

## **PREFACE TO THE WATER RESOURCES MASTER PLAN 2007 (WRMP 2007)**

*The Water Resources Master Plan 2007 (WRMP 2007) has been prepared and GWA staff have been trained on how new information is to be recorded and managed so it can be updated on a recurring basis. The Consolidated Commission on Utilities (CCU) requires that the WRMP 2007 be utilized as a living document with updates every two years. With the best available current information, the CCU and GWA believe that the Water Resource Master Plan projects, costing approximately \$900 million, based on community comments and independent review are in the best interest of and necessary for the people of Guam. The expected result is sustainable, reliable, robust and secure water service and environmental protection for generations to come.*

With the adoption of the WRMP 2007 by the CCU [See resolution No. 11 – FY2007 of the CCU below] GWA takes ownership of the WRMP 2007 and responsibility to use it as a planning document to propose, prioritize and track projects. These projects will provide the Rate Payers of Guam Waterworks Authority the desired and necessary quality and sustainability of the water and wastewater systems to serve them.

In addition to routine use and maintenance of the WRMP 2007, GWA will, as directed by the CCU, provide concisely packaged full revisions as appropriate for the approval of the Commission every two years.

The following qualifying statements should be taken into consideration with respect to the recommended capital improvement projects of the WRMP 2007:

1. The existing CIP list as derived is not solely dependent on the existing system model (which continues to evolve with increased refinement as it is used); however, it is supported by the model to the extent of its current capabilities.
2. The existing CIP list has been independently verified by field work, which supports the findings of the model.
3. Field verification by GWA supports the current state of the model and if model projections do not match the conditions in the system, the model will be updated accordingly. Model projections, in so far as they are used to support the CIP project list, have been and will be checked by direct observation by GWA and or consultant personnel.
4. GWA is satisfied that the CIP work identified in the WRMP 2007, as presented, includes all work known to be needed at this time which encompasses cost assessment validation for that work.

5. The WRMP 2007 does, based on currently available data, provide a firm foundation that encompasses and defines the needs of the Rate Payers of Guam Waterworks Authority, and the means to determine the financial impact on them.
  6. That other projects may become necessary, and some of those now listed may become redundant, or that listed projects may need to be modified or changed into different projects, is a process of evolution based on changing knowledge gained as GWA moves forward with implementation of the WRMP.
  7. GWA recognizes that acquiring new information will be a continuing effort and will make full use of current information collected to update the plan as well as system models. GWA recognizes that as Guam's population grows there will be continued refinement of the system model.
  8. GWA remains open to comments and suggestions from community stakeholders such as US EPA, Guam EPA, Water and Environment Resource Institute of the Western Pacific at the University of Guam (WERI), GWA's Rate Payers and others. Such comments and suggestions will be addressed as GWA manages the WRMP 2007 and will be incorporated in WRMP revisions, when approved by the CCU.
  9. GWA therefore reiterates that the WRMP 2007 is a planning document. The WRMP 2007 does **not** contain detailed projects for implementation.
  10. Projects adopted using the outline plan of the WRMP 2007 will have detailed additional environmental impact and engineering evaluation that GWA recognizes is needed, and about which GWA accepts that the CCU, US EPA and Guam EPA and the community will have additional comments.
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**On the following 3 pages is Resolution No. 11 – FY2007 by the Consolidated Commission on Utilities titled:- “RELATIVE TO APPROVING THE GUAM WATERWORKS AUTHORITY MASTER PLAN THAT WILL BE USED AS A ROADMAP FOR MOVING THE GUAM WATERWORKS AUTHORITY FORWARD FOR THE NEXT TWENTY YEARS.**

1                                   **GUAM CONSOLIDATED COMMISSION ON UTILITIES**  
2                                                           **RESOLUTION NO. 11 – FY2007**

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4                   **RELATIVE TO APPROVING THE GUAM WATERWORKS AUTHORITY MASTER**  
5                   **PLAN THAT WILL BE USED AS A ROADMAP FOR MOVING THE GUAM**  
6                   **WATERWORKS AUTHORITY FORWARD FOR THE NEXT TWENTY YEARS**

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9                   **WHEREAS**, the Consolidated Commission on Utilities (“CCU”) is a body corporate and  
10                   politically organized and existing under the laws of the Government of Guam and having policy and  
11                   financial oversight over the Guam Waterworks Authority (“GWA”); and  
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13                   **WHEREAS**, GWA hired Brown and Caldwell, to produce a long-term Water Resource  
14                   Master Plan (“Master Plan”) that would describe in detail how GWA could best move forward in  
15                   the next twenty to twenty-five years; and  
16

