



GUAM POWER AUTHORITY

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Issues for Decision

Resolution No. FY2025-09

Relative to Authorizing GPA to Build a Grant-Funded New Medical Campus Line Extension and Related Power Infrastructure

What is the project's objective? Is it necessary and urgent?

GPA will contract for the construction of an electrical substation and underground power lines to service the new Mangilao Medical Campus (MMC), as well as the surrounding community. This electrical infrastructure project is necessary to address the anticipated needs of the new medical complex, as well as the growing needs of GPA's customers in the Mangilao area. Since by law project funds must be spent by December 31, 2026, time is of the essence.

Where is the location?

The electrical infrastructure project will be built on a 2-acre parcel of land, part of a larger property purchased by the Guam Housing and Urban Renewal Authority (GHURA) and now owned by the government of Guam. The 2-acre lot will be transferred in fee simple to GPA after GHURA re-zones the entire property for public facilities use.

How much will it cost?

A total of \$35,448,983.87 is available for expenditures incurred to December 31, 2026. Because this sum is obligated for this project only and the Governor has no other eligible projects, it cannot be reprogrammed to another project. GPA has a rare opportunity here to use federal grant monies to build a much-needed substation with underground transmission lines that will benefit not only the new medical complex but also other stakeholders in the area, including educational facilities, businesses, and homes.

When will it be completed?

GPA anticipates the project will be completed by December 31, 2026.

What is its funding source?

Guam Economic Development Authority (GEDA), as subgrantor, will direct Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to GPA, as subgrantee, through a subgrant agreement of grant monies awarded to Guam through the American Rescue Plan Act (ARPA) in 2022.

The IFB/BID responses:

GPA expects to issue two or three solicitations to complete the various components of the project. The first invitation for bids, for design and construction of the new Mangilao substation, has been prepared. The preparation of further solicitation(s) for other necessary work is underway.



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GPA RESOLUTION NO. FY2025-09

RELATIVE TO AUTHORIZING GPA TO BUILD A GRANT-FUNDED NEW MEDICAL CAMPUS LINE EXTENSION AND RELATED POWER INFRASTRUCTURE

WHEREAS, on March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President, and section 9901 of ARPA amended Title VI of the Social Security Act to add section 602, which established the Coronavirus State Fiscal Recovery Fund, and section 603, which established the Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, which is intended to provide support to State, territorial, local, and Tribal governments (recipients) in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses; and

WHEREAS, section 602(c)(1) and 603(c)(2) provide that an award of SLFRF funds may be used by the recipient to exercise substantial discretion to use the award funds in the ways that best suit the needs of their constituents, as long as such uses fit into one of the seven statutory categories, including responding to the COVID-19 public health emergency or its negative economic impacts; and

WHEREAS, the Department of the Treasury notified the Governor of Guam in 2022 of an award of ARPA funding, of which the Governor set aside the amount of \$104,843,733.97 for the Mangilao Medical Campus (MMC) Project, which will respond to the COVID-19 public health emergency or its negative economic impacts; and

WHEREAS, sections 602(c)(3) and 603(c)(3) authorize a local government recipient to transfer SLFRF monies to a number of entities specified in a non-exclusive list, including a special-purpose unit of state or local government, and the 2022 Final Rule interpreting SLFRF, 31 CFR Part 35, clarifies that a recipient may transfer funds to any entity to carry out, as a subrecipient, an eligible activity on behalf of the SLFRF recipient, as long as they comply with the SLFRF Award Terms and Conditions and other applicable requirements; and



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1
2 **WHEREAS**, the Governor has designated the Guam Economic Development Authority
3 (GEDA), a public non-profit corporation, as subrecipient or subgrantor to administer the ARPA
4 grant for the MMC Project pursuant to GEDA's authority under section 50103 of Title 12 of the
5 Guam Code Annotated, and

6
7 **WHEREAS**, GEDA has prepared a subgrant agreement with the Guam Power Authority
8 (GPA) through which GEDA will subaward the subgrant agreement amount of \$35,448,983.87 in
9 SLFRF funds to GPA as subgrantee to provide funding for the installation of power infrastructure
10 to support the MMC Project; and

11
12 **WHEREAS**, GPA is a public corporation established and existing under the laws of Guam
13 with the authority under section 8104(a) of Title 12 of the Guam Code Annotated to generate,
14 transmit, distribute, sell and exchange electric power on Guam; and

15
16 **WHEREAS**, the Consolidated Commission on Utilities (CCU), pursuant to section 8107
17 of Title 12 of the Guam Code Annotated, has plenary authority over financial, contractual, and
18 policy matters relative to the Guam Power Authority (GPA); and

19
20 **WHEREAS**, the MMC Project does not use public funds appropriated by I Liheslatura
21 (the Guam Legislature) and therefore does not implicate section 14110 or section 14117 of Title 4
22 of the Guam Code Annotated (governing violations of appropriations and transfer by accountable
23 or certifying officers); and

24
25 **WHEREAS**, the Guam Housing and Urban Renewal Authority (GHURA) is the owner of
26 the property where the MMC Project will be constructed, has agreed to have the property rezoned
27 for public facilities use, and has agreed to transfer a two-acre portion of the property in fee simple
28 to GPA, upon which GPA will construct an electrical substation; and



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1 **WHEREAS**, GPA will survey the property and provide a map of the property to GHURA
2 to facilitate the transfer; and

3
4 **WHEREAS**, the Governor has pledged that the government of Guam will assist GPA in
5 expediting any necessary permits for GPA's part of the MMC Project; and

