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9 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

10 **IN THE MATTER OF:**) **GWA DOCKET NO. 25-05**
11 **GUAM WATERWORKS**) **PETITION TO APPROVE A FUND**
12 **AUTHORITY'S CONTRACT WITH**) **INCREASE TO THE JMI-EDISON**
13 **JMI-EDISON FOR WASTEWATER**) **CONTRACT FOR WASTEWATER**
14 **TREATMENT CHEMICALS**) **TREATMENT CHEMICALS AND TO**
15 **RATIFY EXPENDITURES**

16 **COMES NOW**, the GUAM WATERWORKS AUTHORITY (“GWA”), by and through
17 its counsel of record, THERESA G. ROJAS, ESQ., and hereby files its Petition for approval to
18 increase funding and ratify expenditures for JMI-Edison’s wastewater treatment chemicals
19 contract.

20 **I. BACKGROUND**

21 On July 23, 2019, the CCU approved Resolution 39-FY2019 authorizing GWA to enter a
22 multi-year contract with JMI-Edison for the purchase of wastewater treatment chemicals,
23 particularly for Cationic and Anionic Polymer. These chemicals are used for treatment at GWA’s
24 several Wastewater Treatment Plants (“WWTP”) and JMI’s contract was for an approved award
25 of One Million One Hundred Seventy Thousand Four Hundred Fifty-Eight Dollars and Eighty-
26 Eight Cents (\$1,170,458.88). These contract amounts were not brought before the PUC for
27 approval due to GWA’s earlier position that these purchases continue to be mandated under the
28 2011 federal Stipulated Order with the USEPA and were exempt from review by a separate PUC
29 Order.¹

¹ See PUC GWA Regulatory Matters Order, Item No. 3, April 11, 2003

ORIGINAL

1 As of November 2024, GWA has procured roughly 480,000 pounds of Cationic Polymer
2 and 278,000 pounds of Anionic Polymer for a purchase amount of One Million One Hundred
3 Eighty-Nine Thousand Seven Hundred Sixty-One Dollars and Thirty-Six Cents (\$1,189,761.36)
4 to ensure GWA’s Northern District and Agat-Santa Rita WWTPs can treat the wastewater as per
5 their designs.

6 Of the One Million One Hundred Eighty-Nine Thousand Seven Hundred Sixty-One
7 Dollars and Thirty-Six Cents (\$1,189,761.36) in expenditures against JMI Edison’s wastewater
8 chemical contract, Nineteen Thousand Three Hundred Two Dollars and Forty-Eight Cents
9 (\$19,302.48) exceeded the CCU’s approved funding authorization. The key factor in the over
10 expenditure was due to a December 22nd increase, per JMI and GWA’s contract allowance.
11 Specifically, the unit cost for Anionic chemicals increased from \$1.16 per pound to \$1.23 per
12 pound and the unit cost for Cationic chemicals increased from \$1.63 per pound to \$1.85 per
13 pound, an increase of 6% and 13% respectively.

14 Recently two Invitation for Bids (“IFB”): were advertised as (1) IFB2024-08, for the
15 purchase of Wastewater Treatment Chemicals for GWA’s Northern District WWTP, Agat-Santa
16 Rita WWTP and Umatac-Merizo WWTP; and as (2) IFB 2024-16, for the purchased of
17 Wastewater Treatment Chemicals for GWA’s Hagatna WWTP. These procurements are intended
18 to replace the existing chemical contracts GWA currently has in place; however, and due to the
19 required pilot testing for chemical products at GWA’s WWTPs, completion of these
20 procurements is not expected for another 2-3 months.

21 **II. REQUEST FOR APPROVAL**

22 Pursuant to its Contract Review Protocol, GWA hereby seeks the PUC’s approval to ratify
23 expenditures of Nineteen Thousand Three Hundred Two Dollars and Forty-Eight Cents
24 (\$19,302.48) and for an additional increase in funding of Four Hundred Thousand Dollars
25 (\$400,000.00). The increase, along with the ratification, is necessary because the current
26 authorized funding under the contract with JMI-Edison has been exhausted, while the purchase
27 of chemicals remains essential until a new award is established.
28
29



