



GUAM PUBLIC UTILITIES COMMISSION

REGULAR MEETING

August 29, 2024

GCIC CONFERENCE ROOM, GCIC BUILDING, HAGATNA

MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:30 p.m. on August 29, 2024, pursuant to due and lawful notice. The meeting was called to order at 6:35 p.m. **Commissioners Jeffrey C. Johnson, Peter Montinola, Micheal A. Pangelinan, Joseph McDonald, and Rowena Perez-Camacho were in attendance.** The following matters were considered at the meeting under the agenda included as Attachment "A" hereto.

1. Approval of Minutes

The Chairman announced that the first item of business on the agenda was the approval of the minutes from the meeting held on July 25th 2024. Commissioner Montinola moved to approve the minutes subject to corrections, which motion was seconded by Commissioner Perez-Camacho, and the motion passed unanimously.

2. Docomo Docket Number 24-01: Petition for Annual USAC Certification

Chairman Johnson introduced Docomo Docket Number 24-01, involving a petition for Annual USAC Certification. Commissioner Pangelinan recused himself due to a conflict of interest as Docomo is a client of his law firm.

Administrative Law Judge Fredrick Horecky (ALJ Horecky) provided an overview, explaining that Docomo sought USAC certification to receive federal funds for essential telecom services. Docomo's CEO certified compliance with federal requirements, and their updated five-year plan detailed the expansion of fiber-to-the-home services, including repairs from Typhoon Mawar. ALJ Horecky recommended approving the petition.

During the discussion, Commissioner Perez-Camacho sought clarification on "frozen" high-cost support, which ALJ Horecky explained refers to funds held until certification is granted.

A motion to approve was made by Commissioner Montinola, seconded by Commissioner McDonald, and unanimously passed.

3. Guam Power Authority 24-21

Chairman Johnson introduced GPA Docket Number 24-21, which discusses GPA's petition to approve a \$3.5 million contract with TEMES Incorporated for overhauling the Piti 7 power plant, a 40-megawatt combustion turbine.

Administrative Law Judge Frederick Horecky (ALJ Horecky) provided background, noting that TEMES operated the plant until 2017, after which GPA took over. The overhaul is essential for maintaining capacity, particularly since new projects like the Ukudu plant and solar initiatives will not be operational for several years. Although ALJ Horecky initially questioned the cost due to Piti 7's inefficiency and high operational costs, he recommended approval after GPA provided detailed justifications.

GPA's John Benavente supported the recommendation, highlighting the plant's crucial role in meeting growing demand and reserve capacity needs until other energy sources come online. He emphasized that the overhaul is necessary to maintain ongoing power generation, despite the plant's high fuel costs.

Both parties agreed that the overhaul is necessary to ensure sufficient power capacity in the near future.

Commissioners approved the motion to proceed with the contract for the overhaul of the Piti 7 plant. Following the discussion, a motion to approve the contract for the overhaul of the Piti 7 plant was made by Commissioner Montinola and seconded by Commissioner McDonald. The motion was then approved unanimously by the Commissioners.

Administrative Matters:

- **Resolution Number 24-02: Employment Agreement for Sheila Salas.**

Lou Palomo prepared this resolution to formalize Sheila Salas's employment and detail her duties. The commissioners reviewed the document during the meeting.

Commissioners had discussed the work schedule and compliance with labor laws. Commissioner Perez-Camacho asked whether the work hours would be flexible or strictly 8 to 5. Mrs. Palomo clarified that, being a salaried position, the hours might vary, particularly if additional time is required. Concerns were also raised about whether the position complies with labor laws and if it qualifies as exempt from overtime. Palomo noted that she would need to consult with Commission Flores-Brooks to address these compliance issues.

The resolution was then put to a vote. Commissioner Pangelinan moved to approve Resolution 24-02, and Commissioner McDonald seconded the motion. The resolution was approved unanimously.

- **Citizen Centric Report**

The discussion turned to the Citizen Centric Report. Lou Palomo presented the report and offered to make changes if needed. Chairman Johnson expressed satisfaction with the report.

