

Your water rates may change. Learn more on how this affects your monthly bill.



GWA uses the funds collected from water and wastewater services to upgrade or replace aging and deteriorating infrastructure. A recent example of this is the upgrade of the Northern District Wastewater Treatment Plant. Here, a GWA Sewer Plant Operator conducts maintenance on a wastewater clarifier.

Guam's water infrastructure requires continuous investment to improve our quality of life now, and *into the future.*

Ensuring access to clean, safe drinking water while safeguarding our environment is paramount to us all. At GWA, we embrace our role as **Guardians, Warriors, and Ambassadors** of protecting public health and our water resources. In one month, GWA will submit a final proposal to increase rates and seek approval of our 5-year financial plan from the Public Utilities Commission, which includes major investment in our island's water and wastewater infrastructure. These investments are critical to ensure safe drinking water and proper collection and treatment of wastewater.

Please take a moment to review our FAQ and additional information regarding **GWA's 5-Year Financial Plan** and the rate adjustments required to implement our **Capital Improvement Plan**. For more information or to comment on the plan visit our website at <https://guamwaterworks.org/five-year-financial-plan-and-comment/> or stop by our Fadian or Upper Tumon offices and speak to our friendly customer service associates.

Frequently Asked Questions

1. Why are the rates being adjusted?

Under Guam law, the Public Utilities Commission (PUC) adjusts water and sewer rates when it is necessary and just for the proper operation of GWA's systems. This rate adjustment will be used to finance our 5-year Capital Improvement Program which includes necessary improvements such as:

- New water production and treatment facilities to meet new regulations and remove emerging contaminants such as PFAS compounds which are becoming more prevalent in our source water.
- Wastewater collection system improvements mandated by local and federal regulatory requirements.
- Water system improvements including pipe replacements and pressure control stations needed to sustain the critical Water Loss Control Program
- Replacing, upgrading, and rehabilitating aging water and wastewater infrastructure, and reversing years of under-investment in systems that are more than 50 years old.
- Improving the sewer system to protect public health and the environment by eliminating sewer spills and discharging clean, treated effluent into our ocean.

In addition to financing our CIP, the rate adjustments also provide GWA with the means for

- Offsetting high inflationary trends to adequately fund Operations & Maintenance expenses.
- Improving debt service coverage and the gradual restoration of the Rate Stabilization Fund
- Protecting your investment through preventive and corrective maintenance on more than \$1 billion dollars of infrastructure.

2. When was the last rate adjustment?

The last rate adjustment authorized by the PUC was 16.7% on October 1, 2023. The current proposed rate adjustment effective October 1, 2024, is 29.0%.

3. How is my bill payment invested back to the community's infrastructure?

Your bill payments help GWA to invest in items vital to provide quality water and wastewater services to you and all our customers, including:

- System Operations - employees that are on call for service 24 hours a day, 7 days a week, 365 days a year.
- Critical Inventory and Supply Purchases – parts & equipment, chemicals, materials, and supplies needed to maintain water and wastewater systems.
- Infrastructure Construction & Upgrades – new or rehabilitated water treatment systems, storage tanks, underground pipes and more.

4. Are the infrastructure updates and construction necessary?

Yes! These infrastructure and system improvements will ensure that GWA:

- Protects public health and environmental safety (keeps our aquifer and marine resources clean) with reliable and effective wastewater collection and treatment.
- Remains in compliance with the Safe Drinking Water Act and Clean Water Act, as well as other local and federal regulatory requirements.
- Future-proofs its infrastructure to ensure our systems are resilient for years to come.
- Reduces water loss and increases operational efficiency.
- Increases system capacity to keep up with Guam's growth.

5. Are the rates increasing due to the military buildup? If so, what is the military doing to pay their fair share?

GWA is proactively planning and executing a Capital Improvement Program to support all areas of Guam's growth, which includes the ongoing military buildup. Unfortunately, our 5-year CIP has to be adjusted for the impact of the local buildup, which includes increased construction costs and global inflationary trends on materials, equipment and supplies, so the magnitude of the program is higher than it has been in the past. However, the Department of Defense (DOD) has paid GWA \$173 million dollars to fund specific infrastructure upgrades needed to support the military buildup, including the Northern District Wastewater Treatment Plant construction and the rehabilitation of sewer lines. All DOD customers will also be subject to the same rate adjustments for GWA services and system development charges for new connections to the GWA system.

