



Guam Waterworks Authority

Invest Guam Symposium 2026

April 29, 2026

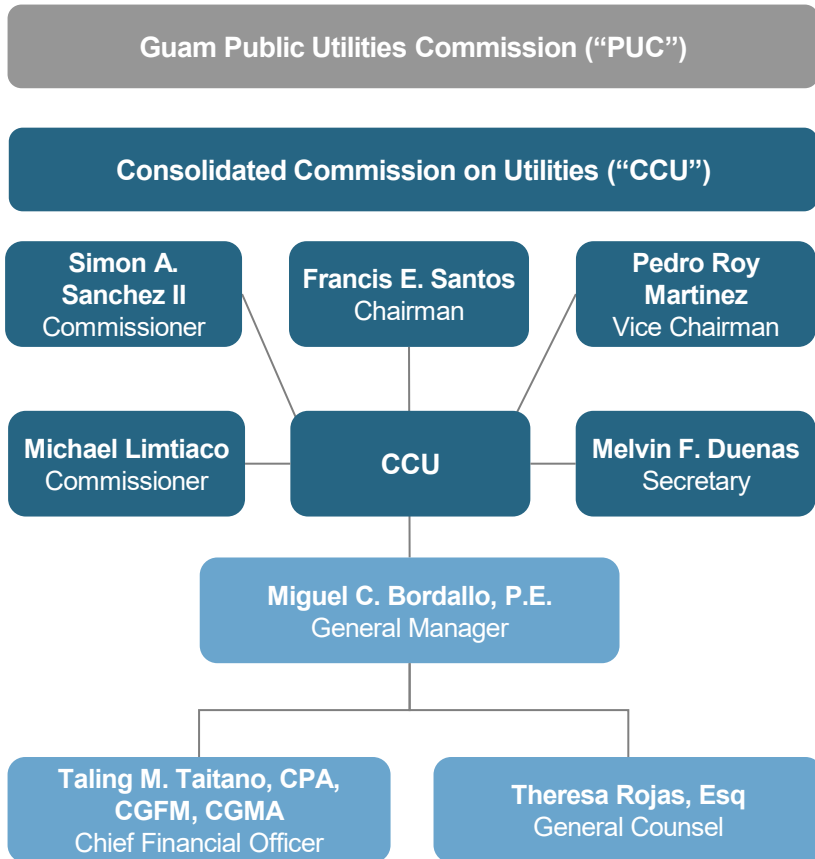

GUAM WATERWORKS AUTHORITY


GUAM
ECONOMIC
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America in Asia
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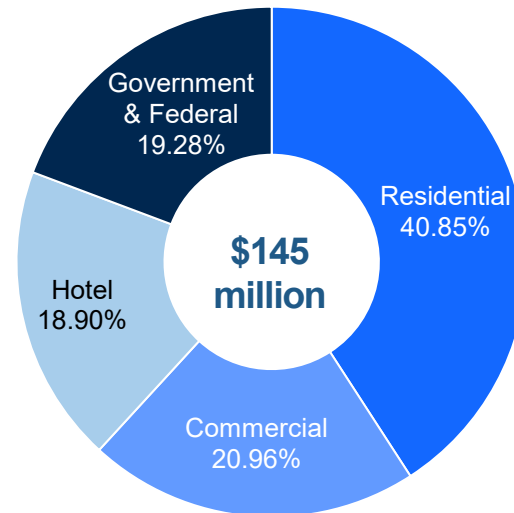
Overview of the Guam Waterworks Authority

Guam Waterworks Authority (“GWA” or “Authority”) provides water to the entire civilian population of Guam and provides sewer service to a large percentage of the civilian population, Andersen Air Force base, and several Navy facilities.

GWA and the CCU establish water and wastewater rates and charges, and present them to the PUC for regulatory review and approval.



GWA Water and Wastewater Revenues by Customer Type for FY 2025



GWA Selected Statistics for FY 2025

Average Number of Water Customers	43,694
Average Number of Wastewater Customers	31,188
Annual Water Sales (million gallons)	5,100
Annual Wastewater Collection (million gallons)	3,953

GWA serves a predominantly residential customer base with stable long-term demand and has been preparing for increased system capacity needs driven by the military expansion.

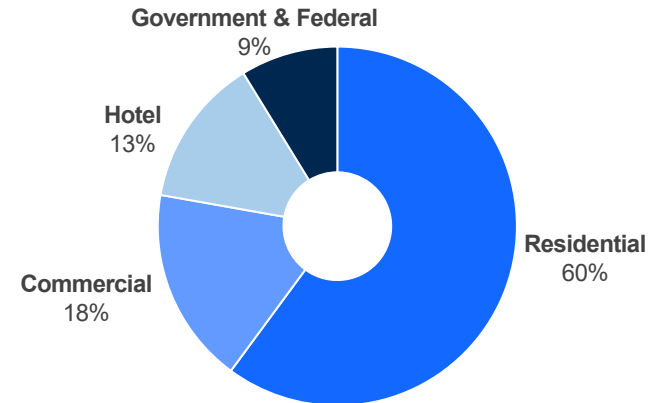
Water Demand

- Water sales of 5.1 billion gallons in FY 2025
- Water demand varies across Guam due to topography and rainfall patterns
 - Northern Guam relies heavily on groundwater
 - Southern Guam primarily uses surface water sources like the Ugum River and Navy-supplied water from the Fena Reservoir

