

GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING

September 25, 2025

SUITE 205, 241 FARENHOLT AVENUE, OKA BUILDING, TAMUNING, GUAM

MINUTES



1. CALL TO ORDER

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:30 p.m., on September 25, 2025, pursuant to due and lawful notice. The meeting was called to order at 6:30 p.m. **Commissioners Jeffrey C. Johnson, Peter B. Montinola, Joseph M. McDonald, Michael A. Pangelinan, Rowena Perez-Camacho and Doris Flores-Brooks were in attendance.** The following matters were considered at the meeting under the Agenda included as Attachment "A" hereto.

2. APPROVAL OF MINUTES

The Chairman announced that the first item of business on the agenda was the approval of the minutes from the regular meeting held on August 28, 2025. Commissioner Perez-Camacho moved to approve the minutes, subject to technical corrections, which motion was seconded by Commissioner Pangelinan, and the motion was carried and unanimously passed.

The Chairperson announced that the next item of business on the agenda is the following PTI matter:

PTI PACIFICA INC. dba IT&E

3. PTI Docket No. 25-01 - Petition for PTI Pacifica Inc. Annual USAC Certification.

Chairman Johnson addressed the next Agenda item, PTI Docket No. 25-01, the Petition for PTI Pacific Inc.'s ("PTI") Annual USAC Certification. Chairman Johnson stated that there is an ALJ Report and a USAC Certification and invited CALJ Frederick J. Horecky to present this matter. CALJ Horecky informed the Commissioners that on August 26, 2025, PTI petitioned the PUC to issue a certification that PTI will use Federal Universal Service Support Funds for the purposes of and in compliance with Section 240(E) of the Telecommunications Act. PTI seeks a finding by the PUC that it will comply with that section of the act which states that Universal Service Funds (USF) may be used only for the purposes designated by the federal act. CALJ Horecky informed the PUC that, based upon all the certifications and documentations provided by PTI in its 2025 annual compliance filing, it is his opinion that there is sufficient factual and evidentiary basis, upon which the PUC can reasonably certify, that the USF distributed to PTI in calendar year 2026 will be

used in accordance with the purposes and requirements designated in the federal act. In support of its petition, PTI submits and states the following:

- PTI filed its 5-year plan, that describes the improvements it has made and plans to make in the next few years, together with actual expenditures for 2024 and a listing of expenditures on a project-by-project basis.
- In 2024 it installed 5 new sites, improving coverage and performance, and an additional carrier capacity has been added to 41 sites.
- In 2025 PTI plans to have 6 new sites built, expanding coverage, and adding an LTE carrier and 5G upgrades.
- In 2026 it expects to add 5 new sites to improve coverage and performance and 30 sites to expand the fixed wireless coverage and expand 5G services and upgrade the existing core network.
- In 2027 and 2028, it expects to add additional sites and carriers and continue upgrading the existing core.

PTI has certified that:

- It offers the services designated by the FCC for support, pursuant to the federal act, either using its own facilities or a combination of its own facilities and leasing.
- All federal high-cost support provided to it in Guam will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended.
- In 2024, it had no outages, no unfulfilled requests for service interconnected with the public telephone network and received no complaints per thousand handsets.

CALJ Horecky states that PTI has satisfied all the criteria set forth in its designation order and FCC requirements. There is no basis upon which to expect that PTI will use further USF support for other than the intended purposes and recommends approval of PTI's request for USAC Certification.

Chairman Johnson solicited for comments and/or a motion from the Commissioners and Commissioner Pangelinan moved to authorize the Chairman to sign the USAC Certification of PTI, which was seconded by Commissioner Montinola, and the motion was carried and unanimously approved.

GUAM WATERWORKS AUTHORITY ("GWA")

- 4. GWA Docket No. 24-05 - Petition to Approve GWA's Second Five-Year Financial Plan (Base Rate Increase Request) - Annual True-Up Submission, Projection and Request for Fiscal Year 2026 Rates.**

Chairman Johnson introduced the next item of business on the Agenda, GWA Docket No. 24-05, Petition to Approve GWA's Second Five-Year Financial Plan (Base Rate Increase). Chairman Johnson stated that there is an Annual True Up Submission, a Projection and a

Request for Fiscal Year 2026 Rates, an ALJ Report and proposed Order and invited CALJ Frederick J. Horecky to present this matter. Commissioner Michael A. Pangelinan addressed the PUC and announced that GWA is a client of his law firm in pending litigation and recused himself from participating in the next two (2) GWA dockets. Chairman Johnson excused Commissioner Pangelinan from participating in the next two (2) GWA dockets. CALJ Horecky thereafter informed the Commissioners that this matter is a true-up proceeding for the establishment of GWA's FY2026 rates. It comes before the PUC upon GWA's filing of an FY2026 true-up petition on April 25, 2025, and the joint stipulation between GWA and PUC consultant, Georgetown Consulting Group, Inc. ("Georgetown") dated August 30, 2025. The joint stipulation outlines a proposed settlement concerning the FY2026 true-up rate revenue recovery that was approved by the PUC in its rate decision dated September 24, 2024. In the 2024 5-year rate decision effective October 1, 2025 for FY2026, the PUC had authorized GWA to implement a 10.75% increase in water and wastewater rates. However, the PUC indicated that the authorized rate for FY2026 was subject to change in the annual true-up proceedings and, as such, was not a final rate until approved by the PUC in a true-up proceeding.

GWA and Georgetown have been engaging in negotiations and discussions with the intent of resolving all issues of the true-up. The joint stipulation resolves all pending issues in the true-up proceeding. This proceeding began sometime in April 2025 – it has been about 6 months since the petition was filed and throughout this proceeding GWA has been filing its Rate Application Model ("RAM") and has been updating its RAM from time-to-time based upon the discussions of the parties. The parties originally agreed to a scheduling order that was issued by the CALJ and although there was a dispute during discovery proceedings, the parties (GWA and Georgetown) met sometime in August and arrived at the joint stipulation.

Georgetown felt that the 10.75% increase that was approved for this year by the PUC was what they called a placeholder. However, that was not the case as it was just for planning purposes. CALJ Horecky found that GWA had submitted an estimated \$900M CIP budget for its 5-year plan. The rates that were designated in the 5-year period were, to some extent, based upon the large amount of CIP programs and were designed to be able to meet that program. CALJ Horecky also found that the 10.75% finding was more than just a placement and Georgetown was free to inquire about the current petition, to challenge any of the figures or show cause that changes had occurred since last year that would justify altering the rates that the PUC had previously approved.

On July 31, Georgetown performed its overview of the true-up petition. Thereafter GWA and Georgetown conducted in-person negotiations leading up to the joint stipulation entered by the parties. Originally it was anticipated that the rate design would be addressed in this true-up proceeding. However, the parties later recognized that there were complicated issues and that it would be better to postpone that consideration. One aspect of the joint stipulation is the suggestion that rate design issues are not addressed in this true-up proceeding. There are ongoing proceedings between Concentric and GWA regarding its rate design, projected revenues and operating expenses. The parties agreed

to various changes in the projected revenues involving interest income operating fund, bad debt adjustment and billed-to-audit revenue adjustment. These alterations increased the amount of revenue that would be available to GWA. The parties also stipulated to reductions in projected operating expenses in certain categories such as advertising expense, audit, computer maintenance expense and other contractual expenses. The ALJ Report provides a chart that was in the true-up stipulation which indicates all the changes that were made.

As a result of the stipulated adjustments, the parties have reduced the targeted FY2026 revenue recovery level by \$4.4M – from \$154.88M to \$150.48M for the FY2026 rate decision. The parties have also agreed that the stated revenue recovery level for FY2026 will be achieved by an 8.2% adjustment to all non-lifeline rate components, and a legislative surcharge of 3.55% effective October 1, 2025. The negotiations resulted in a reduction of the original increase approved by the PUC of 10.75% on non-lifeline rates down to 8.2% for FY2026 rates.

The proposed rate adjustments and bill impacts, attached to the Joint Stipulation of Historical and Forecasted Operating Results with Stipulated Adjustments, are incorporated in the CALJ report and also in the PUC order to guide the setting rates for the next fiscal year. Also attached to the CALJ report were various schedules (i.e., Schedules K and L) indicating the rates proposed for ratepayers. Schedule K sets forth the increase in the rates that will result in FY2026 for residential and commercial ratepayers. It indicates the rates for the past year and the proposed rates for the upcoming year.

On an overall scale, the monthly base rates, volumetric rates, and wastewater rates for residential ratepayers will all increase. Volumetric and wastewater rates will increase for commercial, government, hotel, agriculture, and irrigation ratepayers. According to Schedule L, the rates for all residential ratepayers using a three-quarter-inch meter size (the predominant size), will increase between 3.2% and 6.5% depending on meter size. The monthly base charge for residential class did not increase by 8.2%. All classes of commercial, government, hotel, agriculture and irrigation rates, will increase by approximately 8.3%.

The parties also agreed to certain requirements for future true-up petitions. All future true-up petitions will provide a table laying out all the values in the PUC's prior order for the fiscal year being tried-up, compared with the values used in the petition, and providing a narrative for the adjustments. In addition, the parties agreed that the CALJ should conduct a proceeding, after the PUC enters its order in this proceeding, to obtain input from the parties as to the process and boundaries of what is permissible as adjustments in a true-up proceeding. The CALJ's recommendation, as accepted or modified by the PUC, will be made in a timely fashion to guide GWA's filing in the subsequent true-up proceeding for FY2027 rates.

CALJ Horecky advised that there are 2 proposed Orders for consideration – one is the order that will approve the joint stipulation of the parties to implement the rates for FY2026 and

the other is an updated Accounting Order. CALJ Horecky briefly explained the intricacies and principle involved. In the prior rate case, the PUC had approved an accounting order. Subsequently, the bond counsel felt that GPA's litigation expenses should not be included in the debt ratio calculations for the rate covenant and had requested certain changes be made. The parties discussed the changes that bond counsel wished to implement and agreed upon the updated accounting order. Bond counsel felt that litigation costs related to the Core Tech litigation were extraordinary costs and should be excluded when calculating the rate covenant debt service ratio.

The accounting order basically sets forth some of the past expenses for adjudication between GWA and Georgetown from 2020 to 2024. Those have already been resolved and will be written off from the financial statements. The regulatory asset that's created is for uncertain and extraordinary legal expenses that may occur in FY2026 and beyond, relating to the ongoing Core Tech litigation concerning the Northern District Treatment Plant. The parties agree that a regulatory asset may be created for the actual amount expensed for this purpose in FY2026 and beyond and will be amortized over the 5-years. However, the expenses prior to 2026 will not be included in the regulatory asset.

