755.00
2	Insurance and Bonds	$ 2,596,775.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 357,840.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00
6	Site Clearing	$ 117,982.00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949.00
9	Project Site Grading and Site Turf	$ 415,228.00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404.00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00
15	Project Off-site Pavement	$ 617,299.00
16	Site Electrical	$ 1,965,380.00
17	Process 1: Southern Link Pump Station	$ 1,717,950.00
18	Process 1-1: Route 3 Pump Station	$ 1,576,102.00

Alternate Bid C		
19	Process 2: New Headworks	$ 9,988,518.00
20	Process 3: Oxidation Ditches	$ 14,087,703.00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
22	Process 6: UV Disinfection System	$ 5,855,281.00
23	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
24	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00
25	Process 10: Thickening Facility	$ 4,575,949.00
26	Process 13: Sludge Storage Tanks	$ 2,143,592.00
27	Process 14: Dewatering Facility	$ 3,545,203.00
28	Process 15: Side-Stream Pump Station	$ 786,077.00
29	Process 16: Plant Water Systems	$ 640,003.00
30	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
31	Process 19: Maintenance Building	$ 154,844.00
32	Process 20: Standby Generator and Building	$ 2,840,160.00
33	Plant Start-up and Training	$ 408,129.00
34	Project Closeout	$ 351,312.00
	Total Price	$ 102,858,502.00

[Total Price In words]

ONE HUNDRED TWO MILLION, EIGHT HUNDRED FIFTY EIGHT THOUSAND, FIVE HUNDRED TWO & 00/100 U.S. DOLLARS

D. Alternate Bid D, Extended Warranty: This deductive alternate item will remove the processes noted in Alternates A, B, and C and the extended warranties from the equipment listed in specification 017820 – Extended Equipment Warranties. Warranties presented in each individual specification will still be required if this alternate is executed.

i) Alternate Bid D

Alternate Bid D		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,074,261.00
2	Insurance and Bonds	$ 2,582,965.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Environmental Protection and Erosion Control Measures	$ 468,889.00
5	Site Clearing	$ 117,982.00
6	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
7	Perimeter Fence Line	$ 244,949.00
8	Project Site Grading and Site Turf	$ 415,228.00
9	Project Site Drainage Improvements	$ 521,686.00
10	Site yard piping demolition works	$ 49,404.00
11	Facility Demolition Works	$ 332,805.00
12	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
13	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00
14	Project Off-site Pavement	$ 617,299.00
15	Site Electrical	$ 1,965,380.00
16	Process 1: Southern Link Pump Station	$ 1,717,950.00
17	Process 1-1: Route 3 Pump Station	$ 1,576,102.00

Alternate Bid D		
18	Process 2: New Headworks	$ 9,988,518.00
19	Process 3: Oxidation Ditches	$ 14,087,703.00
20	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
21	Process 6: UV Disinfection System	$ 5,855,281.00
22	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
23	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00
24	Process 10: Thickening Facility	$ 4,575,949.00
25	Process 13: Sludge Storage Tanks	$ 2,143,592.00
26	Process 14: Dewatering Facility	$ 3,545,203.00
27	Process 15: Side-Stream Pump Station	$ 786,077.00
28	Process 16: Plant Water Systems	$ 640,003.00
29	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
30	Process 19: Maintenance Building	$ 154,844.00
31	Process 20: Standby Generator and Building	$ 2,840,160.00
32	Plant Start-up and Training	$ 408,129.00
33	Project Closeout	$ 351,312.00
	Total Price	**$ 102,475,358.00**

[Total Price In words]

ONE HUNDRED TWO MILLION, FOUR HUNDRED SEVENTY FIVE THOUSAND, THREE HUNDRED FIFTY EIGHT & 00/100 U.S. DOLLARS

BCC

ARTICLE 6 – TIME OF COMPLETION

6.01 Bidder agrees that the Work will be substantially complete and will be completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.

6.02 Bidder accepts the provisions of the Agreement as to liquidated damages.

ARTICLE 7 – ATTACHMENTS TO THIS BID

7.01 The following information must be submitted as part of this Bid Form.

A. List of Proposed Subcontractors whose subcontract amount exceeds $500,000;

1. Hawaiian Rock Products
2. _____
3. _____
4. _____
5. _____

B. List of manufacturers for the following major equipment:

Specification Number	Equipment	Manufacture Name
442223	Centrifuges	ALFA LAVAL, INC
443119	Biotrickling Filter Odor Control System	Odortool
444213.13	Jet Mix Aeration System and Appurtenances	ROTAMIX
444256.09	Non-Clog Centrifugal Pumps	SULZER
444256.13	Progressing Cavity Sludge Pumps	SEEPEX
444257.11	Non-Clog Dry-Pit Centrifugal Pumps	FLOWSERVE
444626.02	Gravity Belt Thickener	ANDRITZ
462133	Rotary Drum Screens	LAKESIDE EQUIPMENT
462183	Septage Receiving Equipment	LAKESIDE EQUIPMENT
462323	Vortex Grit Removal System	HYDRO INTERNATIONAL
464321	Secondary Clarifier	Westech Engineering Inc.
465361	Oxidation Ditches	Westech Engineering Inc.
466656	Ultraviolet (UV) Disinfection System	XYLEM WEDECO
467324	Autothermal Thermophilic Aerobic Digestion System	Thermal Process Systems

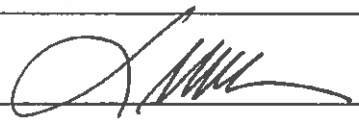
ARTICLE 8 – DEFINED TERMS

8.01 The terms used in this Bid with initial capital letters have the meanings stated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

ARTICLE 9 – BID SUBMITTAL

BIDDER: *[Indicate correct name of bidding entity]*

Black Construction Corporation

By:
[Signature] 

[Printed name] Leonard K. Kaae, Senior Vice President & General Manager

(If Bidder is a corporation, a limited liability company, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest:
[Signature] 

[Printed name] Mark J. Mamczarz

Title: Vice President of Finance, Secretary & Treasurer

Submittal Date: May 29, 2019

Address for giving notices:

Black Construction Corporation

Physical Address: JL Baker St. Harmon Industrial Park, Harmon, Guam 96913

Mailing Address: P.O. Box 24667, Barrigada, Guam 96921

Telephone Number: (671) 646-4861

Fax Number: (671) 646-9086

Contact Name and e-mail address: Leonard K. Kaae

leonardk@blackguam.com

Bidder's License No.: C-0418-0038
(where applicable)

APPENDIX B

FORM OF NON-COLLUSION AFFIDAVIT

AFFIDAVIT

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM, M.I.)

Leonard K Kaae being first duly sworn, deposes and says:

That he is officer of the firm the (a partner or officer of the firm of, etc.) party making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham, that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or of any other bidder, or to fix any overhead, profit or cost element of said bid price, or of that of any other bidder, or to secure any advantage against the Guam Waterworks Authority or any person interested in the proposed Contract; and that all statements in said proposal or bid are true.

Signature of
Bidder, if the bidder is an individual;
Partner, if the bidder is a partnership;
Officer, if the bidder is a corporation

Subscribed and sworn to before me this 4th day of May, 2019

Angela T. Massey NOTARY PUBLIC

My commission expires Aug. 2, 2022.

ANGELA T. MASSEY
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: AUG. 02, 2022
P.O. Box 24667 Barrigada, Guam 96921

EQUAL EMPLOYMENT OPPORTUNITY

APPENDIX G

CERTIFICATION OF BIDDER REGARDING EQUAL EMPLOYMENT OPPORTUNITY

GENERAL

In accordance with Executive Order 11246 (30 F.R. 12319-25), the implementing rules and regulations thereof, and orders of the Secretary of Labor, a Certification regarding Equal Opportunity is required of bidders or prospective Contractors and their proposed sub-contractors prior to the award of Contract or sub-contracts.

CERTIFICATION OF BIDDER

Bidder's Name: Black Construction Corporation

Address: Physical Address: JL Baker St. Harmon Industrial Park Harmon Guam 96913
Mailing Address: P.O. Box 24667 Barrigada, Guam 96921

Internal Revenue Service Employer Identification No.: 660454616

1. Participation in a previous Contract or sub-contract.

   a. Bidder has participated in a previous Contract or sub-contract subject to the Equal Opportunity *clause* [X] *Yes* [ ] *No*

   b. Compliance reports were required to be filled in connection with such Contract or sub-contract ..... [X] Yes [ ] No

   c. Bidder has filed all compliance reports required by Executive Orders 10925, 11114, 11246 or by regulations of the Equal Employment Opportunity Commission issued pursuant to Title VII or the Civil Rights Act of 1964 ..... [X] Yes [ ] No

   d. If answer to item c is "NO", please explain in detail on reverse side of this certification.

2. Dollar Amount of Bid: $ 122,077,088.00.

3. Anticipated performance period 906 days.

4. Expected total number of employees who will perform the proposed construction:

5. Non-segregated Facilities

a. Notice to Prospective Contractor.

(1) A Certification of Non-segregated Facilities, as required by the May 9, 1967, order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted to the recipient prior to the award of a Contract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity Clause.

(2) Contractors receiving Contract awards exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause will be required to provide for the forwarding of the following notice to prospective sub-contractors for supplies and construction Contracts where the sub-contracts exceed $10,000 and are not exempt from the provisions of the Equal Opportunity Clause.

b. Notice to Prospective sub-contractors of Requirements for Certification of Non-segregated Facilities.

(1) A Certification of Non-segregated Facilities, as required by the May 9, 1967, order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a sub-contract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity Clause.

(2) Contractors receiving sub-contract awards exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause will be required to provide for the forwarding of this notice to prospective sub-contractors for supplies and construction Contracts, where the sub-contractors exceed $10,000 and are not exempt from the provisions of the Equal Opportunity Clause.

c. Certification of Non-segregated Facilities.

The Contractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract.

As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, or housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin because of habit, local custom, or otherwise. The Contractor agrees that (except where he has obtained identical certifications from proposed sub-contractors for specific time periods) he will obtain identical certifications in duplicate from proposed sub-contractors prior to the award of sub-contracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that he will retain the duplicate of such certifications in his files. The Contractor will include the original in his Bid Package.

6. Race of ethnic group designation of bidder. Enter race or ethnic group in the appropriate box:

[ ]	African American	[ ] Spanish American	[ ] Oriental
[ ]	Aleut	[ ] American Indian	[ ] Eskimo
[X]	White (other than Spanish American)		
[ ]	Pacific Islander		

REMARKS:
Certification: the information above is true and complete to the best of my knowledge and belief.

Name and Title of Signer:

Leonard K. Kaae

(Please Type)

(Signature)

May 24, 2019

(Date)

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

APPENDIX H

CERTIFICATION OF BIDDER REGARDING NONSEGREGATED FACILITIES

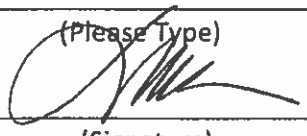
(Applicable to Contracts and related sub-contracts $10,000 which are not exempt from the Equal Opportunity Clause.)

The Contractor certifies that he does not maintain or provide for his employees any segregated facilities in any of his establishment, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The Contractor certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location under his control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. The Contractor agrees that (except where he has obtained identical certifications from proposed sub-contractors for specific time periods) he will obtain identical certifications exceeding $10,000 which are not exempt from the provision of the Equal Opportunity Clause, and that he will retain such certifications in his files.

NAME AND TITLE OF SIGNER:

Leonard K. Kaae
Senior Vice President & General Manager

(Please Type)



(Signature)

May 24, 2019

(Date)

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

APPENDIX I

CERTIFICATION OF NON-EMPLOYMENT OF CONVICTED SEXUAL OFFENDERS

Pursuant to Guam Public Law 28-24, as amended by Guam Public Law 28-98, if a Contract for services is awarded to the bidder or offeror, then the service provider must warrant that no person in its employment who has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 of the Guam Code Annotated or of an offense defined in Article 2 of Chapter 28 of Title 9 of the Guam Code Annotated, or who has been convicted in any other jurisdiction of an offense with the same elements as heretofore defined, or who is listed on the Sex Offender Registry, shall provide services on behalf of the service provider while on government of Guam property, with the exception of public highways. If any employee of a service provider is providing services on government property and is convicted subsequent to an award of a Contract, then the service provider warrants that it will notify the Government of the conviction within twenty-four hours of the conviction, and will immediately remove such convicted person from providing services on government property. If the service provider is found to be in violation of any of the provisions of this paragraph, then the Government will give notice to the service provider to take corrective action. The service provider shall take corrective action within twenty-four hours of notice from the Government, and the service provider shall notify the Government when action has been taken. If the service provider fails to take corrective steps within twenty-four hours of notice from the Government, then the Government in its sole discretion may suspend temporarily any Contract for services until corrective action

I Leonard K. Kaae being a duly authorized representative acknowledge the
(print name)

directive as describe above and ensure the Bid Proposal as submitted addresses the directive.

Black Construction Corporation
(Company Name)

Senior Vice President & General Manager
(Title)

(Signature)

May 24, 2019
(Date)

WAGE AND BENEFIT DETERMINATION

APPENDIX D

WAGE AND BENEFIT DETERMINATION

Bid No.: IFB-02-ENG-2019 Name of Offeror: Black Construction Corporation

I, Leonard K. Kaae hereby **certify under penalty of perjury as follows:**

(1) That I am an officer of the offeror [*please select one: the offeror, a partner of the offeror, an officer of the offeror*] making the bid or proposal in the foregoing identified procurement;

(2) That I have read and understand the provisions of 5 GCA § 5801 and § 5802 below and that I will ensure that I and my sub-contractors will comply with said provisions which read as follows:

§ 5801. Wage Determination Established.

In such cases where the government of Guam enters into Contractual arrangements with a sole proprietorship, a partnership or a corporation ("Contractor") for the provision of a service to the government of Guam, and in such cases where the Contractor employs a person(s) whose purpose, in whole or in part, is the direct delivery of service Contracted by the government of Guam, then the Contractor shall pay such employee(s) in accordance with the Wage Determination for Guam and the Northern Mariana Islands issued and promulgated by the U.S. Department of Labor for such labor as is employed in the direct delivery of Contract deliverables to the government of Guam.

The Wage Determination most recently issued by the U.S. Department of Labor at the time a Contract is awarded to a Contractor by the government of Guam shall be used to determine wages, which shall be paid to employees pursuant to this Article. Should any Contract contain a renewal clause, then at the time of renewal adjustments, there shall be made stipulations contained in that Contract for applying the Wage Determination, as required by this Article, so that the Wage Determination promulgated by the U.S. Department of Labor on a date most recent to the renewal date shall apply.

§ 5802. Benefits

In addition to the Wage Determination detailed in this Article, any Contract to which this Article applies shall also contain provisions mandating health and similar benefits for employees covered by this Article, such benefits having a minimum value as detailed in the Wage Determination issued and promulgated by the U.S. Department of Labor, and shall contain provisions guaranteeing a minimum of ten (10) paid holidays per annum per employee.

(3) That the offeror and its sub-contractors are now, or will be prior to beginning performance and throughout the Contract term, in full compliance with 5 GCA § 5801 and § 5802.

(4) That I have attached the most recent wage and benefit determinations applicable to Guam issued by the U.S. Department of Labor and that I will ensure all of my employees and the employees of my sub-contractors will be provided a minimum of ten (10) paid holidays per annum.

Signature

May 24, 2019
Date

General Decision Number: GU190006 03/15/2019 GU6

State: Guam

Construction Type: Building
Building Construction (Applies only to projects funded under the National Defense Authorization Act of 2010 - Guam Realignment Fund - Defense Policy Review Initiative) BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories)

County: Guam Statewide.

Note: Under Executive Order (EO) 13658, an hourly minimum wage of $10.60 for calendar year 2019 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least $10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate,if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	03/08/2019
1	03/15/2019

SUGU2018-001 01/07/2019

	Rates	Fringes
CARPENTER (Drywall Hanging Only)	$ 15.00	0.00
CARPENTER (Form Work Only)	$ 15.27	0.00
CARPENTER, Excludes Drywall Hanging, and Form Work	$ 16.11	1.17
CEMENT MASON/CONCRETE FINISHER	$ 14.42	0.00

ELECTRICIAN	$ 16.59	1.00
IRONWORKER, REINFORCING	$ 14.84	0.00
LABORER: Common or General	$ 9.64	0.00
OPERATOR: Backhoe/Excavator/Trackhoe	$ 16.49	0.00
PAINTER (Brush and Roller)	$ 14.56	0.43
PIPEFITTER	$ 19.28	0.98
PLUMBER	$ 14.63	0.00
SHEET METAL WORKER (HVAC Duct Installation Only)	$ 17.09	0.54
TRUCK DRIVER: Dump Truck	$ 14.50	0.00

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical

order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of

each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor

200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

==========

END OF GENERAL DECISION

General Decision Number: GU190007 03/15/2019 GU7

State: Guam

Construction Type: Heavy
Heavy Construction (Applies only to projects funded under the National Defense Authorization Act of 2010 - Guam Realignment Fund - Defense Policy Review Initiative)

County: Guam Statewide.

Note: Under Executive Order (EO) 13658, an hourly minimum wage of $10.60 for calendar year 2019 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least $10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate,if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	03/08/2019
1	03/15/2019

SUGU2018-002 01/07/2019

	Rates	Fringes
CARPENTER (Form Work Only)	$ 15.00	0.00
CARPENTER, Excludes Form Work	$ 14.87	0.00
CEMENT MASON/CONCRETE FINISHER	$ 15.55	0.00
IRONWORKER, REINFORCING	$ 16.59	0.00
LABORER: Common or General	$ 13.45	0.00
OPERATOR:		

Backhoe/Excavator/Trackhoe.....$ 19.77 0.00

PLUMBER.....$ 16.31 0.00

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

==========

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing

the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter

* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

==========

END OF GENERAL DECISION

Doc. No. 35GL-19-0588.*

APPENDIX C

MAJOR SHAREHOLDER DISCLOSURE AFFIDAVIT

TERRITORY OF GUAM }
}
HAGATNA, GUAM }

I, the undersigned Leonard K. Kaae, being first duly sworn, depose and says:

1. That the persons who have held more than ten percent (10%) of the company's share during the past twelve months preceding the submission of the bid are as follows **(if none, so state):**

NAME	ADDRESS	PERCENTAGE OF SHARES HOLD
Ronald N. Tutor	1590 Olden St. Sylmar CA 91342	49%

TOTAL NUMBER OF SHARES 49%

2. Persons who have received or are entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid for which this affidavit is submitted are as follows:

NAME	ADDRESS	AMOUNT OF COMMISSIONS, GRATUITY OR OTHER COMPENSATION
none		

Further, affiant sayeth naught.

Date: May 4, 2019

Leonard K. Kaae
Signature of individual if bidder is a sole proprietorship; partner, if the bidder is a partnership; officer, if the bidder is a corporation (or other authorized person)

Subscribed and sworn to before me this 4th day of May, 2019.

Notary Public In and for the Territory of Guam Angela T. Massey

My commission expires: August 2, 2022

ANGELA T. MASSEY
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: AUG. 02, 2022
P.O. Box 24667 Barrigada, Guam 96921

APPENDIX J

SPECIAL INSTRUCTIONS TO BIDDERS – ESTIMATED QUANTITIES

For use only in indefinite quantity Contracts or where there has been an estimated amount included in GWA's bid specifications that is to be used to determine the bid price

Bidders are hereby served notice that the following Directives or information described below must be taken into account when preparing the Bid Proposal. The Bidder shall acknowledge the directives by signing and submitting this section with their Bid Proposal.

Directive #1

The bidder is cautioned to note that while the quantities specified in the Bid Schedule are based upon the best information available to GWA, the quantities for the items listed in the Bid Schedule may or may not be completely accurate. Thus, GWA makes no assurances or warranty to any bidder that the quantities listed are 100% accurate.

I, Leonard K. Kaae being an Authorized Representative acknowledge the directive as describe above and ensure the Bid Proposal as submitted addresses the directive.

Black Construction Corporation

(Company Name)



(Signature)

May 24, 2019

(Date)

2019

CONTRACTOR'S LICENSE

EDDIE BAZA CALVO
Governor of Guam

RAY TENORIO
Lt. Governor of Guam

Pursuant to the provisions of Chapter VII Title XI of the Government of Guam and the Rules and Regulations of the Contractors License Board, the Executive Director of Contractors hereby issues this license to:

Black Construction Corporation

To engage in the business or act in the capacity of a contractor in the following classifications

A,B,C4,C13,C20,C37,C40,C43,C44,C51 & C56

This license is the property of the Executive Director of Contractors, not transferable, and shall be returned to the Executive Director upon demand when suspended, revoked, or invalidated for any reason. It becomes void if not renewed on or before the expiration date.

Signature of RME
RME #

Signature of LICENSEE
License # 1165

GRT # 891461
Issued: April 6, 2018

Certificate # C-0418-0038
Expires: June 30 2019

for: MARIAN CHRISTIAN
BOARD CHAIRWOMAN

EDUARDO R. ORDONEZ
EXECUTIVE DIRECTOR

Doc. No. 35GL-19-0588.*

Doc. No. 35GL-19-0588.*

Tutor Perini Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Consolidating Information for Tutor Perini's General Contractor Subsidiaries as of and for the Year Ended December 31, 2017, and Report of Independent Registered Public Accounting Firm

TUTOR PERINI CORPORATION AND SUBSIDIARIES

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Deloitte.

Deloitte & Touche LLP
555 West 5th Street
Suite 2700
Los Angeles, CA 90013-1010
USA

Tel: +1 213 688 0800
Fax: +1 213 688 0100
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Tutor Perini Corporation
Sylmar, California

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Tutor Perini Corporation and subsidiaries (the "Company") as of December 31, 2017, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and the results of its operations and its cash flows for the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Report on Supplemental Consolidating Information

The supplemental consolidating information on pages 34-37 has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental consolidating information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental consolidating information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test

the completeness and accuracy of the information presented in the supplemental consolidating information. In our opinion, such information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

February 27, 2018
(March 30, 2018 as to the supplemental consolidating information)

We have served as the Company's auditor since 2002.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands, except per common share data)

REVENUE	$	4,757,208
COST OF OPERATIONS		(4,302,803)
GROSS PROFIT		454,405
General and administrative expenses		(274,928)
INCOME FROM CONSTRUCTION OPERATIONS		179,477
Other income, net		43,882
Interest expense		(69,384)
INCOME BEFORE INCOME TAXES		153,975
Income tax benefit		569
NET INCOME	$	154,544
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS		(6,162)
NET INCOME ATTRIBUTABLE TO TUTOR PERINI CORPORATION		148,382
BASIC EARNINGS PER COMMON SHARE	$	2.99
DILUTED EARNINGS PER COMMON SHARE	$	2.92
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:		
BASIC		49,647
DILUTED		50,759

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

NET INCOME	$	154,544
OTHER COMPREHENSIVE INCOME, NET OF TAX:		
Defined benefit pension plan adjustments		1,424
Foreign currency translation adjustments		1,273
Unrealized loss in fair value of investments		(2)
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX		2,695
COMPREHENSIVE INCOME		157,239
LESS: COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS		(6,162)
COMPREHENSIVE INCOME ATTRIBUTABLE TO TUTOR PERINI CORPORATION	$	151,077

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2017
(in thousands, except share data)

ASSETS		
CURRENT ASSETS:		
Cash, including cash equivalents of $1,481 ($53,067 related to VIEs)	$	192,868
Restricted cash		4,780
Restricted investments		53,014
Accounts receivable, including retainage of $535,939 (AR of $42,413 related to VIEs)		1,801,656
Costs and estimated earnings in excess of billings		932,758
Other current assets		89,316
Total current assets		3,074,392
PROPERTY AND EQUIPMENT:		
Land		41,382
Building and improvements		125,029
Construction equipment		477,988
Other equipment		182,288
		826,687
Less accumulated depreciation		(359,188)
Total property and equipment, net ($11,641 related to VIEs)		467,499
GOODWILL		585,006
INTANGIBLE ASSETS, NET		89,454
OTHER ASSETS		47,772
TOTAL ASSETS	$	4,264,123
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$	30,748
Accounts payable, including retainage of $261,820 (AP of $19,243 related to VIEs)		961,791
Billings in excess of costs and estimated earnings ($120,952 related to VIEs)		456,869
Accrued expenses and other current liabilities		132,438
Total current liabilities		1,581,846
LONG-TERM DEBT, less current maturities, net of unamortized discounts and debt issuance costs totaling $45,631		705,528
DEFERRED TAX LIABILITIES		108,504
OTHER LONG-TERM LIABILITIES		163,465
TOTAL LIABILITIES		2,559,343
EQUITY		
Stockholders' equity:		
Preferred stock – authorized 1,000,000 shares ($1 par value), none issued		—
Common stock – authorized 75,000,000 shares ($1 par value), issued and outstanding 49,781,010 shares		49,781
Additional paid-in capital		1,084,205
Retained earnings		622,007
Accumulated other comprehensive loss		(42,718)
Total stockholders' equity		1,713,275
Noncontrolling interests		(8,495)
TOTAL EQUITY		1,704,780
TOTAL LIABILITIES AND EQUITY	$	4,264,123

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

Cash Flows from Operating Activities:		
Net income	$	154,544
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		48,387
Amortization of intangible assets		3,543
Share-based compensation expense		21,174
Change in debt discounts and deferred debt issuance costs		17,595
Deferred income taxes		(23,096)
Loss on sale of property and equipment		1,131
Changes in other components of working capital		(60,214)
Other long-term liabilities		3,656
Other, net		(3,170)
NET CASH PROVIDED BY OPERATING ACTIVITIES		163,550
Cash Flows from Investing Activities:		
Acquisition of property and equipment		(30,280)
Proceeds from sale of property and equipment		2,744
Investments in securities, restricted		(54,504)
Investments in securities		(6,463)
Proceeds from maturities of investments in securities		1,370
Change in restricted cash		45,724
NET CASH USED IN INVESTING ACTIVITIES		(41,409)
Cash Flows from Financing Activities:		
Proceeds from debt		2,161,384
Repayment of debt		(2,195,068)
Debt issuance and extinguishment costs		(15,266)
Cash payments related to share-based compensation		(11,769)
Distributions paid to noncontrolling interests		(17,499)
Contributions from noncontrolling interests		2,842
NET CASH USED IN FINANCING ACTIVITIES		(75,376)
Net increase in cash and cash equivalents		46,765
Cash and cash equivalents at beginning of year		146,103
Cash and cash equivalents at end of year	$	192,868

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance - December 31, 2016	$ 49,211	$ 1,075,600	$ 473,625	$ (45,413)	$ —	$ 1,553,023
Net income	—	—	148,382	—	6,162	154,544
Other comprehensive income	—	—	—	2,695	—	2,695
Share-based compensation expense	—	20,877	—	—	—	20,877
Issuance of common stock, net	570	(12,272)	—	—	—	(11,702)
Contributions from noncontrolling interests	—	—	—	—	2,842	2,842
Distributions to noncontrolling interests	—	—	—	—	(17,499)	(17,499)
Balance - December 31, 2017	$ 49,781	$ 1,084,205	$ 622,007	$ (42,718)	$ (8,495)	$ 1,704,780

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in compliance with accounting principles generally accepted in the United States of America ("GAAP") as codified in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC").

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries (the "Company"). The Company occasionally forms joint ventures with unrelated third parties for the execution of single contracts or projects. The Company assesses its joint ventures at inception to determine if they meet the qualifications of a variable interest entity ("VIE") in accordance with ASC 810, *Consolidation* ("ASC 810"). If a joint venture is a VIE and the Company is the primary beneficiary, the joint venture is fully consolidated (See Note 11 below). For construction joint ventures that do not need to be consolidated, the Company accounts for its interest in the joint ventures using the proportionate consolidation method, whereby the Company's proportionate share of the joint ventures' assets, liabilities, revenue and cost of operations are included in the appropriate classifications in the Company's consolidated financial statements. All intercompany transactions and balances have been eliminated in consolidation.

(c) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available through the date of the issuance of the financial statements; therefore, actual results could differ from those estimates.

(d) Construction Contracts

The Company and its affiliated entities recognize construction contract revenue using the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. Cost of revenue includes an allocation of depreciation and amortization. Pre-contract costs are expensed as incurred. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined.

The Company generally provides limited warranties for work performed under its construction contracts with periods typically extending for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred.

The Company classifies as current construction-related assets and liabilities that may be settled beyond one year from the balance sheet date, consistent with the length of time of the Company's project operating cycle. Included in these balances are the following: costs and estimated earnings in excess of billings, which represent the excess of contract costs and profits (or contract revenue) over the amount of contract billings to date; billings in excess of costs and estimated earnings, which represent the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date; and contract retainage receivables and payables, which represent amounts invoiced to customers and amounts invoiced to the Company by subcontractors where payments have been withheld pending the completion of certain milestones, other contractual conditions or upon the completion of the project.

Costs and estimated earnings in excess of billings result when either: 1) the appropriate contract revenue amount has been recognized in accordance with the percentage-of-completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract, or 2) costs are incurred related to certain claims and unapproved change orders. Claims occur when there is a dispute regarding both a change in the scope of work and the price associated with that change. Unapproved change orders occur when a change in the scope of work results in additional work being performed before the parties have agreed on the corresponding change in the contract price. For both claims and unapproved change orders, the Company recognizes revenue, but not profit, when it is determined that recovery of incurred cost is probable and the amounts can be reliably estimated. For claims, these requirements are satisfied under ASC 605-35, *Construction-Type and Production-Type Contracts*, when the contract or other evidence provides a legal basis for the claim, additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in the Company's performance, claim-related costs are identifiable and considered reasonable in view of the work performed, and evidence supporting the claim or change order is objective and verifiable.

Costs and estimated earnings in excess of billings as of December 31, 2017 consisted of the following (in thousands):

Claims	$	549,849
Unapproved change orders		296,591
Other unbilled costs and profits		86,318
Total costs and estimated earnings in excess of billings	$	932,758

Claims and unapproved change orders are billable upon the resolution of any disputed or open items between the contractual parties and the execution of contractual amendments. Increases in claims and unapproved change orders typically result from costs being incurred against existing or new positions where recovery is concluded to be both probable and reliably estimable; decreases normally result from resolutions and subsequent billings. For both claims and unapproved change orders, the Company recognizes revenue, but not profit. Other unbilled costs and profits are billable in accordance with the billing terms of each of the existing contractual arrangements and, as such, the timing of contract billing cycles can cause fluctuations in the balance of unbilled costs and profits. Ultimate resolution of other unbilled costs and profits typically involves the passage of time and, often, incremental progress toward contractual requirements or milestones. The amount of costs and estimated earnings in excess of billings as of December 31, 2017 estimated by management to be collected beyond one year is approximately $443.7 million.

Retainage agreements vary from project to project and balances could be outstanding for several months or years depending on a number of circumstances, such as contract-specific terms, project performance and other variables that may arise as the Company makes progress towards completion. Generally, retainage payables are not remitted to the Company's subcontractors until the associated retainage receivables from the customer are collected. As of December 31, 2017, the amount of retainage receivables and payables estimated by management to be collected or remitted beyond one year is approximately 30% and 19% of the balances, respectively.

(e) Changes in Estimates on Construction Contracts

The Company's estimates of contract revenue and cost are highly detailed and many factors change during a contract performance period that result in a change to contract profitability. These factors include, but are not limited to, differing site conditions; availability of skilled contract labor; performance of major material suppliers and subcontractors; on-going subcontractor negotiations and buyout provisions; unusual weather conditions; changes in the timing of scheduled work; change orders; accuracy of the original bid estimate; changes in estimated labor productivity and costs based on experience to date; achievement of incentive-based income targets; and the expected, or actual, resolution terms for claims. The factors that cause changes in estimates vary depending on the maturation of the project within its lifecycle. For example, in the ramp-up phase, these factors typically consist of revisions in anticipated project costs and during the peak and close-out phases, these factors include the impact of change orders and claims, as well as additional revisions in remaining anticipated project costs. Generally, if the contract is at an early stage of completion, the current period impact is smaller than if the same change in estimate is made to the contract at a later stage of completion. Management evaluates changes in estimates on a contract by contract basis and discloses significant changes, if material, in the notes to the consolidated financial statements. The cumulative catch-up method is used to account for revisions in estimates.

(f) Depreciation of Property and Equipment and Amortization of Long-Lived Intangible Assets

Property and equipment and long-lived intangible assets are depreciated or amortized on a straight-line basis over their estimated useful lives ranging from three to forty years.

(g) Recoverability of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever circumstances indicate that the future cash flows generated by the assets might be less than the assets' net carrying value. In such circumstances, an impairment loss will be recognized by the amount the assets' net carrying value exceeds their fair value.

(h) Recoverability of Goodwill

The Company tests goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year, and between annual tests if events occur or circumstances change which suggest that goodwill should be reevaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. The Civil, Building and Specialty Contractors segments each represent a reporting unit. The Company performs its annual quantitative impairment assessment during the fourth quarter of each year using a weighted-average of an income and a market approach. The income approach is based on estimated present value of future cash flows for each reporting unit. The market approach is based on assumptions about how market data relates to the Company. The weighting of these two approaches is based on their

individual correlation to the economics of each reporting unit. The quantitative assessment performed in 2017 resulted in an estimated fair value for each of the Company's reporting units that exceeded their respective net book values; therefore, no impairment charge was necessary for the year.

(i) Recoverability of Non-Amortizable Trade Names

Certain trade names have an estimated indefinite life and are not amortized to earnings, but instead are reviewed for impairment annually, or more often if events occur or circumstances change which suggest that the non-amortizable trade names should be reevaluated. The Company performs its annual quantitative impairment assessment during the fourth quarter of each year using an income approach (relief from royalty method). The quantitative assessment performed in 2017 resulted in an estimated fair value for the non-amortizable trade names that exceeded their respective net book values; therefore, no impairment charge was necessary for the year.

(j) Income Taxes

Deferred income tax assets and liabilities are recognized for the effects of temporary differences between the financial statement carrying amounts and the income tax basis of assets and liabilities using tax rates expected to be in effect when such differences reverse. Income tax positions must meet a more-likely-than-not threshold to be recognized. The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision.

(k) Earnings Per Common Share

Basic EPS and diluted EPS are calculated by dividing net income attributable to Tutor Perini Corporation by the following: for basic EPS, the weighted-average number of common shares outstanding during the period; and for diluted EPS, the sum of the weighted-average number of both outstanding common shares and potentially dilutive securities, which for the Company can include restricted stock units, unexercised stock options and the Convertible Notes, as defined in Note 5. The Company calculates the effect of these potentially dilutive securities using the treasury stock method. The calculations of the basic and diluted EPS for the year ended December 31, 2017 are presented below (in thousands, except per share data):

Net income attributable to Tutor Perini Corporation	$	148,382
Weighted-average common shares outstanding, basic		49,647
Effect of dilutive stock options and unvested restricted stock		1,112
Weighted-average common shares outstanding, diluted		50,759
Net income attributable to Tutor Perini Corporation per common share:		
Basic	$	2.99
Diluted	$	2.92
Anti-dilutive securities not included above		798

With regard to diluted EPS and the impact of the Convertible Notes on the diluted EPS calculation, because the Company has the intent and ability to settle the principal amount of the Convertible Notes in cash, per ASC 260, *Earnings Per Share*, the settlement of the principal amount has no impact on diluted EPS.

(l) Cash and Cash Equivalents

Cash equivalents include short-term, highly liquid investments with maturities of three months or less when acquired. Cash and cash equivalents, as reported in the accompanying Consolidated Balance Sheet, consist of amounts available for the Company's general purposes, as well as the Company's proportionate share of cash held by the Company's unconsolidated joint ventures and also amounts held by the Company's consolidated joint ventures. In both cases, cash held by joint ventures is available only for joint venture-related uses, including future distributions to joint venture partners.

Total cash and cash equivalents as of December 31, 2017 consisted of the following (in thousands):

Cash and cash equivalents	$	94,713
Joint venture cash and cash equivalents		98,155
Total cash and cash equivalents	$	192,868

(m) Restricted Cash and Restricted Investments

The Company has restricted cash and restricted investments primarily held as collateral to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit. Restricted investments are comprised of various corporate bonds and bank notes that are rated A3 or better and have maturities within the Company's operating cycle. These restricted investments are held-to-maturity securities carried at amortized cost.

(n) Share-Based Compensation

The Company's long-term incentive plans allow the Company to grant share-based compensation awards in a variety of forms, including restricted and unrestricted stock units and stock options. Restricted stock units and stock options generally vest subject to service and/or performance requirements, with related compensation expense equal to the fair value of the award on the date of grant and recognized on a straight-line basis over the requisite service period. Unrestricted stock units vest immediately and are generally issued to the directors as part of their annual retainer fees, in which case they are expensed over a 12-month service period.

For share-based awards that have a service requirement, the Company accounts for forfeitures upon occurrence, rather than estimating the probability of forfeiture at the date of grant. Accordingly, the Company recognizes the full grant-date fair value of these awards on a straight-line basis throughout the requisite service period, reversing any expense if, and only if, there is a forfeiture.

For share-based awards that have a performance-based vesting requirement, the Company evaluates the probability of achieving the performance criterion throughout the performance period, and will adjust share-based compensation expense if it estimates that the achievement of the performance criterion, the achievement of which is ultimately determined by the Compensation Committee, is not probable.

(o) Insurance Liabilities

The Company typically utilizes third-party insurance coverage subject to varying deductible levels with aggregate caps on losses retained. The Company assumes the risk for the amount of the deductible portion of the losses and liabilities primarily associated with workers' compensation and general liability coverage. In addition, on certain projects, the Company assumes the risk for the amount of the deductible portion of losses that arise from any subcontractor defaults. Losses are accrued based upon the Company's estimates of the aggregate liability for claims incurred using historical experience and certain actuarial assumptions followed in the insurance industry. The estimate of insurance liability within the deductible limits includes an estimate of incurred but not reported claims based on data compiled from historical experience.

(p) Other Comprehensive Income

ASC 220, *Comprehensive Income*, establishes standards for reporting and displaying comprehensive income and its components in the consolidated financial statements. The Company reports the change in pension benefit plan assets/liabilities, cumulative foreign currency translation, change in fair value of investments and change in fair value of an interest rate swap as components of accumulated other comprehensive loss ("AOCI").

The tax effects of the components of other comprehensive income for the year ended December 31, 2017 were as follows (in thousands):

	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Other comprehensive income (loss):			
Defined benefit pension plan adjustments	$ 2,416	$ (992)	$ 1,424
Foreign currency translation adjustment	2,159	(886)	1,273
Unrealized loss in fair value of investments	(4)	2	(2)
Total other comprehensive income	$ 4,571	$ (1,876)	$ 2,695
Total other comprehensive income attributable to Tutor Perini Corporation	$ 4,571	$ (1,876)	$ 2,695

The changes in AOCI balances by component (after tax) for the year ended December 31, 2017 were as follows (in thousands):

	Defined Benefit Pension Plan	Foreign Currency Translation	Unrealized Gain in Fair Value of Investments	Accumulated Other Comprehensive Loss
Attributable to Tutor Perini Corporation:				
Balance as of December 31, 2016	$ (40,865)	$ (4,864)	$ 316	$ (45,413)
Other comprehensive income (loss) before reclassifications	306	1,273	(2)	1,577
Amounts reclassified from AOCI	1,118	—	—	1,118
Balance as of December 31, 2017	$ (39,441)	$ (3,591)	$ 314	$ (42,718)

The significant items reclassified out of AOCI for the year ended December 31, 2017 and the corresponding location and impact on the Consolidated Statement of Income were as follows (in thousands):

Component of AOCI:	Location in Consolidated Statement of Income	
Defined benefit pension plan adjustments	Various accounts[a]	$ 1,897
Income tax benefit	Income tax benefit (provision)	(779)
Net of tax		$ 1,118

(a) Defined benefit pension plan adjustments were reclassified to cost of operations and general and administrative expenses.