Chairman Johnson confirmed that the report was for informational purposes and referred to the report as covering the previous year, 2023. He then moved on, inviting any additional comments on the report, or suggesting they could be addressed later.

- **Review of Employment Application for (Marie Leon Guerrero) for informational purpose only**

The review of applicant (Marie LG) employment application was discussed for informational purposes. Chairman Johnson noted the upcoming loss of Colleen Charlson and Lou Palomo, who will be leaving after the meeting and by the end of the calendar year, respectively. This will leave the team with an extra position to fill.

Commissioner Montinola inquired about the applicant's (Marie LG) role, and Mrs. Palomo explained that the discussion was to inform the commissioners of the application they received. Mrs. Palomo confirmed that applicant (Marie LG) is still interested in the position.

Chairman Johnson suggested that applicant (Marie LG) could meet with the commissioners at the next meeting to discuss further.

6. Adjournment

There being no further business, the Commissioner Montinola moved to adjourn the meeting, which motion was seconded by Commissioner McDonald. The motion passed unanimously and the meeting was adjourned at 8:41p.m.



Jeffrey Johnson

Chairperson

ATTACHMENT A
BEFORE THE GUAM PUBLIC UTILITIES COMMISSION
414 W. SOLEDAD AVENUE, SUITE 703,
GCIC BLDG, HAGATNA, GUAM
REGULAR MEETING
August 29, 2024 at 6:30 p.m.

Agenda

- 1. Call to Order**
- 2. Approval of Minutes of July 25, 2024**
- 3. Docomo Pacific Inc.**
 - **Docomo Docket No. 24-01, Petition for Annual USAC Certification, ALJ Report, and USAC Certification**
- 4. Guam Power Authority**
 - **GPA Docket No. 24-21: Petition to Approve Contract with TEMES, Inc. to Overhaul Piti 7; ALJ Report; and Proposed Order**
 - **GPA Docket No. 24-22: Petition to Approve the New Construction of the Transmission and Distribution Facility; ALJ Report and Proposed Order**
- 5. Administrative Matters**
 - **Resolution 24-02 and Employment Agreement for Sheila Salas**
 - **Citizen Centric Report**
 - **Review of Employment Application (Marie Leon Guerrero) for informational purpose only**
- 6. Adjournment**

Guam Public Utilities Commission



**To: Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554**

**Irene M. Flannery
Vice-President – High Cost & Low Income Division
Universal Service Administration Company
2000 L Street, N.W. Suite 200
Washington, DC 20036**

RE: CC Docket 96-45/WC Docket No. 10-90 – Annual State-Certification of Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R. §54.314

Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that Docomo Pacific, Inc. is eligible to receive federal high-cost support for the program years cited.

On March 31, 2016, the Guam Public Utilities Commission transferred Guam Telecom LLC's Eligible Telecommunications Carrier ["ETC"] Designation and its Certificates of Authority to Docomo Pacific Inc.

The Guam Public Utilities Commission certifies for Docomo Pacific, Inc., that all federal high-cost support provided to such carrier within Guam was used in the preceding calendar year (2023) and will be used in the coming calendar year (2025) only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act.

I am authorized to make this certification on behalf of the Guam Public Utilities Commission. This certification is for study area 669005 for the Territory of Guam.

Dated this 29th day of August, 2024.



Jeffrey C. Johnson
Chairperson, Guam Public Utilities Commission

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:) GPA Docket 24-21
)
)
 GUAM POWER AUTHORITY'S) **ORDER**
 OVERHAUL OF PITI 7)
)
)
 _____)

INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] for Review and Approval of its Contract with Taiwan Electrical and Mechanical Engineering Services Inc. ["TEMES"] to Overhaul Piti 7.¹

BACKGROUND

The Piti 7 plant, a 40MW combustion turbine, was commissioned in December 1997 by TEMES under a build, operate and transfer (BOT) contract for a 20-year term. The plant was turned over to GPA in December of 2017 and has been operated and maintained by GPA ever since.² GPA seeks to perform a major gas turbine and generator overhaul of Piti 7 "to ensure the plant's reliability and availability until the new Ukudu power plant is commissioned." GPA states that "Piti 7 provides critical generation capacity until the Ukudu Power Plant is commissioned and will provide the necessary reserve capacity going forward."³

¹ GPA Petition to Approve the Contract with TEMES Inc. to Overhaul Piti 7, GPA Docket 24-21, dated August 7, 2024.