Based upon CALJ's review of the record, it is his recommendation that the proposed stipulations and joint stipulation are just and reasonable and should be approved by the PUC. The joint stipulation was bargained for at arm's length by the parties and represents a full and final resolution of current pending issues in the true-up proceeding. GWA represents its interest and Georgetown represents the PUC and the ratepayers in arriving at a fair and just rate in this matter. CALJ Horecky recommends that the PUC support and approve the joint stipulation in accordance with its provisions. As to the rates, CALJ Horecky recommends that the PUC adopt the final rate on FY2026 and the adjustments to the schedule set forth therein.

Based upon the administrative record, the CALJ finds that the proposed rates in the final RAM and joint stipulation are just and reasonable. In its September 24, 2024 rate decision, the PUC had approved a cost for 10.75% increase. The parties worked to the best of their ability to reduce the amounts and to give assistance that they could to the ratepayers and, through that process, they arrived at the reduction to 8.2%. Given the \$900M CIP over 5-years, CALJ Horecky believes that the parties have done their best to reduce the proposed increase. Finally, CALJ Horecky recommends that the PUC approve the Accounting Order stipulated to by the parties.

Chairman Johnson solicited for comments from GWA GM Miguel Bordallo, who applauded the CALJ's decision to address, during the discovery phase, the nature of the 5-year plan and state that the rates previously approved by the PUC was more than just a placeholder. GWA's ability to issue bonds to support the CIP program is dependent on investors having confidence in GWA's ability to stick to that 5-year plan. GM Bordallo believes the CALJ's statement goes a long way in providing investors that assurance and it also comports to the way GWA's previous 5-year plans were adjudicated. Georgetown and GWA struggled to arrive at the final stipulated rate increase and although there was

significant reduction from what GWA was initially comfortable with, the parties worked diligently to make those reductions to benefit the ratepayers. GM Bordallo hopes that all future true-up proceedings will be patterned like this proceeding. The true-up proceeding will take less time and the process will be more efficient if the rate design was not also implemented in the same docket. It will not only give more credence to what has already been submitted and approved, but also keep the extent of the work and resources involved in a true-up, which has been thoroughly vetted in the 5-year rate plan, kept to a more efficient level. GWA will have more time to then work out final budgets with the PUC and the CCU, and not have to do an interim budget for the first quarter and then come back at a later time and provide the final budgets.

There being no further discussions or comments, Commissioner Montinola moved to approve GWA Docket No. 24-05, which motion was duly seconded by Commissioner McDonald, and the motion was carried and unanimously approved. Thereafter, Commissioner Montinola moved to approve the Accounting Order in GWA Docket No. 24-05, which motion was duly seconded by Commissioner McDonald, and the motion was carried and unanimously approved.

5. GWA Docket No. 25-09 – Petition to Approve the Design-Build Contract for Upper Tumon Warehouse Renovation with Canton Construction Corporation.

Chairman Johnson addressed the next Agenda item, GWA Docket No. 25-09, Petition to Approve the Design-Build Contract for Upper Tumon Warehouse Renovation with Canton Construction Corporation (“Canton”). The Chairman informed the Commissioners that there is an ALJ Report and a proposed Order, reiterated that Commissioner Pangelinan is recused from this docket, and invited ALJ Joephet R. Alcantara to present this matter. ALJ Alcantara stated that in April of 2024, GWA petitioned the PUC for approval of procurement related to improving its Upper Tumon warehouse and its meter testing facility. GWA estimated that Phase 1 of this project would be approximately \$3.1M.

Based on PUC’s approval, GWA issued an IFB to solicit bids for this project. GWA received 3 bids in response to its IFB and, after evaluation of the bids, GWA determined that Canton was the lowest responsive and responsible bidder.

GWA submits that the rehabilitation and renovations to its Upper Tumon warehouse are essential and critical for the proper storage and protection of its inventory and its employees and visitors. GWA contends that over the course of 30 years, the warehouse has deteriorated due to wear and tear, tropical weather conditions and damages caused by Typhoon Mawar. GWA states that the metal roofing, roll-up doors, offices, storage areas and other structural portions of the warehouse require renovating. Rainwater leaking through the damaged rooftops causes even more extensive damage to the warehouse and, due to the conditions in the facility, the integrity of the stored materials and the safety of its occupants are affected.

The scope of work that Canton will provide includes:

- Repairs to the warehouse roofing, siding, exterior metal stairs, metal roll-up doors, warehouse ground floor and second mezzanine offices.
- Electrical and mechanical renovations, de-rusting and coating of warehouse structure.
- Mobilization and demobilization, permit applications, engineering services, replacing of metal doors and ventilation.
- Replacing of light fixtures and supplying and installing new air-conditioning units.
- Constructing a 20-foot by 80-foot warehouse extension, which will house electrical connections, a sprinkler system, CCTV and telecommunications.

The projected funding source for this project involves bond funds, internal existing CIP project funds, FEMA (approximately \$631K), public assistance program funds, as well as proceeds from its property insurance claim payments. GWA submits that the total cost for renovation, as submitted by Canton is \$1.554M, with an additional \$440K for the construction of the warehouse extension. GWA's petition is supported by CCU resolution, which authorized GWA to accept the bid submitted by Canton of \$1.994M, and a 10% contingency of about \$199K, bringing the total cost for this project to \$2,193,994. The CCU also authorized the use of GWA's bond funds, FEMA funds and proceeds from the property insurance claims for this project.

The rehabilitation of the warehouse is necessary and urgent to ensure safety of its employees, visitors and to properly protect GWA's inventory of spare parts being stored. Based on the foregoing, ALJ Alcantara recommends that PUC approve the award to Canton at a cost not to exceed \$1,994,540, for renovations and improvements to the facility, and apply the usual cost contingency that is provided under GWA's Contract Review Protocol.

Discussions ensued between the Commissioners and GWA GM Bordallo and GWA CFO Taling Taitano regarding the cost for Phase 1 and 2 of the Upper Tumon warehouse, the estimated amount of the insurance claims GWA expects to receive, GWA's \$1M insurance deductible, the CIP funds, the FEMA covered amounts that were based on actual typhoon damage, and the difference between the 3 bids received.

There being no further questions or comments, Commissioner Montinola moved to approve GWA Docket No. 25-09, which motion was duly seconded by Commissioner McDonald, and the motion was carried and unanimously approved.

GUAM POWER AUTHORITY ("GPA")

6. **GPA Docket No. 25-18 - Petition of the Guam Power Authority ("GPA") to Award Contract for Comprehensive Unarmed Uniformed Security Guard Services.**

Chairman Johnson addressed the next Agenda item, GPA Docket No. 25-18, Petition to Award Contract for Comprehensive Unarmed Uniformed Security Guard Services. The Chairman informed the Commissioners that there is an ALJ Report and a proposed Order and invited ALJ Joephet R. Alcantara to present this matter. ALJ Alcantara informed the PUC that it earlier authorized GPA to solicit services for the comprehensive unarmed

uniformed security guard services for its key assets and locations, which was scheduled to expire, and GPA issued its IFB and received 3 bids in response thereto. Thereafter, PISA was determined to be the lowest responsible and responsive bidder at \$100,039.20 per month or \$1,200,470.40 per year. The CCU approved this contract award to PISA and authorized an expenditure of \$3.6M for the initial 3-year term as well as an additional \$2.4M for a 2-year option term, for a total of \$6,002,352.00 for the entire proposed 5-year contract term.

GPA requests, in its petition, that the PUC approve the contract award because its power system is critical infrastructure to its assets, systems and networks, whether physical or virtual, and are considered so vital to the island, military and national communities, that the incapacitation or destruction of its systems would have a debilitating effect on readiness, economic security, public health, safety or any combination thereof. GPA indicates that an essential component of its security efforts is to utilize this manned security services along with various technological solutions, such as surveillance systems, intrusion detection systems, access control systems, which altogether minimizes security risks to GPA customers, personnel and property. Based on the IFB, the contract will be awarded to provide properly vetted personnel, who are trained and qualified as roving security guards. The contract also requires standard unarmed guards to be assigned to the Fadian building, the supply warehouse and storage yards, the transmission and distribution building in Dededo, the CT powerplant and substation warehouse compound, the Yigo diesel and CT powerplant, as well as the Cabras powerplant in Piti.

The guards will provide typical service, will be posted at their assigned compound premises, will enforce access control policies and procedures, conduct routine surveillance, respond to security threats, breaches, any suspicious activities, fire and safety hazards, prepare incident reports and provide immediate assistance during emergency as well as assist with access control measures, while monitoring activities through the use of security cameras.

GPA has submitted that the \$6M for this contract will be drawn from its revenues. Based on this record, ALJ Alcantara found the contract reasonable, prudent and necessary, and that PUC has long recognized that the physical security of GPA's assets, facilities and personnel are critical to its daily operations. GPA should be able to exercise its best efforts and obtain security for these assets and personnel in order to protect the power generating facilities from threats of damage, tampering, vandalism, theft, and even possible terrorist activities, most especially during these times where power generation capacity is crucial. ALJ Alcantara recommends that the PUC approve GPA's petition and authorize GPA to enter into a contract with PISA for the amount requested, i.e., \$6M for the 5-year contract term.

Chairman Johnson thereafter solicited for comments and GPA Asst. GM of Administration Tricee Limtiaco commented that PISA has had the contract with GPA for at least 8 years -- the security guards are regulars, unarmed and trained, know the lay of the land and understand who should and should not be at the premises. GPA Limtiaco provided further insight concerning the following:

- Issues GPA encountered with theft, which tweaked the specifications to the security contract.
- GPA's comparison of the cost advantages of this service contract versus hiring employees and how its informal analysis disclosed it was too cost prohibitive.
- GPA's recovery of some of its stolen goods and their close relationship with Marianas Fusion Center and the local Department of Homeland Security in monitoring and tracking the theft of stolen property.
- the difference between this contract and the prior contract with PISA, which was for 3-years (a 1-year base and 2 yearly extensions); the considerations that were made for Ukudu coming on-line and the anticipated transitions and inflation; the annual cost of the prior contract of \$798K and the current contract's monthly increase of about 25%; with the current contract's addition of 1 more location, i.e., Dededo CT.

There being no further questions or comments, Commissioner Montinola moved to approve GPA Docket No. 25-18, which motion was duly seconded by Commissioner Pangelinan, and the motion was carried and unanimously approved.

7. GPA Docket No. 25-19 - Petition of the Guam Power Authority ("GPA") to Approve 5-Month Extension of Performance Management Contract for Combustion Turbine Plants to July 31, 2026.

Chairman Johnson addressed the next item of business on the Agenda, GPA Docket Number 25-19, Petition to Approve 5-Month Extension of Performance Management Contract ("PMC") for Combustion Turbine ("CT") Plants to July 31, 2026. The Chairman informed the Commissioners that there is an ALJ Report and a proposed Order and invited CALJ Frederick J. Horecky to present this matter. CALJ Horecky indicated that this petition is for approval of a 5-month extension of GPA's PMC with Taiwan Electrical and Mechanical Engineering Services, Inc. ("TEMES") for the combustion turbine powerplants, which would extend the current contract from February 28, 2026 to July 31, 2026.

