

CITIZEN-CENTRIC REPORT

FISCAL YEAR 2024

October 2023 - September 2024



The Commonwealth Utilities Corporation (CUC) is an independent agency that is self-funded and regulated by the Commonwealth Public Utilities Commission (CPUC) operating on the islands of Saipan, Tinian, and Rota.

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Locales of Responsibility

There are 14 islands within the Commonwealth of the Northern Mariana Islands (CNMI). CUC is responsible for providing power, water, and wastewater services to the three (3) main islands of Saipan, Tinian, and Rota. Currently, Saipan is the only island where CUC provides wastewater treatment services.

Our Mission

CUC is dedicated to excellent customer service and providing reliable, environmentally sensitive and effective power, water and wastewater services for the people of the CNMI at the lowest reasonable cost while ensuring the safety of our employees and the community.

Our Vision

Fostering excellence and trust, CUC aspires to be a leading utility by prioritizing customer service, environmental stewardship, and stakeholder value. This will be achieved through strategic planning, cutting-edge technology, and effective communication, while also recognizing and rewarding commitment, development, and fairness.

Organizational Structure

The culture of CUC is shaped by a leadership team of professional experts committed to delivering exceptional service quality, fostering a warm and receptive customer experience, maintaining outstanding communication, and understanding that the value of CUC's services justifies the monthly fees it charges.



CUC Tinian

Customer Demographics



	Electric	Water	Wastewater
Residential	11,803	9,489	2,762
Commercial	3,153	1,831	1,117
Government	799	386	164
TOTAL	15,755	11,706	4,043



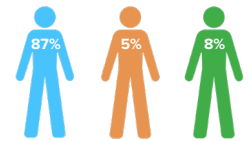
	Electric	Water
Residential	735	695
Commercial	184	120
Government	95	57
TOTAL	1,014	872



	Electric	Water
Residential	696	694
Commercial	172	97
Government	85	70
TOTAL	953	861

Total No. of Employees

Saipan	398
Tinian	24
Rota	36



Executive Director's Message

As we reflect on the past year at CUC, I am proud to share the strides we have made in advancing our commitment to the community and enhancing service delivery across the Commonwealth of the Northern Mariana Islands (CNMI). Fiscal Year 2024 has been marked by progress in upgrading CUC's infrastructure, ensuring reliable power, water, and wastewater services, while diversifying our energy portfolio.

Looking ahead, our focus remains steadfast on innovation, sustainability, and customer satisfaction. We continue to leverage technology to improve operational efficiency, embrace renewable energy solutions, and empower our workforce to meet the evolving needs of our customers. With gratitude to our dedicated team and the unwavering support of the community, CUC is poised to build upon these achievements and lead the way toward a more sustainable and resilient future for all.

Corporate Core Values

Core values are tied to work performance, commitment to professionalism, practiced daily, promoted without compromise, and communicated through action.

Priority | Objectives

- Safety** Assuring every employee is trained, has the tools to perform, and understands their role.
- Respect** Treating everyone fairly, honorably, and non-judgementally
- Teamwork** Sharing a common vision, looking out for each other, operating transparently, and working together as one team toward common goals
- Excellence** Striving to provide quality services to our customers by producing a high-value product and consistently meeting our production targets.
- Accountability** Being a responsible steward of critical services, long-lived infrastructure, and protector of a well-meaning and well-trained pool of professional employees.
- Integrity** Being accountable for our actions, ethical and transparent, and honest in everything we do.
- Communication** Open and transparent communication at all levels of the organization that is constructive and distributed out to our customers, Board of Directors (BOD), business partners and the community at large.

Board of Directors

Janice Ada Tenorio, Chairwoman
Donald Robert Browne, Vice Chairman
Allen Michael Perez, Secretary
Rufo T. Mafnas, Treasurer

Simon A. Sanchez, Member
Rebecca C. White, Member
Valerie M. Atalig, Member
Francisco M. Rabauliman, Member

Management

Kevin O. Watson, MPA, Executive Director
Rodolfo Steven Rodriguez, Acting Deputy Executive Director
Bettina G. Terlaje, Chief Financial Officer
Alvin A. King, Resident Manager, Rota
Evelyn B. Manglona, Resident Manager, Tinian



@CommonwealthUtilitiesCorporation



OUR PROGRESS



Administration

The CUC Administration strengthened its leadership team with the hiring of both the Executive Director and Chief Financial Officer. With these key positions now filled, CUC is well-positioned to continue delivering reliable power, water, and wastewater services to the Commonwealth. CUC is also actively collaborating with federal and local counterparts to upgrade infrastructure and enhance service delivery. The CUC Board of Directors (BOD) further demonstrated their support for the CUC management team with the approval of the Procurement Regulations update and is currently in the promulgation process, further strengthening the organization's operations.