² Id. at p. 1.

³ Id.

The estimated cost of the overhaul of Piti 7 is \$3.5M. GPA further contends that the Piti 7 unit is “essential” to the island-wide power system.⁴

In GPA Resolution No. FY2024-24, the Guam Consolidated Commission on Utilities authorized GPA to petition the PUC for approval of its contract with TEMES under the PMC to purchase parts and labor for Piti 7 turbine and generator overhauls estimated at \$3.5M. The turbine and generator overhauls are planned for FY2025.⁵

The ALJ filed his Report herein dated August 24, 2024.⁶ The PUC adopts the conclusions and recommendations therein.

DETERMINATIONS

The issue before the PUC is whether it should approve the overhauls of the Piti 7 turbine and generator at a cost of \$3.5M. The ALJ has submitted detailed Requests for Information to GPA. The Requests indicate concerns that the ALJ has with GPA’s Petition.⁷ The PUC Requests for Information and the GPA Responses are attached collectively to the ALJ Report as Exhibit “1”.

A. Contract Review Protocol

The PUC-GPA Contract Review Protocol mandates that any contract which exceeds \$1,500,000 requires PUC approval.⁸ This contract must be reviewed by the PUC.⁹

⁴ Id. at p. 2.

⁵ Guam Consolidated Commission on Utilities, GPA Resolution No. FY2024-24, Relative to Authorizing Guam Power Authority (GPA) Management to Overhaul Piti 7, adopted and approved on July 23, 2024.

⁶ ALJ Report, GPA Docket 24-21, dated August 24, 2021.

⁷ PUC Requests for Information and GPA Responses, GPA Docket 24-21, Exhibit “1”.

⁸ Contract Review Protocol for Guam Power Authority, Administrative Docket, dated February 15, 2008, at par. 1(e).

⁹ Id. at par. 4(b).

B A Description of the Piti 7 Overhaul Project

GPA has not had a PMC for Piti 7 since 2017. In its Amendment No. 2 of its Performance Management Contract with TEMES for GPA's Combustion Turbine Power Plants, dated December 12, 2023, GPA authorized the PMC TEMES to "provide operations and maintenance services to support the Piti 7 CT Plant, and other plants. The scope and price for such services were to be negotiated between GPA and TEMES.¹⁰ Piti 7 was not included in the original Contract as one of the plants for which TEMES would be the performance management contractor.

TEMES will provide technical engineering and overhaul services regarding Piti 7. Attached to the ALJ Report as Exhibit "2" is a portion of the TEMES Report for the 2016 Piti 7 Overhaul. Services included checks of the generator stator, auxiliary equipment, voltage transformer, ground resistance measurement, rotor, coil (megger test), stator coil (disassembly and cleaning), and others.¹¹ The proposed overhaul may include similar services as those performed in 2016, but it may also include different services.

GPA estimates that there will be a \$3.5M cost for the proposed parts and labor to perform turbine and generator overhauls for Piti 7. GPA indicates that the cost of labor for the 2016 Piti 7 overhaul was approximately \$1M. It estimates the current cost of labor at \$1.5M.¹² By ordering "Refurbished" parts, GPA has reduced the cost of parts to \$1.4M. GPA has already purchased the first half of the parts at a cost of \$442,716.¹³ GPA has submitted Attachments 1 and 2, which support such costs.

¹⁰ GPA Responses to PUC RFIs, GPA Docket 24-21, Attachment 1.

¹¹ PUC Request for Information, GPA Docket 24-21, at par. 7, Attachment 4.