(q) New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended by subsequent ASUs (collectively, "ASU 2014-09"). ASU 2014-09 amends the existing accounting standards for revenue recognition and establishes principles for recognizing revenue upon the transfer of promised goods or services to customers based on the expected consideration to be received in exchange for those goods or services. The guidance is effective for interim and annual reporting periods beginning after December 15, 2017. The amendments may be applied retrospectively to each prior period presented or with the cumulative effect recognized as of the date of initial application (modified retrospective method). The Company will adopt this new standard using the modified retrospective method. The Company has reviewed its contract portfolio in order to determine the impact that the adoption of ASU 2014-09 will have on its consolidated financial statements. Based on the Company's evaluation of ASU 2014-09, the Company expects an immaterial reduction to beginning retained earnings, with an immaterial impact to net income on an ongoing basis. The Company has implemented changes to its business processes, systems and internal controls to support the adoption of this new standard and the related disclosure requirements. The adoption of the standard is also expected to impact the presentation of the consolidated balance sheet. The impact primarily relates to reclassifications among project working capital financial statement accounts to align with the new standard.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which amends the existing guidance in ASC 840, *Leases*. This amendment requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases. Other significant provisions of the amendment include (i) defining the "lease term" to include the non-cancellable period together with periods for which there is a significant economic incentive for the lessee to extend or not terminate the lease; (ii) defining the initial lease liability to be recorded on the balance sheet to contemplate only those variable lease payments that depend on an index or that are in substance "fixed"; and (iii) a dual approach for determining whether lease expense is recognized on a straight-line or accelerated basis, depending on whether the lessee is expected to consume more than an insignificant portion of the leased asset's economic benefits. This guidance will be effective for interim and annual reporting periods beginning after December 15, 2018

and will be applied using the modified retrospective transition method for existing leases. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"), which simplifies several aspects of the accounting for share-based payment transactions, including the accounting for the income tax effect of share-based transactions and the forfeiture of share-based instruments. The Company prospectively adopted this ASU effective January 1, 2017. Upon this adoption, the Company changed its accounting policy for share-based awards that have service requirements such that the impact for failure to meet service requirements will only be recognized upon occurrence. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"), seeking to eliminate diversity in practice related to how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments in ASU 2016-15 address eight specific cash flow issues including the classification of debt prepayment and extinguishment costs in the cash flow statement. The amendments in ASU 2016-15 are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period provided any adjustments should be reflected as of the beginning of the fiscal year that includes the interim period. The Company adopted this accounting standard in 2017 and has applied the provisions retrospectively to the beginning of the fiscal years presented in the Consolidated Financial Statements. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires restricted cash to be included with cash and cash equivalent balances in the statement of cash flows. The guidance is effective for interim and annual reporting periods beginning after December 15, 2017. The adoption of this ASU will result in an increase of net cash used in investing activities of $45.7 million for the year ended December 31, 2017.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). This ASU simplifies the calculation of goodwill impairment by eliminating Step 2 of the impairment test prescribed by ASC 350. Step 2 requires companies to calculate the implied fair value of their goodwill by estimating the fair value of their assets, other than goodwill, and liabilities, including unrecognized assets and liabilities, following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. The calculated net fair value of the assets would then be compared to the fair value of the reporting unit to determine the implied fair value of goodwill, and to the extent that the carrying value of goodwill was less than the implied fair value, a loss would be recognized. Under ASU 2017-04, however, goodwill is impaired when the calculated fair value of a reporting unit is less than its carrying value, and the impairment charge will equal that difference (i.e., impairment will be calculated at the reporting unit level and there will be no need to estimate the fair value of individual assets and liabilities). This guidance will be effective for any goodwill impairment tests performed in fiscal years beginning after December 15, 2019; however, early adoption is permitted for tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*. This ASU clarifies the scope of modification accounting under Topic 718 with respect to changes to the terms or conditions of a share-based payments award. Under this new guidance, modification accounting would not apply if a change to an award does not affect the total current fair value, vesting conditions or the classification of the award. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017, with early adoption permitted. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from the Accumulated Other Comprehensive Income.* This ASU gives entities the option to reclassify to retained earnings tax effects related to items in accumulated other comprehensive income that the FASB refers to as having been stranded in accumulated other comprehensive income as a result of tax reform. Entities can apply the provisions of this ASU either in the period of adoption or retrospectively. The guidance is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

Doc. No. 35GL-19-0588.*

2. Consolidated Statement of Cash Flows

Below are the changes in other components of working capital, as shown in the Consolidated Statement of Cash Flows, and the supplemental disclosure of cash paid for interest and income taxes during the year ended December 31, 2017 (in thousands):

Increase in:		
Accounts receivable	$	(57,609)
Costs and estimated earnings in excess of billings		(100,932)
Other current assets		(19,718)
(Decrease) Increase in:		
Accounts payable		(32,225)
Billings in excess of costs and estimated earnings		125,757
Accrued expenses		24,513
Changes in other components of working capital	$	(60,214)

Cash paid during the year for:		
Interest	$	50,443
Income taxes	$	39,776

3. Income Taxes

Income before taxes for the year ended December 31, 2017 is summarized as follows (in thousands):

United States operations	$	135,177
Foreign operations		18,798
Total	$	153,975

The income tax (benefit) provision for the year ended December 31, 2017 is as follows (in thousands):

Current expense:		
Federal	$	12,329
State		6,763
Foreign		3,435
Total current		22,527
Deferred (benefit) expense:		
Federal		(30,021)
State		5,560
Foreign		1,365
Total deferred		(23,096)
Total benefit	$	(569)

The following table is a reconciliation of the Company's income tax provision at the statutory rate to the income tax benefit at the Company's effective rate for the year ended December 31, 2017 (dollars in thousands):

	Amount	Rate
Federal income tax expense at statutory tax rate	$ 53,892	35.0 %
State income taxes, net of federal tax benefit	7,753	5.0
Impact of federal tax law change	(53,348)	(34.6)
Officers' compensation	2,622	1.7
Domestic production activities deduction	(2,668)	(1.7)
Noncontrolling interest	(2,137)	(1.4)
Reversal of taxes payable due to statute expiration	(4,337)	(2.8)
Other	(2,346)	(1.6)
Income tax benefit	$ (569)	(0.4) %

On December 22, 2017, the U.S. government enacted significant tax legislation commonly referred to as the Tax Cuts and Jobs Act of 2017 (the "TCJA"). The TCJA makes broad and complex changes to the U.S. tax code that will impact the Company's financial statements, including but not limited to a permanent decrease in the corporate federal statutory income tax rate from 35% to 21%, effective January 1, 2018, and a one-time transition tax from the inclusion of foreign earnings, which the Company can elect to pay over eight years. Future distributions from foreign subsidiaries, however, will no longer be subject to federal income tax.

As a result of the TCJA, the Company recognized an income tax benefit of $53.3 million in 2017, primarily due to the remeasurement of deferred tax assets and liabilities based on the reduced corporate federal statutory income tax rate of 21%.

The Securities and Exchange Commission staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which provides guidance on accounting for the tax effects of the TCJA. SAB 118 provides a measurement period that should not extend beyond one year from the TCJA enactment date for companies to complete the accounting under ASC 740, *Income Taxes* ("ASC 740"). In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the TCJA for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the TCJA is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the TCJA.

The one-time transition tax is based on the Company's total post-1986 earnings and profits ("E&P") that it previously deferred from U.S. income taxes. The Company recorded a provisional amount for its one-time transition tax liability for its foreign subsidiaries, resulting in an increase in income tax expense of $0.5 million. The Company has not yet completed its calculation of the total post-1986 E&P for these foreign subsidiaries. Further, the transition tax is based in part on the amount of those earnings held in cash and other specified assets. This amount may change when the Company finalizes the calculation of post-1986 foreign E&P previously deferred from U.S. federal taxation and finalizes the amounts held in cash or other specified assets.

The following is a summary of the significant components of the deferred tax assets and liabilities as of December 31, 2017 (in thousands):

Deferred tax assets:		
Timing of expense recognition	$	22,730
Net operating losses		8,590
Other, net		15,618
Deferred tax assets		46,938
Valuation allowance		(381)
Net deferred tax assets		46,557
Deferred tax liabilities:		
Intangible assets, due primarily to purchase accounting		(30,019)
Fixed assets, due primarily to purchase accounting		(73,833)
Construction contract accounting		(17,539)
Joint ventures		(11,343)
Other		(22,263)
Deferred tax liabilities		(154,997)
Net deferred tax liabilities	$	(108,440)

The net deferred tax liabilities as of December 31, 2017 is presented in the Consolidated Balance Sheet as follows (in thousands):

Deferred tax assets	$	64
Deferred tax liabilities		(108,504)
Net deferred tax liabilities	$	(108,440)

Prior to 2017, the Company did not provide for deferred income taxes or foreign withholding tax on basis differences in its non-U.S. subsidiaries that result from undistributed earnings which the Company had the intent and the ability to reinvest in its foreign operations. Due to the enactment of the TCJA, the Company no longer intends to permanently reinvest in its foreign subsidiaries. Any tax on future distributions will be limited to certain state taxes, which would be immaterial.

The Company's policy is to record interest and penalties on unrecognized tax benefits as an element of income tax expense. The cumulative amounts related to interest and penalties are added to the total unrecognized tax liabilities on the balance sheet. The total amount of gross unrecognized tax benefits as of December 31, 2017 that, if recognized, would affect the effective tax rate is $6.5 million. During 2017, the Company recognized a net decrease of $1.1 million in liabilities. The Company does not expect any significant release of unrecognized tax benefits within the next twelve months.

The Company accounts for its uncertain tax positions in accordance with GAAP. A reconciliation of the beginning and ending amounts of these tax benefits for the year ended December 31, 2017 is as follows (in thousands):

Beginning balance	$	7,574
Change in tax positions of prior years		(1,207)
Change in tax positions of current year		128
Ending Balance	$	6,495

The Company conducts business internationally and, as a result, one or more of its subsidiaries files income tax returns in U.S. federal, U.S. state and certain foreign jurisdictions. Accordingly, in the normal course of business, the Company is subject to examination by taxing authorities principally throughout the United States, Guam and Canada. The Company is no longer under examination by the taxing authority regarding any U.S. federal income tax returns for years before 2011 while the years open for examination under various state and local jurisdictions vary.

4. Goodwill and Other Intangible Assets

As of December 31, 2017, the Company had $585.0 million of goodwill allocated to its reporting units as follows: Civil, $415.3 million; Building, $13.5 million; and Specialty Contractors, $156.2 million. The balances presented include historical accumulated impairment of $76.7 million for the Civil segment and $411.3 million for the Building segment.

In addition, as of December 31, 2017, the Company had the following: (1) non-amortizable trade names with a carrying value of $50.4 million; (2) amortizable trade names with a gross carrying value of $51.1 million and accumulated amortization of $16.3 million; and (3) amortizable customer relationships with a gross carrying value of $23.2 million and accumulated amortization of $18.9 million.

Amortization expense related to amortizable intangible assets for the year ended December 31, 2017 totaled $3.5 million. Future amortization expense related to amortizable intangible assets will be approximately $3.5 million per year for the years 2018 through 2021 and $2.6 million for the year 2022.

The weighted-average amortization period for amortizable trade names and customer relationships is 20 years and 12 years, respectively.

5. Financial Commitments

Long-Term Debt

Long-term debt as of December 31, 2017 consisted of the following (in thousands):

2017 Senior Notes	$	492,734
2017 Credit Facility		—
2010 Senior Notes		—
2014 Revolver		—
Term Loan		—
Convertible Notes		161,635
Equipment financing and mortgages		76,820
Other indebtedness		5,087
Total debt		736,276
Less: Current maturities		(30,748)
Long-term debt, net	$	705,528

The following table reconciles the outstanding debt balance to the reported debt balances as of December 31, 2017 (in thousands):

(in thousands)	Outstanding Long-Term Debt	Unamortized Discount and Issuance Costs	Long-Term Debt, as reported
2017 Senior Notes	$ 500,000	$ (7,266)	$ 492,734
Convertible Notes	200,000	(38,365)	161,635

The unamortized issuance cost related to the 2017 Credit Facility was $6.2 million as of December 31, 2017 and is included in other assets in the Consolidated Balance Sheet.

2017 Senior Notes

On April 20, 2017, the Company issued $500 million in aggregate principal amount of 6.875% Senior Notes due 2025 (the "2017 Senior Notes") in a private placement. Interest on the 2017 Senior Notes is payable in arrears semi-annually in May and November of each year, beginning in November 2017.

Prior to May 1, 2020, the Company may redeem the 2017 Senior Notes at a redemption price equal to 100% of their principal amount plus a "make-whole" premium described in the indenture. In addition, prior to May 1, 2020, the Company may redeem up to 40% of the original aggregate principal amount of the notes at a redemption price of 106.875% of their principal amount with the proceeds received by the Company from any offering of the Company's equity. After May 1, 2020, the Company may redeem the 2017 Senior Notes at specified redemption prices described in the indenture. Upon a change of control, holders of the 2017 Senior Notes may require the Company to repurchase all or part of the 2017 Senior Notes at 101% of the principal amount thereof, plus accrued and unpaid interest to the redemption date.

The 2017 Senior Notes are senior unsecured obligations of the Company and are guaranteed by substantially all of the Company's existing and future subsidiaries that also guarantee obligations under the Company's 2017 Credit Facility, as defined below. In addition, the indenture for the 2017 Senior Notes provides for customary covenants, including events of default and restrictions on the payment of dividends and share repurchases.

2017 Credit Facility

On April 20, 2017, the Company entered into a credit agreement (the "2017 Credit Facility") with SunTrust Bank as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. The 2017 Credit Facility provides for a $350 million revolving credit facility (the "2017 Revolver") and a sublimit for the issuance of letters of credit and swingline loans up to the aggregate amount of $150 million and $10 million, respectively, both maturing on April 20, 2022, unless any of the Convertible Notes, as defined below, are outstanding on December 17, 2020, in which case all such borrowings will mature on December 17, 2020 (subject to certain further exceptions). In addition, the 2017 Credit Facility permits additional borrowings in an aggregate amount of $150 million, which can be in the form of increased capacity on the 2017 Revolver or the establishment of one or more term loans.

Borrowings under the 2017 Revolver bear interest, at the Company's option, at a rate equal to a margin over (a) the London Interbank Offered Rate ("LIBOR") plus a margin of between 1.50% and 3.00% or (b) a base rate (determined by reference to the highest of (i) the administrative agent's prime lending rate, (ii) the federal funds effective rate plus 50 basis points, (iii) the LIBOR rate for a one-month interest period plus 100 basis points and (iv) 0%), plus a margin of between 0.50% and 2.00%, in each case based on the Consolidated Leverage Ratio (as defined in the 2017 Credit Facility). In addition to paying interest on outstanding principal under the 2017 Credit Facility, the Company will pay a commitment fee to the lenders under the 2017 Revolver in respect of the unutilized commitments thereunder. The Company will pay customary letter of credit fees. If an event of default occurs and is continuing, the otherwise applicable margin and letter of credit fees will be increased by 2% per annum. The weighted-average annual interest rate on borrowings under the 2017 Revolver was approximately 3.89% during the year ended December 31, 2017.

The 2017 Credit Facility contains customary covenants for credit facilities of this type, including maximum consolidated leverage ratios ranging from 4.00:1.00 to 3.25:1.00 over the life of the facility and a minimum consolidated fixed charge coverage ratio of 1.25:1.00. Substantially all of the Company's subsidiaries unconditionally guarantee the obligations of the Company under the 2017 Credit Facility; additionally, the obligations are secured by a lien on all personal property of the Company and its subsidiaries guaranteeing these obligations.

As of December 31, 2017, there was $350.0 million available under the 2017 Revolver, and the Company had not utilized the 2017 Credit Facility for letters of credit. The Company was in compliance with the financial covenants under the 2017 Credit Facility as of December 31, 2017.

Repurchase and Redemption of 2010 Senior Notes and Termination of 2014 Credit Facility

On April 20, 2017, the Company used proceeds from the 2017 Senior Notes and 2017 Revolver to repurchase or redeem its 2010 Senior Notes, to pay off its Term Loan and 2014 Revolver, and to pay accrued but unpaid interest and fees. In addition, the indenture governing the 2010 Senior Notes was satisfied and discharged, and the Company terminated the 2014 Credit Facility.

2010 Senior Notes

On October 20, 2010, the Company issued $300 million of 7.625% Senior Notes due November 1, 2018 (the "2010 Senior Notes") in a private placement offering. As discussed above, on April 20, 2017, the Company repurchased or redeemed the 2010 Senior Notes in full and the related indenture was satisfied and discharged.

2014 Credit Facility

On June 5, 2014, the Company entered into a Sixth Amended and Restated Credit Agreement, as amended (the "2014 Credit Facility"), with Bank of America, N.A. as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. The 2014 Credit Facility provided for a $300 million revolving credit facility (the "2014 Revolver"), a $250 million term loan (the "Term Loan") and a sublimit for the issuance of letters of credit up to the aggregate amount of $150 million, all maturing on May 1, 2018. Borrowings under both the 2014 Revolver and the Term Loan bore interest based either on Bank of America's prime lending rate or the London Interbank Offered Rate ("LIBOR"), each plus an applicable margin ranging from 1.25% to 3.00%, contingent upon the latest Consolidated Leverage Ratio.

As discussed above, on April 20, 2017, the Company repaid all borrowings under the 2014 Credit Facility and concurrently terminated the facility.

Convertible Notes

On June 15, 2016, the Company issued $200 million of 2.875% Convertible Senior Notes due June 15, 2021 (the "Convertible Notes") in a private placement offering. The Convertible Notes are unsecured obligations and do not contain any financial covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by the Company. The Convertible Notes bear interest at a rate of 2.875% per year, payable in cash semi-annually in June and December.

To account for the Convertible Notes, the Company applied the provisions of ASC 470-20, *Debt with Conversion and Other Options* ("ASC 470-20"). ASC 470-20 requires issuers of certain convertible debt instruments that may be settled in cash upon conversion to separately account for the liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's nonconvertible debt borrowing rate. This is done by allocating the proceeds from issuance to the liability component based on the fair value of the debt instrument excluding the conversion feature, with the residual allocated to the equity component and classified in additional paid in capital. The $46.8 million difference between the principal amount of the Convertible Notes ($200.0 million) and the proceeds initially allocated to the liability component ($153.2 million) is treated as a discount on the Convertible Notes. This difference is being amortized as non-cash interest expense using the interest method, as discussed below under *Interest Expense*. The equity component, however, is not subject to amortization nor subsequent remeasurement.

In addition, ASC 470-20 requires that the debt issuance costs associated with a convertible debt instrument be allocated between the liability and equity components in proportion to the allocation of the debt proceeds between these two components. The debt issuance costs attributable to the liability component of the Convertible Notes ($5.1 million) are also treated as a discount on the Convertible Notes and amortized as non-cash interest expense. The debt issuance costs attributable to the equity component ($1.5 million) were netted with the equity component and will not be amortized.

The following table presents information related to the liability and equity components of the Convertible Notes as of December 31, 2017 (in thousands):

Liability component:		
Principal	$	200,000
Conversion feature		(46,800)
Allocated debt issuance costs		(5,051)
Amortization of discount and debt issuance costs (non-cash interest expense)		13,486
Net carrying amount	$	161,635
Equity component:		
Conversion feature	$	46,800
Allocated debt issuance costs		(1,543)
Deferred taxes		(18,815)
Net carrying amount	$	26,442

Prior to January 15, 2021, the Convertible Notes will be convertible only under the following circumstances: (1) during the five business day period after any ten consecutive trading day period in which the trading price per $1,000 principal amount of Convertible Notes for such trading day was less than 98% of the product of the last reported sale price of the Company's Common Stock and the conversion rate on each such trading day; (2) if the last reported sale price of the Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion rate of 33.0579 (or $39.32) on each applicable trading day; or (3) upon the occurrence of specified corporate events. On or after January 15, 2021 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes, in multiples of $1,000 principal amount, at the option of the holder regardless of the foregoing circumstances.

The Convertible Notes will be convertible at an initial conversion rate of 33.0579 shares of the Company's Common Stock per $1,000 principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately $30.25. The conversion rate will be subject to adjustment for some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, the Company is required to increase, in certain circumstances, the conversion rate for a holder who elects to convert their Convertible Notes in connection with such a corporate event including customary conversion rate adjustments in connection with a "make-whole fundamental change" described in the indenture. Upon conversion, and at the Company's election, the Company may satisfy its conversion obligation by paying or delivering, as applicable, cash, shares of its Common Stock or a combination of cash and shares of its Common Stock. As of December 31, 2017, the conversion provisions of the Convertible Notes have not been triggered.

Equipment Financing and Mortgages

The Company has certain loans entered into for the purchase of specific property, plant and equipment and secured by the assets purchased. The aggregate balance of equipment financing loans was approximately $61.1 million as of December 31, 2017, with interest rates ranging from 1.90% to 5.93% with equal monthly installment payments over periods up to ten years with additional balloon payments of $12.4 million in 2021 and $6.3 million in 2022 on the remaining loans outstanding at December 31, 2017. The aggregate balance of mortgage loans was approximately $15.7 million as of December 31, 2017, with interest rates ranging from a fixed 2.50% to LIBOR plus 3% and equal monthly installment payments over periods up to seven years with additional balloon payments of $2.6 million in 2018, $2.9 million in 2021 and $7.0 million in 2023.

The following table presents the future principal payments required under all of the Company's debt obligations, discussed above (in thousands):

Year		
2018	$	30,748
2019		12,194
2020		5,321
2021		218,868
2022		7,457
Thereafter		507,319
		781,907
Less: Unamortized discount and issuance costs		(45,631)
Total	$	736,276

Interest Expense

Interest Expense as reported in the Consolidated Statement of Income for the year ended December 31, 2017 consisted of the following (in thousands):

Cash interest expense:		
Interest on 2017 Senior Notes	$	23,967
Interest on 2017 Credit Facility		5,517
Interest on 2010 Senior Notes		6,926
Interest on 2014 Credit Facility		4,455
Interest on Convertible Notes		5,750
Other interest		3,261
Cash portion of loss on extinguishment		1,913
Total cash interest expense		51,789
Non-cash interest expense[(a)]:		
Amortization of debt issuance costs on 2017 Senior Notes		516
Amortization of debt issuance costs on 2017 Credit Facility		962
Amortization of discount and debt issuance costs on 2010 Senior Notes		308
Amortization of debt issuance costs on 2014 Credit Facility		1,703
Amortization of discount and debt issuance costs on Convertible Notes		8,967
Non-cash portion of loss on extinguishment		5,139
Total non-cash interest expense		17,595
Total interest expense	$	69,384

(a) The combination of cash and non-cash interest expense produces effective interest rates that are higher than contractual rates. Accordingly, the effective interest rates for the 2017 Senior Notes and the Convertible Notes were 7.13% and 9.39%, respectively, for the year ended December 31, 2017.

Leases

The Company leases certain construction equipment, vehicles and office space under non-cancellable operating leases, with future minimum rent payments as of December 31, 2017 as follows (in thousands):

Year		
2018	$	18,420
2019		12,424
2020		8,980
2021		6,240
2022		5,524
Thereafter		14,898
		66,486
Less: Sublease rental agreements		(2,291)
Total	$	64,195

Rental expense under operating leases of construction equipment, vehicles and office space was $27.4 million in 2017.

6. Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its customers have made claims arising from the performance under their contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims, and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, assets and liabilities may change in the future due to various factors. Management believes that, based on current information and discussions with the Company's legal counsel, the ultimate resolution of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

Several matters are in the litigation and dispute resolution process. The following discussion provides a background and current status of the more significant matters.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange for the New York State Department of Transportation (the "NYSDOT"). The $130 million project was substantially completed in January 2004 and was accepted by the NYSDOT as complete in February 2006. The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, seeking damages in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT, which resulted in an amount of $0.5 million payable to the Company and formally closed out the project allowing the Company to re-file its claim. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012. In May 2012, the NYSDOT served its answer and counterclaims in the amount of $151 million alleging fraud in the inducement and punitive damages related to disadvantaged business enterprise ("DBE") requirements for the project. The Court subsequently ruled that NYSDOT's counterclaims may only be asserted as a defense and offset to the Company's claims and not as affirmative claims. In November 2014, the Appellate Division First Department affirmed the dismissal of the City's affirmative defenses and affirmative counterclaims based on DBE fraud. The Company does not expect the counterclaims to have any material effect on its consolidated financial statements. Discovery was completed during 2017 and the Company is currently awaiting the establishment of a trial date.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Fontainebleau Matter

Desert Mechanical, Inc. ("DMI") and Fisk Electric Company ("Fisk"), wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc., the general contractor, in the 8th Judicial District Court, Clark County, Nevada (the "District Court"), and in May 2010, the court entered an order in favor of DMI for approximately $45 million.

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC, and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens, there was approximately $125 million set aside from this sale that is available for distribution to satisfy the creditor claims based on seniority. At that time, the total estimated sustainable lien amount was approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court ruled in October 2012 in an advisory opinion at the request of the Bankruptcy Court that lien priorities would be determined in favor of the mechanic lien holders under Nevada law.

In October 2013, a settlement was reached by and among the Statutory Lienholders and the other interested parties. The Bankruptcy Court appointed a mediator to facilitate the execution of that settlement agreement, but the parties were unable to settle. During the third quarter of 2017, DMI filed a motion seeking permission to file an action in Nevada; the motion was granted by the Bankruptcy Court.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges project for the City of New York (the "City"). In June 2003, after substantial completion of the project, the Company initiated an action to recover $8.8 million in claims against the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6 million and other relief, alleging fraud in connection with the DBE requirements for the project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. In August 2013, the Court granted the Company's motion to dismiss the City's affirmative defenses and counterclaims relating to fraud.

In January 2017, the Court granted the City's motion for summary judgment and dismissed the Company's claim against the City. The Company has filed a notice of appeal. The Court also granted the Company's motion for summary judgment for release of retention plus interest from 2010 for an aggregate amount of approximately $1.2 million, which the City paid during the fourth quarter of 2017.

The Company does not expect ultimate resolution of this matter to have a material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, was contracted to construct a timeshare development project in Las Vegas, which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in the amount of $23.2 million and filed its complaint with the District Court, Clark County, Nevada. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. WPH has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs and liquidated damages. WPH revised the amount of their counterclaims to approximately $45 million.

Following multiple post-trial motions, final judgment was entered in this matter on March 20, 2014. TSC was awarded total judgment in the amount of $19.7 million on its breach of contract claim, which includes an award of interest up through the date of judgment, plus attorney's fees and costs. WPH was awarded total judgment in the amount of $3.1 million on its construction defect claims, which includes interest up through the date of judgment. WPH and its Sureties have filed a notice of appeal. TSC has filed a notice of

appeal on the defect award. In July 2014, the Court ordered WPH to post an additional supersedeas bond on appeal, in the amount of $1.7 million, in addition to the lien release bond of $22.3 million, which increases the security up to $24.0 million. In May 2017, the Nevada Supreme Court issued its ruling on the appeal by WPH and its Sureties. With only minor adjustments, the Nevada Supreme Court affirmed the lower district court's judgment, and following further proceedings in the lower district court, the anticipated final recovery to the Company is estimated to exceed $20 million, including interest and recovery of certain attorneys' fees and costs, of which the Company collected more than $16 million in 2017. In December 2017 and in January 2018, the Court issued several post-appeal orders confirming its previous rulings.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

U.S. Department of Commerce, National Oceanic and Atmospheric Administration Matter

Rudolph and Sletten, Inc. ("R&S"), a wholly owned subsidiary of the Company, entered into a contract with the United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") for the construction of a 287,000 square-foot facility for NOAA's Southwest Fisheries Science Center Replacement Headquarters and Laboratory in La Jolla, California. The contract work began on May 24, 2010 and was substantially completed in September 2012. R&S incurred significant additional costs as a result of design errors and omissions, NOAA's unwillingness to correct design flaws in a timely fashion and a refusal to negotiate the time and pricing associated with change order work. R&S filed claims against NOAA for contract adjustments related to the unresolved owner change orders, delays, design deficiencies and other claims.

In March 2017, the parties agreed to a proposed settlement, which was subsequently approved and paid by the government in the third quarter of 2017. The settlement did not have a material impact on the Company's financial results for the year ended December 31, 2017.

Five Star Electric Matter

In the third quarter of 2015, Five Star Electric Corp. ("Five Star"), a wholly owned subsidiary of the Company that was acquired in 2011, entered into a tolling agreement (which has since expired) related to an ongoing investigation being conducted by the United States Attorney's Office for the Eastern District of New York ("USAO EDNY"). Five Star has been cooperating with the USAO EDNY since late June 2014, when it was first made aware of the investigation, and has provided information requested by the government related to its use of certain minority-owned, women-owned, small and disadvantaged business enterprises and certain of Five Star's employee compensation, benefit and tax practices.

As of December 31, 2017, the Company cannot predict the ultimate outcome of the investigation and cannot reasonably estimate the potential loss or range of loss that Five Star or the Company may incur or the impact of the results of the investigation on Five Star or the Company.

Alaskan Way Viaduct Matter

In January 2011, Seattle Tunnel Partners ("STP"), a joint venture between Dragados USA, Inc. and the Company, entered into a design-build contract with the Washington State Department of Transportation ("WSDOT") for the construction of a large diameter bored tunnel in downtown Seattle, King County, Washington to replace the Alaskan Way Viaduct, also known as State Route 99.

The construction of the large diameter bored tunnel required the use of a tunnel boring machine ("TBM"). In December 2013, the TBM struck a steel pipe, installed by WSDOT as a well casing for an exploratory well. The TBM was damaged and was required to be shut down for repair. STP has asserted that the steel pipe casing was a differing site condition that WSDOT failed to properly disclose. The Disputes Review Board mandated by the contract to hear disputes issued a decision finding the steel casing was a Type I differing site condition. WSDOT has not accepted that finding.

The TBM was insured under a Builder's Risk Insurance Policy (the "Policy") with Great Lakes Reinsurance (UK) PLC and a consortium of other insurers (the "Insurers"). STP submitted the claims to the Insurers and requested interim payments under the Policy. The Insurers refused to pay and denied coverage. In June 2015, STP filed a lawsuit in the King County Superior Court, State of Washington ("Washington Superior Court") seeking declaratory relief concerning contract interpretation, as well as damages as a result of the Insurers' breach of their obligations under the terms of the Policy. WSDOT is deemed a plaintiff since WSDOT is an insured under the Policy and had filed its own claim for damages. Hitachi Zosen ("Hitachi"), the manufacturer of the TBM, has also joined the case as a plaintiff for costs incurred to repair the damages to the TBM. Trial is scheduled for October 2018. Discovery is ongoing.

In March 2016, WSDOT filed a complaint against STP in Thurston County Superior Court for breach of contract alleging STP's delays and failure to perform and declaratory relief concerning contract interpretation. STP filed its answer to WSDOT's complaint and filed a counterclaim against WSDOT and Hitachi. Trial is set for April 2019. Discovery is ongoing.

As of December 31, 2017, the Company has concluded that the potential for a material adverse financial impact due to the Insurers' denial of coverage and WSDOT's legal actions is neither probable nor remote, and the potential loss or range of loss is not reasonably estimable. With respect to STP's claims against the Insurers, WSDOT and Hitachi, management has included an estimate of the total anticipated recovery, concluded to be both probable and reliably estimable, in receivables or costs and estimated earnings in excess of billings recorded to date. To the extent new facts become known or the final recoveries vary from the estimate, the impact of the change will be reflected in the financial statements at that time.

7. Other Income, Net

On May 31, 2017, the Company entered into a settlement agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), as successor in interest to Banc of America Securities LLC and Bank of America, N.A. (collectively "BofA"), to resolve the pending litigation between the Company and Merrill Lynch. The litigation, which was filed by the Company in 2011, related to the purchase by the Company of certain auction-rate securities from BofA.

On June 6, 2017, the Company received the $37.0 million cash settlement payment agreed to in the settlement agreement, and the pending litigation was dismissed with prejudice. Neither party made any admission of liability or wrongdoing, and the settlement agreement includes mutual releases of all claims and liabilities related to the subject matter of the pending litigation.

The Company recognized the settlement as a gain during the second quarter of 2017 and reported it as a component of other income, net in its Consolidated Statement of Income for the year ended December 31, 2017.

8. Share-Based Compensation

On April 3, 2017, the Company adopted the Tutor Perini Corporation Incentive Compensation Plan ("Compensation Plan"), which was approved by the Company's shareholders on May 24, 2017. Additionally, the Company's Amended and Restated Tutor Perini Corporation Long-Term Incentive Plan ("Incentive Plan" together with Compensation Plan the "Plans") is still active. The Plans provide for various types of share-based grants, including restricted and unrestricted stock units and stock options. Restricted and unrestricted stock units give the holder the right to exchange their stock units for shares of the Company's Common Stock on a one-for-one basis. Per the Plans, stock options give the holder the right to purchase shares of the Company's Common Stock subsequent to the grant date at a defined exercise price equal to or greater than the fair value of the Company's Common Stock on the date of the stock option's award. Restricted stock units and stock options are usually subject to certain service and performance conditions and may not be sold or otherwise transferred until those restrictions have been satisfied; however, unrestricted stock units have no such restrictions. The term for stock options is limited to 10 years from the date of grant. The Compensation Plan allows for 2,335,000 shares of the Company's Common Stock to be issued. As of December 31, 2017, there were 1,554,364 shares available to be granted under the Compensation Plan and 405,529 shares authorized to be issued under the Incentive Plan; however, as discussed in the Company's Definitive Proxy Statement (Schedule 14A) filed on April 13, 2017, the Company will not issue the 405,529 shares remaining in the Incentive Plan. As of December 31, 2017, the Incentive Plan had an aggregate of 4,360,018 of restricted stock units and stock options from outstanding, historical awards that either have not vested or have vested but have not been exercised.

The terms of the Plans give the Company the right to settle the vesting of share-based grants in cash or shares. During the year ended December 31, 2017, the Company paid approximately $0.6 million to settle share-based awards.

Many of the awards issued under the Plans contain separate tranches, each for a separate performance period and each with a performance target to be established subsequent to the award date; accordingly, the tranches are accounted for under ASC 718, *Stock Compensation* ("ASC 718") as separate grants, with the grant date being the date the performance targets for a given tranche are established and communicated to the grantee. Similarly, for these awards, compliance with the requirements of the Plan is also based on the number of units granted in a given year, as determined by ASC 718, rather than the number of units awarded in a given year. As a result, as of December 31, 2017, the Company had outstanding awards with 214,000 restricted stock units and 194,000 stock options that had not been granted yet. These units will be granted in 2018 and 2019 when the performance targets for those respective years are established.

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The following table summarizes restricted stock unit and stock option activity during the year ended December 31, 2017:

	Restricted Stock Units		Stock Options	
	Number	Weighted-Average Grant Date Fair Value Per Share	Number	Weighted-Average Exercise/ (Strike) Price Per Share
Outstanding as of December 31, 2016	1,156,484	$ 22.64	2,174,500	$ 19.50
Granted	1,064,000	30.02	539,000	24.54
Expired or cancelled	(20,985)	23.91	(19,466)	26.56
Vested/exercised	(801,515)	19.38	(140,000)	21.41
Outstanding as of December 31, 2017	1,397,984	$ 30.11	2,554,034	$ 20.45

The Company issued 99,155 unrestricted stock units at a weighted-average grant date fair value per share of $26.26 to the non-employee members of the Company's Board of Directors as part of their annual retainer fees. The fair value of unrestricted stock units issued during 2017 was approximately $2.6 million.

The fair value of restricted stock units that vested during 2017 was approximately $25.3 million. The aggregate intrinsic value, representing the difference between the market value on the date of exercise and the option price of the stock options exercised during 2017 was $1.3 million, with a corresponding tax benefit of $0.6 million. As of December 31, 2017, the balance of unamortized restricted stock and stock option expense was $22.5 million and $3.7 million, respectively, which will be recognized over weighted-average periods of 2.6 years for restricted stock units and 2.2 years for stock options.

The 2,554,034 outstanding stock options as of December 31, 2017 had an intrinsic value of $13.6 million and a weighted-average remaining contractual life of 4.4 years. Of those outstanding options: a) 1,988,034 were exercisable with an intrinsic value of $12.8 million, a weighted-average exercise price of $19.31 per share and a weighted-average remaining contractual life of 3.3 years; b) 566,000, with an intrinsic value of $0.7 million, a weighted-average exercise price of $24.27 and a weighted-average remaining contractual life of 8.2 years, have been granted but have not vested; and c) of the 566,000 granted but unvested options, 527,816 are expected to vest.

The fair value on the grant date and the significant assumptions used in the Black-Scholes option-pricing model for stock option awards granted during 2017 are as follows:

Total stock options granted		539,000
Weighted-average grant date fair value	$	13.11
Weighted-average assumptions:		
Risk-free rate		1.81 %
Expected life of options[a]		4.8
Expected volatility[b]		43.09 %
Expected quarterly dividends	$	—

(a) Calculated using the simplified method due to the terms of the stock options and the limited pool of grantees.
(b) Calculated using historical volatility of the Company's Common Stock over periods commensurate with the expected life of the option.

For the year ended December 31, 2017, the Company recognized, as part of general and administrative expenses, costs for share-based payment arrangements for employees of $19.6 million and costs for share-based awards to non-employee directors of $1.6 million. The aggregate tax benefit for these awards was approximately $8.7 million for the year ended December 31, 2017.

9. Employee Benefit Plans

Defined Benefit Pension Plan

The Company has a defined benefit pension plan that covers certain of its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The plan is noncontributory and benefits are based on an employee's years of service and "final average earnings," as defined by the plan. The plan provides reduced benefits for early retirement and takes into account offsets for social security benefits. The Company also has an unfunded supplemental retirement plan ("Benefit Equalization Plan") for certain employees whose benefits under the defined benefit pension plan were reduced because of

compensation limitations under federal tax laws. Effective June 1, 2004, all benefit accruals under the Company's pension plan and Benefit Equalization Plan were frozen; however, the current vested benefit was preserved. Pension disclosure as presented below includes aggregated amounts for both of the Company's plans, except where otherwise indicated.

The Company historically has used the date of its year-end as its measurement date to determine the funded status of the plan.

The long-term investment goals of the Company's plan are to manage the assets in accordance with the legal requirements of all applicable laws; produce investment returns which maximize return within reasonable and prudent levels of risks; and achieve a fully funded status with regard to current pension liabilities. Some risk must be assumed in order to achieve the investment goals. Investments with the ability to withstand short and intermediate term variability are considered and some interim fluctuations in market value and rates of return are tolerated in order to achieve the plan's longer-term objectives.

The pension plan's assets are managed by a third-party investment manager. The Company monitors investment performance and risk on an ongoing basis.

A summary of net periodic benefit cost for the year ended December 31, 2017 is as follows (in thousands):

Interest cost	$	3,919
Service cost		850
Expected return on plan assets		(4,358)
Recognized net actuarial losses		1,897
Net periodic benefit cost	$	2,308
Actuarial assumptions used to determine net cost:		
Discount rate		3.90 %
Expected return on assets		6.00 %
Rate of increase in compensation		N/A

The target asset allocation for the Company's pension plan by asset category for 2018 and the actual asset allocation as of December 31, 2017 by asset category are as follows:

	Percentage of Plan Assets	
Asset Category	Target Allocation 2018	Actual Allocation 2017
Cash	5 %	3 %
Equity funds:		
Domestic	37	41
International	28	31
Fixed income funds	30	25
Total	100 %	100 %

As of December 31, 2017, plan assets included approximately $30.7 million of investments in hedge funds and equity partnerships which do not have readily determinable fair values. The underlying holdings of the funds were comprised of a combination of assets for which the estimate of fair value is determined using information provided by fund managers.

The Company expects to contribute approximately $2.8 million to its defined benefit pension plan in 2018.

Future benefit payments under the plans are estimated as follows (in thousands):

Year ended December 31,		
2018	$	6,748
2019		6,798
2020		6,781
2021		6,785
2022		6,721
2023-2027		32,410
Total	$	66,243

The following tables provide a reconciliation of the changes in the fair value of plan assets and plan benefit obligations during 2017 and a summary of the funded status as of December 31, 2017 (in thousands):

Change in Fair Value of Plan Assets		
Balance at beginning of year	$	66,057
Actual return on plan assets		9,224
Company contribution		2,838
Benefit payments		(6,578)
Balance at end of year	$	71,541
Change in Benefit Obligations		
Balance at beginning of year	$	103,681
Interest cost		3,919
Service cost		850
Assumption change (gain) loss		3,854
Actuarial (gain) loss		492
Benefit payments		(6,578)
Balance at end of year	$	106,218
Funded status	$	(34,677)
Net unfunded amounts recognized in Consolidated Balance Sheet consist of:		
Current liabilities	$	(279)
Long-term liabilities		(34,398)
Total net unfunded amount recognized in Consolidated Balance Sheet	$	(34,677)

Amounts not yet recognized in net periodic benefit cost and included in accumulated other comprehensive loss consist of net actuarial losses before income taxes of $58.7 million for the year ended December 31, 2017.

In 2017, net other comprehensive income of $2.4 million consisted of reclassification adjustments for the amortization of previously existing actuarial losses and net actuarial gains arising during the period.

