

APR 05 2002

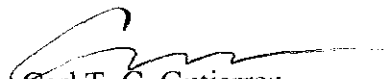
The Honorable Joanne M. S. Brown  
Legislative Secretary  
I Mina'Bente Sais na Liheslaturan Guåhan  
Twenty-Sixth Guam Legislature  
Suite 200  
130 Aspinal Street  
Hagåtña, Guam 96910

Dear Legislative Secretary Brown:

Enclosed please find Bill No. 282 (COR) "AN ACT TO AUTHORIZE AND APPROVE THE U.S. ENVIRONMENTAL PROTECTION AGENCY CONSENT ORDER FOR THE GUAM WATERWORKS AUTHORITY" which I have signed into law as **Public Law No. 26-78**.


This legislation represents the government's agreement with the USEPA Order on Consent entered into by the Guam Waterworks Authority, the Government of Guam and the USEPA. It provides a series of actions items by which the Guam Waterworks Authority can reasonable come into compliance with the various Clean Water Act provisions and NPDES discharge permits over the next five years. The financial plan required by the Order on Consent is included in this legislation.

Very truly yours,

  
Carl T. C. Gutierrez  
I Maga'Lahen Guåhan  
Governor of Guam

Attachments: original bill for vetoed legislation or  
copy of bill for signed or overridden legislation  
and legislation enacted without signature

cc: The Honorable Antonio R. Unpingco  
Speaker

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	
Title	
Date	4/5/02

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MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN  
2002 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Bill No. 282 (COR) "AN ACT TO AUTHORIZE AND APPROVE THE U.S. ENVIRONMENTAL PROTECTION AGENCY CONSENT ORDER FOR THE GUAM WATERWORKS AUTHORITY," was on the 27<sup>th</sup> day of March, 2002, duly and regularly passed.




ANTONIO R. UNPINGCO  
Speaker

Attested:



JOANNE M.S. BROWN  
Senator and Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 28 day of MARCH, 2002,  
at 2:10 o'clock P.M.



Assistant Staff Officer  
*Maga'lahi's Office*

APPROVED:



CARL T. C. GUTIERREZ  
*I Maga'lahen Guåhan*

Date: 4-5-02

Public Law No. 26-78

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2002 (SECOND) Regular Session**

**Bill No. 282 (COR)**

As amended in the Committee  
of the Whole.

Introduced by:

J. M.S. Brown

T. C. Ada

V. C. Pangelinan

Mark Forbes

L. A. Leon Guerrero

J. T. Won Pat

K. S. Moylan

J. F. Ada

F. B. Aguon, Jr.

E. B. Calvo

F. P. Camacho

M. C. Charfauros

L. F. Kasperbauer

A. L.G. Santos

A. R. Unpingco

**AN ACT TO AUTHORIZE AND APPROVE THE  
U.S. ENVIRONMENTAL PROTECTION AGENCY  
CONSENT ORDER FOR THE GUAM  
WATERWORKS AUTHORITY.**

1        **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2        **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan*  
3 finds that on August 16, 2001 the U.S. Environmental Protection Agency  
4 (“EPA”), Guam Waterworks Authority (“GWA”) and *I Maga’lahen Guåhan*  
5 entered into a consent order (“Consent Order”) in which GWA agreed during

1 the next five (5) years to bring its wastewater treatment facilities into  
2 compliance with Federal law and permitting requirements.

3 The Consent Order required GWA to submit for EPA approval a  
4 financial and compliance plan ("Financial Plan"), identified herein as  
5 **Attachment A**, under which such work would occur. The Financial Plan,  
6 which calls for GWA to undertake Ninety Million Dollars (\$90,000,000) in  
7 capital and operational expenditures, was submitted for EPA approval on  
8 January 31, 2002. EPA, by letter dated February 25, 2002, approved the  
9 Financial Plan, provided that the Guam Public Utilities Commission  
10 ("Commission") and *I Liheslaturan Guåhan* commit to provide the  
11 authorizations, approvals and rate relief, which are reasonably necessary to  
12 enable GWA to timely discharge its duties under the Financial Plan.

13 The EPA letter requires that these commitments be provided by EPA *not*  
14 *later than* March 30, 2002. On March 12, 2002, the Commission provided its  
15 commitment to EPA by order of that date.

16 *I Liheslaturan Guåhan* finds that it is in the best interests of the People of  
17 Guam that the government of Guam provide its full commitment and support  
18 to the timely implementation of the Financial Plan so that GWA customers are  
19 provided safe and reliable wastewater services, and so that Guam's beaches  
20 and coastal waters are protected from the chronic pollution described in the  
21 Consent Order.

22 **Section 2. Commitment.** The government of Guam hereby commits  
23 to provide, in a timely manner, the approvals and authorizations as may be  
24 reasonably necessary to enable GWA to comply with the Financial Plan,  
25 which is identified and incorporated herein as **Attachment A**.

1            *I Liheslaturan Guåhan* recognizes and wishes to comply with the U.S.  
2 Environmental Protection Agency's (Region 9) August 16, 2001  
3 Administrative Order on Consent, Docket Number CWA-402-9-01-19, which  
4 is identified and incorporated herein as **Attachment B**.

5            The government of Guam further commits that it will *not* take any  
6 action to limit or otherwise compromise the Commission's regulatory  
7 authority over GWA, as asserted in the Commission's March 12, 2002 Order to  
8 Docket 02-02. In this regard, the Commission's regulatory authority under §  
9 12 of Public Law Number 25-05 to undertake and implement by appropriate  
10 regulatory order such management audits and studies of GWA, and the other  
11 regulated utilities as it deems necessary and appropriate is hereby confirmed.

12            **Section 3. Short-Term Debt Authorization.** GWA is hereby  
13 authorized to incur short-term debt in an amount *not to exceed* Twenty-one  
14 Million Two Hundred Thousand Dollars (\$21,200,000) for the purposes set  
15 forth in **Attachment C** to this legislation, which is identified and  
16 incorporated herein. The terms and conditions of this borrowing shall be  
17 subject to the Commission's prior review and approval. GWA shall strictly  
18 comply with the regulatory requirements imposed upon the use of these  
19 funds by the Commission pursuant to its March 12, 2002 Order to Docket 02-  
20 02.

**FINANCIAL PLAN**  
**&**  
**COMPLIANCE SCHEDULES**

In Response to

**USEPA Consent Order**

—  
**USEPA Docket CWA-402-9-01-19**

Submitted By:

**Guam Waterworks Authority**

**ATTACHMENT A**

January 31, 2002

Paragraph 2 obligates GWA to take all necessary actions to implement certain compliance schedule requirements associated with extensions to the ocean outfalls at the Northern and Agana sewer treatment plants (STP), completion of the southern link sewer pump station interceptor line, decommissioning of the Commercial Port STP, and the completion of comprehensive performance evaluations for the Northern and Agana STP. These activities have completion dates prior to January 31, 2002.

Paragraph 3 obligates GWA to submit quarterly compliance progress reports the first of which was due on October 31, 2001. These reports will provide USEPA with the status of GWA's progress in meeting the various obligations contained in the various Compliance Schedules for various activities that are a part of the Consent Order. These reports also identify any areas of non-compliance and to outline actions being taken to bring GWA into future conformity with its Compliance Schedules.

Paragraph 4 obligates GWA to designate a Compliance Coordinator who will be the principal contact with USEPA relative to the Consent Order. Under the Consent Order this person is designated the responsibility for overseeing implementation and monitoring of all Compliance Schedule activities and submission of the required quarterly reports. GWA has designated Danny Santos, Assistant General Manager for Operations as the Compliance Coordinator.

Paragraph 5 obligates GWA submit to USEPA and GEPA a final status report within 60 days of completing the final compliance activity covered by the Consent Order.

Paragraph 6 through 12 contains various administrative and legal provisions including civil and criminal penalties for negligent or knowing violations. As outlined in Paragraph 11 the Consent Order shall terminate when USEPA issues a written approval of the work required to bring GWA's various facilities into compliance with their NPDES operating permits.

### **III. Project Costs, Prioritization, and Schedule**

#### **A. Consent Order Required Projects and Activities**

The projects and activities mandated in paragraph 1 of the "ORDER FOR COMPLIANCE" of the Consent Order, which GWA is obligated to undertake to bring its wastewater facilities into compliance with their various NPDES permits and the Clean Water Act can be summarized as follows:

1. Agat Sewer Treatment Plant Renovation. This project primarily consists of bringing this small wastewater plant serving the Agat area into compliance with NPDES operating permit guidelines. Principal activities involve the renovation of the plant.

13. Development and Implementation of a GWA Preventive Maintenance Program. This activity obligates GWA to develop and implement an ongoing and comprehensive maintenance management system for the purpose of properly maintaining GWA's wastewater system.
14. Ongoing Operator Training and Certification Program. This activity obligates GWA to provide proper operations and maintenance training to personnel responsible for wastewater treatment. In addition, GWA plant personnel shall be required to obtain requisite certification as plant operators.
15. Monitoring Requirements. This activity involves insuring that GWA provides the necessary monitoring and laboratory services necessary to comply with USEPA and GEPA monitoring and sampling requirements.
16. Facilities Master Plan. This activity obligates GWA to update its previous water and wastewater system master plans.

The 16 projects above have been assigned project numbers for identification purposes with correspond to the numbers above. For consistency purposes, the Compliance Schedules and quarterly reporting formats presented later in this report utilize these project numbers for identification.

#### **B. Project Cost Evaluations**

Appendix I presents an estimate of costs for the projects and other activities required by the Consent Order. These cost estimates, which GWA believes adequate for the purpose of preparing a Financial Plan pursuant to the USEPA Consent Order, are preliminary and should be considered as such. These estimates were prepared by GWA personnel based upon previous investigations, certain historical information and GWA's knowledge of the circumstances associated with each facility or activity. Updated estimates have not been embarked upon nor have independent estimates been authorized in response to the Consent Order.

In many cases earlier estimates were based upon a detailed study or review by a third-party engineering firm specializing in wastewater treatment and collection. However, in most cases the costing parameters, operating and plant data, and other information upon which the cost estimates were developed is dated. Accordingly, the capital cost estimates present a degree of uncertainty. Nonetheless, GWA recognizes that it is obligated to undertake these improvements regardless of their final costs.

#### **C. Project Prioritization and Time Schedule**



management of GWA's five wastewater treatment plants will be initiated in FY 2002. The requirements associated with Projects 12, 13, and 14 will be included as part of this management contract. It is anticipated that Project 12 will be completed during FY 2003 and that Projects 13 and 14 will extend through FY 2006.

- Project 15—Monitoring Program. GWA will undertake during FY 2002 the necessary activities to procure supplemental monitoring and laboratory services to assist until that time that GWA can comply with USEPA and GEPA monitoring and sampling requirements.

## 2. Fiscal Year 2003

- Project Numbers 4 and 8—Agana and Northern Ocean Outfalls. Complete construction of Agana and Northern ocean outfalls.
- Project 11—CPEs for the Agat, Baza Gardens, and Umatac-Merizo STPs. The CPEs for GWA's smaller STPs would be completed during FY 2003.
- Project Numbers 12, 13, and 14—Comprehensive Assessment of GWA's Sewer Pump Stations/Collection System and Implementation of a Corrective Action Plan; Development and Implementation of a GWA Preventive Maintenance Program; and Development of an Operator Training and Certification Program, respectively. These three activities will continue during FY 2003. They will be undertaken by the PMC. Project 12, Comprehensive Assessment of GWA's Sewer Pump Stations & Collection System and Implementation of a Corrective Action Plan, will be completed during FY 2003.
- Project 15—Monitoring Program. This project will continue during FY 2003.
- Project Number 3 and 7—Agana and Northern STP Renovation. The third phase at the Agana and Northern STPs would consist of modifications to the plant to bring it into compliance with its NPDES permit. During FY 2003, it is necessary to undertake the necessary engineering activities required to design and construct the improvements at the Agana and Northern treatment plants.

## 3. Fiscal Year 2004

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pump stations. The scope for the PMC will include an assessment of all GWA pump stations and the collection system, evaluation of treatment operations and maintenance practices, development of a maintenance management program, for treatment and pump station facilities, training (formal and job specific), technical assistance, and regulatory reporting. The PMC is to be onboard by FY 2003.

timeframe. While it has been over seven years since the preparation of the earlier master plans, the increase in population since that time and growth in tourism related facilities has been vastly less than estimated in the original plans due to economic conditions in Japan and Guam. The earlier master plans, which were very comprehensive, are still relatively current given the change in Guam economic activity. The water and wastewater master plans will be updated during FY 2005 and FY 2006.

#### **5. Fiscal Year 2006**

- Project Numbers 2, 5, and 10—Agat, Agana Village, and Umatac/Merizo Collector System Inflow/Infiltration. Construction and rehabilitation activities at these locations will be completed.
- Project Number 14—Implementation of a GWA Operator Training and Certification Program. This activity will continue during FY 2006. It will be undertaken by the PMC.
- Project Number 16—Facilities Master Plan. The update to the water and wastewater master plans will be completed.

#### **D. Other Considerations Impacting the Financial Plan**

The ability to craft a workable Financial Plan is dependent not only on the requirements of the projects and activities in the Consent Order but also on other capital and operating requirements of GWA. The ability to raise external capital will be dependent on the overall financial condition of GWA. In crafting this Financial Plan, consideration was given to the following items:

1. GWA operates an integrated water and wastewater utility. As such, resources are deployed in manner that meets the requirements of both the water and wastewater systems. In addition, many common and joint costs are shared between the two utilities. Important to this Financial Plan is the fact that it will be necessary for GWA's total revenues to be pledged when accessing external capital markets. Accordingly, in the development of an overall financial plan it is necessary to consider both systems.
2. Specific capital funding requirements necessary to support the projects and activities mandated by the Consent Order.
3. Routine capital improvement projects (CIPs). An annual CIP level of \$6 million has been assumed for the purpose of day-to-day system renewal and replacements for the water and wastewater system. This represents \$30 million in additional capital requirements over the time frame of this Financial

incorporated into the Financial Plan for the next five fiscal years (FY 2002 through 2006).

In addition to the capital costs discussed above, the Financial Plan also takes into account the costs associated with routine operations and maintenance activities. The approved budget for FY 2002 has been utilized as the baseline for projecting the operations and maintenance expenses for the period covered in the Financial Plan. Operations and maintenance expenses for the period FY 2003 through FY 2006 have been escalated at 5% per annum.<sup>17</sup> This projection does involve some degree of uncertainty since the operations and maintenance expenses for the system with normal operation of the facilities being rehabilitated could be greater than the estimate used net of the savings from a properly functioning system. In that event greater revenues will be needed from the system.

#### IV. Financing Considerations

Summarized below are the key financial considerations associated with meeting the requirements of the Consent Order:

##### A. Increase Rates

Increased rates can be used as a financing instrument in one of two ways. Increased rates may be used to generate *all* of the financing requirements over the five-year period. This would be the case if GWA did not have access to any form of external financing because its financial condition was and continued to be unacceptable to any lender. This would be a most expensive option available to GWA since all of the capital requirements over the next five years would be raised through increased rates. GWA's financial advisors believe that this scenario can be avoided. A conservative estimate of the magnitude of rate increases that will be required to support GWA obligations pursuant to the Consent Order and provide for minimal system renewals and replacements would require a rate increase of approximately 31% in FY 2002 with additional increases of approximately 17% in FY 2003 and 8% in FY 2005. The cumulative rate increases required would be in excess of 56%.

In the alternative, rates can be used to sufficiently improve GWA's financial condition to the point where GWA can access the long-term debt markets, which is the alternative GWA's financial advisors recommend. This requires that rates be raised to a level where there would be sufficient income to produce a debt service coverage ratio of at least 1.5 times the debt outstanding after the payment of reasonable operating and maintenance expenses necessary to maintain the system

<sup>17</sup> The level of escalation reflects the implementation of a formal ongoing maintenance management programs at GWA.

bridge financing. Legislation will be required to permit GWA to issue long-term debt. The amounts required for this five-year period would be approximately \$71 million.<sup>19</sup>

#### **D. Rural Utility Service (RUS) Loans/Grants**

GWA is eligible to apply to RUS for loans and grants under several programs. A letter from the local administrator of the RUS office in Guam has been attached as Attachment III. GWA currently has pending two applications to RUS.

While the letter in Attachment III is encouraging, there is no assurance that GWA will be successful in securing loans or grants from RUS. GWA will therefore aggressively seek such loans and grants with the plan that if the applications are successful and economically beneficial, GWA will accept the loan or grant and reduce the amount of long-term debt that it would have otherwise borrowed. If successful, this program will reduce the rate relief that will be required to support the capital program. However, the GWA Financial Plan pursuant to the Consent Order does not rely on RUS as a source of capital funding.

#### **E. USEPA Grants**

GWA is also eligible to apply to USEPA for grants under several programs. GWA currently has approved or pending five grant applications to USEPA for various water and wastewater system improvements. These grants once finalized will provide GWA with FY 2002 funds of approximately \$6.4 million to be utilized on improvements to GWA's water and wastewater systems. The projects covered by these grants and the grant amounts have been included in the financial pro-forma.

It is also anticipated that GWA will be seeking additional grant funds from USEPA during FY 2003 through FY 2006. GWA plans to aggressively seek such grants with the plan that if the applications are successful and economically beneficial, GWA will accept the grant and reduce the amount of long-term debt that it would have otherwise borrowed. Grants can reduce the rate relief required to support GWA's capital program. GWA has assumed in its analysis that additional USEPA grant funds in the amount of \$5.79 million over the period FY 2003 through FY 2006 will become available and has reduced the amount it would otherwise seek from external capital markets by this amount. While this amount has been assumed, the financial analysis and the proposed changes in customer user charges will support long-term debt funding inclusive of this amount in the event this grant does not materialize. In other words, the financial integrity of GWA's proposed Financial Plan pursuant to the Consent Order will not be placed in jeopardy as a result of over

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<sup>19</sup> This amount of \$71 million includes a debt service reserve of one year's interest and principal of \$5.3 million which will be maintained by the bond trustee.

requirement to support GWA's obligations under the Consent Order, including the indirect costs for each project over five fiscal years, is \$51,600,000.

2. Provide annually for routine renewal and replacements CIPs for GWA. Over the five fiscal year time horizon the CIP requirement for renewals and replacements is \$30,000,000.<sup>110</sup>
3. Provide for the growth related CIPs necessary to support new customers. Over the five fiscal year time-horizon it is assumed that these capital requirements will be met through connection fees and will not impact GWA requirement for capital.
4. Implement revenue enhancement capital projects that would improve the long-term financial condition and operating efficiencies of GWA. Two such projects that have been identified for implementation over this time frame are the meter management program and the sewer connections program. The capital requirements for these programs are \$10,500,000.<sup>111</sup> It is assumed that the sewer connection program will be partially funded through a Section 319 grant from USEPA for the purpose of creating a revolving fund.
5. Implement the five-water and wastewater related projects for which EPA has provided funding. These include renovation at Uguam, well system renovation, Santa Rita Springs renovation, chlorination, and the Leyang Barrigada collector system construction. The capital requirements for these five projects are \$6,400,000 and have been included in the operating pro-forma analysis.

The table below presents a summary of GWA's estimated Use of Capital Funds over the period FY 2002 through FY 2006.

#### Use of Funds—Capital Projects

(\$1000)

Requirement/Obligation	Dollars
Consent Order Activities	\$ 48,005
Renewal/Replacement CIP	\$ 30,000
Revenue Enhancement Projects	\$ 10,500
Existing EPA Funding Projects	\$ 6,400
Other Requirements	\$ 175
<b>Total</b>	<b>\$95,080</b>

<sup>110</sup> Based upon an infrastructure replacement life of 40 to 50 years.

<sup>111</sup> If AMR is determined to be cost-effective and beneficial to GWA consumers this amount could increase.

7. The PUC has studied and made recommendations to the Legislature with regard to appropriately modifying the existing legislation regarding the System Development Charge (SDC) so that it can be an important source of new capital for GWA. If appropriate legislation is passed, the SDC could be a source of capital over the next five years that could be considered in the Financial Plan.