¹² Email from GPA Attorney Marianne Woloschuk to PUC ALJ Fred Horecky, Re: Requests for Information, GPA Docket 24-21, dated August 22, 2024.

¹³ Id.

As to the Project schedule, GPA seeks to complete the project in FY2025:

“GPA has not previously performed an overhaul on this type of unit and has very little information since TEMES last overhauled Piti 7 in 2016. The start date of the project is subject to the availability and delivery of parts, which is estimated to take 4 to 6 months. Upon the PUC's approval of the project in August 2024 and provided that the parts arrive in the expected time, the overhaul work can begin in February or March 2025. The actual overhaul is estimated to take 20 to 30 days in April 2025. The project should be completed by May 2025 if all goes according to plan.”¹⁴

There are many other costs that just the \$3.5M repair which will be incurred by GPA with the continued operation of the Piti 7 plant. GPA has already incurred fuel costs of over \$32.8M in FY 2024 for Piti 7 operation and millions of additional dollars in fuel handling and operation and maintenance costs. See Exhibit “3”, Piti 7 Cost to Produce, attached to the ALJ Report.¹⁵ These fuel and other costs will be repeating on an annual basis for so long as Piti 7 is in operation. Yearly costs could exceed \$40M, as was the case in FY2023.¹⁶

C. There are issues as to whether the expenditure of \$3.5M on the Piti 7 Overhaul, as well as on the continuing annual operating expenses, are reasonable, prudent or necessary expenses.

Piti 7 is the second most costly plant to operate in the island-wide power system. Its fuel cost per kilowatt-hour is \$0.3345, making it the second most expensive plant in

¹⁴ Id.

¹⁵ Email from GPA Attorney Marianne Woloschuk to PUC ALJ Fred Horecky, re: Requests for Information, GPA Docket 24-21, dated August 19, 2024, Piti 7 Cost to Produce.

¹⁶ Id.

terms of fuel costs after the Dededo CT plants.¹⁷ Of all plants, Piti 7 has one of the lowest rates of production of kWh per barrel, and one of the highest heat rates. Given the expensive cost and low efficiency of Piti 7, it is not necessarily evident as to why GPA would seek to expend \$3.5M for a gas turbine generator and overhaul on Piti 7 when the Ukudu plant will be in operation in one year.

The Ukudu plant will add almost 200MW of demand capacity to the GPA power system and the 41MW Hanwha solar plant will come online in September of 2026. In addition, there are several other power sources that have either placed in or restored to the power system recently, including the 20MW of temporary power at the Yigo CT, as well as the repair of the Yigo combustion CT. Work is being done to increase the production of the Tenjo vista units, and repairs are contemplated to the Yigo Diesel 40MW units.

On August 24, GPA has announced that it will be seeking approval for two new Phase IV solar projects totaling 192 MW.¹⁸

With all this additional energy production coming into the system, Piti 7 could potentially be retired after the Ukudu plant comes online. The expenditure of \$3.5M, and the over \$40M of operating expense for each continuing year of operation, could be avoided. It also appears that a contemplated overhaul of Piti 7 was supposed to be performed in 2022 but was never done.

D. Notwithstanding the above concerns, GPA has presented several convincing justifications as to why the PUC should approve the Piti 7 overhaul.

¹⁷ PUC Request for Information, GPA Docket 24-21, at par. 3, Exhibits 1 & 2.

¹⁸ <https://edition.pagesuite-professional.co.uk/html5/reader/production/default.aspx?pubname=&pubid=5357166a-437c-4b2c-9983-d9639655a6e7>