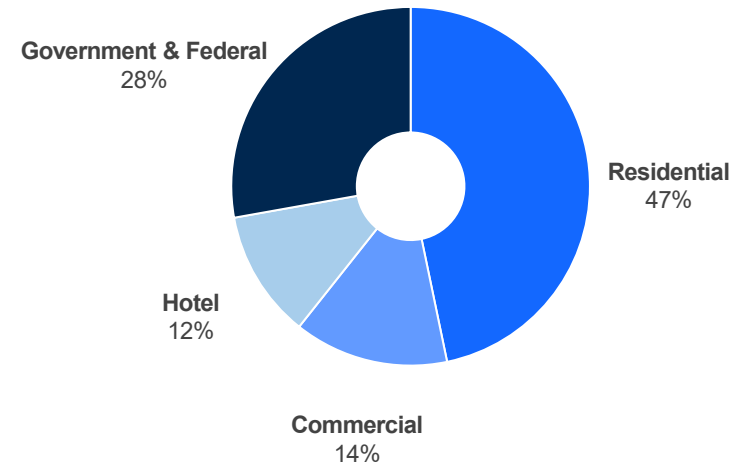
Wastewater Collection

- GWA collected and treated approximately 3.95 billion gallons of wastewater in FY 2025
- Served an average of 31,188 wastewater customers
- Northern District Wastewater Treatment Plan handled over 50% of total daily flows

Water Demand by Customer Type for FY 2025



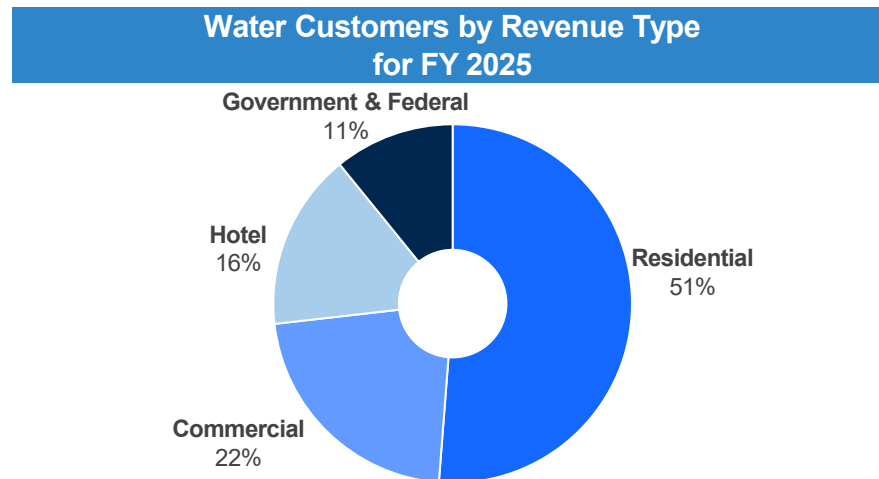
Wastewater Flows by Customer Type for FY 2025



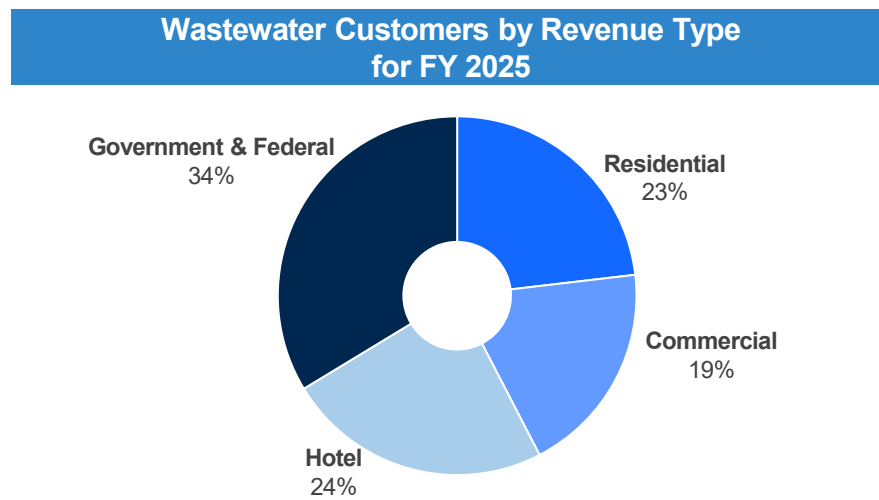
Largest Water and Wastewater Customers

GWA's water and wastewater customers are diversified with residential customers accounting for approximately 41% of water and wastewater revenues.

10 Largest Water Customers for FY 2025			
		Annual Revenue	%
1.	Guam Department of Education ¹	\$2,632,771	2.88%
2.	Guam Power Authority	2,320,192	2.54%
3.	Pacific Islands Club	1,943,511	2.13%
4.	Tanota Development LLC	1,444,695	1.58%
5.	MDI Guam Corporation	1,268,073	1.39%
6.	Guam Department of Corrections	1,265,688	1.38%
7.	Outrigger Guam Resort	1,240,035	1.36%
8.	Hotels of the Marianas Inc.	1,216,290	1.33%
9.	Hotel Nikko Guam	916,828	1.00%
10.	Hyatt Regency Guam	848,223	0.93%
Total²		\$15,096,306	16.51%