6. What is GWA doing to reduce costs?

GWA is focused on reducing costs and improving efficiencies, including:

- Decreasing water losses to lower water production expenses
- Implementing an Asset Management Program to extend the life of equipment.
- Auditing procurement and contracts to ensure cost effectiveness.
- Streamlining operations and efficiently managing staff vacancies through strategic replacement.
- Strengthening our internal audit functions to improve processes, ensure compliance, and make sure we are doing things right and not wasting resources.

GWA and our financial consultants worked with members of the Guam Legislature to introduce Bill 274-37 (COR) which provides authorization for GWA to use alternative financing options that could lower the proposed rate increases significantly. Should Bill 274-37 (COR) pass then the projected cumulative rate increase decreases by approximately 22.5%.

Over the past five years, GWA has not been immune to the financial impacts of the global COVID-19 pandemic, costs

incurred due to damage from Typhoon Mawar and general inflationary pressures. GWA has implemented many cost-cutting measures while maintaining momentum on system operations and our Capital Improvements Plan.

7. I've been experiencing frequent water outages across the island. Will my payments for bills help improve this situation?

Occasionally, scheduled water outages are required to replace pumps, motors, valves, and pipes to provide better water pressure and reliable access to water. Sometimes water outages are unavoidable due to aging water line breaks or other equipment deterioration. GWA has improved its public notification process to ensure affected customers are aware of needed outages. The distribution system improvements we have planned will help to further reduce unscheduled outages and are possible through GWA's Capital Improvement Program which is funded by your bill.

8. What happens if the rate adjustments are not implemented?

GWA would not be able to cover necessary expenses and investments, which would result in several key problems, including:

- Non-compliance with the negotiated partial consent decree with the US EPA which would result in stipulated penalties such as daily fines, penalties, and possible receivership.
- Reduction of water and wastewater system maintenance
- Increased likelihood of water outages and wastewater spills in your village
- Cancellation of Capital Improvements Projects
- Inability of GWA to meet its financial obligations, including to adequately fund debt service payments.

In short, maintaining current rates would result in a return to substandard infrastructure and operational performance.

9. Are all water rates affected or just mine?

All GWA customers will see an adjustment once the PUC approves the new rates.

10. How does GWA determine water rates?

As part of its 20-Year Master Plan, and its 5-Year Financial Plan & Capital Improvements Program, GWA identifies both the costs to properly maintain current utility operations, and the costs of future infrastructure repair, upgrade, and new construction projects. We then propose the lowest rate structure that will meet revenue requirements (e.g., cover our operating costs and meet obligations to our bondholders) to the PUC. The PUC then reviews and analyzes GWA's recommendations and ensures rates are fair and reasonable for all GWA customers. The main driver for increasing rates is the financing required to execute needed Capital Improvements, including those needed to meet new US EPA and Guam EPA regulations.

11. What is the "Basic Water Charge" listed on my billing statement and what does it fund?

The Basic Water Charge is a flat fee applied to each bill to cover fixed expenses, such as basic system operations, customer service and billing. These costs are independent of water consumption amounts.

12. What is a Lifeline Rate?

GWA offers a deeply discounted rate (called the Lifeline Rate) for water consumption that covers basic water needs for all residential customers. Once customers surpass the Lifeline Rate, water consumption is billed at a higher rate.

The table below shows the proposed rate tiers that would be effective on October 1, 2024:

Monthly Water Consumption	Rate Per Gallon
Lifeline Rate (Tier 1) Up to 5,000 Gallons	\$0.00351
Tier 2: More than 5,000 Gallons	\$0.01881

13. How much can I expect my bill to go up with the rate increases?

Residential water rates will be adjusted as follows:

Fiscal Year	Lifeline Rate Adjustment	Non-Lifeline Rate Adjustment	Legislative Surcharge*
FY2025	0.0%	29.0%	3.5%
FY2026	12.5%	12.5%	3.2%
FY2027	0.0%	10.0%	3.0%
FY2028	0.0%	10.0%	3.0%
FY2029	0.0%	10.0%	3.0%

*Legislative surcharges are used to cover post-retirement benefit costs such as supplemental annuities, medical and dental insurance, life insurance and GWA retiree cost-of-living allowances.

For example, a customer that uses 7,000 gallons of water per month, can expect to see the following water fees on their monthly water and sewer statements:

Fiscal Year	Monthly Residential, 7,000 Gallons	Percent of Median Income
FY2025	129.51	2.44%
FY2026	145.47	2.70%
FY2027	154.24	2.82%
FY2028	164.08	2.95%
FY2029	174.92	3.10%

View complete rate adjustment information (including rate adjustments for non-residential accounts) and information on the 5-Year Financial Plan at <https://guamwaterworks.org/five-year-financial-plan-and-comment/>.