- (1) In recent years, there has been insufficient generation power capacity to meet ratepayer demand. As the Petition indicates, Piti 7 will provide “critical generation capacity until the Ukudu power plant is commissioned”, a period of about one year.¹⁹
- (2) GPA does intend to keep Piti 7 in operation after the commissioning of Ukudu Power Plant for at least the next 5 years. After the Ukudu power plant is commissioned and the Hanwha 41MW solar PV project comes online in March of 2026, there will be no additional capacity to support peak until almost two years later under the Phase IV solar bids.²⁰
- (3) When other units are down, Piti 7 provides reserve capacity to support maintenance schedules for other units.
- (4) In the next few years, GPA is anticipating load growth based upon its discussions with the military and the private sector. GPA wishes to ensure capacity that can meet future growth. At present, Piti 7, which has a full capacity of 40MW, is only producing 23MW.²¹ Previously, GPA had discussions with the military indicating that potential load requirements over the span of 10 years could increase the load by 50MW. In its Attachment 2, GPA has listed developments and estimated loads which include approximately 38MW of military projects.²² Also, GPA estimates that private and government projects will increase load by 36MW. This increase includes data centers, apartment buildings, schools and commercial businesses.²³

¹⁹ GPA Petition at p. 1.

²⁰ GPA Responses to PUC RFIs, GPA Docket 24-21, dated August 21, 2024, at Response No. 2.

²¹ Id. at Response No. 3.

²² Id. at Response No. 4.

²³ Id.

- (5) There will be some loss of generation capacity regarding the 40MW Yigo diesels. Only a portion of the units can be restored (probably 20MW total recovery at most).²⁴
- (6) During the period from 2016 through 2024, Piti 7 has produced generation of between 30,250,739 kWh and 124,015,229 kWh per year. While Piti 7's production has not reached that of the baseload plants, its production for 2023 appears to be higher than that of the other combustion turbine plants.²⁵ GPA asserts that the delay of the retirement of Piti 7 is in GPA's best interest and will avoid any unnecessary future temporary contracts or other programs for additional generation that can be more costly or complicated to execute.²⁶

CONCLUSION

Despite the considerable costs for the Piti 7 overhaul, and its continued operation, GPA has justified the expenditure of funds. It is necessary for GPA to maintain adequate generation capacity so that the demand of the island-wide power system can be met. In addition, the material provided by GPA suggests that there will be a considerable increase in load from both the military and private sectors in the upcoming years. Since Piti 7 is an existing asset in the power system, it makes sense to maintain such asset rather than procuring other temporary power resources.

ORDERING PROVISIONS

After review of the record herein, including GPA's Petition for Review and Approval Review and Approval of its Contract with Taiwan Electrical and Mechanical

²⁴ Id.

²⁵ PUC Request for Information, GPA Docket 24-21, at par. 3, Exhibit 2.

²⁶ Id. at RFI No. 9.

Engineering Services Inc. ["TEMES"] to Overhaul Piti 7, at a costs of \$3.5M, the PUC Requests for Information and the GPA Responses thereto, and the ALJ Report, for good cause shown, on Motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. GPA's contract award to Taiwan Electrical and Mechanical Engineering Services Inc. ["TEMES"] to Overhaul Piti 7 is approved.
2. GPA is authorized to expend up to the amount of \$3.5M for the Piti 7 overhaul.
3. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

Order
Approval for TEMES Inc.
Contract to Overhaul Piti 7
GPA Docket 24-21
August 29, 2024

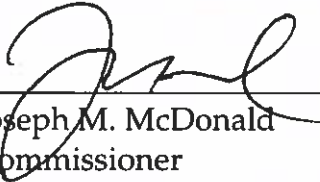
Dated this 29th day of August, 2024.



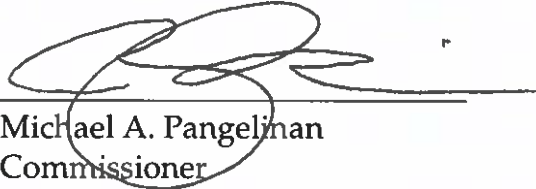
Jeffrey G. Johnson
Chairman



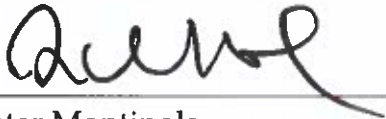
Rowena E. Perez-Camacho
Commissioner



Joseph M. McDonald
Commissioner



Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner

Doris Flores Brooks
Commissioner

**PUBLIC UTILITIES COMMISSION
OF GUAM**



Jeffrey C. Johnson
Chairman

Peter B. Montinola
Vice-Chairman

Commissioners
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Rowena E. Perez-Camacho
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Chief Administrative Law Judge