The estimated amount of the net accumulated loss (consisting of net actuarial losses) that will be amortized from accumulated other comprehensive loss into net period benefit cost in 2018 is $2.1 million.

The discount rate used in determining the accumulated post-retirement benefit obligation was 3.5% as of December 31, 2017. The discount rate used for the accumulated post-retirement obligation was derived using a blend of U.S. Treasury and high-quality corporate bond discount rates.

The expected long-term rate of return on assets assumption was 6.0% for 2017. The expected long-term rate of return on assets assumption was developed considering forward looking capital market assumptions and historical return expectations for each asset class assuming the plans' target asset allocation and full availability of invested assets.

Fund strategies seek to capitalize on inefficiencies identified across different asset classes or markets. Hedge fund strategy types include long-short, event-driven, multi-strategy, equity partnerships and distressed credit.

Plan assets were measured at fair value. Registered investment companies are public investment vehicles valued using the Net Asset Value (NAV) of shares held by the plan at year-end. Equity and fixed income funds are valued based on quoted market prices in active markets. Closely held funds held by the plan, which are only available through private offerings, do not have readily determinable fair values. Estimates of fair value of these funds were determined using the information provided by the fund managers and it is generally based on the net asset value per share or its equivalent.

The following table sets forth the plan assets as of December 31, 2017 at fair value in accordance with the fair value hierarchy described in Note 10 (in thousands):

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,390	$ —	$ —	$ 2,390
Fixed income funds	18,031	—	—	18,031
Equity funds	20,372	—	—	20,372
	$ 40,793	$ —	$ —	$ 40,793
Closely held funds[a]				
Equity partnerships				8,711
Hedge fund investments				22,037
Total closely held funds[a]				30,748
Total	$ 40,793	$ —	$ —	$ 71,541

(a) Closely held funds in private investment were measured at fair value using NAV and were not categorized in the fair value hierarchy. Although the investments were not categorized within the fair value hierarchy, the holdings of these private investment funds were comprised of a combination of Level 1, 2 and 3 investments, but were not categorized in the fair value hierarchy because they were measured at NAV using the practical expedient under ASC 820, *Fair Value Measurement* ("ASC 820").

The plans have benefit obligations in excess of the fair value of each plan's assets as of December 31, 2017 detailed as follows (in thousands):

	Pension Plan	Benefit Equalization Plan	Total
Projected benefit obligation	$ 102,806	$ 3,412	$ 106,218
Accumulated benefit obligation	$ 102,806	$ 3,412	$ 106,218
Fair value of plans' assets	71,541	—	71,541
Projected benefit obligation greater than fair value of plans' assets	$ 31,265	$ 3,412	$ 34,677
Accumulated benefit obligation greater than fair value of plans' assets	$ 31,265	$ 3,412	$ 34,677

Section 401(k) Plan

The Company has a contributory Section 401(k) plan which covers its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The cost recognized by the Company for its 401(k) plan was $4.2 million in 2017. The Company's contribution is based on a non-discretionary match of employees' contributions, as defined by the plan.

Multiemployer Plans

In addition to the Company's defined benefit pension and contribution plans discussed above, the Company participates in multiemployer pension plans for its union construction employees. Contributions are based on the hours worked by employees covered under various collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is only liable for its proportionate share of a plan's unfunded vested liability upon termination, or withdrawal from, a plan. The Company currently has no intention of withdrawing from any of the multiemployer pension plans in which it participates and, therefore, has not recognized a liability for its proportionate share of any unfunded vested liabilities associated with these plans.

The following table summarize key information for the plans that the Company had significant involvement with during the year ended December 31, 2017:

Pension Fund	EIN/Pension Plan Number	Pension Protections Act Zone Status	FIP/RP Status Pending Or Implemented	Company Contributions[a] (in millions)	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
The Pension, Hospitalization and Benefit Plan of the Electrical Industry - Pension Trust Fund	13-6123601/001	Green	N/A	$16.0	No	4/30/2019
Carpenters Pension Trust Fund for Northern California	94-6050970	Red	Implemented	8.2	No	6/30/2019
Laborers Pension Trust Fund for Northern California	94-6277608	Yellow	Implemented	6.6	No	6/30/2019
Northern California Electrical Workers Pension Plan	94-6062674	Green	N/A	5.2	No	5/31/2018
Steamfitters Industry Pension Fund	13-6149680/001	Green	N/A	3.9	No	6/30/2020

(a) The Company's contributions as a percentage of total plan contributions were not available for any of its plans.

In addition to the individually significant plans described above, the Company also contributed approximately $32.1 million in 2017 to other multiemployer pension plans.

10. Fair Value Measurements

The fair value hierarchy established by ASC 820 prioritizes the use of inputs used in valuation techniques into the following three levels:

- Level 1 inputs are observable quoted prices in active markets for identical assets or liabilities
- Level 2 inputs are observable, either directly or indirectly, but are not Level 1 inputs
- Level 3 inputs are unobservable

The following fair value hierarchy table presents the Company's assets that are measured at fair value on a recurring basis as of December 31, 2017 (in thousands):

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents[a]	$ 192,868	$ —	$ —	$ 192,868
Restricted cash[a]	4,780	—	—	4,780
Investments in lieu of retainage[b]	69,891	2,405	—	72,296
Total	$ 267,539	$ 2,405	$ —	$ 269,944

(a) Includes money market funds with original maturity dates of three months or less.
(b) Investments in lieu of retainage are included in accounts receivable and are comprised of money market funds and municipal bonds, the majority of which are rated A3 or better. The fair values of the money market funds are measured using quoted market prices; therefore, they are classified as Level 1 assets. The fair values of municipal bonds are measured using readily available pricing sources for comparable instruments; therefore, they are classified as Level 2 assets. All of the above investments are available-for-sale securities.

The Company did not have material transfers between Levels 1 and 2 during the year ended December 31, 2017.

The carrying values of receivables, payables and other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, are estimated to approximate fair value. The Company's restricted investments carried at amortized cost have an aggregate fair value of $52.5 million as of December 31, 2017, determined using Level 2 inputs. Of the Company's long-term debt, the fair values of the 2017 Senior Notes as of December 31, 2017 was $537.5 million. The fair value of the Convertible Notes was $222.2 million as of December 31, 2017. The fair values of the 2017 Senior Notes and Convertible Notes were determined using Level 1 inputs, specifically current observable market prices. The reported value of the Company's remaining borrowings as of December 31, 2017 approximates fair value.

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11. Variable Interest Entities

From time to time the Company may form joint ventures with third parties for the execution of single contracts or projects. In accordance with ASC 810, the Company assesses its joint ventures at inception to determine if any meet the qualifications of a VIE. The Company considers a joint venture a VIE if either (a) the total equity investment is not sufficient to permit the entity to finance its activities without additional subordinated financial support, (b) characteristics of a controlling financial interest are missing (either the ability to make decisions through voting or other rights, the obligation to absorb the expected losses of the entity or the right to receive the expected residual returns of the entity), or (c) the voting rights of the equity holders are not proportional to their obligations to absorb the expected losses of the entity and/or their rights to receive the expected residual returns of the entity, and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights. Upon the occurrence of certain events outlined in ASC 810, the company reassesses its initial determination of whether the joint venture is a VIE.

ASC 810 also requires the Company to determine whether it is the primary beneficiary of the VIE. The Company concludes that it is the primary beneficiary and consolidates the VIE if the Company has both (a) the power to direct the economically significant activities of the VIE and (b) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE. The Company considers the contractual agreements that define the ownership structure, distribution of profits and losses, risks, responsibilities, indebtedness, voting rights and board representation of the respective parties in determining if the Company is the primary beneficiary. The Company also considers all parties that have direct or implicit variable interests when determining whether it is the primary beneficiary. In accordance with ASC 810, management's assessment of whether the Company is the primary beneficiary of a VIE is performed continuously.

As of December 31, 2017, the Company's Consolidated Balance Sheet included current and noncurrent assets of $95.5 million and $11.6 million, respectively, as well as current liabilities of $140.7 million related to the operations of its consolidated VIEs.

One large joint venture that the Company is consolidating was established to construct the Purple Line Segment 2 Extension project, a $1.4 billion mass-transit project in Los Angeles, California. The Company has a 75% interest in the joint venture with the remaining 25% held by O&G Industries, Inc. The joint venture was initially financed with contributions from the partners and, per the terms of the joint venture agreement, the partners may be required to provide additional capital contributions in the future.

12. Business Segments

The Company offers general contracting, pre-construction planning and comprehensive project management services, including planning and scheduling of manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. The Company also offers self-performed construction services: site work; concrete forming and placement; steel erection; electrical; mechanical; plumbing; and heating, ventilation and air conditioning (HVAC). As described below, the Company's business is conducted through three segments: Civil, Building and Specialty Contractors. These segments are determined based on how the Company's Chairman and Chief Executive Officer (chief operating decision maker) aggregates business units when evaluating performance and allocating resources.

The Civil segment specializes in public works construction and the replacement and reconstruction of infrastructure. The civil contracting services include construction and rehabilitation of highways, bridges, tunnels, mass-transit systems, and water management and wastewater treatment facilities.

The Building segment has significant experience providing services for private and public works customers in a number of specialized building markets, including: high-rise residential, hospitality and gaming, transportation, health care, commercial and government offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical, industrial and high-tech.

The Specialty Contractors segment specializes in electrical, mechanical, plumbing, HVAC, fire protection systems and pneumatically placed concrete for a full range of Civil and Building construction projects in the industrial, commercial, hospitality and gaming, and mass-transit end markets. This segment provides the Company with unique strengths and capabilities that allow the Company to position itself as a full-service contractor with greater control over scheduled work, project delivery and risk management.

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The following tables set forth certain reportable segment information relating to the Company's operations for the year ended December 31, 2017 (in thousands):

	Reportable Segments					
(in thousands)	Civil	Building	Specialty Contractors	Segment Total	Corporate	Consolidated Total
Total revenue	$ 1,856,164	$ 1,982,857	$ 1,213,708	$ 5,052,729	$ —	$ 5,052,729
Elimination of intersegment revenue	(253,989)	(41,532)	—	(295,521)	—	(295,521)
Revenue from external customers	$ 1,602,175	$ 1,941,325	$ 1,213,708	$ 4,757,208	$ —	$ 4,757,208
Income from construction operations	$ 192,207	$ 34,199	$ 18,938	$ 245,344	$ (65,867)[a]	$ 179,477
Capital expenditures	$ 27,694	$ 267	$ 721	$ 28,682	$ 1,598	$ 30,280
Depreciation and amortization[b]	$ 33,767	$ 2,021	$ 4,699	$ 40,487	$ 11,443	$ 51,930

(a) Consists primarily of corporate general and administrative expenses.
(b) Depreciation and amortization is included in income from construction operations.

There were no material changes in estimates during the year ended December 31, 2017.

Total assets by segment as of December 31, 2017 are as follows (in thousands):

Civil	$ 2,452,108
Building	909,207
Specialty Contractors	767,807
Corporate and other[a]	135,001
Total assets	$ 4,264,123

(a) Consists principally of cash, equipment, tax-related assets and insurance-related assets, offset by the elimination of assets related to intersegment revenue.

Geographic Information

Information concerning principal geographic areas as of and for the year ended December 31, 2017 is as follows (in thousands):

Revenue:	
United States	$ 4,613,644
Foreign and U.S. territories	143,564
Total revenue	$ 4,757,208

Assets:	
United States	$ 4,093,673
Foreign and U.S. territories	170,450
Total assets	$ 4,264,123

Reconciliation of Segment Information to Consolidated Amounts

A reconciliation of segment results to the consolidated income before income taxes for the year ended December 13, 2017 is as follows (in thousands):

Income from construction operations	$ 179,477
Other income, net	43,882
Interest expense	(69,384)
Income before income taxes	$ 153,975

13. Related Party Transactions

The Company leases, at market rates, certain facilities from an entity owned by Ronald N. Tutor, the Company's Chairman and Chief Executive Officer. Under these leases, the Company paid $2.8 million and recognized expense of $3.2 million during the year ended December 31, 2017.

Raymond R. Oneglia, Vice Chairman of O&G Industries, Inc. ("O&G"), is a director of the Company. The Company occasionally forms construction project joint ventures with O&G, in which each partner may provide services and equipment to these joint ventures on customary trade terms. During the year ended December 31, 2017, the Company had three active joint ventures with O&G including two infrastructure projects in the northeastern United States that are both complete, and one for a project in Los Angeles, California in which the Company's and O&G's joint venture interests are 75% and 25%, respectively. Payments made by these joint ventures to O&G for services and equipment during the year ended December 31, 2017 were immaterial.

Peter Arkley, Senior Managing Director, Construction Services Group, of Alliant Insurance Services, Inc. ("Alliant"), is a director of the Company. The Company uses Alliant for various insurance-related services. The associated expenses for services provided for the year ended December 31, 2017 were $17.6 million. The Company owed Alliant $0.5 million as of December 31, 2017 for services rendered.

SUPPLEMENTAL CONSOLIDATING INFORMATION

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2017
(in thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Roche, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
ASSETS																	
CURRENT ASSETS:																	
Cash	$ 106,462	$ 643	$ —	$ 24,116	$ 7,985	$ 51	$ 1	$ 1,117	$ 3	$ —	$ 1,506	$ 9,727	$ 30,639	$ 8,597	$ 2,021	$ —	$ 192,868
Restricted cash	1,072	—	—	—	176	—	—	—	—	—	—	—	—	1,421	2,111	—	4,780
Restricted investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	53,014	—	53,014
Accounts receivable, including retainage	480,338	34,864	27,193	87,159	78,248	8,345	88,176	21,047	265,331	140,768	25,979	11,364	23,815	630,068	140,801	(261,040)	1,801,656
Costs and estimated earnings in excess of billings	140,580	77,458	48,994	82,657	18,088	6,891	27,553	11,506	1,995	106,033	17,686	32,045	1,950	437,744	152	(78,574)	932,758
Intercompany notes and receivables	—	—	—	—	—	—	—	—	78,013	—	—	2,503	—	—	—	(80,516)	—
Other current assets	76,535	590	230	4,546	5,004	286	863	25	3,758	5,713	1,310	250	13,925	5,306	14,892	(43,917)	89,316
Total current assets	804,987	112,755	76,417	198,478	109,501	15,573	116,593	33,695	349,100	252,514	46,481	55,889	70,329	1,083,136	212,991	(464,047)	3,074,392
PROPERTY AND EQUIPMENT, at cost																	
Land	4,090	—	2,408	492	1,771	—	15,396	—	4,456	—	123	—	8,874	3,284	488	—	41,382
Building and improvements	22,172	—	4,428	1,798	3,914	—	23,547	852	13,236	1,204	3,931	—	12,344	24,287	13,324	—	125,029
Construction equipment	49,218	8,294	14,308	71,958	76,063	24,902	1,412	297	4,910	—	310	—	25,874	7,433	193,009	—	477,988
Other equipment	63,954	70,558	2,542	1	9,979	32	3,678	1,133	8,515	1,696	2,864	183	6,070	8,166	2,917	—	182,288
	139,434	78,852	23,678	74,249	91,727	24,934	44,033	2,282	31,117	2,900	7,228	183	53,162	43,170	209,738	—	826,687
Less accumulated depreciation	(83,492)	(29,894)	(11,236)	(24,900)	(35,582)	(6,438)	(8,900)	(1,702)	(19,112)	(1,760)	(3,971)	(125)	(23,931)	(20,550)	(87,595)	—	(359,188)
Total property and equipment, net	55,942	48,958	12,442	49,349	56,145	18,496	35,133	580	12,005	1,140	3,257	58	29,231	22,620	122,143	—	467,499
INTERCOMPANY NOTES AND RECEIVABLES	—	—	—	—	208,429	—	382,164	2,311	156,608	—	2,383	183,861	10,458	44,862	30,864	(1,021,860)	—
GOODWILL	571,519	—	—	—	—	—	—	—	—	—	—	—	—	13,487	—	—	585,006
INTANGIBLE ASSETS, NET	89,454	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	89,454
INVESTMENTS IN SUBSIDIARIES	1,959,894	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,959,894)	—
OTHER ASSETS	49,619	3,277	—	—	—	—	2,005	147	—	5,629	9,857	214	64	1,163	54	(24,057)	47,772
TOTAL ASSETS	$ 3,531,215	$ 164,990	$ 88,859	$ 247,827	$ 374,075	$ 34,069	$ 535,895	$ 36,733	$ 517,713	$ 259,283	$ 61,898	$ 240,022	$ 110,082	$ 1,165,268	$ 366,052	$ (3,469,858)	$ 4,264,123
LIABILITIES AND STOCKHOLDERS' EQUITY																	
CURRENT LIABILITIES:																	
Current maturities of long-term debt	$ 68,071	$ 2,426	$ —	$ 2,248	$ 2,931	$ 2,774	$ —	$ —	$ —	$ —	$ —	$ —	$ 723	$ 483	$ 11,092	$ (60,000)	$ 30,748
Accounts payable, including retainage	295,880	4,035	21,513	28,795	58,127	1,155	97,456	16,060	290,219	115,376	27,475	47,292	8,303	189,979	4,724	(244,598)	961,791
Billings in excess of costs and estimated earnings	208,421	—	2,626	22,050	34,718	92	2,762	—	45,648	345	11,780	8,057	21,957	98,774	44,194	(36,547)	456,869
Intercompany notes and advances payable-short term	28,786	—	—	—	—	—	—	—	—	—	—	—	—	—	51,730	(80,516)	—
Accrued expenses and other current liabilities	69,072	1,523	1,218	8,046	5,053	484	2,288	101	13,241	7,426	3,670	539	6,547	24,254	26,698	(37,722)	132,438
Total current liabilities	662,230	7,984	25,357	61,139	100,829	4,505	102,506	16,161	349,108	123,147	42,925	55,888	37,530	313,490	138,438	(459,383)	1,581,846
LONG TERM DEBT, less current maturities	667,694	18,254	—	—	1,042	6,836	—	—	—	—	—	—	4,316	8,577	5,074	(6,265)	705,528
DEFERRED INCOME TAXES	18,530	20,132	2,420	10,268	22,636	3,649	—	—	82	—	—	—	646	16,038	29,868	(15,765)	108,504
OTHER LONG-TERM LIABILITIES	107,779	1,730	—	—	—	—	—	531	—	—	—	—	—	—	53,442	(17)	163,465
INTERCOMPANY NOTES & ADVANCES PAYABLE	372,010	53,225	3,819	72,239	—	13,266	2,798	8	—	129,617	—	423	—	354,344	244	(1,001,793)	—
TOTAL LIABILITIES	1,828,243	101,325	31,596	143,646	124,507	28,256	105,304	16,700	349,182	252,564	42,925	56,311	42,492	692,449	227,066	(1,483,223)	2,559,343
STOCKHOLDERS' EQUITY:																	
Treasury Stock-Perini	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(658)	658	—
Common stock	49,781	—	7	1	2,231	10	95	4	11	—	3	1	1,499	7	710	(4,579)	49,781
Additional paid-in capital	1,084,205	27,406	1	56,297	37,167	—	—	279	6,303	10,000	22,439	—	16,251	226,117	188,319	(590,579)	1,084,205
Retained earnings (deficit)	622,007	36,259	57,255	50,704	210,170	5,803	430,496	19,750	162,217	(3,281)	(3,469)	183,710	51,475	246,651	(49,385)	(1,398,355)	622,007
Accumulated other comprehensive income (loss)	(42,718)	—	—	(4,629)	—	—	—	—	—	—	—	—	(1,635)	44	—	6,220	(42,718)
Total stockholders' equity	1,713,275	63,665	57,263	102,373	249,568	5,813	430,591	20,033	168,531	6,719	18,973	183,711	67,590	472,819	138,986	(1,986,635)	1,713,275
Noncontrolling interests	(10,303)	—	—	1,808	—	—	—	—	—	—	—	—	—	—	—	—	(8,495)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,531,215	$ 164,990	$ 88,859	$ 247,827	$ 374,075	$ 34,069	$ 535,895	$ 36,733	$ 517,713	$ 259,283	$ 61,898	$ 240,022	$ 110,082	$ 1,165,268	$ 366,052	$ (3,469,858)	$ 4,264,123

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture assets and liabilities is included in the respective amounts shown above.
(4) Consolidating Balance Sheet does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.
(5) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(6) Management has determined the allocation of intercompany notes and receivable (or advance payable) balances between current assets (liabilities) and noncurrent assets (liabilities) based upon management's intent as to when such amounts will be settled.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Leeds Construction Co.	Berbe, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
REVENUE	$ 1,241,189	$ 8,674	$ 89,837	$ 157,359	$ 338,502	$ 21,660	$ 424,081	$ 19,348	$ 1,087,220	$ 221,035	$ 158,725	$ 82,249	$ 96,941	$ 1,213,709	$ 52,483	$ (455,804)	$ 4,757,208
COST OF OPERATIONS	(1,095,039)	(11,139)	(81,527)	(133,625)	(287,126)	(16,430)	(409,103)	(18,961)	(1,037,201)	(217,035)	(146,812)	(73,245)	(75,282)	(1,129,774)	(26,306)	455,804	(4,302,883)
GROSS PROFIT (LOSS)	146,150	(2,465)	8,310	23,734	51,376	5,230	14,978	387	50,019	4,000	11,913	9,004	21,659	83,935	26,175	—	454,405
General and administrative expenses	(101,523)	(20)	(659)	(14,179)	(14,620)	(2,464)	(16,969)	(1,170)	(23,970)	(5,723)	(8,399)	(5,770)	(8,994)	(68,531)	(1,937)	—	(274,928)
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	44,627	(2,485)	7,651	9,555	36,756	2,766	(1,991)	(783)	26,049	(1,723)	3,514	3,234	12,665	15,404	24,238	—	179,477
Equity in earnings of subsidiaries	144,444	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(144,444)	—
Other income (expense), net	32,181	(21)	—	3,887	5,114	748	5	—	286	4	24	24	62	443	2,723	(1,598)	43,882
Interest expense	(69,309)	—	—	(34)	(136)	(392)	—	—	—	—	—	—	(186)	(372)	(553)	1,598	(69,384)
INCOME (LOSS) BEFORE INCOME TAXES	151,943	(2,506)	7,651	13,408	41,734	3,122	(1,986)	(783)	26,335	(1,719)	3,538	3,258	12,541	15,475	26,408	(144,444)	153,975
Income tax benefit (provision)	2,386	15,032	(2,232)	1,305	(6,496)	416	(204)	202	(8,932)	(360)	(3,815)	(1,346)	(4,657)	5,122	4,148	—	569
NET INCOME (LOSS)	154,329	12,526	5,419	14,713	35,238	3,538	(2,190)	(581)	17,403	(2,079)	(277)	1,912	7,884	20,597	30,556	(144,444)	154,544
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(5,947)	—	—	(215)	—	—	—	—	—	—	—	—	—	—	—	—	(6,162)
NET INCOME (LOSS) ATTRIBUTABLE TO TUTOR PERINI CORPORATION	$ 148,382	$ 12,526	$ 5,419	$ 14,498	$ 35,238	$ 3,538	$ (2,190)	$ (581)	$ 17,403	$ (2,079)	$ (277)	$ 1,912	$ 7,884	$ 20,597	$ 30,556	$ (144,444)	$ 148,382

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp , TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture net income (loss) is included in the respective amounts shown above
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc , WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Andersen Companies, Inc.	Perini Management Services Inc.	Block Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
BALANCE - December 31, 2016	$ 473,625	$ 23,733	$ 51,836	$ 36,206	$ 174,932	$ 2,265	$ 432,686	$ 20,331	$ 144,814	$ (1,202)	$ (3,192)	$ 181,798	$ 43,591	$ 226,054	$ (79,941)	$ (1,253,911)	$ 473,625
Net income (loss)	148,382	12,526	5,419	14,498	35,238	3,538	(2,190)	(581)	17,403	(2,079)	(277)	1,912	7,884	20,597	30,556	(144,444)	148,382
BALANCE - December 31, 2017	$ 622,007	$ 36,259	$ 57,255	$ 50,704	$ 210,170	$ 5,803	$ 430,496	$ 19,750	$ 162,217	$ (3,281)	$ (3,469)	$ 183,710	$ 51,475	$ 246,651	$ (49,385)	$ (1,398,355)	$ 622,007

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture activities is included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Ausch Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Berbe, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:																	
Net income (loss)	$ 154,329	$ 12,526	$ 5,419	$ 14,713	$ 35,238	$ 3,538	$ (2,190)	$ (581)	$ 17,403	$ (2,079)	$ (277)	$ 1,912	$ 7,884	$ 20,597	$ 30,556	$ (144,444)	$ 154,544
Adjustments to reconcile net income to net cash from operating activities:																	
Depreciation	17,078	5,632	581	2,286	4,364	1,601	818	103	482	212	329	34	2,014	2,897	9,956	—	48,387
Amortization of intangible assets	3,543	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,543
Change in debt discounts and debt issuance costs	17,595	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17,595
Equity in earnings of subsidiaries	(144,444)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	144,444	—
Share-based compensation expense	21,174	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21,174
Deferred income taxes	181	(16,842)	(945)	(6,156)	4,028	(1,497)	(2,235)	444	(275)	3,427	4,340	(113)	965	8,122	(16,540)	—	(23,096)
(Gain) loss on sale of property and equipment	—	—	36	16	(294)	33	(1)	—	(16)	13	(1)	—	(40)	(65)	1,450	—	1,131
Other long-term liabilities	(1,120)	4	—	—	—	—	(14)	(36)	—	—	—	—	—	—	4,822	—	3,656
Other non-cash items	4,361	—	—	1,507	(10,164)	—	—	—	—	—	485	—	413	85	143	—	(3,170)
Changes in other components of working capital	44,066	5,180	(22,211)	(2,910)	13,011	(2,464)	17,223	(3,019)	27,122	(44,829)	(1,172)	(1,816)	2,676	(91,308)	237	—	(60,214)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	116,763	6,500	(17,120)	9,456	46,183	1,211	13,601	(3,089)	44,716	(43,256)	3,704	17	13,912	(59,672)	30,624	—	163,550
CASH FLOWS FROM INVESTING ACTIVITIES:																	
Acquisition of property and equipment	(1,689)	(232)	(97)	(12,144)	(8,176)	(522)	—	(53)	(2)	(105)	(108)	—	(1,715)	(721)	(4,716)	—	(30,280)
Proceeds from sale of property and equipment	—	—	83	13	604	41	2	—	94	—	8	—	93	175	1,631	—	2,744
Investments in securities, restricted	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(54,504)	—	(54,504)
Investments in securities	—	—	—	—	—	—	—	—	—	—	—	—	—	177	(6,640)	—	(6,463)
Proceeds from maturities of investments in securities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,370	—	1,370
Change in restricted cash	944	—	—	—	227	—	—	—	—	—	—	—	—	388	44,165	—	45,724
(Increase) decrease in intercompany advances	—	—	13,833	—	(37,913)	—	(13,603)	3,090	(44,805)	—	(4,523)	9,407	(171)	(3,377)	—	78,062	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(745)	(232)	13,819	(12,131)	(45,258)	(481)	(13,601)	3,037	(44,713)	(105)	(4,623)	9,407	(1,793)	(3,358)	(18,694)	78,062	(41,409)
CASH FLOWS FROM FINANCING ACTIVITIES:																	
Proceeds from debt	2,161,384	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,161,384
Repayment of debt	(2,172,833)	(2,426)	—	(720)	(2,973)	(2,722)	—	—	—	—	—	—	(698)	(556)	(12,160)	—	(2,195,068)
Cash payments related to share-based compensation	(11,769)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(11,769)
Debt issuance and extinguishment costs	(15,266)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(15,266)
Distributions paid to noncontrolling interests	(17,499)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(17,499)
Contributions from noncontrolling interests	1,251	—	—	1,591	—	—	—	—	—	—	—	—	—	—	—	—	2,842
(Increase)/decrease in intercompany advances	(35,655)	(4,220)	2,236	8,428	—	1,996	—	—	—	43,361	—	—	—	59,886	2,030	(78,062)	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(90,387)	(6,646)	2,236	9,299	(2,973)	(726)	—	—	—	43,361	—	—	(698)	59,330	(10,130)	(78,062)	(75,376)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,631	(378)	(1,065)	6,624	(2,048)	4	—	(52)	3	—	(919)	9,424	11,421	(3,700)	1,820	—	46,765
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	80,831	1,021	1,065	17,492	10,033	47	1	1,169	—	—	2,425	303	19,218	12,297	201	—	146,103
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 106,462	$ 643	$ —	$ 24,116	$ 7,985	$ 51	$ 1	$ 1,117	$ 3	$ —	$ 1,506	$ 9,727	$ 30,639	$ 8,597	$ 2,021	$ —	$ 192,868
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR:																	
Interest	$ 49,020	$ —	$ —	$ 34	$ 138	$ 122	$ —	$ —	$ —	$ —	$ —	$ —	$ 187	$ 370	$ 572	$ —	$ 50,443
Income taxes	$ 31,327	$ —	$ —	$ 2,419	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 293	$ 1,737	$ —	$ 4,000	$ —	$ 39,776

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture activities is included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Axtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(5) Consolidating Statement of Cash Flows does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.

Tutor Perini Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental
Consolidating Information for Tutor Perini's General
Contractor Subsidiaries as of and for the
Year Ended December 31, 2016, and
Report of Independent Registered Public Accounting Firm

TUTOR PERINI CORPORATION AND SUBSIDIARIES

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Deloitte.

Deloitte & Touche LLP
555 West 5th Street
Suite 2700
Los Angeles, CA 90013-1010
USA

Tel: +1 213 688 0800
Fax: +1 213 688 0100
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Tutor Perini Corporation
Sylmar, California

We have audited the accompanying consolidated balance sheet of Tutor Perini Corporation and subsidiaries (the "Company") as of December 31, 2016, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the year ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Tutor Perini Corporation and subsidiaries as of December 31, 2016, and the results of their operations and their cash flows for the year ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

The supplemental consolidating information on pages 31-34 has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental consolidating information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental consolidating information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental consolidating information. In our opinion, such information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

February 23, 2017
(March 31, 2017 as to the supplemental consolidating information)

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands, except per share data)

REVENUE	$ 4,973,076
COST OF OPERATIONS	(4,515,886)
GROSS PROFIT	457,190
General and administrative expenses	(255,270)
INCOME FROM CONSTRUCTION OPERATIONS	201,920
Other income, net	6,977
Interest expense	(59,782)
INCOME BEFORE INCOME TAXES	149,115
Provision for income taxes	(53,293)
NET INCOME	$ 95,822
BASIC EARNINGS PER COMMON SHARE	$ 1.95
DILUTED EARNINGS PER COMMON SHARE	$ 1.92
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:	
Basic	49,150
Diluted	49,864

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

NET INCOME	**$**	95,822
OTHER COMPREHENSIVE LOSS, NET OF TAX:		
Defined benefit pension plan adjustments		(2,623)
Foreign currency translation adjustment		(261)
Unrealized loss in fair value of investments		(340)
Unrealized loss in fair value of interest rate swap		(24)
Total other comprehensive loss, net of tax		(3,248)
TOTAL COMPREHENSIVE INCOME	**$**	92,574

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2016
(In thousands, except share data)

ASSETS	
CURRENT ASSETS:	
Cash, including cash equivalents of $15,302	$ 146,103
Restricted cash	50,504
Accounts receivable, including retainage of $569,391	1,743,300
Costs and estimated earnings in excess of billings	831,826
Other current assets	66,023
Total current assets	2,837,756
PROPERTY AND EQUIPMENT:	
Land	41,382
Building and improvements	124,157
Construction equipment	444,153
Other equipment	181,717
	791,409
Less accumulated depreciation	(313,783)
Total property and equipment, net	477,626
GOODWILL	585,006
INTANGIBLE ASSETS, NET	92,997
OTHER ASSETS	45,235
TOTAL ASSETS	$ 4,038,620
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Current maturities of long-term debt	$ 85,890
Accounts payable, including retainage of $258,294	994,016
Billings in excess of costs and estimated earnings	331,112
Accrued expenses and other current liabilities	107,925
Total current liabilities	1,518,943
LONG-TERM DEBT, less current maturities, net of unamortized discount and debt issuance cost of $56,072	673,629
DEFERRED INCOME TAXES	131,007
OTHER LONG-TERM LIABILITIES	162,018
TOTAL LIABILITIES	2,485,597
STOCKHOLDERS' EQUITY:	
Preferred stock – authorized 1,000,000 shares ($1 par value), none issued	—
Common stock – authorized 75,000,000 shares ($1 par value), issued and outstanding 49,211,353 shares	49,211
Additional paid-in capital	1,075,600
Retained earnings	473,625
Accumulated other comprehensive loss	(45,413)
TOTAL STOCKHOLDERS' EQUITY	1,553,023
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,038,620

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

Cash Flows from Operating Activities:		
Net income	$	95,822
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation		63,759
Amortization of intangible assets		3,543
Share-based compensation expense		13,423
Excess income tax benefit from share-based compensation		(269)
Change in debt discount and deferred debt issuance costs		10,968
Deferred income taxes		(10,169)
Loss on sale of property and equipment		453
Other long-term liabilities		28,210
Other non-cash items		(1,874)
Changes in other components of working capital		(90,530)
NET CASH PROVIDED BY OPERATING ACTIVITIES		113,336
Cash Flows from Investing Activities:		
Acquisition of property and equipment excluding financed purchases		(15,743)
Proceeds from sale of property and equipment		1,899
Change in restricted cash		(4,651)
NET CASH USED IN INVESTING ACTIVITIES		(18,495)
Cash Flows from Financing Activities:		
Issuance of convertible notes		200,000
Proceeds from debt		1,353,895
Repayment of debt		(1,562,684)
Excess income tax benefit from share-based compensation		269
Issuance of common stock and effect of cashless exercise		(584)
Debt issuance costs		(15,086)
NET CASH USED IN FINANCING ACTIVITIES		(24,190)
Net increase in cash and cash equivalents		70,651
Cash and cash equivalents at beginning of year		75,452
Cash and cash equivalents at end of year	$	146,103

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance - December 31, 2015	$ 49,073	$ 1,035,516	$ 377,803	$ (42,165)	$ 1,420,227
Net income	—	—	95,822	—	95,822
Other comprehensive loss	—	—	—	(3,248)	(3,248)
Tax effect of share-based compensation	—	(457)	—	—	(457)
Share-based compensation expense	—	13,423	—	—	13,423
Issuance of common stock, net	138	676	—	—	814
Convertible note proceeds allocated to conversion option, net	—	26,442	—	—	26,442
Balance - December 31, 2016	$ 49,211	$ 1,075,600	$ 473,625	$ (45,413)	$ 1,553,023

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in compliance with accounting principles generally accepted in the United States of America ("GAAP") as codified in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC").

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries (the "Company"). The Company frequently forms joint ventures or partnerships with unrelated third parties for the execution of single contracts or projects. The Company assesses its joint ventures or partnerships at inception to determine if they meet the qualifications of a variable interest entity ("VIE") in accordance with ASC 810, *Consolidation*. If a joint venture or partnership is a VIE and the Company is the primary beneficiary, the joint venture or partnership is fully consolidated. For construction joint ventures that do not need to be consolidated, the Company accounts for its interest in the joint ventures using the proportionate consolidation method, whereby the Company's proportionate share of the joint ventures' assets, liabilities, revenue and cost of operations are included in the appropriate classifications in the Company's consolidated financial statements. All intercompany transactions and balances have been eliminated in consolidation.

(c) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available through the date of the issuance of the financial statements; therefore, actual results could differ from those estimates.

(d) Construction Contracts

The Company and its affiliated entities recognize construction contract revenue using the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. Cost of revenue includes an allocation of depreciation and amortization. Pre-contract costs are expensed as incurred. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined.

The Company generally provides limited warranties for work performed under its construction contracts with periods typically extending for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred.

The Company classifies construction-related receivables and payables that may be settled in periods exceeding one year from the balance sheet date as current, consistent with the length of time of its project operating cycle. For example:

- Costs and estimated earnings in excess of billings represent the excess of contract costs and profits (or contract revenue) over the amount of contract billings to date and are classified as a current asset.

- Billings in excess of costs and estimated earnings represent the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date and are classified as a current liability.

Costs and estimated earnings in excess of billings result when either: 1) the appropriate contract revenue amount has been recognized in accordance with the percentage-of-completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract, or 2) costs are incurred related to certain claims and unapproved change orders. Claims occur when there is a dispute regarding both a change in the scope of work and the price associated with that change. Unapproved change orders occur when a change in the scope of work results in additional work being performed before the parties have agreed on the corresponding change in the contract price. For both claims and unapproved change orders, the Company recognizes revenue, but not profit, when it is determined that recovery of incurred cost is probable and the amounts can be reliably estimated. For claims, these requirements are satisfied under ASC 605-35-25 when the contract or other evidence provides a legal basis for the claim, additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in the Company's performance, claim-related costs are identifiable and considered reasonable in view of the work performed, and evidence supporting the claim or change order is objective and verifiable.

Reported costs and estimated earnings in excess of billings as of December 31, 2016 consists of the following (in thousands):

Claims	$ 477,425
Unapproved change orders	207,475
Other unbilled costs and profits	146,926
Total costs and estimated earnings in excess of billings	$ 831,826

The prerequisite for billing claims and unapproved change orders is the final resolution and agreement between the parties. The prerequisite for billing other unbilled costs and profits is provided in the defined billing terms of each of the applicable contracts. The amount of costs and estimated earnings in excess of billings as of December 31, 2016 estimated by management to be collected beyond one year is approximately $414.7 million.

(e) Changes in Estimates

The Company's estimates of contract revenue and cost are highly detailed and many factors change during a contract performance period that result in a change to contract profitability. These factors include, but are not limited to, differing site conditions; availability of skilled contract labor; performance of major material suppliers and subcontractors; on-going subcontractor negotiations and buyout provisions; unusual weather conditions; changes in the timing of scheduled work; change orders; accuracy of the original bid estimate; changes in estimated labor productivity and costs based on experience to date; achievement of incentive-based income targets; and the expected, or actual, resolution terms for claims. The factors that cause changes in estimates vary depending on the maturation of the project within its lifecycle. For example, in the ramp-up phase, these factors typically consist of revisions in anticipated project costs and during the peak and close-out phases, these factors include the impact of change orders and claims as well as additional revisions in remaining anticipated project costs. Generally, if the contract is at an early stage of completion, the current period impact is smaller than if the same change in estimate is made to the contract at a later stage of completion. Management evaluates changes in estimates on a contract by contract basis and discloses significant changes, if material, in the notes to the consolidated financial statements. The cumulative catch-up method is used to account for revisions in estimates.

(f) Depreciation of Property and Equipment and Amortization of Long-Lived Intangible Assets

Property and equipment and long-lived intangible assets are depreciated or amortized on a straight-line basis over their estimated useful lives ranging from three to forty years.

(g) Recoverability of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever circumstances indicate that the future cash flows generated by the assets might be less than the assets' net carrying value. In such circumstances, an impairment loss will be recognized by the amount the assets' net carrying value exceeds their fair value.

(h) Recoverability of Goodwill

The Company tests goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year, and between annual tests if events occur or circumstances change which suggest that goodwill should be reevaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. The Civil, Building and Specialty Contractors segments each represent a reporting unit. We perform our annual quantitative impairment assessment during the fourth quarter of each year using a weighted average of an income and a market approach. The income approach is based on estimated present value of future cash flows for each reporting unit. The market approach is based on assumptions about how market data relates to the Company. The weighting of these two approaches is based on their individual correlation to the economics of each reporting unit. The quantitative assessment performed in 2016 resulted in an estimated fair value for each of our reporting units that exceeded their respective net book values; therefore, no impairment charge was necessary for 2016.

(i) Recoverability of Non-Amortizable Trade Names

Certain trade names have an estimated indefinite life and are not amortized to earnings, but instead are reviewed for impairment annually, or more often if events occur or circumstances change which suggest that the non-amortizable trade names should be reevaluated. We perform our annual quantitative impairment assessment during the fourth quarter of each year using an income approach (relief from royalty method). The quantitative assessment performed in 2016 resulted in an estimated fair value for the non-amortizable trade names that exceeded their respective net book values; therefore, no impairment charge was necessary for 2016.

(j) Income Taxes

Deferred income tax assets and liabilities are recognized for the effects of temporary differences between the financial statement carrying amounts and the income tax basis of assets and liabilities using tax rates expected to be in effect when such differences reverse. Income tax positions must meet a more-likely-than-not threshold to be recognized. The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision.