CUC is enhancing its technological capabilities by strengthening cybersecurity, digitizing workflows, and improving operational efficiency through initiatives such as advanced security protocols, electronic signatures via Laserfiche, and the upcoming launch of the Computerized Maintenance Management System (CMMS). CUC is streamlining processes, improving asset management, and ensuring the reliability of its services.

Power Generation

In FY 2022, CUC procured a new 8.7MW generator, marking the first unit purchase for the Saipan Power Plant No. 1 since its inception. Despite setbacks in the installation, testing and commissioning are scheduled for the first quarter of FY 2025. Furthermore, CUC experienced diesel engine failures at the Saipan Power Plant No. 1 and Rota Power Plant, prompting the issuance of a Request for Proposal to acquire new gensets and enhancing generating reserve capacity for both islands.

In the first quarter of FY 2024, CUC assumed control of the Tinian Power Plant following its turnover from an independent power producer. This acquisition required an increase in staff to manage the plant and power distribution system.

CUC remains committed to its long-term energy goal of integrating renewable energy, aligning with the CNMI government's target of 100% renewable energy by 2045. In collaboration with the U.S. Department of the Interior-Office of Insular Affairs (DOI-OIA), U.S. Department of Energy (DOE), U.S. Federal Emergency Management Agency (FEMA), and the CNMI government, CUC continues to secure funding for energy-related projects to meet this goal.

Power Transmission and Distribution (T&D)

CUC continues its efforts to enhance the power transmission and distribution systems across Saipan, Tinian, and Rota. As part of this initiative, CUC has completed designs to replace wooden power poles with more resilient, concrete poles on Tinian and Rota through the Hazard Mitigation Grant Program (HMGP). Furthermore, CUC awarded the design contract for the CUC to CHCC Underground Distribution project, also funded by the HGMP. The design is expected to be completed by the third quarter of FY 2025.

CUC secured \$3.365 million from the U.S. DOE's Grid Resiliency and Modernization Grant Program. These funds will be used to upgrade the power distribution systems in the CNMI, as part of CUC's mission to modernize and strengthen its grid. These upgrades will support the integration of renewable energy and battery storage systems while mitigating impacts of future natural disasters.

Water and Wastewater

CUC continues diligently to work with the U.S. Environmental Protection Agency (EPA) and the Department of Justice (DOJ) to fulfill the requirements of Stipulated Order No. 1 (SO1). CUC has completed 61 of the original 69 SO1 items, with the remaining eight (8) items considered by EPA to be in various states of non-completion or in need of updates.

The Sustainable Water Infrastructure Management Strategy (SWIMS) program, initiated in FY 2022, is making continuous improvements toward meeting the goal of reducing the non-revenue water (NRW) percentage to acceptable industry standards of 30%.

Additionally, CUC is committed to the goal of providing safe and palatable drinking water to every tap for the people of the CNMI. CUC plans to utilize the \$21 million in grant funds from the Bipartisan Infrastructure Law (BIL) over the next five (5) years to help achieve this goal and continue to improve the wastewater collections and treatment systems.



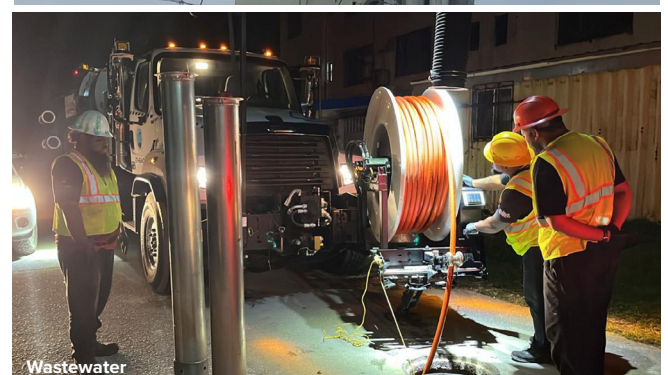
Administration



Power Generation



Power Transmission & Distribution



Wastewater



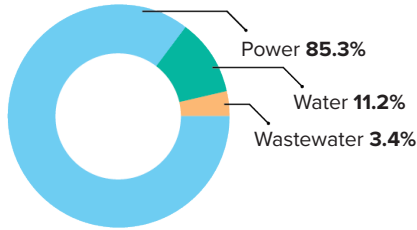


OUR FINANCES



(Unaudited figures for FY 2024)

OPERATING REVENUE



Power	\$ 91,028,940
Water	\$ 11,966,145
Wastewater	\$ 3,661,351
TOTAL	\$ 106,656,436