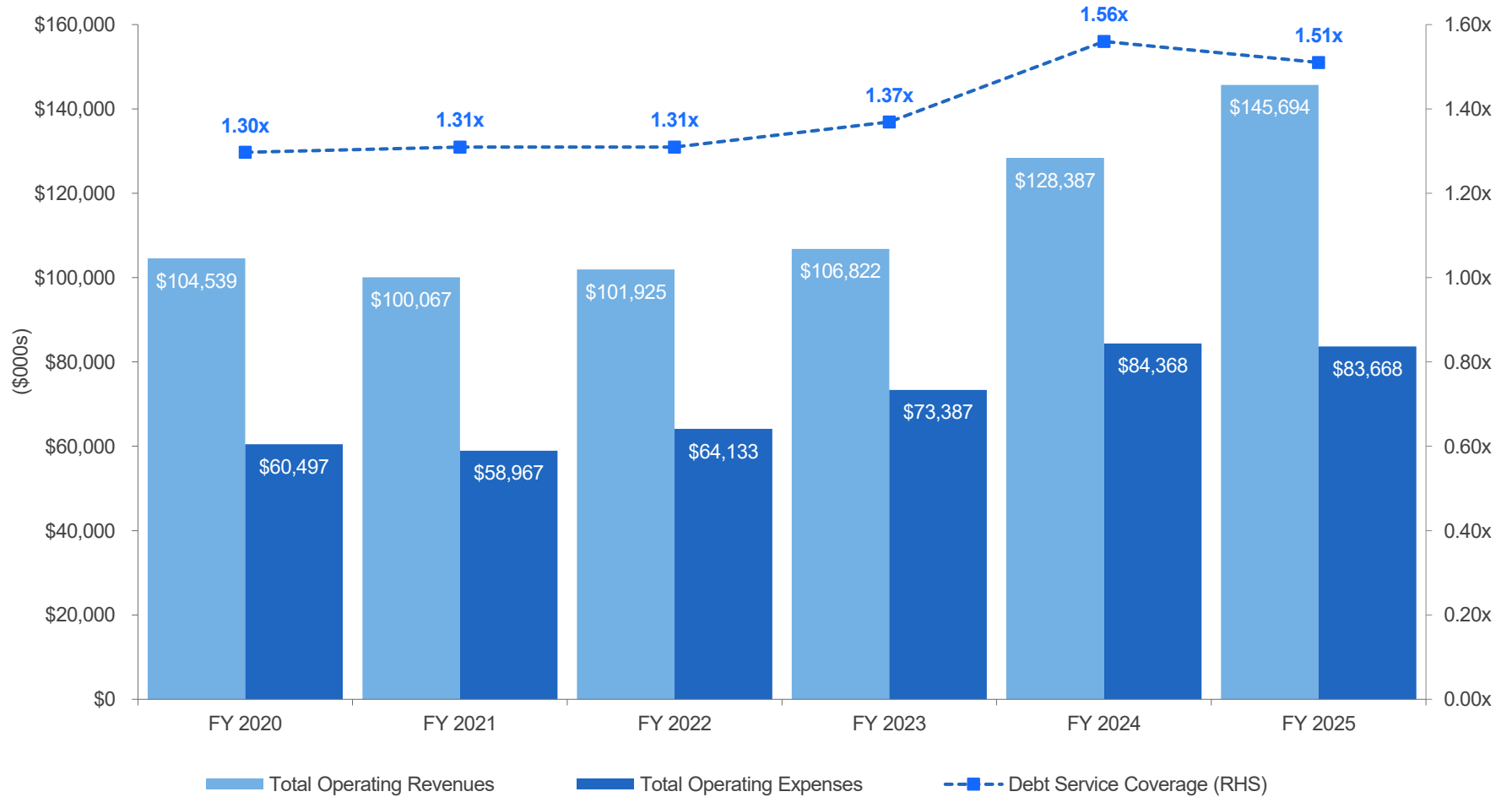
10 Largest Wastewater Customers for FY 2025			
		Annual Revenue	%
1.	U.S. Air Force (U.S. Dept. of Defense)	\$6,796,129	12.69%
2.	U.S. Navy (U.S. Dept. of Defense)	5,751,794	10.74%
3.	Guam Department of Education ¹	1,568,493	2.93%
4.	Tanota Development LLC	1,549,242	2.89%
5.	Outrigger Guam Resort	1,328,298	2.48%
6.	Guam Power Authority	1,307,741	2.44%
7.	Hotels of the Marianas Inc.	1,297,461	2.42%
8.	Hotel Nikko Guam	975,127	1.82%
9.	Hyatt Regency Guam	906,322	1.69%
10.	Pacific Islands Club	865,225	1.62%
Total²		\$22,345,833	41.72%



Source: GWA FY 2025 unaudited financials.
 1. Includes all 41 public schools and administrative and support facilities. 2. Total may reflect rounding.

Historical Operating Revenues & Expenses

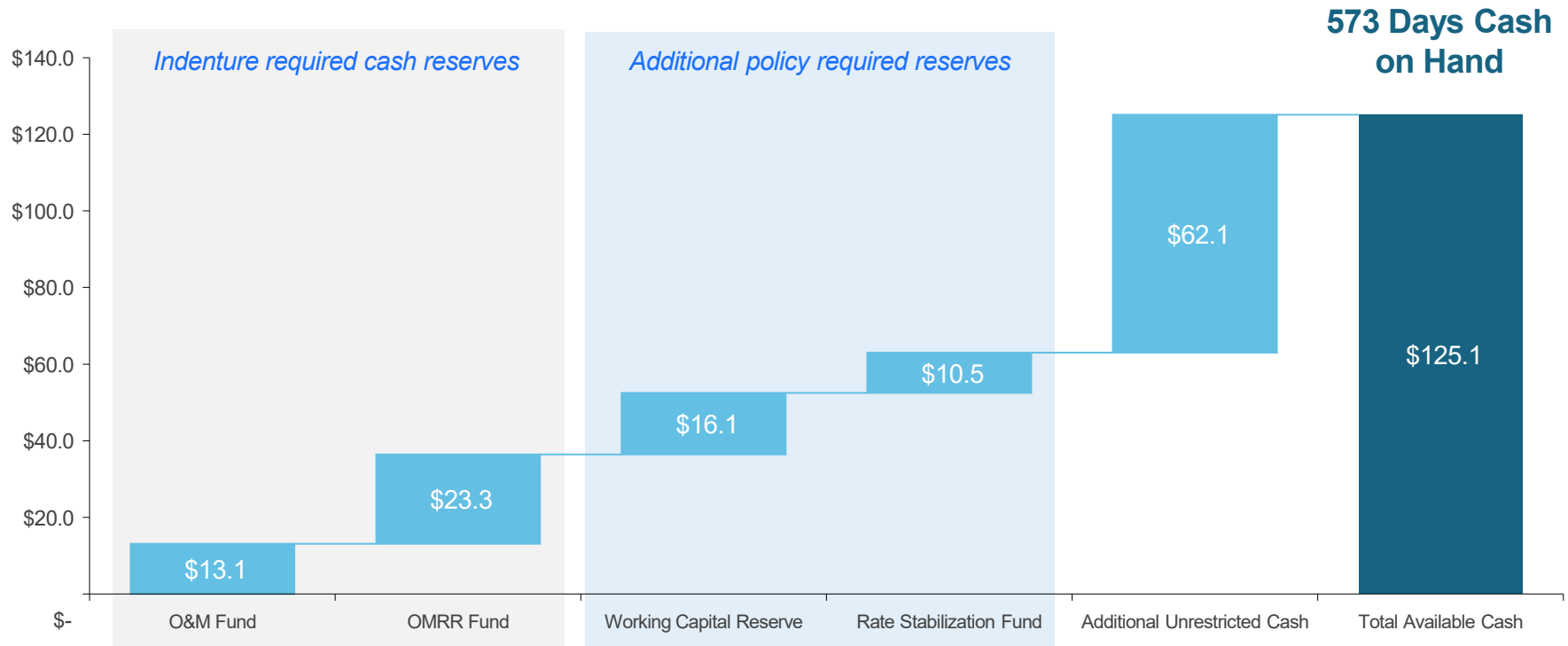
GWA's operating revenues have grown faster than operating expenses, providing robust debt service coverage.