(k) Earnings Per Share

Basic EPS is calculated by dividing net income by the weighted-average number of common shares outstanding during the period. Potentially dilutive securities include restricted stock units and stock options. Diluted EPS reflects the assumed exercise or conversion of all dilutive securities using the treasury stock method. The calculations of the basic and diluted EPS for the year ended December 31, 2016 are presented below (in thousands, except per share data):

Net income	$ 95,822
Weighted-average common shares outstanding — basic	49,150
Effect of diluted stock options and unvested restricted stock	714
Weighted-average common shares outstanding — diluted	49,864
Net income per share:	
Basic	$ 1.95
Diluted	$ 1.92
Anti-dilutive securities not included above	1,132

With regard to diluted EPS and the impact of the Convertible Notes (as discussed in Note 5) on the diluted EPS calculation, because the Company has the intent and ability to settle the principal amount of the Convertible Notes in cash, per ASC 260, *Earnings Per Share*, the settlement of the principal amount has no impact on diluted EPS. ASC 260 also requires any potential conversion premium associated with the Convertible Notes' conversion option to be considered in the calculation of diluted EPS when the Company's average stock price, as defined in the indenture governing the Convertible Notes, is higher than 130% of the Convertible Notes' conversion rate of 33.0579 (or $39.32); however, this was not the case during the year ended December 31, 2016.

(l) Cash and Cash Equivalents and Restricted Cash

Cash equivalents include short-term, highly liquid investments with original maturities of three months or less when acquired. Cash and cash equivalents, as reported in the accompanying Consolidated Balance Sheet, consist of amounts held by the Company that are available for general purposes and the Company's proportionate share of amounts held by construction joint ventures that are available only for joint-venture-related uses, including future distributions to joint-venture partners. Restricted cash is primarily held to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit.

Cash and cash equivalents and restricted cash as of December 31, 2016 consisted of the following (in thousands):

Cash and cash equivalents	$ 49,539
Company's share of joint-venture cash and cash equivalents	96,564
Total cash and cash equivalents	$ 146,103
Restricted cash	$ 50,504

(m) Share-Based Compensation

The Company's long-term incentive plan allows the Company to grant share-based compensation awards in a variety of forms, including restricted and unrestricted stock units and stock options. Restricted stock units and stock options generally vest subject to service and/or performance requirements, with related compensation expense equal to the fair value of the award on the date of grant and recognized on a straight-line basis over the requisite service period. Unrestricted stock units are issued to the directors as part of their annual service fee, vest immediately and are expensed over a 12-month service period.

(n) Insurance Liabilities

The Company typically utilizes third party insurance coverage subject to varying deductible levels with aggregate caps on losses retained. The Company assumes the risk for the amount of the deductible portion of the losses and liabilities primarily associated with workers' compensation and general liability coverage. In addition, on certain projects, the Company assumes the risk for the amount of the deductible portion of losses that arise from any subcontractor defaults. Losses are accrued based upon the Company's estimates of the aggregate liability for claims incurred using historical experience and certain actuarial assumptions followed in the insurance industry. The estimate of insurance liability within the deductible limits includes an estimate of incurred but not reported claims based on data compiled from historical experience.

(o) Other Comprehensive Income (Loss)

ASC 220, *Comprehensive Income*, establishes standards for reporting and displaying comprehensive income and its components in the consolidated financial statements. The Company reports the change in pension benefit plans assets/liabilities, cumulative foreign currency translation, change in fair value of investments and change in fair value of interest rate swap as components of accumulated other comprehensive loss ("AOCI").

The tax effects of the components of other comprehensive loss for the year ended December 31, 2016 are as follows (in thousands):

	Before-Tax Amount	Tax Benefit	Net-of-Tax Amount
Other comprehensive loss:			
Defined benefit pension plan adjustments	$ (4,452)	$ 1,829	$ (2,623)
Foreign currency translation adjustment	(439)	178	(261)
Unrealized loss in fair value of investments	(576)	236	(340)
Unrealized loss in fair value of interest rate swap	(45)	21	(24)
Total other comprehensive loss	$ (5,512)	$ 2,264	$ (3,248)

The changes in AOCI balances by component (after-tax) for the year ended December 31, 2016 are as follows (in thousands):

	Defined Benefit Pension Plan	Foreign Currency Translation	Unrealized Gain (Loss) in Fair Value of Investments	Unrealized Gain (Loss) in Fair Value of Interest Rate Swap	Accumulated Other Comprehensive Loss
Balance as of December 31, 2015	$ (38,242)	$ (4,603)	$ 656	$ 24	$ (42,165)
Other comprehensive loss before reclassifications	(3,722)	(261)	(340)	(24)	(4,347)
Amounts reclassified from AOCI	1,099	—	—	—	1,099
Balance as of December 31, 2016	$ (40,865)	$ (4,864)	$ 316	$ —	$ (45,413)

The significant items reclassified out of AOCI during the year ended December 31, 2016 and the corresponding location and impact on the Consolidated Statement of Operations are as follows (in thousands):

Component of AOCI:	Location in Consolidated Statement of Operations	
Defined benefit pension plan adjustments	Various accounts	$ 1,745
Income tax benefit	Provision for income taxes	(646)
Net of tax		$ 1,099

(p) New Accounting Pronouncements

In May 2014, the FASB issued new accounting guidance which amended the existing accounting standards for revenue recognition. The new accounting guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration to be received in exchange for those goods or services. The guidance will be effective for the Company as of January 1, 2018. The amendments may be applied retrospectively to each prior period presented or with the cumulative effect recognized as of the date of initial application (modified retrospective method). The Company is currently reviewing contracts within types of projects in order to determine the impact, if any, the adoption of this ASU will have on its consolidated financial statements. A number of industry-specific implementation issues are still unresolved and the final resolution

of certain of these issues could impact the Company's current accounting policies and/or revenue recognition patterns. The Company currently expects to adopt this new standard using the modified retrospective method.

In January 2017, The FASB issued ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment.* This ASU simplifies the calculation of goodwill impairment by eliminating Step 2 of the impairment test prescribed by ASC 350. Step 2 requires companies to calculate the implied fair value of their goodwill by estimating the fair value of their assets, other than goodwill, and liabilities, including unrecognized assets and liabilities, following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. The calculated net fair value of the assets would then be compared to the fair value of the reporting unit to determine the implied fair value of goodwill, and to the extent that the carrying value of goodwill was less than the implied fair value, a loss would be recognized. Under ASU 2017-04, however, goodwill is impaired when the calculated fair value of a reporting unit is less than its carrying value, and the impairment charge will equal that difference; i.e., impairment will be calculated at the reporting unit level and there will be no need to estimate the fair value of individual assets and liabilities. This guidance will be effective for the Company for any goodwill impairment tests performed in fiscal years beginning after December 15, 2019, however, early adoption is permitted for tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In the first quarter of 2016, the Company adopted ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30)* and applied the guidance retrospectively. This ASU requires companies to present, in the balance sheet, debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability, consistent with the presentation of debt discounts. In addition, the amortization of debt discounts is required to be presented as a component of interest expense.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic-842),* which amends the existing guidance in ASC 840 *Leases.* This amendment requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases. Other significant provisions of the amendment include (i) defining the "lease term" to include the non-cancellable period together with periods for which there is a significant economic incentive for the lessee to extend or not terminate the lease; (ii) defining the initial lease liability to be recorded on the balance sheet to contemplate only those variable lease payments that depend on an index or that are in substance "fixed"; and (iii) a dual approach for determining whether lease expense is recognized on a straight-line or accelerated basis, depending on whether the lessee is expected to consume more than an insignificant portion of the leased asset's economic benefits. This guidance will be effective for the Company as of January 1, 2019 and will be applied using the modified retrospective transition method for existing leases. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

In the fourth quarter of 2016, the Company elected to early adopt ASU 2015-17, *Balance Sheet Classification of Deferred Taxes (Subtopic 740-10)*, as allowed for by the guidance. This ASU requires entities to present all deferred tax assets and all deferred tax liabilities as noncurrent in a classified balance sheet. The Company applied the guidance retrospectively.

2. Consolidated Statement of Cash Flows

Below are the changes in other components of working capital, as shown in the Consolidated Statement of Cash Flows, and the supplemental disclosure of cash paid for interest and income taxes during the year ended December 31, 2016 (in thousands):

Decrease (Increase) in:	
Accounts receivable	$ (269,900)
Costs and estimated earnings in excess of billings	73,349
Other current assets	39,480
Increase (Decrease) in:	
Accounts payable	56,552
Billings in excess of costs and estimated earnings	42,926
Accrued expenses	(32,937)
Changes in other components of working capital	$ (90,530)
Cash paid during the year for:	
Interest	$ 47,403
Income taxes	$ 26,908

3. Fair Value Measurements

The fair value hierarchy established by ASC 820, *Fair Value Measurement*, prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1 — quoted prices in active markets for identical assets and liabilities
Level 2 — inputs other than Level 1 inputs that are observable, either directly or indirectly
Level 3 — unobservable inputs

The following table presents, for each of the fair value hierarchy levels required under ASC 820, the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2016 (in thousands):

		Fair Value Hierarchy		
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents [a]	$ 146,103	$ 146,103	$ —	$ —
Restricted cash [a]	50,504	50,504	—	—
Investments in lieu of customer retainage [b]	51,266	46,855	4,411	—
Total	$ 247,873	$ 243,462	$ 4,411	$ —

(a) Cash, cash equivalents and restricted cash consists primarily of money market funds with original maturity dates of three months or less measured using quoted market prices.
(b) Investments in lieu of customer retainage are classified as accounts receivable and are comprised of money market funds, U.S. Treasury Notes and other municipal bonds, the majority of which are rated Aa3 or better. The fair value of money market funds is measured using quoted market prices; therefore they are classified as Level 1 assets. The fair values of the U.S. Treasury Notes and municipal bonds are measured using readily available pricing sources for comparable instruments; therefore, they are classified as Level 2 assets.

The Company did not have material transfers between Levels 1 and 2 for either financial assets or liabilities during the year ended December 31, 2016.

The carrying values of receivables, payables, other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, are estimated to approximate fair value. Of the Company's long-term debt, the fair value of the 2010 Notes as of December 31, 2016 was $302.6 million and the fair value of the Convertible Notes was $228.4 million as of December 31, 2016; the fair values were determined using Level 1 inputs, specifically current observable market prices. The reported value of the Company's remaining long-term debt at December 31, 2016 approximates fair value.

The fair value of the liability component of the Convertible Notes as of the issuance date of June 15, 2016 was $153.2 million, which was determined using a binomial lattice approach based on Level 2 inputs, specifically quoted prices in active markets for similar debt instruments that do not have a conversion feature. See Note 5 for additional information related to the Company's Convertible Notes.

4. Goodwill and Other Intangible Assets

As of December 31, 2016, the Company had $585.0 million of goodwill allocated to its reporting units as follows: Civil, $415.3 million; Building, $13.5 million; and Specialty Contractors, $156.2 million. The balances presented include historical accumulated impairment of $76.7 million for the Civil segment and $411.3 million for the Building segment.

In addition, as of December 31, 2016, the Company had the following: (1) non-amortizable trade names with a carrying value of $50.4 million; (2) amortizable trade names with a gross carrying value of $51.1 million and accumulated amortization of $13.8 million; and (3) amortizable customer relationships with a gross carrying value of $23.2 million and accumulated amortization of $17.9 million.

Amortization expense related to amortizable intangible assets for the year ended December 31, 2016 totaled $3.5 million. Future amortization expense related to amortizable intangible assets will be approximately $3.5 million per year for the years 2017 through 2021.

The weighted-average amortization period for amortizable trade names and customer relationships is 20 years and 12 years, respectively.

5. Financial Commitments

Long-Term Debt

Long-term debt as of December 31, 2016 consists of the following (in thousands):

Term Loan	$ 54,650
2014 Revolver	147,990
2010 Notes	298,120
Convertible Notes	152,668
Equipment financing and mortgages	101,558
Other indebtedness	4,533
Total debt	759,519
Less – current maturities	(85,890)
Long-term debt, net	$ 673,629

The following table reconciles the outstanding debt balance to the reported debt balances as of December 31, 2016 (in thousands):

	As of December 31, 2016		
	Outstanding Long-Term Debt	Unamortized Discount and Issuance Cost	Long-Term Debt, as reported
Term Loan	$ 57,000	$ (2,350)	$ 54,650
2014 Revolver	152,500	(4,510)	147,990
2010 Notes	300,000	(1,880)	298,120
Convertible Notes	200,000	(47,332)	152,668

2014 Credit Facility

On June 5, 2014, the Company entered into a Sixth Amended and Restated Credit Agreement (the "Original Facility," with subsequent amendments discussed herein, the "2014 Credit Facility") with Bank of America, N.A. as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. The 2014 Credit Facility provides for a $300 million revolving credit facility (the "2014 Revolver"), a $250 million Term Loan (the "Term Loan") and a sublimit for the issuance of letters of credit up to the aggregate amount of $150 million, all maturing on May 1, 2018. Borrowings under both the 2014 Revolver and the Term Loan bear interest based on either on Bank of America's prime lending rate or the London Interbank Offered Rate ("LIBOR"), each plus an applicable margin ranging from 1.25% to 3.00% contingent upon the latest Consolidated Leverage Ratio.

During the first half of 2016, the Company entered into two amendments to the Original Facility (the "Amendments"): Waiver and Amendment No. 1, entered into on February 26, 2016 ("Amendment No. 1"), and Consent and Amendment No. 2, entered into on June 8, 2016 ("Amendment No. 2"). In Amendment No. 1, the lenders waived the Company's violation of its consolidated leverage ratio covenant and consolidated fixed charge coverage ratio covenant. These violations were the result of the Company's financial results for the year ended December 31, 2015, which included the previously reported $23.9 million non-cash, pre-tax charge related to an adverse ruling on the Brightwater litigation matter in the third quarter of 2015, as well as $45.6 million of pre-tax charges in the third and fourth quarters of 2015 for various Five Star Electric projects. In Amendment No. 2, the lenders consented to the issuance of the Convertible Notes subject to certain conditions, including the prepayment of $125 million on the Term Loan and the paydown of $69 million on the 2014 Revolver, and consented to a potential sale transaction of one of the Company's business units in its Building segment, which the Company later decided not to sell.

In addition to the Amendments' provisions discussed above, the Amendments also modified other provisions and added new provisions to the Original Facility, and Amendment No. 2 superseded and modified some of the provisions of Amendment No. 1. The following reflects the more significant changes to the Original Facility and the results of the Amendments that are now reflected in the 2014 Credit Facility. Unless otherwise noted, the changes below were primarily the result of Amendment No. 1: (1) The Company may utilize LIBOR-based borrowings. (Amendment No. 1 precluded the use of LIBOR-based borrowings until the Company filed its compliance certificate for the fourth quarter of 2016; however, Amendment No. 2 negated this preclusion.) (2) The Company is subject to an increased rate on borrowings, with such rate being 100 basis points higher than the highest rate under the Original Facility if the Company's consolidated leverage ratio is greater than 3.50:1.00 but not more than 4.00:1.00, and an additional 100 basis points higher if the Company's consolidated leverage ratio is greater than 4.00:1.00. (3) The Company will be subject to increased commitment fees if the Company's consolidated leverage ratio is greater than 3.50:1.00. (4) The impact of the Brightwater litigation matter in the third quarter of 2015 is to be excluded from the calculation of the Company's consolidated leverage ratio and

consolidated fixed charge coverage ratio covenants. (5) Interest payments are due on a monthly basis; however, if the Company is in compliance with its consolidated leverage ratio and consolidated fixed charge coverage ratio covenants provided in the Original Facility as of December 31, 2016, the timing of interest payments will revert to the terms of the Original Facility. As of December 31, 2016, the Company is in compliance with its consolidated leverage ratio and consolidated fixed charge coverage ratio covenants provided in the Original Facility and the timing of our interest payments reverted back to the terms of the Original Facility, quarterly for the Term Loan and base rate borrowings and upon maturity for Eurodollar borrowings. (6) The accordion feature of the Original Facility, which would have allowed either an increase of $300 million in the 2014 Revolver or the establishment of one or more new term loan commitments, is no longer available. (7) The Company's maximum allowable consolidated leverage ratio was increased to 4.25:1.00 for the first, second and third quarters of 2016 after which it returns to the Original Facility's range of 3.25:1.00 to 3.00:1.00. (Amendment No. 1 increased the Company's maximum allowable consolidated leverage ratio covenant requirements to 4.25:1.00 for the first quarter of 2016 and 4.0:1.0 for the second and third quarters of 2016. Amendment No. 2 increased the maximum allowable consolidated leverage ratio covenant requirements to 4.25:1.00 for the second and third quarters of 2016.) (8) The Company is subject to additional covenants regarding its liquidity, including a cap on the cash balance in the Company's bank account and a weekly minimum liquidity requirement (based on specified available cash balances and availability under the 2014 Revolver). (9) The Company is required to achieve certain cumulative quarterly cash collection milestones, which were eased somewhat in Amendment No. 2. (10) The Company is required to make additional quarterly principal payments, which will be applied to the Term Loan balloon payment, with some of the payments based on a percentage of certain forecasted cash collections for the prior quarter. This change was effective in the fourth quarter of 2016. (11) The lenders' collateral package was increased by pledging to the lenders (i) the equity interests of each direct domestic subsidiary of the Company and (ii) 65% of the stock of each material first-tier foreign restricted subsidiary of the Company. (12) The 2014 Credit Facility will now mature on May 1, 2018, as opposed to June 5, 2019, the maturity date of the Original Facility.

As of December 31, 2016, there was $147.3 million available under the 2014 Revolver and the Company had utilized the 2014 Credit Facility for letters of credit in the amount of $0.2 million. The Company was in compliance with the financial covenants under the 2014 Credit Facility for the period ended December 31, 2016. As of December 31, 2016, the effective interest rate on the Term Loan and the 2014 Revolver was 4.68% and 5.05%, respectively.

2010 Senior Notes

In October 2010, the Company issued $300 million of 7.625% Senior Notes due November 1, 2018 (the "2010 Notes") in a private placement offering. Interest on the 2010 Notes is payable semi-annually on May 1 and November 1 of each year. The Company may redeem the 2010 Notes at par beginning on November 1, 2016, which was not exercised as of December 31, 2016. At the date of any redemption, any accrued and unpaid interest would also be due.

Convertible Notes

On June 15, 2016, the Company issued $200 million of 2.875% Convertible Senior Notes due June 15, 2021 (the "Convertible Notes") in a private placement offering.

To account for the Convertible Notes, the Company applied the provisions of ASC 470-20, *Debt with Conversion and Other Options*. ASC 470-20 requires issuers of certain convertible debt instruments that may be settled in cash upon conversion to separately account for the liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's nonconvertible debt borrowing rate. This is done by allocating the proceeds from issuance to the liability component based on the fair value of the debt instrument excluding the conversion feature, with the residual allocated to the equity component and classified in additional paid in capital. The $46.8 million difference between the principal amount of the Convertible Notes ($200.0 million) and the proceeds allocated to the liability component ($153.2 million) is treated as a discount on the Convertible Notes. This difference is being amortized as non-cash interest expense using the interest method, as discussed below under *Interest Expense*. The equity component, however, is not subject to amortization nor subsequent remeasurement.

In addition, ASC 470-20 requires that the debt issuance costs associated with a convertible debt instrument be allocated between the liability and equity components in proportion to the allocation of the debt proceeds between these two components. The debt issuance costs attributable to the liability component of the Convertible Notes ($5.1 million) are also treated as a discount on the Convertible Notes and amortized as non-cash interest expense. The debt issuance costs attributable to the equity component ($1.5 million) were netted with the equity component and will not be amortized.

The following table presents information related to the liability and equity components of the Convertible Notes as of December 31, 2016 (in thousands):

Liability component:	
Principal	$ 200,000
Conversion feature	(46,800)
Allocated debt issuance costs	(5,051)
Amortization of discount and debt issuance costs (non-cash interest expense)	4,519
Net carrying amount	$ 152,668
Equity component:	
Conversion feature	$ 46,800
Allocated debt issuance costs	(1,543)
Net deferred tax liability	(18,815)
Net carrying amount	$ 26,442

The Convertible Notes, governed by the terms of an indenture between the Company and Wilmington Trust, National Association, as trustee, are unsecured obligations and do not contain any financial covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by the Company. The Convertible Notes bear interest at a rate of 2.875% per year, payable in cash semiannually in June and December.

Prior to January 15, 2021, the Convertible Notes will be convertible only under the following circumstances: (1) during the five business day period after any ten consecutive trading day period in which the trading price per $1,000 principal amount of Convertible Notes for such trading day was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; (2) during any calendar quarter commencing after the calendar quarter ending on September 30, 2016, if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion rate of 33.0579 (or $39.32), on each applicable trading day; or (3) upon the occurrence of specified corporate events. On or after January 15, 2021 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes, in multiples of $1,000 principal amount, at the option of the holder regardless of the foregoing circumstances.

The Convertible Notes will be convertible at an initial conversion rate of 33.0579 shares of the Company's common stock per $1,000 principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately $30.25. The conversion rate will be subject to adjustment for some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, the Company is required to increase, in certain circumstances, the conversion rate for a holder who elects to convert their Convertible Notes in connection with such a corporate event including customary conversion rate adjustments in connection with a "make-whole fundamental change" described in the indenture. Upon conversion, and at the Company's election, the Company may satisfy its conversion obligation by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock. As of December 31, 2016, none of the conversion provisions of the Convertible Notes have been triggered.

Equipment Financing and Mortgages

The Company has certain loans entered into for the purchase of specific property, plant and equipment and secured by the assets purchased. The aggregate balance of equipment financing loans was approximately $84.9 million at December 31, 2016 with interest rates ranging from 1.90% to 5.93% with equal monthly installment payments over periods up to ten years with additional balloon payments of $12.4 million in 2021 and $6.3 million in 2022 on the remaining loans outstanding at December 31, 2016. The aggregate balance of mortgage loans was approximately $16.7 million at December 31, 2016 with interest rates ranging from a fixed 2.50% to LIBOR plus 3% and equal monthly installment payments over periods up to seven years with additional balloon payments of $2.6 million in 2018, $2.9 million in 2021 and $6.7 million in 2023.

The following table presents the future principal payments required under all of the Company's debt obligations, discussed above, including the terms of the Amendments (in thousands).

Year	
2017	$ 85,890
2018	478,583
2019	12,294
2020	5,378
2021	218,923
Thereafter	14,523
	815,591
Less: Unamortized Discount and Issuance Cost	(56,072)
Total	$ 759,519

Interest Expense

Interest Expense as reported in the Consolidated Statement of Operations for the year ended December 31, 2016 consists of the following (in thousands):

Cash interest expense:	
Interest on 2014 Credit Facility	$ 19,201
Interest on 2010 Senior Notes	22,875
Interest on Convertible Notes	3,115
Other interest	3,623
Total cash interest expense	48,814
Non-cash interest expense:[(a)]	
Amortization of debt issuance costs on 2014 Credit Facility	5,447
Amortization of discount and debt issuance costs on 2010 Senior Notes	1,002
Amortization of discount and debt issuance costs on Convertible Notes	4,519
Total non-cash interest expense	10,968
Total cash and non-cash interest expense	$ 59,782

(a) Non-cash interest expense produces effective interest rates that are higher than contractual rates; accordingly, the effective interest rates for the 2014 Credit Facility, the 2010 Senior Notes and the Convertible Notes are 9.86%, 7.99% and 9.39%, respectively.

Leases

The Company leases certain construction equipment, vehicles and office space under non-cancellable operating leases, with future minimum rent payments as of December 31, 2016 as follows (in thousands):

Year	
2017	$ 22,950
2018	13,612
2019	9,983
2020	7,417
2021	5,455
Thereafter	19,260
	78,677
Less - Sublease rental agreements	(3,150)
Total	$ 75,527

Rental expense under operating leases of construction equipment, vehicles and office space was $28.2 million in 2016.

6. Income Taxes

Income before taxes for the year ended December 31, 2016 is summarized as follows (in thousands):

United States Operations	$ 128,072
Foreign Operations	21,043
Total	$ 149,115

The provision for income taxes for the year ended December 31, 2016 is as follows (in thousands):

Current expense:	
Federal	$ 43,850
State	13,039
Foreign	6,573
Total current	63,462
Deferred (benefit) expense:	
Federal	(3,054)
State	(5,302)
Foreign	(1,813)
Total deferred	(10,169)
Total provision	$ 53,293

The following table is a reconciliation of the Company's provision for income taxes at the statutory rates to the provision for income taxes at the Company's effective rate for the year ended December 31, 2016 (dollars in thousands).

	Amount	Rate
Federal income expense at statutory tax rate	$ 52,190	35.0 %
State income taxes, net of federal tax benefit	5,972	4.0
Officers' compensation	3,807	2.6
Domestic Production Activities Deduction	(4,018)	(2.7)
Impact of state tax rate changes on deferred taxes	(1,358)	(0.9)
Other	(3,300)	(2.3)
Provision for income taxes	$ 53,293	35.7 %

The Company's provision for income taxes and effective tax rate for the year ended December 31, 2016 were significantly impacted by rate changes associated with shifts of revenue affecting state apportionment as well as various return-to-provision and depreciation adjustments. The decrease in the state rate was applied to deferred tax balances, which further decreased the effective rate.

The following is a summary of the significant components of the deferred tax assets and liabilities as of December 31, 2016 (in thousands):

Deferred Tax Assets	
Timing of expense recognition	$ 36,055
Net operating losses	10,140
Other, net	33,507
Deferred tax assets	79,702
Valuation allowance	(460)
Net deferred tax assets	79,242
Deferred Tax Liabilities	
Intangible assets, due primarily to purchase accounting	(34,679)
Fixed assets, due primarily to purchase accounting	(107,081)
Construction contract accounting	(12,564)
Joint ventures - construction	(29,609)
Other	(24,970)
Deferred tax liabilities	(208,903)
Net deferred tax liability	$ (129,661)

The net deferred tax liability as of December 31, 2016 is presented in the Consolidated Balance Sheet as follows (in thousands):

Deferred tax asset	$ 1,346
Deferred tax liability	(131,007)
Net deferred tax liability	$ (129,661)

The Company had a valuation allowance of $0.5 million as of December 31, 2016 for federal and state capital loss carryforwards as the ultimate utilization of this item was not likely.

The Company has not provided for deferred income taxes or foreign withholding tax on basis differences in its non-U.S. subsidiaries that result from undistributed earnings aggregating $19.7 million which the Company has the intent and the ability to reinvest in its foreign operations. Generally, the U.S. income taxes imposed upon repatriation of undistributed earnings would be reduced by foreign tax credits from foreign income taxes paid on the earnings. Determination of the deferred income tax liability on these basis differences is not reasonably estimable because such liability, if any, is dependent on circumstances existing if and when remittance occurs.

The Company's policy is to record interest and penalties on unrecognized tax benefits as an element of income tax expense. The cumulative amounts related to interest and penalties are added to the total unrecognized tax liabilities on the balance sheet. The total amount of gross unrecognized tax benefits as of December 31, 2016 that, if recognized, would affect the effective tax rate is $7.6 million. During 2016, the Company recognized a net increase of $4.0 million in liabilities. The Company does not expect any significant release of unrecognized tax benefits within the next twelve months.

The Company accounts for its uncertain tax positions in accordance with GAAP. A reconciliation of the beginning and ending amounts of these tax benefits for the year ended December 31, 2016 is as follows (in thousands):

Beginning balance	$ 3,612
Change in tax positions of prior years	3,543
Change in tax positions of current year	419
Reduction in tax positions for statute expirations	—
Ending Balance	$ 7,574

We conduct business internationally and, as a result, one or more of our subsidiaries files income tax returns in U.S. federal, U.S. state and certain foreign jurisdictions. Accordingly, in the normal course of business, we are subject to examination by taxing authorities principally throughout the United States, Guam and Canada. We are no longer under examination by the taxing authority regarding any U.S. federal income tax returns for years before 2011 while the years open for examination under various state and local jurisdictions vary.

7. Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its customers have made claims arising from the performance under their contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, assets and liabilities may change in the future due to various factors. Management believes that, based on current information and discussions with the Company's legal counsel, the ultimate resolution of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations, or cash flows.

Several matters are in the litigation and dispute resolution process. The following discussion provides a background and current status of the more significant matters.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange project for the New York State Department of Transportation (the "NYSDOT"). The $130 million project was substantially completed in January 2004 and was accepted by the NYSDOT as complete in February 2006. The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, seeking damages in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT which resulted in an amount of $0.5 million payable to the Company and formally closed out the project allowing the Company to re-file its claim. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012. In May 2012, the NYSDOT served its answer and counterclaims in the amount of $151 million alleging fraud in the inducement and punitive damages related to disadvantaged business enterprise ("DBE") requirements for the project. The Court subsequently ruled that NYSDOT's counterclaims may only be asserted as a defense and offset to the Company's claims and not as affirmative claims. In November 2014, the Appellate Division First Department affirmed the dismissal of the City's affirmative defenses and affirmative counterclaims based on DBE fraud. The Company does not expect the counterclaims to have any material effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Fontainebleau Matter

Desert Mechanical Inc. ("DMI") and Fisk Electric Company ("Fisk"), wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida. Fontainebleau is headquartered in Miami, Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc., the general contractor, in the 8th Judicial District Court, Clark County, Nevada (the "District Court"), and in May 2010, the court entered an order in favor of DMI for approximately $45 million.

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC, and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens, there was approximately $125 million set aside from this sale, which is available for distribution to satisfy the creditor claims based on seniority. At that time, the total estimated sustainable lien amount was approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court ruled in October 2012 in an advisory opinion at the request of the Bankruptcy Court that lien priorities would be determined in favor of the mechanic lien holders under Nevada law.

In October 2013, a settlement was reached by and among the Statutory Lienholders and the other interested parties. The Bankruptcy Court appointed a mediator to facilitate the execution of that settlement agreement. Settlement discussions are ongoing.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges project for the City of New York (the "City"). In June 2003, after substantial completion of the project, the Company initiated an action to recover $8.8 million in claims against the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6 million and other relief, alleging fraud in connection with the DBE requirements for the project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. In August 2013, the Court granted the Company's motion to dismiss the City's affirmative defenses and counterclaims relating to fraud.

In January 2017, the Court granted the City's motion for summary judgment and dismissed the Company's claim against the City of New York. The Company has filed a notice of appeal. The Court also granted the Company's motion for summary judgment for release of retention plus interest from 2010 for an aggregate amount of approximately $1.1 million.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, contracted to construct a timeshare development project in Las Vegas which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in the amount of $23.2 million, and filed its complaint with the District Court, Clark County, Nevada. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. WPH has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs, and liquidated damages. WPH revised the amount of their counterclaims to approximately $45 million.

Following multiple post-trial motions, final judgment was entered in this matter on March 20, 2014. TSC was awarded total judgment in the amount of $19.7 million on its breach of contract claim, which includes an award of interest up through the date of judgment, plus attorney's fees and costs. WPH has paid $0.6 million of that judgment. WPH was awarded total judgment in the amount of $3.1 million on its construction defect claims, which includes interest up through the date of judgment. The awards are not offsetting. WPH and its Sureties have filed a notice of appeal. TSC has filed a notice of appeal on the defect award. In July 2014, the Court ordered WPH to post an additional supersedeas bond on appeal, in the amount of $1.7 million, in addition to the lien release bond of $22.3 million, which increases the security up to $24.0 million. The Nevada Supreme Court has not yet ruled on this matter.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

U.S. Department of Commerce, National Oceanic and Atmospheric Administration Matter

Rudolph and Sletten, Inc. ("R&S"), a wholly owned subsidiary of the Company, entered into a contract with the United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") for the construction of a 287,000 square-foot facility for NOAA's Southwest Fisheries Science Center Replacement Headquarters and Laboratory in La Jolla, California. The contract work began on May 24, 2010, and was substantially completed in September 2012. R&S incurred significant additional costs as a result of a design that contained errors and omissions, NOAA's unwillingness to correct design flaws in a timely fashion and a refusal to negotiate the time and pricing associated with change order work.

R&S has filed three certified claims against NOAA for contract adjustments related to the unresolved Owner change orders, delays, design deficiencies and other claims. The First Certified Claim was submitted on August 20, 2013, in the amount of $26.8 million

("First Certified Claim") and the Second Certified Claim was submitted on October 30, 2013, in the amount of $2.6 million ("Second Certified Claim") and the Third Certified Claim was submitted on October 1, 2014 in the amount of $0.7 million ("Third Certified Claim").

NOAA requested an extension to issue a decision on the First Certified Claim and on the Third Certified Claim, but did not request an extension of time to review the Second Certified Claim. On January 6, 2014, R&S filed suit in the United States Federal Court of Claims on the Second Certified Claim plus interest and attorney's fees and costs. This was followed by a submission of a lawsuit on the First Certified Claim on July 31, 2014. In February 2015, the Court denied NOAA's motion to dismiss the Second Certified Claim. In March 2015, the Contracting Officer issued decisions on all Claims accepting a total of approximately $1.0 million of claims and denying approximately $29.5 million of claims. On April 14, 2015, the Court consolidated the cases. Trial is scheduled to commence in December 2017.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Five Star Electric Matter

In the third quarter of 2015, Five Star Electric Corp. ("Five Star"), a subsidiary of the Company that was acquired in 2011, entered into a tolling agreement related to an ongoing investigation being conducted by the United States Attorney for the Eastern District of New York ("USAO EDNY"). The tolling agreement extended the statute of limitations to avoid the expiration of any unexpired statute of limitations while the investigation is pending. Five Star has been cooperating with the USAO EDNY since late June 2014, when it was first made aware of the investigation, and has been providing information related to its use of certain minority-owned, women-owned, small and disadvantaged business enterprises and, in addition, most recently, information regarding certain of Five Star's employee compensation, benefit and tax practices. The investigation covers the period of 2005-2014.

The Company cannot predict the ultimate outcome of the investigation and cannot accurately estimate any potential liability that Five Star or the Company may incur or the impact of the results of the investigation on Five Star or the Company.

Alaskan Way Viaduct Matter

In January 2011, Seattle Tunnel Partners ("STP"), a joint venture between Dragados USA, Inc. and the Company, entered into a design-build contract with the Washington State Department of Transportation ("WSDOT") for the construction of a large diameter bored tunnel in downtown Seattle, King County, Washington to replace the Alaskan Way Viaduct, also known as State Route 99.

The construction of the large diameter bored tunnel requires the use of a tunnel boring machine ("TBM"). In December 2013, the TBM struck a steel pipe, installed by WSDOT as a well casing for an exploratory well. The TBM was damaged and was required to be shut down for repair. STP has asserted that the steel pipe casing was a differing site condition that WSDOT failed to properly disclose. The Disputes Review Board mandated by the contract to hear disputes issued a decision finding the steel casing was a Type I differing site condition. WSDOT has not accepted that finding.

The TBM is insured under a Builder's Risk Insurance Policy ("the Policy") with Great Lakes Reinsurance (UK) PLC and a consortium of other insurers (the "Insurers"). STP submitted the claims to the insurer and requested interim payments under the Policy. The Insurers refused to pay and denied coverage. In June 2015, STP filed a lawsuit in the King County Superior Court, State of Washington ("Washington Superior Court") seeking declaratory relief concerning contract interpretation as well as damages as a result of the Insurers' breach of its obligations under the terms of the Policy. WSDOT is deemed a plaintiff since WSDOT is an insured under the Policy and had filed its own claim for damages. Hitachi, the manufacturer of the TBM, has also joined the case as a plaintiff for costs incurred to repair the damages to the TBM. Trial is scheduled for June 2018.

In March 2016, WSDOT filed a complaint against STP in Thurston County Superior Court for breach of contract alleging STP's delays and failure to perform and declaratory relief concerning contract interpretation. STP filed its answer to WSDOT's complaint and filed a counterclaim against WSDOT and against the manufacturer of the TBM. Trial is set for June 2018.

As of December 31, 2016, the Company has concluded that the potential for a material adverse financial impact due to the Insurer's and WSDOT's respective legal actions is neither probable nor remote. With respect to STP's counterclaim, management has included an estimate of the total anticipated recovery, concluded to be both probable and reliably estimable, in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

8. Share-Based Compensation

The Amended and Restated Tutor Perini Corporation Long-Term Incentive Plan (the "Plan") provides for various types of share-based grants, including restricted and unrestricted stock units and stock options. Restricted and unrestricted stock units give the holder the right to exchange their stock units for shares of the Company's common stock on a one-for-one basis. Stock options give the holder the right to purchase shares of the Company's common stock at an exercise price equal to the fair value of the Company's common stock on the date of the stock option's award. Restricted stock units and stock options are usually subject to certain service and performance conditions and may not be sold or otherwise transferred until those restrictions have been satisfied; however, unrestricted stock units have no such restrictions. The term for stock options is limited to 10 years from the date of grant. As of December 31, 2016, there were 327,584 shares available to be granted under the Company's share-based compensation plan.

Many of the awards issued under the Plan contain separate tranches, each for a separate performance period and each with a performance target to be established subsequent to the award date; accordingly, the tranches are accounted for under ASC 718 *Stock Compensation* ("ASC 718") as separate grants, with the grant date being the date the performance targets for a given tranche are established and communicated to the grantee. Similarly, for these awards, compliance with the requirements of the Plan is also based on the number of units granted in a given year, as determined by ASC 718, rather than the number of units awarded in a given year. As a result, as of December 31, 2016, the Company had outstanding awards with 448,000 restricted stock units and 448,000 stock options that had not been granted yet. These units will be granted in 2017, 2018 and 2019 when the performance targets for those respective years are established.

The following table summarizes restricted stock unit and stock option activity during the year ended December 31, 2016:

	Restricted Stock Units		Stock Options	
	Number	Weighted-Average Grant Date Fair Value Per Share	Number	Weighted-Average Exercise/ (Strike) Price Per Share
Outstanding as of December 31, 2015	725,597	$ 25.28	1,998,000	$ 19.62
Granted	483,387	19.14	274,000	16.20
Vested/exercised	(52,500)	18.74	(97,500)	12.72
Outstanding as of December 31, 2016	1,156,484	$ 22.64	2,174,500	$ 19.50

The following table summarizes unrestricted stock units issued to the members of the Company's Board of Directors during the year ended December 31, 2016 as part of their annual retainers:

	Unrestricted Stock Units	
Year	Number	Weighted-Average Grant Date Fair Value Per Share
2016	64,603	$21.67

The fair value of unrestricted stock units issued during 2016 was approximately $1.4 million.

The fair value of restricted stock units that vested during 2016 was approximately $1.0 million. The aggregate intrinsic value, representing the difference between the market value on the date of exercise and the option price of the stock options exercised during 2016 was $1.1 million. As of December 31, 2016, the balance of unamortized restricted stock and stock option expense was $6.5 million and $0.7 million, respectively, which will be recognized over weighted-average periods of 1.3 years for restricted stock units and 0.5 years for stock options.

The 2,174,500 outstanding stock options as of December 31, 2016 had an intrinsic value of $18.5 million and a weighted-average remaining contractual life of 4.3 years. Of those outstanding options: 1) 1,402,500 were exercisable with an intrinsic value of $11.3 million, a weighted-average exercise price of $19.95 per share and a weighted-average remaining contractual life of 3.1 years; and

2) 772,000 have been granted but have not vested, of which 756,876 are expected to vest and have an intrinsic value of $7.2 million, a weighted-average exercise price of $18.49 and a weighted-average remaining contractual life of 6.5 years.

The fair value on the grant date and the significant assumptions used in the Black-Scholes option-pricing model for stock option awards granted during 2016 are as follows:

Total stock options granted		274,000
Weighted-average grant date fair value	$	5.31
Weighted-average assumptions:		
Risk-Free Rate		1.2 %
Expected life of options[a]		4.2
Expected volatility[b]		40.6 %
Expected quarterly dividends	$	—

(a) Calculated using the simplified method due to the terms of the stock options and the limited pool of grantees.
(b) Calculated using historical volatility of the Company's common stock over periods commensurate with the expected life of the option.

For the year ended December 31, 2016, the Company recognized, as part of general and administrative expense, costs for stock-based payment arrangements for both employees of $13.4 million and non-employee directors of $1.4 million with related aggregate tax benefit of $6.1 million.

9. Employee Benefit Plans

Defined Benefit Pension Plan

The Company has a defined benefit pension plan that covers certain of its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The plan is noncontributory and benefits are based on an employee's years of service and "final average earnings," as defined by the plan. The plan provides reduced benefits for early retirement and takes into account offsets for social security benefits. The Company also has an unfunded supplemental retirement plan ("Benefit Equalization Plan") for certain employees whose benefits under the defined benefit pension plan were reduced because of compensation limitations under federal tax laws. Effective June 1, 2004, all benefit accruals under the Company's pension plan and Benefit Equalization Plan were frozen; however, the current vested benefit was preserved. Pension disclosure as presented below includes aggregated amounts for both of the Company's plans, except where otherwise indicated.