GPA entered into a 5-year PMC in March 1, 2016, which ended on February 28, 2021, for the operation and maintenance of the Dededo CT 1 and 2, Macheche CT, Yigo CT, Piti CT, Tenjo Vista, and Talofoto and Manenggon powerplants, which was approved by PUC in GPA Docket 15-22. Thereafter in GPA Docket 21-03, the PUC approved the extension of the PMC for the CT powerplants with TEMES, for 5 additional years through February 26, 2026. Thus, this contract with TEMES will have been in effect for approximately 10 years.

GPA indicates that as of February 28, 2026, all options to extend under the TEMES contract will be exhausted. Given that the PMC with TEMES will be expiring in February 2026, in GPA Docket 25-06, the PUC authorized GPA to solicit a new PMC for its CT powerplants. GPA issued an IFB to solicit a PMC for its CT powerplants in June of 2025. GPA anticipated completing the procurement and obtaining the necessary regulatory, legal and contract approvals by January 29, 2026. The schedule provided the new contractor with a 30-day mobilization period. There were 2 bid protests that have been resolved, which derailed the schedule and planning contemplated by GPA.

GPA states that this 5-month extension of the current PMC will give it sufficient time to deal with protest(s), obtain a contractor, complete the procurement and award, obtain necessary approvals and allow for mobilization. The requested extension would also allow the CT plants to be operated in a safe and reliable manner until the new contractor can take over.

The CCU did approve an amendment to the actual PMC with TEMES to extend the expiration date by 5-months through July 31, 2026 and to increase the total contract cost from \$13,311,455.56 to \$13,947,014.51. This increase of \$647K for the extension is for fixed management fees and reimbursable O&M.

CALJ Horecky believes the contract extension is necessary and that GPA has provided sufficient justification for the PUC to approve a 5-month extension of the TEMES PMC. This is a multiyear contract and although the extension is \$647K, the PUC considers the total cost of the contract of \$13,947M over the 10-year period plus 5-years, thus the need for review under the GPA Contract Review Protocol.

The contract extension is reasonable because the monthly cost for the extension period will remain the same as GPA's current monthly CT PMC costs. The contract extension is prudent because without an extension, there would be no PMC to safely and reliably operate and maintain the CT powerplants and it is extremely important to keep them operational. Based on the petition and documents submitted by GPA, the requested contract extension is reasonable, prudent and necessary and CAL Horecky recommends that the PUC approve the 5-month extension of the PMC for the CTs and other plants with TEMES. This extension has to be made through contract amendment and GPA has submitted a draft Amendment No. 3 to the TEMES PMC which would authorize the 5-month extension, the payment of fixed management fees and the O&M budget cost. A proposed Order has been prepared that will implement these recommendations.

Chairman Johnson solicited for comments and GPA Operations Manager Jennifer Sablan briefly summarized the crucial role of the CT powerplants and how the amendment of the current contract also allows for the extension of service to the diesel plants, which was not a part of the original PMC. GPA Legal Counsel Marianne Woloschuk also explained the nature of the protests and how they were resolved. Further discussion ensued between the Commissioners and GPA Operations Manager Sablan concerning the estimated life of the CTs, their rehabilitation, the problems encountered with the Ukudu powerplant and its anticipated commissioning by the end of the year, and the decommissioning of Cabras in March 2026 per the consent decree.

After discussion and due consideration, Commissioner Montinola moved to approve GPA Docket No. 25-19, which motion was seconded by Commissioner McDonald, and the motion was carried and unanimously approved.

8. GPA Docket No. 25-20 – Petition to Approve the Guam Power Authority's ("GPA") Revenue Funded Capital Improvement Project ("CIP") Ceiling Cap for FY2026.

Chairman Johnson addressed the next Agenda item, GPA Docket No. 25-20, Petition to Approve its Revenue Funded Capital Improvement Project ("CIP") Ceiling Cap for FY2026. The Chairman informed the Commissioners that there is an ALJ Report and proposed Order and invited CALJ Frederick J. Horecky to present this matter. CALJ Horecky stated that GPA in its petition requests the PUC to approve the FY2026 GPA CIP Ceiling Cap in the amount of \$21M, which consists of \$7,914,485 of general plan and engineering projects of \$7,260,188. In support thereof, GPA submits a letter from GPA General Manager and GPA Resolution Number FY 2025-32, both of which are attached to GPA's petition, which approves the FY2026 ceiling cap. CALJ Horecky stated that the total cap proposed for FY2026 is approximately \$15,174,673 – the \$21M figure set forth in GPA's petition includes line extensions of \$5,825,327, which PUC never includes in its review. Thus, the actual total CIP ceiling cap proposed for FY2026 is \$15,174,673.00.

GPA's contract review requires that GPA's annual cap of internally-funded CIP projects be set by the PUC before November 15th of each fiscal year. Included in the cap are general plant and engineering expenditures. General plant expenditures include such items as: plant, CT, diesel, technology upgrades and improvements, boom trucks, crane, networking equipment, emergency underground reconstruction, substation breaker upgrades and other miscellaneous items. The Engineering expenditures include: T7 transformer replacement, substation hardening, EV charging station, GWA wells underground conversion and EPCM contract with Stanley Consultants.

This year's cap includes very large plant items such as major overhauls to MEC Unit 8 and 9 of \$850,157; MEC new cylinder liners piston ring of \$759,843; substation physical control access system installation of \$500K; replacement of current on premises VOIP network infrastructure systems and resources of \$350K, battery bank upgrade of \$300K and boom truck crane of \$300K. Comparing GPA's cap levels for its prior years (which always included its prior year carryovers and all CIP projects), the cap for FY2026 is extremely low because for FY2026, GPA did not include its prior year's (FY2025) carryover projects. This is owing to the fact that the PUC has already approved FY2025 carryover projects and GPA has taken the position that these FY2025 carryover projects should not be included. The CIP cap is only a spending limit. GPA's FY2026 Ceiling Cap only reflects the amounts or CIP projects that will be spent on FY2026 and does not include any prior year carryovers. Moving forward, CALJ Horecky believes that excluding prior year carryovers is a better practice and recommends that PUC revise its process and not include prior year carryovers in GPA's Ceiling Cap, as those CIPs, although not yet expended, have been earlier approved by the PUC.

Based on the recognition that the FY2026 General Plan Budget Ceiling Cap and Engineering Cap is lower than that of the 2 prior fiscal years, regardless of whether carryover projects are included, CALJ Horecky recommends that the PUC approve the FY2026 proposed

Ceiling Cap of \$15,174,673. The proposed engineering projects appear reasonable and the construction project should improve the island-wide power system. These projects are needed for overhauls and other improvements and GPA's FY2026 Ceiling Cap is reasonable, prudent and in the best interest of ratepayers. CALJ Horecky prepared a proposed Order along these lines for the PUC's consideration and approval.

Additional discussions followed between the Commissioners and GPA CFO John Kim regarding the timeframe involved from the approval process to the bid application process, GPA's carryover projects and PUC's prior approval of those CIPs, the cash versus accrual basis, the cash and encumbrance process of a general government accounting and the FY2026 Ceiling Cap.

There being no further discussions, Commissioner Flores-Brooks moved to approve GPA Docket No. 25-20, which motion was seconded by Commissioner Perez-Camacho, and the motion was carried and unanimously approved.

ADMINISTRATIVE MATTERS

9. FY2026 Budget Review.

The PUC then transitioned to administrative matters, beginning with the PUC's FY2026 Budget Review. Chairman Johnson informed the Commission that PUC's budget committee met and PUC's propose budget had increased due to additional full-time employees and the hiring of PUC's In-House Counsel. Commissioner Flores-Brooks stated that the following incidentals increased FY2026 Budget:

- Office Rental for DNA versus GCIC is much greater – PUC is hoping to relocate by January 1, 2026 so approximately 9 months of higher rental.
- Salary for PUC's In-House Counsel, who is expected to commence employment by January 1, 2026 -- approximately 9 months of prorated salary was added to PUC's FY2026 budget.
- Office furniture and equipment for PUC In-House Counsel – listed under office expenses in PUC's FY2026 budget.
- PUC now has 3 full-time employees.
- Moving expenses (from GCIC to DNA) of approximately \$5,000.00.

There was a downward adjustment to FY2026 budget due to Commissioners stipend – 6 Commissioners instead of 7 and now PUC may possibly be down to 5 Commissioners.

The Commissioners reviewed the budget presented. There being no further questions, Commissioner Flores-Brooks moved to approve the budget, which motion was seconded by Commissioner Perez-Camacho, and the motion was carried and approved.

10. FY2026 Administrative Budget/Annual Assessment Order.

Chairman Johnson announced that the next item of business on the Agenda was the Assessment Order. The Assessment Order for allocating the budget was discussed. After clarification on the allocations, and confirmation that all agencies were up to date with their assessment fees, Commissioner Flores-Brooks moved to approve the Assessment Order,

which motion was seconded by Commissioner Perez-Camacho, and the motion was carried and unanimously approved.

11. Automatic Renewal of Eight PUC Consultant Agreements for One Year Terms Commencing October 1, 2025, unless Terminated by the PUC Prior to Commencement Date.

Chairman Johnson announced that the next item of business on the Agenda was the automatic renewal of eight (8) PUC Consultant Agreements for 1-year terms commencing October 1, 2025. CALJ Frederick J. Horecky briefly provided a synopsis of prior consulting agreements and informed the Commissioners that he added a provision that affords automatic yearly renewals, unless terminated prior to the commencement of the new contract year. These contracts began on October 1, 2023, and will renew automatically unless they are terminated by the PUC. In addition, all these consulting contracts are for five (5) 1-year terms. There are currently eight (8) consultants, to wit:

- **4 Consultants for power and water, to wit: Georgetown Consulting Group, Marianas Consulting Group, LLC, Concentric Energy Advisors and Daymark Energy Advisors.**
- **1 Consultant for the port, to wit: Aslan Consulting, LLC.**
- **1 Consultant for solid waste, to wit: Mid Atlantic Solid Waste (MSW) Consultants, LLC.**
- **1 Administrative Law Judge, i.e., Joephet R. Alcantara, and 1 Legal Counsel, i.e., Anthony R. Camacho.**

CALJ Horecky stated that these 8 consultant contracts, unless terminated, will continue unless action is taken on the contracts and there is no need for a motion to approve.

12. Resolutions and Employment Agreements for PUC Administrator and Staff.

Chairman Johnson announced that the next item of business on the Agenda was the Resolutions and Employment Agreements for PUC Administrator and staff. The Commissioners reviewed the Resolutions and Employment Agreements presented for the PUC Administrator and staff. Commissioner McDonald moved to approve said Resolutions and Employment Agreements for the PUC Administrator and staff, which motion was seconded by Commissioner Perez-Camacho, and the motion was carried and approved.