Source: FY 2025 numbers based on unaudited financials; FY 2020-24 numbers based on audited financial statements.

GWA Cash Reserves and Liquidity

As of March 2026, excluding Bond Reserve Fund, GWA has \$125.1 million or approximately 573 days cash on hand, reflecting strong liquidity position.



In March 2020, the CCU implemented a new policy of maintaining 120 days of Operating and Maintenance Expenses in cash reserves.

Source: GWA monthly reports; total available cash does not include the \$60.839 million held in the Bond Reserve Fund.
OMRR Fund: Operation, Maintenance, Renewal and Replacement Fund.

On September 25, 2025, the PUC approved an 8.2% increase in base and non-lifeline rates for FY 2026, which was implemented on October 1, 2025; future rate increases are subject to annual true-up proceedings.

Water Rates

- Current structure: base charge by meter size plus tiered volumetric rate
- Modified Rate Design to add a third tier to residential rates (approved in principle by PUC)

Residential Rate Tiers:	Tier 1 (Lifeline Rate)	Tier 2	Tier 3
<i>Current:</i>	0–5,000 gallons	5,000+ gallons	N/A
<i>New PUC-Approved:</i>	0–3,000 gallons	3,001–10,000 gallons	10,000+ gallons

Wastewater Rates

- Current: flat rate for residential; 80% of water use for others
- Modified Rate Design (approved in principle by PUC)
 - Volumetric charge for all customers (based on 80% of water use)
 - Base charge by meter size for all classes

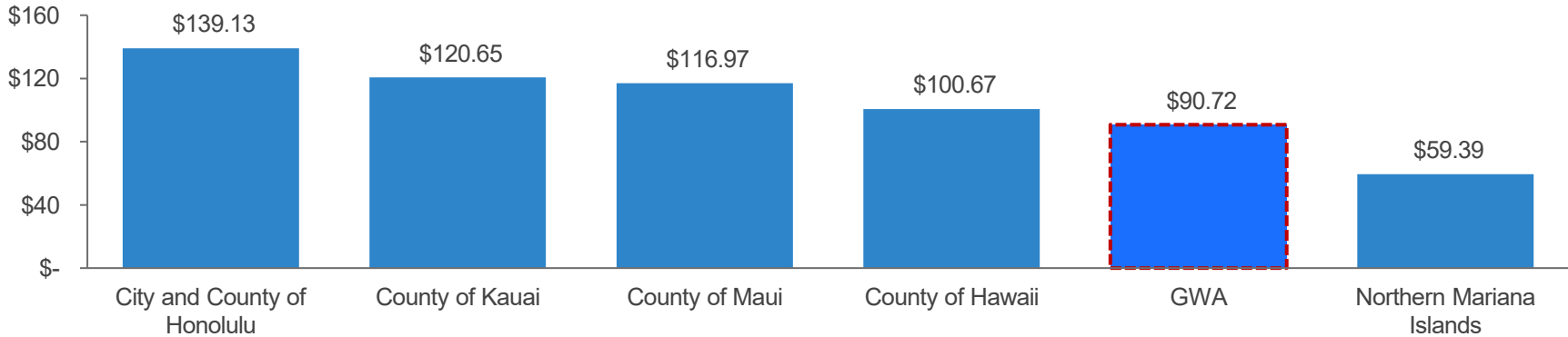
FY 2025-29 Financial Plan

- Base, lifeline and non-lifeline water and wastewater rate increase of 11.5% for FY 2025
- Base and non-lifeline water and wastewater rate increases of 8.2% for FY 2026
- Planned 7.75% increase in base and non-lifeline water and wastewater rates for FY 2027-29 subject to annual true-up proceedings

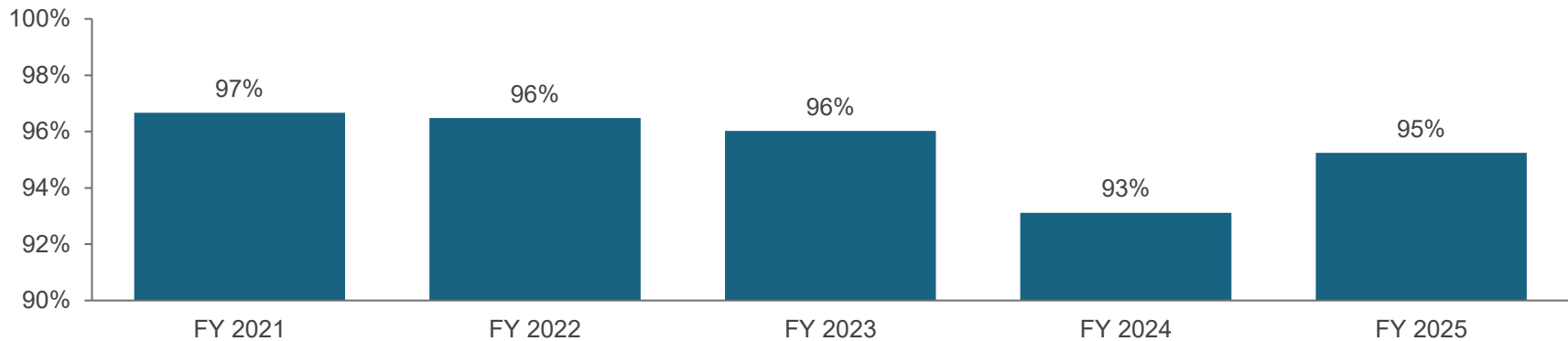


GWA's average monthly residential water and wastewater bill is in line with other comparable island utilities.