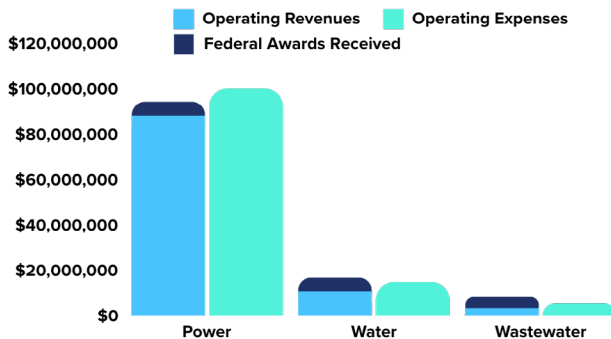
Federal Awards Received for FY 2024

	Power	Water	Wastewater	TOTAL
	\$ 1,998,142	\$ 5,130,697	\$ 6,023,090	\$ 13,151,929

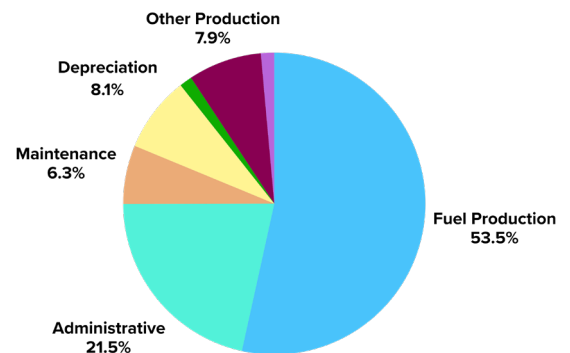
OPERATING EXPENSES

	Power	Water	Wastewater	TOTAL
Fuel Production	\$ 64,551,049	-	-	\$ 64,551,049
General and Administrative	\$ 19,151,311	\$ 5,639,918	\$ 1,179,242	\$ 25,970,471
Maintenance	\$ 5,110,124	\$ 1,668,380	\$ 820,956	\$ 7,599,460
Depreciation	\$ 4,842,156	\$ 2,561,812	\$ 2,376,105	\$ 9,780,073
Amortization	\$ 9,010	-	-	\$ 9,010
Supplies	\$ 716,184	\$ 728,793	\$ 182,898	\$ 1,627,875
Other Production	\$ 4,384,199	\$ 4,073,400	\$ 1,050,418	\$ 9,508,017
Other	\$ 1,469,606	\$ 193,186	\$ 59,110	\$ 1,721,902
TOTAL	\$ 100,233,639	\$ 14,865,489	\$ 5,668,729	\$ 120,767,857

EXPENSES AND REVENUES



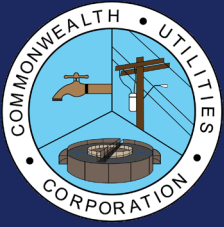
OPERATING EXPENSES



FUNDING SOURCES (FY 2018 TO 2024)

Environmental Protection Agency (EPA)	\$ 92,543,257
Economic Development Administration (EDA) and CNMI Capital Improvement Program (CIP)	\$ 2,158,020
American Rescue Plan Act (ARPA)	\$ 14,910,819
U.S. Department of the Interior Office of Insular Affairs (DOI-OIA)	\$ 9,459,927
Hazard Mitigation Grant Program (HMGP)	\$ 2,673,133
TOTAL	\$ 121,745,156





PROGRESSING FORWARD



The **Commonwealth Utilities Corporation (CUC)** has taken measures to improve the corporation's reliability to provide essential power, water, and wastewater services by securing funds or in the process of securing funds for major infrastructure projects as listed below:

POWER GENERATION AND TRANSMISSION & DISTRIBUTION

- Replacement of one (1) baseload genset at Power Plant No. 1 (8.7 MW) on Saipan is ongoing and is anticipated to be completed by the first quarter of FY 2025.
- Replacement of two (2) gensets at Power Plant No. 4 (5-6 MW) on Saipan is in the procurement phase.
- Update of the CUC Integrated Resource Plan for diversifying CUC's energy generation portfolio near completion.
- Design for a new CUC headquarters and a Customer Care Center on Saipan with roof top solar PV is underway.
- CUC signed the Blue Planet Alliance agreement to achieve 100% Renewable Energy by 2045.
- The initial stages, involving property acquisition, for a 20MW utility-owned grid solar system was acquired, with additional properties pending.
- The DOE Grid Modernization and Resiliency Projects (SMART Grid Program) are underway with an approximate budget of \$3.365 million awarded.
- The underground power supply from Power Plant No. 1 to the Commonwealth Healthcare Corporation design phase is underway.
- ROTA 100 battery storage pilot securing of funding is in the initial stages.
- Design of the underground power supply from the CUC Tinian Power Plant to many critical facilities for the island of Tinian is ongoing.
- System Control and Data Acquisition (SCADA) Phase I for two (2) units for Power Plant No. 1 on Saipan is ongoing.
- Replacement of wooden power poles with concrete power poles for Tinian and Rota via Hazard Mitigation Grant Program and the Garapan Revitalization Project was completed.
- Replacement of AMI/AMR meters for Saipan, Tinian, and Rota is ongoing.
- Streetlight efficiency projects for Saipan, Tinian, and Rota are ongoing.
- Net metering connections for the Public School System's facilities on Saipan is ongoing.
- The final draft of the State Energy Security Plan, in collaboration with the CNMI Energy Working Group and NREL was completed.
- Island-wide vegetation clearing for Saipan, funded under the American Rescue Plan Act (ARPA), is ongoing.
- The procurement of heavy equipment, including a crane and bucket trucks, for the Power Transmission & Distribution Division has been completed, and is anticipated to be delivered in early FY 2025.
- Replacement of one (1) generator for the Rota Power Plant is in the procurement process.

WATER AND WASTEWATER

- Sadog Tasi Wastewater Treatment Plant clarifier replacement, primary screen, and screw press installation were completed.
- Agingan Wastewater Treatment Plant screw press was completed.
- Ongoing training of local CNMI Water & Wastewater operators (Certification Levels 1 & 2).
- Temporary tank installation at the Kagman 50k gallon tank was completed.
- Dandan Water Tank Replacement and Kagman Water Tank construction via NMHC's CBDG-DR program is underway.
- San Antonio Waterline Replacement was completed.
- Royal Palm Avenue, Ginger Avenue, and Hotel Street Sewer Collections Line Replacement were completed.
- A-3, A-4 and A-15 Sewer Lift Station Rehabilitation design was completed.
- The Wastewater Feasibility Study for the islands of Tinian and Rota is ongoing.
- Sustaining 24-hour water services to our customers on the islands of Saipan, Tinian, and Rota.
- The Agag Booster Pump Rehabilitation, Kailing Drive, Sihek Drive, Tangan Drive Waterline Replacement, and Commonwealth Drive Waterline Replacement projects are ongoing.
- The relocation of the A-5 generator building and the replacement of the Lower MIHA Sewer Line are ongoing.
- PFAS Remediation: The installation of two (2) large and two (2) small GAC filter systems at the Isley Booster I station for the As Terlaje Tank Service Area was completed in the last quarter of FY 2024.
- The Carolina Waterline Replacement, Agingan Wastewater Treatment Plant Upgrade, A-16 Sewer Lift Station Upgrade, and S-11 and S-12 Sewer Lift Station Relocation are in the procurement phase for construction.
- Ongoing water design projects: Dandan Homestead Waterline & Service Lateral Replacement, As Teo Waterline Replacement, Lower Base - San Roque Cut & Cap of Parallel Lines, Chalan Galaide Waterline Replacement, As Matus Temporary Water Tank, Marpo Heights Waterline Replacement (Tinian), Isley - As Perdido Waterline Replacement, and 0.05 MG Kagman Water Tank Replacement.
- Ongoing wastewater design projects: Sadog Tasi Wastewater Treatment Plant Upgrade, various sewer line replacements in Chalan Kanoa Village, and S-3 Sewer Lift Station Upgrade.
- Ongoing special programs and projects:
 - Sustainable Water Infrastructure Management Strategy (SWIMS) to help reduce non-revenue water:
 - The Program Management Office was established.
 - Comprehensive Water System Documentation for Saipan, Tinian, and Rota is ongoing.
 - Water Audit - Level 2 Completed.
 - The Tank Meter and Level Gauge Needs Assessment is 100% complete. Meter and Level Gauge Design is ongoing.
 - SCADA Master Planning Assessment is ongoing.
 - Hydraulic Modeling with the U.S. Bureau of Reclamation.
 - Computerized Maintenance Management System (CMMS) and Asset Management with PG Environmental.
 - Saipan Groundwater Study with U.S. Geological Services
 - Monitoring Well Re-drilling and Redevelopment
 - Water and Wastewater Master Plan Update
 - Fats, Oils & Grease (FOG) Program
 - Cross Connection/Backflow Prevention Program
 - AMI/AMR Pilot Project
 - Water Meter Test Bench Activated.



Power Generation, CUC Rota



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FISCAL YEAR 2024
published - OCTOBER 2024

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