Joephet R. Alcantara
Administrative Law Judge

Anthony R. Camacho
Legal Counsel

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

RESOLUTION NO. 24-02

APPROVAL OF THE HIRING OF A NEW EMPLOYEE AS THE ADMINISTRATIVE ASSISTANT TO THE PUC ADMINISTRATOR

WHEREAS, the Guam Public Utilities Commission ("PUC") is an autonomous instrumentality within the Government of Guam; and

WHEREAS, Commission is empowered, pursuant to 12 GCA §12103, to "employ administrative staff personnel for the conduct of Commission business"; and

WHEREAS, on July 25, 2024, the Commission authorized the hiring of Sheila Marie Salas as recommended by the Administrator on a fulltime basis as the Administrative Assistant to the PUC Administrator; and

WHEREAS, Ms. Salas was notified by the PUC Administrator that she will commence her employment on August 5, 2024 as a fulltime employee to the PUC Administrator; and

WHEREAS, the salary of Ms. Sheila M. Salas is \$44,179.20 per year (based upon 2080 hours); with \$75.00 worth of gasoline per month for work related travel; and

NOW, THERFORE, BE IT

RESOLVED, that the Guam Public Utilities Commission hereby approves the hiring of Ms. Sheila M. Salas a full-time position as Administrative Assistant to the PUC Administrator; and

RESOLVED, that the offered salary of Ms. Salas is a base salary at a rate of \$16.70 per hour and an add-on to the employee's salary for health and welfare benefits of \$4.54 per hour (using comparable federal wage determinations under Executive Order of the President of the United States 13706), a total of \$21.24 per hour; and

RESOLVED, the full-time position of Administrative Assistant to the PUC Administrator became effective August 5, 2024.

DULY AND REGULARLY ADOPTED ON THIS 29th DAY OF AUGUST, 2024.



Jeffrey C. Johnson
Chairman




Peter B. Montinola
Vice Chairman

Joseph M. McDonald
Commissioner



Michael A. Pangelinan
Commissioner



Rowena E. Perez-Camacho
Commissioner

Doris Flores Brooks
Commissioner

EMPLOYMENT AGREEMENT

This Agreement is entered into effective August 5, 2024, by and between the Guam Public Utilities Commission [Commission], a public corporation and autonomous instrumentality of the government of Guam, and Sheila Marie Salas [Employee], whose mailing address is Post Office Box 12414 Tamuning, Guam 96931 and whom resides at 131 Tun Leo Caldio Pauline Street, Inarajan, Guam 96915.

WITNESSETH:

WHEREAS, 12 GCA § 12103 empowers the Commission to employ administrative staff personnel for the conduct of Commission business; and

WHEREAS, Employee desires to be employed by the Commission as its Administrative Assistant to the PUC Administrator; and

WHEREAS, Employee will serve in a full-time position as Administrative Assistant to the PUC Administrator for one year; and

WHEREAS, it is the desire of the parties that Sheila Marie Salas be employed as the full time Administrative Assistant to the PUC Administrator;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the adequacy of which is acknowledged by both parties, the Commission and Employee agree as follows:

1. Scope of Work.

The Commission hereby hires Employee to serve as its Administrative Assistant to the PUC Administrator. Employee will perform her duties at the Commission's office during its office hours [8:00 a.m.-5:00 p.m. Monday through Friday, excluding Government of Guam holidays] and such additional hours as may be required to attend to Commission business. Employee shall undertake her duties with her best efforts and will not accept or engage in any employment outside of the services of the Commission. Employee shall be under the direct supervision of the PUC Administrator. The Administrative Assistant shall perform such administrative tasks and duties as are assigned by the PUC Administrator, including but not limited to the following: answering phones, greeting members of the public and utility representatives, and handling and responding to their requests, receipt and filing of documents, typing and preparation of documents, filing, reviewing incoming correspondence, running errands, bookkeeping, receiving payments

and making bank deposits, and such other duties as are reasonably related to the operation of the PUC Office.