The Company historically has used the date of its year-end as its measurement date to determine the funded status of the plan.

The long-term investment goals of our plan are to manage the assets in accordance with the legal requirements of all applicable laws; produce investment returns which maximize return within reasonable and prudent levels of risks; and achieve a fully funded status with regard to current pension liabilities. Some risk must be assumed in order to achieve the investment goals. Investments with the ability to withstand short and intermediate term variability are considered and some interim fluctuations in market value and rates of return are tolerated in order to achieve the plan's longer-term objectives.

The pension plan's assets are managed by a third-party investment manager. The Company monitors investment performance and risk on an ongoing basis.

A summary of net periodic benefit cost for the year ended December 31, 2016 is as follows (in thousands):

Interest cost	$	4,153
Service cost		600
Expected return on plan assets		(4,803)
Recognized net actuarial losses		1,745
Net periodic benefit cost	$	1,695
Actuarial assumptions used to determine net cost:		
Discount rate		4.10 %
Expected return on assets		6.00 %
Rate of increase in compensation		N/A

The target asset allocation for the Company's pension plan by asset category for 2017 and the actual asset allocation as of December 31, 2016 by asset category are as follows:

	Percentage of Plan Assets	
Asset Category	Target Allocation 2017	Actual Allocation 2016
Cash	5 %	4 %
Equity securities:		
Domestic	50	47
International	25	28
Fixed income securities	20	21
Total	100 %	100 %

As of December 31, 2016, plan assets included approximately $39.1 million of investments in hedge funds and equity partnerships which do not have readily determinable fair values. The underlying holdings of the funds were comprised of a combination of assets for which the estimate of fair value is determined using information provided by fund managers.

The Company expects to contribute approximately $2.6 million to its defined benefit pension plan in 2017.

Future benefit payments under the plans are estimated as follows (in thousands):

Year ended December 31,		
2017	$	6,488
2018		6,632
2019		6,691
2020		6,717
2021		6,732
Thereafter		32,722
Total	$	65,982

The following tables provide a reconciliation of the changes in the fair value of plan assets and plan benefit obligations during 2016, and a summary of the funded status as of December 31, 2016 (in thousands).

Change in Fair Value of Plan Assets		
Balance at beginning of year	$	72,296
Actual return on plan assets		(1,909)
Company contribution		2,025
Benefit payments		(6,355)
Balance at end of year	$	66,057

Change in Benefit Obligations	
Balance at beginning of year	$ 105,942
Interest cost	4,153
Service cost	600
Assumption change (gain) loss	308
Actuarial (gain) loss	(967)
Benefit payments	(6,355)
Balance at end of year	$ 103,681
Funded status	$ (37,624)
Amounts recognized in Consolidated Balance Sheet consist of:	
Current liabilities	$ (271)
Long-term liabilities	(37,353)
Net amount recognized in Consolidated Balance Sheet	$ (37,624)
Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive loss	
Net actuarial loss	$ (61,132)
Cumulative Company contributions in excess of net periodic benefit cost	23,508
Net amount recognized in Consolidated Balance Sheet	$ (37,624)

The change in actuarial loss during the period resulting from changed assumptions was $4.3 million in 2016.

The estimated amount of the net accumulated loss that will be amortized from accumulated other comprehensive loss into net period benefit cost in 2017 is $1.8 million.

The discount rate used in determining the accumulated post-retirement benefit obligation was 3.9% as of December 31, 2016. The discount rate used for the accumulated post-retirement obligation was derived using a blend of U.S. Treasury and high-quality corporate bond discount rates.

The expected long-term rate of return on assets assumption was 6.0% for 2016. The expected long-term rate of return on assets assumption was developed considering forward looking capital market assumptions and historical return expectations for each asset class assuming the plans' target asset allocation and full availability of invested assets.

Fund strategies seek to capitalize on inefficiencies identified across different asset classes or markets. Hedge fund strategy types include long-short, event-driven, multi-strategy, equity partnerships and distressed credit.

Plan assets were measured at fair value. The following provides a description of the valuation techniques employed for each major asset class: Corporate equities were valued at the closing price reported on the active market on which the individual securities were purchased.

Registered investment companies are public investment vehicles valued using the Net Asset Value (NAV) of shares held by the plan at year-end. Closely held funds held by the plan, which are only available through private offerings, do not have readily determinable fair values. Estimates of fair value of these funds were determined using the information provided by the fund managers and it is generally based on the net asset value per share or its equivalent. Corporate bonds were valued based on market values quoted by dealers who are market makers in these securities, and by independent pricing services which use multiple valuation techniques that incorporate available market information and proprietary valuation models using market characteristics, such as benchmark yield curve, coupon rates, credit spreads, estimated default rates and other features.

The following table sets forth the plan assets as of December 31, 2016 at fair value in accordance with the fair value hierarchy described in Note 3 (in thousands):

		Fair Value Hierarchy		
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 2,437	$ 2,437	$ —	$ —
Fixed Income	14,023	14,023	—	—
Equities	—	—	—	—
Mutual Funds	10,489	10,489	—	—
	$ 26,949	$ 26,949	$ —	$ —
Closely held funds[a]				
Equity Partnerships	6,931			
Hedge Fund Investments	32,177			
Total closely held funds[a]	39,108			
Total	$ 66,057	$ 26,949	$ —	$ —

(a) Closely held funds in private investment were measured at fair value using NAV and were not categorized in the fair value hierarchy. Although the investments were not categorized within the fair value hierarchy, the holdings of these private investment funds were comprised of a combination of Level 1, 2 and 3 investments, but were not categorized in the fair value hierarchy because they were measured at NAV using the practical expedient. This is a change from prior years' presentation as there is no longer a requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the NAV per share practical expedient.

The plans have benefit obligations in excess of the fair value of each plan's assets as of December 31, 2016 detailed as follows (in thousands):

	Pension Plan	Benefit Equalization Plan	Total
Projected benefit obligation	$ 100,336	$ 3,345	$ 103,681
Accumulated benefit obligation	100,336	3,345	103,681
Fair value of plans' assets	66,057	—	66,057
Projected benefit obligation greater than fair value of plans' assets	$ 34,279	$ 3,345	$ 37,624
Accumulated benefit obligation greater than fair value of plans' assets	$ 34,279	$ 3,345	$ 37,624

Section 401(k) Plans

The Company has several contributory Section 401(k) plans which cover its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The 401(k) expense provision was $4.0 million for the year ended December 31, 2016. The Company's contribution is based on a non-discretionary match of employees' contributions, as defined by each plan.

Cash-Based Compensation Plans

The Company has multiple cash-based compensation plans and a share-based incentive compensation plan for key employees, which are generally based on the Company's achievement of a certain level of profit. For information on the Company's share-based incentive compensation plan, see Note 8.

Multiemployer Plans

In addition to the Company's defined benefit pension and contribution plans discussed above, the Company participates in multiemployer pension plans for its union construction employees. Contributions are based on the hours worked by employees covered under various collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is only liable for its proportionate share of a plan's unfunded vested liability upon termination, or withdrawal from, a plan. The Company currently has no intention of withdrawing from any of the multiemployer pension plans in which it participates and, therefore, has not recognized a liability for its proportionate share of any unfunded vested liabilities associated with these plans.

The following tables summarize key information for the plans that the Company had significant involvement with during the year ended December 31, 2016.

Pension Fund	EIN/Pension Plan Number	Pension Protections Act Zone Status 2016	FIP/RP Status Pending Or Implemented	Company Contributions[a] (in millions)	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
The Pension, Hospitalization and Benefit Plan of the Electrical Industry - Pension Trust Fund	13-6123601/001	Green	N/A	$15.8	No	5/31/2019
Laborers Pension Trust Fund for Northern California	94-6277608	Yellow	Implemented	5.6	No	6/30/2019
Carpenters Pension Trust Fund for Northern California	94-6050970	Red	Implemented	4.4	No	6/30/2019
Excavators Union Local 731 Pension Fund	13-1809825/002	Green	N/A	4.2	No	4/30/2022
Steamfitters Industry Pension Fund	13-6149680/001	Green	N/A	3.9	No	6/30/2017
Iron Workers Locals 40, 361 & 417 Pension Fund	51-6102576/001	Green	Implemented	3.8	No	6/30/2020
Local 147 Construction Workers Retirement Fund	13-6528181	Green	N/A	3.7	No	6/30/2018
Southern California Gunite Workers Pension Fund	95-4354179	Green	N/A	3.5	No	6/30/2019

(a) The Company's contributions as a percentage of total plan contributions were not available for any of our plans.

In addition to the individually significant plans described above, the Company also contributed approximately $38.8 million to other multiemployer pension plans during the year ended December 31, 2016.

10. Business Segments

The Company offers general contracting, pre-construction planning and comprehensive project management services, including planning and scheduling of manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. The Company also offers self-performed construction services: site work, concrete forming and placement, steel erection, electrical, mechanical, plumbing and heating, ventilation and air conditioning (HVAC). As described below, our business is conducted through three segments: Civil, Building and Specialty Contractors. These segments are determined based on how the Company's Chairman and Chief Executive Officer (chief operating decision maker) aggregates business units when evaluating performance and allocating resources.

The Civil segment specializes in public works construction and the replacement and reconstruction of infrastructure. The civil contracting services include construction and rehabilitation of highways, bridges, tunnels, mass-transit systems, and water management and wastewater treatment facilities.

The Building segment has significant experience providing services to a number of specialized building markets for private and public works customers, including the high-rise residential, hospitality and gaming, transportation, health care, commercial and government offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical, industrial and high-tech markets.

The Specialty Contractors segment specializes in electrical, mechanical, plumbing, HVAC, fire protection systems and pneumatically placed concrete for a full range of civil and building construction projects in the industrial, commercial, hospitality and gaming, and mass-transit end markets. This segment provides the Company with unique strengths and capabilities that allow the Company to position itself as a full-service contractor with greater control over scheduled work, project delivery and risk management.

The following table sets forth certain reportable segment information relating to the Company's operations for the year ended December 31, 2016 (in thousands).

	Reportable Segments					
	Civil	Building	Specialty Contractors	Segment Total	Corporate	Consolidated Total
Total revenue	$ 1,830,857	$ 2,146,747	$ 1,234,272	$ 5,211,876	$ —	$ 5,211,876
Elimination of intersegment revenue	(161,894)	(76,906)	—	(238,800)	—	(238,800)
Revenue from external customers	$ 1,668,963	$ 2,069,841	$ 1,234,272	$ 4,973,076	$ —	$ 4,973,076
Income from construction operations	$ 172,668	$ 51,564	$ 37,908	$ 262,140	$ (60,220)[a]	$ 201,920
Capital expenditures	$ 13,541	$ 516	$ 1,005	$ 15,062	$ 681	$ 15,743
Depreciation and amortization [b]	$ 48,561	$ 2,186	$ 5,035	$ 55,782	$ 11,520	$ 67,302

(a) Consists primarily of corporate general and administrative expenses.
(b) Depreciation and amortization is included in income from construction operations.

During the year ended December 31, 2016, the Company recorded the following offsetting adjustments in the Specialty Contractors segment: a favorable adjustment of $14.0 million for a completed project ($0.17 per diluted share) and an unfavorable adjustment of $13.8 million for a project that is substantially complete ($0.16 per diluted share).

The above were the only changes in estimates considered material to the Company's results of operations during the period presented herein.

The following table sets forth the total assets for the reportable segments as of December 31, 2016 (in thousands).

Civil	$ 2,152,123
Building	917,317
Specialty Contractors	813,851
Corporate and other [a]	155,329
Total Assets	$ 4,038,620

(a) Consists principally of cash, equipment, tax-related assets and insurance-related assets, offset by the elimination of assets related to intersegment revenue.

Geographic Information

Information concerning principal geographic areas as of and for the year ended December 31, 2016 is as follows (in thousands):

Revenue:	
United States	$ 4,802,393
Foreign and U.S. territories	170,683
Total	$ 4,973,076
Assets:	
United States	$ 3,911,865
Foreign and U.S. territories	126,755
Total Assets	$ 4,038,620

Reconciliation of Segment Information to Consolidated Amounts

The following table reconciles segment results to the consolidated income before income taxes for the year ended December 31, 2016 (in thousands).

Income from construction operations	$ 201,920
Other income, net	6,977
Interest expense	(59,782)
Income before income taxes	$ 149,115

11. Related Party Transactions

The Company leases certain facilities from an entity owned by Ronald N. Tutor, the Company's Chairman and Chief Executive Officer, at market lease rates. Under these leases the Company paid $2.8 million and recognized expense of $3.2 million for the year ended December 31, 2016.

Raymond R. Oneglia, Vice Chairman of O&G Industries, Inc. ("O&G"), is a director of the Company. The Company occasionally forms construction project joint ventures with O&G, and O&G often provides equipment and services for the projects on customary trade terms. Currently, the Company has a 30% interest in a joint venture for a highway construction project. The payments made by the joint venture to O&G during the year ended December 31, 2016 were immaterial.

Peter Arkley, Senior Managing Director, Construction Services Group, of Alliant Insurance Services, Inc. ("Alliant"), is a director of the Company. The Company uses Alliant for various insurance related services. The associated expense for services provided for the year ended December 31, 2016 was $8.9 million. The Company owed Alliant $5.2 million as of December 31, 2016 for services rendered.

SUPPLEMENTAL CONSOLIDATING INFORMATION

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Bocbo, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Kmotog Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
ASSETS																	
CURRENT ASSETS:																	
Cash	$ 80,831	$ 1,021	$ 1,065	$ 17,492	$ 10,033	$ 47	$ 1	$ 1,169	$ —	$ —	$ 2,425	$ 303	$ 19,218	$ 12,297	$ 201	$ —	$ 146,103
Restricted cash	2,016	—	—	—	401	—	—	—	—	—	—	—	—	1,810	46,277	—	50,504
Accounts receivable, including retainage	405,095	44,727	26,405	78,445	78,831	11,989	108,352	21,141	293,516	96,813	42,813	13,741	29,050	615,519	108,382	(231,519)	1,743,300
Costs and estimated earnings in excess of billings	115,788	75,526	40,935	69,497	14,725	2,969	19,091	13,034	26,741	82,943	21,667	32,630	3,494	380,619	152	(67,385)	831,826
Intercompany notes and receivables	—	—	—	—	—	—	—	—	50,895	—	—	13,743	—	6	—	(64,644)	—
Other current assets	75,742	678	343	4,356	10,543	351	2,648	37	4,385	3,596	1,115	—	6,723	6,177	8,082	(58,753)	66,023
Total current assets	679,472	121,952	68,748	169,790	114,533	15,356	130,092	35,381	375,537	183,352	68,020	59,817	58,485	1,016,428	163,094	(422,301)	2,837,756
PROPERTY AND EQUIPMENT, at cost																	
Land	4,090	—	2,407	492	1,771	—	15,396	—	4,456	—	124	—	8,874	3,284	488	—	41,382
Building and improvements	22,160	—	4,421	1,798	2,663	—	23,547	852	13,236	1,888	3,907	—	12,346	24,015	13,324	—	124,157
Construction equipment	52,015	8,294	14,409	59,840	50,201	22,725	1,415	297	4,910	—	48	—	24,519	7,225	198,255	—	444,153
Other equipment	62,576	70,326	2,644	1	9,627	32	3,678	1,080	9,084	1,864	2,990	183	5,218	9,035	3,379	—	181,717
	140,841	78,620	23,881	62,131	64,262	22,757	44,036	2,229	31,686	3,752	7,069	183	50,957	43,559	215,446	—	791,409
Less accumulated depreciation	(66,103)	(24,262)	(10,836)	(23,270)	(26,909)	(4,032)	(8,683)	(1,599)	(19,123)	(2,492)	(3,583)	(90)	(21,726)	(18,681)	(82,994)	—	(313,783)
Total property and equipment, net	74,738	54,358	13,045	38,861	37,353	18,725	35,353	630	12,563	1,260	3,486	93	29,231	24,878	132,452	—	477,626
INTERCOMPANY NOTES AND RECEIVABLES	—	—	13,832	1	170,521	—	368,561	5,402	138,921	—	—	182,029	10,284	44,005	30,864	(964,420)	—
GOODWILL	571,519	—	—	—	—	—	—	—	—	—	—	—	—	13,487	—	—	585,006
INTANGIBLE ASSETS, NET	92,997	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	92,997
INVESTMENTS IN SUBSIDIARIES	1,812,845	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,812,845)	—
OTHER ASSETS	44,733	3,274	—	—	—	—	3	590	—	9,056	14,688	100	1,827	6,585	54	(35,667)	45,235
TOTAL ASSETS	$ 3,276,304	$ 179,584	$ 95,625	$ 208,652	$ 322,407	$ 34,081	$ 534,609	$ 42,003	$ 527,021	$ 193,668	$ 86,186	$ 242,039	$ 99,827	$ 1,105,383	$ 326,464	$ (3,235,233)	$ 4,038,620
LIABILITIES AND STOCKHOLDERS' EQUITY																	
CURRENT LIABILITIES:																	
Current maturities of long-term debt	$ 122,166	$ 2,426	$ —	$ 2,331	$ 2,973	$ 2,722	$ —	$ —	$ —	$ —	$ —	$ —	$ 700	$ 582	$ 11,990	$ (60,000)	$ 85,890
Accounts payable, including retainage	265,317	6,977	25,277	21,894	62,799	2,953	96,703	19,750	324,751	95,333	46,170	51,875	11,229	187,389	2,648	(226,249)	994,016
Billings in excess of costs and estimated earnings	102,373	—	13,328	12,391	11,586	88	2,081	708	36,748	951	10,773	6,702	15,461	118,763	19,730	(20,571)	331,112
Intercompany notes and advances payable-short term	13,697	—	—	—	—	—	—	—	—	—	—	—	—	—	50,941	(64,638)	—
Accrued expenses and other current liabilities	59,878	2,215	229	6,313	8,139	940	—	356	14,037	2,530	7,771	1,240	6,665	27,150	21,140	(50,678)	107,925
Total current liabilities	563,431	11,618	38,834	42,129	85,497	6,703	98,784	20,814	375,536	98,814	64,714	59,817	34,055	333,884	106,449	(422,136)	1,518,943
LONG TERM DEBT, less current maturities	614,607	20,677	—	637	3,972	9,339	—	—	—	—	—	—	5,036	9,036	16,320	(5,995)	673,629
DEFERRED INCOME TAXES	16,475	36,975	3,365	16,423	18,608	5,146	247	—	357	—	—	—	963	13,251	46,404	(27,207)	131,007
OTHER LONG-TERM LIABILITIES	111,108	1,727	—	—	—	—	—	567	—	—	—	—	—	—	48,619	(3)	162,018
INTERCOMPANY NOTES & ADVANCES PAYABLE	417,660	57,448	1,582	63,814	—	10,618	2,797	8	—	86,056	2,222	423	—	296,985	241	(939,854)	—
STOCKHOLDERS' EQUITY:																	
Treasury Stock-Perini	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(658)	658	—
Common stock	49,211	—	7	1	2,231	10	95	4	11	—	3	1	1,499	7	711	(4,580)	49,211
Additional paid-in capital	1,075,600	27,406	1	56,297	37,167	—	—	279	6,303	10,000	22,439	—	14,251	226,117	188,319	(590,579)	1,075,600
Retained earnings (deficit)	473,625	23,733	51,836	36,206	174,932	2,265	432,686	20,331	144,814	(1,202)	(3,192)	181,798	43,591	226,054	(79,941)	(1,253,911)	473,625
Accumulated other comprehensive income (loss)	(45,453)	—	—	(6,855)	—	—	—	—	—	—	—	—	(1,568)	49	—	8,374	(45,453)
Total stockholders' equity	1,553,023	51,139	51,844	85,649	214,330	2,275	432,781	20,614	151,128	8,798	19,250	181,799	59,773	452,227	108,431	(1,840,038)	1,553,023
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,276,304	$ 179,584	$ 95,625	$ 208,652	$ 322,407	$ 34,081	$ 534,609	$ 42,003	$ 527,021	$ 193,668	$ 86,186	$ 242,039	$ 99,827	$ 1,105,383	$ 326,464	$ (3,235,233)	$ 4,038,620

NOTES

(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture assets and liabilities are included in the respective amounts shown above.
(4) Consolidating Balance Sheet does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.
(5) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Axtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(6) Management has determined the allocation of intercompany notes and receivable (or advance payable) balances between current assets (liabilities) and noncurrent assets (liabilities) based upon management's intent as to when such amounts will be settled.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Berbe, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Kenzing Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
REVENUE	$ 963,623	$ 25,615	$ 80,875	$ 251,333	$ 438,591	$ 15,990	$ 380,277	$ 26,568	$ 1,387,801	$ 161,871	$ 196,361	$ 89,875	$ 120,803	$ 1,234,273	$ 42,549	$ (363,429)	$ 4,973,076
COST OF OPERATIONS	(851,562)	(26,159)	(73,621)	(216,481)	(372,072)	(13,828)	(358,199)	(25,851)	(1,260,375)	(160,134)	(183,077)	(80,218)	(100,759)	(1,136,118)	(20,861)	363,429	(4,515,886)
GROSS PROFIT	112,061	(544)	7,254	34,852	66,519	2,162	22,178	717	47,426	1,737	13,284	9,657	20,044	98,155	21,688	—	457,190
General and administrative expenses	(85,017)	(44)	(4,008)	(14,024)	(14,540)	(2,439)	(14,628)	(1,309)	(20,294)	(5,497)	(8,159)	(6,485)	(8,497)	(68,367)	(1,962)	—	(255,270)
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	27,044	(588)	3,246	20,828	51,979	(277)	7,550	(592)	27,132	(3,760)	5,125	3,172	11,547	29,788	19,726	—	201,920
Equity in earnings of subsidiaries	115,644	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(115,644)	—
Other income (expense), net	893	308	—	341	954	1,456	5	46	1	12	(2)	32	208	2,265	1,669	(1,211)	6,977
Interest expense	(58,788)	(31)	(1)	(95)	(245)	(458)	—	—	—	—	—	—	(187)	(337)	(851)	1,211	(59,782)
INCOME (LOSS) BEFORE INCOME TAXES	84,793	(311)	3,245	21,074	52,688	721	7,555	(546)	27,133	(3,748)	5,123	3,204	11,568	31,716	20,544	(115,644)	149,115
(Provision) benefit for income taxes	11,029	110	(1,159)	(7,532)	(18,830)	(258)	(2,699)	195	(9,697)	1,339	(1,832)	(1,145)	(4,135)	(11,336)	(7,343)	—	(53,293)
NET INCOME (LOSS)	$ 95,822	$ (201)	$ 2,086	$ 13,542	$ 33,858	$ 463	$ 4,856	$ (351)	$ 17,436	$ (2,409)	$ 3,291	$ 2,059	$ 7,433	$ 20,380	$ 13,201	$ (115,644)	$ 95,822

NOTES.
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture net income (loss) is included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Auriech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fish Electric Company.
(5) The Company applied the consolidated effective tax rate when computing the tax provision of the respective consolidating entities.

Doc. No. 35GL-19-0588.*

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Bocha, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
BALANCE - December 31, 2015	$ 377,803	$ 23,934	$ 49,750	$ 22,664	$ 141,074	$ 1,802	$ 427,830	$ 20,682	$ 127,378	$ 1,207	$ (6,483)	$ 179,739	$ 36,158	$ 205,674	$ (93,142)	$ (1,138,267)	$ 377,803
Net income (loss)	95,822	(201)	2,086	13,542	33,858	463	4,856	(351)	17,436	(2,409)	3,291	2,059	7,433	20,380	13,201	(115,644)	95,822
BALANCE - December 31, 2016	$ 473,625	$ 23,733	$ 51,836	$ 36,206	$ 174,932	$ 2,265	$ 432,686	$ 20,331	$ 144,814	$ (1,202)	$ (3,192)	$ 181,798	$ 43,591	$ 226,054	$ (79,941)	$ (1,253,911)	$ 473,625

NOTES.
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture activities are included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Landis Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES																	
Net income (loss)	$ 95,822	$ (201)	$ 2,086	$ 13,542	$ 33,858	$ 463	$ 4,856	$ (351)	$ 17,436	$ (2,409)	$ 3,291	$ 2,059	$ 7,433	$ 20,380	$ 13,201	$ (115,644)	$ 95,822
Adjustments to reconcile net income to net cash from operating activities:																	
Depreciation	31,660	5,638	565	4,732	2,458	1,490	849	94	599	209	363	29	1,861	3,232	9,980	—	63,759
Amortization of intangible assets, change in debt discount and debt issuance costs	14,511	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	14,511
Equity in earnings of subsidiaries	(115,644)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	115,644	—
Share-based compensation expense	13,423	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13,423
Excess income tax benefit from stock-based compensation	(269)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(269)
Deferred income taxes	2,877	(38,288)	(1,726)	1,018	7,364	1,810	(4,565)	408	425	(13,917)	409	26	(10)	738	33,262	—	(10,169)
(Gain) loss on sale of property and equipment	138	—	31	—	(62)	88	—	—	2	—	4	—	168	(2)	86	—	453
Other long-term liabilities	4,768	—	—	—	—	—	(3)	(40)	(945)	—	—	—	—	—	24,430	—	28,210
Other non-cash items	(1,113)	347	—	243	—	—	—	—	—	—	(388)	—	(1,252)	18	—	271	(1,874)
Changes in other components of working capital	34,220	(18,010)	17,885	(13,355)	(46,178)	(3,134)	22,260	(9,076)	8,104	(33,854)	(2,635)	11,186	(1,255)	(27,095)	(29,617)	24	(90,530)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	80,393	(50,514)	18,841	6,180	(2,560)	717	23,397	(8,965)	25,621	(49,971)	1,044	13,300	6,945	(2,729)	51,342	295	113,336
CASH FLOWS FROM INVESTING ACTIVITIES																	
Acquisition of property and equipment, excluding financed purchases	(1,397)	—	(202)	(1,490)	(1,908)	(2,642)	—	(37)	(321)	(70)	(110)	(45)	(1,919)	(1,006)	(4,996)	—	(15,743)
Proceeds from sale of property and equipment	164	—	113	—	324	169	67	—	76	—	3	—	—	153	835	—	1,899
Change in restricted cash	1,353	—	—	—	(1)	—	—	—	—	—	330	—	—	746	(7,079)	—	(4,651)
(Increase) decrease in intercompany advances	—	—	(17,608)	—	18,464	—	(23,463)	8,640	(25,371)	—	—	(12,952)	4,072	(14,221)	—	62,439	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	120	—	(17,697)	(1,490)	17,279	(2,473)	(23,396)	8,603	(25,621)	(70)	223	(12,997)	2,153	(14,328)	(11,240)	62,439	(18,495)
CASH FLOWS FROM FINANCING ACTIVITIES																	
Issuance of convertible notes	200,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	200,000
Proceeds from debt	1,348,506	—	—	—	—	—	—	—	—	—	—	—	5,389	—	—	—	1,353,895
Repayment of debt	(1,523,379)	(2,426)	(79)	(8,660)	(6,830)	(2,674)	—	—	—	—	—	—	(6,152)	(588)	(11,696)	—	(1,562,684)
Excess income tax benefit from share-based compensation	269	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	269
Issuance of common stock and effect of cashless exercise	(584)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(584)
Debt issuance costs	(15,086)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(15,086)
Increase (decrease) in intercompany advances	(56,406)	53,122	—	6,944	—	4,379	—	—	—	50,041	(776)	—	—	27,906	(29,566)	(55,644)	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(46,880)	50,696	(79)	(1,716)	(6,830)	1,705	—	—	—	50,041	(776)	—	(763)	27,318	(41,262)	(55,644)	(24,190)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	33,633	182	1,065	2,974	7,889	(51)	1	(362)	—	—	491	303	8,335	10,261	(1,160)	7,090	70,651
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	47,198	839	—	14,518	2,144	98	—	1,531	—	—	1,934	—	10,883	2,036	1,361	(7,090)	75,452
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 80,831	$ 1,021	$ 1,065	$ 17,492	$ 10,033	$ 47	$ 1	$ 1,169	$ —	$ —	$ 2,425	$ 303	$ 19,218	$ 12,297	$ 201	$ —	$ 146,103
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR:																	
Interest	$ 45,177	$ 31	$ 1	$ 99	$ 245	$ 459	$ —	$ —	$ —	$ —	$ —	$ —	$ 183	$ 337	$ 871	$ —	$ 47,403
Income taxes	$ 20,553	$ 1,438	$ —	$ 897	$ —	$ —	$ —	$ —	$ 2	$ —	$ —	$ 18	$ —	$ —	$ 4,000	$ —	$ 26,908

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East
(3) Proportional share of joint venture activities are included in the respective amounts shown above
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Fortech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Grematar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company
(5) Consolidating Statement of Cash Flows does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.

Doc. No. 35GL-19-0588.*

Tutor Perini Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Consolidating Information for Tutor Perini's General Contractor Subsidiaries as of and for the Year Ended December 31, 2015, and Independent Auditors' Report

TUTOR PERINI CORPORATION AND SUBSIDIARIES

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Deloitte.

Deloitte & Touche LLP
Suite 2700
555 West 5th Street
Los Angeles, CA 90013-1010
USA

Tel +1 213 688 0800
Fax +1 213 688 0100
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Tutor Perini Corporation
Sylmar, CA

We have audited the accompanying consolidated balance sheet of Tutor Perini Corporation and subsidiaries (the "Company") as of December 31, 2015, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the year ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Tutor Perini Corporation and subsidiaries as of December 31, 2015, and the results of their operations and their cash flows for the year ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

The supplemental consolidating information on pages 31–34 has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental consolidating information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental consolidating information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental consolidating information. In our opinion, such information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

February 29, 2016

(April 11, 2016 as to the supplemental consolidating information)

Member of
Deloitte Touche Tohmatsu Limited

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands, except per share data)

REVENUE	$	4,920,472
COST OF OPERATIONS		(4,564,219)
GROSS PROFIT		356,253
General and administrative expenses		(250,840)
INCOME FROM CONSTRUCTION OPERATIONS		105,413
Other income, net		12,453
Interest expense		(44,027)
INCOME BEFORE INCOME TAXES		73,839
Provision for income taxes		(28,547)
NET INCOME	$	45,292
BASIC EARNINGS PER COMMON SHARE	$	0.92
DILUTED EARNINGS PER COMMON SHARE	$	0.91
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:		
BASIC		48,981
DILUTED		49,666

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

NET INCOME	$	45,292
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:		
Defined benefit pension plan adjustments		2,026
Foreign currency translation adjustment		(3,214)
Unrealized gain in fair value of investments		766
Unrealized loss in fair value of interest rate swap		(125)
Total other comprehensive loss, net of tax	$	(547)
TOTAL COMPREHENSIVE INCOME	$	44,745

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2015
(In thousands, except share data)

ASSETS		
CURRENT ASSETS:		
Cash, including cash equivalents of $1,696	$	75,452
Restricted cash		45,853
Accounts receivable, including retainage of $484,255		1,473,615
Costs and estimated earnings in excess of billings		905,175
Deferred income taxes		26,306
Other current assets		108,844
Total current assets		2,635,245
PROPERTY AND EQUIPMENT, at cost:		
Land		41,382
Building and improvements		123,600
Construction equipment		431,080
Other equipment		181,940
		778,002
Less - Accumulated depreciation		254,477
Total property and equipment, net		523,525
GOODWILL		585,006
INTANGIBLE ASSETS, NET		96,540
OTHER ASSETS		202,125
TOTAL ASSETS	$	4,042,441
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$	88,917
Accounts payable, including retainage		937,464
Billings in excess of costs and estimated earnings		288,311
Accrued expenses and other current liabilities		159,016
Total current liabilities		1,473,708
LONG-TERM DEBT, less current maturities		734,531
DEFERRED INCOME TAXES		273,310
OTHER LONG-TERM LIABILITIES		140,665
TOTAL LIABILITIES		2,622,214
CONTINGENCIES AND COMMITMENTS (Note 7)		
STOCKHOLDERS' EQUITY:		
Preferred stock - authorized 1,000,000 shares ($1 par value), none issued		—
Common stock - authorized 75,000,000 shares ($1 par value), issued and outstanding - 49,072,710 shares		49,073
Additional paid-in capital		1,035,516
Retained earnings		377,803
Accumulated other comprehensive loss		(42,165)
TOTAL STOCKHOLDERS' EQUITY		1,420,227
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	4,042,441

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$	45,292
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation		37,919
Amortization of intangible assets and debt issuance costs		5,810
Share-based compensation expense		9,477
Excess income tax benefit from share-based compensation		(186)
Deferred income taxes		22,214
Loss on sale of investments		—
Gain on sale of property and equipment		(2,909)
Other long-term liabilities		28,912
Other non-cash items		(3,680)
Changes in other components of working capital		(128,777)
NET CASH PROVIDED BY OPERATING ACTIVITIES		14,072
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment excluding financed purchases		(35,912)
Proceeds from sale of property and equipment		4,980
Proceeds from sale of available-for-sale securities		—
Change in restricted cash		(1,483)
NET CASH USED IN INVESTING ACTIVITIES		(32,415)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from debt		1,013,205
Repayment of debt		(1,054,371)
Business acquisition-related payments		—
Excess income tax benefit from share-based compensation		186
Issuance of common stock and effect of cashless exercise		(808)
Debt issuance costs		—
NET CASH USED IN FINANCING ACTIVITIES		(41,788)
Net decrease in cash and cash equivalents		(60,131)
Cash and cash equivalents at beginning of year		135,583
Cash and cash equivalents at end of year	$	75,452

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance - December 31, 2014	**$ 48,671**	**$ 1,025,941**	**$ 332,511**	**$ (41,618)**	**$ 1,365,505**
Net income	—	—	45,292	—	45,292
Other comprehensive loss	—	—	—	(547)	(547)
Total comprehensive income					44,745
Tax effect of share-based compensation	—	(186)	—	—	(186)
Share-based compensation expense	—	9,477	—	—	9,477
Issuance of common stock, net	402	284	—	—	686
Balance - December 31, 2015	**$ 49,073**	**$ 1,035,516**	**$ 377,803**	**$ (42,165)**	**$ 1,420,227**

The accompanying notes are an integral part of these consolidated financial statements.

Doc. No. 35GL-19-0588.*

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in compliance with accounting principles generally accepted in the United States of America ("GAAP") as codified in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC").

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries (the "Company"). The Company's interests in construction joint ventures are accounted for using the proportionate consolidation method whereby the Company's proportionate share of each joint venture's assets, liabilities, revenue and cost of operations are included in the appropriate classifications in the consolidated financial statements. All intercompany transactions and balances have been eliminated in consolidation.

(c) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available through the date of the issuance of the financial statements. Therefore, actual results could differ from those estimates.

(d) Construction Contracts

The Company and its affiliated entities recognize construction contract revenue using the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. Cost of revenue includes an allocation of depreciation and amortization. Pre-contract costs are expensed as incurred. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined.

The Company generally provides limited warranties for work performed under its construction contracts with periods typically extending for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred.

The Company classifies construction-related receivables and payables that may be settled in periods exceeding one year from the balance sheet date as current, consistent with the length of time of its project operating cycle. For example:

- Costs and estimated earnings in excess of billings represent the excess of contract costs and profits (or contract revenue) over the amount of contract billings to date and are classified as a current asset.

- Billings in excess of costs and estimated earnings represent the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date and are classified as a current liability.

Costs and estimated earnings in excess of billings result when either: 1) costs are incurred related to certain claims and unapproved change orders, or 2) the appropriate contract revenue amount has been recognized in accordance with the percentage-of-completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract. Claims occur when there is a dispute regarding both a change in the scope of work and the price associated with that change. Unapproved change orders occur when there is a dispute regarding only the price associated with a change in scope of work. For both claims and unapproved change orders, the Company recognizes revenue, but not profit, when it is determined that recovery of incurred cost is probable and the amounts can be reliably estimated. For claims, these requirements are satisfied under ASC 605-35-25 when the contract or other evidence provides a legal basis for the claim, additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in the Company's performance, claim-related costs are identifiable and considered reasonable in view of the work performed, and evidence supporting the claim or change order is objective and verifiable.

Reported costs and estimated earnings in excess of billings as of December 31, 2015 consists of the following (in thousands):

Claims	$	407,164
Unapproved change orders		270,019
Other unbilled costs and profits		227,992
Total costs and estimated earnings in excess of billings	$	905,175

The prerequisite for billing claims and unapproved change orders is the final resolution and agreement between the parties. The prerequisite for billing other unbilled costs and profits is provided in the defined billing terms of each of the applicable contracts. The amount of costs and estimated earnings in excess of billings as of December 31, 2015 estimated by management to be collected beyond one year is approximately $353.2 million.

(e) Changes in Estimates

The Company's estimates of contract revenue and cost are highly detailed and many factors change during a contract performance period that result in a change to contract profitability. These factors include, but are not limited to, differing site conditions; availability of skilled contract labor; performance of major material suppliers and subcontractors; on-going subcontractor negotiations and buyout provisions; unusual weather conditions; changes in the timing of scheduled work; change orders; accuracy of the original bid estimate; changes in estimated labor productivity and costs based on experience to date; achievement of incentive-based income targets; and, the expected, or actual, resolution terms for claims. The factors that cause changes in estimates vary depending on the maturation of the project within its lifecycle. For example, in the ramp-up phase, these factors typically consist of revisions in anticipated project costs and during the peak and close-out phases, these factors include the impact of change orders and claims as well as additional revisions in remaining anticipated project costs. Generally, if the contract is at an early stage of completion, the current period impact is smaller than if the same change in estimate is made to the contract at a later stage of completion. Management focuses on evaluating the performance of contracts individually and uses the cumulative catch-up method to account for revisions in estimates. Material changes in estimates are disclosed in the notes to the consolidated financial statements.

(f) Depreciation of Property and Equipment and Amortization of Long-Lived Intangible Assets

Property and equipment and long-lived intangible assets are depreciated or amortized on a straight-line basis over their estimated useful lives ranging from three to forty years.

(g) Recoverability of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever circumstances indicate that the future cash flows generated by the assets might be less than the assets' net carrying value. In such circumstances, an impairment loss will be recognized by the amount the assets' net carrying value exceeds their fair value.

(h) Recoverability of Goodwill

Goodwill is not amortized to earnings, but instead is reviewed for impairment at a reporting unit level annually, or more often if there are indicators between the annual review dates that signal that impairment is probable. The Civil, Building and Specialty Contractors segments each represent a reporting unit. We perform our annual quantitative impairment assessment during the fourth quarter of each year using a weighted average of an income and a market approach. The income approach is based on estimated future cash flows for each reporting unit, which then are discounted to their present value. The market approach is based on assumptions about how market data relates to the Company. The weighting of these two approaches is based on their individual correlation to the economics of each reporting unit. The quantitative assessment performed in 2015 resulted in an estimated fair value for each of our reporting units that exceeded their respective net book values; therefore, no impairment charge was necessary for 2015.

(i) Recoverability of Non-Amortizable Trade Names

Certain trade names have an estimated indefinite life and are not amortized to earnings, but instead are reviewed for impairment annually, or more often if there are indicators between the annual review dates that signal that impairment is probable. We perform our annual quantitative impairment assessment during the fourth quarter of each year using an income approach (relief from royalty method). The quantitative assessment performed in 2015 resulted in an estimated fair value for the non-amortizable trade names that exceeded their respective net book values; therefore, no impairment charge was necessary for 2015.

(j) Income Taxes

Deferred income tax assets and liabilities are recognized for the effects of temporary differences between the financial statement carrying amounts and the income tax basis of assets and liabilities using tax rates expected to be in effect when such differences reverse. Income tax positions must meet a more-likely-than-not threshold to be recognized. The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision.

(k) Earnings Per Share

Basic EPS is calculated by dividing net income by the weighted-average number of common shares outstanding during the period. Potentially dilutive securities include restricted stock units and stock options. Diluted EPS reflects the assumed exercise or conversion of all dilutive securities using the treasury stock method.

The calculations of the basic and diluted EPS for the year ended December 31, 2015 under the treasury stock method are presented below (in thousands, except per share data):

Net income	$	45,292
Weighted-average common shares outstanding - basic		48,981
Effect of diluted stock options and unvested restricted stock		685
Weighted-average common shares outstanding - diluted		49,666
Net income (loss) per share:		
Basic	$	0.92
Diluted	$	0.91
Anti-dilutive securities not included above		1,372

(l) Cash and Cash Equivalents and Restricted Cash

Cash equivalents include short-term, highly liquid investments with original maturities of three months or less when acquired. Cash and cash equivalents, as reported in the accompanying Consolidated Balance Sheets, consist of amounts held by the Company that are available for general purposes and the Company's proportionate share of amounts held by construction joint ventures that are available only for joint venture-related uses, including future distributions to joint venture partners. Restricted cash is primarily held to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit.