Typical Combined Monthly Water and Wastewater Bills for Residential Customers¹ (Based on 5,000 Gallons of Usage)



Customer Collection Ratio (Including System Development Charges)



Source: FY 2025 numbers based on unaudited financials; FY 2020-24 numbers based on audited financial statements.

¹ Based on available data from May 2025 as per Consultant's Feasibility Study as part of Series 2025A bond issuance; the Authority's data is based on FY 2025 rates.

GWA Pro Forma Operating Results and Coverage

GWA's rate adjustments under the FY 2025 – 2029 Financial Plan provides for strong coverage even with increases in annual debt service.

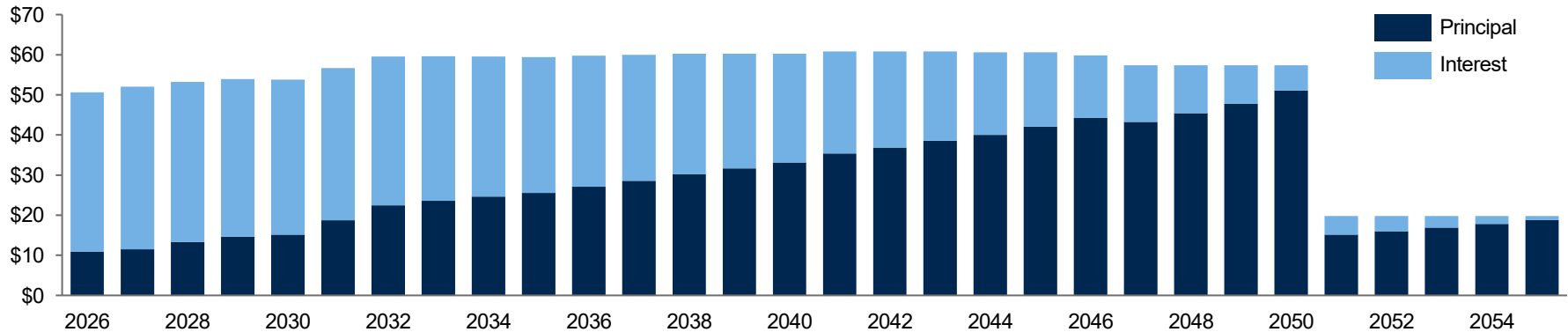
	Actuals (\$000s)	Projected (\$000s)			
	2025	2026	2027	2028	2029
Operating Revenues:					
Water Sales Revenues ⁽²⁾	\$91,423	\$97,235	\$104,703	\$111,554	\$120,423
Wastewater Revenues ⁽²⁾	53,562	52,913	56,855	65,185	70,368
Other Revenues ⁽³⁾	709	600	600	515	515
Total Operating Revenues	\$145,694	\$150,748	\$162,158	\$177,254	\$191,306
Operating Expenses:					
Water Purchases	\$7,421	\$7,140	\$7,358	\$6,958	\$6,958
Power Purchases	19,917	17,016	19,319	18,433	18,485
Salaries and Wages	31,680	36,783	39,259	39,977	41,435
Contractual ⁽⁴⁾	5,990	8,286	9,917	9,238	9,448
Retiree and Healthcare ⁽⁵⁾	4,565	4,775	4,840	4,903	5,054
Administrative and General ⁽⁶⁾	14,095	14,944	18,626	15,985	17,038
Total Operating Expenses	\$83,668	\$88,944	\$99,319	\$95,494	\$98,418
Net Operating Revenues					
Investment Income – Other Funds	\$64,888	\$63,547	\$72,684	\$82,925	\$94,052
Cost-of-Living Allowance	5,554	4,813	4,443	955	934
Other Adjustments ⁽⁷⁾	758	706	729	723	730
Other Adjustments ⁽⁷⁾	(3,181)	--	--	--	--
Rate Stabilization, Transfers From (To) ⁽⁸⁾	(9,500)	--	2,500	(6,000)	--
Capitalized Labor ⁽⁹⁾	3,502	4,083	4,358	5,197	5,386
Current Revenues Available for Debt Service	\$59,159	\$71,407	\$74,869	\$82,635	\$99,938
Indenture Debt Service Coverage Covenant⁽¹⁰⁾:					
Current Revenues Available for Debt Service	\$59,159	\$71,407	\$74,869	\$82,635	\$99,938
Senior Lien Debt Service ⁽¹¹⁾	39,280	50,680	57,562	57,321	71,402
Indenture Debt Service Coverage (1.25x)	1.51x	1.41x	1.30x	1.44x	1.40x