13. Update on Solicitation of Lease for Office Space.

Chairman Johnson then addressed the next item on the Administrative Agenda, the update on Solicitation of Lease for Office Space. Discussion ensued among the Commissioners with regard to the proposed office space offered by DNA, who was the lowest responsible and responsive offeror, and the amenities offered, such as backup generator, conference/meeting space with separate entry located within the office space, kitchenette (immediately across office space), bathrooms, parking spaces and security guards.

Administrator Lourdes R. Palomo informed the Commissioners that she received a layout of the proposed office space from DNA, Inc. and Chairman Johnson requested that he be provided a copy of said layout.

With no further questions or comments, Chairman Johnson moved to the next item on the Agenda.

14. Update on Solicitation for In-House Counsel.

Chairman Johnson then addressed the next item on the agenda, Solicitation for In-House Counsel and Administrative Law Judge. Chairman Johnson informed the Commissioners that legal counsel Anthony R. Camacho was currently off-island and that he will follow-up with legal counsel Camacho upon his return to Guam on October 8, 2025. CALJ Frederick J. Horecky informed the Commissioners that PUC sent a proposal to attorney Christina Baird who is also off-island. Administrator Palomo stated that Ms. Baird is scheduled to return on September 30, 2025.

A discussion ensued between the Commissioners and PUC staff concerning the status and installation of the new computer equipment (hardware and software), the new QuickBooks accounting program and training provided by Ernst & Young ("EY"). Administrator Palomo informed the Commissioners that the installation of both computer equipment and software, together with the new QBES accounting software, have been completed and the staff is currently being trained by EY on the QBES accounting program (i.e., mapping and the migration of the data to the new accounting software). The PUC will be utilizing the new QBES accounting program for FY2026.

ADJOURNMENT

There being no further business before the Commission, Commissioner Montinola moved to adjourn the meeting, which motion was duly seconded by Commissioner Perez-Camacho. The motion passed unanimously and the meeting was adjourned at 8:40 p.m.



Jeffrey C. Johnson
Chairperson

ATTACHMENT “A”

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

*241 Farenholt Avenue, Oka Bldg.
2nd Floor, Suite 205
Tamuning, GU 96913*

REGULAR MEETING

September 25, 2025 at 6:30 p.m.

AGENDA

- 1. Call to Order**
- 2. Approval of Minutes of August 28, 2025 Regular Meeting**

PTI PACIFICA INC. dba IT&E

- 3. PTI Docket No. 25-01:** Petition for PTI Pacifica Inc. Annual USAC Certification, ALJ Report and USAC Certification.

GUAM WATERWORKS AUTHORITY

- 4. GWA Docket No. 24-05:** Petition to Approve GWA’s Second Five-Year Financial Plan (Base Rate Increase Request) – Annual True-Up Submission, Projection and Request for Fiscal Year 2026 Rates, ALJ Report and proposed Order.
- 5. GWA Docket No. 25-09:** Petition to Approve the Design-Build Contract for Upper Tumon Warehouse Renovation with Canton Construction Corporation, ALJ Report and proposed Order.

GUAM POWER AUTHORITY

- 6. GPA Docket No. 25-18:** Petition of the Guam Power Authority to Award Contract for Comprehensive Unarmed Uniformed Security Guard Services, ALJ Reports, and proposed Order.
- 7. GPA Docket No. 25-19:** Petition of the Guam Power Authority to Approve 5-Month Extension of Performance Management Contract for Combustion Turbine Plants to July 31, 2026, ALJ Report, and proposed Order.
- 8. GPA Docket No. 25-20:** Petition to Approve the Guam Power Authority’s Revenue Funded Capital Improvement Project Ceiling CAP for FY2026, ALJ Report, and proposed Order.

ADMINISTRATIVE MATTERS

9. **FY2026 Budget Review**
10. **FY2026 Administrative Budget/Annual Assessment Order**
11. **Automatic Renewal of Seven PUC Consultant Agreements for One Year Terms Commencing October 1, 2025, unless Terminated by PUC Prior to Commencement Date**
12. **Resolution & Employment Agreement for PUC Administrator & Staff**
13. **Update on Solicitation of Lease for Office Space**
14. **Update on Solicitation for In-House Counsel and ALJ**

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 PTI Pacifica Inc. is eligible to receive federal high-cost support for the program years cited.

The Guam Public Utilities Commission certifies for PTI Pacifica Inc. that all federal high-cost support provided to such carrier within Guam was used in the preceding calendar year (2024) and will be used in the coming calendar year (2026) 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 669004 for the Territory of Guam.

Dated this 25th day of September, 2025.



Jeffrey C. Johnson
Chairperson
Guam Public Utilities Commission



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) **GWA Docket 24-05**
)
GWA PETITION FOR APPROVAL OF)
GWA'S SECOND FIVE-YEAR) **ORDER RE: ANNUAL TRUE-UP FOR**
FINANCIAL PLAN (BASE RATE) **FY2026 RATES**
INCREASES); ANNUAL TRUE-UP)
SUBMISSION, PROJECTION, AND)
REQUEST FOR FISCAL YEAR 2026)
RATES)

INTRODUCTION

This matter is a True-Up proceeding for the establishment of GWA's FY2026 rates. The matter comes before the Guam Public Utilities Commission ["PUC"] upon GWA's filing of an advanced FY2026 True-Up Petition on April 25, 2025, and the JOINT STIPULATION between GWA and PUC Consultant Georgetown Consulting Group, Inc. ["GCG"], dated August 30th, 2025.¹ The Joint Stipulation outlines a proposed settlement concerning the True-Up of FY2026 rate revenue recovery approved by the PUC in its Rate Decision Order dated September 24, 2024. Effective October 1, 2025, for FY2026, PUC had authorized GWA "to implement an Across-the-board 10.75% increase in water and wastewater rates."² However, the PUC indicated that the authorized rate increase for FY2026 was "subject to change in the annual true-up proceedings", and ordered that a true-up proceeding would be conducted for the projected FY2026 rate increase.³

ADOPTION OF THE JOINT STIPULATION AND ALJ REPORT

¹ A Copy of JOINT STIPULATION is attached hereto as Exhibit "1".

² Id.; the actual GWA increase in the Rate Application Model was 10.75% on the non-lifeline rates.

³ Id.

The PUC adopts in full all the recommendations and conclusions in the JOINT STIPULATION and the ALJ Report. Such recommendations and conclusions are adopted herein by reference and constitute the determinations of the PUC.

ORDERING PROVISIONS

After careful review and consideration of the record herein, the GWA FY2026 True-Up Petition dated April 25, 2025, the JOINT STIPULATION dated August 30, 2025, the ALJ Report, the updated RAM submitted herein, and other submittals and documents filed herein, for good cause shown, on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission hereby **ORDERS** the following:

1. All rulings and orders of the ALJ in this proceeding are confirmed and ratified.
2. The conclusions and recommendations of the Parties in the JOINT STIPULATION, the ALJ Report, and the Final RAM FY2026 True-Up, and the adjustments and schedules set forth therein, are APPROVED and ADOPTED.
3. The adjustments and affirmations of GWA's FY2026 Annual True-Up filing, as summarized in Schedule A-3, attached hereto, Historical and Forecasted Operating Results with Stipulated Adjustments, are fully approved and adopted.
4. All adjustments to projected revenues and projected operating expenses, as set forth in the JOINT STIPULATION and the table included therein, are approved and adopted.
5. As a result of the stipulated adjustments to revenues and expenses agreed to by the Parties, the targeted FY2026 revenue recovery level is reduced by \$4.40 million from \$154.88 million to \$150.48 million for purposes of this FY2026 True-Up Order. The revenue recovery level will be achieved by an 8.2% rate adjustment to all non-lifeline rate components and a legislative surcharge of 3.55%.
6. Effective October 1, 2025, GWA is authorized to implement an 8.2% rate increase to all non-lifeline rate components and a legislative surcharge of 3.55%.
7. All future GWA True-Up petitions will provide a table laying out all the values in the Commission's prior order for the fiscal year being trued-up compared with values used in the petition and a narrative provided by GWA for the adjustments.

8. The ALJ is ordered to conduct a proceeding subsequent to the Commission's issuance of its Order in this proceeding to obtain input from all Parties as to the process and boundaries of what is permissible as adjustments in a true-up proceeding. The ALJ's recommendations, as accepted or modified by the Commission, shall be made in a timely fashion to guide GWA's filing in the subsequent true-up proceeding for FY2027 rates.
9. The customer water and wastewater rates set forth in the final RAM and in the exhibits to the ALJ Report are hereby adopted and approved. The rates proposed by the Parties in the JOINT STIPULATION and the final RAM are just and reasonable pursuant to 12 GCA §§ 12116 and 12118.
10. The proposed Accounting Order, to Permit GWA to Record Selected Legal Expenses as Regulatory Assets for Recovery in FY2027-FY2029, is approved.
11. Based upon the recommendation of the Parties in the JOINT STIPULATION, the stated recovery level of \$150.48 million for FY2026 shall be used in any subsequent rate design phase for the FY2026 True-Up.
12. GWA 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 are 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.

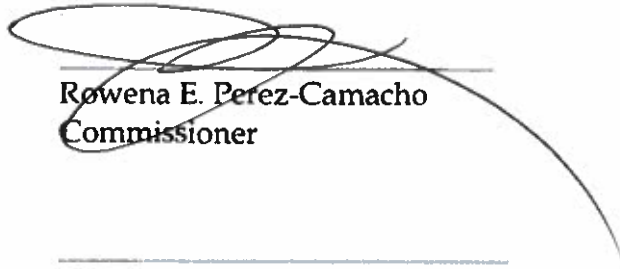
[SIGNATURES TO FOLLOW ON NEXT PAGE]

Dated this 25th day of September, 2025.



