

# FISCAL YEAR 2022 CITIZEN-CENTRIC REPORT

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

### Mission Statement

The Commonwealth Utilities Corporation (CUC) is dedicated to excellent customer service and effective **Power, Water & Wastewater** services for the people of the Commonwealth of the Northern Mariana Islands (CNMI) at the lowest reasonable cost while providing safety to the employees and community.

### Vision Statement

We will continue to use teams and continuous quality improvement...

- To become the preeminent, trusted power, water and wastewater utility.
- To provide excellent customer service.
- To protect and enhance the environment.
- To deliver value to all our stakeholders.

We will accomplish this using insightful planning, state-of-the-art technology, and effective communication. We are committed to treat our customers and each other with fairness, honesty, and respect. Our commitment will be rewarded through recognition, development, and equitable compensation.

### Organizational Culture

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

### Locales of Responsibility

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

### Executive Director's Message Progression through Resiliency

*The Commonwealth Utilities Corporation (CUC) has endured many typhoons, the COVID-19 pandemic and now faces the world wide economical recession as we move into the era of living with COVID-19. We have entered unpressedented times with a substantial amount of funding from the Bipartisan Infrastructure Law (BIL), to build a better and resilient utility. These funds will be utilized to achieve CUC's goal to provide affordable clean energy technology and reduce our dependancy on fossil fuels.*

*Although we are challenged, what remains unchanged is our dedication and commitment to continue to provide essential reliable power services, safe drinking water, and the proper treatment of wastewater for the people of the Commonwealth Northern Mariana Islands (CNMI).*

Priority	Objectives
Safety	• assuring every employee is trained, is equipped with the tools to perform, and understands their role
Respect	• treating everyone fairly, honorably, and non-judgmentally
Team Work	• sharing a common vision, looking out for each other, operating transparently and working together as one team toward common goals
Exellence	• 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, well trained pool of professional employees
Integrity	• accountable for our actions, ethical and transparent, honest in everything we do
Communication	• open and transparent communication at all levels of the organization that is constructive and distributed out to our Board, business partners and the community at large

## Corporate Core Values

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



### Board of Directors

- MIRANDA V. MANGLOÑA, *Chairperson*
- WESTON THOMAS DELEON GUERRERO, *Vice Chairman*
- JOVITA SN. PAULINO, *Secretary*
- MATTHEW J. HOLLY, *Treasurer*
- AUBRY M. HOCOG, *CDA Chairwoman*
- JANICE A. TENORIO, *Member*

### Management

- GARY P. CAMACHO, *Executive Director*
- CHREITEN T. VOERG, PE., *Deputy Executive Director*
- GREG P. CRUZ, *Chief Financial Officer*
- BETTY G. TERLAJE, *Chief of Administration*
- ALVIN A. KING, *Resident Manager, Rota*
- EVELYN B. MANGLOÑA, *Resident Manager, Tinian*

# Utility Highlights



## Administration

The CUC Administration has made great strides to ensure the corporation maintains critical power, water and wastewater service to the people of the Commonwealth. CUC continues to work closely with our Federal counterparts to ensure the safety of our staff and customers. The CUC Board of Directors have showed their support to the CUC Management team with the updating of policies, resolving procurement related protests, personnel grievances, the implementation of changes to the CUC organizational chart and the enforcement of the CUC's rules and regulations such as the Zero Drug and Alcohol Tolerance Program. CUC has adopted a new work order system to include the use of tablets for field operators to collect customer data. This timely change was implemented after CUC's billing and work order system was compromised in October 2021. CUC will continue to improve our customer service experience with the implementation of appointment schedules with customers to help address any account related issues.



## Power Generation

One major accomplishment for the [Commonwealth Utilities Corporation \(CUC\)](#) and the CNMI is the completion of **Stipulated Order Number Two (SO2)** projects and the closure of this consent decree. CUC had been working in tandem for over a decade with the CNMI government, [U.S. Environmental Protection Agency \(EPA\)](#), [U.S. Department of Justice \(DOJ\)](#) and many other local and federal partners to ensure the environment surrounding the CUC Power plants are protected from any potential oil spills with the installation of new oil-water separators and oil recovery and monitoring systems.

