



**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

**PETITION OF  
GUAM WATERWORKS AUTHORITY  
FOR RATE RELIEF**

**GWA DOCKET 13-01**

**ORDER**

**INTRODUCTION**

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the Petition for a \$2.16 million increase in the Program Management Office contract (“PMO Contract”) with Brown & Caldwell, filed by the Guam Waterworks Authority (“GWA”) on July 30, 2013.

**DETERMINATIONS**

Pursuant to 12 G.C.A. §12004, GWA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC’s express approval. Additionally, pursuant to GWA’s Contract Review Protocol issued in Administrative Docket 00-04, “[a]ll professional service procurements in excess of \$1,000,000” require “prior PUC approval under 12 G.C.A. §12004, which shall be obtained before the procurement process is begun . . . .”<sup>1</sup> GWA must also seek PUC approval for any uses of bond funds.<sup>2</sup>

On July 30, 2013, GWA filed the subject petition. On August 23, 2013, the Administrative Law Judge (the “ALJ”) of the PUC, David A. Mair, authorized Lummus

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<sup>1</sup> GWA’s Contract Review Protocol (“GWA CRP”), Administrative Docket 00-04, p. 1 (Oct. 27, 2005).

<sup>2</sup> *Id.*

Consultants International Inc. (“Lummus”), the PUC’s consultants for water and wastewater matters, to examine GWA’s request for the \$2.16 million increase in the PMO Contract. On December 13, 2013, Lummus filed a report (the “Lummus Report”) detailing its findings and recommendations to the PUC.

In its report, Lummus recommended that the PUC approve GWA’s request to increase the PMO Contract of \$2.16 million.<sup>3</sup> It further recommended that GWA provide the PUC with regular reports “that describe the major project categories, indicate the anticipated spending per year of the Five-Year Plan, indicate allocated budgets to date, and actual spending to date along with an assessment of project percentage completion.”<sup>4</sup> Lummus noted that such reports would “provide a tracking report for the PUC with which it can monitor and respond to interested parties relative to the progress being made on infrastructure improvement.”<sup>5</sup>

On December 26, 2013, ALJ Joephet R. Alcantara filed an ALJ Report detailing his review of the instant matter. In his report, the ALJ found, based on the review of the record, and the recommendation of Lummus, that the \$2.16 million increase was reasonable inasmuch as GWA needed the additional funding in order to meet the deadlines and complete the projects imposed under the federal Stipulated Order.

The ALJ, however, echoed Lummus’ recommendation that GWA should be ordered to provide the PUC with regular reports that describe the major project categories, indicate the anticipated spending per year of the Five-Year Plan, indicate allocated budgets

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<sup>3</sup> Lummus Report, p. 3.

<sup>4</sup> Lummus Report, p. 3.

<sup>5</sup> Lummus Report, p. 3.

to date, and actual spending to date along with an assessment of project percentage completion. The ALJ further noted that, pursuant to the PUC's May 28, 2013 Order, GWA should continue to provide the PUC with monthly reports generated by Brown & Caldwell to track its progress; and that these reports should be provided to the PUC and Lummus so that Lummus can monitor the effectiveness of GWA's PMO and update the Commission regularly on Brown & Caldwell's progress.

Accordingly, the ALJ recommended that the PUC approve the instant petition, and therefore, GWA and Brown & Caldwell should be authorized to proceed with the projects and budgets identified in the petition, not to exceed \$2,166,154.

The Commission hereby adopts the findings contained in the December 26, 2013 ALJ Report and, therefore, issues the following:

**ORDERING PROVISIONS**

After careful review and consideration of the above determinations, the December 13, 2013 Lummus Report filed in this docket, the December 26, 2013 ALJ Report, and the record herein, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission hereby ORDERS the following:

1. The July 30, 2013 Petition for a \$2.16 million increase in the Program Management Office contract with Brown & Caldwell is hereby approved.

2. GWA shall file with the PUC reports that: (a) describe the major project categories; (b) indicate the anticipated spending per year of the Five-Year Plan; (c) indicate allocated budgets to date; and (d) indicate actual spending to date along with an assessment


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of project percentage completion. The first of such report shall be due by January 15, 2014. Subsequent reports shall be due by March 15, 2014, and May 15, 2014.

3. GWA shall continue to file the monthly reports generated by the PMO to track its progress with the PUC, and provide copies to the ALJ and the PUC's consultants to allow the PUC's consultants to monitor the effectiveness of GWA's PMO and update the Commissioners regularly on key findings related to the contract.

4. GWA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses associated with the instant contract review. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§12002(b), 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

**SO ORDERED** this 30<sup>th</sup> day of December, 2013.


  
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**JEFFREY C. JOHNSON**  
Chairman

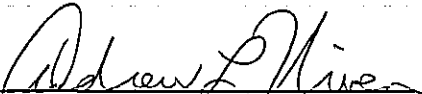
  
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**JOSEPH M. MCDONALD**  
Commissioner

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**ROWENA E. PEREZ**  
Commissioner

  
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**MICHAEL A. PANGELINAN**  
Commissioner

  
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**PETER MONTINOLA**  
Commissioner

  
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**FILOMENA M. CANTORIA**  
Commissioner

  
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**ANDREW L. NIVEN**  
Commissioner