Jeffrey C. Johnson
Chairman

Joseph M. McDonald
Commissioner

Peter Montinola
Commissioner

Rowena E. Perez-Camacho
Commissioner

Michael A. Pangelinan
Commissioner

Doris Flores Brooks
Commissioner

True-Up Schedule A-3

Historical and Forecasted Operating Results under Stipulated Changes to Rate Filing

	Historical Year	Current Year	Forecast Year
	FY 2024	FY 2025	FY 2026
Non-Lifeline Rate Increase	16.70%	11.50%	8.20%
Lifeline Rate Increase	16.70%	11.50%	0.00%
Legislative Surcharge	3.80%	3.50%	3.55%
CASH SOURCES			
Water Rate Revenues	\$ 80,933,624	\$ 91,958,431	\$ 97,864,411
Wastewater Rate Revenues	45,314,878	48,209,243	52,614,063
Other Revenues	591,327	515,000	515,000
Rate Revenue Adjustment	1,547,307	(1,906,280)	(750,000)
Bad Debt Adjustment	(229,334)	(947,847)	(1,013,704)
Total Operating Revenues¹	\$ 128,157,801	\$ 137,828,546	\$ 149,229,771
Interest / Investment Income	3,000,398	2,089,615	1,879,457
Rate Stabilization Transfers Out (In)	-	(9,500,000)	2,200,000
TOTAL SOURCES	\$ 131,158,199	\$ 130,418,162	\$ 153,309,228
CASH USES			
Power Purchases	21,892,448	21,994,230	17,601,227
Water Purchases	8,662,002	9,059,465	6,957,710
Salaries & Benefits ²	29,243,503	33,366,815	37,356,545
Admin & General ³	9,313,498	10,375,244	13,210,419
Contractual Expense	5,237,504	6,885,371	9,488,428
Retiree Expense	8,661,999	4,476,615	4,623,703
O&M Subtotal	\$ 83,010,953	\$ 86,157,740	\$ 89,238,032
Fees, Short-Term Financing Program	-	270,853	384,004
Interest, Short-Term Financing Program	-	67,373	1,156,654
Debt Service	38,515,885	37,921,715	51,791,279
Internally Funded Capital (IFCIP)	2,342,943	17,000,000	15,000,000
TOTAL USES	\$ 123,869,781	\$ 141,417,680	\$ 157,569,969
Net Annual Cash Flow	\$ 7,288,419	\$ (10,999,519)	\$ (4,260,741)
DEBT SERVICE COVERAGE			
Net Revenues	\$ 48,147,246	\$ 44,260,422	\$ 64,071,196
Adjustment, Regulatory Asset	-	1,500,000	1,500,000
Adjustment, Capitalized Labor	3,321,043	4,337,686	4,856,351
Adjustment, Other ⁴	6,593,175	701,500	708,515
Revenues Available for Debt Service	\$ 58,061,464	\$ 50,799,608	\$ 71,136,062
Total Debt Service	38,515,885	37,921,715	51,791,279
Debt Service Coverage	1.507	1.340	1.374
OTHER INFORMATION			
SDC Revenues	1,698,842	1,165,000	1,165,000
Depreciation	30,172,311	29,424,588	29,996,235
Net Operating Income	\$ 19,994,422	\$ 27,748,904	\$ 36,016,855
Non-Operating Revenues (Expenses)	9,965,399	13,267,170	13,553,831
Interest Expense	(26,805,659)	(27,476,715)	(40,826,279)
Capital Contributions	2,999,184	34,488,000	30,000,000
Change in Net Position	\$ 6,153,346	\$ 48,027,359	\$ 38,744,407

1 - Includes leachate and Navy revenues, excludes system development charge revenues

2 - Capitalized labor, which does not represent a cash impact, is not included in this calculation of annual net cash flow

3 - Excludes bad debt expense since this line item is included as an offset to rate revenues (per audited financials)

4 - Includes retiree COLA and end-of-year pension and OPEB adjustments



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

GWA DOCKET NO. 24-05

GUAM WATERWORKS AUTHORITY'S
FY2025 -2029 RATE APPLICATION
AND REQUEST FOR RATE
INCREASES

ACCOUNTING ORDER TO PERMIT
GWA TO RECORD SELECTED
LEGAL EXPENSES AS REGULATORY
ASSETS FOR RECOVERY IN FY 2027-
FY2029

GWA ACCOUNTING ORDER

BACKGROUND

On September 24, 2024 the GPUC issued an Accounting Order in conjunction with its Rate Decision and Order in Docket No. 24-05: *Accounting Order to Permit GWA to Record Selected Expenses as Regulatory Assets for Recovery in FY2026-2029 to Stabilize Rate Increases for GWA Customers.*

Following a GWA review¹ of applicable bond indenture requirements, accounting standards, and a June 2025 interpretation from bond counsel, in August 2025, Guam Waterworks Authority (GWA) and Georgetown Consulting Group (GCG) stipulated that this Accounting Order should be clarified. Accordingly, the PUC issues this revised Accounting Order to clarify the PUC's September 24, 2024, Accounting Order for Docket No. 24-05.

ORDER

The Guam Public Utilities Commission **HEREBY ORDERS:**

- i. Expenses related to the adjudication of the FY 2020 - FY 2024 rate case (Docket 19-08) have now been recognized in debt service coverage for prior periods, notification of which has been posted to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website. GWA will therefore write off for financial statement purposes any such expenses.
- ii. GWA will create a Regulatory Asset for regulatory accounting purposes for uncertain and extraordinary legal expenses that may occur in FY 2026 and beyond related to litigation regarding the ownership of land at the site of the Northern District Wastewater Treatment Plant. The Parties agree that a Regulatory Asset may be created for the actual amount expended for this purpose in FY 2026² and beyond and be amortized over five years beginning in the first year subsequent to

¹ Involving consultation with GWA's Auditors and Bond Counsel.

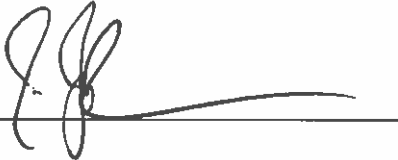
² These extraordinary expenses are excluded from calculation of Debt Service Coverage per GWA's Bond Indenture.

the termination of the litigation. Any such litigation expenses incurred prior to FY 2026 will not be included in the regulatory asset.

- iii. GWA shall provide an annual report on the amortization of the legal expense regulatory asset consistent with this clarified order.

SO ORDERED by the Guam Public Utilities Commission.

Dated this ____th day of September, 2025.



Jeffrey Johnson

Chairman



Rowena E Perez-Camacho

Commissioner



Joseph M. McDonald

Commissioner



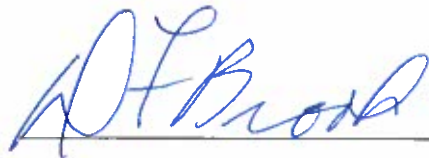
Michael A. Pangelinan Commissioner

Commissioner



Peter Montinola

Commissioner



Doris Flores Brooks

Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

**PETITION TO APPROVE DESIGN-)
BUILD CONTRACT FOR UPPER)
TUMON WAREHOUSE RENOVATION)
TO CANTON CONSTRUCTION)
CORPORATION BY GUAM)
WATERWORKS AUTHORITY)**
_____)

GWA DOCKET 25-09

ORDER



INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the September 5, 2025 Petition to Approve Design-Build Contract Award for Upper Tumon Warehouse Renovation to Canton Construction Corporation (hereinafter referred to as the “Petition”) filed by the Guam Waterworks Authority (“GWA”).

On September 22, 2025, the Administrative Law Judge of the PUC (the “ALJ”) assigned to this matter filed an ALJ Report that included his findings and recommendations based on the administrative record before the PUC. The ALJ found the following.

DETERMINATIONS

Back in April of 2024, this Commission reviewed and approved procurement related to the Design-Build contracts for renovations and improvements to GWA’s Upper Tumon facilities. As indicated in the Petition, Phase I of the project concerns improvements to GWA’s Upper Tumon Warehouse and its Meter Testing Facility.¹ According to GWA, Phase I was estimated to cost around \$3,167,500.00.²

¹ Petition, p. 1.

² Petition, p. 1.

In December of 2024, GWA issued Invitation for Bid IFB-01-ENG-2025 (“IFB”), which solicited bids for its Upper Tumon Warehouse Renovation project.³ In response to the IFB, GWA received three bids.⁴ Thereafter, upon GWA’s evaluation of the bids, GWA determined that Canton Construction Corporation (“Canton Construction”) submitted the lowest responsive and responsible bid.⁵ On May 27, 2025, the Consolidated Commission on Utilities (the “CCU”) issued Resolution No. GWA 38-FY2025, which authorized GWA to award the bid to Canton Construction, and further authorized a total cost of \$2,193,994.00 for the project.⁶

A. Contract Review Protocol

Pursuant to 12 G.C.A. §12105, GWA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC’s express approval. Additionally, pursuant to GWA’s Contract Review Protocol issued in Administrative Docket 00-04, “[a]ll professional service procurements in excess of \$1,000,000” require “prior PUC approval under 12 G.C.A. §12004, which shall be obtained before the procurement process is begun”⁷

³ Petition, p. 2.

⁴ Petition, p. 2.

⁵ Petition, p. 2.

⁶ Petition, “Exhibit B” (GWA Resolution No. 38-FY2025), p. 3 (May 27, 2025).

⁷ GWA’s Contract Review Protocol (“GWA CRP”), Administrative Docket 00-04, p. 1 (Oct. 27, 2005).

B. GWA's Petition to the Contract Award for the Design-Build Contract for Phase 1 of GWA's Upper Tumon Campus Improvements

GWA submitted that the rehabilitation and renovations to GWA's Upper Tumon Warehouse are "essential and critical for the proper storage and protection of inventory and GWA's employees and visitors."⁸ GWA maintains that "[o]ver the course of more than 30 years, the warehouse has deteriorated due to normal wear and tear and Guam's tropical weather conditions."⁹

Specifically, GWA contends that the metal roofing, roll-up doors, and other structural portions of the warehouse require renovating.¹⁰ Further, when Typhoon Mawar hit the island in May 2023, there was extensive damage to the existing warehouse roof, offices, and storage areas.¹¹ According to GWA, the result has been rain water leaking through the damaged rooftops, in turn causing extensive damage to the warehouse.¹² GWA has only deployed temporary measures to keep the warehouse space dry and secure despite the overall condition of the warehouse.¹³

GWA contends that due to the condition of the facility, the "integrity of stored materials and the safety of [] occupants" is affected; and that the rehabilitation of the

⁸ Petition, p. 3.

⁹ Petition, p. 3.

¹⁰ Petition, p. 3.

¹¹ Petition, p. 3.

¹² Petition, "Exhibit B" (GWA Resolution No. 10-FY2024), pp. 2-3 (Feb. 27, 2024).

¹³ Petition, p. 3.

warehouse is necessary and urgent to ensure the safety of GWA's employees and visitors, and to properly protect and maintain the inventory of spare parts being stored there.¹⁴

C. Scope of Services

With respect to the renovations to GWA's warehouse facility, the project involves certain repairs to "the warehouse roofing, siding, exterior metal stairs, metal roll-up doors, the warehouse ground floor, and the second-floor mezzanine offices."¹⁵ Other work includes electrical and mechanical renovations, de-rusting and coating of the warehouse structure; and an additional project of constructing a temporary warehouse to relocate GWA personnel and current inventory from the existing warehouse.¹⁶

Specifically, the project will involve mobilization and demobilization of the project, permit applications, and engineering services. The services will further include removal and replacement of the warehouse's roofing and siding; along with replacing the metal doors and ventilation; and renovating the ground floor and mezzanine offices. The contractor will need to replace all the currently lighting fixtures, as well as supply and install new air-conditioning units. The contractor will also be required to replace the exterior metal staircase.