2. *Compensation.*

- (a) Employee shall receive salary in the amount of \$44,179.20 per annum, which shall be paid by the Commission in bi-weekly installments on the 15th and last day of each month.
- (b) All salary paid to Employee shall be less all amounts required by law or authorized in writing by Employee to be withheld or deducted.

3. *Employee Benefits.*

- (a) The Commission is unable to provide retirement or health insurance benefits; however, Employee's salary includes compensation to Employee for health and welfare benefits.
- (b) Employee shall be entitled to two weeks paid vacation during the term of this Agreement.
- (c) Employee shall be provided with appropriate training.
- (d) Employee shall receive \$75.00 worth of gasoline per month.
- (e) Employee agrees that her employment is not Government of Guam employment, and that there is no insurance coverage provided by the government, participation in the Government of Guam retirement system, accumulation of vacation leave or sick leave, or other benefits not specifically provided herein.

4. *Term.*

The term of this Agreement shall be for one year, and it may be extended upon the mutual agreement of the parties for additional one-year periods.

5. *Termination.*

Employee shall serve at the Commission's pleasure and may be terminated at will upon thirty (30) days prior written notice.

6. *Employee's Duties on Termination.*

In the event of termination of employment with Employer for any reason, Employee agrees to deliver promptly to Employer all equipment, notebooks, documents, memoranda, reports, files, samples, books correspondence, lists, or other written or

graphic records, and the like, relating to the Commission's business, which are or have been in her possession or under her control.

7. *Law Governing Agreement.*

This agreement is to be interpreted and enforced in accordance with the laws of Guam.

8. *Severable Provisions.*

If any provision of this agreement shall be deemed by a court of competent jurisdiction to be invalid, then such provision shall be deemed stricken from the agreement and the agreement shall be enforced according to its valid and subsisting terms and provisions.

9. *Notices.*

Any notices required to be given hereunder by the Commission to the Employee may be affected either by personal delivery in writing or by email to Employee's email address at the Commission. Any notices required to be given hereunder by the Employee to the Commission may be affected by personal delivery to the Chairman and the ALJ or by email to the Chairman and the ALJ.

10. *Attorney's Fees and Costs.*

If any action at law or in equity is necessary to enforce or interpret the terms of this agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which she may be entitled.

11. *Containment of Entire Agreement Herein.*

This agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of the Employee by the Commission and contains all of the covenants and agreements between the parties with respect to such employment in any manner whatsoever. Each party to this agreement acknowledges that no representations, inducements, promises, or

agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not contained in this agreement. No statement, or promise not contained in this agreement shall be valid or binding. Any modification of this agreement will be effective only if it is in writing signed by the party charged.

12. **CERTIFICATE OF EMPLOYEE.** THE EMPLOYEE CERTIFIES TO THE COMMISSION THAT SHE HAS READ THE FOREGOING AGREEMENT AND THAT SHE FULLY UNDERSTANDS ITS TERMS AND CONDITIONS, AND FURTHER CERTIFIES THAT THE FOREGOING TERMS AND CONDITIONS CONSTITUTE HER ENTIRE AGREEMENT WITH THE COMMISSION, AND THAT NO PROMISES OR UNDERSTANDINGS OR REPRESENTATIONS HAVE BEEN MADE OTHER THAN THOSE STATED ABOVE. IT IS SPECIFICALLY AGREED BY THE PARTIES HERETO THAT THIS AGREEMENT SHALL BE SUBJECT TO MODIFICATION ONLY BY WRITTEN INSTRUMENT SIGNED BY THE PARTIES.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated by their respective names.

Dated: 8/29/24

EMPLOYEE



Sheila Marie Salas

Dated: 8/29/24

THE COMMISSION



By: It's Chairman Jeffrey C. Johnson