6
7 **WHEREAS**, the MMC Project is located in Mangilao, an area which has grown over the
8 years and is expected to grow substantially more over the next few years, and GPA has been
9 working to address power quality issues in the Mangilao area including searching for land to site
10 a substation in order to address the need; and

11
12 **WHEREAS**, the new electrical infrastructure for the MMC Project will not only provide
13 reliable energy to the MMC but will also have the benefit of improving power quality and
14 expansion capacity in Mangilao and adjacent vicinities for the foreseeable future, by giving GPA
15 the opportunity to fund a much-needed new substation in Mangilao and meet the growing needs
16 of its ratepayers in the area; and

17
18 **WHEREAS**, the location of the substation at the MMC in Mangilao with underground
19 transmission lines will also service educational institutions including the Guam Community
20 College, George Washington High School, Price Elementary School and the University of Guam,
21 as well as the general community within the area, and will assist with faster recoveries after natural
22 disasters; and

23
24 **WHEREAS**, GPA must move quickly and efficiently to ensure that the grant funds are
25 expended by December 31, 2026, as required by law; and

26
27 **WHEREAS**, GPA has already prepared the Invitation for Bid for design and construction
28 of the new Mangilao substation, and further solicitation(s) for other necessary work are ongoing.
29



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NOW, THEREFORE BE IT RESOLVED, by the Consolidated Commission on Utilities, it hereby does approve and authorize the following:

1. The CCU authorizes the GPA General Manager sign the subgrant agreement between GEDA as subgrantor and GPA as subgrantee for SLFRF funds in the amount of \$35,448,983.87 to provide funding for the installation of power infrastructure to support the MMC Project.
2. The CCU authorizes GPA to proceed under paragraph 2 of the Guam Public Utilities Commission's Contract Review Protocol for GPA for the procurement for design and construction of the new Mangilao substation and related work.

NOW, THEREFORE BE IT RESOLVED, that the Chairman certifies and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED AND APPROVED THIS 25th DAY OF FEBRUARY 2025.

Certified by:

Attested by:

FRANCIS E. SANTOS

Chairperson

Consolidated Commission on Utilities

MELVIN DUENAS

Secretary

Consolidated Commission on Utilities

I, Melvin Duenas, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by my signature above do certify as follows:

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

Ayes: _____



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Nays: _____
Absent: _____
Abstain: _____



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Interagency Agreement – DOA & GEDA

On 12/27/24, DOA and GEDA entered into an interagency agreement to provide American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) funding in the amount of \$104,843,733.97 for the purpose of building the initial infrastructure for the new Mangilao Medical Campus (MMC). This agreement permits GEDA to award subgrants to further its stated purpose.

SUMMARY

GovGuam Subgrant Agreement – GEDA & GPA

- GEDA obligates and awards to GPA ARPA SLFRF grant funds in the amount of \$35,448,983.97 through a subgrant agreement between GEDA as subgrantor and GPA as subgrantee.

Purpose

- To build electrical power infrastructure to service the MMC, specifically, an indoor substation, new underground transmission lines, and a dedicated underground distribution line and back-up tie-in.

Agreement Term

- Performance is to begin as soon as possible after agreement signed.
- Funds must be expended by December 31, 2026, the Fund Expenditure End Date.

Early Termination

- GEDA may terminate the agreement in the public interest in whole or in part by providing at least 90 days' written notice to GPA.
- If so, GEDA's payments to GPA must add up to the percentage of the total funding corresponding to the percentage of work GPA has completed.
- GEDA has discretion to cover GPA's other out-of-pocket expenses (federal rules apply).
- GPA may request termination. If allowed, GPA must return advance payments, if any.

Payments

- GPA submits invoice to GEDA.
- GEDA pays invoice within 21 days after receipt.
- GEDA pays GPA's allowable costs which are reasonable and necessary to accomplish the project and equal to the actual net cost to GPA.

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- "GEDA's obligation to pay GPA shall be contingent upon such [SLFRF] funding continuing to be made available for payment."
- The federal government may disallow costs and claw back funds based on audit or review within the record retention period (5 years after close-out).
- GPA must close-out the project within 30 days after December 31, 2026.

Reports

- GPA must submit quarterly progress and performance reports.
- Final reports are due within 30 days after December 31, 2026.

Insurance

- GPA shall ensure that each subcontractor obtains and maintains workers compensation, general liability, and automobile liability insurance.

Disputes

- The parties will try to resolve disputes at the agency level.
- Disputes that cannot be resolved by the agencies shall be referred to the Office of the Governor for resolution.

Modification

- Permitted by GEDA if accepted by GPA.
- Permitted by the parties by formal amendment.

Work Tasks and Deliverables

GPA agrees to do the following:

- Develop a project strategy for efficient completion of the work
- Procure necessary professional and construction services
- Organize the assistance of other GovGuam agencies through MOUs
- Oversee all activities to ensure consistency with subgrant agreement
- Process invoices for payment
- Lead public communication efforts in coordination with GEDA and the Office of the Governor
- Communicate with Guam regulatory and inspection agencies
- Oversee the budget against project completion
- Coordinate the preparation of periodic reports
- Design and build MMC electrical power infrastructure:
 - Power substation
 - Power tie-ins from GU-15
 - Transmission lines that intercept Barrigada-Pulantat for aboveground transmission lines

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- Dedicated feeder serving the new hospital
- Additional circuit utilized for backfeed capabilities
- Any other necessary electrical facilities.

GEDA agrees to do the following:

- Finance, acquire, construct, reconstruct, rehabilitate, or improve hospital facilities to serve the general public.
- Subaward grant funds to GPA to complete the initial phase of the MMC project.
- Prepare an Environmental Condition of Property report.