The contractor also agreed to construct a twenty foot by eighty foot (20' by 80') warehouse extension, which will house all water and electrical connections, a sprinkler system, CCTV and telecommunications.

¹⁴ Petition, "Exhibit B" (GWA Resolution No. 10-FY2024), p. 2.

¹⁵ Petition, p. 2.

¹⁶ Petition, p. 2.

D. Funding Source and Cost

According to GWA, the projected source of funding for the resulting contract involves a variety of sources, which include bond funds, internal and existing Capital Improvement Project funds, FEMA Public Assistance Program funds, and proceeds from GWA's property insurance claim payments.¹⁷ GWA has indicated that based on FEMA's assessment of the damage to the warehouse following Typhoon Mawar, FEMA has confirmed that it will pay \$631,247.44 of the total project costs.¹⁸

As indicated in GWA's request and Canton Construction's bid, the total cost for renovating the Upper Tumon Warehouse is 1,554,540.00.¹⁹ The construction of the warehouse extension, with CCTV and telecommunications, and a sprinkler system, adds an additional \$440,000.00 to the cost.²⁰ Initially, GWA estimated that Phase I of the project would cost about \$3,167,500.00.²¹

E. CCU Resolution No. GWA 38-FY2025

The Petition is supported by Resolution No. GWA 38-FY2025 issued by the CCU ("Resolution"). Pursuant to the Resolution, the CCU authorized GWA to accept the bid submitted by Canton Construction, at a total cost of \$1,994,540.00.²² The CCU further approved a ten percent (10%) contingency of \$199,454.00, bringing the approved total cost

¹⁷ Petition, p. 3.

¹⁸ Petition, p. 3.

¹⁹ Petition, p. 2.

²⁰ Petition, p. 2.

²¹ Petition, p. 5.

²² Petition, "Exhibit B" (GWA Resolution No. 38-FY2025), p. 3 (May 27, 2025).

for the project to \$2,193,994.00.²³ The CCU additionally authorized the use of GWA Bond funds, FEMA funds, and proceeds from GWA Property Insurance Claims, for the project.²⁴

The CCU has previously found that that the Phase I project is “necessary to ensure public safety, equipment protection, continued operations and improve customer service.”²⁵ Specifically, the CCU found that “the extensive damage to Upper Tumon Warehouse and Meter Testing Facility have affected the integrity of stored materials and the safety of occupants of both buildings”; and that the rehabilitation of the Upper Tumon Warehouse is “necessary and urgent to make the facility safe for GWA employees and visitors, and to properly protect and maintain the inventory of spare parts while in storage.”²⁶ The CCU at the time authorized a total cost of \$3,167,500.00 for Phase I.²⁷

CONCLUSION

Based on the record before this Commission, the ALJ found GWA’s Upper Tumon Warehouse is essential and critical for GWA operations insofar as the facility is used for the storage and protection of GWA’s spare parts inventory.

The record is clear that Typhoon Mawar caused significant damage to the Upper Tumon facilities; and that such damage, which included ripped up panels to the existing roof, compromises the safety of its occupants and quality of any material or equipment

²³ Petition, “Exhibit B” (GWA Resolution No. 38-FY2025), p. 3.

²⁴ Petition, “Exhibit B” (GWA Resolution No. 38-FY2025), p. 3.

²⁵ Petition, “Exhibit B” (GWA Resolution No. 10-FY2024), p. 3.

²⁶ Petition, “Exhibit B” (GWA Resolution No. 10-FY2024), p. 2.

²⁷ Petition, “Exhibit B” (GWA Resolution No. 10-FY2024), p. 3.

stored in the warehouse.²⁸ The deterioration of this facility was deemed to be so unsafe that GWA relocated its personnel to other GWA facilities.²⁹ Since that time, GWA has only deployed temporary measures to keep the warehouse space as secure as possible, despite the overall condition of the warehouse. The repair of the Upper Tumon Campus, therefore, is reasonable and necessary in order for GWA to properly store and house its inventory of spare parts, and provide a safe working space for GWA's employees and visitors.

RECOMMENDATION

The ALJ recommended that the PUC approve GWA's Petition insofar as it approves GWA's contract award to Canton Construction at a cost not to exceed \$1,994,540.00 for the renovations and improvements to GWA's Upper Tumon facilities, as discussed in its Petition.

The Commission hereby adopts the findings in the September 22, 2025 ALJ Report and therefore issues the following.

ORDERING PROVISIONS

Upon careful consideration of the record herein, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. That the instant Petition is hereby APPROVED.

²⁸ See Petition, "Exhibit B" (GWA Resolution No. 10-FY2024), pp. 2-3.

²⁹ See Petition, "Exhibit B" (GWA Resolution No. 10-FY2024), pp. 2-3.

2. GWA is authorized to enter into contract with Canton Construction Corporation at a cost not to exceed \$1,994,540.00 for the renovations and improvements to GWA's Upper Tumon facilities.

3. The usual cost contingency provided under GWA's CRP shall apply to this contract.

4. GWA is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with this matter. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

//

//

SO ORDERED this 25th day of September, 2025.



JEFFREY C. JOHNSON
Chairman



ROWENA E. PEREZ-CAMACHO
Commissioner



JOSEPH M. MCDONALD
Commissioner

MICHAEL A. PANGELINAN
Commissioner



PETER MONTINOLA
Commissioner



DORIS FLORES BROOKS
Commissioner

P253046.JRA

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

**PETITION TO AWARD CONTRACT)
FOR COMPREHENSIVE UNARMED)
UNIFORMED SECURITY GUARD)
SERVICES BY THE GUAM)
POWER AUTHORITY)
_____)**

**GPA DOCKET 25-18
ORDER**



INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the September 5, 2025 Petition to Award Contract for Comprehensive Unarmed Uniformed Security Guard Services to Pacific Island Security Agency (“PISA”) (hereinafter referred to as the “Petition”) filed by the Guam Power Authority (“GPA”).

On September 22, 2025, the Administrative Law Judge of the PUC (the “ALJ”) assigned to this matter filed an ALJ Report that included his findings and recommendations based on the administrative record before the PUC. The ALJ found the following.

DETERMINATIONS

In GPA Docket 25-09, this Commission authorized GPA to solicit services for comprehensive unarmed, uniformed security guard services for key assets and locations.¹ Thereafter, on May 8, 2025, GPA issued Invitation For Bid GPA-059-25 (“IFB 59-25”), which solicited bids for the security services.² On June 12, 2025, GPA opened three bids that responded to IFB 59-25.³ On June 30, 2025, GPA’s current contract for security

¹ PUC Order, GPA Docket 25-09, p 5 (Mar. 27, 2025).

² Petition, p. 2.

³ Petition, p. 2.

services expired, requiring GPA to enter into a month-to-month contract with its current vendor, PISA.⁴

After a review of the submitted bids, GPA's evaluation committee concluded that PISA was the lowest responsible and responsive bidder at \$100,039.20 per month, and \$1,200,470.40 per year.⁵ On August 26, 2025, the Consolidated Commission on Utilities (the "CCU") approved the contract award to PISA and authorized the expenditure of \$3,601,411.20 for an initial three-year term; and \$2,400,940.80 for an additional two-year option term, for a total of \$6,002,352.00 for the contract.

A. Contract Review Protocol

Pursuant to 12 G.C.A. §12105, GPA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC's express approval. Furthermore, GPA's Contract Review Protocol requires that "[a]ll professional service procurements in excess of \$1,500,000" require "prior PUC approval . . . which shall be obtained before the procurement process is begun."⁶

B. GPA's Petition to Approve the Contract Award for Comprehensive Unarmed Uniformed Security Guard Services

In its Petition, GPA requests that the PUC approve its contract award to PISA for comprehensive unarmed uniformed security guard services. GPA submitted that its "power system is "critical infrastructure whose assets, systems, and networks, whether physical or virtual, are considered so vital to the island community, military and nation that the incapacitation or destruction thereof would have a debilitating effect on readiness,

⁴ Petition, p. 2.

⁵ Petition, p. 2.

⁶ GPA's Contract Review Protocol, Administrative Docket 00-04, p. 1 (Feb. 15, 2008) (emphasis in original).

economic security, public health or safety, or any combination thereof”⁷ Indeed, an essential component to GPA’s security efforts in defending “against risks and threats” is “utilizing manned security services along with various technological solutions such as surveillance systems, intrusion detection systems, access control systems”, which all together “minimizes security risks to [GPA] customers, personnel and property.”⁸

Based on IFB 59-25, the contractor will be required to provide standard unarmed security guard services, which involves properly vetted personnel who are trained and qualified as roving security guards. The contract requires guards to be assigned to the Gloria B. Nelson building in Fadian; the Supply Warehouse and Storage Yards, and the Transmission and Distribution building in Dededo; the Dededo Combustion Turbine Power Plant and Substation Warehouse Compound; the Yigo Diesel/Yigo Combustion Turbine Power Plant; and the Cabras Power Plant compound in Piti.

These guards will be posted in their assigned compound premises and must enforce access control policies and procedures; conduct routine surveillance of the facility; respond to security threats and breaches; respond to any suspicious and unpermitted activities; respond to fire and safety hazards; prepare incident reports and contact proper authorities when necessary; and also provide immediate assistance during an emergency. Other responsibilities may further include assisting with access control measures; and monitoring activities through the use of security cameras.

⁷ GPA Resolution No. FY2025-24, issued by the CCU, p. 1 (Aug. 26, 2025).

⁸ Resolution, p. 1.

C. Term and Cost

GPA seeks authorization of \$3,601,411.20 for the initial three-year contract term; and \$2,400,940.80 for the two-year option term, for a total of \$6,002,352.00 for entire five-year life of the contract. GPA submits that the funding source for the security services will be drawn from its revenues.

D. CCU Resolution No. FY2025-24

The instant Petition is supported by Resolution No. GPA FY2025-24 issued by the CCU. Pursuant to the Resolution, the CCU found that the contract is “reasonable, prudent and necessary”⁹ inasmuch as GPA’s “power system” is “critical infrastructure whose assets, systems, and networks, whether physical or virtual, are considered so vital to the island community, military and nation that the incapacitation or destruction thereof would have a debilitating effect on readiness, economic security, public health or safety, or any combination thereof.”¹⁰

The CCU found that GPA’s Comprehensive Security Strategy and Plan, which was developed in partnership with federal agencies such as the Department of Homeland Security, Department of Energy, Department of Defense, the Federal Bureau of Investigation, and Guam Homeland Security, contemplates “multiple layers of protection to defend against risk and threats” by employing “manned security services and technological solutions such as surveillance systems, intrusion detection systems, [and] access control systems” in an effort to reduce security risks to GPA customers, personnel

⁹ Resolution, p. 2.

