



## Your water rates are changing. Learn more on how this affects your monthly bill.



Increases in pricing no matter how justified and needed affects us all. We don't take the recently approved rate adjustments lightly. We understand that your continued investment in our island's water infrastructure comes with higher expectations. It is our mission as your Guardians, Warriors and Ambassadors of our island's most precious resource to meet and exceed world quality standards.

Please take a moment to review our FAQ and additional information regarding your adjustments approved by the PUC. For more information visit our website at [guamwaterworks.org](http://guamwaterworks.org) or stop by our Fadian or Upper Tumon offices and speak to our friendly customer service associates.

### 1. Why are the rates being adjusted?

Under Guam law, the Public Utilities Commission (PUC) adjusts water and sewer rates when it is necessary and just for the proper operation of GWA's systems. Rates are used to finance the upgrade of aging infrastructure and make necessary improvements such as:

- Replacing water distribution pipes that are more than 50 years old
- Upgrading water facilities to meet strict regulatory standards to provide clean, high quality safe drinking water
- Improving the sewer system to protect public health and the environment by eliminating sewer spills and discharging clean, treated effluent into our ocean.
- Protecting your investment through preventive and corrective maintenance on more than \$1 billion dollars of infrastructure

## 2. When was the last rate adjustment?

The last rate adjustment authorized by the PUC was 5% on October 1, 2020. The current rate adjustment effective October 1, 2022 is 5.5%.

## 3. How is my water payment invested back to the community's water infrastructure?

Your water payments help GWA to invest in items vital to provide quality water and wastewater services to you and all our customers, including:

- System Operations - employees that are on call for service 24 hours a day, 7 days a week, 365 days a year
- Critical Inventory and Supply Purchases – parts & equipment, chemicals, materials, and supplies needed to maintain water and wastewater systems
- Infrastructure Construction & Upgrades – new or rehabilitated water storage tanks, treatment plants, underground pipes and more

## 4. Are the infrastructure updates and construction really necessary?

Yes! These infrastructure and system improvements will ensure that GWA:

- Provides clean, safe drinking water for all to access
- Protects public health and environmental safety (keeps our aquifer and marine resources clean) with reliable and effective wastewater collection and treatment
- Remains in compliance with the Safe Drinking Water Act and Clean Water Act, as well other local and federal regulatory requirements
- Future-proofs its infrastructure to ensure our systems are resilient for years to come
- Reduces water loss and increases operational efficiency
- Increases system capacity to keep up with Guam's growth

## 5. Is the rate increase due to the military buildup? If so, what is the military doing to pay their fair share?

No. Absolutely no part of the rate adjustment is due to the military buildup.

In fact, the Department of Defense (DOD) has paid GWA \$173 million dollars to fund specific infrastructure upgrades needed to support the military buildup, including the Northern District Wastewater Treatment Plant construction and the rehabilitation of sewer lines. All DOD customers will also be subject to the same rate adjustments for GWA services.

## 6. What is GWA doing to reduce costs?

GWA is focused on reducing costs and improving efficiencies, including:

- Decreasing water losses to lower water production expenses
- Implementing an Asset Management Program to extend the life of equipment

- Reducing overtime
- Auditing procurement and contracts to ensure cost effectiveness
- Streamlining operations and managing replacement of vacancies
- Enhancing internal audit functions to improve SOPs and eliminate waste

GWA has not been immune to the financial impacts of the global COVID-19 pandemic including supply chain concerns and inflationary pressures. GWA has implemented many cost-cutting measures while maintaining momentum on system operations and our Capital Improvements Plan.

## 7. I've noticed frequent water outages throughout the island – will my water bill payments make a difference?

In FY2022, scheduled water outages doubled primarily to replace pumps, motors, valves and pipes to provide better water pressure and reliable access to water. Sometimes water outages are unavoidable or must be scheduled for this type of regular maintenance. GWA has improved its public notification process to ensure affected customers are aware of needed outages. The distribution system improvements we have planned will help to further reduce unscheduled outages, and are possible through GWA's Capital Improvement Program which is funded by the continued payment of your water bill.

## 8. What happens if the rate adjustments are not implemented?

GWA would not be able to cover necessary expenses and investments, which would result in several key problems, including:

- Reduction of water and wastewater system maintenance
- Increased likelihood of water outages and wastewater spills in your village
- Cancellation of Capital Improvements Projects
- Inability of GWA to meet its financial obligations, including to adequately fund debt service payments

*In short, maintaining current rates would result in a return to sub-standard infrastructure and operational performance.*

## 9. Are all water rates affected or just mine?

All GWA customers will see a rate adjustment reflected in their October billing statement.

## 10. How does GWA determine water rates?

As part of its 20-Year Master Plan, and its 5-Year Capital Improvements Program, GWA identifies both the costs to properly maintain current utility operations, and the costs of future infrastructure repair, upgrade and new construction projects.

We then propose the lowest rate structure that will meet revenue requirements (e.g., cover our operating costs and meet obligations to our bondholders) to the Guam Public Utilities Commission (PUC). The PUC then reviews and analyzes GWA's recommendations and ensures rates are fair and reasonable for all GWA customers.

## 11. What is a Lifeline Rate?

GWA offers a deeply discounted rate (called the Lifeline Rate) for water consumption that covers basic water needs for residential customers. Once customers surpass the Lifeline Rate, water consumption is billed at a higher rate. There is no increase to the lifeline rate for FY2023.

