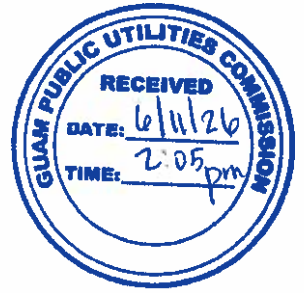


BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:)	GWA DOCKET 26-08
)	
GUAM WATERWORKS AUTHORITY'S)	
PETITION TO AUTHORIZE)	GUAM PUC COUNSEL REPORT
PROCUREMENT FOR)	
CONSTRUCTION SERVICES FOR)	
WATER AND SEWER LINE)	
REPLACEMENT FOR VARIOUS)	
<u>BRIDGES, PHASE I</u>)	

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [PUC] pursuant the Guam Waterworks Authority's [GWA] Petition to Authorize GWA's Procurement for Construction Services for Water and Sewer Line Replacement for Various Bridges, Phase I [Petition].¹
2. GWA requests that the PUC authorize GWA to solicit for construction services for Phase I of GWA's Water and Sewer Line Replacement at Various Bridges which consists of replacing ten leaking or corroded pipes and GWA anticipates that the contract will likely cost approximately \$4,563,643 which GWA will pay using bond or grant funds.²

BACKGROUND

3. GWA's Capital Improvement Program includes Phase I Water and Sewer Line Replacement at Various Bridges which consists of replacing 10 leaking or severely corroded pipes.³
4. GWA estimates that the Phase I work will cost approximately \$4,563,643.⁴

¹ GWA Petition to Authorize GWA's Procurement for Construction Services for Water and Sewer Line Replacement for Various Bridges, Phase I, GWA Docket 26-0, filed on June 5, 2026 at 1.

² Id., at 1, 2, and 6. NOTE: Page number cited herein are the PDF page numbers.

³ Id.

⁴ PUC Order dated November 29, 2022, GWA Docket No. 23-01 at 2.

5. On April 17, 2026, the Guam Consolidated Commission on Utilities ["CCU"] issued GWA Resolution No. 22-FY2026 authorizing GWA's management to procure a contractor for the Phase I replacement of water and sewer lines crossing bridges.⁵

ANALYSIS

6. GWA is required to obtain the PUC's prior approval before soliciting for Phase I of GWA's Water and Sewer Line Replacement at Various Bridges. GWA's Contract Review Protocol states that the PUC must review all procurements for Capital Improvement Projects in excess of \$1,000,000 before the procurement process has begun.⁶ Here, the Phase I line replacement project is a Capital Improvement Project and GWA estimates that the cost of this project is \$4,563,643 and this amount exceeds the \$1,000,000 review threshold. Hence, GWA is required to obtain the PUC's prior approval before soliciting for Phase I of GWA's Water and Sewer Line Replacement at Various Bridges.
7. The \$4,563,643 estimated cost of the construction services for Phase I of GWA's Water and Sewer Line Replacement at Various Bridges is reasonable. This total cost is approximately \$456,364.30 for each of the ten water and sewer lines that will be replaced.⁷ This amount per line is reasonable due to the water or sewer lines to be replaced being located on bridges with water below which increases the difficulty and the risk of replacing these lines and because the lines being replaced are of various diameters, lengths, and locations island wide.⁸ Thus, the \$4,563,643 estimated cost is reasonable.
8. Phase I of GWA's Water and Sewer Line Replacement at Various Bridges is prudent. This is a critical project that will replace old, severely corroded, and persistently leaking water and sewer lines that are attached to bridges which will improve the reliability of GWA's water and wastewater lines. Hence, the line replacement is prudent.
9. Phase I of GWA's Water and Sewer Line Replacement at Various Bridges is necessary. Any actual water or sewer leaks into Guam's waterways would be

⁵ GWA Petition at 5 and 6.

⁶ GWA Contract Review Protocol dated October 27, 2005, Administrative Docket 00-04, at 1.

⁷ \$4,563,643 / 10 Water and Sewer Lines being replaced = \$456,364.30 per line.

⁸ GWA Petition at 4.

direct violation of the Federal Clean Water Act standards that can result in fines and environmental damages.⁹ Hence, Phase I of GWA's Water and Sewer Line Replacement at Various Bridges is necessary.

10. Based on the foregoing, Phase I of GWA's Water and Sewer Line Replacement at Various Bridges and its \$4,563,643 estimated cost are reasonable, prudent, and necessary.

RECOMMENDATION

11. Counsel recommends that the PUC approve GWA's Petition to Authorize GWA's Procurement for Construction Services for Water and Sewer Line Replacement Services for Various Bridges, Phase I.
12. A Proposed Order is submitted herewith for the consideration of the Commissioners.

Dated 11th day of June, 2026.

Anthony R. Camacho

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⁹ GWA Petition at 5.