GWA RESOLUTION NO. 13-FY2025

**RELATIVE TO APPROVAL OF FUND INCREASE TO THE JMI CONTRACT FOR
WASTEWATER TREATMENT CHEMICALS AND RATIFICATION OF
EXPENDITURES UNDER THE JMI 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, the CCU approved Resolution 39-FY2019 on July 23, 2019 that authorized GWA management to enter into contract with JMI Edison for wastewater treatment chemicals, particularly Cationic Polymer and Anionic Polymer, in the amount of One Million One Hundred Seventy Thousand Four Hundred Fifty-Eight Dollars and Eighty-Eight Cents (\$1,170,458.88); and

WHEREAS, to date GWA has procured roughly 480,000 pounds of Cationic chemical and 278,000 pounds of Anionic chemicals in the amount of One Million One Hundred Eighty-Nine Thousand Seven Hundred Sixty-One Dollars and Thirty-Six Cents (\$1,189,761.36) to ensure GWA’s Northern District, Hagatna and Agat-Santa Rita WWTPs can treat the wastewater as per design; and

WHEREAS, the One Million One Hundred Eighty-Nine Thousand Seven Hundred Sixty-One Dollars and Thirty-Six Cents (\$1,189,761.36) expenditures with JMI Edison to date is Nineteen Thousand Three Hundred Two Dollars and Forty-Eight Cents (\$19,302.48) above the CCU approved funding authorization; and

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1 **WHEREAS**, in December 2022, per contract allowance, JMI Edison increased its Anionic
2 Chemicals unit cost from \$1.16/pound to \$1.23/pound and its Cationic Chemicals unit cost from
3 \$1.63/pound to \$1.85/pound, an increase of 6% and 13% respectively which GWA believes is a
4 key factor in the over expenditure above the CCU authorization; and

5
6 **WHEREAS**, GWA management is seeking the CCU's approval to ratify the over
7 expenditure of Nineteen Thousand Three Hundred Two Dollars and Forty-Eight Cents
8 (\$19,302.48) for the contract with JMI Edison; and

9
10 **WHEREAS**, GWA currently has two Invitation for Bids advertised, IFB 2024-08
11 Wastewater Treatment Chemicals for NDWWTP, ASRWWTP and UMWWTP and IFB 2024-16
12 Wastewater Treatment Chemicals for Hagatna WWTP, that are intended to replace the existing
13 chemical contracts GWA has in place, however the completion of these procurements is not
14 expected for another 2-3 months due to required pilot testing of chemical products at the WWTP's;
15 and

16
17 **WHEREAS**, the current funding authorization with the JMI contract discussed above has
18 been depleted and with the need to ensure GWA always has the ability to procure additional
19 chemicals when required, GWA management is seeking the CCU's approval to increase the
20 funding authorization to the JMI Edison contract for an additional Four Hundred Thousand Dollars
21 (\$400,000.00); and

22
23 **WHEREAS**, the source of funding for the wastewater treatment chemicals is revenue fund.

24
25 **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities
26 does hereby approve the following:

- 27 1. The recitals set forth above hereby constitute the findings of the CCU.
28 2. There was no indication of bad faith or fraud in any of the procurements by
29 GWA management contained herein.
30 3. All of the procurement herein are in the best interest of the territory of Guam
31 and Guam Waterworks Authority.

- 1 4. The CCU hereby ratifies the expenditure over the prior authorized amount with
2 JMI Edison of Nineteen Thousand Three Hundred Two Dollars and Forty-Eight
3 Cents (\$19,302.48).
4 5. The CCU hereby further approves a funding increase authorization to the JMI
5 Edison contract in the amount of Four Hundred Thousand Dollars
6 (\$400,000.00).
7 6. GWA Management is hereby authorized to seek PUC approval should the
8 funding increase authorized be above the PUC's approved total funding
9 amount.

10
11 **RESOLVED**, that the Chairman certified, and the Board Secretary attests to the adoption
12 of this Resolution.

13
14 **DULY AND REGULARLY ADOPTED**, this 26th day of November 2024.

15 Certified by:

Attested by:

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17 

18 **JOSEPH T. DUENAS**

19 Chairperson

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21 

22 **PEDRO ROY MARTINEZ**

23 Secretary

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SECRETARY'S CERTIFICATE

I, Pedro Roy Martinez, 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: 4
NAYS: 0
ABSENT: 1
ABSTAIN: 0



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