(1) FY 2025 presents unaudited results; projected results for Fiscal Years 2026-2027 are based on GWA's FY 2027 true-up filing; and projected results for Fiscal Years 2028-2029 are based on forecast presented in Series 2025 Bonds Consultant's Feasibility Study. (2) Includes legislative surcharges and excludes system development charges; authorized rate increases for Fiscal Years 2027-2029 are subject to change and are not final until approved by the PUC in the annual true-up proceedings. (3) "Other Revenue" items include revenues from illegal connections, installation fee, reconnection fee, and other miscellaneous revenue items; it excludes water and wastewater system development charges. (4) "Contractual" expenses include audit, meter reading and computer maintenance, engineering, legal, testing, program management fees, claims, insurance, training, advertising, building rental, equipment rental, regulatory and miscellaneous expenses, and other expenses. (5) Retiree and Healthcare expenses include medical, dental and life insurance costs, supplemental annuities, and cost of living allowance. (6) "Administrative and General" expenses include sludge removal, chemicals, materials and supplies, transportation expense, telephone, and communication and bad debt expense. (7) Includes adjustments for other post-employment benefits and costs related to the Core Tech litigation, which are excluded from coverage. (8) GWA transferred \$9.5 million into the Rate Stabilization Fund, which reduced coverage from 1.75x to 1.51x. (9) For purposes of calculating coverage, certain personnel costs related to the delivery of capital improvement projects are capitalized (deducted from O&M, which increases Current Revenues Available for Debt Service). (10) Represents the Authority's covenant to provide rates sufficient to ensure that its debt service coverage ratio equals at least 1.25x the aggregate annual debt service. Calculated based on Current Revenues Available for Debt Service divided by Senior Lien Debt Service (net of capitalized interest). (11) Includes existing debt service, forecasted debt service for additional bonds, and interest on short-term financing instruments.

Revenue Bonds Outstanding (Moody's: Baa2; S&P: A-)

Series	Dated Date	Tax Status	Final Maturity	Par Call Date	Callable Par Outstanding	Total Par Outstanding
2016	02/24/2016	Tax-Exempt	07/01/2046	07/01/2026	\$80,000,000	\$80,965,000
2017	12/20/2017	Tax-Exempt	07/01/2040	07/01/2027	49,825,000	55,175,000
2020A	06/04/2020	Tax-Exempt	01/01/2050	07/01/2030	134,000,000	134,000,000
2020B	08/26/2020	Taxable	07/01/2043	07/01/2030	24,345,000	125,835,000
2024A	04/02/2024	Tax-Exempt	01/01/2046	07/01/2034	95,270,000	130,615,000
2024B	04/02/2024	Tax-Exempt	07/01/2034	-	-	47,200,000
2025A	08/06/2025	Tax-Exempt	07/01/2055	07/01/2035	238,860,000	266,535,000
Total					\$622,300,000	840,325,000

Aggregate Debt Service (\$MM; FYE 9/30)



Proposed Future New Money Issuances*

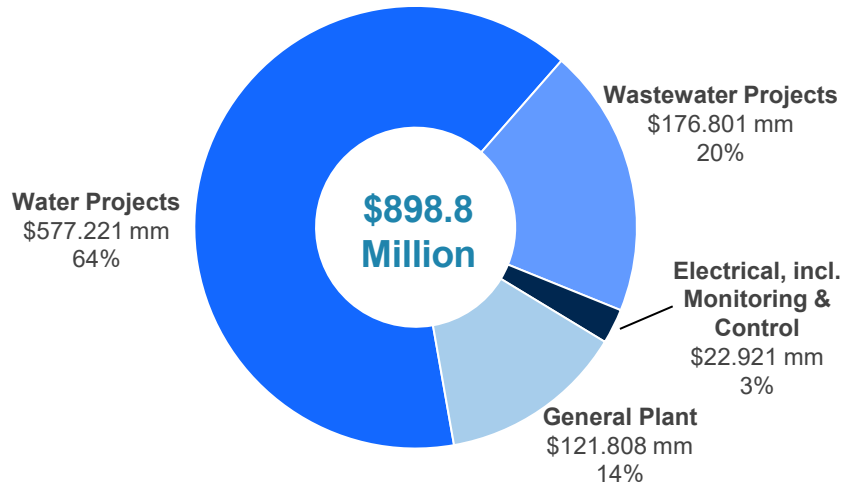
- **FY 2026 Financing:** \$100mm project fund proceeds
- **FY 2029 Financing:** \$265mm project fund proceeds

* Preliminary; subject to change
Reflects debt outstanding and credit ratings as of April 2026.

FY 2025 – FY 2029 Capital Improvement Program

GWA's Capital Improvement Plan totals \$898.8 million, funded through issuing revenue bonds, short-term financing, federal grants, internal revenues, and system development charges.

FY 2025 – 2029 Capital Improvement Plan ¹



Water Projects include water production, treatment, distribution and storage; Wastewater Projects include wastewater collection and treatment

Anticipated CIP Funding Sources (\$000) ¹

Revenue Bonds	\$515,000
Short-Term Funding	150,000
Future EPA Grants	102,488
Internally Funded CIP (PAYGO)	88,000
Interest Earnings	40,602
System Development Charge	3,750
Used (Unused) Reserves	(1,089)
Total	\$898,752

- The FY2025-2029 Five-Year Capital Improvement Program is a product of the 2024 Interim Water Resources Master Plan Update, encompassing:
 - Capital program requirements mandated under the 2024 Partial Consent Decree
 - Planning and engineering to address new federal regulations for emerging contaminants such as PFAS and select water tank projects
 - Water distribution projects essential for reducing water loss through pipe replacement and pressure management



¹ Projected financials as of FY 2025.

GWA and the U.S. EPA finalized a Partial Consent Decree, requiring GWA to make certain improvements to the system and to undertake certain planning measures by specific dates over the next ten years.

- The U.S. EPA filed a Clean Water Act complaint against GWA in January 2024 for NPDES permit violations, leading to a Partial Consent Decree signed in August 2024
- The decree mandates a 10-year compliance period focused on reducing sanitary sewer overflows through pipeline, pump station and operational upgrades
- GWA and U.S. EPA will also reengage in negotiations address unresolved claims including collection system improvements and Hagåtña plant secondary treatment upgrades, with a feasibility study due by 2031
- GWA must submit a feasibility study by 2031 for Hagåtña plant upgrades that addresses design options, alternative locations, and cost estimates
- **The 2025-2029 Capital Improvement Plan and rate plan incorporate the financial and operational requirements of the Partial Consent Decree**



GWA is Addressing PFAS in its Five-Year CIP

GWA's drinking water complies with current standards, though PFAS has been detected in isolated aquifer locations, which GWA is addressing through on-going design and planned construction contracts.