Cash and cash equivalents and restricted cash as of December 31, 2015 consisted of the following (in thousands):

Cash and cash equivalents	$	18,409
Company's share of joint venture cash and cash equivalents		57,043
Total cash and cash equivalents	$	75,452
Restricted cash	$	45,853

(m) Share-Based Compensation

The Company's long-term incentive plan allows the Company to grant share-based compensation awards in a variety of forms, including restricted stock units and stock options. Restricted stock units and stock options generally vest subject to service and/or performance requirements, with related compensation expense equal to the fair value of the award on the date of grant and recognized on a straight-line basis over the requisite service period.

(n) Insurance Liabilities

The Company typically utilizes third party insurance coverage subject to varying deductible levels with aggregate caps on losses retained. The Company assumes the risk for the amount of the deductible portion of the losses and liabilities primarily associated with workers' compensation and general liability coverage. In addition, on certain projects, the Company assumes the risk for the amount of the deductible portion of losses that arise from any subcontractor defaults. Losses are accrued based upon the Company's estimates of the aggregate liability for claims incurred using historical experience and certain actuarial assumptions followed in the insurance industry. The estimate of insurance liability within the deductible limits includes an estimate of incurred but not reported claims based on data compiled from historical experience.

(o) Other Comprehensive Income (Loss)

ASC 220, *Comprehensive Income*, establishes standards for reporting and displaying comprehensive income and its components in the consolidated financial statements. The Company reports the change in pension benefit plans assets/liabilities, cumulative foreign

currency translation, change in fair value of investments and change in fair value of interest rate swap as components of accumulated other comprehensive loss ("AOCI").

The tax effects of the components of other comprehensive income (loss) for the year ended December 31, 2015 are as follows (in thousands):

	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Other comprehensive income (loss):			
Defined benefit pension plan adjustments	$ 31	$ 1,995	$ 2,026
Foreign currency translation adjustment	(5,897)	2,683	(3,214)
Unrealized gain (loss) in fair value of investments	1,123	(357)	766
Unrealized gain (loss) in fair value of interest rate swap	(37)	(88)	(125)
Total other comprehensive income (loss)	$ (4,780)	$ 4,233	$ (547)

The changes in AOCI balances by component (after-tax) for the year ended December 31, 2015 are as follows[1] (in thousands):

	Defined Benefit Pension Plan	Foreign Currency Translation	Unrealized Gain (Loss) in Fair Value of Investments	Unrealized Gain (Loss) in Fair Value of Interest Rate Swap	Accumulated Other Comprehensive Income (Loss), Net
Balance as of December 31, 2014	$ (40,268)	$ (1,389)	$ (110)	$ 149	$ (41,618)
Other comprehensive income (loss)	2,026	(3,214)	766	(125)	(547)
Balance as of December 31, 2015	$ (38,242)	$ (4,603)	$ 656	$ 24	$ (42,165)

[1] There were no reclassifications from AOCI during the year ended December 31, 2015.

(p) New Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*. This ASU addresses when and how an entity should recognize revenue for the transfer of goods and/or services to customers. This ASU is effective for fiscal year and interim periods within those years beginning after December 15, 2017. The Company is currently evaluating the effect that the adoption of this ASU will have on its financial statements.

In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810)* , which amends the consolidation standard and updates the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. The amendment modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities and affects the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships, among other provisions. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. The Company is currently evaluating the effect that the adoption of this ASU will have on its financial statements.

In April 2015, the FASB issued ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30)*. This ASU requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. In August 2015, the FASB also issued ASU 2015-15, *Interest—Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated With Line-of-Credit Arrangements — Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015, EITF Meeting*. This update allows an entity to defer and present debt issuance costs related to line-of-credit arrangements as an asset and subsequently amortize the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. These ASUs are effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. The adoption of these ASUs is not expected to have a material impact on the Company's financial statements.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes (Subtopic 740-10)*. This ASU require entities to present all deferred tax assets and all deferred tax liabilities as noncurrent in a classified balance sheet. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. The Company had $26.3 million

of current deferred tax assets and $24.9 million of current deferred tax liabilities as of December 31, 2015, which will be presented as noncurrent upon adoption of this ASU.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic-842)* which amends the existing guidance in ASC 840 *Leases*. This amendment requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases. Other significant provisions of the amendment include (i) defining the "lease term" to include the non-cancellable period together with periods for which there is a significant economic incentive for the lessee to extend or not terminate the lease; (ii) defining the initial lease liability to be recorded on the balance sheet to contemplate only those variable lease payments that depend on an index or that are in substance "fixed"; and (iii) a dual approach for determining whether lease expense is recognized on a straight-line or accelerated basis, depending on whether the lessee is expected to consume more than an insignificant portion of the leased asset's economic benefits. This ASU is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is currently evaluating the effect that the adoption of this ASU will have on its financial statements.

2. Consolidated Statement of Cash Flows

Below are the changes in other components of working capital, as shown in the Consolidated Statement of Cash Flows, and the supplemental disclosure of cash paid for interest and income taxes for the year ended December 31, 2015 (in thousands):

Decrease (Increase) in:		
Accounts receivable	$	4,734
Costs and estimated earnings in excess of billings		(178,774)
Other current assets		(38,616)
Increase (Decrease) in:		
Accounts payable		139,290
Billings in excess of costs and estimated earnings		(30,985)
Accrued expenses		(24,426)
Changes in other components of working capital	$	(128,777)
Cash paid during the year for:		
Interest	$	45,055
Income taxes	$	35,299

3. Fair Value Measurements

The fair value hierarchy established by ASC 820, *Fair Value Measurement*, prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1 — quoted prices in active markets for identical assets and liabilities
Level 2 — inputs other than Level 1 inputs that are observable, either directly or indirectly
Level 3 — unobservable inputs

The following table presents, for each of the fair value hierarchy levels required under ASC 820, the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2015 (in thousands):

	Fair Value Hierarchy			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents (a)	$ 75,452	$ 75,452	$ —	$ —
Restricted cash (a)	45,853	45,853	—	—
Investments in lieu of customer retainage (b)	41,566	35,350	6,216	—
Total	$ 162,871	$ 156,655	$ 6,216	$ —
Liabilities:				
Interest rate swap contract (c)	$ 45	$ —	$ 45	$ —
Contingent consideration (d)	—	—	—	—
Total	$ 45	$ —	$ 45	$ —

(a) Cash, cash equivalents and restricted cash consist primarily of money market funds with original maturity dates of three months or less, for which fair value is determined through quoted market prices.
(b) Investments in lieu of customer retainage are classified as accounts receivable and are comprised of money market funds, U.S. Treasury Notes and other municipal bonds, the majority of which are rated Aa3 or better. The fair values of the U.S. Treasury Notes and municipal bonds are obtained from readily-available pricing sources for comparable instruments, and as such, the Company has classified these assets as Level 2.
(c) The Company values the interest rate swap liability utilizing a discounted cash flow model that takes into consideration forward interest rates observable in the market and the counterparty's credit risk.
(d) Represents earn-out payments for businesses acquired in 2011. The earn-out payments were estimated based on the projected operating results of the acquired businesses. The fair value of the earn-out payments was estimated by calculating their present value using discount rates ranging from 14% to 18%.

The following is a summary of changes in Level 3 liabilities during 2015 (in thousands):

	Contingent Consideration
Balance as of December 31, 2014	$ 24,814
Fair value adjustments included in other income (expense), net	(3,739)
Amount no longer subject to contingency	(21,075)
Balance as of December 31, 2015	$ —

The carrying amount of cash and cash equivalents approximates fair value due to the short-term nature of these items. The carrying values of receivables, payables, other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, are estimated to approximate fair value. Of the Company's long-term debt, the fair value of the Senior Notes as of December 31, 2015 was $305.6 million, compared to the carrying value of $299.0 million. The fair value of the Senior Notes was calculated using Level 1 inputs based on quoted prices in the active markets for the Senior Notes as of December 31, 2015. For other fixed rate debt, fair value is determined using Level 3 inputs based on discounted cash flows for the debt at the Company's current incremental borrowing rate for similar types of debt. The estimated fair values of other fixed rate debt as of December 31, 2015 was $121.7 million, compared to the carrying amounts of $124.7 million. The fair value of variable rate debt, which includes the Revolving Credit Facility and the Term Loan, approximated its carrying value of $399.7 million as of December 31, 2015.

4. Goodwill and Other Intangible Assets

The following table presents the changes in the carrying amount of goodwill allocated to the Company's reporting units for 2015 (in thousands):

	Civil	Building	Specialty Contractors	Total
Balance as of December 31, 2014[(a)]	$ 415,358	$ 13,455	$ 156,193	$ 585,006
2015 activity	—	—	—	—
Balance as of December 31, 2015[(a)]	$ 415,358	$ 13,455	$ 156,193	$ 585,006

(a) Balances presented include historical accumulated impairment of $76.7 million for the Civil segment and $411.3 million for the Building segment.

The following table presents the carrying value and accumulated amortization, as appropriate, of intangible assets other than goodwill as of December 31, 2015 (in thousands):

	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Trade names (non-amortizable)	$ 50,410	$ N/A	$ 50,410
Trade names (amortizable) [(a)]	51,118	(11,316)	39,802
Customer relationships [(a)]	23,155	(16,827)	6,328
Total	$ 124,683	$ (28,143)	$ 96,540

(a) The weighted-average amortization period for amortizable trade names and customer relationships is 20 years and 11 years, respectively.

Amortization expense related to amortizable intangible assets for the year ended December 31, 2015 totaled $3.7 million. Future amortization expense related to amortizable intangible assets is as follows (in millions):

Fiscal Year	
2016	$ 3.5
2017	3.5
2018	3.5
2019	3.5
2020	3.5
Thereafter	28.6
Total	$ 46.1

5. Financial Commitments

Long-Term Debt

Long-term debt as of December 31, 2015 consists of the following (in thousands):

Senior Notes ($300,000 face, less unamortized discount of $933)	$ 299,067
Revolving Credit Facility	158,000
Term Loan	223,750
Equipment financing, mortgages and acquisition-related notes	133,288
Other indebtedness	9,343
Total debt	823,448
Less – current maturities	(88,917)
Long-term debt, net	$ 734,531

Senior Notes

In October 2010, the Company issued $300 million of 7.625% senior unsecured notes (the "Senior Notes") due November 1, 2018, in a private offering exempt from the registration requirements of the Securities Act of 1933. The Company received net proceeds of $293.2 million from the issuance, after discounts and issuance costs. The Senior Notes pay interest semi-annually on May 1 and November 1 of each year. The Company may redeem these notes at a redemption price equal to 101.9 percent of their principal amount prior to October 31, 2016 and subsequently without a redemption premium. However, if a change of control triggering event occurs, as defined by the terms of the indenture, the Company is required to offer to redeem the notes at a redemption price equal to 101 percent of their principal amount. At the date of any redemption, any accrued and unpaid interest is also due. The Senior Notes are senior unsecured obligations of the Company and are guaranteed by substantially all of the Company's existing and future subsidiaries that also guarantee obligations under the Company's Credit Agreement as defined below. In addition, the indenture for the Senior Notes provides for customary events of default such as restrictions on the payment of dividends and share repurchases.

Credit Agreement – Revolving Credit Facility and Term Loan

In June 2014, the Company entered into a Sixth Amended and Restated Credit Agreement (the "Original Facility"), restructuring its former $300 million Revolving Credit Facility and $200 million Term Loan and providing for a $300 million revolving credit facility (the "Original Revolver") and a $250 million term loan (the "Original Term Loan"), both maturing on June 5, 2019. Principal on the Original Term Loan was originally payable on a quarterly basis beginning on September 30, 2014, with approximate aggregate principal payments for each year ending December 31, as follows: $7 million in 2014, $19 million in 2015, $26 million in 2016, $34 million in 2017, $41 million in 2018 and $123 million in 2019. The Company may repay all borrowings under the Original Facility at any time before maturity without penalty.

Interest on the Original Revolver depended on how the Company utilized the facility to meet its liquidity needs. As a result, the interest rate could equal either Bank of America's prime lending rate, plus an applicable margin, or the London Interbank Offered Rate ("LIBOR"), plus an applicable margin, ranging from either 1.25% to 2.00% or 2.25% to 3.00%, based on a pricing tier utilizing the Company's consolidated leverage ratio. Similarly, the interest rate on the Original Term Loan was equal to LIBOR plus an applicable margin ranging from 1.25% to 2.00%. The Company also has an interest rate swap agreement with a notional amount of $25 million that effectively converted interest on $25 million of the debt from a variable rate to a fixed rate of 0.975%. The swap expires in June 2016, and there is no requirement under the Original Facility to enter into an additional swap agreement at that time.

The Original Facility provides a sublimit for the issuance of letters of credit up to the aggregate amount of $150 million.

The Original Facility also allowed the Company to either increase the Original Facility or establish one or more new term loan commitments (an accordion feature), up to an aggregate amount not to exceed $300 million.

Amended Credit Agreement

On February 26, 2016, we entered into Waiver and Amendment No. 1 (the "Amendment") to the Original Facility (collectively, the "Credit Facility") with Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. As a result of the Company's financial results for the fiscal year ended December 31, 2015, which included the previously reported $23.9 million non-cash, pre-tax charge from an adverse ruling on the Brightwater litigation matter in the third quarter as well as $45.6 million of pre-tax charges in the third and fourth quarters for Five Star Electric, the Company was not in compliance with the required consolidated leverage ratio and consolidated fixed charge coverage ratio under the Original Facility, which are both calculated on a rolling four quarter basis. In the Amendment, the lenders waived these covenant violations and modified certain provisions of the Original Facility.

The Credit Facility provides for a $300 million revolving credit facility (the "Revolver") and a $250 million term loan (the "Term Loan"). As a result of the Amendment, both the Revolver and the Term Loan will now mature on May 1, 2018. The Term Loan principal payments have been modified to include certain additional principal payments which will be applied against the balloon payment (discussed below). Borrowings under the Revolver bear interest, based either on Bank of America's prime lending rate, plus an applicable margin, or the London Interbank Offered Rate ("LIBOR"), plus an applicable margin. Borrowings under the Term Loan bear interest based on LIBOR plus an applicable margin. Under the terms of the Amendment, for so long as the Company's consolidated leverage ratio is greater than 3.5 to 1.0, it will not be permitted to make LIBOR-based borrowings and will be subject to an increased interest rate on borrowings, with such rate being 100 basis points higher than the highest rate under the Original Facility while the Company's consolidated leverage ratio is greater than 3.5 to 1.0 but not more than 4.0 to 1.0, and an additional 100 basis points higher while the Company's consolidated leverage ratio is greater than 4.0 to 1.0. The Company also will be subject to increased commitment fees at these higher leverage ratio levels. In addition, until the Company's consolidated leverage ratio goes below 3.5 to 1.0, LIBOR-based borrowings will convert to base rate borrowings. The Amendment provides for the exclusion of the

impact of the Brightwater litigation matter from the calculation of the Company's consolidated leverage ratio and consolidated fixed charge coverage ratio. Interest payments will be due on a monthly basis, rather than a quarterly basis. If the Company is in compliance with the leverage and fixed charge ratio covenants provided in the Original Facility as of December 31, 2016, interest payments will again be due on a quarterly basis thereafter. The Amendment also removes the accordion feature of the Original Facility, which would have allowed, as noted above, either an increase of $300 million in the Revolver or the establishment of one or more new term loan commitments.

The Amendment also modifies several of the covenants in the Original Facility, including the Company's maximum allowable consolidated leverage ratio to be at 4.25:1.00 in the first quarter of 2016, stepping down to 4.0:1.0 in the second and third quarters of 2016 and then returning to the Original Facility's range of 3.25:1.00 to 3.00:1.00 beginning with the fourth quarter of 2016. The Credit Facility will continue to require the Company to maintain a minimum consolidated fixed charge coverage ratio of 1.25:1.00. Other usual and customary covenants for credit facilities of this type (such as, restrictions on the payment of dividends and share repurchases) were included in the Original Facility (subject to certain modifications made in the Amendment), while the Amendment adds covenants regarding the Company's liquidity, including a cap on the cash balance in the Company's bank account and a weekly minimum liquidity requirement (based on specified available cash balances and availability under the Revolver). The Amendment also requires the Company to achieve certain quarterly cash collection milestones and increases the lenders' collateral package. Beginning in the fourth quarter of 2016, the Company will be required to make quarterly principal payments towards the Term Loan balloon payment, based on a percentage of certain forecasted cash collections for the prior quarter, in addition to the scheduled amortization payments of the Original Facility.

Substantially all of the Company's subsidiaries unconditionally guarantee our obligations under the Credit Facility. The obligations under the Credit Facility are secured by a lien on substantially all real and personal property of the Company and its subsidiaries party thereto. Under the Amendment, the Company agreed to increase the lenders' collateral package, including by pledging to the lenders (i) the equity interests of each direct domestic subsidiary of the Company and (ii) 65% of the stock of each material first-tier foreign restricted subsidiary of the Company.

The Term Loan balance was $223.8 million at December 31, 2015. The next quarterly Term Loan payment under the Credit Facility is due and payable in March of 2016.

We had $158.0 million of outstanding borrowings under our Revolver as of December 31, 2015. We utilized the Revolver for letters of credit in the amount of $0.2 million as of December 31, 2015. Accordingly, as of December 31, 2015, we had $141.8 million available to borrow under the Revolver.

There were no other material changes in our contractual debt obligations as of December 31, 2015. As of the issuance date of these consolidated financial statements and giving effect to the Amendment, we are in compliance with the modified financial covenants under the Credit Facility.

Equipment Financing, Mortgages and Acquisition-Related Notes

The Company has certain loans entered into for the purchase of specific property, plant and equipment and secured by the assets purchased. The aggregate balance of equipment financing loans was approximately $70.6 million as of December 31, 2015 with interest rates ranging from 2.12% to 4.85% with schedules calling for equal principal and interest payments over periods up to five years. The aggregate balance of transportation-equipment financing loans was approximately $45.0 million December 31, 2015 with interest rates ranging from a fixed 3.35% to LIBOR plus 3% and equal monthly installment payments over periods up to ten years and balloon payments of $12.4 million in 2021 and $6.15 million in 2022 on the remaining loans outstanding at December 31, 2015. The aggregate balance of mortgage loans was approximately $17.7 million as of December 31, 2015 with interest rates based on LIBOR plus applicable margins up to 3% or prime less 1.0%, depending on the loan, and equal monthly installment payments over periods up to ten years with additional balloon payments of $5.6 million in 2016, $2.6 million in 2018 and $6.7 million in 2023.

During 2011, the Company issued approximately $21.7 million of 5% promissory notes in conjunction with an acquisition. The Company paid all outstanding principal and accrued interest on these notes in 2015.

The following table presents the future principal payments required under all of the Company's debt obligations, discussed above, including the terms of the Amendment (in thousands).

Fiscal Year		
2016	$	88,917
2017		124,008
2018		407,575
2019		169,790
2020		4,824
Thereafter		28,334
	$	823,448

Leases

The Company leases certain construction equipment, vehicles and office space under non-cancelable operating leases. Future minimum rent payments under non-cancelable operating leases as of December 31, 2015 are as follows (in thousands):

Fiscal Year		
2016	$	26,819
2017		19,958
2018		15,478
2019		10,549
2020		8,923
Thereafter		24,927
Subtotal		106,654
Less - Sublease rental agreements		(3,833)
Total	$	102,821

Rental expense under operating leases of construction equipment, vehicles and office space was $17.4 million in 2015.

6. Income Taxes

Income before taxes for the year ended December 31, 2015 is summarized as follows (in thousands):

United States Operations	$	69,822
Foreign Operations		4,017
Total	$	73,839

The provision for income taxes for the year ended December 31, 2015 is as follows (in thousands):

Current expense:		
Federal	$	5,465
State		(362)
Foreign		1,126
Total current		6,229
Deferred (benefit) expense:		
Federal		19,583
State		2,735
Foreign		—
Total deferred		22,318
Total provision	$	28,547

The following table is a reconciliation of the Company's provision for income taxes at the statutory rates to the provision for income taxes at the Company's effective rate for 2015 (dollars in thousands).

	Amount	Rate
Federal income expense at statutory tax rate	$ 25,844	35.0 %
State income taxes, net of federal tax benefit	1,250	1.7
Officers' compensation	2,900	3.9
Domestic Production Activities Deduction	(1,499)	(2.0)
Impact of state tax rate changes on deferred	2,435	3.3
Other	(2,383)	(3.2)
Provision for income taxes	$ 28,547	38.7 %

The Company's provision for income taxes and effective tax rate for the year ended December 31, 2015 were significantly impacted by a favorable discrete item related to the reversal of FIN 48 reserves due to the resolution of certain state tax matters.

The following is a summary of the significant components of the deferred tax assets and liabilities as of December 31, 2015 (in thousands):

Deferred Tax Assets	
Timing of expense recognition	$ 58,048
Net operating losses	3,564
Other, net	114,225
Deferred tax assets	175,837
Valuation allowance	(460)
Net deferred tax assets	175,377
Deferred Tax Liabilities	
Intangible assets, due primarily to purchase accounting	(99,549)
Fixed assets, due primarily to purchase accounting	(101,022)
Construction contract accounting	(7,530)
Joint ventures - construction	(27,604)
Other	(62,494)
Deferred tax liabilities	(298,199)
Net deferred tax liability	$ (122,822)

The net deferred tax liability is classified in the Consolidated Balance Sheet as of December 31, 2015 based on when the future tax benefit or expense is expected to be realized as follows (in thousands):

Current deferred tax asset	$ 26,306
Long-term deferred tax asset	149,071
Current deferred tax liability	(24,889)
Long-term deferred tax liability	(273,310)
Net deferred tax liability	$ (122,822)

The Company had a valuation allowance of $0.5 million as of December 31, 2015 for federal and state capital loss carryforwards as the ultimate utilization of this item was not likely.

The Company has not provided for deferred income taxes or foreign withholding tax on basis differences in its non-U.S. subsidiaries that result from undistributed earnings aggregating $12.1 million which the Company has the intent and the ability to reinvest in its foreign operations. Generally, the U.S. income taxes imposed upon repatriation of undistributed earnings would be reduced by foreign tax credits from foreign income taxes paid on the earnings. Determination of the deferred income tax liability on these basis differences is not reasonably estimable because such liability, if any, is dependent on circumstances existing if and when remittance occurs.

The Company's policy is to record interest and penalties on unrecognized tax benefits as an element of income tax expense. The cumulative amounts related to interest and penalties are added to the total unrecognized tax liabilities on the balance sheet. The total

amount of gross unrecognized tax benefits as of December 31, 2015 that, if recognized, would affect the effective tax rate is $3.6 million. The Company does not expect any significant release of unrecognized tax benefits within the next twelve months.

The Company accounts for its uncertain tax positions in accordance with GAAP. A reconciliation of the beginning and ending amounts of these tax benefits for the year ended December 31, 2015 is as follows (in thousands):

Beginning balance	$	7,636
Change in tax positions of prior years		(3,073)
Change in tax positions of current year		169
Reduction in tax positions for statute expirations		(1,120)
Ending Balance	$	3,612

We conduct business internationally and, as a result, one or more of our subsidiaries files income tax returns in U.S. federal, U.S. state and certain foreign jurisdictions. Accordingly, in the normal course of business, we are subject to examination by taxing authorities principally throughout the United States, Guam and Canada. We are no longer under examination by the taxing authority regarding any U.S. federal income tax returns for years before 2011 while the years open for examination under various state and local jurisdictions vary.

7. Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its customers have made claims arising from the performance under their contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, liabilities may change in the future due to various factors.

Several matters are in the litigation and dispute resolution process and represent contingent losses or gains to the Company. The following discussion provides a background and current status of the more significant matters.

Tutor-Saliba-Perini Joint Venture vs. Los Angeles MTA Matter

During 1995, Tutor-Saliba-Perini ("Joint Venture") filed a complaint in the Superior Court of the State of California for the County of Los Angeles against the Los Angeles County Metropolitan Transportation Authority ("LAMTA"), seeking to recover costs for extra work required by LAMTA in connection with the construction of certain tunnel and station projects, all of which were completed by 1996. In 1999, LAMTA countered with civil claims under the California False Claims Act against the Joint Venture, Tutor-Saliba and Perini Corporation jointly and severally (together, "TSP"), and obtained a judgment that was reversed on appeal and remanded for retrial before a different judge.

Between 2005 and 2010, the court granted certain Joint Venture motions and LAMTA capitulated on others, which reduced the number of false claims LAMTA may seek and limited LAMTA's claims for damages and penalties. In September 2010, LAMTA dismissed its remaining claims and agreed to pay the entire amount of the Joint Venture's remaining claims plus interest. In the remanded proceedings, the Court subsequently entered judgment in favor of TSP and against LAMTA in the amount of $3.0 million after deducting $0.5 million, representing the tunnel handrail verdict plus accrued interest against TSP. The parties filed post-trial motions for costs and fees. The Court ruled that TSP's sureties could recover costs, LAMTA could recover costs for the tunnel handrail trial and no party could recover attorneys' fees. TSP appealed the false claims jury verdict on the tunnel handrail claim and other issues, including the denial of TSP's and its sureties' request for attorneys' fees. LAMTA subsequently filed its cross-appeal. In June 2014, the Court of Appeal issued its decision reversing judgment on the People's Unfair Competition claim and reversing the denial of TSP's Sureties' request for attorney's fees and affirming the remainder of the judgment. In January 2015, payment was made by LAMTA in the amount of $3.8 million in settlement of all outstanding issues except for the attorney's fees for TSP's Sureties.

On May 1, 2015, TSP's Surety's motions for attorney's fees were heard, and the Court issued its written ruling on May 5, 2015 in favor of TSP's Sureties for a total award of $2.1 million. The Court denied adding interest onto these amounts. On June 26, 2015, payment was made by LAMTA for these amounts, which was received by TSP. Based on the Court's decision, the Company wrote off the remaining booked position, which was immaterial to its consolidated financial statements. On June 23, 2015, TSP's Sureties filed a Notice of Appeal challenging the amount awarded to seek an increase. The appeal remains pending while the Court prepares the trial record for the Court of Appeal. However, the Company does not expect the ultimate resolution of this matter to have a material effect on its consolidated financial statements.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange project for the New York State Department of Transportation (the "NYSDOT"). The $130 million project was substantially completed in January 2004 and was accepted by the NYSDOT as finally complete in February 2006. The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, seeking damages in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT which resulted in an amount of $0.5 million payable to the Company and formally closed out the project allowing the Company to re-file its claim. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012. In May 2012, the NYSDOT served its answer and counterclaims in the amount of $151 million alleging fraud in the inducement and punitive damages related to disadvantaged business enterprise ("DBE") requirements for the project. The Court subsequently ruled that NYSDOT's counterclaims may only be asserted as a defense and offset to the Company's claims and not as affirmative claims. In November 2014, the Appellate Division First Department affirmed the dismissal of the City's affirmative defenses and counterclaims based on DBE fraud. The Company does not expect the counterclaims to have any material effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Fontainebleau Matter

Desert Mechanical Inc. ("DMI") and Fisk Electric Company ("Fisk"), wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida. Fontainebleau is headquartered in Miami, Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc., the general contractor, in the 8th Judicial District Court, Clark County, Nevada, and in May 2010, the court entered an order in favor of DMI for approximately $45 million.

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC, and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens, there was approximately $125 million set aside from this sale, which is available for distribution to satisfy the creditor claims based on seniority. At that time, the total estimated sustainable lien amount was approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court ruled in October 2012 in an advisory opinion at the request of the Bankruptcy Court that lien priorities would be determined in favor of the mechanic lien holders under Nevada law.

In October 2013, a settlement was reached by and among the Statutory Lienholders and the other interested parties. The agreed upon settlement has not had an impact on the Company's recorded accounting position as of the year ended December 31, 2015. The execution of that settlement agreement continues under the supervision of a mediator appointed by the Bankruptcy Court.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges project for the City of New York (the "City"). In June 2003, after substantial completion of the project, the Company initiated an action to recover $8.8 million in claims against the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6

million and other relief, alleging fraud in connection with the DBE requirements for the project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. In August 2013, the Court granted the Company's motion to dismiss the City's affirmative defenses and counterclaims relating to fraud. In September 2013, the City filed a Notice of Appeal to the Court's decision; said appeal was dismissed by the Appellate Court in November 2014. Discovery is ongoing and is expected to conclude in early 2016.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, contracted to construct a timeshare development project in Las Vegas which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in the amount of $23.2 million, and filed its complaint with the District Court, Clark County, Nevada. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. WPH has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs, and liquidated damages. WPH revised the amount of their counterclaims to approximately $45 million.

Following multiple post-trial motions, final judgment was entered in this matter on March 20, 2014. TSC was awarded total judgment in the amount of $19.7 million on its breach of contract claim, which includes an award of interest up through the date of judgment, plus attorney's fees and costs. WPH has paid $0.6 million of that judgment. WPH was awarded total judgment in the amount of $3.1 million on its construction defect claims, which includes interest up through the date of judgment. The awards are not offsetting. WPH and its Sureties have filed a notice of appeal. TSC has filed a notice of appeal on the defect award. In July 2014, the Court ordered WPH to post an additional supersedeas bond on appeal, in the amount of $1.7 million, in addition to the lien release bond of $22.3 million, which increases the security up to $24.0 million. The Nevada Supreme Court is anticipated to rule on this matter during the first quarter of 2016.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Brightwater Matter

In 2006, the Department of Natural Resources and Parks Wastewater Treatment Division of King County ("King County"), as Owner, and Vinci Construction Grands Projects/Parsons RCI/Frontier-Kemper, Joint Venture ("VPFK"), as Contractor, entered into a contract to construct the Brightwater Conveyance System and tunnel sections in Washington State. Frontier-Kemper, a 20% minority partner in the joint venture, is a wholly owned subsidiary of the Company that was acquired in June 2011.

In April 2010, King County filed a lawsuit alleging damages in the amount of $74 million, plus costs, for VPFK's failure to complete specified components of the project in the King County Superior Court, State of Washington. Shortly thereafter, VPFK filed a counterclaim in the amount of approximately $75 million, seeking reimbursement for additional costs incurred as a result of differing site conditions, King County's defective specifications, and for damages sustained on VPFK's tunnel boring machines ("TBM"), and increased costs as a result of hyperbaric interventions. VPFK's claims were presented to a Dispute Resolution Board who generally found that King County was liable to VPFK for VPFK's claims for encountering differing site conditions, including damages to the TBM, but not on claims related to defective design specifications. From June through August 2012, each party filed several motions for summary judgment on certain claims and requests in preparation for trial, which were heard and ruled upon by the Court. The Court granted and denied various requests of each party related to evidence and damages.

In December 2012, a jury verdict was received in favor of King County in the amount of $155.8 million and a verdict in favor of VPFK in the amount of $26.3 million. In late April 2013, the Court ruled on post-trial motions and ordered VPFK's sureties to pay King County's attorneys' fees and costs in the amount of $14.7 million. All other motions were denied. On May 7, 2013, VPFK paid the full verdict amount and the associated fees, thus terminating any interest on the judgment. VPFK's notice of appeal was filed on May 31, 2013. King County has appealed approximately $17.0 million of the verdict award in VPFK's favor and VPFK's sureties have appealed the Court's order granting King County's request for legal fees and costs. Oral argument was held on March 9, 2015.

Doc. No. 35GL-19-0588.*

The Company received notice on November 9, 2015, that the Court of Appeals of the State of Washington filed their decision that day, which affirmed the trial court's judgment and denied the appeals brought forth by both VPFK and King County. Management booked the impact of this judgment during the third quarter of 2015, resulting in a non-cash, pre-tax charge of $23.9 million. The Court granted King County's request for recovery of reasonable attorney fees and appellate costs but did not quantify an amount. The Company does not expect the award of attorney fees, while not specifically determinable, to have a material financial impact on its consolidated financial statements.

156 Stations Matter

In December 2003, Five Star Electric Corporation ("FSE"), a wholly owned subsidiary of the Company, entered into an agreement with the Prime Contractor Transit Technologies, L.L.C., a Consortium member of Siemens Transportation Transit Technologies, L.L.C., to assist in the installation of new public address and customer information screens system for each of the 156 stations for the New York City Transit Authority as the owner.

In June 2012, an arbitration panel awarded FSE a total of approximately $11.9 million. Subsequently, the Court affirmed FSE's position; however, it decided that only $8.5 million of the total arbitration award of $11.9 million can be recovered against the payment bond. In December 2014, FSE filed its reply for the motion for re-argument with regard to the reduction in recoverable costs against the payment bond.

This matter was fully settled in April 2015 and payment was received. The settlement amount was consistent with the Company's recorded position and, accordingly, the settlement did not have a material impact on the Company's consolidated financial statements.

U.S. Department of Commerce, National Oceanic and Atmospheric Administration Matter

Rudolph and Sletten, Inc. ("R&S"), a wholly owned subsidiary of the Company, entered into a contract with the United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") for the construction of a 287,000 square-foot facility for NOAA's Southwest Fisheries Science Center Replacement Headquarters and Laboratory in La Jolla, California. The contract work began on May 24, 2010, and was substantially completed in September 2012. R&S incurred significant additional costs as a result of a design that contained errors and omissions, NOAA's unwillingness to correct design flaws in a timely fashion and a refusal to negotiate the time and pricing associated with change order work.

R&S has filed three certified claims against NOAA for contract adjustments related to the unresolved Owner change orders, delays, design deficiencies and other claims. The First Certified Claim was submitted on August 20, 2013, in the amount of $26.8 million ("First Certified Claim") and the Second Certified Claim was submitted on October 30, 2013, in the amount of $2.6 million ("Second Certified Claim") and the Third Certified Claim was submitted on October 1, 2014 in the amount of $0.7 million ("Third Certified Claim").

NOAA requested an extension to issue a decision on the First Certified Claim and on the Third Certified Claim, but did not request an extension of time to review the Second Certified Claim. On January 6, 2014, R&S filed suit in the United States Federal Court of Claims on the Second Certified Claim plus interest and attorney's fees and costs. This was followed by a submission of a lawsuit on the First Certified Claim on July 31, 2014. In February 2015, the Court denied NOAA's motion to dismiss the Second Certified Claim. In March 2015, the Contracting Officer issued decisions on all Claims accepting a total of approximately $1.0 million of claims and denying approximately $29.5 million of claims. On April 14, 2015, the Court consolidated the cases and has commenced discovery through mid-2016. No trial date has been set.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Five Star Electric Matter

In the third quarter of 2015, Five Star Electric Corp ("Five Star"), a subsidiary of the Company that was acquired in 2011, entered into a tolling agreement related to an ongoing investigation being conducted by the United States Attorney for the Eastern District of New York ("USAO EDNY"). The tolling agreement extended the statute of limitations to avoid the expiration of any unexpired statute of limitations while the investigation is pending. Five Star has been cooperating with the USAO EDNY since late June 2014, when it was first made aware of the investigation, and has been providing information related to its use of certain minority-owned, women-owned, small and disadvantaged business enterprises and, in addition, most recently information regarding certain of Five Star's employee compensation, benefit and tax practices. The investigation covers the period of 2005-2014.

The Company cannot predict the ultimate outcome of the investigation and cannot accurately estimate any potential liability that Five Star or the Company may incur or the impact of the results of the investigation on Five Star or the Company.

Alaskan Way Viaduct Matter

In January 2011, Seattle Tunnel Partners ("STP"), a joint venture between Dragados USA, Inc. and the Company, entered into a design-build contract with the Washington State Department of Transportation ("WSDOT") for the construction of a large diameter bored tunnel in downtown Seattle, King County, Washington to replace the Alaskan Way Viaduct, also known as State Route 99.

The construction of the large diameter bored tunnel requires the use of a tunnel boring machine ("TBM"). In December 2013, the TBM struck a steel pipe, installed by WSDOT as a well casing for an exploratory well. The TBM was damaged and was required to be shut down for repair. STP has asserted that the steel pipe casing was a differing site condition that WSDOT failed to properly disclose. The Disputes Review Board mandated by the contract to hear disputes issued a decision finding the steel casing was a Type I differing site condition. WSDOT has not accepted that finding.

The TBM is insured under a Builder's Risk Insurance Policy ("the Policy") with Great Lakes Reinsurance (UK) PLC and a consortium of other insurers (the "Insurers"). STP submitted the claims to the insurer and requested interim payments under the Policy. The Insurers refused to pay and denied coverage. In June 2015, STP filed a lawsuit in the King County Superior Court, State of Washington seeking declaratory relief concerning contract interpretation as well as damages as a result of the Insurers' breach of its obligations under the terms of the Policy, and added WSDOT as a defendant since WSDOT is an insured under the Policy and had filed its own claim for damages. In August 2015, the Insurers filed a complaint in the Supreme Court, State of New York County seeking declaratory relief concerning contract interpretation. The Court in New York has stayed the Insurers' lawsuit pending a decision from the Washington State Court.

In October 2015, WSDOT filed a complaint against STP in the King County Superior Court, State of Washington for breach of contract and declaratory relief concerning contract interpretation.

As of December 2015, the Company has concluded that the potential for a material adverse financial impact due to the Insurer's and WSDOT's respective legal actions are neither probable nor remote. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

8. Share-Based Compensation

The Company's executive share-based compensation plan provides for various types of share-based grants, including restricted stock units and stock options. Restricted stock units give the holder the right to exchange their restricted stock units for shares of the Company's common stock on a one-for-one basis. Stock options give the holder the right to purchase shares of the Company's common stock at an exercise price equal to the fair value of the Company's common stock on the date of the stock option's award. Awards are usually subject to certain service and performance conditions and may not be sold or otherwise transferred until those restrictions have been satisfied. The term for stock options is limited to 10 years from the date of grant. As of December 31, 2015, there were 489,022 shares available to be granted under the Company's share-based compensation plan. Many of the awards under the plan allow for the fractional earning of the entire award based on achieving separate vesting criteria for separate performance periods. The Company accounts for each fractional portion of these awards as a separate grant, with the grant date established at the date when the performance target for a given period is set and communicated to the grantee. As of December 31, 2015, there were 754,500 restricted stock units and 722,000 stock options that have been awarded, but are not yet granted.

The following table summarizes restricted stock unit and stock option activity during the year ended December 31, 2015:

	Restricted Stock Units		Stock Options	
	Number	Weighted-Average Grant Date Fair Value Per Share	Number	Weighted-Average Exercise/(Strike) Price Per Share
Outstanding as of December 31, 2014	1,056,597	$ 26.54	1,989,000	$ 19.63
Granted	321,500	23.07	259,000	16.07
Expired or forfeited	(281,560)	23.89	(250,000)	15.97
Vested/exercised	(370,940)	27.07	-	-
Outstanding as of December 31, 2015	725,597	$ 25.28	1,998,000	$ 19.62

The fair value of restricted stock units that vested during 2015 was approximately $8.0 million. As of December 31, 2015, the balance of unamortized restricted stock and stock option expense was $7.5 million and $1.9 million, respectively, which will be recognized over weighted-average periods of 1.6 years for restricted stock units and 1.4 years for stock options.

The 1,998,000 outstanding stock options as of December 31, 2015 had an intrinsic value of $3.0 million and a weighted-average remaining contractual life of 4.9 years. Of those outstanding options: 1) 1,485,000 were exercisable with an intrinsic value of $1.6 million, a weighted-average exercise price of $19.57 per share and a weighted-average remaining contractual life of 4.0 years; and 2) 513,000 have been granted but have not vested, of which 483,000 are expected to vest and have an intrinsic value of $1.3 million, a weighted-average exercise price of $19.27 and a weighted-average remaining contractual life of 7.3 years.

The fair value on the grant date and the significant assumptions used in the Black-Scholes option-pricing model for stock option awards granted during 2015 are as follows:

Total stock options granted		259,000
Weighted-average grant date fair value	$	12.48
Weighted-average assumptions:		
Risk-Free Rate		1.3 %
Expected life of options[a]		4.7
Expected volatility[b]		45.5 %
Expected quarterly dividends	$	—

(a) Calculated using the simplified method due to the terms of the stock options and the limited pool of grantees.
(b) Calculated using historical volatility of the Company's common stock over periods commensurate with the expected life of the option.

The Company recognized, as part of general and administrative expense, cost for stock-based payment arrangements of $9.5 million for the year ended December 31, 2015 with related tax benefits of $4.0 million.