Based on the above, the total capital requirement over the five-year time horizon is \$95.2 million. Of this amount, \$3.25 million has been provided from the new monies contained in the recently completed 1989 Water Bonds Refunding issue. This leaves approximately \$91.7 million to be funded over the five years through other means such as grant funds if available, but primarily through external debt financing and internally generated funds resulting from rate increases.<sup>114</sup>

The table below presents a summary of GWA's estimated Source of Capital Funds over the period FY 2002 through FY 2006.

<b>Source of Funds—Capital</b>	
(\$1000)	
Source	Dollars
Bond Proceeds-Refunding Issue	\$ 3, 250
Grants—USEPA	\$ 12,796
Long-term Financing (net)	\$ 63,746
Internally Generated Revenues	\$ 15,416
Other	0
<b>Total</b>	<b>\$95,208</b>

GWA's financial advisors have determined that in its current financial condition GWA cannot immediately access the financial markets for long-term debt financing.<sup>115</sup> See letters from GWA's financial advisors contained in Attachment II to this report. In order to accomplish the capital program that is required, GWA's financial advisors have recommended that GWA consider a program that combines rate increases to generate a reasonable level of internal capital and net income that will be required to access the bond markets. In addition, short-term debt from the present to when the long-term debt market can be accessed will be required. At that time when GWA demonstrates it has the necessary financial characteristic to access capital markets, long-term debt will replace GWA short-term debt. It is the opinion of the financial

<sup>114</sup> To the extent that bond financing would require GWA to achieve a debt service coverage ratio of 1.5 times, there would be internal cash generated from the excess in the debt coverage ratio over 1 time that could be used to fund capital needs.

<sup>115</sup> GWA's financial advisors are Guam Economic Development Agency (GEDA) and Wachovia Securities, who are retained by GEDA on financial issues.

\$6.4 million in grants over the period FY 2003 through FY 2006.

#### **D. BOT Project Financing**

GWA anticipates the development of Request for Bids on projects that could be awarded on a BOT basis. The Board of Directors of GWA and the PUC have already approved two such projects for the purpose of requesting proposals. The two approved projects are the Water Meter Management and Sewer Connection projects. While these are not Consent Order related projects, they will have an impact on GWA's ability to fund Consent Order related projects. To the extent successful and economically viable, GWA will pursue other BOT related projects where the economic benefits justify using BOT as a financing vehicle. In those cases the amount of long-term debt will be reduced accordingly.

#### **E. Customer User Charges**

This Financial Plan requires that a rate (user charge) proceeding to increase rates by \$5.0 million (approximately 12.0% on overall water and waste water revenues) be initiated to become effective July 2003. This increase will provide for the necessary debt service coverage required to fund the issuance of approximately \$56 million of long-term bonds in October 2003. The Financial Plan also requires that an additional rate increase take effect on April 2005. Rates would be increased by approximately \$5.0 million, an additional 10% on overall water and wastewater revenues. Cumulatively an increase of approximately 22% will be necessary to fund those improvements to the wastewater system necessary to meet the obligations of the Consent Order and GWA's other water and wastewater system capital obligations.<sup>116</sup>

Attachment IV to this report presents the Financial Plan described above.

## **VI. Legislative Requirements**

USEPA should be cognizant that this Financial Plan is dependent upon receipt of certain legislative changes and approvals. These changes and approvals are necessary for GWA to implement the projects and activities required by the Consent Order. These items have been discussed and recommended to the Guam Legislature in a previous report provided by the PUC to the Legislature. The actions required of the Legislature to enable GWA to implement this Financial Plan include:

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<sup>116</sup> It is possible that additional revenues from meter management, collection and business policy improvements and other items could mitigate the anticipated rate increase amounts.

## **VII. PUC Approval and Implementation Actions**

In support of this Financial Plan the PUC should take the following actions:<sup>117</sup>

- A. Recommend to the Legislature that proposed legislation be established to permit GWA to assume long-term debt obligations and that such legislation be flexible enough to permit GWA to accept USEPA grants and RUS loans and grants.
- B. Establish a process and schedule for GWA to seek BOT financing for selected capital projects including revenue enhancement projects.
- C. Use its management audit powers to oversee the implementation of the proposed Financial Plan and construction of the required projects.

## **VIII. Financial Plan Schedule**

The Consent Order requires that a schedule accompany the Financial Plan. The schedule of all actions necessary to implement this Financial Plan can be found in Attachment V to this report.

The schedule identifies all of the key activities associated with implementation of this Financial Plan. For each activity the schedule identifies the status of the activity and the estimated completion date for the activity. It is anticipated that this schedule will be update quarterly and provided in GWA's quarterly report pursuant to the Consent Order.

In addition, each quarterly report will contain a discussion of any activities that are not in compliance with the proposed milestones previously established and the actions taken or being taken by GWA, PUC, Guam Legislature or others to address any slippage in the schedule and status toward meeting future compliance activities and milestones.

## **XI. Compliance Schedules**

The Consent Order requires that Compliance Schedules be developed and submitted for all the required projects and activities. The schedule of all actions necessary to implement the 16 projects and activities necessary to meet GWA's obligations pursuant to the Consent Order can be found in Attachment VI.

The Compliance Schedules are comprised of four sections. The sections are as follows:

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<sup>117</sup> The PUC's consolidated order dated December 11, 2001 initiated this process and established the strategic process by which GWA will achieve its public mission.



**ATTACHMENT I**  
**CONSENT ORDER RELATED COSTS ESTIMATE**

**ATTACHMENT II**

**LETTERS FROM GWA'S FINANCIAL ADVISORS -- GEDA AND FIRST  
UNION**

## Long-Term

1. Long-term Loan or Note – From a local or off-island finance institution
2. Bonds – Issued in the capital markets

Since the local commercial loan and line of credit market is limited, we believe this is the most expensive alternative for the authority, although it may be the most expedient. Local finance institutions also have experience with financing for the Government agencies, however they may require pledged collateral such as assets and property of the authority. The primary advantage of issuing short-term instruments or bonds in the capital markets is the low interest rates the Government can obtain due to its triple-tax exempt status (assuming bonds are backed by insurance). Another advantage is that the debt would be pledged to GWA revenues only with a possible backstop of other revenue sources or financial guarantees as opposed to a pledge of the authority's assets.

GEDA and Wachovia Securities received preliminary information from GWA regarding its new organizational structure, the Consent Order from EPA, its capital budget, and its historical and current financial condition. Given this information, we have determined that, due to its current weak financial condition, the authority cannot issue debt in the capital markets at this point in time. GWA's historical financials are poor and without a plan to increase rates, revenues are insufficient to meet debt service coverage requirements (typically 1.5x). In the short-term, a loan or line of credit from a local or off-island finance institution may be the best and quickest option, however, we believe that with the proper planning and rate implementation, GWA will at a later date be able to finance capital improvement projects so as to meet EPA requirements.

### **Steps to Long-Term Financing**

First, GWA must develop project schedules for those activities proposed to be financed. Tax laws require that the majority (approximately 85%) of new money issued be used within 24-months. The financing can then be structured with discrete issues in series so that this 24-month restriction can be accomplished.

Second, GWA will have to use rate increases as the repayment source. A rate strategy should be conducted to project what rates and the timing needed to get GWA to a point where it can afford to pay debt service. It is difficult to tell exactly when GWA will be able to access the capital markets because a rate study and projections have not been conducted. We estimate that if GWA begins this process now, we expect that it should be ready to issue debt in the capital markets in a year to two years.

We believe that GWA must at have net revenues in excess of 1.5 times the required debt service. For example, an insured bond issuance of \$80 million will be approximately \$5.3 million in annual debt service. A 1.5x coverage means that net revenues must be in excess of \$7.8 million. We believe that given the current state of GWA this cannot be achieved with a one-shot rate increase, thus debt issuance in tranches will be required. Once GWA narrows a list of the most immediate projects and their costs, we can estimate the amount of debt service GWA would need to repay.

A rated, insured deal will require significant effort on behalf of GWA, GEDA, the PUC and the Guam legislature; however, it will be the ultimate test of GWA's financial strength. Rating criteria and the process to get GWA to a point where it can access the capital markets is

**ATTACHMENT III**

**LETTER FROM ADMINISTRATOR OF THE GUAM RUS OFFICE**

*(Note—two skipped pages for RUS letter)*

**Other GWA Capital Costs  
(1000\$)**

	Total	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	Total
<b>Other GWA Capital Projects-Use of Funds</b>							
-Annual Renewals and Replacements	\$30,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$30,000
-Meter Replacement Program	\$4,500		\$1,500	\$1,500	\$1,500		\$4,500
-Sewer Connection Program	\$6,000			\$2,000	\$2,000	\$2,000	\$6,000
-Other EPA Funded Projects	\$6,400	\$2,200	\$4,200				\$6,400
-Revenue Enhancement Administration	\$175	\$150	\$25				\$175
<b>Subtotal</b>	\$47,075	\$8,350	\$11,725	\$9,500	\$9,500	\$8,000	\$47,075
<b>Potential Source of Funds For Other Capital Projects</b>							
-Sewer "Seed Money" (Revolving Fund)	(\$600)			\$600			\$600
-EPA Grant	(\$6,400)	\$2,200	\$4,200				\$6,400
- Bond Refinancing	(\$6,000)	\$6,000					\$6,000
- Bill 230	\$2,750	(\$2,750)					(\$2,750)
- US EPA Grants - Water	(\$2,696)		\$674	\$674	\$674	\$674	\$2,696
- US EPA Grants - Wastewater	(\$3,100)		\$775	\$775	\$775	\$775	\$3,100
- Internally Generated Funds	(\$15,416)	\$580	\$77	\$4,323	\$4,600	\$5,836	\$15,416
<b>Subtotal</b>	(\$31,462)	\$6,030	\$5,726	\$6,372	\$6,049	\$7,285	\$31,462
<b>Additional Long-Term Financing</b>	\$15,613	\$2,320	\$5,999	\$3,128	\$3,451	\$715	\$15,613
EPA Bond Funded Projects	\$48,132	\$3,630	\$7,626	\$9,270	\$15,425	\$12,181	\$48,132
<b>TOTAL DEBT</b>	\$63,746	\$5,950	\$13,625	\$12,398	\$18,876	\$12,896	\$63,746
<b>Total Capital Projects</b>	\$95,207	\$11,980	\$19,351	\$18,770	\$24,925	\$20,181	\$95,207

## Pro-Forma of Operations FY 2002-2006

(1000\$)

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Water Revenues	\$24,698	\$24,945	\$25,194	\$25,446	\$25,701
Wastewater Revenues	\$14,182	\$14,324	\$14,467	\$14,612	\$14,758
Add'l Sewer Revenues	\$0	\$0	\$80	\$470	\$1,190
Meter Management/Collection Policy	\$0	\$613	\$1,008	\$1,461	\$1,461
Rate Increase @ 12%		\$1,250	\$5,000	\$5,050	\$5,101
Rate Increase 2 @ 10%				\$2,500	\$5,050
Allowance	(\$2,333)	(\$1,645)	(\$1,830)	(\$1,486)	(\$1,598)
Other Revenues	\$351	\$351	\$351	\$351	\$351
<b>TOTAL</b>	<b>\$36,898</b>	<b>\$39,838</b>	<b>\$44,271</b>	<b>\$48,404</b>	<b>\$52,013</b>
Operating Expense	\$35,840	\$37,632	\$39,514	\$41,489	\$43,564
Depreciation	\$10,000	\$11,000	\$12,000	\$13,000	\$14,000
Interest Income	\$0	\$0	(\$3,620)	(\$1,078)	(\$965)
PMC Contract	\$0	\$500	\$500	\$500	\$500
Revenue Audit Implementation	\$150	\$0	\$0	\$0	\$0
Consent Order Related Expenses	\$150	\$1,220	\$1,215	\$650	\$365
<b>Total Operating Expense</b>	<b>\$46,140</b>	<b>\$50,352</b>	<b>\$49,608</b>	<b>\$54,561</b>	<b>\$57,464</b>
<b>Net Operating Income</b>	<b>(\$9,242)</b>	<b>(\$10,514)</b>	<b>(\$5,338)</b>	<b>(\$6,158)</b>	<b>(\$5,450)</b>
Interest (Short-Term)	\$179	\$409	\$0	\$25	\$0
Interest (Long-Term)	\$0	\$0	\$3,360	\$3,299	\$4,134
<b>Total Interest</b>	<b>\$179</b>	<b>\$409</b>	<b>\$3,360</b>	<b>\$3,324</b>	<b>\$4,134</b>
<b>Net Income</b>	<b>(\$9,420)</b>	<b>(\$10,923)</b>	<b>(\$8,698)</b>	<b>(\$9,482)</b>	<b>(\$9,584)</b>
<b>DSCR Calculation</b>					
Income	(\$9,420)	(\$10,923)	(\$8,698)	(\$9,482)	(\$9,584)
Interest	\$179	\$409	\$3,360	\$3,324	\$4,134
Depreciation	\$10,000	\$11,000	\$12,000	\$13,000	\$14,000
<b>Total Available</b>	<b>\$758</b>	<b>\$486</b>	<b>\$6,662</b>	<b>\$6,842</b>	<b>\$8,550</b>
Interest (Long-Term)	\$0	\$0	\$3,360	\$3,299	\$4,134
Principal	\$0	\$0	\$1,021	\$1,082	\$1,420
<b>Total Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,381</b>	<b>\$4,381</b>	<b>\$5,554</b>
<b>DSCR</b>			1.52	1.56	1.54
Minimum DSCR Assumption	1.50	1.50	1.50	1.50	1.50
(Surplus)/Deficit	\$0	\$0	\$0	\$0	\$0
<b>Cash Generated:</b>					
Earnings	(\$9,420)	(\$10,923)	(\$8,698)	(\$9,482)	(\$9,584)
Plus: Depreciation	\$10,000	\$11,000	\$12,000	\$13,000	\$14,000
Less: Principal Payments	\$0	\$0	\$1,021	\$1,082	\$1,420
Internally Generated Funds for Constructio	\$580	\$77	\$4,323	\$4,600	\$5,836

**Rate Increase Assumptions:**

Rate Increase #1 of \$5 million annually awarded in last quarter of 2003

Rate Increase #2 of \$4 million annually awarded mid-year 2004

Rate Increase % base upon annual increase divided by FY04 and FY06 customer revenues

Financial Plan Implementation—Milestones			
Program Name: Consent Order	Location: Guam-GWA	GWA Work Order:	
Program Overview:  The overall program includes the planning and implementation of activities necessary to allow GWA to access the capital funds necessary to meet its obligations to the USEPA under the Consent Order. Specifically, it identifies the implementation steps that will result in GWA obtaining the necessary capital funds to construct those improvements necessary to comply with its various NPDES permits and the Clean Water Act.			
Program Activities—Schedule and Status	Status	Estimated Completion Date	Actual Completion Date
<b>A. PUC Actions</b>			
Order/Resolution Approving Path To Implement Consent Order	Completed	Dec. 11, 2001	Dec. 11, 2001
Recommendations to Legislature Authorizing GWA Debt Issuance	In Progress	Jan. 31, 2002	
Authorize GWA Implement Revenue Enhancement BOTs	To be Initiated	Mar. 30, 2002	
Authorize GWA Implement BOT or PMC for Management of STPs	To be Initiated	Sep. 30, 2002	
Authorize Rate Changes	To be Initiated	Mar. 31, 2003	
Monitor GWA Implementation of Consent Order Activities	To be Initiated	Sep. 30, 2006	
<b>B. Guam Legislative Actions</b>			
Authorize Increase in GWA Short-Term Debt Limit	To be Initiated	Apr 30, 2002	
Approve FY 2002 Budget Amendments for Consent Order Obligations	To be Initiated	Apr 30, 2002	
Authorize Long-Term Debt Issuance/Approve Bond Indenture	To be Initiated	Oct. 1, 2003	
<b>C. Short-Term Debt Activities</b>			
Finalize Short-Term Requirements	To be Initiated	Mar. 1, 2002	
Develop Loan Package	To be Initiated	Mar. 31, 2002	
Accept Proposals and Award	To be Initiated	May 31, 2002	
<b>D. Long-Term Debt Activities</b>			
Finalize Rate Request	To be Initiated	Dec. 31, 2002	
Identify Administrative and Statutory Changes to Support Financial Autonomy	To be Initiated	May 31, 2003	
Finalize Long-Term Capital Improvement Program	To be Initiated	Jun. 30, 2003	
Finalize Detailed Five-Year Operating Pro-forma	To be Initiated	Jun. 30, 2003	
Consulting/Engineering Report for Financing	To be Initiated	Jul. 31, 2003	
Bond Indenture/Official Statement	To be Initiated	Aug. 30, 2003	
Rating Agency/Bond Insurance Meetings	To be Initiated	Sep. 1, 2003	
Sale and Closing	To be Initiated	Oct. 15, 2003	
<b>E. Post Closing GWA Financial Operations</b>			
Implement Administrative Changes	To be Initiated	Jul. 1, 2003	
Implement Ongoing Capital Budgeting	To be Initiated	Oct. 1, 2003	

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

<b>Consent Order Required Projects</b>	
<b>Project Number</b>	<b>Project Activity</b>
1	Agat Sewer Treatment Plant Renovation
2	Agat Collector System Inflow/Infiltration
3	Agana Sewer Treatment Plant Renovation/Expansion
4	Agana Ocean Outfall
5	Agana Village Collector System Inflow/Infiltration
6	Baza Gardens Sewer Treatment Plant
7	Northern District Sewer Treatment Plant
8	Northern District Ocean Outfall
9	Umatac/Merizo Sewer Treatment Plant Renovations
10	Umatac/Merizo Collector System Inflow/Infiltration
11	Comprehensive Performance Evaluations (CPE) for the Agat, Baza Gardens, and Umatac-Merizo Sewer Treatment Plants
12	Comprehensive Assessment of GWA's Sewer Pump Stations/Collection System and Implementation of a Corrective Action Plan
13	Development and Implementation of a GWA Preventive Maintenance Program
14	Development of an Operator Training and Certification Program
15	Monitoring Requirements
16	Facilities Master Plan



# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 1—Milestones			
Project Name: Agat Sewerage Treatment Plant	Location: Agat	GWA Work Order:	
<b>Project Overview:</b>  This project involves bringing this relatively small (0.75 MGD) wastewater treatment plant serving the Agat and Santa Rita areas into compliance with NPDES operating permit guidelines. Principal activities to be undertaken include the renovation of the plant.			
Project Activities—Schedule and Status	Status	Estimated Completion Date	Actual Completion Date
<b>A. Permitting and Pre-Design</b>			
Comprehensive Performance Evaluations	To be Initiated	Oct. 31, 2003	
Environmental Assessments and Construction Approval	To be Initiated	Oct. 1, 2004	
Local Building and Other Permits	To be Initiated	Oct. 1, 2004	
Operating Permits—others	To be Initiated	Sep. 30, 2005	
Operating Permits—NPDES	To be Initiated	Sep. 30, 2005	
<b>B. Design, Engineering and Construction Management</b>			
Preparation of A/E Bid Documents	To be Initiated	Nov. 30, 2003	
Bid Solicitation	To be Initiated	Jan. 1, 2004	
Contract Award/PUC Approval	To be Initiated	Mar. 1, 2004	
Design Activities	To be Initiated	Jun. 30, 2004	
Construction Management Activities	To be Initiated	Sep. 30, 2005	
<b>C. Major Equipment Procurement and Construction</b>			
Preparation of Construction Documents	To be Initiated	Jun. 30, 2004	
Procurement of Owner Furnished Equipment & Materials, if any	To be Initiated	Oct. 31, 2004	
Bid Solicitation for Construction	To be Initiated	Nov. 30, 2004	
Contract Award	To be Initiated	Jan. 1, 2005	
Notice to Proceed	To be Initiated	Feb. 1, 2005	
Delivery of Owner Furnished Equipment & Materials	To be Initiated	Mar. 1, 2005	
Construction	To be Initiated	Aug. 30, 2005	
Demobilization	To be Initiated	Oct. 31, 2005	
<b>D. Startup and Testing</b>			
Development of Testing and Startup Procedures	To be Initiated	Jul. 31, 2005	
Test Major Equipment and Systems	To be Initiated	Aug. 30, 2005	
Startup Activities	To be Initiated	Sep. 30, 2005	

**Guam Waterworks Authority**  
**Compliance Schedule Reporting**

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

**Project Number 1—Comments on Milestones and Expenditures**

**GWA Comments:** *Include discussion of areas of non-compliance and actions taken or proposed to address non-compliance and status toward meeting future compliance activities.*

Approved for Submittal:

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GWA Compliance Coordinator

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 2—Milestones			
Project Name:	Location:	GWA Work Order:	
Agat Collector System Inflow/Infiltration	Agat		
Project Overview:			
<p>This project consist of evaluating existing collection facilities, identifying cost-effective mitigation measures, developing engineering solutions, and the rehabilitation and construction of various sewer collector lines, which are subject to high levels of inflow and infiltration (I&amp;I).</p>			
Project Activities— Schedule and Status	Status	Estimated Completion Date	Actual Completion Date
<b>A. Pre-Design and Pre-Construction Activities</b>			
Preparation of Bid Documents and Bid Solicitation	To be Initiated	May 31, 2003	
Conduct Comprehensive Sewer System Evaluation Survey (SSES)	To be Initiated	Aug. 31, 2003	
Identify Cost Effective Mitigation Measures	To be Initiated	Sep. 30, 2003	
Develop Final Mitigation Plan	To be Initiated	Oct. 31, 2003	
<b>B. Design, Engineering and Construction Management</b>			
Preparation of A/E Bid Documents	To be Initiated	Nov. 30, 2003	
Bid Solicitation	To be Initiated	Jan. 1, 2004	
Contract Award/PUC Approval	To be Initiated	Mar. 1, 2004	
Design Activities	To be Initiated	Jun. 30, 2004	
Construction Management Activities	To be Initiated	Sep. 30, 2006	
<b>C. Major Equipment Procurement and Construction</b>			
Preparation of Construction Documents	To be Initiated	Jun. 30, 2004	
Procurement of Owner Furnished Equipment & Materials	To be Initiated	Sep. 30, 2004	
Bid Solicitation for Construction	To be Initiated	Oct. 31, 2004	
Contract Award	To be Initiated	Nov. 30, 2004	
Notice to Proceed	To be Initiated	Dec. 15, 2004	
Delivery of Owner Furnished Equipment & Materials	To be Initiated	Jan. 31, 2005	
Construction	To be Initiated	Aug. 30, 2006	
Demobilization	To be Initiated	Oct. 31, 2006	

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

### Project Number 2—Comments on Milestones and Expenditures

**GWA Comments:** Include discussion of areas of non-compliance and actions taken or proposed to address non-compliance and status toward meeting future compliance activities.