Collaboration with U.S. Navy

GWA and the U.S. Navy are jointly evaluating PFAS treatment technologies as part of their ongoing collaboration under the One-Guam Initiative

Emerging Contaminants

In addition to PFAS, GWA has implemented treatment to meet local regulation of Dieldrin, a pesticide compound, is installing GAC systems at three additional wells (*in construction*)

Addressed in Five-Year CIP

Approximately \$204.7 million, or 22.8% of GWA's 2025–2029 CIP, is allocated to PFAS and other emerging contaminant projects

Existing Wells

Two GWA wells (A-23/A-25) have been impacted by high PFAS levels (shut down in 2016) and a new treatment system is currently under construction.

Design Underway

GWA is currently undertaking design activities for PFAS treatment systems and plans to initiate construction very soon as part of its CIP

GWA Treatment Plans

GWA is constructing granular activated carbon (“GAC”) treatment systems at A-23/A-25 with operations expected to resume by 2026 (*under construction*).



GWA's District Metered Area (DMA) program is a targeted water loss reduction initiative that segments the island's water system into monitored zones to detect leaks, improve efficiency, and guide infrastructure investments. Recent water loss reporting to the Public Utilities Commission shows loss reductions in certain DMAs resulting in 17% to 28% less water production, but overall progress is still needed.

Foundation and Strategy

- A 2019 pilot program, which included installing master meters and conducting leak detection campaigns in three isolated areas, saw significant reductions in water loss
- A 2021 study by GWA recommended implementing 36 District Metered Areas (DMAs) with a permanent leak detection program



Implementation Progress

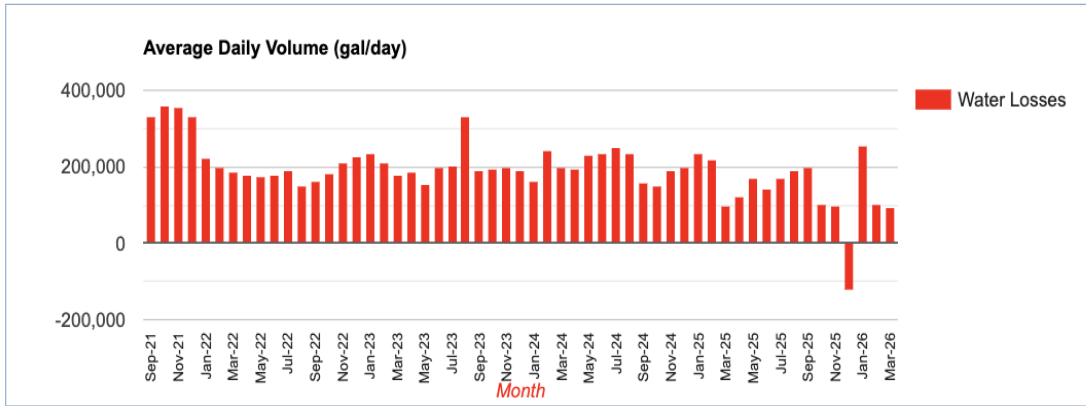
- GWA has established monitoring in 21 of 36 DMAs with plans to complete monitoring in the remaining 15 DMAs by 2028
- Design of additional DMAs is nearly completed, and construction will be established through existing capital improvement projects (e.g., Pressure Zone Realignment program) or new construction contracts

Technology and Capital Alignment

- GWA is also moving to Advance Metering Infrastructure ('AMI') for improved billing efficiency and real-time consumption visibility – initial pilot testing underway
- Data shows most leaks occur in aging small-diameter service laterals, prompting GWA to prioritize water line replacement in its 2025-2029 CIP

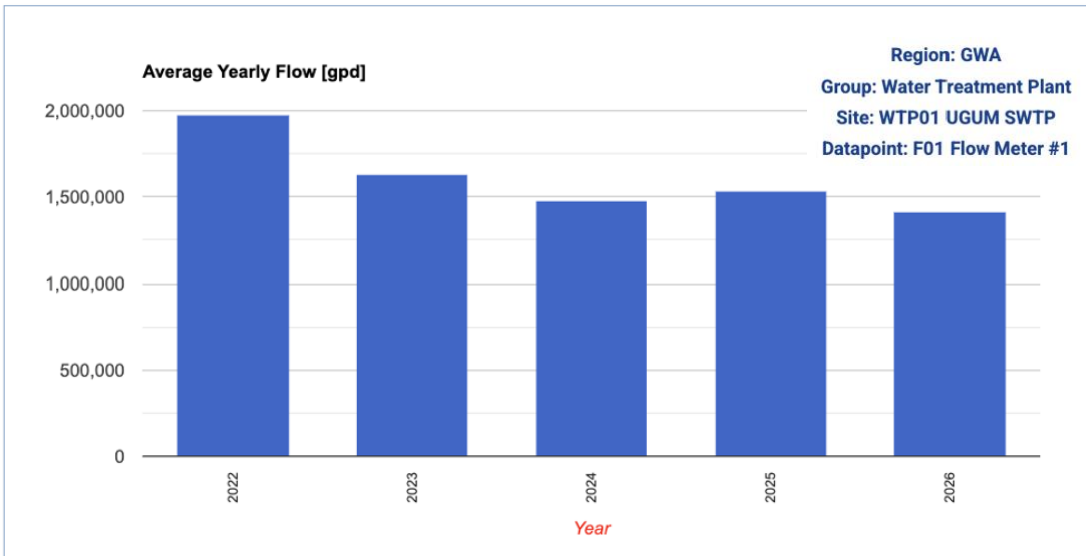
Proactive Leak Detection & DMAs Yields Encouraging Results

GWA's Water Loss Control Program utilizes multiple and recurring proactive leak detection campaigns within established DMAs to identify and repair leaks to reduce losses. The resulting field data and analysis indicates temporary gains in loss reduction because smaller diameter service piping has exceeded its useful life.