¹⁰ Resolution, p. 1.

and property.¹¹ The CCU therefore authorized GPA to enter into a contract with PISA, at a cost of \$3,601,411.20 for an initial three-year term. The CCU further authorized GPA to exercise two additional option years at a cost of \$2,400,940.80 if it elects to do so.¹²

CONCLUSION

Based on this record, the ALJ found that the subject contract is prudent, reasonable, and necessary. The ALJ further found that this Commission has recognized in prior dockets that the physical security of GPA's assets, facilities, and certainly personnel are critical to its daily operations. Additionally, the ALJ found that, without a doubt, GPA should exercise its best efforts in obtaining security for GPA's assets and personnel in order to protect its power-generation facilities from threats of damage, tampering, vandalism, theft, and even terrorist activities, most especially during these times where generation capacity is crucial. Overlooking this need may risk threatening the public health, welfare and safety of the island. In addition, the contract award was based on the submission of three bids, which appears to have been fairly competitive.

RECOMMENDATION

Based on the foregoing, the ALJ recommended that the PUC approve GPA's Petition. Accordingly, GPA should be authorized to enter into a contract with PISA related to comprehensive unarmed uniformed security guard services to protect GPA's key assets and locations. Correspondingly, the PUC should authorize the expenditure of \$3,601,411.20 for an initial three-year term; and \$2,400,940.80 for the two additional option years at a cost of \$2,400,940.80, for a total of \$6,002,352.00.

¹¹ Resolution, p. 1.

¹² Resolution, p. 2.

The Commission hereby adopts the findings in the September 22, 2025 ALJ Report and therefore issues the following.

ORDERING PROVISIONS

Upon careful consideration of the record herein, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. That the instant Petition is hereby APPROVED.
2. GPA is authorized to expend \$3,601,411.20 for an initial three-year term; and \$2,400,940.80 for the two additional option years at a cost of \$2,400,940.80, for a total of \$6,002,352.00 with Pacific Island Security Agency.
3. GPA is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with this matter. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

/ /

/ /

SO ORDERED this 25th day of September, 2025.



JEFFREY C. JOHNSON
Chairman

ROWENA E. PEREZ-CAMACHO
Commissioner

JOSEPH M. McDONALD
Commissioner

MICHAEL A. PANGELINAN
Commissioner

PETER MONTINOLA
Commissioner

DORIS FLORES BROOKS
Commissioner

P253042.JRA



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 25-19
)
COMBUSTION TURBINE PLANTS PMC)
EXTENSION) **ORDER**
)
)
)
)
_____)

I. INTRODUCTION

This matter comes before the Guam Public Utilities Commission [“PUC”] for approval of a 5-Month Extension of GPA’s performance management contract [“PMC”] with Taiwan Electrical & Mechanical Services, Inc. [TEMES] at the Combustion Turbine [“CT”] power plants, through July 31, 2026.¹

II. BACKGROUND

GPA entered into 5-Year PMC with TEMES on March 1, 2016, and ending on February 28, 2021, for the management, operation and maintenance of the Dededo CT 1 and 2, Macheche CT, Yigo CT, Piti 7 CT, and the Tenjo Vista, Talofoto, and Manenggon power plants.² The PUC approved the PMC in GPA Docket 15-22.³ In GPA Docket 21-03, the PUC approved the extension of the PMC with TEMES for the Combustion Turbine Power Plants for five additional years through February 28, 2026.⁴ However, GPA indicates that presently, “[A]ll options to extend have been exhausted.”⁵

¹ GPA Petition for Request to Approve a 5-Month Extension of Performance Management Contract for Combustion Turbine Plants to July 31, 2026, GPA Docket 25-19, filed September 5, 2025.

² Id. at p. 1.

³ PUC Order, GPA Docket 15-22, dated January 25, 2016, at p. 4.

⁴ PUC Order, GPA Docket 21-03, filed November 30, 2020, at p. 8.

⁵ GPA Petition at pgs. 1-2.

Given that the PMC with TEMES was set to expire in February 2026, in GPA Docket 25-06, the PUC authorized GPA to solicit a new PMC for GPA's Combustion Turbine Power Plants.⁶ In June of 2025, GPA issued MS IFB GPA-015-25 to solicit a PMC for the Combustion Turbine plants. GPA anticipated that the completion of the procurement, and obtaining the necessary regulatory, legal, and contract approvals, would be completed by January 29, 2026. This schedule provided the new contractor with a 30-day mobilization period.⁷ However, two bid protests derailed the schedule and planning contemplated by GPA. While the two protests have been resolved, there has been a delay in the tight schedule that GPA contemplated.⁸

GPA indicates that a 5-month extension of the current PMC will give GPA "sufficient time to deal with the protest, to compete the procurement, obtain the necessary approvals, and allow for mobilization."⁹ The extension would also allow the CT plants to be operated reliably in a safe manner until the new contractor can take over.¹⁰ In GPA Resolution No. FY2025-27, the Guam Consolidated Commission on Utilities authorized an amendment to the CT PMC with TEMES "to extend the expiration date by five (5) months through July 31, 2026 and to increase the total contract cost from \$13,311,415.56 to \$13,947,014.51 for Fixed Management Fees and Reimbursable O&M costs."¹¹

**III. GPA HAS PROVIDED SUFFICIENT JUSTIFICATION FOR
THE PUC TO APPROVE A 5-MONTH EXTENSION OF THE
TEMES PMC FOR THE COMBUSTION TURBINE PLANTS.**

⁶ PUC Order, GPA Docket 25-06, dated January 30, 2025, at p. 7.

⁷ GPA Petition at p. 2.

⁸ Id.

⁹ Id.

¹⁰ Id.

¹¹ Guam CCU GPA Resolution No. FY2025-27, Relative to Authorizing the Extension of the Performance Management Contract for the Combustion Turbine Power Plants, adopted and approved on August 26, 2025, at GPA Petition, Exhibit "1".

A. Contract Review Protocol

To extend the expiration date of the PMC by five (5) months through July 31, 2026, the total contract cost will be increased from \$13,311,415.56 to \$13,947,014.51.¹² The period of the 5-month extension will cost an additional \$646,598.95. The Fixed management fee will be \$363,002.92 and O&M spending budget will be \$283,596.03.¹³ To calculate the fee, TEMES has set the monthly Fixed Management Fee at \$72,600.58 and the monthly O&M fee at \$56,719.21.¹⁴ These fees are based upon the current PMC monthly prices.¹⁵

Since the PMC has been a “multi-year” contract, the test to determine whether a procurement exceeds the \$1,500,000 threshold for PUC review and approval is the total estimated cost of the procurement, including cost incurred in any renewal options.¹⁶ Thus, the procurement exceeds the \$1,500,000 threshold and requires prior PUC approval as a professional service procurement in excess of \$1,500,000, or as any contract or obligation, not specifically referenced in the protocol, which exceeds \$1,500,000.¹⁷

- B. The contract extension is necessary because of the tight schedule of the procurement and the fact that GPA cannot predict whether there will be more bid protests.

¹² GPA Petition at Exhibit 1 & Attachment B.

¹³ Id.

¹⁴ Id. at Attachment C.

¹⁵ Id.

¹⁶ Contract Review Protocol for Guam Power Authority, Administrative Docket, dated February 15, 2008 at par. 4.

¹⁷ Id. at par. 1 (c) and (e).

Attachment A to the GPA petition indicates the Procurement Bid Schedule. The PMC Multi-Step Bid is still undergoing evaluation by the GPA committee. Remaining steps are: opening of the bid proposal, price proposal evaluation, notification of award, contract finalization, and CCU & PUC Approval. It is certainly possible that there could be other bid protests in the process. Also, the Schedule only leaves one month for contract mobilization, which seems to be a very short timeframe if there is a change in the PMC. To assure adequate time for a smooth transition, it is appropriate to extend the PMC of TEMES for five months.

- C. The contract extension is reasonable because the monthly cost for the extension period will remain the same as GPA's current monthly CT PMC costs.

For the 5-month extension, TEMES will charge GPA the same monthly Fixed Management Fee and the same O&M Spending Budget as are presently charged in the fifth year of the current extension term for the PMC.¹⁸

- D. The contract extension is prudent because, without an extension, there would be no PMC to operate and maintain the CT power plants safely and reliably.

Previously, the PUC determined that the availability of the CT units is critical for GPA. It will assist in allowing GPA to meet reliability requirements and sufficient additional power capacity.¹⁹ The PUC also found that the previous contract extension for TEMES allowed it to further repair the combustion turbines and to maintain their operational efficiency.²⁰ To allow GPA to be in position without any PMC for the combustion turbines would be a dangerous and unacceptable risk. The requested contract extension is reasonable, prudent, and necessary.

¹⁸ GPA Petition at Attachment B & C.

¹⁹ PUC Order, GPA Docket 21-03, dated November 30, 2020 at p. 4.

²⁰ Id. at p. 7.

IV. ORDERING PROVISIONS

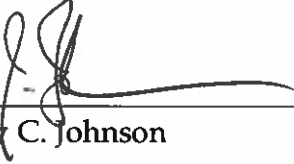
After review of the record herein, including GPA's Petition for Approval of the five-month Extension of the Performance Management Contract (PMC) with TEMES for the Combustion Turbine Power Plants, and the ALJ Report, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

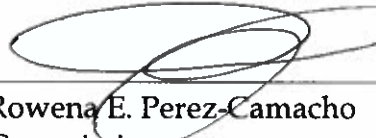
1. The 5-month extension of TEMES's PMC for Dededo CT 1 & 2, Macheche CT, Yigo CT, Piti 7 CT, and the Tenjo Vista, Talofoto, and Maneggon power plants, is approved.
2. GPA is authorized to amend the TEMES PMC by entering into draft Amendment No. 3 with TEMES.
3. The total authorized cost of CT PMC (GPA-001-16) with TEMES, Inc. is hereby increased from \$13,311,415.56 to \$13,947,014.51 for Fixed Management Fees and Reimbursable O&M costs.
4. GPA is authorized to expend the total amount of \$646,598.95 for the five-month extension of the TEMES PMC as Fixed Management Fees (\$72,600.58 monthly) and Reimbursable O&M costs (\$56,719.21 monthly).
5. 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

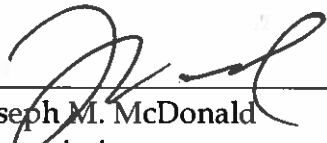
regulatory fees and expenses is authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

Dated this 25th day of September 2025.



