

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:

GWA DOCKET 25-11

PUC COUNSEL REPORT

GUAM WATERWORKS AUTHORITY'S)
PETITION TO PROCURE DESIGN)
SERVICES FOR DEEP WELL VFD AND)
ELECTRICAL UPGRADES)

INTRODUCTION

1. This matter comes before the Public Utilities Commission ["PUC"] pursuant to the Guam Waterworks Authority's ["GWA"] Petition to Procure Design Services for Deep Well VFD and Electrical Upgrades.¹
2. GWA is requesting that the PUC authorize GWA to issue a solicitation to procure professional engineering design services to design and integrate solutions such as Variable Frequency Drives [VFD] to allow for adjustable production flow rates, energy storage systems to manage short-term power interruptions, and three-phase power balancing equipment to stabilize and optimize energy supply for pumping systems and GWA estimates the services will cost \$1,000,000.²

BACKGROUND

3. GWA operates 120 deep wells for the production of potable water. During the first seven months of FY2025, GWA had expended \$519,000 for corrective maintenance on pumps and motors at various wells as a result of pump and motor failures, and GWA had \$970,000 for such costs in FY2024 and over \$1,100,000 such costs for FY2023. In addition to incurring these costs, the pump and motor failures also result in additional labor costs, opportunity costs, and result in a loss of customer satisfaction and trust in GWA's ability to provide safe drinking water.³

¹GWA Petition to Procure Design Services for Deep Well VFD and Electrical Upgrades, GWA Docket 25-11, dated September 5, 2025 [GWA Petition] at 1.

² GWA Petition at 1-2. NOTE: The page numbers in GWA's Petition and its exhibits are not continuous, and the page numbers cited herein refer to the page number of the PDF version of the Petition which is continuous.

³ Id., at 4.

4. Additionally, a number of GWA's wells are experiencing chloride levels that are trending higher, which is a symptom of saltwater intrusion and to mitigate this, GWA must lower the production flow rate at the affected wells.⁴
5. GWA believes that the solution to these problems is to solicit for professional engineering design services to explore options to mitigate the power anomalies and equip the wells with the ability to adjust their production flow rate, including the use of VFDs that would enable the well pumps to operate a variable speeds, energy storage devices to ride through momentary power outages or brownouts, and three-phase power balancing equipment to ensure optimal power supply for the well pumping equipment.⁵
6. On May 27, 2025, the Guam Consolidated Commission on Utilities ["CCU"] issued GWA Resolution No. 39-FY2025 finding that it was necessary for GWA to solicit for professional engineering design services for Deep Well VFD and Electrical Upgrade to ensure the water system's resilience and to maintain excellent water services to the public, and it authorized GWA's management to petition the PUC authorize GWA to issue a solicitation for those services due to those services being expected to cost \$1,000,000.⁶

ANALYSIS

7. GWA must obtain the PUC's authorization to issue a solicitation for the procurement for professional engineering design services for Deep Well VFD and electrical upgrades. The PUC's Contract Review Protocol mandates that GWA obtain PUC approval for solicitations and contracts that exceed the amount of \$1,000,000.⁷ Here, GWA estimates that the cost of the professional engineering design services will be approximately \$1,000,000 which meets the review threshold. Therefore, GWA must obtain the PUC's approval of the solicitation for the professional engineering design services prior to issuing it.
8. GPA's estimated cost of the professional engineering design services is reasonable. GWA must use these services to evaluate and upgrade 120 deep wells, and this

⁴ Id., at 2.

⁵ Id., at 5.

⁶ Id., at 5-6.

⁷ Contract Review Protocol for GWA, Administrative Docket 00-04 dated October 27, 2005 at Par.1(c).

would result in an average cost of \$8,333.34 per well ($\$1,000,000 / 120 \text{ wells} = \$8,333.34$). Hence, GWA's \$1,000,000 estimated cost for the professional engineering design services is reasonable.

9. GWA's solicitation for the professional engineering design services is prudent. As shown above, from FY2023 to FY2024, GWA incurred \$2,589,000 in corrective maintenance costs resulting from pump and motor failures at GWA's deep water wells. The expenditure of \$1,000,000 for the professional engineering design services will likely create the electrical solutions that will prevent or substantially reduce these costs in the future. Thus, GWA's solicitation for professional engineering design services is prudent.
10. GWA's solicitation for professional engineering design services is necessary. These services will result in a more reliable, resilient, and safer drinking water system while protecting Guam's aquifer from the threat of saltwater intrusion. Therefore, the professional engineering design services are necessary.
11. Based on the foregoing, GWA's request to issue a solicitation to procure professional engineering design services for Deep Well VFD and electrical upgrades is reasonable, prudent, and necessary.

RECOMMENDATION

12. Counsel recommends that the PUC approve GWA's Petition to Procure Design Services for Deep Well VFD and Electrical Upgrades.
13. A Proposed Order is submitted herewith for the consideration of the Commissioners.

Dated this 24th day of October, 2025.

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