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BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

GWA DOCKET NO. 24-01

**PETITION FOR RATIFICATION
AND APPROVAL OF INCREASED
SPENDING FOR CONFLICTS /
LEGAL COUNSEL PURSUANT TO
RFP 2018-01**

**PETITION TO RATIFY AND APPROVE
AN INCREASE FOR GWA'S
CONFLICTS & OUTSIDE -COUNSEL
PER GWA-RFP-2018-01 FOR CV1198-18**

COMES NOW, the GUAM WATERWORKS AUTHORITY (“GWA”), by and through its counsel of record, THERESA G. ROJAS, ESQ., and hereby files its Petition for the PUC to Ratify and Approve an increase in spending for its Conflicts and Outside Counsel pursuant to RFP 2018-01 for CV1198-18.

I. BACKGROUND

On May 21, 2018, GWA, together with the CCU and GPA, through Request for Proposal GWA RFP-2018-01, entered into a contract for legal services with the law firm of Vincent E. Leon Guerrero (“Leon Guerrero firm”) to serve as conflicts and outside counsel. GWA, GPA, and the CCU separately request and pay for legal services from their respective agency funds except that GPA and GWA each pay 50% for all outside legal fees billed to the CCU.

The award made under RFP 2018-01, and as authorized under its professional services agreement, Section II(g), authorized the Leon Guerrero firm to represent GWA and appear as co-

1 counsel in its CV1198-18 *Gov Guam/ Michael B. Borja as Director of the Department of Land*
2 *Management and Guam Waterworks Authority v. Core Tech International Corporation and*
3 *Younex Enterprises Corporation*, litigation before the Superior Court of Guam.

4 The Leon Guerrero firm's professional services agreement expired on May 21, 2023, but
5 separate engagements as permitted at Section VI(b) of the agreement, and entered in 2021 and
6 2022 respectively, for GWA's CV1198-18 case, remain active and ongoing until the attorney-
7 client relationship is terminated OR until the Superior Court CV1198-18 case or any related
8 appeals conclude.
9

10 Since May 2018 to present, GWA has approved and paid legal fees to the Leon Guerrero
11 firm totaling One Million, Four Hundred Thirty-Eight Thousand, Twenty-One Dollars and 20/100
12 Cents (\$1,438,021.20) for necessary legal work exclusive to the CV1198-18 matter. These costs
13 exceed GWA's \$1M contract authority under GWA's PUC contract review protocol. GWA
14 exceeded its threshold amount on or about November 2022 when numerous court deadlines were
15 set and necessary motions, oppositions, and filings were made to protect GWA and ratepayer
16 interests.
17

18 In a brief summary, the CV1198-18 matter involves a land dispute where GWA is seeking
19 to quiet title in property listed in a current court action brought by the Government of Guam,
20 Department of Land Management to rescind and correct certificates of title. The private party
21 holding the certificates of title, that the Government seeks to rescind and correct, has counter-
22 claimed an estimated \$220M in damages against GWA alleging inverse condemnation and
23 ownership on a portion of the subject property where GWA's Northern treatment plant sits. GWA
24 denies these claims and has vigorously defended its ownership of the subject lot providing proof
25 of conveyances made and local law which prohibits the transfer of government land and the
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27
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specific area of the water utility into private party hands. Notwithstanding, based on the current status of the litigation, and the current courses of action still available to all parties, the expected timeframe for any immediate resolution of this case remains unknown.

II. REQUEST FOR APPROVAL

To continue its professional legal services agreement for CV1198-18, GWA requests the PUC ratify the \$438,021.20 amount and approve an additional amount of no less than \$1M for all anticipated work as the CV1198-18 matter remains pre-trial. In support of this Petition, the CCU approved GWA Resolution 32-FY2023 confirming the ratification of the additional \$438,021.20 paid to the law firm of Vincent E. Leon Guerrero and approved an additional funding amount of \$1M for a total contract authorization of up to \$2,438,021.20. GWA Resolution 32-FY2023 and its supporting exhibits are attached as **EXHIBIT A** and are incorporated by reference as if fully set forth herein.

III. CONCLUSION

Based on the foregoing, GWA respectfully requests the PUC ratify payments of \$438,021.20 paid to the Law Offices of Vincent Leon Guerrero and the approve a total funding authorization of \$1M for a total contract amount of \$2,438,021.20 as it is reasonable, prudent, and necessary.

RESPECTFULLY SUBMITTED this day of November 14th 2023.

By:



THERESA G. ROJAS, ESQ.
GWA Legal Counsel



GWA RESOLUTION NO. 32-FY2023

**RELATIVE TO THE APPROVAL AND RATIFICATION OF CONFLICTS / LEGAL
COUNSEL FEES PURSUANT TO RFP 2018-01**

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 Power Authority ("GPA") and 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, together with the CCU and GPA, through Request for Proposal (RFP) 2018-01, entered into a contract for legal services with law firm of Vincent E. Leon Guerrero on May 21, 2018;

WHEREAS, GWA, GPA, and the CCU separately request and pay for legal services from their respective agency funds except that GPA and GWA are to share and pay 50% for all outside legal fees billed to the CCU;