The table below shows the current rate tiers as of October 1, 2022:

	WATER CONSUMPTION	RATE PER GALLON
Lifeline Rate (Tier 1)	Up to 5,000 Gallons	\$0.00301
Tier 2	Over 5,000 Gallons	\$0.01249

## 12. How do I qualify for a Lifeline Rate?

All GWA residential customers automatically qualify for the Lifeline Rate.

## 13. What is the "Base Rate" listed on my billing statement and what does it fund?

The base rate is a flat fee applied to each bill to cover fixed expenses, such as basic system operations, customer service and billing. These costs are independent of water consumption amounts.

## 14. What is the Legislative Surcharge on my bill?

The legislative surcharge allows GWA to recover costs assessed by the Guam Legislature for the purpose of paying GWA retiree benefits such as health insurance, life insurance and cost of living allowances.

## 15. How much can I expect my bill go up with the rate increases?

Residential water rates will be adjusted as follows:

FY 2022	FY 2023
0.0%	5.5% <sup>1</sup>

<sup>1</sup> Actual increase is less than 5.5% for residential customers because the lifeline and sewer rates had no increase for FY2023

For example, a customer that uses 7,000 gallons of water per month, can expect to see the following water fees on their monthly water and sewer statements:

CURRENT BILL	FY 2023
\$92.87	\$95.58

All non-residential accounts will receive a 5.5% increase to the Base Rate, Water Consumption Rate and Wastewater Flow Charge.

For complete rate adjustment information, visit:

### GWA's Main Website



<https://guamwaterworks.org/rates/>

## 16. What can I do to lower my bill?

Conservation is the best method towards lowering your monthly water bill — so the more you conserve water, the lower your bill will be!

Here are some simple ways to conserve water at your home:

- Check for leaks – examine your house for leaks to reduce water usage. (Hint: the most common source of leaks in the home is your toilet!)
- Reduce water waste – if you have an older toilet with a large tank, add weighted plastic bottles to your toilet tank to reduce the amount of water used with each flush
- Switch to water efficient fixtures – minimize your water use and prevent leaks by switching to water efficient fixtures in your kitchen and bathroom
- Capture rainwater – use rainwater to water plants, wash your car and more!

## 17. I'm already having trouble paying my utility bills – is there any assistance available?

We also encourage customers struggling with water bill payments to set up a payment plan. Customers current in their arranged payment plan will not be subject to disconnection.

There are also other COVID-19 utility assistance programs available through the Department of Administration for both renters and homeowners. Find out more at 671 638-4518/19 or

### Guam's Homeowner Assistance Fund Program



<https://doa.guam.gov/guam-homeowners-assistance-fund-program>

### Emergency Rental Assistance Program



<https://doa.guam.gov/guam-emergency-rental-assistance-program-3>

## 18. Who can I contact if I have more questions?

We are here to assist!

**Email:**  
AskTheGM@guamwaterworks.org

**Mail:**  
Ask The GM - GWA  
PO Box 3010  
Hagåtña, GU 96910

# Residential Rate Adjustment Sample Bill



## FY2022 (Current Effective Rates) Residential < 5K

**5000 gal per month 5,000**

	Rates	Bill	
Water Basic Charge (3/4 inch)	\$24.87	\$24.87	
Water Consumption Tier 1	3.01	15.05	
Surcharges: Legislative Surcharge (retirement)	3.60%	0.90	
Sub-Total Water	\$27.54	\$27.54	\$40.82
Sewer Charge Basic Charge (3/4")	\$27.54	\$27.54	
Sub-Total Wasterwater			\$27.54
<b>Total Bill</b>			<b>\$68.36</b>



## FY2023 (Current Effective Rates) Residential < 5K

**5000 gal per month 5,000**

	Rates	Bill	
Water Basic Charge (3/4 inch)	\$26.24	\$26.24	
Water Consumption Tier 1	3.01	15.05	
Surcharges: Legislative Surcharge (retirement)	3.50%	0.92	
Sub-Total Water			\$42.21
Sewer Charge Basic Charge (3/4")	\$27.54	\$27.54	
Sub-Total Wasterwater		\$27.54	\$27.54
<b>Total Bill</b>			<b>\$69.75</b>



## FY2022 (Current Effective Rates) Residential > 5K

5,000 gal per month Tier 1 ..... 5,000  
2,000 gal per month Tier 2 ..... 2,000  
Total Gallons ..... 7,000

	Rates	Bill	
Water Basic Charge (3/4 inch)	\$24.87	\$24.87	
Water Consumption Tier 1	3.01	15.05	
Water Consumption Tier 2	12.48	23.66	
Surcharges: Legislative Surcharge (retirement)	3.60%	1.75	
Sub-Total Water			\$65.33
Sewer Charge Basic Charge (3/4")	\$27.54	\$27.54	
Sub-Total Wasterwater			\$27.54
<b>Total Bill</b>			<b>\$92.87</b>



## FY2023 (Current Effective Rates) Residential > 5K

5,000 gal per month Tier 1 ..... 5,000  
2,000 gal per month Tier 2 ..... 2,000  
Total Gallons ..... 7,000

	Rates	Bill	
Water Basic Charge (3/4 inch)	\$26.24	\$26.24	
Water Consumption Tier 1	3.01	15.05	
Water Consumption Tier 2	12.48	24.96	
Surcharges: Legislative Surcharge (retirement)	3.50%	01.79	
Sub-Total Water			\$68.04
Sewer Charge Basic Charge (3/4")	\$27.54	\$27.54	
Sub-Total Wasterwater		\$27.54	\$27.54
<b>Total Bill</b>			<b>\$95.58</b>