Purchased a **new generator** for Power Plant No. 1 for a more reliable power supply to the community. This generator is the first unit to be purchased since the inception of Power Plant No. 1. The foundation work for the new unit has been completed and the installation work is on-going. Testing and commissioning of the unit is anticipated for March 2023.

Created the **Renewable Energy Division** within CUC to lead the renewable energy projects and spearhead CUC's goal towards 50% of the power produced in the CNMI to be powered by renewable energy sources by 2030. CUC is in the initial planning stage of diversifying its energy portfolio with the development of a utility-owned 20 MW photovoltaic solar system.



## Power Transmission & Distribution (T&D)

CUC continues to work with the **State Hazard Mitigation Grant Program** for a more resilient power transmission and distribution system by hardening power poles and the installation of new underground power cable from Power Plant No. 1 to the [Commonwealth Healthcare Corporation \(CHCC\)](#).

Hired **new staff for the vegetation maintenance program** with funding assistance from the **American Rescue Plan Act (ARPA)** from the CNMI to maintain the vegetation near power lines to ensure electrical services to the water and wastewater facilities and the community are not affected.



## Water & Wastewater

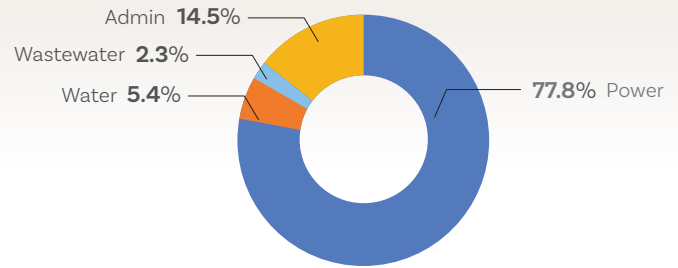
CUC continues to work with EPA and DOJ for the completion of Stipulated Order No. 1 (SO1) requirements. CUC has **completed 58 out of 69** (SO1) water and wastewater items.

Completed the **replacement of asbestos concrete pipes** for the China Town and Fina Sisu areas with new PVC pipes with grant funds awarded from EPA. Additionally, the completion of the new pre-stressed concrete San Vicente water tank and repair of leaks in the distribution system has enabled CUC to provide 24-hour water services to the Dandan and Obyan community. CUC continues to sustain 24-hour water services for the island of Saipan since September 2021.

The new [Bipartisan Infrastructure Law \(BIL\)](#) funding has allocated \$21 million per year for the next five (5) years for Water and Wastewater infrastructure improvement projects in the CNMI. CUC has initiated the [Sustainable Water Infrastructure Management Strategy \(SWIMS\)](#) program to reduce the [Non-Revenue Water \(NRW\)](#) percentage to 30% by 2027 and provide safe and palatable drinking water to the tap for the people of the CNMI.

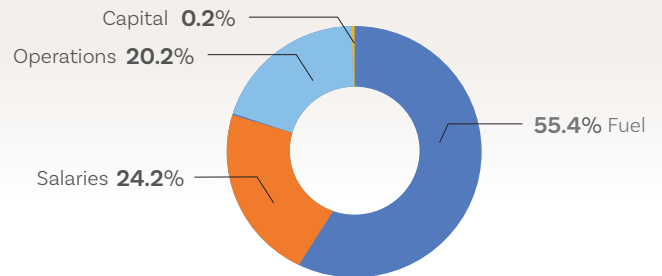
## \*FY2022 Approved by Divisions

	Amount	%
Power	\$70,282,893.00	77.8%
Water	\$4,872,300.00	5.4%
Wastewater	\$2,116,500.00	2.3%
Administration	\$13,108,492.00	14.5%
<b>Total</b>	<b>\$90,380,185.00</b>	<b>100.0%</b>



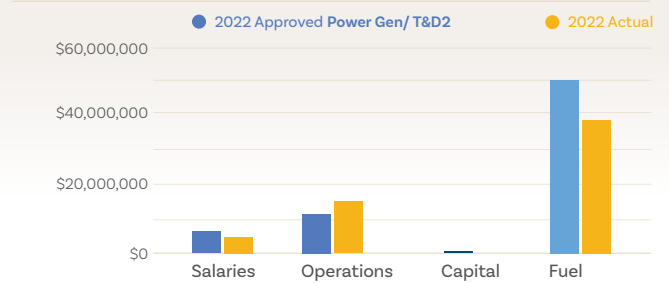
## \*FY2022 Approved by Expense Category