Approved for Submittal:

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GWA Compliance Coordinator

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 3—Milestones			
Project Name: Agana Sewerage Treatment Plant	Location: Agana	GWA Work Order:	
<b>Project Overview:</b> This project involves bringing this major (12.0 MGD) wastewater treatment plant serving large incorporated areas of Guam into compliance with NPDES operating permit guidelines. Principal activities to be undertaken include the renovation of the plant.			
Project Activities— Schedule and Status	Status	Estimated Completion Date	Actual Completion Date
<b>A. Permitting and Pre-Design</b>			
Comprehensive Performance Evaluations	To be Initiated	Jan. 31, 2002	
Environmental Assessments and Construction Approval	To be Initiated	Oct. 1, 2003	
Local Building and Other Permits	To be Initiated	Oct. 1, 2003	
Operating Permits—others	To be Initiated	Sep. 30, 2004	
Operating Permits—NPDES	To be Initiated	Sep. 30, 2004	
<b>B. Design, Engineering and Construction Management</b>			
Preparation of A/E Bid Documents	To be Initiated	Nov. 30, 2002	
Bid Solicitation	To be Initiated	Jan. 1, 2003	
Contract Award/PUC Approval	To be Initiated	Mar. 1, 2003	
Design Activities	To be Initiated	Jun. 30, 2003	
Construction Management Activities	To be Initiated	Sep. 30, 2004	
<b>C. Major Equipment Procurement and Construction</b>			
Preparation of Construction Documents	To be Initiated	Jun. 30, 2003	
Procurement of Owner Furnished Equipment & Materials	To be Initiated	Sep. 30, 2003	
Bid Solicitation for Construction	To be Initiated	Oct. 31, 2003	
Contract Award	To be Initiated	Nov. 30, 2003	
Notice to Proceed	To be Initiated	Dec. 15, 2003	
Delivery of Owner Furnished Equipment & Materials	To be Initiated	Jan. 31, 2004	
Construction	To be Initiated	Sep. 30, 2004	
Demobilization	To be Initiated	Oct. 31, 2004	
<b>D. Startup and Testing</b>			
Development of Testing and Startup Procedures	To be Initiated	Jul. 31, 2004	
Test Major Equipment and Systems	To be Initiated	Aug. 30, 2004	
Startup Activities	To be Initiated	Sep. 30, 2004	

**Guam Waterworks Authority**  
**Compliance Schedule Reporting**

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

**Project Number 3—Comments on Milestones and Expenditures**

**GWA Comments:** Include discussion of areas of non-compliance and actions taken or proposed to address non-compliance and status toward meeting future compliance activities.

Approved for Submittal:

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GWA Compliance Coordinator

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 4—Milestones			
Project Name: Agana STP Outfall	Location: Agana	GWA Work Order:	
<b>Project Overview:</b>  This project involves the extension of the existing effluent disposal outfall into significantly deeper water for more sufficient mixing and dilution of effluent.			
Project Activities— Schedule and Status	Status	Estimated Completion Date	Actual Completion Date
<b>A. Permitting and Pre-Design</b>			
Environmental Assessments and Construction Approval	To be Initiated	Jul. 1, 2002	GWA
Local Building and Other Permits	To be Initiated	Jul. 1, 2002	GWA
Operating Permits—others	To be Initiated	Sep. 30, 2003	GWA
Operating Permits—NPDES	To be Initiated	Sep. 30, 2003	GWA
<b>B. Design, Engineering and Construction Management</b>			
Preparation of A/E Bid Documents	Completed	GWA	GWA
Bid Solicitation	Completed	GWA	GWA
Contract Award/PUC Approval	Completed	GWA	GWA
Design Activities	Completed	Oct. 31, 2001	Oct. 31, 2001
Construction Management Activities	Pending	Sep. 30, 2003	
<b>C. Major Equipment Procurement and Construction</b>			
Preparation of Construction Documents	To be Initiated	Mar. 15, 2002	
Procurement of Owner Furnished Equipment & Materials	None	N/A	N/A
Bid Solicitation for Construction	To be Initiated	May 15, 2002	
Contract Award	To be Initiated	Jun. 15, 2002	
Notice to Proceed	To be Initiated	Jul. 1, 2002	
Delivery of Owner Furnished Equipment & Materials	None	N/A	N/A
Construction	To be Initiated	Sep. 30, 2003	
Demobilization	To be Initiated	Oct. 31, 2003	

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

<b>Project Number 5—Summary</b>	
<b>Project Name:</b>	Agana Village Collector System Inflow/Infiltration
<b>Project Description:</b>	The project involves the repair, replacement, and/or construction of new sewer lines in the STP service area (Agana Village). The area has experienced sewer main backups, and surcharging of manholes. Earlier studies indicate that the primary sources of I/I are located at sewer cleanouts and customer-owned laterals in need of rehabilitation. This project consist of evaluating existing collection facilities, identifying cost-effective mitigation measures, developing engineering solutions, and the rehabilitation and construction of various sewer collector lines, which are subject to high levels of inflow and infiltration (I&I), thereby reducing non-sewage flows into the STP and operation costs.
<b>Project Budget:</b>	\$ 1.6 million
<b>Funding Source(s):</b>	Revenue Bonds
<b>GWA Project Manager:</b>	Not yet selected
<b>Contractor, if any:</b>	None yet selected.
<b>Project Schedule:</b>	FY 2003 and FY 2004—I/I Evaluation, Design and Procurement FY 2005 and FY 2006—Construction
<b>Administrative Activities Underway:</b>	GWA has received PUC approval of the regulatory framework associated with the implementation of the proposed financing plan. GWA in conjunction with GCG is working with GEDA and GovGuam financial advisors to develop an approach to accessing the capital markets in FY 2003.



# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 5—Budget and Expenditures (\$1000)					
Project Task	Approved Budget	Engineering Estimate	Commitment To Date	Balance of Approved Budget	Comments
<b>Sewer System Evaluation</b>					
Conduct I/I Investigation					
Develop Mitigation Plan					
Subtotal					
<b>Collection System Inflow and Infiltration</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Other Improvements</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Total Construction Cost</b>		\$ 1,600			
<b>Indirect Cost</b>					
Professional Fees - SSES					
Direct Construction Mgt.					
GWAP Program Admin.					
Subtotal					
<b>Total Project Cost</b>					

Detailed Cost Estimates Pending SSES

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 6—Summary		
<b>Project Name:</b>	Baza Gardens Sewer Treatment Plant	
<b>Project Description:</b>	Headworks/Screening	Operational, no modifications
	Flow Measurement	Replace flow-measuring system.
	Comminution	Operational, no modifications
	Aerated Grit Chambers	Repair or replace aerator piping and diffusers. Repair or replace grit airlift system.
	Contact Stabilization	No modifications.
	Secondary Clarification	Operational, no modifications.
	Chlorination	Replace chlorination system.
	Aerobic Digestion	Operational, no modifications.
	River Outfall	Reinforce concrete and reassemble diffuser rock terrace.
	Other	Design and install de-chlorination system.
<b>Project Budget:</b>	\$ 1.0 million (estimate)	
<b>Funding Source(s):</b>	Revenue Bonds (primary). RUS Grant (secondary).	
<b>GWA Project Manager:</b>	Not yet selected	
<b>Contractor, if any:</b>	None yet selected.	
<b>Project Schedule:</b>	FY 2003—Design FY 2004—Construction	
<b>Administrative Activities Underway:</b>	GWA has received PUC approval of the regulatory framework associated with the implementation of the proposed financing plan. GWA in conjunction with GCG is working with GEDA and GovGuam financial advisors to develop an approach to accessing the capital markets in FY 2003.	

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 6—Budget and Expenditures (\$1000)					
Project Task	Approved Budget	Engineering Estimate	Commitment To Date	Balance of Approved Budget	Comments
<b>Flow Measurement</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Aerated Grit Chambers</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Chlorination</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>River Outfall</b>					
Civil					
Electrical					
Mechanical					
<b>Other Installments</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Total Construction Cost</b>		\$1,000	\$ 0	\$1,000	
<b>Indirect Cost</b>					
Permitting/Pre-Design Eval.					
Design/Construction Mgt.					
GWA Project Admin.					
Training of GWA Personnel					
Subtotal					
<b>Total Project Cost</b>					

Detailed Cost Estimates Pending CPE

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

<b>Project Number 7—Summary</b>	
<b>Project Name:</b>	Northern District Sewer Treatment Plant
<b>Project Description:</b>	Headworks/Screening      Replace safety handrails
	Flow Measurement      Repair or replace flow measuring system inoperative: beyond repair, needs replacement
	Comminution      Repair or replace comminutor
	Pre-aeration Tanks      Replace sluice gates Repair or replace aerator piping and diffusers Install new blower system and controls Install new foam control system
	Aerated Grit Chambers      Repair or replace aerator piping and diffusers Repair or replace grit air lift system Repair grit removal/conveyor system
	Primary Clarification      Replace/align scum baffles Refurbish scum collection system Replace missing effluent weir section and balance system Install new rake arm control system Replace primary sludge pumps
	Chlorination      Install new chlorination system
	Anaerobic Digestion      Replace gas collection system
	Mechanical Dewatering      Replace centrifuges/support systems
	Others      New sludge disposal truck required once centrifuging process starts
<b>Project Budget:</b>	\$ 2.0 million (estimate)
<b>Funding Source(s):</b>	Revenue Bonds.
<b>GWA Project Manager:</b>	Not yet selected
<b>Contractor, if any:</b>	None yet selected.
<b>Project Schedule:</b>	FY 2003-Design activities FY 2004-Consturction activities
<b>Administrative Activities Underway:</b>	GWA has received PUC approval of the regulatory framework associated with the implementation of the proposed financing plan. GWA in conjunction with GCG is working with GEDA and GovGuam financial advisors to develop an approach to accessing the capital markets in FY 2003.

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 7—Budget and Expenditures (\$1000)					
Project Task	Approved Budget	Engineering Estimate	Commitment To Date	Balance of Approved Budget	Comments
<b>Headworks/Screening</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Flow Measurement</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Comminution</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Pre-aeration Tanks</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Aerated Grit Chambers</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Primary Clarification</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Chlorination</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Anaerobic Digestion</b>					
Civil					
Electrical					
Mechanical					
Subtotal					

Detailed Cost Estimates Pending CPE

**Guam Waterworks Authority**  
**Compliance Schedule Reporting**

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

**Project Number 7—Comments on Milestones and Expenditures**

**GWA Comments:** Include discussion of areas of non-compliance and actions taken or proposed to address non-compliance and status toward meeting future compliance activities.

*Approved for Submittal:*

**GWA Compliance Coordinator**

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 8—Milestones			
Project Name: Northern STP Outfall	Location: Dededo	GWA Work Order:	
Project Overview:  This project involves the extension of the existing effluent disposal outfall into significantly deeper water for more sufficient mixing and dilution of effluent.			
Project Activities— Schedule and Status	Status	Estimated Completion Date	Actual Completion Date
<b>A. Permitting and Pre-Design</b>			
Environmental Assessments and Construction Approval	To be Initiated	Jul. 1, 2002	
Local Building and Other Permits	To be Initiated	Jul. 1, 2002	
Operating Permits—others	To be Initiated	Sep. 30, 2003	
Operating Permits—NPDES	To be Initiated	Sep. 30, 2003	
<b>B. Design, Engineering and Construction Management</b>			
Preparation of A/E Bid Documents	Completed	GWA	GWA
Bid Solicitation	Completed	GWA	GWA
Contract Award/PUC Approval	Completed	GWA	GWA
Design Activities	Completed	Oct. 31, 2001	Oct. 31, 2001
Construction Management Activities	Pending	Sep. 30, 2003	
<b>C. Major Equipment Procurement and Construction</b>			
Preparation of Construction Documents	To be Initiated	Mar. 15, 2002	
Procurement of Owner Furnished Equipment & Materials	None	N/A	N/A
Bid Solicitation for Construction	To be Initiated	May 15, 2002	
Contract Award	To be Initiated	Jun. 15, 2002	
Notice to Proceed	To be Initiated	Jul. 1, 2002	
Delivery of Owner Furnished Equipment & Materials	None	N/A	N/A
Construction	To be Initiated	Sep. 30, 2003	
Demobilization	To be Initiated	Oct. 31, 2003	

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

<b>Project Number 9—Summary</b>		
<b>Project Name:</b>	Umatac/Merizo Sewer Treatment Plant Renovations	
<b>Project Description:</b>	Flow Measurement	Replace flow-measuring system.
	Aerobic Facultative Lagoons	Install new surface aerators. Design and construct concrete embankment to prevent lagoon overflow. Increase lagoon capacity by removing vegetation and dredging lagoon bottom. Disposal of anaerobic sludge.
	Overland Treatment/Infiltration	Construct expanded wetland to provide level of sewage treatment specified.
	Other	Institute proper maintenance procedures to avoid build up of solids and vegetation
<b>Project Budget:</b>	\$ 260,000	
<b>Funding Source(s):</b>	Revenue Bonds.	
<b>GWA Project Manager:</b>	Not yet selected	
<b>Contractor, if any:</b>	None yet selected.	
<b>Project Schedule:</b>	FY 2003—Design FY 2004—Construction	
<b>Administrative Activities Underway:</b>	GWA has received PUC approval of the regulatory framework associated with the implementation of the proposed financing plan. GWA in conjunction with GCG is working with GEDA and GovGuam financial advisors to develop an approach to accessing the capital markets in FY 2003.	



# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 9—Budget and Expenditures (\$1000)					
Project Task	Approved Budget	Engineering Estimate	Commitment To Date	Balance of Approved Budget	Comments
<b>Flow Measurement</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Aerobic Facultative Lagoons</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Overland Treatment</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Other</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Total Construction Cost</b>		\$ 260			
<b>Indirect Cost</b>					
Permitting/Pre-Design Eval.					
Design/Construction Mgt.					
GWA Project Admin.					
Training of GWA Personnel					
Subtotal					
<b>Total Project Cost</b>					

Detailed Cost Estimates Pending Final Design

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

<b>Project Number 10—Summary</b>	
<b>Project Name:</b>	Umatac/Merizo Collector System Inflow/Infiltration
<b>Project Description:</b>	The project involves the repair, replacement, and/or construction of new sewer lines in the STP service areas. The plant frequently experiences hydraulic overloading and has experienced sewer main backups, and surcharging of manholes. Earlier studies indicate that the primary sources of I/I are located at sewer cleanouts and customer-owned laterals in need of rehabilitation. This project consist of evaluating existing collection facilities, identifying cost-effective mitigation measures, developing engineering solutions, and the rehabilitation and construction of various sewer collector lines, which are subject to high levels of inflow and infiltration (I&I), thereby reducing non-sewage flows into the STP and operation costs.
<b>Project Budget:</b>	\$ 2.8 million (estimate)
<b>Funding Source(s):</b>	Revenue Bonds (primary). RUS Grant (secondary)
<b>GWA Project Manager:</b>	Not yet selected
<b>Contractor, if any:</b>	None yet selected.
<b>Project Schedule:</b>	FY 2003 and FY 2004—I/I Evaluation, Design and Procurement FY 2005 and FY 2006—Construction
<b>Administrative Activities Underway:</b>	GWA has received PUC approval of the regulatory framework associated with the implementation of the proposed financing plan. GWA in conjunction with GCG is working with GEDA and GovGuam financial advisors to develop an approach to accessing the capital markets in FY 2003.

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 10—Budget and Expenditures (\$1000)					
Project Task	Approved Budget	Engineering Estimate	Commitment To Date	Balance of Approved Budget	Comments
<b>Sewer System Evaluation</b>					
Conduct I/I Investigation					
Develop Mitigation Plan					
Subtotal					
<b>Collection System Inflow and Infiltration</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Other Improvements</b>					
Civil					
Electrical					
Mechanical					
Subtotal					
<b>Total Construction</b>		\$ 2,800	\$ 0	\$ 2,800	
<b>Indirect Costs</b>					
Professional Fee—SSES					
Design/Construction Mgt.					
GWA Program Admin.					
Subtotal					
<b>Total Project Cost</b>					

Detailed Cost Estimates Pending SSES

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

<b>Project Number 11—Summary</b>	
<b>Project Name:</b>	Comprehensive Performance Evaluations (CPE) for the Agat, Baza Gardens, and Umatac-Merizo Sewer Treatment Plants
<b>Project Description:</b>	Comprehensive performance evaluations on each of GWA wastewater treatment plants will be undertaken to validate the nature of improvements required to both the physical facilities as well as operating procedures.
<b>Project Budget:</b>	Agana STP-\$ 100,000 Agat STP-\$ 100,000 Baza Gardens STP-\$ 100,000 Northern STP-\$ 100,000 Umatac/Merizo STP-\$ 100,000
<b>Funding Source(s):</b>	Revenue Bonds
<b>GWA Project Manager:</b>	Not yet selected
<b>Contractor, if any:</b>	GWA Input Required for existing contractors
<b>Project Schedule:</b>	Agana and Northern CPE to be completed by January 31, 2002. Agat, Baza Gardens, & Umatac/Merizo CPEs to be completed in FY 2003.
<b>Administrative Activities Underway:</b>	GWA Input Required. GWA has received PUC approval of the regulatory framework associated with the implementation of the proposed financing plan. GWA in conjunction with GCG is working with GEDA and GovGuam financial advisors to develop an approach to accessing the capital markets in FY 2003.



# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 12—Milestones			
<b>Project Name:</b> Comprehensive Assessment of Pump Stations/Collection System	<b>Location:</b> All GWA locations	<b>GWA Work Order:</b>	
<b>Project Overview:</b>  This activity will be included in the work activities to be undertaken by the performance management contractor (PMC) retained for the purposes of managing GWA's wastewater treatment and major pump stations. The work scope will involve undertaking a comprehensive assessment of all GWA pump stations and the collection system. Included will be an evaluation of GWA operations and maintenance practices.			
Project Activities— Schedule and Status	Status	Estimated Completion Date	Actual Completion Date
<b>A. PMC Procurement</b>			
Develop PMC business and compensation model	To be Initiated	Apr. 30, 2002	
Develop staff training, development and certification requirements	To be Initiated	May 31, 2002	
Identify performance criteria, benchmarks or activity based objectives	To be Initiated	May 31, 2002	
Preparation of RFP Bid Documents	To be Initiated	Jun. 30, 2002	
Bid Solicitation	To be initiated	Aug. 30, 2002	
Contract Award/PUC Approval	To be Initiated	Sep. 30, 2002	
Notice to Proceed	To be Initiated	Oct. 15, 2002	
<b>B. Program Design</b>			
PMC Mobilization—Program Design	To be Initiated	Oct. 15, 2002	
Identify Pump Stations and Major Wastewater Collection Systems	To be Initiated	Dec. 31, 2002	
Assess Existing Maintenance Tracking Database History	To be Initiated	Jan. 31, 2003	
Develop Physical Inspection Plan	To be Initiated	Feb. 28, 2003	
Approval of Inspection Plan	To be Initiated	Mar. 15, 2003	
<b>C. Program Implementation</b>			
Mobilization of Operations/Maintenance Specialists	To be Initiated	Apr. 1, 2003	
Conduct Inspection Program	To be Initiated	May 31, 2003	
Preparation of Initial Findings and Recommendations	To be Initiated	Jun. 30, 2003	
Submit Corrective Action Plan to GWA	To be Initiated	Jul. 15, 2003	
Input Findings into Preventive Maintenance Program Database	To be Initiated	Dec. 15, 2003	
Demobilization of Assessment Phase	To be Initiated	Jun. 30, 2003	

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

<b>Project Number 13—Summary</b>	
<b>Project Name:</b>	Development and Implementation of a GWA Preventive Maintenance Program
<b>Project Description:</b>	As part of GWA's commitment to meet the objectives of the EPA Consent Order it will be necessary for GWA to institute a strong preventive maintenance management program for its wastewater treatment plants, pump stations, and collection facilities. This program will require the training of maintenance planners and the development of a computerized database that will be used to identify major equipment and systems, track equipment history records and schedule required preventive maintenance. It is anticipated that GWA will retain the services of a performance management contractor (PMC) during the next three to five years to assist in not only rehabilitating the treatment plants, but also training operating personnel and implementing a strong maintenance management culture within GWA.
<b>Project Budget:</b>	\$ 1.5 million (estimate)
<b>Funding Source(s):</b>	Operating Revenues
<b>GWA Project Manager:</b>	Not yet selected
<b>Contractor, if any:</b>	None yet selected
<b>Project Schedule:</b>	FY 2002 through FY 2006.
<b>Administrative Activities Underway:</b>	GWA has received PUC approval of the regulatory framework associated with the implementation of the proposed financing plan. GWA in conjunction with GCG is working with GEDA and GovGuam financial advisors to develop an approach to accessing the capital markets in FY 2003.





# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 14—Milestones			
Project Name:	Location:	GWA Work Order:	
Operator Training & Certification	All GWA locations		
<b>Project Overview:</b>  This activity will be included in the work activities to be undertaken by the performance management contractor (PMC) retained for the purposes of managing GWA's wastewater treatment and major pump stations. The work scope will involve providing proper operations and maintenance training to GWA personnel responsible for wastewater treatment. In addition, GWA plant personnel will be required to obtain requisite certification as plant operators			
Project Activities— Schedule and Status	Status	Estimated Completion Date	Actual Completion Date
<b>A. PMC Procurement</b>			
Develop PMC business and compensation model	To be Initiated	Apr. 30, 2002	
Develop staff training, development and certification requirements	To be Initiated	May 31, 2002	
Identify performance criteria, benchmarks or activity based objectives	To be Initiated	May 31, 2002	
Preparation of RFP Bid Documents	To be Initiated	Jun. 30, 2002	
Bid Solicitation	To be Initiated	Aug. 30, 2002	
Contract Award/PUC Approval	To be Initiated	Sep. 30, 2002	
Notice to Proceed	To be Initiated	Oct. 15, 2002	
<b>B. Program Design</b>			
Conduct Skills Gap Analysis	To be Initiated	Dec. 31, 2002	
Review Existing Practices vs. Industry Best Practices	To be Initiated	Dec. 31, 2002	
Develop Training and Certification Programs	To be Initiated	Feb. 28, 2002	
Develop Train the Trainer Program	To be Initiated	Mar. 30, 2002	
Approval of Training and Certification Programs	To be Initiated	Mar. 30, 2002	
<b>C. Program Implementation</b>			
PMC Mobilization	To be Initiated	Oct. 15, 2002	
Mobilization of Training Specialists	To be Initiated	Mar. 15, 2003	
Initiate Train the Trainer Activities	To be Initiated	Apr. 15, 2003	
Initiate Formal Training Activities for Operations Personnel	To be Initiated	Mar. 15, 2003	
Evaluate Individual Employee Training Requirements	To be Initiated	Jun. 30, 2003	
Initiate On-Job Related Training	To be Initiated	Jul. 1, 2003	
Continuing Training Activities	To be Initiated	Sep. 30, 2006	
<b>D. Program Evaluation</b>			
Develop Employee Testing Programs	To be Initiated	Feb. 28, 2003	
Test and Evaluate Employees	To be Initiated	Jun. 30, 2003	
Modify Training and Certification Programs	To be Initiated	Aug. 1, 2003	
Retest and Reevaluate Employees	To be Initiated	Dec. 1, 2003	

# Guam Waterworks Authority

## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

<b>Project Number 15—Summary</b>	
<b>Project Name:</b>	Monitoring Requirements
<b>Project Description:</b>	<p>As part of GWA's commitment to meet the objectives of the EPA Consent Order and NPDES and GEPA sampling requirements, it will be necessary for GWA to upgrade the capabilities of its monitoring, sampling, and laboratory services. Ideally these services would be accomplished by GWA in its own labs. In the near-term GWA will supplement its capabilities with a private contractor utilizing certified laboratory services. This supplemental service will be used until that time that GWA puts in place the necessary personnel and equipment resources to properly monitor its STP facilities.</p> <p>Northern Plant Laboratory requires a complete renovation and restocking of lab equipment to measure and monitor plant performance on a hourly/daily basis.</p>
<b>Project Budget:</b>	\$ 600,000 (estimate)
<b>Funding Source(s):</b>	Operating Revenues.
<b>GWA Project Manager:</b>	Not yet selected
<b>Contractor, if any:</b>	None yet selected.
<b>Project Schedule:</b>	FY 2002, FY 2003, and FY 2004. GWA will resume full responsibility for monitoring in FY 2005.
<b>Administrative Activities Underway:</b>	GWA Input Required. GWA has received PUC approval of the regulatory framework associated with the implementation of the proposed financing plan. GWA in conjunction with GCG is working with GEDA and GovGuam financial advisors to develop an approach to accessing the capital markets in FY 2003.



# Guam Waterworks Authority

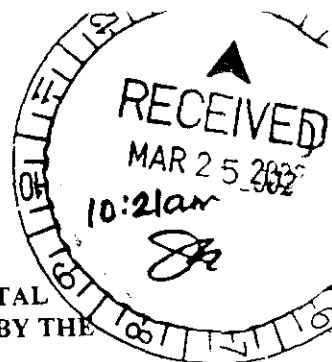
## Compliance Schedule Reporting

Period Ending: January 31, 2002

USEPA Docket CWA-402-9-01-19

Project Number 16—Milestones			
Project Name: Wastewater Facilities Plan	Location: GWA system-wide	GWA Work Order:	
Project Overview:  This activity will involve an update to the GWA Facilities Plan finalized in December 1994			
Project Activities— Schedule and Status	Status	Estimated Completion Date	Actual Completion Date
<b>A. Facilities Planning</b>			
Preparation of Bid Documents	To be Initiated	Jan. 15, 2005	
Bid Solicitation	To be Initiated	Apr. 1, 2005	
Contract Award/PUC Approval	To be Initiated	Jun. 1, 2005	
Research and Analysis	To be Initiated	Mar. 1, 2006	
Preparation of Initial Findings and Recommendations	To be Initiated	May 1, 2006	
<b>B. Approval and Finalization of Facilities Plan</b>			
Review Session w/GWA Board of Directors and Management	To be Initiated	May 15, 2006	
Review by the PUC	To be Initiated	Jun. 1, 2006	
Development of Implementation Plans	To be Initiated	Aug. 31, 2006	
Finalize Report	To be Initiated	Sep. 30, 2006	

Bureau of Budget & Management Research  
Fiscal Note of Bill No. 282



Bill Title (Preamble): AN ACT TO AUTHORIZE AND APPROVE THE US ENVIRONMENTAL PROTECTION AGENCY CONSENT ORDER, DOCKET CWA-402-9-01-19, SUBMITTED BY THE GUAM WATERWORKS AUTHORITY.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Waterworks Authority	Dept./Agency Head: Herbert J. Johnston Jr.
General Fund appropriation(s) to date:	\$ -0-
Other Fund (specify): _____ appropriation(s) to date:	\$ -0-
Total Department/Agency Appropriation(s) to date:	\$ -0-

Fund Source Information of Proposed Appropriation			
	General Fund	Other (Revenues)	Total
FY 2002 Adopted Revenues	-0-	\$37,712,109	\$37,712,109
FY 2002 Approp. P.L. 26-34/58	-0-	36,056,230	36,056,230
Sub-total	-0-	1,655,879	1,655,879
Less appropriation in Bill	-0-	0	0
Total	-0-	1,655,879	1,655,879

Estimated Fiscal Impact of Bill						
	One full FY	For remainder of current FY (if appli.)	Second Year	Third Year	Fourth Year	Fifth Year
General Fund	1/					
Other Fund	1/					
Total	1/					

- Does the bill contain "revenue generating" provisions?  Yes  No  N/A
- Is amount appropriated adequate to fund the intent of the appropriation?  Yes  No  N/A  
If no, what is the additional amount required? \$ N/A
- Does the Bill establish a new program/agency?  Yes  No  N/A  
If yes, will the program duplicate existing programs/agencies?  Yes  No  N/A  
Is there a federal mandate to establish the program/agency?  Yes  No  N/A
- Will the enactment of this Bill require new physical facilities?  Yes  No  N/A
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason  Yes  No  N/A  
 Requested agency comments not rec'd by due date / / Other: \_\_\_\_\_

Analyst: <u>M.M.A.</u> Michael M. Aflague	Date: <u>March 15, 2002</u>	Director: <u>Paul D. Leon Guerrero</u> Paul D. Leon Guerrero, Director	Date: <u>3/21/02</u>
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Footnotes:

1/ Bill 282 authorizes the Guam Waterworks Authority to incur short-term debt in an amount not to exceed \$21.2 million for the purpose of funding requirements detailed in Attachment A. The Bureau would like to take this opportunity to note that there is no mention of how the short-term debt will be financed, whether by

Office of



the People

Mina'Bente Sais Na Liheslaturan Guåhan

Senator vicente (ben) c. pangelinan  
Minority Leader (D)

MAR 26 2002

The Honorable Antonio R. Unpingco  
Speaker, *I Liheslaturan Guåhan*  
155 Hesler Street  
Hagåtña, Guam 96932

**Re: Request for Emergency Declaration of Bill No. 286**

Dear Mr. Speaker:

I hereby request that you, pursuant to the authority of the Speaker, certify as an emergency measure Bill No. 286, "AN ACT TO GRANT THE GOVERNOR THE TRANSFER AUTHORITY NECESSARY TO RESOLVE THE CASH SHORTFALL OF THE GUAM MEDICAID PROGRAM, MEDICALLY INDIGENT PROGRAM, GUAM CHILDREN'S HEALTH INSURANCE PROGRAM AND THE GENERAL AND WELFARE PUBLIC ASSISTANCE PROGRAM BENEFITS," and immediately take action in the current session to address the matter presented.

I thank you in advance for your favorable consideration of this matter.

Sincerely,

vicente (ben) c. pangelinan  
Minority Leader

enclosure: Bill No. 286

cc: All Senators

RECEIVED  
Date: 3/27/02  
Time: 8:00 AM  
Rec'd by: Emy  
Print Name: [Signature]

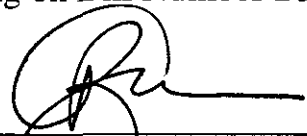


**MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**TWENTY-SIXTH GUAM LEGISLATURE**  
155 Hessler Place, Hagåtña, Guam 96910

**2002 (SECOND) Regular Session**

I, Antonio R. Unpingco, Speaker of *I Mina'Bente Sais Na Liheslaturan Guåhan*, hereby certify, in conformance with Title 2 Guam Code Annotated § 2103, *Public Hearings Mandatory*, as amended, that an emergency condition exists involving danger to the public health and welfare of the People and therefore waive the statutory requirements for a public hearing on Bill Number 286 (COR), "AN ACT TO GRANT THE GOVERNOR THE TRANSFER AUTHORITY NECESSARY TO RESOLVE THE CASH SHORTFALL OF THE GUAM MEDICAID PROGRAM, MEDICALLY INDIGENT PROGRAM, GUAM CHILDREN'S HEALTH INSURANCE PROGRAM AND THE GENERAL AND WELFARE PUBLIC ASSISTANCE PROGRAM BENEFITS," which was introduced on March 25, 2002, and therefore waive the statutory requirements for a public hearing on Bill Number 286 (COR).

Dated: March 27, 2002

  
\_\_\_\_\_  
**ANTONIO R. UNPINGCO**  
Speaker and Presiding Officer



MINA' BENTE SAIS NA LIHESLATURAN GUAHAN  
TWENTY-SIXTH GUAM LEGISLATURE

SENATOR EDDIE BAZA CALVO

Chairman

COMMITTEE ON PUBLIC WORKS, HEALTH AND HUMAN SERVICES

E-Mail address: sencalvo@ite.net  
120 Father Dueñas Avenue, Capitol Plaza, Suite 109  
Hagåtña, Guam 96910

Telephone: (671) 472-4040/4518  
Facsimile: (671) 472-4100

March 26, 2002

The Honorable Antonio "Tony" R. Unpingco  
Speaker  
*Mina' Bente Sais Na Liheslaturan Guahan*  
155 Hesler Street  
Hagåtña, GU 96910

**Reference: Request for Emergency Session**

*Håfa Adai!* Mr. Speaker:

I respectfully request for an Emergency Session as soon as possible to address the status of the Medically Indigent Program (MIP) funding level expected to diminish by March 31, 2002. Director Dennis Rodriguez issued a public statement that MIP cards released come April 1, 2002 will reflect a 57% ratable reduction due to shortage of funding for the program by *I Liheslaturan Guahan*.

Senator Ben Pangelinan and I have introduced Bill 286 and 288 respectively to address the non issuance of MIP cards and the proposed ratable reduction for the program. I believe both legislation will offer cost containment measures to make MIP an affordable program and provides the governor authority to identify and fund MIP.

Attached is a copy of Bill No. 288 - "An Act to Implement an Interim Medically Indigent Program reimbursement Re schedule and for other purposes.

*Senseramente,*

  
EDDIE BAZA CALVO

Attachment

cc: All Senators

Office of the Speaker  
ANTONIO R. UNPINGCO  
Date: March 26, 2002  
Time: 10:55 am  
Rec'd by: [Signature]  
Print Name: [Signature]






**MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN**  
TWENTY-SIXTH GUAM LEGISLATURE  
155 Hessler Place, Hagåtña, Guam 96910

**2002 (SECOND) Regular Session**

I, Antonio R. Unpingco, Speaker of *I Mina' Bente Sais Na Liheslaturan Guåhan*, hereby certify, in conformance with Title 2 Guam Code Annotated § 2103, *Public Hearings Mandatory*, as amended, that an emergency condition exists involving danger to the public health and welfare of the People and therefore waive the statutory requirements for a public hearing on Bill Number 288 (COR), "AN ACT TO IMPLEMENT AN INTERIM MEDICALLY INDIGENT PROGRAM REIMBURSEMENT FEE SCHEDULE AND FOR OTHER PURPOSES," which was introduced on March 25, 2002, and therefore waive the statutory requirements for a public hearing on Bill Number 288 (COR).

Dated: March 27, 2002

  
\_\_\_\_\_  
**ANTONIO R. UNPINGCO**  
Speaker and Presiding Officer



**MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN**  
TWENTY-SIXTH GUAM LEGISLATURE  
155 Hesler Street, Hagåtña, Guam 96910

COPY

3-26-02  
(DATE)

Memorandum

To: Senator Jeanne Brown

From: Clerk of the Legislature

Subject: Committee Report on Bill No. 282 (COR)

Pursuant to §7.04 of Rule VII of the 26<sup>th</sup> Standing Rules, transmitted herewith is a copy of the Committee Report on Bill No. 282 (COR), for which you are the prime sponsor.

Should you have any questions or need further information, please contact the undersigned at 472-3464/5.

Cecile E. Taitano

Attachment

**received**  
  
3/26/02



Office of Senator  
**Joanne M. Salas Brown**  
MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

---

March 25, 2002

Speaker Antonio R. Unpingco  
Mina' Bente Sais Na Liheslaturan Guahan  
155 Hesler Street  
Hagatna, Guam 96910

Dear Speaker Unpingco:

The Committee on Natural Resources, to which was referred **Bill 282(COR): An act to authorize and approve the US Environmental Protection Agency Consent Order, Docket CWA-402-9-01-19, submitted by the Guam Waterworks Authority**, wishes to report back to the Legislature its recommendation **TO DO PASS**.

The voting sheet is as follows:

TO PASS	<u>8</u>
NOT TO PASS	<u>0</u>
TO REPORT OUT ONLY	<u>0</u>
ABSTAIN	<u>0</u>
TO PLACE IN INACTIVE FILE	<u>0</u>

Copies of the Committee Report and other pertinent documents are enclosed.  
Thank you for your attention to this matter.

Sincerely,

JOANNE M.S. BROWN  
Senator and Chairperson  
Committee on Natural Resources



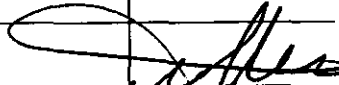


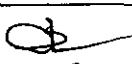


# MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

Committee on Natural Resources  
Joanne M.S. Brown  
Chairperson

## VOTING SHEET

### COMMITTEE REPORT

**Bill 282(COR): An act to authorize and approve the US Environmental Protection Agency Consent Order, Docket CWA-402-9-01-19, submitted by the Guam Waterworks.**

COMMITTEE MEMBERS	TO PASS	NOT TO PASS	TO REPORT OUT ONLY	ABSTAIN	INACTIVE FILE	SIGNATURE
Joanne M.S. Brown Chairperson	✓					
Kaleo S. Moylan Vice Chairman						
L. Kasperbauer Member	✓					
Felix P. Camacho Member						
M. Forbes Member	✓					
V. Pangelinan Member	✓					
Thomas C. Ada Member	✓					
M.C. Charfauros Member						
Angel L.G. Santos Member	✓					
Judith T. Won Pat Member	✓					
Lou Leon Guerrero Member						
A.R. Unpingco Ex-Officio Member	✓					



Office of Senator  
**Joanne M. Salas Brown**  
MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN

---

March 25, 2002

**MEMORANDUM**

To: Committee Members


From: Chairperson, Committee on Natural Resources

Re: **Bill No. 282 (COR): AN ACT TO AUTHORIZE AND APPROVE THE US ENVIRONMENTAL PROTECTION AGENCY CONSENT ORDER, DOCKET CWA-402-9-01-19, SUBMITTED BY THE GUAM WATERWORKS AUTHORITY.**

Transmitted herewith for your consideration and action is our Committee Report on the above subject matter.

Please indicate your choice on the attached voting sheet and return the documents to my office for transmittal to the other members.

Should you have any questions on the narrative report and the accompanying documents, please do not hesitate to call my office at 472-3450. Your attention and cooperation on this matter is greatly appreciated.