9. Business Segments

The Company offers general contracting, pre-construction planning and comprehensive project management services, including planning and scheduling of the manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. The Company also offers self-performed construction services, including site work, concrete forming and placement, steel erection, electrical, mechanical, plumbing and HVAC. Our business is conducted through three segments: Civil, Building and Specialty Contractors, as described further below. These segments are determined based on how the Company's Chairman and Chief Executive Officer (chief operating decision maker) aggregates business units when evaluating performance and allocating resources.

The Civil segment specializes in public works construction and the repair, replacement and reconstruction of infrastructure. The civil contracting services include construction and rehabilitation of highways, bridges, mass-transit systems, and water management and wastewater treatment facilities.

The Building segment has significant experience providing services to a number of specialized building markets for private and public works customers, including the high-rise residential, hospitality and gaming, transportation, health care, commercial and government offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical, industrial and high-tech markets.

The Specialty Contractors segment specializes in electrical, mechanical, plumbing, HVAC, fire protection systems and pneumatically placed concrete for a full range of civil and building construction projects in the industrial, commercial, hospitality and gaming, and mass-transit end markets. This segment provides unique strengthens and capabilities which position the Company as a full-service contractor with greater control over scheduled work, project delivery and risk management.

The following tables set forth certain reportable segment information relating to the Company's operations for the years ended December 31, 2015 (in thousands):

	Reportable Segments					
	Civil	Building	Specialty Contractors	Segment Total	Corporate	Consolidated Total
Total Revenue	$ 2,005,193	$ 1,900,492	$ 1,228,030	$ 5,133,715	$ —	$ 5,133,715
Elimination of intersegment revenue	(115,286)	(97,957)	—	(213,243)	—	(213,243)
Revenue from external customers	$ 1,889,907	$ 1,802,535	$ 1,228,030	$ 4,920,472	$ —	$ 4,920,472
Income from construction operations:						
Before litigation-related charge	$ 169,073	$ (1,240)	$ 15,682	$ 183,515	$ (54,242)(a)	$ 129,273
Litigation-related charge (b)	(23,860)	—	—	(23,860)	—	(23,860)
Total	$ 145,213	$ (1,240)	$ 15,682	$ 159,655	$ (54,242)	$ 105,413
Capital Expenditures	$ 8,383	$ 2,877	$ 1,193	$ 12,453	$ 23,459	$ 35,912

(a) Consists primarily of corporate general and administrative expenses.

(b) The Company recorded a non-cash, pre-tax charge of $23.9 million for an adverse appellate court decision related to a long-standing litigation matter for which the Company, as part of a 2011 acquisition, assumed liability as a minority partner in a joint venture for a project that had already been completed. (For further information, refer to the Brightwater Matter discussion in Note 7.)

During the year ended December 31, 2015, the Company recorded unfavorable adjustments totaling $45.6 million in income from construction operations ($0.53 in diluted EPS) related to various Five Star Electric projects in New York, none of which were individually material. Most of these projects are complete or nearing completion. In addition, there were unfavorable adjustments to the estimated cost to complete a Building segment project, which has been completed and resulted in a decrease of $24.3 million in income from construction operations ($0.28 in diluted EPS). Furthermore, the Company recorded a non-cash litigation-related charge for the Brightwater Matter, which resulted in a $23.9 million in income from construction operations ($0.28 in diluted EPS), as discussed in Note 7. Finally, the Company recorded favorable adjustments for a Civil segment runway reconstruction project, which resulted in an increase of $13.7 million in income from construction operations ($0.16 in diluted EPS).

The above were the only changes in estimates considered individually material to the Company's results of operations during the year ended December 31, 2015.

The following table sets forth the total assets for the reportable segments as of December 31, 2015 (in thousands):

Building	$	798,022
Civil		1,964,674
Specialty Contractors		863,242
Corporate and other (a)		416,503
Total Assets	$	4,042,441

(a) Consists principally of cash and cash equivalents and corporate transportation equipment.

Geographic Information

Information concerning principal geographic areas as of and for the year-ended December 31, 2015 is as follows (in thousands):

Revenue		
United States	$	4,694,165
Foreign and U.S. territories		226,307
Total	$	4,920,472
Income (loss) from construction operations		
United States	$	128,869
Foreign and U.S. territories		30,786
Corporate		(54,242)
Total	$	105,413

Income from construction operations has been allocated geographically based on the location of the job site.

Assets		
United States	$	3,868,449
Foreign and U.S. territories		173,992
Total Assets	$	4,042,441

Reconciliation of Segment Information to Consolidated Amounts

The following table reconciles segment results to the consolidated income before income taxes for the year ended December 31, 2015 (in thousands).

Income from construction operations	$	105,413
Other income (expense), net		12,453
Interest expense		(44,027)
Income before income taxes	$	73,839

10. Employee Benefit Plans

Defined Benefit Pension Plan

The Company has a defined benefit pension plan that covers certain of its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The plan is noncontributory and benefits are based on an employee's years of service and "final average earnings," as defined by the plan. The plan provides reduced benefits for early retirement and takes into account offsets for social security benefits. The Company also has an unfunded supplemental retirement plan ("Benefit Equalization Plan") for certain employees whose benefits under the defined benefit pension plan were reduced because of compensation limitations under federal tax laws. Effective June 1, 2004, all benefit accruals under the Company's pension plan and Benefit Equalization Plan were frozen; however, the current vested benefit was preserved. Pension disclosure as presented below includes aggregated amounts for both of the Company's plans, except where otherwise indicated.

The Company historically has used the date of its fiscal year-end as its measurement date to determine the funded status of the plan.

The long-term investment goals of our plan are to manage the assets in accordance with the legal requirements of all applicable laws; produce investment returns which maximize return within reasonable and prudent levels of risks; and achieve a fully funded status with regard to current pension liabilities. Some risk must be assumed in order to achieve the investment goals. Investments with the ability to withstand short and intermediate term variability are considered and some interim fluctuations in market value and rates of return are tolerated in order to achieve the plan's longer-term objectives.

The plan's assets are managed by a third-party investment manager. The investment manager is limited to pursuing the investment strategies regarding asset mix and purchases and sales of securities within the parameters defined in the Investment Objectives & Policy Statement and investment management agreement. Investment performance and risk is measured and monitored on an ongoing basis through quarterly investment meetings.

A summary of net periodic benefit cost for the year ended December 31, 2015 is as follows (in thousands):

Interest cost	$	4,055
Expected return on plan assets		(5,021)
Recognized net actuarial losses		1,869
Net periodic benefit cost	$	903
Actuarial assumptions used to determine net cost:		
Discount rate		3.75%
Expected return on assets		6.50%
Rate of increase in compensation		n.a.

The target asset allocation for the Company's pension plan by asset category for 2016 and the actual asset allocation as of December 31, 2015 by asset category are as follows:

	Percentage of Plan Assets	
Asset Category	Target Allocation 2016	Actual Allocation 2015
Cash	5 %	4 %
Equity securities:		
Domestic	65	61
International	25	30
Fixed income securities	5	5
Total	100 %	100 %

As of December 31, 2015, plan assets included approximately $44.1 million of investments in hedge funds which do not have readily determinable fair values. The underlying holdings of the funds are comprised of a combination of assets for which the estimate of fair value is determined using information provided by fund managers.

The Company expects to contribute approximately $1.8 million to its defined benefit pension plan in 2016. Future benefit payments under the plans are estimated as follows (in thousands):

2016	$	6,399
2017		6,439
2018		6,601
2019		6,687
2020		6,720
Thereafter		33,510
	$	66,356

The following tables provide a reconciliation of the changes in the fair value of plan assets and plan benefit obligations during 2015, and a summary of the funded status as of December 31, 2015 (in thousands).

Change in Fair Value of Plan Assets		
Balance at beginning of year	$	75,956
Actual return on plan assets		(984)
Company contribution		2,900
Benefit payments		(5,576)
Balance at end of year	$	72,296
Change in Benefit Obligations		
Balance at beginning of year	$	110,923
Interest cost		4,055
Assumption change (gain) loss		(3,838)
Actuarial loss		378
Benefit payments		(5,576)
Balance at end of year	$	105,942
Funded status	$	(33,646)
Amounts recognized in Consolidated Balance Sheets consist of:		
Current liabilities	$	(218)
Long-term liabilities		(33,428)
Net amount recognized in Consolidated Balance Sheets	$	(33,646)
Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive loss:		
Net actuarial loss	$	(56,824)
Accumulated other comprehensive loss		(56,824)
Cumulative Company contributions in excess of net periodic benefit cost		23,178
Net amount recognized in Consolidated Balance Sheets	$	(33,646)

The net actuarial gain arising during the period, netted against the amortization of the previously existing actuarial loss resulted in a net other comprehensive loss of $0.7 million in 2015.

The estimated amount of the net accumulated loss that will be amortized from accumulated other comprehensive loss into net period benefit cost in 2016 is $1.7 million.

Actuarial assumptions used to determine benefit obligation:	
Discount rate	4.10 %
Rate of increase in compensation	n.a.
Measurement date	December 31

The expected long-term rate of return on assets assumption was 6.5% for 2015. The expected long-term rate of return on assets assumption was developed considering forward looking capital market assumptions and historical return expectations for each asset class assuming the Company's target asset allocation and full availability of invested assets.

Plan assets are measured at fair value. The following provides a description of the valuation techniques employed for each major asset class: Corporate equities are valued at the closing price reported on the active market on which the individual securities are purchased. Registered investment companies are public investment vehicles valued using the Net Asset Value (NAV) of shares held by the plan at year-end. The NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy. Closely held funds held by the plan, which are only available through private offerings, do not have readily determinable fair values. Estimates of fair value of these funds are determined using the information provided by the fund managers and it is generally based on the net asset value per share or its equivalent. Corporate bonds are valued based on market values quoted by dealers who are market makers in these securities, and by independent pricing services which use multiple valuation techniques that incorporate available market

information and proprietary valuation models using market characteristics, such as benchmark yield curve, coupon rates, credit spreads, estimated default rates and other features.

The following table sets forth the plan assets as of December 31, 2015 at fair value in accordance with the fair value hierarchy described in Note 3 (in thousands):

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total Value
Cash and cash equivalents	$ 2,654	$ —	$ —	$ 2,654
Fixed Income	4,029	—	—	4,029
Equities	6,566	—	—	6,566
Mutual Funds	6,994	—	—	6,994
Equity Partnerships	—	7,920	—	7,920
Hedge Fund Investments:				
Cash	324	—	—	324
Long-Short Equity Fund	—	12,640	16,370	29,010
Event-Driven Fund	—	3,618	6,984	10,602
Distressed Credit	—	—	935	935
Multi-Strategy Fund	—	—	1,262	1,262
Private Credit	—	—	2,000	2,000
Total	$ 20,567	$ 24,178	$ 27,551	$ 72,296

Fund strategies seek to capitalize on inefficiencies identified across different asset classes or markets. Hedge fund strategy types include long-short, event-driven, multi-strategy and distressed credit. Generally, the redemption of the Company's hedge fund investments is subject to certain notice-period requirements and, as such, the Company has classified these assets as Level 3 assets.

The table below sets forth a summary of changes in the fair value of the Level 3 assets (in thousands):

	Changes in Fair Value of Level 3 Assets					
	Long-Short Equity Fund	Event-Driven Fund	Distressed Credit	Multi-Strategy Fund	Private Credit	Total
Balance, December 31, 2014	$ 12,755	$ 9,562	$ 1,320	$ 1,494	$ —	$ 25,131
Realized gains	(50)	(16)	(7)	(9)	—	(82)
Unrealized gains	581	(585)	(28)	(38)	—	(70)
Purchases	5,631	—	—	225	2,642	8,498
Sales	(2,547)	(1,977)	(350)	(410)	(642)	(5,926)
Balance, December 31, 2015	$ 16,370	$ 6,984	$ 935	$ 1,262	$ 2,000	$ 27,551

The Company's plans have benefit obligations in excess of the fair value of the plans' assets. The following table provides information relating to each of the plans' benefit obligations compared to the fair value of its assets as of December 31, 2015 (in thousands):

(in thousands)	Pension Plan	Benefit Equalization Plan	Total
Projected benefit obligation	$ 102,495	$ 3,447	$ 105,942
Accumulated benefit obligation	102,495	3,447	105,942
Fair value of plan assets	72,296	—	72,296
Projected benefit obligation greater than fair value of plan assets	$ 30,199	$ 3,447	$ 33,646
Accumulated benefit obligation greater than fair value of plan assets	$ 30,199	$ 3,447	$ 33,646

Section 401(k) Plans

The Company has several contributory Section 401(k) plans which cover its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The 401(k) expense provision was $4.0 million in 2015. The Company's contribution is based on a non-discretionary match of employees' contributions, as defined by each plan.

Cash-Based Compensation Plans

The Company has multiple cash-based compensation plans and a share-based incentive compensation plan for key employees, which are generally based on the Company's achievement of a certain level of profit. For information on the Company's share-based incentive compensation plan, see Note 8.

Multiemployer Plans

In addition to the Company's defined benefit pension and contribution plans discussed above, the Company participates in multiemployer pension plans for its union construction employees. Contributions are based on the hours worked by employees covered under various collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is only liable for its proportionate share of a plan's unfunded vested liability upon termination, or withdrawal from, a plan. The Company currently has no intention of withdrawing from any of the multiemployer pension plans in which it participates and, therefore, has not recognized a liability for its proportionate share of any unfunded vested liabilities associated with these plans.

The following tables summarize key information for the plans that the Company had significant involvement with during the year ended December 31, 2015.

Pension Fund	EIN/Pension Plan Number	Pension Protections Act Zone Status	FIP/RP Status Pending Or Implemented	Company Contributions (in millions)	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
Pension, Hospitalization and Benefit Plan of the Electrical Industry - Pension Trust Account	13-6123601/001	Green	No	13.6 [a]	No	5/31/2016
Steamfitters Industry Pension Fund	13-6149680/001	Green	No	6.2 [a]	No	6/30/2017
Excavators Union Local 731 Pension Fund	13-1809825/002	Green	No	7.1	No	6/30/2016
Local 147 Construction Workers Retirement Fund	13-6528181	Green	No	5.6 [a]	No	6/30/2018
Iron Workers Locals 40,361 & 417 Pension Fund	51-6102576/001	Yellow	Implemented	5.2 [a]	No	6/30/2020
New York City District Council of Carpenters Pension Plan	51-0174276/001	Green [b]	No	3.1	No	6/30/2016

(a) These amounts exceeded 5% of the respective total plan contributions.
(b) Pension Protection Act zone status is as of July 1, 2015.

In addition to the individually significant plans described above, the Company also contributed approximately $40.6 million in 2015.

11. Related Party Transactions

The Company leases certain facilities from an entity owned by Ronald N. Tutor, the Company's Chairman and Chief Executive Officer, at market lease rates. Under these leases the Company paid $2.7 million and recognized expense of $3.2 million for the year ended December 31, 2015.

Raymond R. Oneglia, Vice Chairman of O&G Industries, Inc. ("O&G"), is a director of the Company, and O&G owns 500,000 shares of the Company's common stock. The Company and O&G formed a joint venture to provide contracting services for a highway construction project. O&G provides equipment and services to the joint venture on customary trade terms. The joint venture paid O&G $10.7 million for the year ended December 31, 2015. The Company has a 30% percent interest in the joint venture, which it accounts for using the proportionate consolidation method.

Peter Arkley, Senior Managing Director, Construction Services Group, of Alliant Insurance Services, Inc. ("Alliant"), is a director of the Company. The Company uses Alliant for various insurance related services and has paid Alliant $9.8 million for the year ended December 31, 2015. The Company owed Alliant $7.5 million for services rendered as of December 31, 2015.

SUPPLEMENTAL CONSOLIDATING INFORMATION

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2015
(In thousands, except share data)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Landis Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Kenny Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
ASSETS																	
CURRENT ASSETS:																	
Cash	$ 47,198	$ 839	$ —	$ 14,518	$ 2,144	$ 98	$ —	$ 1,531	$ —	$ —	$ 1,934	$ —	$ 10,883	$ 2,036	$ 1,361	$ (7,090)	$ 75,452
Restricted cash	3,370	—	—	—	400	—	—	—	—	—	330	—	—	2,552	39,201	—	45,853
Accounts receivable, including retainage	339,488	30,993	16,854	59,347	54,002	6,975	99,671	29,083	245,622	70,891	35,501	11,658	19,042	517,575	83,658	(146,745)	1,473,615
Costs and estimated earnings in excess of billings	97,576	71,457	46,584	86,644	17,702	2,997	35,886	10,231	23,601	37,400	21,737	37,182	8,325	485,285	151	(77,583)	905,175
Deferred income taxes	16,566	—	—	5,239	—	—	—	—	—	—	—	—	314	4,185	2	—	26,306
Intercompany notes and receivables	—	—	—	—	28,889	—	—	—	45,504	—	—	3,738	—	—	—	(78,131)	—
Other current assets	59,792	974	2,161	5,331	7,690	4,525	2,077	56	3,483	2,134	1,497	285	6,818	11,305	12,319	(11,603)	108,844
Total current assets	563,990	104,263	65,599	171,079	110,827	14,595	137,634	40,901	318,210	110,425	60,999	52,863	45,382	1,022,938	136,692	(321,152)	2,635,245
PROPERTY AND EQUIPMENT, at cost																	
Land	4,090	—	2,407	492	1,771	—	15,396	—	4,456	—	123	—	8,874	3,284	489	—	41,382
Building and improvements	22,132	—	4,409	1,798	2,663	—	23,547	852	12,908	1,887	3,986	—	12,367	23,727	13,324	—	123,600
Construction equipment	52,894	8,294	14,384	58,065	49,209	16,422	1,415	297	4,910	—	310	—	22,703	6,875	195,382	—	431,080
Other equipment	61,924	70,326	2,834	—	9,866	32	3,745	1,044	9,625	1,794	2,923	139	5,038	9,241	3,409	—	181,949
	141,040	78,620	24,034	60,355	63,509	16,454	44,103	2,193	31,899	3,681	7,342	139	48,982	43,127	212,524	—	778,002
Less - Accumulated depreciation	(35,735)	(18,624)	(10,478)	(18,114)	(24,941)	(3,004)	(7,234)	(1,506)	(18,986)	(2,283)	(3,597)	(61)	(19,916)	(15,870)	(74,128)	—	(254,477)
Total property and equipment, net	105,305	59,996	13,556	42,241	38,568	13,450	36,869	687	12,913	1,398	3,745	78	29,066	27,257	138,396	—	523,525
INTERCOMPANY NOTES AND RECEIVABLES	—	—	—	—	160,096	—	343,783	14,030	121,655	—	—	179,538	14,357	31,367	872	(865,698)	—
GOODWILL	571,520	—	—	—	—	—	—	—	—	—	—	—	—	13,486	—	—	585,006
INTANGIBLE ASSETS, NET	96,540	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	96,540
OTHER ASSETS	741,322	24,052	5,789	—	7,607	1,118	1,369	5,753	2,803	431	22,237	641	351	13,576	26,856	(651,780)	202,125
TOTAL ASSETS	$ 2,078,677	$ 188,311	$ 84,944	$ 213,320	$ 317,098	$ 29,163	$ 519,655	$ 61,371	$ 455,581	$ 112,254	$ 86,981	$ 233,120	$ 89,156	$ 1,108,624	$ 302,816	$ (1,838,630)	$ 4,042,441
LIABILITIES AND STOCKHOLDERS' EQUITY																	
CURRENT LIABILITIES:																	
Current maturities of long-term debt	$ 107,282	$ 2,426	$ 79	$ 11,200	$ 6,830	$ 2,945	$ —	$ —	$ —	$ —	$ —	$ —	$ 5,886	$ 574	$ 11,695	$ (60,000)	$ 88,917
Accounts payable, including retainage	199,238	5,459	12,300	27,667	70,344	1,354	78,082	32,848	285,390	55,187	46,453	46,750	15,551	224,518	4,028	(167,705)	937,464
Billings in excess of costs and estimated earnings	89,304	115	4,064	14,665	24,083	179	1,088	1,014	19,313	1,836	7,109	4,052	6,808	118,675	1,717	(5,711)	288,311
Intercompany notes and advances payable—short term	27,331	—	362	—	—	—	1,482	—	2,714	1,193	—	879	—	459	50,881	(85,221)	—
Accrued expenses and other current liabilities	24,045	4,122	2,507	15,760	9,569	388	4,897	1,187	10,792	2,720	6,932	1,183	6,822	30,134	40,289	(2,331)	139,016
Total current liabilities	447,200	12,122	19,312	69,292	110,826	4,866	85,549	35,049	318,209	60,936	60,494	52,864	35,067	374,360	108,530	(320,968)	1,473,708
LONG TERM DEBT, less current maturities	659,432	23,103	—	428	6,946	11,791	—	—	—	—	—	—	613	9,634	28,387	(5,723)	734,531
DEFERRED INCOME TAXES	39,143	95,695	10,880	14,955	18,851	4,454	6,181	4,755	2,735	5,292	7,537	514	364	22,008	39,946	—	273,310
OTHER LONG-TERM LIABILITIES	106,390	1,725	—	2	—	—	—	602	945	—	—	1	—	—	30,800	—	140,665
INTERCOMPANY NOTES & ADVANCES PAYABLE	460,704	4,326	4,994	56,869	—	6,239	—	—	—	34,820	2,996	—	—	270,206	—	(841,154)	—
STOCKHOLDERS' EQUITY:																	
Treasury Stock—Perini	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(658)	658	—
Common stock	49,073	—	7	1	2,233	10	95	4	11	—	—	1	1,500	6	712	(4,580)	49,073
Additional paid-in-capital	1,035,514	27,406	1	56,297	37,168	1	—	279	6,303	9,999	22,437	1	16,250	226,112	188,321	(590,573)	1,035,516
Retained earnings (deficit)	(684,174)	23,934	49,750	22,664	141,074	1,802	427,830	20,682	127,378	1,287	(6,483)	179,739	36,158	205,674	(93,142)	(76,290)	377,883
Accumulated and other comprehensive loss	(34,805)	—	—	(7,188)	—	—	—	—	—	—	—	—	(796)	624	—	—	(42,165)
TOTAL STOCKHOLDERS' EQUITY	365,608	51,340	49,758	71,774	180,475	1,813	427,925	20,965	133,692	11,286	15,954	179,741	53,112	432,416	95,233	(670,785)	1,420,227
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,078,677	$ 188,311	$ 84,944	$ 213,320	$ 317,098	$ 29,163	$ 519,655	$ 61,371	$ 455,581	$ 112,254	$ 86,981	$ 233,120	$ 89,156	$ 1,108,624	$ 302,816	$ (1,838,630)	$ 4,042,441

NOTE: Consolidating Balance Sheet is presented using the cost method of accounting.
NOTE: Proportional share of joint venture assets and liabilities are included in the respective amounts shown above.
NOTE: Consolidating Balance Sheet does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.
NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Axtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Granite and Fisk Electric Company.
NOTE: Management has determined the allocation of intercompany notes and receivable (or advance payable) balances between current assets (liabilities) and noncurrent assets (liabilities) based upon management's intent as to when such amounts will be settled.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands, except per share data)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Berbe, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Kesting Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
REVENUE	$ 1,030,133	$ 30,021	$ 43,903	$ 266,693	$ 547,447	$ 9,419	$ 352,442	$ 124,902	$ 940,372	$ 146,125	$ 267,674	$ 74,220	$ 168,213	$ 1,228,830	$ —	$ (249,122)	$ 4,920,472
COST OF OPERATIONS	(886,604)	(37,356)	(42,498)	(263,282)	(483,331)	(10,485)	(364,397)	(120,941)	(909,765)	(145,942)	(255,276)	(65,748)	(98,093)	(1,147,786)	18,163	249,122	(4,564,219)
GROSS PROFIT	143,529	(7,335)	1,405	3,411	64,116	(1,066)	(11,955)	3,961	30,607	183	12,398	8,472	10,120	80,244	18,163	—	356,253
General and administrative expenses	(77,806)	(67)	(4,453)	(12,838)	(13,939)	(2,079)	(14,815)	(1,649)	(18,720)	(6,024)	(9,601)	(6,993)	(7,063)	(72,821)	(1,972)	—	(250,840)
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	65,723	(7,402)	(3,048)	(9,427)	50,177	(3,145)	(26,770)	2,312	11,887	(5,841)	2,797	1,479	3,057	7,423	16,191	—	105,413
Other income (expense), net	8,155	(36)	1	(780)	1,126	1,663	5	—	47	4	38	8	313	1,095	814	—	12,453
Interest expense	(41,006)	—	(6)	(279)	(427)	(521)	(6)	—	—	—	—	—	(162)	(341)	(1,279)	—	(44,027)
INCOME (LOSS) BEFORE INCOME TAXES	32,872	(7,438)	(3,053)	(10,486)	50,876	(2,003)	(26,771)	2,312	11,934	(5,837)	2,835	1,487	3,208	8,177	15,726	—	73,839
(Provision) Benefit for income taxes	(8,325)	1,996	1,288	5,022	(21,061)	768	10,731	(993)	(4,905)	(63)	(1,497)	(592)	(136)	(4,877)	(5,903)	—	(28,547)
NET INCOME (LOSS)	$ 24,547	$ (5,442)	$ (1,765)	$ (5,464)	$ 29,815	$ (1,235)	$ (16,040)	$ 1,319	$ 7,029	$ (5,900)	$ 1,338	$ 895	$ 3,072	$ 3,300	$ 9,823	$ —	$ 45,292

NOTE: Consolidating Statement of Operations is presented using the cost method of accounting.
NOTE: Proportional share of joint venture net income (loss) is included in the respective amounts shown above.
NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fink Electric Company

Doc. No. 35GL-19-0588.*

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Berlon, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
BALANCE - December 31, 2014	$ (708,721)	$ 29,376	$ 51,515	$ 28,128	$ 111,259	$ 3,037	$ 443,870	$ 19,363	$ 120,349	$ 7,107	$ (7,821)	$ 178,844	$ 33,086	$ 202,374	$ (102,965)	$ (76,290)	$ 332,511
Net Income (Loss)	24,547	(5,442)	(1,765)	(5,464)	29,815	(1,235)	(16,040)	1,319	7,029	(5,900)	1,338	895	3,072	3,300	9,823	—	45,292
BALANCE - December 31, 2015	$ (684,174)	$ 23,934	$ 49,750	$ 22,664	$ 141,074	$ 1,802	$ 427,830	$ 20,682	$ 127,378	$ 1,207	$ (6,483)	$ 179,739	$ 36,158	$ 205,674	$ (93,142)	$ (76,290)	$ 377,803

NOTE: Consolidating Statement of Retained Earnings is presented using the cost method of accounting
NOTE: Proportional share of joint venture net income (loss) is included in the respective amounts shown above.
NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Grecostar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES																	
Net Income	$ 24,547	$ (5,442)	$ (1,765)	$ (5,464)	$ 29,815	$ (1,235)	$ (16,040)	$ 1,319	$ 7,029	$ (5,900)	$ 1,338	$ 899	$ 3,072	$ 3,300	$ 9,823	$ —	$ 45,292
Adjustments to reconcile net income to net cash from operating activities:																	
Depreciation	6,517	5,624	565	4,068	2,492	1,026	884	88	962	170	390	19	1,714	3,704	9,696	—	37,919
Amortization of intangible assets and debt issuance costs	5,810	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,810
Share-based compensation expense	9,477	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	9,477
Adjustment of investments to fair value	(9)	—	—	—	—	—	—	—	—	—	—	—	—	9	—	—	—
Excess income tax benefit from stock-based compensation	(186)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(186)
Deferred income taxes	(114,507)	75,264	5,091	13,690	11,244	2,220	4,812	(930)	(68)	4,861	(12,604)	(126)	(617)	20,740	13,144	—	22,214
Loss (Gain) on sale of property and equipment	(2,260)	—	(20)	3	(410)	(233)	—	—	(14)	(14)	(38)	—	212	(148)	13	—	(2,909)
Other long-term liabilities	(4,813)	(157)	273	—	—	(79)	1,261	436	945	—	—	265	—	(58)	30,799	—	28,912
Other non-cash items	2,329	—	—	(4,763)	—	—	—	—	129	—	(1,077)	—	(591)	(105)	—	400	(3,680)
Changes in other components of working capital	(155,597)	17,247	(9,858)	(32,683)	(9,479)	7,800	131,255	(13,462)	4,834	(25,748)	5,358	298	1,109	(18,789)	(52,427)	21,365	(128,777)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(228,694)	92,536	(5,714)	(25,149)	33,662	9,539	122,172	(12,549)	13,817	(26,631)	(6,633)	1,351	4,899	8,653	11,048	21,765	14,072
CASH FLOWS FROM INVESTING ACTIVITIES																	
Acquisition of property and equipment	(21,498)	—	(49)	(3,316)	(4,043)	(181)	(168)	(482)	(570)	(1,415)	(233)	(11)	(772)	(1,192)	(1,982)	—	(35,912)
Proceeds from sale of property and equipment	2,259	—	217	1	1,128	487	—	—	17	14	93	—	162	197	405	—	4,980
Change in restricted cash	1	—	—	—	428	—	—	—	—	—	240	—	—	1,322	(3,474)	—	(1,483)
(Increase) Decrease in intercompany advances	—	—	270	—	(41,356)	—	(122,320)	12,965	(13,264)	—	4,849	(1,340)	(1,288)	(15,370)	—	177,254	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(19,238)	—	438	(3,315)	(43,843)	306	(122,488)	12,483	(13,817)	(1,401)	4,549	(1,351)	(1,898)	(15,043)	(5,051)	177,254	(32,415)
CASH FLOWS FROM FINANCING ACTIVITIES																	
Proceeds from debt	978,731	—	—	(776)	—	270	—	—	—	—	—	—	1	(5)	254	34,730	1,013,205
Repayment of debt	(959,577)	(2,426)	(81)	(5,993)	(7,969)	(2,562)	—	—	—	—	—	—	(955)	(613)	(14,195)	(60,000)	(1,054,371)
Excess income tax benefit from share-based compensation	186	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	186
Issuance of common stock and effect of cashless exercise	(808)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(808)
(Decrease) Increase in intercompany advances	201,511	(89,686)	5,357	36,138	—	(8,249)	—	—	—	27,185	2,996	—	—	9,044	(14,390)	(169,906)	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	220,043	(92,112)	5,276	29,369	(7,969)	(10,541)	—	—	—	27,185	2,996	—	(954)	8,426	(28,331)	(195,176)	(41,788)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(27,889)	424	—	905	(18,150)	(696)	(316)	(66)	—	(847)	912	—	2,047	2,036	(22,334)	3,843	(60,131)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	75,087	415	—	13,613	20,294	794	316	1,597	—	847	1,022	—	8,836	—	23,695	(10,933)	135,583
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 47,198	$ 839	$ —	$ 14,518	$ 2,144	$ 98	$ —	$ 1,531	$ —	$ —	$ 1,934	$ —	$ 10,883	$ 2,036	$ 1,361	$ (7,090)	$ 75,452
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR:																	
Interest	$ 41,962	$ 16	$ 5	$ 285	$ 427	$ 521	$ 6	$ —	$ —	$ —	$ —	$ —	$ 163	$ 341	$ 1,329	$ —	$ 45,055
Income taxes	$ 32,651	$ —	$ —	$ 319	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 111	$ 2,190	$ 28	$ —	$ —	$ 35,299

NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Axtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fish Electric Company

PROOF OF STATUS AS VETERAN

Black Construction Corporation is not a Veteran-Owned Company

FORMS OR DOCUMENTS
REQUIRED BY BID

APPENDIX K
AFFIDAVIT RE GRATUITIES OR KICKBACKS

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM)

Leonard K. Kaae _____ *(state name of affiant signing below)*, being first duly sworn, deposes, and says that:

1. The name of the offering company or individual is Black Construction Corporation _____.
(state name of company)
Affiant is an officer of the offeror _____ *(state one of the following: the offeror, a partner of the offeror, an officer of the offeror)* making the foregoing identified bid or proposal.

2. To the best of affiant's knowledge, neither affiant, nor any of the offeror's officers, representative, agents, subcontractors, or employees have violated, are violating the prohibition against gratuities and kickbacks set forth in 2 GAR Division 4 §11107(e). Further, affiant promises, on behalf of offeror, not to violate the prohibition against gratuities and kickbacks as set forth in 2 GAR Division 4 §11107(e).

3. To the best of affiant's knowledge, neither affiant, nor any of the offeror's officers, representatives, agents, subcontractors, or employees have been offered, given or agreed to give, any government of Guam employee or former government employee, any payment, gift, kickback, gratuity or offer of employment in connection with the offeror's proposal.

4. I make these statements on behalf of myself as a representative of the offeror, and on behalf of the offeror's officers, representatives, agents, subcontractors, and employees.

_____
Signature of one of the following:

Offeror, if the offeror is an individual;
Partner, if the offeror is a partnership;
Officer, if the offeror is a corporation.

Subscribed and sworn to before me this 29th day of May, 2019.

_____
NOTARY PUBLIC

My commission expires DEC. 14, 2019.

JULIE WENDA T. GALILA
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **DEC. 14, 2019**
P.O. Box 24667 Barrigada, Guam 96921

APPENDIX L
AFFIDAVIT RE ETHICAL STANDARDS

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM)

Leonard K. Kaae
_____ *(state name of affiant signing below)*, being first duly sworn, deposes, and says that:

The affiant is an officer of the offeror *(state one of the following: the offeror, a partner of the offeror, an officer of the offeror)* making the foregoing identified bid or proposal. To the best of affiant's knowledge, neither affiant nor any officers, representatives, agents, subcontractors, or employees of offeror have knowingly influenced any government of Guam employee to breach any of the ethical standards set forth in 5 GCA Chapter 5, Article 11. Further, affiant promises that neither he or she, nor any officer, representative, agent, subcontractor, or employee of offeror will knowingly influence any government of Guam employee to breach any ethical standards set for in 5 GCA Chapter 5, Article 11. These statements are made pursuant to 2 GAR Division 4 §11103(b).

_____
Signature of one of the following:

Offeror, if the offeror is an individual;
Partner, if the offeror is a partnership;
Officer, if the offeror is a corporation.

Subscribed and sworn to before me this 29th day of May, 2019.

_____
NOTARY PUBLIC

My commission expires DEC. 14, 2019.

JULIE WENDA T. GALILA
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **DEC. 14, 2019**
P.O. Box 24667 Barrigada, Guam 96921

APPENDIX M

AFFIDAVIT RE CONTINGENT FEES

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM)

Leonard K. Kaae
_____ *(state name of affiant signing below)*, being first duly sworn, deposes, and says that:

1. The name of the offering company or individual is Black Construction Corporation
(state name of company)

2. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained any person or agency on a percentage, commission, or other contingent arrangement to secure this contract. This statement is made pursuant to 2 GAR Division 4 11108(f).

3. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained a person to solicit or secure a contract with the government of Guam upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bon fide established commercial selling agencies for the purpose of securing business. This statement is made pursuant to 2 GAR division 4 11108(h).

4. I make these statements on behalf of myself as a representative of the offeror, and on behalf of the offeror's officers, representatives, agents, subcontractors, and employees.

_____
Signature of one of the following:

Offeror, if the offeror is an individual;
Partner, if the offeror is a partnership;
Officer, if the offeror is a corporation.

Subscribed and sworn to before me this 29th day of May, 2019.

_____
NOTARY PUBLIC

JULIE WENDA T. GALILA
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: DEC. 14, 2019
P.O. Box 24667 Barrigada, Guam 96921

My commission expires DEC. 14, 2019.

SECRETARY'S CERTIFICATE

I, John D. Barrett, certify that I am the Assistant Secretary and an officer of Black Construction Corporation, a corporation duly organized and existing under the laws of Guam (the "Corporation"), and that as such I have access to and custody of the corporate records and minute books of the Corporation; and

I further certify:

That the following represents a complete and current list of officers of the Corporation:

Ronald N. Tutor	President
Leonard K. Kaae	Senior Vice President and General Manager
Mark J. Mamczarz	Vice President, Treasurer and Secretary
John McSweeney	Vice President
John D. Barrett	Vice President, Assistant Treasurer & Assistant Secretary

IN WITNESS WHEREOF, I have hereunto set my hand by order of the Board of Directors thereof this 12th day of February, 2019.



John D. Barrett, Assistant Secretary

I, Mark J. Mamczarz, certify that I am the Secretary and officer of Black Construction Corporation, a corporation duly organized and existing under the laws of Guam (the "Corporation"), and hereby certify this is a true and correct copy.



Mark J. Mamczarz, Secretary

Corporate Seal

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

GPA RESOLUTION NO. 2019 - 06

RELATIVE TO AUTHORIZING EXPENDITURE FOR THE TANK FARM NEW ULSD PIPELINE SYSTEM (DESIGN – BUILD)

WHEREAS, the Guam Power Authority (GPA) is mandated by United States Environmental Protection Agency (USEPA) to significantly reduce power plant emissions; and

WHEREAS, GPA seeks to comply with the USEPA requirement through the use of Ultra Low Sulfur Diesel (ULSD) oil to fuel power plants; and

WHEREAS, GPA intends to build and use a pipeline system to supply ULSD oil to the Piti Tank Farm and Power Plants TEMES 7, MEC 8 and MEC 9; and

WHEREAS, the ULSD pipeline system consists of 8-inch, 12-inch, and 24-inch diameter pipes with supports/pedestals, pipe manifolds, valves, and pumping station to include motor, pumps, concrete roof, berms and pads; and

WHEREAS, the 24-inch ULSD pipeline will be interconnected from the US Navy tie-in to tanks 1934 and 1935, the 12-inch pipeline will be interconnected from tanks 1934 and 1935 to pumping station and the 6-inch pipeline will be interconnected from pumping station to the Power Plants TEMES 7, MEC 8 and MEC 9; and

WHEREAS, the ULSD pipeline system will be operated and maintained under USEPA, GEPA and American Petroleum Institute (API) guidelines and regulations; and

WHEREAS, the Procurement Officer has provided adequate public announcement for the Design-Build of GPA Tank Farm New ULSD Pipeline System through Bid Invitation No. GPA-027-19; and,

WHEREAS, three (3) qualified bidders submitted bids for GPA's consideration (Attached **Exhibit "A"**); and

WHEREAS, GPA's Evaluation Committee has determined AYM International, Inc. to be the lowest responsive bidder at a cost of $3,495,944.00.

WHEREAS, the award of the Purchase Order to AYM International, Inc. has been made pursuant to a written finding by the Procurement Officer that the AYM International, Inc.'s offer meets the requirements of GPA and has been determined to be fair and reasonable.

WHEREAS, GPA has allocated $5.9M from GPA's proceeds from the Cabras 3&4 Insurance Settlement to fund this expenditure; and

WHEREAS, the total cost exceeds the $ 1.5M threshold requiring GPA to seek contract approval and authorization from PUC; and

WHEREAS, GPA is requesting the approval of the CCU to petition the PUC for approval to issue a Purchase Order for the Tank Farm New ULSD Pipeline System

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. GPA's request to award the Contract for the Tank Farm New ULSD Pipeline System is reasonable and prudent.
2. GPA is authorized to petition the Public Utilities Commission for approval to issue a Purchase Order in the amount of $ 3,495,944.00 for the design and construction of the Tank Farm New ULSD Pipeline System utilizing Cabras 3&4 Insurance Proceeds.
3. Upon PUC approval, the General Manager is hereby authorized obligating authority of $3,495,944 for the purpose of securing design-build services for the GPA Tank Farm New ULSD Pipeline System.

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

DULY AND REGULARLY ADOPTED AND APPROVED THIS 28th DAY OF MAY, 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson
Consolidated Commission on Utilities

Attested by:

MICHAEL T. LIMTIACO
Secretary
Consolidated Commission on Utilities

SECRETARY'S CERTIFICATE

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: 5

Nays: 0

Absent: 0

Abstain: 0



NUMBER OF INVITATIONS ISSUED: 6

NUMBER OF BIDS RECEIVED: 3

PROCUREMENT DIVISION
GUAM POWER AUTHORITY
ABSTRACT OF BIDS

INVITATION NUMBER: ITB GPA-027-19

OPENING DATE: 04/02/19 OPENING TIME: 2:00 P.M.