	Amount	%
Fuel	\$50,059,772.00	55.4%
Salaries	\$21,853,480.00	24.2%
Operations	\$18,291,933.00	20.2%
Capital	\$175,000.00	0.2%
<b>Total</b>	<b>\$90,380,185.00</b>	<b>100.0%</b>



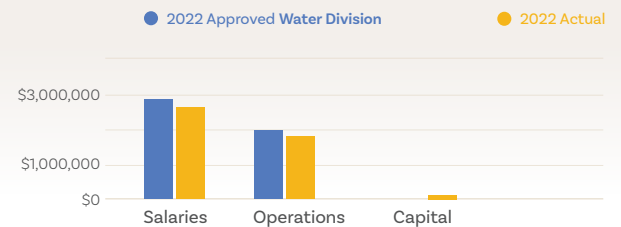
## \*Power Generation and Transmission & Distribution (T&D)

	Approved Budget	Actual
Salaries & Benefits	\$8,500,000.00	\$6,092,025.05
Operations	\$11,548,121.00	\$15,209,650.99
Fuel	\$50,059,772.00	\$37,918,468.92
Capital	\$175,000.00	\$51,150.00
<b>Total</b>	<b>\$70,282,893.00</b>	<b>\$59,271,294.96</b>



## \*Water Operations Budget

	Approved Budget	Actual
Salaries & Benefits	\$2,875,000.00	\$2,723,987.21
Operations	\$1,997,300.00	\$1,819,161.78
Capital	\$0.00	\$156,281.00
<b>Total</b>	<b>\$4,872,300.00</b>	<b>\$4,699,429.99</b>



## \*Wastewater Operations Budget

	Approved Budget	Actual
Salaries & Benefits	\$1,495,000.00	\$706,533.04
Operations	\$621,500.00	\$345,885.55
Capital	\$0.00	\$14,205.34
<b>Total</b>	<b>\$2,116,500.00</b>	<b>\$1,066,623.93</b>



# Progressing Forward

The Commonwealth Utilities Corporation 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 project as listed below:

## Power Generation and Transmission & Distribution

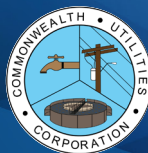
- the replacement of two (2) over 40 year old engines at Power Plant 1 on (with 8.8MW units each)
- a new more efficient 100MW power plant for island of Saipan
- the construction of a new CUC headquarters and a customer care center on Saipan
- establishment of renewable energy and system planning division
- purchase of the first electric vehicle for the CUC fleet
- a 20MW utility owned grid solar system to reduce our reliance on fossil fuels
- a grid stability study for all three (3) islands
- underground power supply from Power Plant 1 to the Commonwealth Healthcare Corporation (CHCC)
- battery backup feasibility study for the island of Rota
- underground power supply from the CUC Tinian Power Plant to many critical facilities for the island of Tinian
- System Control and Data Acquisition (SCADA) project for the CUC Power Plant
- wooden power pole replacement project for the island of Saipan, Tinian and Rota

## Water-Wastewater

- wastewater treatment plant clarifier replacement and upgrades to both Agingan and Sadog Tasi Plants
- water and wastewater Operator Certification for our local CNMI Water-Wastewater operators (Certification Levels 1, 2, 3, 4)
- replacement of four (4) water tanks to prestressed concrete water tanks (Kagman, Dandan, Tinian and Kagman 50K gallon)
- completion of hardening three (3) water tanks (Papago, As Terlaje, San Vicente)
- water system mitigation project to provide emergency power to help produce 70% of the water islands drinking water supply to the consumers after a major disaster and significantly reducing generator assistance from FEMA
- many sewer line replacements for the villages of Oleai and Garapan on the island of Saipan
- wastewater feasibility study for the islands of Rota & Tinian
- infrastructure projects to include water main installations for West San Jose in Tinian, and Plumeria Estates (As Gonno Homestead) in Saipan
- supplying and sustaining 24-hour water services to our customers for the island of Saipan
- Implementation of the Sustainable Water Infrastructure Management Strategy (SWIMS) to help reduce the Non-Revenue Water (NRW) percentage



FISCAL YEAR 2022  
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published—OCTOBER 2022



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