  
JOANNE M.S. BROWN

Attachments

**Public Hearing  
Guam Waterworks Authority**

**Friday, March 22, 2002  
9:30 a.m., Public Hearing Room  
Twenty-Sixth Guam Legislature  
155 Hesler Street, Hagatna**

- I. Call to Order: The Public Hearing convened at 9:50 a.m.
- II. Present were: Senator Joanne M.S. Brown, Chairperson;  
Senator Tom Ada; Senator Vicente Pangelinan; Senator Mark Forbes

Mr. Stanley Wilson, Chairman, Board of Directors, GWA  
Mr. Freddy Van Dox-Santos, Member, Board of Directors, GWA  
Mr. Jesus Cruz, Member, Board of Directors, GWA  
Mr. Herbert J. Johnston, Jr., General Manager, GWA  
Mr. Mark Miller, Wastewater Systems Manager, GWA  
Mr. Chris Lund, Chief Engineer, Water Division, GEPA

III. **Bill No. 282 (COR): AN ACT TO AUTHORIZE AND APPROVE THE US ENVIRONMENTAL PROTECTION AGENCY CONSENT ORDER, DOCKET CWA-402-9-01-19, SUBMITTED BY THE GUAM WATERWORKS AUTHORITY**

The Chairperson noted for the record that the Public Utilities Commission (PUC) and the US Environmental Protection Agency (USEPA) submitted their written testimony endorsing Bill 282 (COR), attached. She also stated that the USEPA set a deadline for concurrence by both the Guam Legislature and the PUC by the end of March.

Mr. Wilson:

- Stated that the Financial Plan and Compliance Schedule (“Plan”) is a positive step forward to upgrade the wastewater system as a long-term solution;
- That the plan will bring the wastewater system up to industry standards and will allow GWA to fulfill one-half of its mission;
- Extended his appreciation to the Public Utilities Commission, the Georgetown Consulting Group and the Guam Legislature for their cooperation in addressing Bill 282 (COR) because of the deadline to authorize and approve the Bill by March 30, 2002.

**Public Hearing  
Guam Waterworks Authority  
March 22, 2002**

Mr. Herbert Johnston, Jr.:

- Stated that historically GWA has struggled with Administrative Orders from USEPA since 1988;
- The Plan is a viable solution and is still a living document which may change, but will not be an immediate solution;
- The PUC, USEPA, and the GWA Board has approved this Plan; The Plan is a realistic approach to resolving the island's wastewater problems.

Mr. Chris Lund, GEPA:

- Also extended his commendations to everyone for the effort in supporting the Plan;
- That GEPA is in full support of the Plan and recommend its approval.

Mr. Van Dox-Santos:

- Stated that she supports the Plan;
- That for the six years serving as a Board member, it is the first Plan that has positive direction.

Senator Ben Pangelinan asked where funding was going to be appropriated for the Plan and whether revenue adjustments may be necessary. Mr. Johnston replied that costs to the ratepayers may have to be incurred, except if federal grants can be obtained to offset the costs. One structure is a short-term interim financial program and a long-term financial program which will have to be finalized. The terms of repayment would be beneficial at a longer term financing.

Mr. Wilson also noted some proposals to enhance revenues were discussed with PUC and one is the meter-changing program and possibly, a single-rate digit increase in the third year.

**Public Hearing  
Guam Waterworks Authority  
March 22, 2002**

Discussions were had on the affects of an override of Bill 230 regarding the moratorium of the 11% surcharge on water rates for GWA.

Mr. Wilson noted that the override would affect part of the \$6,000,000 capital budget from the bond refinancing. He noted that if the surcharges were rolled back from October 1, 2001, it would eliminate part of GWA's budget that was also a part of the Plan. He replied that it was conceivable that the \$6,000,000 could be spent on the needs of the Authority.

Mr. Wilson reported that at a meeting with the Guam Hotel & Restaurant Association, the issue of the surcharge was discussed and that it will not go towards improvement of the system, but to a previous debt of power owed to the Guam Power Authority which ultimately must be paid.

Discussions were had on the pump stations and the regular maintenance. Mr. Wilson reported that Mr. Mark Miller, the Wastewater Systems Manager, now has a maintenance schedule and will be advising the Authority of the necessary parts needed for repairs to the pumps stations, as well as needed shelf parts.

Senator Forbes questioned why more short-term contracts were not utilized until the Authority is able to secure training and catch up with the maintenance. Mr. Johnston stated that specific personnel training and procurement issues contribute to the multi-facet problems of the Authority.

The Chairperson questioned whether the Fujita Pump Station, that was recently appropriated \$250,000 for emergency repairs, is up to par. She also stated that the Committee has also scheduled a tour of the Fujita Pump Station for Tuesday, March 26 at 9:00 a.m.



**Public Hearing  
Guam Waterworks Authority  
March 22, 2002**

Mr. Mark Miller, Wastewater System Manager, identified himself on the record.

The Chairperson also noted for the record that the Committee is in support of the Plan, but want assurances from GWA that when the financial investments are provided, that the system operates efficiently, especially with the initial infusion of \$21.2 million requested for in the short-term debt.

Mr. Wilson responded, for the record, that rate increase is not anticipated until the third year of the Plan as noted by PUC. Senator Forbes stated, for the record, that the third year of the Plan is longer than the 12 months of moratorium that is imposed by Bill 230.

Mr. Johnston reported that the Fujita Pump Station is being maintained and that Mr. Miller is overseeing that the maintenance is on schedule. Mr. Miller verified that the \$250,000 appropriated for the repairs of the Fujita Pump Station provided for four pumps which are in place, but only two-and-a-half are operable: one ran with all safety installed, one without safety, so the system is incomplete.

Mr. Johnston responded that the fourth pump is dead, because it is not hooked up to the control panel. Senator Pangelinan questioned when the Authority was going to advise the Committee that the pump station was not completed. Mr. Johnston stated that the pump was cannibalized before Guam Shipyard started repairs on the pumps. He also noted that the parts are being ordered to repair the fourth pump.

Mr. Miller reiterated that the parts are on its way. It would take less than a week to complete the repairs that would be done in-house. He also stated that when the control panel is hooked up, then all four pumps will be working and assured the Committee that the pumps will be adequately maintained. He noted that the procurement process hampered obtaining priority parts for repairs and usually take up to six months.

The Chairperson stated that if the procurement process is burdensome, the Committee is willing to act on shortening the procurement process.

**Public Hearing  
Guam Waterworks Authority  
March 22, 2002**

Mr. Wilson reiterated that hybrid contracts are welcomed; however, he prefers that GWA employees do the work. Senator Ada reemphasized that the GWA employees are willing to take on the task given the proper tools and equipment.

**Senator Pangelinan requested that the Authority draft procurement guidelines that will be sufficient to GWA which includes proper safety factors.**

**Senator Tom Ada that the Authority submit, to the Committee, a complete accounting of all monies appropriated to the Authority and the status of each category.**

**The Chairperson requested that the General Manager provide written testimony for the record.**

VI. Adjournment: The Public Hearing adjourned at 11:45 p.m.

Prepared by: Susan L. Corbin  
Legislative Assistant  
Office of Senator Joanne M.S. Brown

**PUBLIC UTILITIES COMMISSION  
OF GUAM**

Terrence M. Brooks, Chairman

Suite 207, GCIC Building  
Post Office Box 862  
Hagatna, Guam 96932

Harry M. Boertzel, Esq.  
Administrative Law Judge

Filomena M. Cantoria  
Edward C. Crisostomo  
Joseph M. McDonald  
Gerald M. Woo

Telephone: (671) 472-1907  
FAX: (671) 472-1917  
Email: [guampuc@kuentos.guam.net](mailto:guampuc@kuentos.guam.net)

Monessa C. Leon Guerrero  
Executive Director

March 15, 2002

**VIA FACSIMILE TRANSMISSION**

472-4290

Senator Joanne Brown, Chairperson  
**COMMITTEE ON NATURAL RESOURCES**  
130 Aspinall Street, Suite 200  
Hagatna, Guam 96910



**RE: Bill 282 (COR) – Approval of GWA Financial Plan**

Dear Senator Brown:

The Guam Public Utilities Commission would like to respectfully commend you and your committee for your leadership in facilitating the development of the financial plan, which is required by EPA's Consent Order. The Commission firmly believes that the financial plan is the road map by which Guam Waterworks Authority can be transformed into an efficient utility. The Commission understands, however, that the financial plan does not focus on the immediate need to refurbish and adequately maintain GWA's water delivery system.

The Commission supports Bill 282 as a reasonable and adequate response to EPA's February 25, 2002 request for legislative commitment to the financial plan. I would note that the bill should contain an Attachment A, as per section 3 of the bill.

The Commission looks forward to working collaboratively with your committee and the GWA board toward the goal of enabling GWA to better serve the people of Guam.

Cordially,

*Terrence M. Brooks*  
Terrence M. Brooks /mlg

cc: Stan Wilson  
Commissioners



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
**REGION IX**  
**75 Hawthorne Street**  
**San Francisco, CA 94105-3901**

March 18, 2002

Joanne M.S. Brown  
Senator and Chairperson  
Committee on Natural Resources  
Guam Legislature  
155 Hesler St.  
Hagåtña, GU 96910

Dear Senator Brown:

Thank you for your letter of March 14, 2002 asking for our input on Bill No. 282. Here are our comments for the Committee on Natural Resources.

As the draft legislation describes, U.S. EPA and the Government of Guam have entered into an Order on Consent. The Order addresses longstanding deficiencies with the island's wastewater conveyance, treatment, and disposal systems. It is our belief that the Guam Waterworks Authority's (GWA) compliance with the Order will result in great progress toward protecting the environment and safeguarding public health.

The first requirement in the Order was for the completion of a financial plan that describes how funding for critical capital improvements and maintenance will be obtained. On January 31, 2002, GWA submitted a comprehensive plan for securing funds and addressing deficiencies in a timely manner. However, to successfully carry out the proposed financial plan, GWA must rely on the actions of two external entities: the Guam Legislature and the PUC. Therefore, as a condition for approving the financial plan, we requested that the Guam Legislature and PUC commit to the steps laid out by GWA.

Based on our reading of Bill No. 282, the Guam Legislature intends to fully commit to providing the necessary approvals and authorizations required for GWA to meet the schedule provided in the financial plan. Bill No. 282 also appears to go one step further by making the first necessary approval, an increase in GWA's short term debt limit.

We appreciate all of the steps the Committee on Natural Resources and the Guam Legislature are willing to take to help GWA improve its performance. While the financial plan and the Order on Consent primarily address wastewater issues plaguing Guam, we are hopeful that this effort will lay the foundation for addressing critical GWA drinking water infrastructure needs as well. We are also hopeful that the staff and managers of the utility, as well as the PUC and Guam EPA, are committed to taking long term steps toward bringing GWA into full compliance with both drinking water and wastewater standards. For our part, U.S. EPA is committed to continuing our partnership with the Government of Guam and assist your efforts to improve wastewater and drinking water matters. In addition to our annual grants, we are working closely with GWA and

Guam EPA to bring out a team of experts to conduct an assessment of all aspects of the entire utility. We are also locating industry experts that will come to Guam to provide technical assistance to the staff and management of GWA. Given the severity of the public health and environmental risks faced by the island and people of Guam, we believe that the close cooperation and coordination among federal and Guam partners is critical if we are to succeed.

Again, I wish to thank your Committee for your willingness to support GWA's financial plan and for taking the positive steps laid out in Bill No. 282.

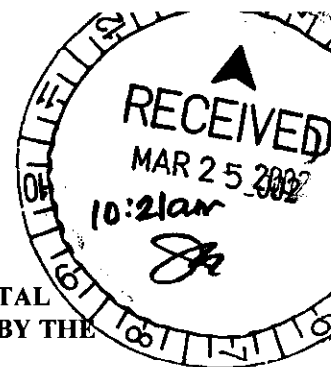
Sincerely,



John McCarroll, Manager  
Pacific Islands Office

cc: Herbert Johnston, General Manager, GWA  
Jesus Salas, Administrator, Guam EPA

Bureau of Budget & Management Research  
Fiscal Note of Bill No. 282



Bill Title (Preamble): AN ACT TO AUTHORIZE AND APPROVE THE US ENVIRONMENTAL PROTECTION AGENCY CONSENT ORDER, DOCKET CWA-402-9-01-19, SUBMITTED BY THE GUAM WATERWORKS AUTHORITY.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Waterworks Authority	Dept./Agency Head: Herbert J. Johnston Jr.
General Fund appropriation(s) to date:	\$ -0-
Other Fund (specify): _____ appropriation(s) to date:	\$ -0-
Total Department/Agency Appropriation(s) to date:	\$ -0-

Fund Source Information of Proposed Appropriation			
	General Fund	Other (Revenues)	Total
FY 2002 Adopted Revenues	-0-	\$37,712,109	\$37,712,109
FY 2002 Approp. P.L. 26-34/58	-0-	36,056,230	36,056,230
Sub-total	-0-	1,655,879	1,655,879
Less appropriation in Bill	-0-	0	0
Total	-0-	1,655,879	1,655,879

Estimated Fiscal Impact of Bill						
	One full FY	For remainder of current FY (if appli.)	Second Year	Third Year	Fourth Year	Fifth Year
General Fund	1/					
Other Fund	1/					
Total	1/					

- Does the bill contain "revenue generating" provisions?  Yes  No  N/A
- Is amount appropriated adequate to fund the intent of the appropriation?  Yes  No  N/A  
If no, what is the additional amount required? \$ N/A
- Does the Bill establish a new program/agency?  Yes  No  N/A  
If yes, will the program duplicate existing programs/agencies?  Yes  No  N/A  
Is there a federal mandate to establish the program/agency?  Yes  No  N/A
- Will the enactment of this Bill require new physical facilities?  Yes  No  N/A
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason  Yes  No  N/A  
/X/ Requested agency comments not rec'd by due date / / Other: \_\_\_\_\_

Analyst: <u>M.M.</u> Michael M. Aflague	Date: <u>March 15, 2002</u>	Director: <u>Paul D. Leon Guerrero</u> Paul D. Leon Guerrero, Director	Date: <u>3/21/02</u>
--	-----------------------------	---	----------------------

Footnotes:

1/ Bill 282 authorizes the Guam Waterworks Authority to incur short-term debt in an amount not to exceed \$21.2 million for the purpose of funding requirements detailed in Attachment A. The Bureau would like to take this opportunity to note that there is no mention of how the short-term debt will be financed, whether by

means of the General Fund, GWA Revenues or others. The following spreadsheets illustrate the anticipated impact on a monthly and annual basis that may result should Bill 282 pass into law.

**Amortized monthly payment cost for \$21.2 million**

		Term of Loan (yrs)			
		5	10	15	20
Interest Rate	7%	419,785	246,150	190,552	164,363
	8%	429,860	257,215	202,598	177,325
	9%	440,077	268,553	215,025	190,742
	10%	450,437	280,160	227,816	204,585

**Annual Loan Payments**

		Term of Loan (yrs)			
		5	10	15	20
Interest Rate	7%	5,037,425	2,953,800	2,286,619	1,972,360
	8%	5,158,315	3,086,574	2,431,179	2,127,903
	9%	5,280,926	3,222,632	2,580,294	2,288,903
	10%	5,405,248	3,361,915	2,733,795	2,455,015

Using GWA's FY2002 Budget as a model, revenue forecast for the fiscal year is \$37,712,109<sup>1</sup> and authorized expenditures total \$36,056,230<sup>2</sup> having a net balance of \$1,655,879. Given this and assuming GWA continues to charge customers the current rates for water and other related services, the acquisition of the \$21.2 million in short-term debt may pose a financial burden on current and future operations. In addition, the Bill does not provide GWA to place any assets or pledge any particular funds for repayment. This may cause a problem in securing a loan.

It should also be noted that the Bureau requested information from the Guam Waterworks Authority on the anticipated impact that may be imposed with the passage of the Bill however, the Bureau has not received any information.

<sup>1</sup> Public Law 26-34, Section 4

<sup>2</sup> Public Law 26-34, Exhibit A Page 4 / Public Law 26-58

**I MINA BENTE SAIS NA LIHESLATURAN GUAHAN**

**COMMITTEE ON NATURAL RESOURCES  
SENATOR JOANNE M.S. BROWN  
CHAIRPERSON**

**Public Hearing  
Guam Waterworks Authority  
Friday, March 22, 2002  
9:30 a.m., Public Hearing Room  
155 Hesler Street, Hagatna**

**AGENDA**

- I. Commencement of Hearing
- II. Bill 282 (COR): An Act to Authorize and Approve the US Environmental Protection Agency Consent Order, Docket CWA-402-9-01-19, Submitted by the Guam Waterworks Authority on January 31, 2002
- III. Public Comments
- IV. Adjournment



# I Mina Bente Sais Na Liheslaturan Guahan

## COMMITTEE ON NATURAL RESOURCES

Friday, March 22, 2002, 9:30 a.m.

Legislative Public Hearing Room

### Public Hearing of the Guam Waterworks Authority

**BILL 282 (COR): AN ACT TO AUTHORIZE AND APPROVE  
THE US ENVIRONMENTAL PROTECTION AGENCY CONSENT  
ORDER, DOCKET CWA-402-9-01-19, SUBMITTED BY THE GUAM  
WATERWORKS AUTHORITY**

### *SIGN IN SHEET*

<i>Name</i>	<i>Representing</i>	<i>Contact number</i>
Bert Johnson	GWA	479-7823
Stanley Wilson	GWA	
Chris Lund	GEPA	475-1621
Mark Miller	GWA	

**DORS QUOTES**

**ENTER BID 29**

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**120, 2002**

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**MINA BENTE SAIS NA LIHESLATURAN-GUAMAN**  
**Committee on Natural Resources**  
**Senator Joanne M. S. Brown**  
**Chairperson**


**Notice of Public Hearing**

The Committee on Natural Resources will be conducting a Hearing on Friday, March 22, 2002, 9:30 a.m., at the Legislative Public Hearing Room, 155 Hesler Street, Hagatna on the following Bill:

**Bill 282 (COR): AN ACT TO AUTHORIZE AND APPROVE THE U.S. ENVIRONMENTAL PROTECTION AGENCY CONSENT ORDER DOCKET CWA-402-9-01-19, SUBMITTED BY THE GUAM WATERWORKS AUTHORITY**

ADA Coordinator: Carl Quintana at 472-345W/1  
The public is invited to attend.

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**IN THE SUPERIOR COURT OF GUAM**

**IN THE MATTER OF THE ESTATE OF MAY R. BOSLEY, Deceased**

**PROBATE CASE NO. PRO001-02**

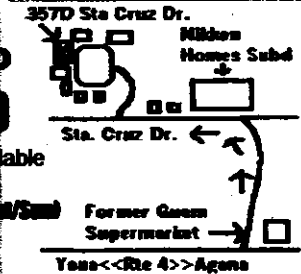
**NOTICE TO CREDITORS**

Notice is hereby given by the undersigned JOSEPH R. CRUZ, administrator of the estate of MAY R. BOSLEY, deceased, to the creditors of, and all persons having claims against the said estate or against said deceased, that within two (2) months after the first publication of this notice, they either file them with the necessary vouchers in the office of the clerk of the Superior Court of Guam, Agaña, Guam, or exhibit them with the necessary vouchers to the said JOSEPH R. CRUZ, the administrator, Hagatna, Guam, or his Attorney, Jose Leon Guerrero, at Ste. 101,

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The Honorable Carl T.C. Gallardo  
Governor of Guam

The Honorable Matthew Z. Bernaldo  
Lt. Governor of Guam

**REQUEST FOR PROPOSALS**

**AIRPORT ADVERTISING CONCESSION**

The A.B. Won Pat Guam International Airport Authority (GIAA), a public corporation and an autonomous instrumentality of the Government of Guam, is seeking proposals from experienced companies for the development and operation of an Airport Advertising Concession at the Guam International Airport.

Interested parties may obtain the Request for Proposal (RFP) documents from the GIAA Administration Office or send your request to P.O. Box 8770, Tamuning, Guam 96931. The RFP documents may be obtained between 8:00 a.m. and 5:00 p.m. Monday through Friday, excluding holidays.