DESCRIPTION OF SUPPLIES OR SERVICES: GPA Tank Farm New ULSD Pipeline System (Design-Build)

ATTACHMENT A - BID ABSTRACT (GPA TANK FARM ULSD PIPELINE SYSTEM

DESCRIPTION					
QTY.					
UNIT DELIVERY	360 Calendar Days upon Issuance of NTP				
BIDDER					
No.: (01) Vendor Name: Tri Star					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY	270 calendar days				
TOTAL LUMP SUM	3,994,099.00				
ALTERNATE					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					

(+) BID GUARANTEE:

( ) Bid Bond #: _____ Amount: $_____

( ) Certificate of Authority ( ) Power of Attorney

(+) Standby Letter of Credit # 01-SB-1521 Amount $ 599,115.00

( ) Letter of Credit #_____ Amount $_____

( ) Cashier's or Certified Check #_____ Amount $_____

( ) Wire Transfer

( ) Statement of Qualifications

(+) Affidavits (Original Form)

( ) Affidavits (Copy Form) Originals submitted with _____

(+) Major Shareholders (+) Non-Collusion (+) No Gratuities or Kickbacks

(+) Ethical Standards (+) Wage Determination (+) Restriction Against Sex Offenders

( ) Business License ( ) Contractors License

( ) Local Procurement Signed and Submitted

( ) Literature

I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered herein.

SIGNATURE

TABULATED BY: _____ DATE: 4/2/19

( ) Lowest Responsive Bidder
( ) Tie Bid
( ) Only Bid
( ) Other Than Lowest Responsive Bidder

NAMES OF PERSONS PRESENT AT THE BID OPENING AND WHOM THEY REPRESENT

	PRINT NAME:	COMPANY NAME:	SIGNATURE:	DATE:
1	VIVEK KANNAN	TRISTAR TERMINALS GUAM LLC		04/02/19
2	Brian Park	"		"
3	Hardy Wy	AYM Int'l Inc		4/2/19
4	ROGELIO W. TIPAY JR	BME & Sons Inc.		04/02/19.
5	NOEL LOPEZ	J&B modern tech		4.2.19
6	HONORIO JHN ESTIRA	GPA ENG'G / PM		4/2/19
7	manuel minas	GPA eng'g / pm		04/02/19
8	Sharlyne Tainatongo	GPA		4/2/19
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				

NUMBER OF INVITATIONS ISSUED: 6

NUMBER OF BIDS RECEIVED: 3

PROCUREMENT DIVISION
GUAM POWER AUTHORITY
ABSTRACT OF BIDS

INVITATION NUMBER: ITB GPA-027-19

OPENING DATE: 04/02/19 OPENING TIME: 2:00PM.

DESCRIPTION OF SUPPLIES OR SERVICES: GPA Tank Farm New ULSD Pipeline System Design-Build

	LINE ITEM 1	LINE ITEM 2	LINE ITEM 3	LINE ITEM 4	LINE ITEM 5
DESCRIPTION					
QTY.					
UNIT					
Completion:	240 Calendar Days upon Execution of NTP				
BASIC					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY	270 Calendar days				
TOTAL LUMP SUM	3,495,988.00				
ALTERNATE					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					

No.: | 02 | Vendor Name: AVM International Inc

[+] BID GUARANTEE

[+] Bid Bond #: AGA-3353-B Amount: $ 15% of total bid amount

[+] Certificate of Authority [+] Power of Attorney

[ ] Standby Letter of Credit # _____ Amount $ _____

[ ] Letter of Credit # _____ Amount $ _____

[ ] Cashier's or Certified Check # _____ Amount $ _____

[ ] Wire Transfer

[ ] Statement of Qualifications

[+] Affidavits (Original Form)

[ ] Affidavits (Copy Form): Originals submitted with _____

[+] Major Shareholders [+] Non-Collusion [+] No Gratuities or Kickbacks

[+] Ethical Standards [+] Wage Determination [+] Restriction Against Sex Offenders

[ ] Business License [+] Contractors License

[ ] Local Procurement Signed and Submitted

[ ] Literature

I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered herein.

SIGNATURE

TABULATED BY: _____ DATE: 4/3/19

Award For Award

[ ] Lowest Responsive Bidder
[ ] Tie Bid
[ ] Only Bid
[ ] Other Than Lowest Responsive Bidder

NUMBER OF INVITATIONS ISSUED: 6

NUMBER OF BIDS RECEIVED: 3

PROCUREMENT DIVISION
GUAM POWER AUTHORITY
ABSTRACT OF BIDS

INVITATION NUMBER: ITB GAA-027-19

OPENING DATE: 04/02/2019 OPENING TIME: 2:00 PM.

DESCRIPTION OF SUPPLIES OR SERVICES: GAA Tank Farm New Used Pipeline System (Design-Build)

	LINE ITEM 1	LINE ITEM 2	LINE ITEM 3	LINE ITEM 4	LINE ITEM 5
DESCRIPTION					
QTY.					
UNIT	Completion 360 Calendar days from issuance of NTP				
BRAND					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY	270 Calendar days				
TOTAL LUMP SUM	6,784,811.52				
ALTERNATE					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					

BIDDER:

No.: [03] Vendor Name: BME iSouth Inc

[ ] BID GUARANTEE:

[ ] Bid Bond #: 218 Amount: $ 15% of Accompany L.S.

[ ] Certificate of Authority [ ] Power of Attorney

[ ] Standby Letter of Credit # _____ Amount $ _____

[ ] Letter of Credit # _____ Amount $ _____

[ ] Cashier's or Certified Check # _____ Amount $ _____

[ ] Wire Transfer

[ ] Statement of Qualifications

[ ] Affidavits (Original Form)

[ ] Affidavits (Copy Form): Originals submitted with _____

[ ] Major Shareholders [ ] Non-Collusion [ ] No Gratuities or Kickbacks

[ ] Ethical Standards [ ] Wage Determination [ ] Restriction Against Sex Offenders

[ ] Business License [ ] Contractors License

[ ] Local Procurement Signed and Submitted

[ ] Literature

I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered herein.

SIGNATURE

TABULATED BY: _____ DATE: 4/2/19

Basis for Award:

[ ] Lowest Responsive Bidder
[ ] Tie Bid
[ ] Only Bid
[ ] Other Than Lowest Responsive Bidder

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

RESOLUTION NO. 2019-07

AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY (GPA)TO PETITION THE PUC FOR APPROVAL OF THE UTILITY ENERGY SERVICE CONTRACT COSTS

WHEREAS, GPA issued GPA-RFP-16-013 for Partnering Opportunities for the Development of Demand-Side Energy Conservation Programs and Utility Energy Services Contract Programs; and

WHEREAS, Siemens was selected for the above solicitation and signed into a contract on May 15, 2017 for a base contract of 5 years with an optional renewal for 5 additional years (see Contract **in Exhibit A**); and

WHEREAS, the Utility Energy Services Contract supports GPA's demand side management program in the implementation or execution of energy efficiency and renewable projects for our large customers which may include financing as well as technical support; and

WHEREAS, Siemens' initial task was to provide energy efficient products for the UOG Sea Grant Office in a joint effort with UOG to promote Demand Side Management and provide a model reference for energy consumption and cost savings to similar buildings located in the UOG Dean Circle; and

WHEREAS, under this contract GPA also tasked Siemens to conduct a Feasibility Study on Guam Department of Education (GDOE) schools for energy efficiency and renewable projects and to execute a pilot project demonstrating cost savings through these programs; and

WHEREAS, the GDOE Feasibility Study and Pilot project is part of the Bringing Energy Solutions to Schools that was initially presented for the use of a portion of FY 18 bond refinancing savings; and

WHEREAS, during the evaluation of the GDOE schools, GPA, Siemens, and GDOE collaborated in developing grant proposals for several lighting retrofit projects at various schools as part of a Demand Side Management Program Expansion Project grant submittal for the FY2018 Energizing Insular Communities Program (EIC) under the Department of Interior, Office of Insular Affairs; and

WHEREAS, in September 2018, GPA received notice of award for $1.2 M of grant funds for lighting retrofit at the George Washington and Southern High Schools (see Notice of Award in **Exhibit B**); and

WHEREAS, GPA and Siemens continue to collaborate on other grant opportunities to include Electric School Bus grant submittal which is anticipating an initial announcement of award selection end of May 2019; and

WHEREAS, the Guam Energy Office (GEO) has requested for GPA to execute a portion of their grant for Smart Energy Schools requiring energy audits and conference support to educate schools on the smart use of energy; and

WHEREAS, the GEO's grant scope is to be tasked to Siemens under their contract as well; and

WHEREAS, Siemens and GPA have met with other large commercial customers to include University of Guam and Navy to provide services as needed which would be at the expense of the customer, however no formal task requests have been received; and

WHEREAS, the tasks for Siemens total more than $1.8 M which exceeds the General Manager approval authority and under the PUC Contract Protocol also requires PUC approval; and

WHEREAS, of the $1.8M for current tasks, $1.3M is to be funded through grant funds as shown in **Exhibit C**; and

WHEREAS, the total contract costs may increase to $1.93M should GPA be awarded the grant for the Electric Bus to be announced in May 2019.

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 to petition for approval of contract for Siemens for up to $1,933,374.

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

DULY and REGULARY ADOPTED this 28th day of May 2019.

Certified by:

JOSEPH T. DUENAS
CHAIRMAN

Attested by:

MICHAEL T. LIMTIACO
SECRETARY

SECRETARY'S CERTIFICATE

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: 5

Nays: 0

Absent: 0

Abstain: 0

EXHIBIT A

Contract

EXHIBIT B

Notice of Award

EIC Grant (DOI/OIA)

EXHIBIT C

Summary of Contract Costs

	Task Description	Fund Source	Task Cost	Running Total	Status
1	DSM Model House @ UOG Sea Grant Office	GPA - DSM Funds	$ 12,274	$ 12,274	Completed
2	GDOE Feasibility Study & Carbullido Pilot	GPA - Bond Refinancing Savings	$ 500,000	$ 512,274	Study Completed / Pilot to start in June
3	GW Lighting Retrofit	Grant (DOI)	$ 295,315	$ 807,589	Scheduled for June
4	SHS Lighting Retrofit	Grant (DOI)	$ 954,685	$ 1,762,274	Scheduled for June
5	Guam Energy Office Energy Smart School Grant	DOE Grant (thru GEO)	$ 61,100	$ 1,823,374	Assigned to GPA / MOU in review

Subtotal $ 1,823,374

Total to be funded by Grant Funds: $ 1,311,100

Future Scope

6	Electric School Bus Pilot Program	GPA (55%) / EPA DERA Grant (45%)	$ 110,000	$ 1,933,374	Grant submitted. Pending award announcement. Of a $853K Grant, $110K is for Siemens Scope.

CONTRACT FOR TECHNICAL SERVICES

This CONTRACT is made and entered into on the 15th day of May, 2017, by **SIEMENS INDUSTRY, INC.**, hereinafter called the CONSULTANT, and the Guam Power Authority, hereinafter called GPA.

GPA engages the CONSULTANT to perform technical services for a project known and described as **Partnering Opportunities for the Development of Demand-Side Energy Conservation Programs and Utility Energy Services Contract Programs, GPA-RFP-16-013,** hereinafter called the "Project."

SECTION I - SERVICES OF THE CONSULTANT

The CONSULTANT shall perform the following technical services in accordance with the degree of care and skill that a registered professional in Guam would exercise under similar conditions:

A. GPA and the CONSULTANT have entered into this contract, wherein GPA will call upon a task and discuss scope and schedule with the CONSULTANT. The CONSULTANT shall provide services as described in the task list provided in Exhibit A. This list is not all-inclusive; GPA can negotiate tasks so long as it falls under the scope of Demand-Side Energy Conservation Programs and Utility Energy Services Contracts.

B. The CONSULTANT has assigned Mike Hubbard, SIEMENS' Senior Project Manager, as the Project Manager for this CONTRACT. Prior written approval is required in the event the CONSULTANT needs to change the Project Manager. The CONSULTANT shall submit the qualifications of the proposed substituted personnel to GPA for approval.

C. The CONSULTANT shall submit all final documents in both hard copy and electronic format. The software version used shall be compatible to current GPA standards.

SECTION II – CONTRACT PERIOD

GPA and the CONSULTANT have agreed that this CONTRACT will be effective June 1st, 2017 for a base contract period of five years or until all of the tasks in Exhibit A are completed. Upon mutual agreement, the CONTRACT may be extended for a period no more than five years beyond the base contract term. GPA shall, at its sole discretion, determine task completion.

SECTION III - CONSULTANT'S COMPENSATION

The CONSULTANT's compensation for this CONTRACT shall be obtained from the customer, through savings generated from the effective implementation of demand-side energy conservation programs and Utility Energy Services Contracts. A portion of the savings generated through these programs and contracts shall be allocated to pay for the services the CONSULTANT has provided.

Compensation structure shall be developed by CONSULTANT for each project implemented, based on generated savings, and shall be included in the proposal during the design and construction of each

project. Compensation structure should meet the approval of GPA and DoD or any other federal agency to whom GPA and the CONSULTANT shall provide the programs and contracts.

SECTION IV – CONSULTANT'S STATUS

The CONSULTANT agrees that there shall be no employee benefits occurring from this CONTRACT, such as:

A. Insurance coverage provided by GPA;
B. Participation in the Government of Guam retirement system;
C. Accumulation of vacation or sick leave;
D. There shall be no withholding of taxes by GPA;
E. That it is expressly understood and agreed that, in the performance of services under this CONTRACT, the CONSULTANT and its employees shall at all times act as independent CONSULTANTs with respect to GPA, and not as an employee or agent of GPA. Further, it is expressly understood and agreed by the parties that nothing contained in this CONTRACT shall be construed to create a joint venture, partnership, association, or other affiliation or like relationship and shall remain that of independent parties to a contractual relationship set forth in this CONTRACT.

SECTION V – GUAM POWER AUTHORITY'S RESPONSIBILITIES

A. GPA shall designate a project manager during the term of this CONTRACT. The project manager has the authority to administer this CONTRACT and shall monitor compliance with all terms and conditions stated herein. All requests for information from or a decision by GPA on any aspect of the work shall be directed to the project manager.
B. GPA shall review submittals by the CONSULTANT and provide prompt response to questions and rendering of decisions pertaining thereto, to minimize delay in the progress of the CONSULTANT'S work. GPA will keep the CONSULTANT advised concerning the progress of GPA's review of the work. The CONSULTANT agrees that GPA's inspection, review, acceptance or approval of CONSULTANT'S work shall not relieve CONSULTANT'S responsibility for errors or omissions of the CONSULTANT or its sub-consultant(s).
C. Unless included in the CONSULTANT'S Services as identified in Section I, GPA shall furnish the CONSULTANT gratis, the following information or services for this Project:

    1. Available GPA data relative to policies, regulations, standards, criteria, studies, etc., relevant to the Project.

SECTION VI – INVOICING AND PAYMENT TERMS & CONDITIONS

This is a revenue-neutral, zero-cost contract, and GPA shall not be invoiced for any services provided by the CONSULTANT related to Demand-Side Management Program and Utility Energy Services Contract activities.

Upon the finalization of the contract for this RFP, GPA and the CONSULTANT shall create Demand-Side Energy Conservation and UESC Programs that shall be proposed to the DoD and any other federal agency. These programs shall include Invoicing and Payment Terms based on Energy Savings realized by

DoD or the federal agency through the implementation of the Demand-Side Energy Programs and UESC Programs. The CONSULTANT shall properly keep track of all invoices including supporting documents (i.e. timesheets, shipping invoices, consumable listings). All supporting documents must be regularly reviewed and approved by the GPA Project Manager prior to invoice submittal for charges. Once DoD has approved the programs proposed by GPA and the CONSULTANT, invoicing shall commence based on the Payment Terms and Conditions proposed by the CONSULTANT. All invoices will be paid net 30 days from date invoice is received at the GPA Accounting Department. Payment shall be made using a method mutually agreed upon by GPA and the CONSULTANT.

SECTION VII - TERMINATION

The Procurement Officer may, when the interest of GPA or the Territory so require, terminate this contract in whole or in part, for the Convenience of the Territory. The Procurement Officer shall give written notice of the termination to the CONSULTANT specifying the part of the contract terminated and when termination becomes effective. **[GSA Procurement Regulations 6-101.10.]**

Immediately after receiving such notice, the CONSULTANT shall discontinue advancing the services under this CONTRACT and proceed to close said operations under this CONTRACT. The CONSULTANT shall appraise the services it has completed and submit an appraisal to GPA for evaluation. GPA shall have the right to inspect the CONSULTANT'S work to appraise the services completed.

CONSULTANT shall deliver to GPA all drawings, special provisions, field survey notes, reports, estimates and any and all other documents or work product generated by the CONSULTANT under the CONTRACT, entirely or partially completed, together with all unused materials supplied by GPA.

In the event of such termination or abandonment, the CONSULTANT shall be paid for services performed prior to receipt of said notice of termination including reimbursable expenses then incurred.

If the remuneration scheduled hereunder is based upon a fixed fee or definitely ascertainable sum, the portion of such sum payable shall be proportionate to the percentage of services completed by the CONSULTANT based upon the scope of work set forth In Exhibit A, and shall be agreed upon mutually by the CONSULTANT and GPA. However, in no event shall the fee exceed that set forth in Section III.

GPA shall make final payment within thirty (30) days after the CONSULTANT has delivered the last of the partially completed items and the final fee has been agreed upon.
In the event this CONTRACT is terminated, GPA shall have the option of completing the work, or entering into a contract with another party for the completion of the work according to the provisions and agreements herein.

SECTION VIII – CHANGES

GPA may at any time, by written order ("Change Order"), make any changes or deletions in the services to be performed hereunder. If such changes or deletions cause an increase or decrease in the costs of doing work under this CONTRACT, or in the time required for this performance, an equitable adjustment shall be made as agreed to by the parties and the CONTRACT shall be modified in writing accordingly. CONSULTANT shall have no obligation to perform any Change Order work until the parties reached an agreement on the equitable adjustment of CONSULTANT's compensation and/or time for performance.

SECTION IX – ASSIGNMENT OF AGREEMENT

The CONSULTANT may not assign this CONTRACT, or any sum becoming due to under the provisions of this CONTRACT, without the prior written consent of GPA which consent shall not be unreasonably withheld, provided, however, that no consent will be required if, as a result of a corporate reorganization an affiliate of the CONSULTANT becomes the CONSULTANT's successor in interest.

SECTION X – FORCE MAJEURE

Neither party shall be liable for any delay in meeting or failure to meet its obligations under this CONTRACT due to a *Force Majeure*.

Force Majeure referred to herein shall mean an occurrence beyond the control and without the fault or negligence of the party affected including, but not limited to, acts of God or the public enemy, expropriation or confiscation; changes in law procedures, war, rebellion, or riots; floods, unusually severe weather that could not reasonably have been anticipated; fires, explosions, epidemics, catastrophes, or other similar occurrences which are not within the control of the party affected. However, the following shall not be considered as *Force Majeure*:

a) Delay caused by lack or inability to obtain raw materials, congestion at CONSULTANT's or its subcontractor's facilities, or elsewhere; market shortages, or similar occurrences, or

b) Delay, either on the part of THE CONSULTANT or its subcontractors, caused by shortages of supervisors or labor, inefficiency, or similar occurrences, or

c) Sabotage, strikes, or any other concerted acts of workmen, which occur only in the facilities of THE CONSULTANT or its subcontractors.

Should the circumstances of *Force Majeure* continue over a period of ninety (90) days, GPA has the right, if no other understanding is reached, to terminate the whole Agreement or any part thereof. Any delay or failure in performing the obligations under the Contract Documents of the parties hereto shall not constitute default under this CONTRACT or give rise to any claim for damages or loss or anticipated profits if, and to the extent, such delay or failure is caused by Force Majeure, and if a claim is made therefore.

SECTION XI - TAXES

The CONSULTANT shall be liable for Guam Gross Receipt Taxes and all other applicable taxes and duties. GPA shall have no tax liability under this order. Specific information on taxes may be obtained from the Director of Revenue and Taxation.
GPA is a government agency exempted from ALL government taxes as stipulated in the Guam Code Annotated.

SECTION XII – NOTICES

Any notice, demand or other document required or permitted to be delivered hereunder shall be in writing and may be delivered personally (not to include facsimile transmission) or shall be deemed to be delivered when received postage prepaid, registered or certified mail, return receipt requested, addressed to the parties at their respective address as specified herein:

TO: Siemens Industry, Inc.
Building Technologies Division

15900 SE Eastgate Way, Suite 200
Bellevue, WA 98008
ATTN: Vice President - Pacific Zone
FAX: (866) 394-2237

COPY: Siemens Industry, Inc.
Building Technologies Division
5333 Fairbanks Street, Suite B
Anchorage, AK 99518
ATTN: Branch Manager / Account Executive - Guam
FAX: (907) 563-6139

TO: Guam Power Authority
P.O. Box 2977
Hagatna, Guam 96932-2977
ATTN: General Manager
FAX: (671) 649-6942

SECTION XIII – GOVERNING LAW

The validity of this CONTRACT and any of its terms or provisions, as well as the rights and duties of the parties to this CONTRACT, shall be governed by the laws of Guam, and the Federal Acquisition Regulation (FAR), in cases where FAR preempts the laws of Guam.

SECTION XIV - SUPPLEMENTAL CONTRACT PROVISIONS

There are no supplemental contract provisions to this Contract.

SECTION XV – INDEMNIFICATION

The CONSULTANT shall indemnify and hold GPA harmless from any claim, liability or product liability, loss, damage, demand, cause of action or suit, expense, or reasonable fee of legal counsel to the extent resulting from negligent acts or omissions of the CONSULTANT, including its employees, agents and subcontractors.

SECTION XVI - LIMITATION OF LIABILITY

UNLESS OTHERWISE PROVIDED IN THE APPLICABLE TASK ORDER, NEITHER PARTY IS LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, INDEMNITY OR ANY OTHER LEGAL OR EQUITABLE THEORY, FOR: LOSS OF USE, REVENUE, SAVINGS, PROFIT, INTEREST, GOODWILL OR OPPORTUNITY, COSTS OF CAPITAL, COSTS OF REPLACEMENT OR SUBSTITUTE USE OR PERFORMANCE, LOSS OF INFORMATION AND DATA, LOSS OF POWER, VOLTAGE IRREGULARITIES OR FREQUENCY FLUCTUATION, CLAIMS ARISING FROM BUYER'S THIRD PARTY CONTRACTS, OR FOR ANY TYPE OF INDIRECT, SPECIAL, LIQUIDATED, PUNITIVE, EXEMPLARY, COLLATERAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR ANY OTHER LOSS OR COST OF A SIMILAR TYPE.

UNLESS OTHERWISE PROVIDED IN THE APPLICABLE TASK ORDER, CONSULTANT'S MAXIMUM LIABILITY UNDER THIS CONTRACT SHALL BE LIMITED TO THE AMOUNT PAID TO THE CONSULTANT UNDER THAT TASK ORDER.

SECTION XVII – WORK PRODUCT DELIVERABLES

A. For the purposes of this Article "Intellectual Property" shall mean all trade secrets, patents and patent applications, trademarks (whether registered or unregistered and including any goodwill acquired in such trademarks), services marks, trade names, internet domain names, copyrights (including rights in computer software), moral rights, database rights, design rights, rights in know-how, rights in inventions (whether patentable or not) including, but not limited to, any and all renewals or extensions thereof, and all other proprietary rights (whether registered or unregistered, and any application for the foregoing), and all other equivalent or similar rights which may subsist anywhere in the world, including, but not limited to, any and all renewals or extensions thereof.

B. For the purposes of this Article, "CONSULTANT's Pre-Existing Intellectual Property" shall mean any Intellectual Property: (i) that has been conceived or developed by an employee or subcontractor of CONSULTANT before CONSULTANT performs any services under this CONTRACT; (ii) that is conceived or developed by such employee or subcontractor at any time wholly independently of CONSULTANT performing services under this Contract.

C. All reports, drawings, field survey notes, special provisions, estimates and any other documents commissioned by or deliverable to GPA under this CONTRACT ("Work Product Deliverables") shall become GPA's property upon receipt by GPA. CONSULTANT may retain file copies of such Work Product Deliverables. All CONSULTANT's Pre-existing Intellectual Property that may be included in the Work Product Deliverables provided to GPA under this CONTRACT shall also remain CONSULTANT's property. CONSULTANT hereby grants GPA a royalty-free, non-transferable, perpetual, nonexclusive license to use any CONSULTANT's Pre-existing Intellectual Property solely as incorporated into the Work Product Deliverables provided to GPA under this CONTRACT. Under such license, GPA and the customer shall have a right to:

(a) Use, in object code form only, any software that is owned or licensed by the CONSULTANT and that is included in the Work Product Deliverables ("Software Deliverables"); and

(b) Use all such Work Product Deliverables, provided however, that such use shall be limited to the particular project and location for which the Deliverables are provided. Any reuse of such Deliverables for other projects or locations without the written consent of the CONSULTANT will be at user's risk and without liability to the CONSULTANT.

(c) In consideration of such license, GPA agrees not to reverse engineer any Work Product Deliverables to discover any source code, object code, firmware, underlying ideas, or algorithms of such Deliverables.

SECTION XVIII - HAZARDOUS MATERIALS

A. For the purposes of this Article, "Hazardous Materials" means any material, substance, or waste, that, by reason of its composition or characteristics, is hazardous to human health and/or the environment, including any "solid waste" or "hazardous waste," as those terms are defined by the Resource Conservation and Recovery Act of 1976, as amended, any "hazardous substance," as that term is defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and any other hazardous, toxic or radioactive chemical, waste, byproduct, pollutant, contaminant, compound, product, material or substance, including without limitation, Asbestos, Asbestos containing materials ("ACM"),

polychlorinated biphenyls, petroleum (including crude oil or any fraction or byproduct thereof), hydrocarbons, radon, urea, urea formaldehyde, and any other material that is prohibited, controlled, limited or regulated in any manner under any Environmental Laws.

B. CONSULTANT's services under this CONTRACT shall not include, either directly or indirectly, performing or arranging for the detection, monitoring, handling, storage, removal, transportation, disposal, or treatment of Hazardous Materials. In the event that CONSULTANT encounters any Hazardous Materials or other hazardous conditions at a project site, CONSULTANT shall immediately stop work in the area affected and report the condition to customer and GPA. CONSULTANT shall not have any liability arising from pre-existing Hazardous Materials present or howsoever occurring at, on or under a project site. To the extent that such Hazardous Materials impact CONSULTANT's schedule or cost to complete the work, CONSULTANT shall be entitled to a scope Change Order for such impact.

SECTION XIX – DISPUTES

All controversies between GPA and the CONSULTANT which arise under, or are by virtue of, this CONTRACT and which are not resolved by mutual agreement, shall be resolved under Guam Procurement Law and the Government Claims Act, and pursuant to the laws of Guam.

SECTION XX – RELEASE OF INFORMATION

The CONSULTANT shall not release any information, including the contract price; concerning this project or any part thereof in any form, including advertising, news releases, or professional articles, without written permission from GPA.

SECTION XXI – INSURANCE

The CONSULTANT shall not commence work under this CONTRACT until he has obtained reasonable insurance for Auto Liability and Worker's Compensation and Employer's Liability up to the statutory limits. The CONSULTANT shall maintain all insurance required during the course of the work.

SECTION XXII – LICENSING

CONSULTANTS are reminded that GPA will not consider for award any offer submitted by a CONSULTANT who has not complied with the Guam Licensing Law. Specific information on licenses may be obtained from the Director of Revenue and Taxation.

SECTION XXIII – CONVENANT AGAINST CONTINGENT FEES

The CONSULTANT warrants that it has not employed any person to solicit or secure any resultant contract upon agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Guam Power Authority the right to terminate the CONSULTANT, or in its discretion, to deduct from the Contract price or consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commission payable by CONSULTANTs upon contracts or sales secured or made through, bona fide established commercial or selling agencies maintained by the CONSULTANT for the purpose of securing business.

SECTION XXVI – EQUAL EMPLOYMENT OPPORTUNITY

Section 3.01 of the Executive Order 10935 dated March 07, 1965 requires the CONSULTANT not to discriminate against an employee or applicant for employment because of race, creed, color or national origin. The CONSULTANT will take affirmative action to ensure that applicants are employed and that employees are treated equally during employment without regard to race, creed, color or national origin.

SECTION XXV – AMERICAN DISABILITIES ACT

If requested, the CONSULTANT must meet all ADA regulations and requirements.

IN WITNESS WHEREOF, the parties hereto have executed this CONTRACT this day _____. The CONSULTANT warrants that the person who is signing this CONTRACT on behalf of the CONSULTANT is authorized to do so and to execute all other documents necessary to carry out the terms of this CONTRACT.

Name: Dana Soukup
Title: Sr. Vice President
Field Operations, B'I' Americas
Date:
SIEMENS INDUSTRY, INC.

JOHN M BENAVENTE, P.E.
GENERAL MANAGER
Date:
GUAM POWER AUTHORITY

Name: Peter Kamuf
Title: Vice President
Date: Finance & Business Administration
SIEMENS INDUSTRY, INC.

APPROVED AS TO FORM:

D. GRAHAM BOTHA, ESQ.
GPA Staff Attorney

GPA-RFP-16-013

Partnering Opportunities for the Development of Demand-Side Energy Conservation Programs and Utility Energy Services Contract Program

EXHIBIT A: Potential Scopes of Work

Potential Project Scope
Potential Renewable Energy Project Development/Construction
Solar PV Ground Mounted Systems
Rooftop PV Systems
Wind Turbine Generator Systems
Core Energy Services
Energy audits including recommendations for energy efficiency measures (EEM)
Investment Grade Audits
Project scope development
Engineering and design
Financing
Equipment selection and purchasing
Construction management
Commissioning
Project documentation
Training owner's operating staff
Guarantee of savings through ongoing monitoring and verification activities
Other Services
Operations and maintenance of equipment
Energy management services
Chauffauge: supplying end-use heating, air-conditioning, lighting, etc. for an agreed-upon rate and period of time.
Measurement and Verification (M&V)
Other Services as required to serve GPA's Federal Client

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

SEP 28 2018

Mr. John M. Benavente, P.E.
General Manager
Guam Power Authority
Post Office Box 2977
Hagåtña, Guam, 96932

Dear Mr. Benavente:

I am pleased to award the Guam Power Authority a total of $1,250,000 in Fiscal Year 2018 grant funding through the Office of Insular Affairs' Energizing Insular Communities (EIC) program. Due to budget constraints, I am not able to fund other grant proposals submitted by the Guam Power Authority. Funding is awarded for the following two projects, as outlined in the proposals dated May 25, 2018:

- $954,685 – GUAM-EIC-2018-1, Bringing Energy Savings To (BEST) Schools, Southern High School LED Lighting Retrofit

- $295,315 – GUAM-EIC-2018-2, Bringing Energy Savings To (BEST) Schools, George Washington High School LED Lighting Retrofit

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 I. Pula
Director
Office of Insular Affairs

cc: Mr. Jon J.P. Fernandez, Superintendent of Educationp

GUAM POWER AUTHORITY

ATURIDAT ILEKTRESEDAT GUAHAN
P O BOX 2977, HAGATNA, GUAM 96932-2977

May 25, 2018

The Honorable Douglas W. Dumanech
Assistant Secretary of Insular and International Affairs
U.S. Department of the Interior
1849 C Street, N.W.
Mail-Stop 2429
Washington, D.C. 20240

PROJECT TITLE: **GPA Demand Side Management Expansion Program**
SUBJECT: **Empowering Insular Communities Program (EIC)**
CFDA No. 15.875
Fiscal Year 2018 Grant Application

Dear Honorable Douglas W. Dumanech:

Hafa Adai! The Guam Power Authority (GPA) submits for this grant opportunity its Demand-Side Management Program Expansion Project. Our Demand-Side Management program, also known as the Energy Sense Program has Energy Efficiency Initiatives that GPA offers as rebate incentives for our customers. The Program currently offers rebates for Energy Star Washer & Dryer Units, Energy Star Window-Type Air Conditioning, and qualifying AHRI-certified Ducted and Ductless-Split Air Conditioning.

Since the re-launch of the rebate program, GPA has paid out over $M1 in rebates for over 3,200 submitted applications as of March 2018. With the anticipated population boom on-island due to the import of Marine Soldiers to Guam, the Authority has embarked on DSM efforts in able to manage the expected increase in load with the replacement of inefficient and near-obsolete appliances and equipment with those that are third-party certified to be energy-efficient.

The Authority would like to increase impacts of Demand-Side Management by extending the current Rebate Program to other types of electrical equipment like lighting and water heating to both residential and commercial customers. This will allow Guam to reduce power costs, debilitate the increasing trend of the Island Wide Power System peak, and thereby save the utility and its ratepayers money in the form of avoided peak generation and avoided energy that would otherwise serve the load differential.

PROJECT TITLE: **GPA Demand Side Management Expansion Program**
SUBJECT: **Empowering Insular Communities Program (EIC)**
CFDA No. 15.875
Fiscal Year 2018 Grant Application

Ultimately, the program expansion will pose benefits to GPA's ratepayers by lowering their utility bills, catalyze reduction in fuel imports due to higher efficiency products, lower greenhouse gas emissions, as well as lowering the demand needed to serve the island the power its needs.

We look forward to your consideration of this request and appreciate this funding opportunity.

Si Yu'os Ma'ase,

John M. Benavente, P.E.
General Manager

cc: Krystina Alfano, EIC Grant Manager

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

RESOLUTION NO. 2019 - 08

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE GUAM PUBLIC UTILITIES COMMISSION FOR NO CHANGE IN THE LEVELIZED ENERGY ADJUSTMENT CLAUSE

WHEREAS, the Guam Public Utilities Commission (GPUC) has established a Tariff under which the Guam Power Authority (GPA) is allowed to recover its fuel costs and fuel related costs under a factor which is reset and trued up every (6) six months through the Levelized Energy Adjustment Clause (LEAC); and

WHEREAS, the deadline for the next filing is June 15, 2019; and

WHEREAS, for the LEAC period covered from February 1, 2019 through July 31, 2019, GPA requested to maintain the LEAC rate of $0.154242/kWh that was approved by the CCU and GPUC; and

WHEREAS, the average market price of fuel in the initial filing for the current period was approved at $66.73/bbl for the (6) six-month period ending July 31, 2019, the current projection for the same period is $72.87/bbl and the projected price of fuel for the period ending January 31, 2020 is $74.18/bbl; and

WHEREAS, the most recent Morgan Stanley market projections indicate falling fuel prices over the next year and GPA anticipates taking advantage of this market to reduce the current under recovery for fuel; and

WHEREAS, although GPA will file the required LEAC schedules, it has determined that it will not petition for a change in the LEAC factor for secondary voltage service customers as well as alternative voltage customer for the period of August 1, 2019 to January 31, 2020; and

WHEREAS, based on this status quo approach, an under-recovery of about $9.7M is anticipated by the end of the LEAC period on January 31, 2020 which will have some impact on the working capital and other financial ratios; however, GPA will be able to manage in the short-term period; and

WHEREAS, if the price of fuel continues to increase above the projected $74.18/bbl, GPA will file a proposed new LEAC rate adjustment if necessary, at that time; and

WHEREAS, GPA is requesting the Consolidated Commission on Utilities to authorize the Authority to file such petition with the Guam Public Utilities Commission.

NOW, THEREFORE BE IT RESOLVED, by the Consolidated Commission on Utilities as follows:

1. The General Manager of the Guam Power Authority is authorized to petition the Guam Public Utilities Commission for the LEAC rate to remain at $0.154242/kWh effective for the period from August 1, 2019 thru January 31, 2020. (LEAC factors for alternative voltage levels are as reflected in the attached spreadsheets in the attached **Exhibit A**.)

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

DULY AND REGULARLY ADOPTED AND APPROVED THIS 28th DAY OF MAY 2019.

Certified by:

JOSEPH T. DUENAS
Chairperson
Consolidated Commission on Utilities

Attested by:

MICHAEL T. LIMTIACO
Secretary
Consolidated Commission on Utilities

I, Michael T. Limtiaco, Board Secretary of the Consolidated Commission on Utilities (CCU), as evidenced by my signature above, do hereby certify as follows: The foregoing is a full, true and correct copy of the resolution duly adopted at a regular meeting by the members of the Guam CCU, 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: 5
Nays: 0
Abstentions: 0
Absent: 0

GPA
Proposed LEAC Rate ($000)

		A	B	C
		No Change in LEAC Proposed Eff 8/01/2019	**@50 % Recovery Proposed Eff 8/01/2019**	**@100 % Recovery Proposed Eff 8/01/2019**
2	Average Price per Bbl-RFO	$ 74.18	$ 74.18	$ 74.18
2	Average Price per Bbl-Diesel	$ 95.19	$ 95.19	$ 95.19
4	Number 6 (HSFO/LSFO)	$ 70,309	$ 70,309	$ 70,309
5	Number 2 (Diesel)	44,360	44,360	44,360
6	Renewable (Solar)	4,626	4,626	4,626
7	TOTAL COST	$ 119,296	$ 119,296	$ 119,296
8	Handling Costs	5,711	5,711	5,711
9	Total Current Fuel Expense	$ 125,007	$ 125,007	$ 125,007
10	Civilian Allocation	81.53%	81.53%	81.53%
11	LEAC Current Fuel Expense	$ 101,921	$ 101,921	$ 101,921
12	Deferred Fuel Expense at the beginning of the period	9,225	9,225	9,225
13	Total LEAC Expense	$ 111,146	$ 111,146	$ 111,146
14	Less: Trans. Level Costs	(5,837)	(6,117)	(6,396)
15	Distribution Level Costs	$ 105,309	$ 105,029	$ 104,750
16	Under recovery at the end of the period	$ (9,699)	$ (4,850)	$ -
17	Adjusted Distribution Level Costs	$ 95,610	$ 100,179	$ 104,750
18	Distribution Level Sales (mWh)	619,867	619,867	619,867
19	LEAC Factor Distribution	0.154242	0.161614	0.168988
20	Current LEAC Factor Distribution	0.154242	0.154242	0.154242
21	Increase/(Decrease)	0.00000	0.00737	0.01475
22	Monthly Increase/(Decrease) - 1000 kWh	$ 0.00	$ 7.37	$ 14.75
23	% Increase/(Decrease) in LEAC	0.00%	4.78%	9.56%
24	% Increase/(Decrease) in Total Bill	0.00%	2.96%	5.93%
25	Discount (3%) - Primary 13.8 KV	$ 0.149579	0.156756	$ 0.163908
26	Discount (4%) - 34.5 KV	$ 0.149148	0.156305	$ 0.163436
27	Discount (5%) - 115 KV	$ 0.147312	0.154381	$ 0.161424

Notes: This LEAC filing reflects the actual under recovery through April 30, 2019 and the average forward pricing from May 7-13, 2019.

EXHIBIT A

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

Resolution No. 2019-09

RELATIVE TO AUTHORIZING THE GUAM POWER AUTHORITY TO CONTRACT FOR UNARMED UNIFORMED SECURITY GUARD SERVICES

WHEREAS, Guam's Island-Wide Power System is critical infrastructure whose assets, systems, and networks, whether physical or virtual, are considered so vital to the United States that the incapacitation or destruction thereof would have a debilitating effect on security, national economic security, nation public health or safety, or any combination thereof; and

WHEREAS, the Guam Power Authority utilizes unarmed security guard services to protect its assets, employees and customers during and after duty hours, as part of its overall security plan; and

WHEREAS, GPA, in partnership with the Guam Homeland Security, Department of Homeland Security, and other entities, is developing a comprehensive Security Plan which will encompass local, federal and industry requirements and address reasonable threats and risks; and

WHEREAS, GPA's requirements for unarmed, uniformed security guard services will be determined by such Security Plan; and

WHEREAS, in April 2019, GPA issued IFB GPA-051-19 seeking unarmed, uniformed security guard services for key assets and locations with options to enhance security measures within the contract period dependent on resource availability and readiness; and

WHEREAS, GPA seeks authorization to enter into the first base year contract at the cost of $801,584.04 for the term of June 2019 to May 2020, and to exercise any option contained within the contract, based on funding and capacity availability.

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

1. After careful consideration, the Consolidated Commission on Utilities finds that the contracting for security for GPA properties is reasonable, prudent, and necessary.

2. The General Manager of the Guam Power Authority is hereby authorized to enter into the first base year contract for unarmed, uniformed security guard services for a term beginning June 1, 2019 through May 31, 2020 for a contract value of $801,584.04, and contractual options to enhance security measures so long as the total contract value for the first base year does not exceed $1,200,000.00.

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

DULY and REGULARY ADOPTED this 05th day of June 2019.

Certified by:

JOSEPH T. DUENAS
CHAIRMAN

Attested by:

MICHAEL T. LIMTIACO
SECRETARY

SECRETARY'S CERTIFICATE

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: 4

Nays: 0

Absent: 1

Abstain: 0