17                   **WHEREAS**, the Master Plan required Brown and Caldwell to complete 6 main tasks  
18                   which included the following: (1) a comprehensive analysis using the “10 States Standards” to  
19                   identify and prioritize problem areas in the GWA wastewater system; (2) a comprehensive  
20                   analysis using the “Hawaii Water Standards of 2002” to assess the water system and recommend  
21                   Improvements; (3) a comprehensive analysis of the benefits of water conservation on Guam; (4)  
22                   an evaluation of process control system improvements such as the implementation of a  
23                   Supervisory Control and Data Acquisition System (“SCADA”); (5) a financial plan that details  
24                   how revenue will be generated, the establishment of a user fee system based on actual water  
25                   usage, estimated water generation and actual cost of service; and (6) create a detailed five-year  
26                   plan for financing the continued operation, maintenance and repair of GWA’s system (including  
27                   an annual budget for five years and a detailed descriptive plan on how to raise funds to pay for  
28                   such a plan); and  
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30                   **WHEREAS**, the management for GWA has submitted the Final Master Plan to the  
31                   Consolidated Commission on Utilities (“CCU”) for its approval; and  
32

1           **WHEREAS**, the Master Plan submitted to the CCU set out approximately \$900 million  
2 dollars in capital projects necessary to upgrade and rehabilitate GWA's water and wastewater  
3 systems and which need to be instituted to address long-term neglect of the system, poor  
4 planning and design and to allow GWA to provide quality service for years to come; and  
5

6           **WHEREAS**, the recommended CIP program is based upon the best information  
7 available at the time and specific project recommendations were derived from planning level  
8 analysis including a conceptual water hydraulic model which will continue to be refined as GWA  
9 collects and incorporates better infrastructure and water usage information; and  
10

11           **WHEREAS**, the CCU desires to implement the proposed CIP program in a manner that  
12 best harmonizes the need to improve the GWA water and wastewater system and the need to  
13 ensure that water and wastewater services provided by GWA are affordable; and  
14

15           **WHEREAS**, the Master Plan is a living document with a solid foundation and reasonable  
16 estimates which constantly will need refining, and since the CCU understands that future system  
17 assessments and modeling will need to occur in order to finalize or modify projects, the CCU  
18 directs to have the Master Plan reviewed every two years by GWA with specific projects and  
19 changes to be incorporated into the Master Plan on an ongoing basis; and  
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21           **NOW, THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities  
22 as follows:  
23

- 24           1. The Final Master Plan, as presented to the Consolidated Commission on Utilities on  
25           January 29, 2007, is hereby conditionally approved the knowledge that the Master Plan is  
26           a living document that will need to be updated and refined as GWA modifies the system  
27           and obtains more information about the hydraulic model.
- 28           2. The Guam Waterworks Authority is hereby directed to continue refining the Master Plan  
29           and every two years from the date of approval of this document to recommend to the  
30           Consolidated Commission on Utilities improvements and modifications to the Master  
31           Plan and the hydraulic model and to recommend and re-prioritize capital projects  
32           resulting from said changes or modifications.

1 3. The Consolidated Commission on Utilities finds that the Water Resource Master Plan  
2 project listing consisting of approximately \$900 million in projects (with the project  
3 listing being attached hereto) is in the best interest of the people of Guam and necessary  
4 so that GWA can provide good service for generations to come.

5 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the  
6 adoption of this Resolution.  
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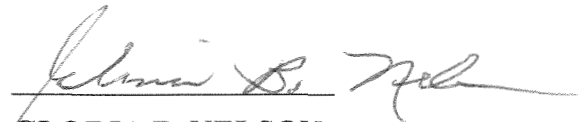
8 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 13<sup>th</sup> DAY OF**  
9 **MARCH, 2007.**  
10

11 Certified by:

12 

13 **SIMON A. SANCHEZ, II**  
14 Chairperson  
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16 Attested by:

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18 **GLORIA B. NELSON**  
19 CCU Board Secretary  
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21 I, Gloria B. Nelson, Board Secretary for the Consolidated Commission on Utilities, as  
22 evidenced by my signature above do hereby certify as follows:

23 The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular  
24 meeting by the members of the Guam Consolidated Commission on Utilities, duly and  
25 legally held at a place properly noticed and advertised at which meeting a quorum was  
26 present and the members who were present voted as follows:

27 AYES: 5  
28 NAYS: 0  
29 ABSTENTIONS: 0  
30  
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