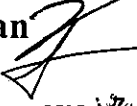



97 Pacific Daily News, Friday, March 15, 2002 guampdn.com



**MINA' BENTE SAIS NA LIHESLATURAN GUAHAN**  
**2002 (SECOND) Regular Session**

**Bill No. 282 (COR)**

**Introduced by:**

**J.M.S. Brown**   
**T.C. Ada**   
**V.C. Pangelinan**   
**Mark Forbes**   
**L.A. Leon Guerrero**   
**J.T. Won Pat**   
**K.S. Moylan**

**AN ACT TO AUTHORIZE AND APPROVE THE US  
ENVIRONMENTAL PROTECTION AGENCY CONSENT ORDER,  
DOCKET CWA-402-9-01-19, SUBMITTED BY THE GUAM  
WATERWORKS AUTHORITY**

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

1        **Section 1. Legislative Finding and Intent.** *I Liheslaturan Guahan* finds  
2 that on August, 2001 the Federal Environmental Protection Agency (EPA), Guam  
3 Waterworks Authority (GWA) and Governor Carl Gutierrez entered into a consent  
4 order (“Consent Order”) in which GWA agreed during the next five years to bring  
5 its wastewater treatment facilities into compliance with Federal law and permitting  
6 requirements. The Consent Order required GWA to submit for EPA approval a  
7 financial and compliance plan (the “Financial Plan”) under which such work would  
8 occur. The Financial Plan, which calls for GWA to undertake \$90 million dollars  
9 in capital and operational expenditures, was submitted for EPA approval on  
10 January 31, 2002. EPA, by letter dated February 25, 2002, approved the Financial  
11 Plan, provided that the Guam Public Utilities Commission (Commission) and the  
12 Guam Legislature commit to provide the authorizations, approvals and rate relief,  
13 which are reasonably necessary to enable GWA to timely discharge its duties  
14 under the Financial Plan. The EPA letter requires that these commitments be  
15 provided by EPA not later than March 30, 2002. On March 12, 2002, the  
16 Commission provided its commitment to EPA by order of that date. *I*

1 ***Liheslaturan Guahan*** finds that it is in the best interests of the people of Guam  
2 that the government of Guam provide its full commitment and support to the  
3 timely implementation of the Financial Plan so that GWA customers are provided  
4 safe, reliable wastewater services and so that Guam's beaches and coastal waters  
5 are protected from the chronic pollution described in the Consent Order.  
6

7 **Section 2. Commitment.** The government of Guam hereby commits to  
8 provide, in a timely manner, the approvals and authorizations as may be reasonably  
9 necessary to enable GWA to comply with the Financial Plan. The government of  
10 Guam further commits that it will not take any action to limit or otherwise  
11 compromise the Commission's regulatory authority over GWA, as asserted in the  
12 Commission's March 12, 2002 Order to Docket 02-02. In this regard, the  
13 Commission's regulatory authority under P.L. 25-05:12 to undertake and  
14 implement by appropriate regulatory order such management audits and studies of  
15 GWA and the other regulated utilities as it deems necessary and appropriate is  
16 hereby confirmed.  
17

18 **Section 3. Short-Term Debt Authorization.** GWA is hereby authorized to  
19 incur short-term debt in an amount not to exceed \$21.2 million dollars for the  
20 purposes set forth in **Attachment A** to this legislation. The terms and conditions  
21 of this borrowing shall be subject to the Commission's prior review and approval.  
22 GWA shall strictly comply with the regulatory requirements imposed upon the use  
23 of these funds by the Commission pursuant to its March 12 Order.

**GWA - DESCRIPTION OF PROJECTS AND ACTIVITIES TO BE FUNDED  
BY SHORT - TERM DEBT INCLUDED IN THE FINANCIAL PLAN  
SUBMITTED TO USEPA (\$1000s)**

<b>Uses of Funds:</b>	<b>FY 2002</b>	<b>FY 2003</b>
Agana Wastewater Treatment Plant (WTP) Ocean Outfall	\$ 1,400	\$ 3,000
Northern (WTP) Ocean Outfall	\$ 1,400	\$ 2,900
Comprehensive Performance Evaluation for all WTP's	\$ 182	\$ 300
Assessment of Pump Stations and Collection System	\$ 100	\$ 500
Engineering Design	\$ 210	\$ 443
Construction Management	\$ 115	\$ 250
Consent Order-Additional Operational Expense	\$ 150	\$ 1,220
PMC for all of GWA WTP's		\$ 500
PMC for GWA Back Office Operations		\$ 500
Regulatory Management-Oversight of GWA compliance and selection of Performance Management Contractor (PMC) for treatment operations	\$ 135	\$ 158
Program administration - Oversight of Revenue Audit Implementation	\$ 105	\$ 119
Annual system renewals & replacements - Water and Wastewater	\$ 6,000	\$ 6,000
Meter Management Program - Capital Requirements		\$ 1,500
Other EPA Funded Projects	\$ 2,200	\$ 4,200
Revenue Enhancement Program - Planning and Selection of BOT Contractor for Meter Management and Sewer Connection Programs	\$ 150	\$ 25
Operational Audit and Best Practices/Skills Assessment	\$ 275	\$ 1,025
<b>Total Uses of Funds</b>	<b>\$ 12,422</b>	<b>\$ 22,640</b>
<b>Sources of Funds:</b>		
EPA Grants - Committed and Anticipated	\$ 2,200	\$ 5,649
Bond Refinancing	\$ 6,000	
<b>Subtotal-Sources of Funds</b>	<b>\$ 8,200</b>	<b>\$ 5,649</b>
Debt Financing Required - Short Term	\$ 4,222	\$ 16,991
Cumulative Debt Financing Required - Short Term	\$ 4,222	\$ 21,213

**ATTACHMENT "A"**

6

# I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2002 (SECOND) Regular Session

Date: 3/27/02

## VOTING SHEET

*amended*  
Bill No. 282(COR)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Felix P.	✓				
CHARFAUROS, Mark C.					✓
FORBES, Mark					✓
KASPERBAUER, Lawrence F.	✓				
LEON GUERRERO, Lourdes A.					✓
MOYLAN, Kaleo S.	✓				
PANGELINAN, Vicente C.	✓				
SANTOS, Angel L.G.	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL                      12    0    0    0    3

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 9**

**IN THE MATTER OF:**

Guam Waterworks Authority  
Agana, Agat, Baza Gardens,  
Commercial Port, Northern  
District, Umatac-Merizo  
Sewage Treatment Plants  
Agana, Guam

Docket No. CWA-402-9-01-19

Proceedings under Sections 308(a)  
and 309(a)(3), (a)(4), and (a)(5)(A)  
Clean Water Act, as amended,  
33 U.S.C. Sections 1318(a), and  
1319(a)(3), (a)(4), (a)(5)(A)

**ADMINISTRATIVE ORDER  
ON CONSENT**

**STATUTORY AUTHORITY**

The following Findings are made and Order is issued pursuant to the authority vested in the Administrator of the U.S. Environmental Protection Agency (EPA) by Sections 308(a) and 309 (a)(3), (a)(4), and (a)(5)(A) of the Clean Water Act, as amended (Act), 33 U.S.C. Section 1318 (a), and Section 1319 (a)(3), (a)(4), and (a)(5)(A). This authority has been delegated to the Regional Administrator of EPA, Region 9, and re-delegated by the Regional Administrator to the Director of the Water Division of EPA, Region 9.

**FINDINGS OF VIOLATION**

On the basis of the following facts, the Director of the Water Division of EPA, Region 9, finds that the Guam Waterworks Authority (GWA) is in violation of National Pollutant Discharge Elimination System (NPDES) Permit Nos., GU0020087, GU0020222, GU0020095, GU0020109, GU0020141, GU0020273 for the Agana, Agat, Baza Gardens, Commercial Port, Northern District and Umatac-Merizo Sewage Treatment Plants, respectively, and therefore in violation of Sections 301(a) and 402 of the Act, 33 U.S.C. Section 1311(a) and 33 U.S.C. Section 1342, respectively:

1. GWA is a municipality or political subdivision of the State organized under the laws of the Territory of Guam. GWA is therefore a "person" as defined by Section 502(5) of the Act, 33 U.S.C. Section 1362(5), and is thus subject to its requirements.
2. GWA is the owner and operator of the Sewage Treatment Plants (STP) listed



below which provide treatment to wastewater from their respective areas:

Agana STP, Route 1, Agana, Guam  
Agat STP, Route 2, Agat, Guam  
Baza Gardens STP, Baza Gardens Street, Talofoto, Guam  
Commercial Port STP, Cabras Island, Piti, Guam  
Northern District STP, Route 34, Harmon Annex/Dededo, Guam  
Umatac-Merizo STP, Route 4, Merizo, Guam

3. The Agana, Agat, Commercial Port and Northern District STPs discharge to the Philippine Sea; the Baza Gardens STP discharges to the Togcha River; and the Umatac-Merizo STP discharges to the Toguan River, all of which are "navigable waters" as defined by Section 502(7) of the Act, 33 U.S.C. Section 1362(7), and "waters of the United States" as defined by EPA regulations in 40 C.F.R. Section 122.2.
4. Section 301(a) of the Act, 33 U.S.C. Section 1311(a), prohibits the discharge of pollutants to waters of the United States except in compliance with certain sections of the Act, including Section 402, 33 U.S.C. Section 1342. Section 402 of the Act authorizes EPA to issue National Pollutant Discharge Elimination System (NPDES) permits allowing for the discharge of pollutants into waters of the United States. Compliance with Section 301(a) of the Act, 33 U.S.C. Section 1311(a), therefore, requires compliance with a valid NPDES permit, inter alia.
5. Under the authority of Section 402(a) of the Act, 33 U.S.C. Section 1342 (a), EPA issued NPDES permit No. GU0020087 to GWA's Agana STP. The permit became effective on June 30, 1986 and expired on June 30, 1991. The permit has been administratively extended pending renewal of the permit. Sections A.1. and A.2. of Permit No. GU0020087 set forth the discharge limits and monitoring requirements for specified constituents of the effluent discharge from the Agana STP.
6. A review of the Discharge Monitoring Reports for the Agana STP for the period of January, 1997 through December, 2000, showed violations of discharge and monitoring requirements. Permit effluent limitations were frequently exceeded for Biochemical Oxygen Demand (BOD), Suspended Solids (SS), and Settleable Solids. Receiving water monitoring was also not performed in accordance with permit requirements. Therefore, GWA has violated Section 301(a) of the Act, 33 U.S.C. Section 1311(a), by failing to meet effluent limits and monitoring requirements in violation of Permit No. GU0020087. The violations are summarized in Table 1 which is attached to and made part of this Findings of Violation.
7. Under the authority of Section 402(a) of the Act, 33 U.S.C. Section 1342 (a), EPA issued NPDES permit No. GU0020222 to GWA's Agat STP. The permit

became effective on September 30, 1987 and expired on September 29, 1992. The permit has been administratively extended pending renewal of the permit. Sections A.1., A.2. and A.3. of the Permit No. GU0020222 set forth the discharge limits and monitoring requirements for specified constituents of the effluent discharge from the Agana STP.

8. A review of the Discharge Monitoring Reports for the Agat STP for the period of January, 1997, through December, 2000, showed violations of discharge requirements. Permit effluent limitations were frequently exceeded for Fecal Coliform Bacteria, BOD, SS, and Settleable Solids. Therefore, GWA has violated Section 301(a) of the Act, 33 U.S.C. Section 1311(a), by failing to meet effluent limit requirements in violation of Permit No. GU0020222. The violations are summarized in Table 2 which is attached to and made part of this Findings of Violation.
9. Under the authority of Section 402(a) of the Act, 33 U.S.C. Section 1342 (a), EPA issued NPDES permit No. GU0020095 to GWA's Baza Gardens STP. The permit became effective on September 7, 2000 and expires on September 6, 2005. This NPDES permit had an initial effective date of September 2, 1986 which was to expire on September 6, 1991. The permit was administratively extended until reissuance of the permit in September, 2000. Sections A.1. and B. of Permit No. GU0020095 set forth the discharge limits and monitoring requirements for specified constituents of the effluent discharge from the Baza Gardens STP for the period of September 2, 1986 to September 6, 2000 and Sections A. and D. for the period of September 7, 2000 to September 6, 2005.
10. A review of the Discharge Monitoring Reports for the Baza Gardens STP for the period of January, 1997, through December, 2000, showed violations of discharge requirements. Permit effluent limitations were frequently exceeded for Fecal Coliform Bacteria, BOD and SS. Therefore, GWA has violated Section 301(a) of the Act, 33 U.S.C. Section 1311(a), by failing to meet effluent limit requirements in violation of Permit No. GU0020095. The violations are summarized in Table 3 which is attached to and made part of this Findings of Violation.
11. Under the authority of Section 402(a) of the Act, 33 U.S.C. Section 1342 (a), EPA issued NPDES permit No. GU0020109 to GWA's Commercial Port STP. The permit became effective on September 16, 1983 and expired on September 16, 1988. The permit has been administratively extended until completion of project to eliminate the discharge. Section A.1. of the Permit No. GU0020109 set forth the discharge limits and monitoring requirements for specified constituents of the effluent discharge from the Commercial Port STP.
12. A review of the Discharge Monitoring Reports for the Commercial Port STP for the period of January, 1997, through December, 2000, showed violations of

unavoidable to prevent loss of life, personal injury, or severe property damage; 2) there were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime; or 3) the permittee submitted notices as required by the permit. "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility [40 C.F.R. Section 122.41(m)(1)].

18. The GWA has violated Section 301(a) of the Act, 33 U.S.C. Section 1311(a), by allowing the bypass and overflow of raw sewage from sewer pump stations associated with the Northern District and Agana STPs. GWA reported 280 overflow events in their Quarterly Overflow Reports for the period of July, 1997 through June, 1999. GWA has had 31 overflow events for the period of July, 1999 through April, 2001. They are included in Table 7 which is attached to and made part of this Findings of Violation.

#### ORDER FOR COMPLIANCE

Considering the foregoing Findings and the potential environmental and human health effects of the violation, EPA has determined that compliance in accordance with the following requirements is reasonable. Pursuant to the authority of Sections 308 and 309 of the Act, 33 U.S.C. Sections 1318 and 1319, it is hereby ordered that the Guam Waterworks Authority comply with the following requirements:

1. GWA shall submit a Financial Plan and schedule by January 31, 2002, to secure funds for capital, operational and maintenance costs necessary to bring GWA's wastewater collection, treatment and disposal systems into compliance with its NPDES permits and the Clean Water Act. GWA shall also submit compliance schedules, based on the Financial Plan, by January 31, 2002, for the following: Agat STP Renovation/Expansion; Agat Collector System Inflow/Infiltration; Agana STP Renovation; Agana Ocean Outfall; Baza Gardens STP Renovation/Expansion (including chlorination/dechlorination system); Northern District Ocean Outfall; Umatac-Merizo STP Renovation; Agana Collector System Inflow/Infiltration; GWA Facilities Master Plan; Comprehensive Performance Evaluations (CPE) for the Agat, Baza Gardens, and Umatac-Merizo STPs; Comprehensive Assessment of GWA's Sewer Pump Stations/Collection System and Implementation of a Corrective Action Plan; Development and Implementation of a GWA Preventive Maintenance Program, and; Development and Implementation of a GWA Operation and Maintenance Training and Certification Program.

All renovations and/or corrective actions for a respective facility shall include, but not be limited to, the inclusion of all deficiencies identified in Appendix B, O&M Deficiencies.

Where the Financial Plan includes the implementation of mechanisms such as

Build-Operate-Transfer (BOT) to bring a treatment facility into compliance, a compliance schedule shall be submitted which includes the necessary milestone activities to finalize and implement the selected mechanism and/or agreement. In addition, where a BOT will be implemented a CPE or its equivalent shall be completed to ensure all performance limiting deficiencies are identified and included to be addressed under a BOT agreement/contract to ensure compliance with NPDES permit requirements and the Clean Water Act.

The Financial Plan and Compliance schedules shall be made a part of this Order upon the review and approval by EPA in consultation with GEPA.

2. GWA shall take all necessary actions to implement the compliance schedules set forth in Appendix A to bring its wastewater treatment, collection and conveyance systems into compliance with their respective NPDES permits. The compliance schedules have been attached to and made a part of this Order on Consent.
3. GWA shall submit quarterly compliance progress reports. Quarterly Compliance Progress Reports shall include, but not be limited to, the following: GWA's progress toward completing compliance activities specified as part of this Order on Consent; reporting of compliance and/or non-compliance with specific compliance schedule activities; explanations of non-compliance and actions taken or to be taken to address non-compliance; and briefly discuss status toward meeting future compliance schedule activities. The Quarterly Compliance Progress Report shall be a separate report submitted concurrently with GWA's Wastewater Operations and Maintenance Progress Report. The first Quarterly Compliance Progress Report shall be due on the first quarter ending following the effective date of this Order on Consent.
4. GWA shall designate a Compliance Coordinator who will be responsible for overseeing implementation and monitoring of the Order on Consent's compliance schedule activities. The Compliance Coordinator will also be responsible for submittal of the Quarterly Compliance Progress Report and act as the initial point of contact for matters relating to the Order on Consent. The Compliance Coordinator shall be at a Divisional Manager level or higher within GWA. GWA shall designate and submit the name and contact information for the Compliance Coordinator within fifteen (15) days of the effective date of this Order on Consent.
5. GWA is required to submit to EPA and GEPA a final status report within sixty (60) days of completing the final compliance activity confirming completion of all requirements and terms of this Order.
6. All reports submitted pursuant to this order must be signed by a principal executive officer, ranking elected official or duly authorized representative of GWA [as specified by 40 C.F.R. Section 122.22 (b)(2)] and shall include the

following statement:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, I certify that the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

7. All submissions requested by this Order shall be mailed to the following addresses:

U.S. Environmental Protection Agency  
Pacific Insular Area Programs (CMD-5)  
75 Hawthorne Street  
San Francisco, CA 94105

Administrator  
Guam Environmental Protection Agency  
P.O. Box 22439-GMF  
Barrigada, Guam 96921

All telephone inquiries should be made to Mike Lee at (415) 744-1484.

8. Any violation of the terms of the enclosed Order or the NPDES permit could subject GWA to a civil action for appropriate relief pursuant to Section 309 (b) of the Act, 33 U.S.C. Section 1319 (b), and/or civil penalties not to exceed \$27,500 per day for each violation, 33 U.S.C. Section 1319(d). Under Section 309 (g) of the Act, 33 U.S.C. Section 1319 (g), any violation of the NPDES permit could subject GWA to an administrative penalty action of up to \$11,000 per day of violation not to exceed \$137,500. In addition, Section 309 (c) of the Act, 33 U.S.C. Section 1319 (c), provides for criminal penalties in the event of either negligent or knowing violations of the Act. Negligent violations of the Act are punishable by a fine of not less than \$2,500 no more than \$25,000 per day of violation, or imprisonment for not more than one year, or both (Section 309 (c) (1), 33 U.S.C. Section 1319 (c) (1)). Knowing violations of the act shall be punished by a fine of not less than \$5,000 nor more than \$50,000 per day of violation, or imprisonment for not more than three years, or both (Section 309 (c) (2), 33 U.S.C. Section 1319 (c) (2)).
9. This Order on Consent does not waive or modify or in any way relieve GWA of its obligations imposed by the Act or any other local, State, or Federal law. EPA

reserves the right to seek any and all remedies available under Section 309 (b), (c), (d), or (g) of the Act, 33 U.S.C. Section 1319 (b), (c), (d) or (g), for any violation cited in this Order.

10. Issuance of an Order on Consent shall not be deemed an election by EPA to forego any administrative, civil, or criminal action to seek penalties, fines, or other appropriate relief under the Act.
11. This Order on Consent shall terminate when EPA issues a written approval of GWA's written certification that GWA has fully completed all work required under this Order on Consent. GWA certification of completion shall comply with requirements set forth in Section 3 above.
12. This Order on Consent shall take effect upon signature by all parties.