WHEREAS, subsequent to the award made under RFP 2018-01, and as authorized under its professional services agreement at Section II(g), GWA authorized the law firm of Vincent Leon Guerrero to represent GWA and appear as co-counsel with GWA's in-house attorney in its litigation in CV1198-18 *Gov Guam/ Michael B. Borja as Director of the Department of Land Management and Guam Waterworks Authority v. Core Tech International Corporation and Younex Enterprises Corporation*, before the Superior Court of Guam;

WHEREAS, the professional services agreement with law firm of Vincent E. Leon Guerrero expired May 21, 2023, but separate engagements as permitted at Section VI(b) of the agreement, and entered in 2021 and 2022 for GWA's CV1198-18 case, remain active and

EXHIBIT A-01

1 ongoing until the attorney-client relationship is terminated OR until Superior Court case
2 CV1198-18 or any related appeals conclude;

3
4 **WHEREAS**, since May 2018, GWA has approved and paid legal fees to law firm of
5 Vincent E. Leon Guerrero for a total amount of One Million Four Hundred Thirty-Eight
6 Thousand Twenty-One Dollars and 20/100 Cents (\$1,438,021.20) for necessary legal work;

7
8 **WHEREAS**, the legal fees paid by GWA in each contract year were:

- 9 • \$6,316.50 for Year 1 (5/2018 – 5/2019)
10 • \$235,643.00 for Year 2 (6/2019 – 5/2020)
11 • \$85,337.20 for Year 3 (6/2020 – 5/2021)
12 • \$429,672.47 for Year 4; (6/2021 – 5/2022) and
13 • \$681,052.00 for Year 5. (6/2022 – to present)

14
15 **WHEREAS**, these total charges of \$1,438,021.20 exceed the GM's contract authority of
16 \$1,000,000.00; and

17
18 **WHEREAS**, 83% or \$1.16M of the total \$1,438,021.20, and largely billed in Year 4 and
19 Year 5 above, was a direct result of the legal services billed for CV1198-18;

20
21 **WHEREAS**, legal fees passed the \$1M mark after November 2022, where filing
22 deadlines in CV1198-18 to Supplements opposing Core Tech's Motions to Dismiss and Motions
23 for Summary Judgment, and new filings requesting leave to amend GWA's earlier reply to Core
24 Tech's counterclaims, and leave to amend and file separate new summary judgment motions, and
25 Orders requiring further briefing on newly converted Motions to Dismiss into summary
26 judgment motions attached, requiring immediate, ongoing, and continued competent
27 representation;

28
29 **WHEREAS**, 15% or \$205K of the \$1,438,021.20 was largely billed in Year 2 for
30 ongoing negotiations towards a Consent Decree with USEPA.;

1 **WHEREAS**, GWA requests the CCU to ratify the additional expenses of \$438,021.20 in
2 excess of \$1,000,000.00 and;

3
4 **WHEREAS**, GWA requests the CCU approve an additional funding amount of
5 \$1,000,000, for a total authorization of up to \$2,438,021.20 to fund ongoing legal expenses to the
6 law firm of Vincent E. Leon Guerrero as GWA's CV1198-18 remains active and ongoing;

7
8 **WHEREAS**, GWA Management further seeks CCU the approval to petition the Public
9 Utilities Commission ("PUC") for any ratified and additional funding amounts granted, if
10 needed, given these contract amounts may now meet the PUC's Contract Review Protocol
11 requirements requiring additional review;

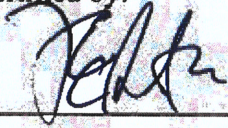
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13 **NOW THEREFORE BE IT RESOLVED**; by the Consolidated Commission on
14 Utilities AND it does hereby approve and authorize the following:

- 15 1. The foregoing recitals hereto are hereby ratified, confirmed, and incorporated
16 herein by reference.
- 17 2. GWA's additional expenses and payments to the Law Offices of Vincent
18 Leon Guerrero in the amount of \$438,021.20 on the following grounds;
- 19 a. There was no indication of bad faith or fraud in any of the
20 procurements or amounts paid herein;
- 21 b. According to GWA management, the legal services were required to
22 ensure filing deadlines in CV1198-18;
- 23 c. The procurements herein are in the best interest of the Territory of
24 Guam and the Guam Waterworks Authority;
- 25 3. GWA to increase the total funding authorization by \$1,000,000 for additional
26 legal fees billed for CV1198-18 and for a total authorized funding amount up
27 to no more than \$2,438,021.20.
- 28 4. GWA management to request approval or provide any required notification to
29 the PUC under the Contract Review Protocol, as needed.
- 30

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

1 **DULY AND REGULARLY ADOPTED**, this 25th day of July, 2023.

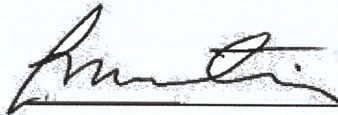
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3 Certified by:

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6 **JOSEPH T. DUENAS**

7 Chairperson

8
9 Attested by:

10 

11 **PEDRO ROY MARTINEZ**

12 Secretary

13 **SECRETARY'S CERTIFICATE**

14 I, Pedro Roy Martinez, Board Secretary of the Consolidated Commission on
15 Utilities as evidenced by my signature above do hereby certify as follows:

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

20 AYES:

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21 NAYS:

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22 ABSENT:

0

23 ABSTAIN:

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