



## **BACKGROUND**

4. GWA does not have a SCADA central station and currently operates a diverse array of SCADA hardware and software solutions that are localized at some of its facilities and the majority of GWA's remote sites, approximately 420 of them consisting of water wells, springs, reservoirs, water booster pump stations, pressure regulating valves, master meters, surface water treatment plants, sewage pump stations, and wastewater treatment plants, lack SCADA equipment.<sup>6</sup>
5. The scope of work for Design-Build Services for Phases 1 and 2 of the SCADA System Project includes the remodeling of the GWA System Control Center to include a SCADA Control Center, a central SCADA master server, the assessment and integration of GWA's remote sites that have site level SCADA systems, and the provision of remedies necessary to successfully integrate these existing systems into the SCADA Control Center or replace them. The services solicited include a maintenance, training, and development and the contract solicited for will be for a three-year initial term with two 1-year optional renewals.<sup>7</sup>
6. On July 23, 2024, the Guam Consolidated Commission on Utilities ["CCU"] issued GWA Resolution No. 28-FY2024 authorizing GWA's management to expend the amount of \$4,853,855 on Phase 1 and 2 of the SCADA System Project, and to issue a solicitation for Design-Build Services for those project phases, subject to the PUC's approval.<sup>8</sup>
7. On October 29, 2024 PUC Legal Counsel issued his report recommending that the PUC approve GWA's petition.

## **DETERMINATIONS**

8. GWA must obtain the PUC's authorization to issue a solicitation for Design-Build Services for Phases 1 and 2 of its SCADA System Project. The PUC's Contract

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<sup>6</sup> Id., at 2 and 3.

<sup>7</sup> Id., at 7.

<sup>8</sup> Id., at 8.

Review Protocol mandates that GWA obtain PUC approval for solicitations and contracts that exceed the amount of \$1,000,000.<sup>9</sup> Additionally, any financial obligation that involves the use of bond funds must also be reviewed by the PUC.<sup>10</sup> Here, as set forth above, GWA estimates that it will cost \$4,853,855 and GWA plans on using a combination of GWA Bond Funds and USEPA Grants to fund these phases of the project. Therefore, GWA must obtain the PUC's approval of the solicitation for the Design-Build Services for Phase 1 and 2 of its SCADA System Project prior to issuing it.

9. GWA's estimated cost of the Design-Build Services for Phase 1 and 2 of the SCADA System Project is reasonable. GWA's current Five-Year Capital Improvement Program (FY2025-FY2029) allocates 4% of its \$898,733,389 projected cost, or \$36,437,196, for Electronic, Monitoring and Control projects [EMC].<sup>11</sup> Here, GWA's estimated cost for the Design-Build Services is only 13% ( $4,853,855 / 36,437,196 = .13$ ) of this total amount. Additionally, assuming that the contract will term will be the three year initial term and the two 1-year optional renewal terms and that the \$4,853,855 estimated cost is apportioned equally during this five year period, the \$970,771 ( $4,853,855 / 5 = 970,771$ ) estimated cost for the Design-Build Services constitutes only 15% ( $970,771 / 6,617,663 = .15$ ) of the \$6,617,663 allocated to FY2025 for EMC, 8% ( $970,771 / 12,706,711 = .08$ ) of the \$12,706,711 allocated to FY2026 for EMC, 14% ( $970,771 / 7,011,836 = .14$ ) of the \$7,011,836 allocated to FY2027 for EMC, 25% ( $970,771 / 3,948,423 = .25$ ) of the \$3,948,423 allocated to FY2028 for EMC, and 16% ( $970,771 / 6,152,564 = .16$ ) of the \$6,152,564 allocated to FY2029 for EMC. Hence, the \$4,853,855 estimated cost of the services falls within the projected costs of GWA's Five-Year Capital Improvement Program (FY2025-FY2029) for EMC.<sup>12</sup> Therefore, GWA's estimated cost for the Design-Build Services for Phase 1 and 2 of the SCADA Project are reasonable.
10. GWA's solicitation Design-Build Services for Phase 1 and 2 of the SCADA System Project is prudent. The SCADA System will improve the operational efficiency, reliability, and resiliency of GWA's water and wastewater systems, result in cost savings, and enhance GWA's ability to achieve regulatory compliance.<sup>13</sup>

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<sup>9</sup> Contract Review Protocol for GWA, Administrative Docket 00-04 dated October 27, 2005 at Par.1(c).

<sup>10</sup> Id., at Par.1(d).

<sup>11</sup> Slide 10, GWA Presentation on FY2025-FY2029 Financial Plan and CIP dated August 12, 2024, GWA Docket No. 24-5.

<sup>12</sup> Id., at Slide 11.

<sup>13</sup> GWA Petition at 2.

Additionally, transitioning from five different SCADA System Programs to a single, standardized SCADA System will enhance GWA's staff training and expertise, simplify software licensing, reduce development costs, maximize the synergies of GWA's equipment, and reduce GWA's cybersecurity threats.<sup>14</sup> Thus, GWA's solicitation for a contract for Design-Build Services for Phase 1 and 2 of the SCADA System Project is prudent.

11. GWA's solicitation for Design-Build Services for Phase 1 and 2 of the SCADA System Project is necessary. The recommendation by the FEMA consultants to standardize its SCADA system hardware and software across all its facilities is compelling because GWA is facing increasing challenges managing its five different brands of SCADA systems across multiple facilities especially in maintaining, training personnel in the use of these systems, and in spare parts management. Therefore, the Design-Build Services for Phase 1 and 2 of the SCADA System Project are necessary to ensure GWA's safe, reliable, and regulatory compliant operation of GWA's water and wastewater infrastructure.
12. Based on the foregoing, GWA's request to issue a solicitation Design-Build Services for Phase 1 and 2 of the SCADA System Project is reasonable, prudent, and necessary.

### ORDERING PROVISIONS

After review of the record herein, GWA's Petition to Petition to Procure Design-Build for SCADA System Phases 1 and 2, and the PUC Counsel Report, and for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. GWA's Petition to Petition to Procure Design-Build for SCADA System Phases 1 and 2 is hereby approved.
2. GWA is authorized to issue a solicitation to procure Design-Build Services for SCADA System Phases 1 and 2.
3. In accordance with the PUC's Contract Review Protocol for GWA, GWA must submit all contracts approved for prior PUC Approval that arise from the

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<sup>14</sup> Id., at 3.

aforementioned solicitation which exceed the amount of \$1,000,000 or contracts arising under the aforementioned solicitation that will be funded using Bond Funds.

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 of conducting the hearing proceedings. Assessment of the PUC’s regulatory fees and expenses is authorized pursuant to 12 GCA §12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

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Order  
Petition for GWA to Procure  
Design-Build for SCADA  
System Phases 1 and 2  
GWA Docket 25-02  
November 5, 2024

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Dated this 5th day of November, 2024.


  
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Jeffrey C. Johnson  
Chairman

  
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Rowena E. Perez-Camacho  
Commissioner

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Michael A. Pangelinan  
Commissioner

  
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Joseph M. McDonald  
Commissioner

  
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Doris Flores Brooks  
Commissioner

  
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Peter Montinola  
Commissioner