The interior of the recently rehabilitated 1-million gallon steel reservoir in Windward Hills. GWA has invested over \$100 million in the repair and rehabilitation of Guam's tanks and reservoirs, providing improved sanitary storage for Guam's drinking water for years to come.



Guam Waterworks Authority 5-Yr. Financial Plan and Capital Improvement Program Proposed Rates	FY2024		FY2025		FY2026		FY2027		FY2028		FY2029	
	Current Rate	+29% Proposed	+12.50% Proposed		+10.0% Proposed		+10.0% Proposed		+10.0% Proposed			
	Rate	Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase	
Water Rates: in \$/kgal except as noted												
Residential:												
Basic Water Charge (Note: Flat Rate)	30.62	39.50	8.88	44.44	4.94	48.89	4.45	53.78	4.89	59.16	5.38	
Residential - Lifeline 5k	3.51	3.51	-	3.95	0.44	3.95	-	3.95	-	3.95	-	
Residential - Non-Lifeline	14.58	18.81	4.23	21.17	2.36	23.29	2.12	25.62	2.33	28.19	2.57	
Commercial 1	18.12	23.38	5.26	26.31	2.93	28.95	2.64	31.85	2.90	35.04	3.19	
Commercial 2	18.12	23.38	5.26	26.31	2.93	28.95	2.64	31.85	2.90	35.04	3.19	
Commercial 3	18.12	23.38	5.26	26.31	2.93	28.95	2.64	31.85	2.90	35.04	3.19	
Government and Federal	18.12	23.38	5.26	26.31	2.93	28.95	2.64	31.85	2.90	35.04	3.19	
Agriculture	5.82	7.51	1.69	8.45	0.94	9.30	0.85	10.23	0.93	11.26	1.03	
Irrigation	6.02	7.77	1.75	8.75	0.98	9.63	0.88	10.60	0.97	11.66	1.06	
Sewer Rates: in \$/kgal except as noted												
Residential (Note: Flat Rate)	32.14	32.14	-	36.16	4.02	36.16	-	36.16	-	36.16	-	
Commercial 1 (80% of water kgals)	9.99	12.89	2.90	14.51	1.62	15.97	1.46	17.57	1.60	19.33	1.76	
Commercial 2 (80% of water kgals)	24.34	31.40	7.06	35.33	3.93	38.87	3.54	42.76	3.89	47.04	4.28	
Commercial 3 (80% of water kgals)	33.75	43.54	9.79	48.99	5.45	53.89	4.90	59.28	5.39	65.21	5.93	
Government and Federal (80% of water kgals)	14.28	18.43	4.15	20.74	2.31	22.82	2.08	25.11	2.29	27.63	2.52	
Government Landfill Leachate	14.72	18.99	4.27	21.37	2.38	23.51	2.14	25.87	2.36	28.46	2.59	

14. What can I do to lower my bill?

Conservation is the best method towards lowering your monthly water bill — so the more you conserve water, the lower your bill will be!

Here are some simple ways to conserve water at your home:

- Check for leaks – examine your house for leaks to reduce water usage. (Hint: the most common source of leaks in the home is your toilet!)
- Reduce water waste – if you have an older toilet with a large tank, add weighted plastic bottles to your toilet tank to reduce the amount of water used with each flush
- Switch to water efficient fixtures – minimize your water use and prevent leaks by switching to water efficient fixtures in your kitchen and bathroom.
- Capture rainwater – use rainwater to water plants, wash your car and more!

15. I'm already having trouble paying my utility bills – is there any assistance available?

Affordability is always top of mind as GWA develops its financial plans and continues to propose Customer Assistance Programs that would address affordability issues for low-income families. The most recently proposed assistance program, Bill 274-37 (COR) is currently pending legislative authorization.

We encourage customers struggling with water bill payments to contact GWA and set up a payment plan. Customers current in their arranged payment plan will not be subject to disconnection. There are utility assistance programs available through the Department of Administration for both renters and homeowners. Find out more at doa.guam.gov.

16. Who can I contact if I have more questions?

We are here to assist!
 Email: AskTheGM@guamwaterworks.org
 Mail: Ask The GM - GWA PO Box 3010 Hagåtña, GU 96910