**IT IS SO AGREED AND ORDERED:**

For United States  
Environmental Protection Agency  
Region 9

26 June 2001  
Dated

Alexis Strauss  
Alexis Strauss, Director  
Water Division

July 25, 2001  
Dated

For Guam Waterworks Authority  
[Signature]  
Herbert J. Johnston, Jr.  
General Manager

8/6.01  
Dated



For Guam  
[Signature]  
Carl T.C. Gutierrez  
Governor of Guam

GUAM WATERWORKS AUTHORITY  
ADMINISTRATIVE ORDER ON CONSENT  
FINDINGS OF VIOLATIONS

TABLES 1 THROUGH 7

**TABLE 1**

Name of Discharger: Guam Waterworks Authority  
 Agana Sewage Treatment Plant, Guam

NPDES Permit No.: GU0020087

Reporting Period: January, 1997 through December, 2000

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a	Biochemical Oxygen Demand	80 mg/L Monthly Average	Jan.97	81
			Feb.97	88
			May 97	86
			Oct. 97	87
			Dec. 97	86
			Apr. 98	107
			June 98	87
			July 98	92
			Aug.98	83
			Sept.98	82
			Oct. 98	103
			June 99	97
			Sept.99	90
			Nov. 99	110
			Dec. 99	90
			Jan. 00	125
			Feb. 00	98
			Mar. 00	104
			Apr. 00	133
			May 00	126
			June 00	106
			July 00	123
			Aug.00	121
			Sept.00	127
			Oct.00	171
			Nov.00	177
			Dec.00	173
		8011 lbs/day Monthly Avg.	Jan.00	8485
			Feb.00	8133
			Mar.00	8430
			Apr.00	9867



TABLE 1 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Biochemical Oxygen Demand	8011 lbs./day Monthly Average	May00	9590
			July00	8981
			Sept.00	9611
			Oct.00	12811
			Nov.00	12943
			Dec.00	13718
		160 mg/L Daily Maximum	May00	164
			Sept.00	191
			Oct.00	221
				201
			Nov.00	196
			Dec.00	211
				193
			16022 lbs./day Daily Maximum	Oct.00
Suspended Solids	60 mg/L Monthly Avg.	Apr.97	67	
		June97	85	
		Aug.97	65	
		June98	61	
		July 98	65	
		Sept.98	84	
		Nov.99	110	
		Jan.00	66	
		Apr.00	65	
		May00	74	
		Sept.00	61	
		Oct.00	72	
		Nov.00	68	
		Dec.00	82	
			6008 lbs/day Monthly Avg.	Sept.98
		Dec.00	6197	

TABLE 1 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>		
A.1.a.	Suspended Solids	120 mg/L Daily Maximum	Dec.97	154		
			Sept.98	184		
				176		
			Nov.99	190		
				150		
			Apr.00	128		
			May00	168		
				164		
			Sept.00	132		
			Dec.00	136		
				12,016 lbs/day Daily Max.	Sept.98	13,274
					Nov.99	12,994
					May00	12,246
					Sept.00	12,143
				Settleable Solids	1.0 ml/L Monthly Avg.	Oct.00
Nov.00	1.7					
	Settleable Solids	2.0 ml/L Daily Max.	Feb.98	3.0		
				3.0		
				Apr.98	3.0	
				July 98	3.0	
				Sept.98	5.0	
					2.5	
					3.0	
				Jan.99	3.0	
				May00	4.0	
					3.0	
				Oct.00	7.0	
					2.5	
			4.0			
		Nov.00	17.0			
		Dec.00	3.0			

**TABLE 1 Continued**

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Guam Water Quality Std.</u>	<u>Month And Year</u>	<u>Station and Value(s) Reported in Violation</u>
	Fecal Coliform Bacteria	400/100ml Maximum	July 97	Station D,E TNTC
			Aug.97	Station A TNTC
			Oct.97	Station A TNTC
			Dec.97	Station D TNTC
				Station E TNTC
			Jan.98	Station D TNTC
			Apr.98	Station D >400
			July 98	Station A TNTC
				Station B TNTC
				Station C TNTC
			Sept.98	Station D TNTC
			Dec.98	Station A,B,C NP/R
				Station D TNTC
			Jan.99	Station A TNTC
				Station B TNTC
				Station C TNTC
			Mar.99	Station B TNTC
				Station D TNTC
			June99	Station D TNTC
				Station E TNTC
			Aug.99	Station D TNTC
			Sept.99	Station A TNTC
			Nov.99	Station A TNTC
			Dec.99	Station D TNTC
			Jan.-Mar00	Station D,E,F NP/R
			Apr.-June00	Station D,E,F NP/R
			July-Sept.00	All Stations NP/R
			Oct.-Nov.00	All Stations NP/R

TNTC = To Numerous To Count

NR = Not Performed/Reported

**TABLE 2**

Name of Discharger: Guam Waterworks Authority  
 Agat Sewage Treatment Plant, Guam

NPDES Permit No.: GU0020222

Reporting Period: January, 1997 through December, 2000

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>		
A.1.a	Fecal Coliform Bacteria	70/100ml Monthly Average	Jan.97 thru Dec.97	>400		
			Jan.98 thru Dec.98	>400		
			Jan.99 thru Dec.99	>400		
			Jan.00	>70		
			Feb.00	>70		
			Mar.00	>400		
			Apr.00	>400		
			May00	364,000,000		
			June00	128,000,000		
			July00	133,000,000		
			Aug.00	168,000,000		
			Sept.00	270,000,000		
			Oct.00	74,211,111		
			Nov.00	73,966,666		
			Dec.00	28,912,500		
				400/100ml Daily Maximum	Jan.97 thru Dec.97	>400(12)
					Jan.98 thru Dec.98	>400(50)
					Jan.99 thru Dec.99	>400(51)
					Jan.00 thru Mar.00	>400(13)
					Apr.00	TNTC 3,200,000 450,000,000 340,000,000

TABLE 2 Continued

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Fecal Coliform Bacteria	400/100ml Daily Maximum	May 00	440,000,000
				441,000,000
				230,000,000
				320,000,000
				420,000,000
				260,000,000
			June00	116,000,000
				84,000,000
				54,000,000
			July00	340,000,000
				52,000,000
				74,000,000
			Aug.00	68,000,000
				410,000,000
				57,000,000
				NP/R
				NP/R
				626,000,000
			Sept.00	339,000,000
				88,000,000
				28,000,000
			Oct.00	8,333,333
				17,300,000
				197,000,000
				NP/R
				161,500,000
				30,700,000
			Nov.00	NP/R
				NP/R
				12,200,000
			Dec.00	22,750,000
				54,850,000
				25,850,000

TNTC = To Numerous To Count

NP/R = Not Performed/Reported

Note: Numbers in ( ) refers to the number of times the daily maximum effluent limitations was exceeded for the respective period.

TABLE 2 Continued

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>		
	Biochemical Oxygen Demand	70 mg/L Monthly Avg.	Jan.97	80		
			Mar.97	86		
			Aug.97	82		
			Sept.97	76		
			Jan.98	79		
			Feb.98	73		
			Apr.98	73		
			May98	72		
			Aug.98	75		
			June99	80		
			Jan.00	88		
			Feb.00	78		
			Suspended Solids	876 lbs./day Monthly Avg.	Jan.97	1156
					May97	984
	June99	921				
	Suspended Solids	65 mg/L Monthly Avg.	Mar.97	86		
			June97	66		
			July 98	68		
			Jan.00	76		
			Apr.00	73		
	Suspended Solids	814 lbs./day Monthly Avg.	Mar.97	1099		
			June97	857		
	Suspended Solids	130 mg/L Daily Maximum	Mar.97	176		
			Mar.97	2055		
	Setteable Solids	1.0 ml/L Monthly Avg.	Aug.97	6.5		
			Dec.97	3.6		
			Feb.98	2.1		
			Apr.98	1.1		
			May98	1.3		
			Oct.99	1.7		
			Nov.99	1.2		
			May00	2.2		
	June00	1.6				
		Aug.00	1.2			

**TABLE 2 Continued**

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
	Settleable Solids	2.0 ml/L Daily Maximum	Aug.97	6.5
			Dec.97	10.0
			Feb.98	4.0
			Mar.98	2.1
			Oct.99	3.0
			Nov.99	3.0
			Jan.00	2.1
			Mar.00	3.0
			Aug.00	3.0

**TABLE 3**

Name of Discharger: Guam Waterworks Authority  
 Baza Gardens Sewage Treatment Plant, Guam

NPDES Permit No.: GU0020095

Reporting Period: January, 1997 through December, 2000

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Fecal Coliform Bacteria	70/100ml Monthly Average	Jan.97	>400
			Feb.97	>400
			Mar.97	>400
			Apr.97	>400
			May97	>400
			June97	>400
			July97	>400
			Aug.97	>400
			Sept.97	>400
			Oct.97	>400
			Nov.97	>400
			Dec.97	>400
			Jan.98	>400
			Mar.98	>400
			Apr.98	>400
			May98	>400
			June98	>400
			July98	>400
			Aug.98	>400
			Sept.98	>400
			Oct.98	>400
			Nov.98	>400
			Dec.98	>400
			Jan.99	>400
Feb.99	>400			
Mar.99	>400			
Apr.99	>400			
May99	>400			
June99	>400			
July99	>400			
Aug.99	>400			
Sept.99	>400			
Oct.99	>400			
Nov.99	>400			



TABLE 3 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Fecal Coliform Bacteria	70/100ml Monthly Average	Dec.99	>400
			Jan.00	>70
			Feb.00	>70
			Mar.00	>70
			Apr.00	>70
			May00	27,930,000
			June00	15,033,333
			July00	23,000,000
			Aug.00	28,644,440
			Sept.00 <sup>(1)</sup>	94,725,000
			Oct.00 <sup>(1)</sup>	9,900,000
			Nov.00 <sup>(1)</sup>	22,646,666
			Dec.00 <sup>(1)</sup>	3,028,334
		400/100ml Daily Maximum	Jan.97	>400
			Feb.97	>400
			Mar.97	>400
			Apr.97	>400 (3)
			May97	>400 (4)
			June97	>400 (3)
			July97	>400 (4)
			Aug.97	>400 (3)
			Sept.97	>400 (5)
			Oct.97	>400 (3)
			Nov.97	>400 (3)
			Dec.97	>400 (1)
			Jan.98	>400 (3)
			Feb.98	>400 (3)
Mar.98	>400 (5)			
Apr.98	>400 (4)			
May98	>400 (4)			
June98	>400 (5)			
July98	>400 (4)			
Aug.98	>400 (4)			
Sept.98	>400 (5)			
Oct.98	>400 (4)			
Nov.98	>400 (4)			
Dec.98	>400 (5)			
Jan.99	>400 (4)			
Feb.99	>400 (4)			
Mar.99	>400 (5)			

TABLE 3 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Fecal Coliform Bacteria	400/100ml Daily Maximum	Apr.99	>400 (4)
			May99	>400 (4)
			June99	>400 (5)
			July99	>400 (4)
			Aug.99	>400 (5)
			Sept.99	>400 (4)
			Oct.99	>400 (4)
			Nov.99	>400 (5)
			Dec.99	>400 (4)
			Jan.00	>400 (4)
			Feb.00	2,150,000 9,650,000 186,000,000 >10,000,000
			Mar.00	305,000 39,000,000 >10,000,000 256,333
			Apr.00	88,000,000 13,000 3,900,000 31,000,000
			May00	44,500,000 18,500,000 11,150,000 29,000,000 36,500,000
			June00	17,000,000 26,000,000 2,000,000
			July00	30,000,000 20,000,000 13,000,000 29,000,000
			Aug.00	38,000,000 16,933,333 31,000,000
			Sept.00 <sup>(1)</sup>	291,533,333 80,800,000 5,066,667 1,500,000

TABLE 3 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>			
A.1.a.	Fecal Coliform Bacteria	400/100ml Daily Maximum	Oct.00 <sup>(1)</sup>	14,233,333			
				5,933,333			
				9,533,333			
			Nov.00 <sup>(1)</sup>	52,200,000			
				1,740,000			
				14,000,000			
			Dec.00 <sup>(1)</sup>	4,466,667			
				3,220,000			
				2,676,667			
				1,860,000			
				Biochemical Oxygen Demand	30 mg/L Monthly Average	Jan.97	55
						Apr.97	36
						May97	34
						June97	48
						July97	41
						Aug.97	38
						Sept.97	35
						Jan.98	46
			Feb.98	31			
			Apr.98	42			
			May98	35			
			June98	37			
			July98	31			
			Aug.98	49			
			Sept.98	39			
			Oct.98	53			
			Nov.98	33			
			Dec.98	40			
			Jan.99	36			
			Feb.99	43			
			Mar.99	54			
			Apr.99	50			
			May99	44			
			June99	53			
			July99	39			
			Nov.99	43			
			Mar.00	31			
			Apr.00	35			
			May00	37			
			June00	33			

TABLE 3 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a	Biochemical Oxygen Demand	30 mg/L Monthly Average	July00	31
			Aug.00	42
			Nov.00	48
			Dec.00	42
		60 mg/L Daily Maximum	Apr.97	84
			Aug.98	61
			Oct.98	65
			Nov.99	65
		45 mg/L <sup>(2)</sup> Weekly Average	Nov.00	57
				48
				46
			Dec.00	53
		150 lbs./day Monthly Average	June97	172
			July97	172
			Aug.97	208
			Jan.98	170
			Aug.98	198
			Sept.98	171
			Oct.98	229
			Dec.98	178
			Feb.99	185
			Mar.99	198
			Apr.99	188
			May99	157
			June99	193
			July99	153
			Nov.99	183
300 lbs./day Daily Maximum	Aug.97	462		
	Oct.98	301		
225 lbs./day <sup>(2)</sup> Weekly Average	Nov.00	226		
		239		

TABLE 3 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Suspended Solids	30 mg/L Monthly Average	June97	36
			Mar.98	37
			Apr.98	44
			May98	41
			Jan.00	40
			Mar.00	33
			May00	33
			June00	31
			July00	34
			Nov.00	31
		60 mg/L Daily Maximum	June97	102
		40 mg/L <sup>(2)</sup> Weekly Average	Nov.00	42
		150 lbs./day Monthly Average	Apr.98 May98	156 161
300 lbs./day Daily Maximum	June97	367		

1. New NPDES permit was issued (effective date 9/7/00) which changed bacteriological effluent parameter from fecal coliform to E.coli (126 CFU/100ml monthly average and 406 CFU/100ml daily maximum). GWA did not make necessary changes in its bacteriological analysis from fecal coliform to E.coli in accordance with its new permit requirements. Therefore, "Values Reported in Violation" are for Fecal Coliform bacteria and not E.coli.

2. Effluent limitations based on new NPDES permit issued with an effective date of 9/7/2000.

Note: Numbers in ( ) refers to the number of times the daily maximum effluent limitations was exceeded for the respective period.

**TABLE 4**

Name of Discharger: Guam Waterworks Authority  
Commercial Port Sewage Treatment Plant, Guam

NPDES Permit No.: GU0020109

Reporting Period: January, 1997 through December, 2000

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a	Fecal Coliform Bacteria	70/100ml Monthly Average	Jan.97 thru	>400
			Dec.97	
			Jan.98 thru	>400
			Apr.98	
			June98 thru	>400
			Sept.98	
			Oct.98	>70
			Nov.98	>400
			Dec.98	NP/R
			Jan.99 thru	>400
			Mar.99	
			May99	>400
			June99	NP/R
			July99 thru	>400
			Dec.99	
			Jan.00 thru	>70
			Mar.00	
			Apr.00	>400
			May00	>400
			June00	27,500,000
July00	49,500,000			
Aug.00	NP/R			
Sept.00	28,800,000			
Oct.00	280,925,000			
Nov.00	18,667			
Dec.00	3,764,167			
		400/100ml	Jan.97	>400
		Daily Maximum	Feb.97	>400
			Mar.97	>400
			Apr.97	>400
			June97	>400
			July97	>400 (3)
			Aug.97	>400

TABLE 4 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Fecal Coliform Bacteria	400/100ml Daily Maximum	Sept.97	>400 (2)
			Oct.97	>400
			Nov.97	>400 (2)
			Dec.97	>400 (2)
			Jan.98	>400
			Feb.98	>400 (2)
			Mar.98	>400 (2)
			Apr.98	>400 (2)
			June98 thru	>400
			Nov.98	
			Dec.98	NP/R
			Jan.99 thru	>400
			Mar.99	
			June99	NP/R
			July99	>400 (2)
			Aug.99	>400 (2)
			Sept.99	>400
			Oct.99	>400 (2)
			Nov.99	>400 (2)
			Dec.99	>400
			Jan.00 thru	>400
			May00	
			June00	46,000,000
			July00	51,000,000
				48,000,000
			Aug.00	NP/R
			Sept.00	57,600,000
Oct.00	533,000,000			
	28,850,000			
Nov.00	18,667			
Dec.00	7,390,000			
	138,333			
	Biochemical Oxygen Demand	30 mg/L Monthly Average	May.97	34.3
			July97	32
			Sept.97	38.8
			Oct.97	37
			Nov.97	52.5
			Dec.97	63
			Jan.98	31
			Feb.98	36

TABLE 4 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>			
A.1.a.	Biochemical Oxygen Demand	30 mg/L Monthly Average	Mar.98	42			
			Apr.98	39			
			May98	42			
			June98	46			
			July98	85			
			Aug.98	47			
			Oct.98	37			
			Nov.98	NP/R			
			Dec.98	NP/R			
			Jan.99	95			
			Feb.99	32			
			Mar.99	106			
			May99	NP/R			
			June99	NP/R			
			July99	43			
			Aug.99	36			
			Sept.99	38			
			Nov.99	48			
			Jan.00	72			
			Mar.00	57			
			Apr.00	47			
			May00	39			
			June00	46			
			July00	66			
			Aug.00	63			
			Sept.00	84			
			Oct.00	43			
			Nov.00	72			
			Dec.00	36			
					45 mg/L Weekly Maximum	Mar.97	49
						May97	47.5
						Sept.97	51
			Oct.97	51			
			Nov.97	58			
			Dec.97	63			
			Apr.98	55			
			May98	46.6			
			June98	46			
			July98	85			
			Aug.98	47			



TABLE 4 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Biochemical Oxygen Demand	45 mg/L Weekly Average	Oct.98	58
			Nov.98	NP/R
			Dec.98	NP/R
			Mar.99	106
			May99	NP/R
			June99	NP/R
			Aug.99	46
			Nov.99	48
			Jan.00	72
			Mar.00	96
			Apr.00	47
			May00	55
			June00	77
			July00	95
			Aug.00	63
			Sept.00	101, 66
			Oct.00	51
			Nov.00	106
			Dec.00	56
			July00	15.5
			Nov.00	20.8
		25 lbs./day Daily Maximum	May98	46.6
			July00	28.5
	Suspended Solids	30 mg/L Monthly Average	Mar.97	31
			July97	42
			Nov.97	38
			Dec.97	32
			Feb.98	40
			Apr.98	33
			June98	64
			July98	44
			Nov.98	52
			Dec.98	NP/R
			Jan.99	36
			Mar.99	40
			June99	NP/R
	July99	43		

TABLE 4 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>		
A.1.a.	Suspended Solids	30 mg/L Monthly Average	Aug.99	31		
			Oct.99	45		
			Jan.00	66		
			Apr.00	46		
			July00	65		
			Sept.00	72		
			Oct.00	33		
			Nov.00	92		
			45 mg/L Weekly Average	Nov.97	52	
				Apr.98	48	
				June98	64	
				Nov.98	52	
				Dec.98	NP/R	
				June99	NP/R	
				July99	54	
		Aug.99		46		
		Oct.99		56		
		Jan.00		66		
		Apr.00		47		
		July00		66		
		Sept.00		98, 46		
		Oct.00		50		
		Nov.00		160		
		12.5 lbs./day Monthly Average	May98	31.1		
			Nov.00	23.6		
			25 lbs./day Daily Maximum	May98	31.1	
				Nov.00	36	
			Settleable Solids	1.0 ml/L Monthly Average	July97	2.5
					Nov.97	9.3
		Feb.98			2.0	
Apr.98	3.3					
Sept.98	6.1					
Jan.99	1.5					
Feb.99	2.6					
Mar.99	4.0					
Nov.99	5.0					
Dec.99	2.5					

TABLE 4 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Settleable Solids	1.0 mg/L Monthly Average	June00	3.5
			Sept.00	4.0
		2.0 ml/L Daily Maximum	July97	2.5
			Nov.97	10.0, 8.5
			Apr.98	6.5
			Sept.98	12.0
			Feb.99	5.0
			Mar.99	4.0
			Nov.99	5.0
			Dec.99	2.5
			June00	7.0
			Sept.00	8.0
			Oct.00	3.5

NP/R = Not Performed/Reported

Note: Numbers in ( ) refers to the number of times the daily maximum effluent limitations was exceeded for the respective period.

