



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

PETITION FOR APPROVAL OF) GWA DOCKET 26-05
CONTRACT WITH JMI-EDISON)
FOR WASTEWATER CHEMICALS)
FOR NORTHERN DISTRICT AND) ORDER
AGAT-SANTA RITA WWTPs)
BY GUAM WATERWORKS)
AUTHORITY)

INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC” or the “Commission”) pursuant to the April 6, 2026 Petition for Approval of Contract with JMI-Edison for Wastewater Chemicals for Northern District and Agat-Santa Rita Waste Water Treatment Plants (the “Petition”), filed by the Guam Waterworks Authority (“GWA”).

On May 5, 2026, the Administrative Law Judge of the PUC (the “ALJ”) assigned to this matter filed an ALJ Report that included his findings and recommendations based on the administrative record before the PUC. The ALJ found the following.

DETERMINATIONS

Back in 2018 and 2020, GWA upgraded its Northern District and Agat-Santa Rita Wastewater Plants so that it could treat wastewater at secondary treatment limits.¹ According to the U.S. E.P.A., wastewater secondary treatment limits are minimum, legally mandated performance standards for sewage treatment plants, designed to ensure biological processes remove most organic pollutants, suspended solids, and bacteria before releasing treated water into the environment.

¹ Petition, p. 1.

In 2024, GWA issued Invitation for Bid (“IFB”) No. 2024-08 to procure the necessary chemicals required to continue operating the Northern District and Agat-Santa Rita Wastewater Treatment Plants, specifically for sludge handling and meeting regulatory requirements for sludge disposal.² According to GWA, three bids were submitted in response to the IFB. JMI-Edison’s bid was determined to be the most responsive and responsible bid at \$2.06 per pound of dewatering cationic polymer.³

A. Contract Review Protocol

Pursuant to 12 G.C.A. §12105, GWA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC’s express approval. In addition, GWA’s Contract Review Protocol requires that “[a]ll professional service procurements in excess of \$1,000,000” require “prior PUC approval under 12 G.C.A. §12004, which shall be obtained before the procurement process is begun”⁴

With respect to multi-year contracts, “[t]he term of a contract or obligation (procurement) will be the term stated therein, including all options for extension or renewal”; and that the “test to determine whether a procurement exceeds the \$1,000,000 threshold for the PUC review and approval (the review threshold) is the total estimated cost of the procurement, including cost incurred in any renewal options.”⁵ In this instance,

² Petition, pp. 2-3.

³ Petition, p. 3.

⁴ GWA’s Contract Review Protocol (“GWA CRP”), Administrative Docket 00-04, p. 1 (Oct. 27, 2005).

⁵ *Id.*, p. 2.

GWA anticipates expending about \$1,327,979.75 over the course of five (5) years, therefore requiring PUC review.⁶

B. GWA's Petition

As indicated in the Petition, GWA upgraded its Northern District and Agat-Santa Rita Wastewater Plants so that it could treat wastewater at secondary treatment limits.⁷ According to GWA, a crucial component of processing wastewater involves solids handling, “where dewatering cationic polymer chemicals are injected into the wastewater stream as a means of improving the plants’ ability to produce a much drier sludge cake before it is hauled off to the landfills.”⁸

The instant request concerns the approval of GWA’s purchase of dewatering cationic polymer, namely Hydrex 6621, from JMI-Edison. As indicated in the Petition, GWA utilizes these chemicals for its treatment of wastewater, and therefore these chemicals are vital to its operations.⁹ GWA submitted that the funding source for the purchase of these chemicals is its revenue funds.

C. GWA Resolution No. 11-FY2026

The instant Petition is supported by GWA Resolution No. 11-FY2026 (the “Resolution”) issued by the CCU at its February 24, 2026 meeting. In the Resolution, the CCU found that “dewatering cationic polymer chemicals” are necessary for the treatment

⁶ Petition, p. 3.

⁷ Petition, p. 1.

⁸ Petition, p. 1.

⁹ Petition, p. 1.

plants to process wastewater.¹⁰ Specifically, such chemicals are necessary to continue the operations at the Northern District and Agat-Santa Rita Wastewater Treatment Plants’ “sludge handling processes” and to meet “regulatory requirements associated with wastewater sludge disposal.”¹¹ The CCU found that JMI-Edison’s bid was the most responsive and responsible¹²; and further found JMI-Edison’s bid to be fair and reasonable.¹³ Accordingly, the CCU authorized GWA to enter into a three-year contract with JMI-Edison for the purchase of dewatering cationic polymer, namely Hydrex 6621, at a cost of \$796,787.85.¹⁴ The CCU additionally authorized GWA to exercise two additional option years, at a cost of \$531,191.90, for a total of \$1,327,979.75 for the full five-year term.¹⁵ The CCU also approved a ten percent (10%) cost contingency, authorizing a total of \$1,460,777.72.¹⁶

CONCLUSION

The ALJ found, that this Commission has indicated in prior dockets that these chemicals are indispensable and required for GWA’s daily operation and maintenance, specifically to operate its Northern District and Agat-Santa Rita wastewater treatment plants, and to keep GWA in compliance with federal laws, permits and guidelines.

¹⁰ GWA Resolution No. 11-FY2026, p. 1.

¹¹ GWA Resolution No. 11-FY2026, p. 1.

¹² GWA Resolution No. 11-FY2026, p. 2.

¹³ GWA Resolution No. 11-FY2026, p. 3.

¹⁴ GWA Resolution No. 11-FY2026, p. 3.

¹⁵ GWA Resolution No. 11-FY2026, p. 3.

¹⁶ GWA Resolution No. 11-FY2026, p. 3.

Further, the ALJ found that the PUC regularly reviews GWA's purchase of these wastewater chemicals. These chemicals are indeed indispensable in the treatment of wastewater, which aid in filtering wastewater and dewatering sludge. The record further indicated that the JMI-Edison award was due to it being the lowest responsible bidder.

Therefore, the ALJ recommended that the PUC authorize GWA to enter into an agreement with JMI-Edison for the purchase of dewatering cationic polymer and correspondingly approve the budget of \$1,327,979.75 for the full five-year term (options included).

RECOMMENDATION

Based on this record, and for the other reasons set forth above, the ALJ recommended that the PUC approve the contract between GWA and JMI-Edison, for a total cost not to exceed \$1,327,979.75 for a full five-year contract term (with all options exercised), subject to the usual twenty percent (20%) cost contingency provided under the Contract Review Protocol.¹⁷

The Commission hereby adopts the findings in the May 4, 2026 ALJ Report and therefore issues the following.

ORDERING PROVISIONS

Upon careful consideration of the record herein, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. That the instant Petition is hereby APPROVED.

¹⁷ See Section 9, GWA CRP.

2. GWA is authorized to enter into contract with JMI-Edison for the purchase of dewatering cationic polymer, for a total cost not to exceed \$1,327,979.75 for a full five-year contract term (with all options exercised).

3. The usual twenty percent (20%) cost contingency provided under the Contract Review Protocol shall apply to the contract with JMI-Edison.

4. GWA is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with this matter. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

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SO ORDERED this 7th day of May, 2026.



JEFFREY C. JOHNSON
Chairman



DORIS FLORES BROOKS
Commissioner



JOSEPH M. McDONALD
Commissioner

MICHAEL A. PANGELINAN
Commissioner



PETER MONTINOLA
Commissioner

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