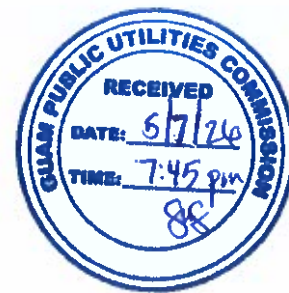


BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



PETITION FOR APPROVAL OF) GWA DOCKET 26-06
CONTRACTS WITH JMI-EDISON)
AND TOTAL CHEMICAL RESOURCES)
FOR WASTEWATER CHEMICALS) ORDER
FOR HAGATNA WWTP 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 Contracts with JMI-Edison and Total Chemical Resources for Wastewater Chemicals for the Hagåtña Waste Water Treatment Plant (“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

Earlier last year, GWA issued Invitation for Bid 2024-16 (the “IFB”) soliciting bids for the necessary chemicals to operate the Hagåtña Wastewater Treatment Plant (“Hagåtña Plant”).¹ Specifically, the IFB sought bids for inorganic coagulant, flocculent aid/coagulant aid, and sludge dewatering cationic polymer. According to GWA, it received three (3) bids, and thereafter selected two (2) bidders.² In particular, Total Chemical Resources (“Total Chemical”) submitted the lowest responsive and responsible

¹ Petition, p. 1.

² Petition, pp. 1-2.

bid for inorganic coagulant; and JMI-Edison submitted the lowest responsive and responsible bids for flocculent aid/coagulant aid, and sludge dewatering cationic polymer.³

A. Contract Review Protocol

Pursuant to 12 G.C.A. §12105,⁴ 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"⁵

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."⁶ In this instance, GWA requests \$2,892,708.72 for the contract with Total Chemical, and \$1,212,912.27 for the contract with JMI-Edison, over the course of five (5) years, therefore requiring PUC review.⁷

³ Petition, pp. 1-2.

⁴ Formerly 12 G.C.A. §12004.

⁵ GWA's Contract Review Protocol ("GWA CRP"), Administrative Docket 00-04, p. 1 (Oct. 27, 2005).

⁶ *Id.*, p. 2.

⁷ Petition, p. 5.

B. GWA's Petition and Costs

In its Petition, GWA submitted that the Hagåtña Plant is undergoing certain upgrades and must provide chemically enhanced primary treatment as required by the U.S. E.P.A. and specified in §II A Paragraphs 2 and 5 of the 2011 Court Order.⁸ These chemicals are required so that the Hagåtña Plant can meet U.S. E.P.A. National Pollutant Discharge Elimination System (NPDES) permit requirements.

As indicated in the Petition, the annual cost of inorganic coagulant is \$525,947.04 (at \$1.44 per pound), with a total cost of \$1,577,841.12 for three (3) years.⁹ The exercise of two yearlong options would add an additional \$1,051,894.08.¹⁰ In addition, GWA requested, and the CCU approved, an additional ten percent (10%) contingency.¹¹

With respect to flocculant aid/coagulant aid, the total cost is \$266,043.75 for three (3) years.¹² The exercise of two yearlong options would add an additional \$177,362.50, for a total of \$443,406.25 for a full five-year term.¹³ In addition, GWA requested, and the CCU approved, an additional ten percent (10%) contingency.¹⁴

With respect to sludge dewatering polymer, the total cost is \$395,545.02 for three (3) years.¹⁵ The exercise of two yearlong options would add an additional \$263,696.68,

⁸ Petition, p. 1.

⁹ Petition, p. 3.

¹⁰ Petition, p. 3.

¹¹ Petition, pp. 3-4.

¹² Petition, p. 4.

¹³ Petition, p. 4.

¹⁴ Petition, p. 4.

¹⁵ Petition, p. 4.

for a total of \$659,241.70 for a full five-year term.¹⁶ Again, GWA requested, and the CCU approved, an additional ten percent (10%) contingency.¹⁷ Funding for purchase of the chemicals will be from GWA's operating revenue.¹⁸

C. GWA Resolution No. 12-FY2026

The instant Petition is supported by GWA Resolution No. 12-FY2026 issued by the CCU at its February 24, 2026 meeting. In the Resolution, the CCU found that pursuant to federal court order, GWA is required to operate the Hagåtña Plant with “Chemically Enhanced Primary Treatment” and that such treatment requires the purchase of these chemicals as part of its treatment process.¹⁹ The CCU further found that the terms of the bid proposals submitted by JMI-Edison and Total Chemical were fair and reasonable.²⁰ Accordingly, the CCU authorized GWA to enter into a contract with Total Chemical for inorganic coagulant, at an annual cost of \$525,947.04, and a total cost of \$1,577,841.12 for three years. The CCU additionally authorized contracts with JMI-Edison for flocculant aide, at an annual cost of \$88,681.25, and a total cost of \$266,043.75 for three years; and for sludge dewatering cationic polymer, at an annual cost of \$131,848.34, and a total cost of \$395,545.02 for three years.²¹ The CCU further authorized GWA to exercise additional two yearlong options, thereby approving the corresponding costs associated with the exercise of such options.

¹⁶ Petition, p. 4.

¹⁷ Petition, pp. 4-5.

¹⁸ GWA Resolution No. 12-FY2026, p. 4 (Feb. 24, 2026).

¹⁹ GWA Resolution No. 12-FY2026, p. 1.

²⁰ GWA Resolution No. 12-FY2026, p. 4.

²¹ GWA Resolution No. 12-FY2026, pp. 2-6.

CONCLUSION

The ALJ found that these chemicals are indispensable and required for GWA's daily wastewater operations, specifically to operate the Hagåtña Plant, and to stay in compliance with federal laws, permits and federal guidelines. Further, the ALJ found that the PUC regularly reviews GWA's purchase of these wastewater chemicals. The three chemicals that are the subject of the instant Petition are generally used for primary and chemically enhanced wastewater treatment. Without these chemicals, GWA would not be able to properly operate the Hagåtña Plant. Therefore, the ALJ recommended that the PUC authorize GWA to enter into contracts with JMI-Edison and Total Chemical.

RECOMMENDATION

Based on the record in this docket, and for the other reasons set forth above, the ALJ recommended that the PUC authorize the contract between GWA and JMI-Edison, for a total cost not to exceed \$1,102,647.95 for five years; and between GWA and Total Chemical, for a total cost not to exceed \$2,629,735.20 for five years. These contracts should be subject to the usual cost contingencies provided under the Contract Review Protocol.²²

The Commission hereby adopts the findings in the May 5, 2026 ALJ Report and therefore issues the following.

²² See Section 9, GWA's Contract Review Protocol, Administrative Docket 00-004, p. 1 (Oct. 27, 2005).

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.
2. GWA is authorized to enter into contract with JMI-Edison for the purchase of flocculant aide and sludge dewatering cationic polymer, for a total cost not to exceed \$1,102,647.95 for a full five-year contract term (with all options exercised).
3. GWA is authorized to enter into contract with Total Chemical for the purchase of inorganic coagulant, for a total cost not to exceed \$2,629,735.20 for a full five-year contract term (with all options exercised).
4. The usual twenty percent (20%) cost contingency provided under the Contract Review Protocol shall apply to the contracts with JMI-Edison and Total Chemical.
5. 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]

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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