TABLE 5

Name of Discharger: Guam Waterworks Authority  
Northern District Sewage Treatment Plant, Guam

NPDES Permit No.: GU0020141

Reporting Period: January, 1997 through December, 2000

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a	Suspended Solids	50 mg/L Monthly Average	Jan.97	122
			Feb.97	144
			Mar.97	106
			Apr.97	51
			May97	95
			June97	259
			July97	157
			Aug.97	201
			Sept.97	70
			Oct.97	95
			Nov.97	89
			Dec.97	NS
			Jan.98	68
			Feb.98	98
			Mar.98	78
			Apr.98	63
			May98	60
			June98	155
			July98	145
			Aug.98	125
			Sept.98	123
			Oct.98	84
			Nov.98	95
			Dec.98	63
Jan.99	77			
Feb.99	51			
May99	90			
June99	106			
July99	84			
Aug.99	100			
Sept.99	110			
Oct.99	67			
Dec.99	74			
Jan.00	224			

TABLE 5 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>	
A.1.a.	Suspended Solids	50 mg/L Monthly Average	Feb.00	138	
			Mar.00	129	
			Apr.00	96	
			May00	75	
			June00	102	
			Aug.00	105	
			Sept.00	91	
			Oct.00	85	
			Nov.00	121	
			Dec.00	76	
			100 mg/L Daily Maximum	Jan.97	192
				Feb.97	168
		Mar.97		206	
		May97		174	
		June97		576	
		July97		144, 164, 292	
		Aug.97		324, 204, 156	
				120	
		Sept.97		140	
		Oct.97		114, 174	
		Nov.97		114, 104	
		Dec.97		NS	
		Mar.98		152	
		June98		244, 124, 150	
				184	
		July98	216		
		Aug.98	180, 152		
Sept.98	176, 136, 144				
Nov.98	108				
May99	132, 130				
June99	144				
July99	102				
Aug.99	140, 112				
Sept.99	156, 128				
Nov.99	130				
Dec.99	118				
Jan.00	336, 114, 316				
	128				
Feb.00	190, 148				
Mar.00	160, 146				

TABLE 5 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>	
A.1.a.	Suspended Solids	100 mg/L Daily Maximum	May.00	104	
			June00	132, 120, 124	
			Aug.00	142	
			Sept.00	126	
			Oct.00	136	
			Nov.00	170, 150	
			Dec.00	112	
			2,504 lbs./day Monthly Average	Jan.97	6,630
				Feb.97	7,596
				Mar.97	5,614
				Apr.97	2,625
				Mar.97	5,070
				June97	14,280
	July97	7,568			
	Aug.97	10,396			
	Sept.97	3,511			
	Oct.97	4,947			
	Nov.97	4,752			
	Dec.97	NP/R			
	Jan.98	3,459			
	Feb.98	5149			
	Mar.98	4,026			
	Apr.98	4,984			
	May98	3,159			
	June98	7,877			
	July98	7,750			
	Aug.98	7,077			
Sept.98	6,871				
Oct.98	4,617				
Nov.98	5,285				
Dec.98	3,439				
Jan.99	4,128				
Feb.99	2,790				
Mar.99	2,628				
May99	4,962				
June99	5,866				
July99	4,671				
Aug.99	5,485				
Sept.99	5,882				
Dec.99	3,428				

TABLE 5 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Suspended Solids	2,504 lbs./day Monthly Average	Jan.00	12,624
			Feb.00	8,391
			Mar.00	7,934
			Apr.00	5,259
			May00	3,431
			June00	5,378
			Aug.00	5,538
			Sept.00	4,364
			Oct.00	4,152
			Nov.00	6,601
			Dec.00	3,269
			5,008 lbs./day Daily Maximum	Jan.97
		Feb.97		8,687
		Mar.97		10,950
		May97		9,287
		June97		31,705
		July97		12,420
				8,480
				7,806
		Aug.97		17,024
				10,208
				7,546
				6,805
			7,006	
Sept.97	7,006			
Oct.97	9,215			
	5,771			
Nov.97	6,370			
	5,464			
Dec.97	NS			
Feb.98	5,149			
June98	5,791			
	12,617			
	7,756			
	9,207			
July98	14,807			
	5,494			
	5,204			
	5,494			

TABLE 5 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.I.a.	Suspended Solids	5,008 lbs./day Daily Maximum	Aug.98	5,671
				8,367
				10,358
			Sept.98	9,981
				5,421
				7,486
				8,167
			Oct.98	5,364
			Nov.98	5,945
			Dec.98	5,254
			Feb.99	5,064
			May99	7,596
				6,939
			June99	8,407
				5,507
				5,313
			July99	5,955
			Aug.99	5,174
				6,352
				7,473
			Sept.99	8,457
				6,939
			Nov.99	7,373
			Dec.99	6,889
			Jan.00	7,227
				17,130
				18,775
				7,366
			Feb.00	8,393
				12,043
Mar.00	9,619			
	9,875			
Apr.00	5,640			
	5,338			
	5,067			
May00	5,551			
June00	8,607			
	5,835			
	6,722			



TABLE 5 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.I.a.	Suspended Solids	5,008 lbs./day Daily Maximum	Aug.00	7,461
				5,149
				5,671
			Sept.00	7,761
				5,252
			Oct.00	7,486
			Nov.00	9,357
				8,257
			Dec.00	5,885
	Biochemical Oxygen Demand	85 mg/L Monthly Average	Jan.97	116
			Feb.97	96
			May97	105
			June97	100
			Aug.97	99
			Oct.97	95
			Dec.97	NP/R
			Jan.98	93
			Feb.98	118
			Mar.98	106
Apr.98	96			
May98	94			
June98	105			
July98	144			
Sept.98	108			
Oct.98	107			
Jan.99	115			
Feb.99	86			
Mar.99	100			
May99	95			
June99	109			
July99	102			
Aug.99	126			
Sept.99	152			
Oct.99	97			
Jan.00	184			
Feb.00	149			
Mar.00	137			
Apr.00	131			
May00	152			
June00	129			

TABLE 5 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Biochemical Oxygen Demand	85 mg/L Monthly Average	Aug.00	136
			Sept.00	135
			Oct.00	146
			Nov.00	180
			Dec.00	163
		170 mg/L Daily Maximum	July98	216
			Sept.99	176
			Jan.00	249, 207
			Feb.00	174
			Nov.00	187, 186, 185
		4,256 lbs./day Monthly Average	Dec.00	205
			Jan.97	6,312
			Feb.97	5,048
			May97	5,620
			June97	5,562
	Aug.97		5,127	
	Sept.97		4,277	
	Oct.97		5,020	
	Jan.98		4,731	
	Feb.98		6,200	
	Mar.98		5,493	
	Apr.98		4,984	
	May98		5,001	
	June98		5,385	
	July98		7,594	
	Aug.98	4,391		
	Sept.98	6,022		
	Oct.98	5,883		
	Nov.98	4,632		
	Dec.98	4,401		
Jan.99	6,254			
Feb.99	4,684			
Mar.99	5,504			
May99	5,231			
June99	6,082			
July99	5,673			
Aug.99	6,927			
Sept.99	8,083			
Oct.99	4,934			

TABLE 5 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>	
A.1.a	Biochemical Oxygen Demand	4,256 lbs./day Monthly Average	Jan.00	10,473	
			Feb.00	9,001	
			Mar.00	8,356	
			Apr.00	7,089	
			May00	6,416	
			June00	5,688	
			Aug.00	7,224	
			Sept.00	6,251	
			Oct.00	6,424	
			Nov.00	9,803	
			Dec.00	6,442	
			8,512 lbs./day Daily Maximum	July98	11,709
				Aug.99	9,641
				Sept.99	9,541
	Jan.00	11,221			
		13,914			
		9,783			
	Feb.00	9,868			
		9,127			
	Mar.00	10,146			
		9,196			
	Sept.00	8,829			
	Oct.00	8,697			
	Nov.00	10,293			
		9,875			
		10,238			
		8,807			
Dec.00	8,669				
Settleable Solids	1.0 ml/L Monthly Average	Jan.97	3.3		
		Feb.97	2.0		
		Mar.97	2.5		
		Apr.97	1.8		
		June97	5.4		
		Mar.98	1.6		
		Apr.98	2.3		
		May98	1.2		
		July98	2.0		
		Aug.98	4.6		
May99	1.6				

TABLE 5 Cont.

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Effluent Limitation</u>	<u>Month And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.a.	Settleable Solids	1.0 ml/L Monthly Average	Jan.00	2.2
			Feb.00	2.0
			Mar.00	1.5
			May00	4.6
			June00	1.7
			Jan.97	5.0
		2.0 ml/L Daily Maximum	Feb.97	4.0
			Mar.97	5.0
			Apr.97	4.0
			June97	10.0
			Mar.98	3.0
			Apr.98	6.0
			July98	5.0
			Aug.98	10.0, 3.5, 3.0
			Apr.99	5.0
			Jan.00	6.0
			Feb.00	3.0
			Mar.00	4.0
			May00	8.0, 6.0, 2.5
			June00	3.0

Receiving Water Quality Monitoring

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Guam Water Quality Std.</u>	<u>Quarter And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.f.	Fecal Coliform Bacteria(1)	<400/100ml Maximum(1)	Aug.97	Station A TNTC
			Nov.97	Station A TNTC
			Dec.97	Station C, D TNTC
				Station A, B NP/R
			Mar.98	Station ? TNTC
			Apr.98	Station C >400
			Sept.98	Station C TNTC
			Dec.98	Station C, D TNTC
			June99	Station C TNTC
			Aug.99	Station A TNTC
			Jan.-Mar.00	Station D, E, F NP/R

**TABLE 5 Cont.**

<u>Permit Condition</u>	<u>Pollutant Constituent</u>	<u>Guam Water Quality Std.</u>	<u>Quarter And Year</u>	<u>Value(s) Reported in Violation</u>
A.1.f.	Fecal Coliform Bacteria(1)	<400/100ml Maximum	Apr.00	Station C TNTC Station A, B TNTC
			Apr.-Jun.00	Station D, E, F NP/R
			July-Sept.00	All Stations NP/R
			Oct.-Dec.00	All Stations NP/R

Note: To Numerous To Count (TNTC)

NP/R = Not Performed/Reported

(1) Fecal Coliform Bacteria: Guam Water Quality Standards, Adopted January 2, 1992.

TABLE 6

Name of Discharger: Guam Waterworks Authority  
Umatac-Merizo Sewage Treatment Plant, Guam

NPDES Permit No.: GU0020273

Reporting Period: January, 1997 through December, 2000

Date Discharge at Station J (overflow weir)

4/10/97	150 gpm
5/8/97	200 gpm
7/28/97	200 gpm
8/26/97	250 gpm
9/18/97	150 gpm
10/31/97	100 gpm
11/20/97	50-60 gpm
1/22/98	40-50 gpm
2/27/98	50-60 gpm
3/28/98	40-50 gpm
4/24/98	130 gpm
5/22/98	130 gpm
7/23/98	200 gpm
8/28/98	200 gpm
9/29/98	500 gpm
10/15/98	350 gpm
11/28/98	130 gpm
12/17/98	300 gpm
1/28/99	350 gpm
2/18/99	200 gpm
10/14/99	100 gpm

9/00 New Permit Effective Date--No Monitoring Data Reported for Sept.-December, 2000.

TABLE 7

Name of Discharger: Guam Waterworks Authority

Sewage Overflow Events

Period Covered: June, 1999 through April, 2001

<u>Date</u>	<u>Location</u>	<u>Overflow Period</u>	<u>Estimated Vol. (gals.)</u>
11/03/99	Southern Link SPS	2 days	9,600,000
11/06/99	Southern Link SPS	11 days	52,800,000
11/17/99	Southern Link SPS	6 days	28,800,000
12/03/99	Southern Link SPS	10 days	48,000,000
05/27/00	Southern Link SPS	14 days	67,200,000
07/03/00	Southern Link SPS	13 days	62,400,000
09/17/00	Southern Link SPS	7 days	33,600,000
12/19/00	Southern Link SPS	15 days	72,000,000
12/31/00	Southern Link SPS	13 days	62,000,000
01/20/01	Southern Link SPS	4 days	19,200,000
03/05/01	Southern Link SPS	1 days	4,800,000
03/12/01	Southern Link SPS	5 days	24,000,000
04/15/01	Southern Link SPS	2 days	9,600,000
10/03/00	Mamajanao SPS	10 hours	63,900
10/07/00	Mamajanao SPS	1 hour	6,390
10/29/00	Mamajanao SPS	4 hours	25,560
10/30/00	Mamajanao SPS	24 hours	153,360
10/31/00	Mamajanao SPS	4 hours	25,560
11/01/00	Mamajanao SPS	24 hours	153,360
01/10/00	Chaot SPS	5 hours	210,000
02/01/00	Chaot SPS	24 hours	1,008,000
02/05/00	Chaot SPS	4 hours	168,000
02/15/00	Chaot SPS	30 min.	21,000
03/01/00	Chaot SPS	2.5 hours	105,000
01/23/01	Chaot SPS	3 hours	126,000
02/09/01	Chaot SPS	7 days	7,056,000
02/14/01	Chaot SPS	1 day	1,008,000
02/15/01	Chaot SPS	13 days	13,104,000
09/06/00	Hyatt Manhole (Fujita SPS)	1 day	10,000
03/03/01	Fujita SPS	1 day	180,000
03/18/01	Hyatt Manhole (Fujita SPS)	1 day	10,000

**APPENDIX A**

**GUAM WATERWORKS AUTHORITY  
COMPLIANCE SCHEDULES**

**GWA Wastewater Systems Comprehensive Performance Evaluation  
Agana and Northern District STPs**

<b><u>Activity</u></b>	<b><u>Compliance Schedule</u></b>
Submit draft CPE Scope of Work for the Agana and Northern District STPs	July 31, 2001
Submit final CPE Scope of Work for the Agana and Northern District STPs	August 31, 2001
Advertise Agana and Northern District CPE	September 15, 2001
Award Contract for the Agana and Northern District STP's CPE	October 31, 2001
Commence Agana and Northern District STP's CPE	November 15, 2001
Complete Agana and Northern District STP's CPE	December 15, 2001
Submit Agana and Northern District CPE Final Report	December 25, 2001
Submit GWA Corrective Action Plan Schedule(s) [schedules for respective facilities will be incorporated into Order on Consent at this time]	January 31, 2002



**APPENDIX A**

**Northern District and Agana STP Ocean Outfall Extentions**

<u>Activity</u>	<u>Compliance Schedule</u>
Submit 60% Ocean Outfall Designs for Northern and Agana STPs	July 31, 2001
Submit 90% Ocean Outfall Designs for Northern and Agana STPs	September 30, 2001
Submit Final (100%) Ocean Outfall Designs for Northern and Agana STPs	October 31, 2001

**Southern Link Sewer Pump Station Interceptor Line**

<u>Activity</u>	<u>Compliance Schedule</u>
Submit Construction Progress Report for the Southern Link Sewer Pump Station Interceptor Line	July 31, 2001
Complete Construction of the Southern Link Sewer Pump Station Interceptor Line	September 30, 2001

**Commercial Port Sewer Pump Station and Forcemain**

<u>Activity</u>	<u>Compliance Schedule</u>
Complete Construction of the Commercial Port Sewer Pump Station/Forcemain Project	July 31, 2001
Commence Start-up and Operation of the Commercial Port Sewer Pump Station/Forcemain	August 15, 2001
Decomission Commercial Port STP, Seal/Cap Ocean Outfall Pipe and Submit Report, with Documentation, to EPA	September 30, 2001

## APPENDIX B

### GUAM WATERWORKS AUTHORITY OPERATION AND MAINTENANCE DEFICIENCIES

#### Agana STP:

Primary Clarifier No.2 Out of Service  
Primary Clarifier Effluent Channel Weir Separated from Channel Wall  
Centrifuges No.1 and 2 Out of Service  
Digester No. 2 Out of Service  
Primary Clarifier Scum Removal System Out of Service  
Flow Measurement Out of Service  
Ozonator Out of Service

#### Agat STP:

Sludge Drying Beds Overgrown with Vegetation (requires renovation)

#### Northern District STP:

Centrifuges No.1 & 2 Out of Service  
Flow Measurement (Parshall Flume) Needs Accuracy Evaluation (influent flows just upstream and into flume are very turbulent)  
Preaeration Basins Not Operating Properly  
Grit Removal Basin/System Not Removing Grit Adequately  
Clarifier No.1 Effluent Weir Section Missing  
Clarifier No.1 Scum Collection System Out of Adjustment/Not Operating Properly  
Primary Sludge Pumps Out of Service  
So. Link SPS Headworks (appears hydraulically overloaded during peak flows and needs to be assessed for adequacy)

#### Umatac-Merizo STP:

Aerated Treatment Pond Not Properly Maintained (high solids content, vegetation)  
Pond Aerators Not Properly Maintained and/or Out of Service

Guam Waterworks Authority  
 USEPA NPDES Administrative Order  
 Compliance Costing Worksheet

Facility	Description of Project	Estimated Total Cost
Agana STP	Comprehensive Performance Evaluation	\$100,000
	Renovation of STP	\$3,800,000
	Construction of Outfall Extension	\$4,400,000
	TOTAL	\$8,300,000
Agat STP	Comprehensive Performance Evaluation	\$100,000
	Renovation of STP	\$5,000,000
	Design & Construction of sewer collector line (Agat Assessment 5A)	\$4,200,000
	Design & Construction of sewer collector line (Old Agat)	\$2,900,000
	Design & Construction of sewer collector line (Santa Rita Assessment 4A)	\$6,500,000
TOTAL	\$18,700,000	
Baza Gardens STP	Comprehensive Performance Evaluation	\$100,000
	Renovation of STP	\$1,000,000
TOTAL	\$1,100,000	
Northern District STP	Comprehensive Performance Evaluation	\$100,000
	Renovation of STP	\$2,000,000
	Construction of Outfall Extension	\$4,300,000
TOTAL	\$6,400,000	
Umatac/ Merizo STP	Comprehensive Performance Evaluation	\$100,000
	Correction of Infiltration & Inflow Problems in Sewer System Phase II	\$2,800,000
	TOTAL	\$2,900,000
Operator Certification	Operator Training & Certification	\$300,000
Monitoring Requirements	Certified Laboratory Services	\$600,000
Facilities Master Plan	Master Plan Update	\$2,300,000

TOTAL

\$40,600,000

**GWA - DESCRIPTION OF PROJECTS AND ACTIVITIES TO BE FUNDED  
BY SHORT - TERM DEBT INCLUDED IN THE FINANCIAL PLAN  
SUBMITTED TO USEPA (\$1000s)**

<b>Uses of Funds:</b>	<b>FY 2002</b>	<b>FY 2003</b>
Agana Wastewater Treatment Plant (WTP) Ocean Outfall	\$ 1,400	\$ 3,000
Northern (WTP) Ocean Outfall	\$ 1,400	\$ 2,900
Comprehensive Performance Evaluation for all WTP's	\$ 182	\$ 300
Assessment of Pump Stations and Collection System	\$ 100	\$ 500
Engineering Design	\$ 210	\$ 443
Construction Management	\$ 115	\$ 250
Consent Order-Additional Operational Expense	\$ 150	\$ 1,220
PMC for all of GWA WTP's		\$ 500
PMC for GWA Back Office Operations		\$ 500
Regulatory Management-Oversight of GWA compliance and selection of Performance Management Contractor (PMC) for treatment operations	\$ 135	\$ 158
Program administration - Oversight of Revenue Audit Implementation	\$ 105	\$ 119
Annual system renewals & replacements - Water and Wastewater	\$ 6,000	\$ 6,000
Meter Management Program - Capital Requirements		\$ 1,500
Other EPA Funded Projects	\$ 2,200	\$ 4,200
Revenue Enhancement Program - Planning and Selection of BOT Contractor for Meter Management and Sewer Connection Programs	\$ 150	\$ 25
Operational Audit and Best Practices/Skills Assessment	\$ 275	\$ 1,025
<b>Total Uses of Funds</b>	<b>\$ 12,422</b>	<b>\$ 22,640</b>
<b>Sources of Funds:</b>		
EPA Grants - Committed and Anticipated	\$ 2,200	\$ 5,649
Bond Refinancing	\$ 6,000	
<b>Subtotal-Sources of Funds</b>	<b>\$ 8,200</b>	<b>\$ 5,649</b>
Debt Financing Required - Short Term	\$ 4,222	\$ 16,991
Cumulative Debt Financing Required - Short Term	\$ 4,222	\$ 21,213

**ATTACHMENT C**