Intermittent Progress At Mataguac DMA

- Sawtooth pattern shows reduced losses after repairs, with increases as more leaks develop
- Overall trend from initial monitoring to current is a reduction of losses from ~350 kgal/day to about 100 kgal/day in this DMA



Sustained Progress at Ugum WTP & Southern DMAs

- Multiple LD campaigns in southern DMAs resulted in repairs of major undetected leaks
- Reductions in losses allowed for reduced Average Annual Production from ~2 Mgal/day in 2022 to under 1.5 Mgal/day in 2026

GWA is actively managing legal matters related to the Core Tech property dispute and dieldrin contamination claims, with no material impact anticipated on financial stability.

Core Tech Litigation

- **Dispute Overview:** The Government of Guam initiated litigation against Core Tech International (CTI) in 2018 to rescind land titles for the Northern District Wastewater Treatment Plant property, claiming erroneous issuance
- **GWA's Position:** GWA intervened asserting ownership based on continuous operation since 1979 and a 1997 grant deed
- **CTI's Counterclaims:** CTI seeks \$220 million for inverse condemnation, trespass, and encroachment, claiming an automatic reversion clause transferred the property to them
- **Lower Court Rulings:** The Guam Superior Court ruled in CTI's favor in 2023-2024. Supreme Court of Guam granted GWA's interlocutory appeal in January 2025
- **Supreme Court of Guam:** Briefing concluded July 2025, oral arguments were in August 2025. Lower court proceedings stayed pending Supreme Court decision (likely in 2026)

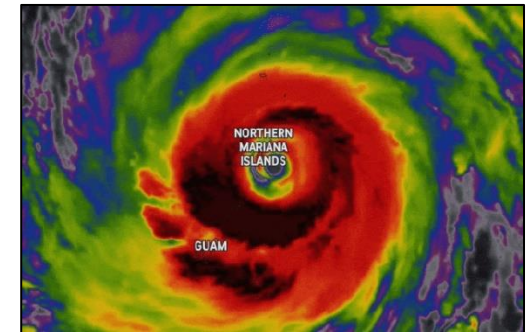
Dieldrin Claims and Response

- **Legacy Context:** Dieldrin is a well-documented legacy pesticide whose presence in Guam's groundwater has been monitored for years through routine oversight
- **Event Response:** GWA issued a precautionary advisory in September 2025 after limited wells exceeded local limits, consistent with conservative public health protocols
- **Litigation Status:** Administrative claims filed in January 2026 remain under statutory review. No lawsuits have been initiated to date
- **Limited Exposure:** Contamination is isolated to select wells with no systemwide water quality issues or service disruptions reported
- **Proactive Mitigation:** GWA is deploying Granular Activated Carbon filtration systems and operational enhancements to maintain long-term regulatory compliance

Super Typhoon Sinlaku: System Impacts and Response

In the aftermath of Super Typhoon Sinlaku, GWA is focused on maintaining service continuity while assessing storm-related impacts and coordinating recovery efforts.

- *Super Typhoon Sinlaku affected Guam from April 14th through April 15th, 2026, with the closest approach on the afternoon of April 14th*
- *At peak intensity, Sinlaku reached maximum sustained winds of over 170 mph over the western Pacific, although Guam experienced tropical-storm-force conditions rather than a direct eyewall strike*
- **Infrastructure and Damage Assessment:** Preliminary assessments show minimal damage, primarily confined to wastewater treatment facilities. Full assessments are underway
- **Water and Power Restoration:** GWA is coordinating with GPA to maintain well operations using island-wide power or emergency generators. Approximately 75% of wells maintained constant production post-storm, with efforts underway to restore the remaining. Water tankers are deployed to areas with isolated outages due to reduced reservoir levels
- **Operational Continuity:** There are no constraints on operations personnel reporting for duty. All facilities remain open and functional and to date no reported supply chain constraints
- **FEMA Reimbursement:** FEMA personnel are coordinating closely with GWA to expedite reimbursements. Typhoon Mawar Category B (Emergency Protective Measures) expenses were recently approved and await Guam Homeland review, with reimbursement expected shortly. Category F (Repair or Replacement of Utilities) expenses are subject to a year-end completion deadline; GWA is actively working with FEMA to secure project approvals within this timeframe. GWA maintains a strong working relationship with FEMA and a successful track record of securing funding



Source: Snapshot from AccuWeather



Appendix



Miguel C. Bordallo, P.E.
General Manager

GWA Experience

- General Manager of GWA since January 2016

Prior Experience

- Duenas, Bordallo & Associates, Vice President & Principal Mechanical Engineer
- Bordallo Consulting Engineers, Principal Engineer

Professional Organization Involvement

- American Water Works Association – Western Pacific Subsection, Member
- Water Environment Federation – Member
- International Water Association - Member
- Guam Society of Professional Engineers (“GSPE”), National Delegate (former) and (former) President
- GSPE Engineering Advisory Council, Founder

Education & Certifications

- B.S. in Mechanical Engineering from Marquette University
- Registered Professional Engineer



Taling Taitano, CPA
Chief Financial Officer

GWA Experience

- Chief Financial Officer of GWA since September 2019

Prior Experience

- Guam Department of Education, Deputy Superintendent of Finance and Administrative Services
- Deloitte & Touche, Partner
- Guam Housing & Urban Renewal Authority, Executive Director
- Bank of Guam, Vice President/Chief Financial Officer
- StayWell Insurance, Inc., Chief Financial Officer
- Guam Department of Commerce, Deputy Director

Professional Organization Involvement

- Guam Board of Accountancy
- Guam Society of Certified Public Accountants
- Association of Government Accountants

Education & Certifications

- B.A. in Business Administration from the University of Hawaii at Manoa
- Certified Public Accountant, Chartered Global Management Accountant & Certified Government Financial Manager

Questions & Answers