Jeffrey C. Johnson
Chairman

Rowena E. Perez-Camacho
Commissioner

Joseph M. McDonald
Commissioner

Michael A. Pangelinan
Commissioner

Peter Montinola
Commissioner

Doris Flores Brooks
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:)
) GPA Docket 25-20
)
The Application of the Guam Power)
Authority to Approve the FY2026 GPA) **ORDER**
CIP Ceiling Cap)
_____)

INTRODUCTION

This matter comes before the Guam Public Utilities Commission [PUC] upon GPA's Petition for Request for Approval of the FY2026 GPA CIP Ceiling Cap.¹ A letter from the GPA General Manager and GPA Resolution No. FY2025-32, both of which are attached to the Application, approve the CIP Ceiling Cap.²

Therein, GPA requests PUC approval of its FY2026 Capital Improvement Project Cap in the amount of \$21,000,000, which consists of General Plant (\$7,914,485) and Engineering (\$7,260,188).³ GPA's proposed FY2026 Ceiling Cap also includes \$5,825,327 for Line Extensions. However, pursuant to the GPA Contract Review Protocol, regulatory review is not required for blanket job orders and line extensions.⁴

BACKGROUND

The Contract Review Protocol for the Guam Power Authority requires that GPA's annual level ("cap") of internally funded Capital Improvement Projects ("CIP") be set

¹ GPA Petition to Approve the FY2026 GPA CIP Ceiling Budget, GPA Docket 25-20, filed September 8, 2025.

² GPA Petition at Exhibit 1, pgs. 1-2 and 5-6.

³ GPA Petition at p. 1.

⁴ Contract Review Protocol for GPA, Administrative Docket, February 15, 2008, Sec. 1a.

by the PUC before November 15th of each fiscal year.⁵ The CIPs included within the Cap are for “general plant” and “engineering.” The “general plant” expenditures include such items as plant, CT, diesel, and technology upgrades and improvements, boom truck crane, networking equipment, emergency underground reconstruction, substation/breaker upgrades, and other miscellaneous items.⁶

The “engineering” expenditures include such items as T7 transformer replacement, substation hardening, EV charging station, GWA wells underground conversion, and EPCM Contract, Stanley Consultants.⁷

The Contract Review Protocol does not require that GPA provide justifications for the items listed under General Plant.⁸ GPA indicates that what it has provided is a General Plant (CIP) Budget; it has always been the case that GPA does not expend all amounts indicated in the budget for the stated items.⁹

DETERMINATIONS

This year’s requested cap includes some large “plant” items: (1) MEC 8&9 Major Overhaul, \$840,157; (2) MEC New Cylinder Liners, Piston Rings, \$759,843; (3) Substation Physical Control Access System Installation, \$500,000; (4) Replacement of current on-premises VOIP Network infrastructure, systems, and resources, \$350,000; (5) Battery Bank Upgrade, \$300,000; (6) Boom Truck Crane, \$300,000.¹⁰

⁵ Contract Review Protocol for GPA, Administrative Docket, February 15, 2008, Sec 1f.

⁶ GPA Petition at Exhibit 1, pg. 3.

⁷ GPA Petition at Exhibit 1, pg. 4.

⁸ Contract Review Protocol for GPA, Administrative Docket, February 15, 2008, Sec. 1f.

⁹ Discussion between PUC Counsel Fred Horecky and GPA Legal Counsel Graham Botha on September 15, 2017.

¹⁰ GPA Petition at Exhibit 1, pg. 3.

The prior year cap levels were as follows:

FY2025 Cap: \$34,960,498¹¹
FY2024 Cap: \$32,931,099¹²
FY2023 Cap: \$22,122,263¹³
FY2022 Cap: \$32,202,862¹⁴
FY2021 Cap: \$21,561,155¹⁵
FY2020 Cap: \$23,780,278
FY2019 Cap: \$22,022,011
FY2018 Cap: \$20,959,813
FY2017 Cap: \$18,798,120
FY2016 Cap: \$12,067,780
FY2015 Cap: \$9,974,000
FY2014 Cap: \$7,363,110.
FY2013 Cap: \$10,135,760.
FY2012 Cap: \$13.581M.¹⁶
FY2011 Cap: \$5M.¹⁷
FY2010 Cap: \$16,390,707.¹⁸

The proposed FY2026 CIP cap (\$15,174,673, without line extensions) is over \$19M less than the FY2025 cap. The cap had not been at this low a level since FY2016. As the Commissioners are aware, the CIP Cap is only a spending limit. The ALJ has indicated that he is not aware of any year in which GPA has expended funds up to the CIP Cap.

¹¹ PUC Order, GPA Docket 24-26, at p. 1.

¹² PUC Order, GPA Docket 23-24, dated September 28, 2023, at p. 5.

¹³ At present, the ALJ cannot find a docket or record indicating that GPA filed a Petition to approve the FY2023 GPA Ceiling Cap. On September 28, 2023, GPA CFO John Kim confirmed in an email to the ALJ that there was no ceiling cap filing for FY 2023; however, he indicated that the CIP ceiling cap for FY 2023 was \$22,122,263.

¹⁴ PUC Order, GPA Docket 21-18, dated September 20, 2021, at p. 1.

¹⁵ PUC Order, GPA Docket 20-19, dated September 24, 2020, at pgs. 2-3.

¹⁶ PUC Order, GPA Docket 18-17, dated September 27, 2018, at pgs. 1-2.

¹⁷ PUC Order, GPA Docket 13-16, dated October 29, 2013, at pgs. 1-2.

¹⁸ PUC Order, GPA Docket 10-05, dated October 29, 2010, at pg. 1.

GPA CFO John Kim has previously estimated that there is a \$6M-\$8M carryover of cap funds from year to year.¹⁹

Upon review of the GPA Petition, the ALJ questioned why the proposed cap for FY2026 was so much lower than the FY2025 cap. Upon discussion with John Kim, GPA CFO, the ALJ was informed that the FY2026 cap does not include carryover projects from FY2025.²⁰ Upon the ALJ's request, GPA forwarded to the ALJ an updated listing of Plant and Engineering projects including the carryover projects from FY2025. Such listing is attached to the ALJ Report as Exhibit "1". GPA's position is that the FY2025 carryover projects have already been approved by the PUC and do not need to be included for the FY2026 ceiling cap.

When FY2025 carryover projects are included in the FY2026 cap for General Plant projects, the ceiling cap for General Plant Projects for FY2026 would be \$21,268,630. For Engineering projects for FY2026, when FY2025 carryover projects are included, the total ceiling cap would be \$8,034,902. With the carryover projects, the total CIP Budget cap for FY2026 would be \$29,302,532. Even when carryover projects are included, the proposed FY2026 Ceiling Cap is more than \$5M less than the FY2025 Cap and more than \$3M less than the FY2024 Ceiling Cap.

Several of the general plant expenditures are for MEC overhaul and replacement items. These and other general plant costs are justified and necessary.

¹⁹ Phone conference between GPA CFO John Kim, GPA Counsel Graham Botha, and PUC ALJ Fred Horecky on September 18, 2020.

²⁰ Phone conversation between John Kim, GPA CFO, and Fred Horecky, PUC ALJ, on September 15, 2025.

Over one-half of the FY2026 engineering project costs relate to five projects: (1) T7 Transformer Replacement, \$1,800,000; (2) Substation Hardening/Concrete Fencing Harmon, \$500,000; (3) EV Charging Station, \$500,000; (4) Predictive Based Maintenance, Island wide, \$500,000; and (5) P-087 GWA Wells Underground Conversion, \$500,000.

There is a cost of \$485,000 for the EPCM Contract regarding LNG, Stanley Consultants. The PUC did authorize GPA to do additional exploratory work on LNG issues in GPA Docket 23-17.

The proposed Engineering CIP projects appear reasonable and the construction projects should improve the IWPS. The projects should improve the island-wide transmission and distribution system.

GPA must seek approval under the Contract Review Protocol for procurement of any items included within the CIP cap which exceed the \$1.5M threshold if the PUC has not previously approved such items.

ORDERING PROVISIONS

Upon consideration of the record herein, the Petition of GPA, and the ALJ Report, and for good cause shown, on motion duly made, seconded, and carried by the affirmative vote of the undersigned Commissioners, the Commission **HEREBY ORDERS** that:

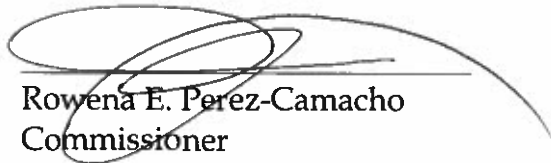
1. The GPA FY2026 internally funded CIP ceiling cap, which consists of General Plant and Engineering, is approved in the amount of \$15,174,673.
2. The General Plant and Engineering budgets are considerably lower than the FY2024 Cap and the FY2025 Ceiling Cap and appear reasonable; no prudence concerns are noted.
3. GPA shall file a complete reconciliation of the FY2025 expenditures on or before December 1, 2025, as required by the Contract Review Protocol
4. GPA must obtain Contract Review approval from the PUC before it expends amounts for those projects which exceed the contract review threshold of \$1.5M.
5. 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 are authorized pursuant to 1 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Order
Application of GPA to
Approve FY2026 CIP Ceiling Cap
GPA Docket 25-20
September 25, 2025

Dated this 25th day of September, 2025.



Jeffrey C. Johnson
Chairman



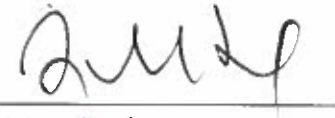
Rowena E. Perez-Camacho
Commissioner



Joseph M. McDonald
Commissioner



Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner



Doris Flores Brooks
Commissioner



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

**COMMISSION ADMINISTRATIVE
DOCKET**

ASSESSMENT ORDER

WHEREAS, the Commission's operational expenses can be divided into two categories and are budgeted and collected under the following protocols: i] general administrative expenses, which are budgeted each fiscal year by the Commission and divided and assessed among the regulated utilities; and ii] regulatory expenses, which are incurred pursuant to Commission resolution dated August 13, 2007. Regulatory expenses include professional and out-of-pocket expenses, which are billed to specific utilities under regulatory dockets assigned to them to cover the expense of handling specific regulatory proceedings related to them. This order addresses the Commission's FY2026 budget of administrative expenses.

WHEREAS, the administrative budget covers the Commission's administrative expenses, including staff, office facilities, Commissioner stipends and training, professional fees and other operational expenses;

WHEREAS, at a duly noticed and convened Commission meeting held on September 25, 2025, the Commission considered and adopted its FY2026 administrative budget in the amount of \$675,000.00;

WHEREAS the administrative budget for FY2026 is \$135,000.00 more than the administrative budget for FY2025, such increase resulting from the hiring of an In-House PUC Legal Counsel and moving, furnishing, and rent expenses for a new PUC office location;

WHEREAS, the utilities and telecommunication companies subject to Commission regulation include Guam Power Authority [GPA], Guam Waterworks Authority [GWA], TeleGuam Holdings LLC [GTA]/ Other Telecom Companies, Guam Solid Waste Authority [GSWA], and the Port Authority of Guam [PAG];

WHEREAS, after due consideration, the Commission has resolved that its' FY2026 administrative budget of \$675,000.00 should be allocated among the regulated utilities and telecommunication companies as follows:

GTA/Other Telecom Companies	\$135,000.00
GPA	\$135,000.00
GWA	\$135,000.00
PAG	\$135,000.00
GSWA	\$135,000.00
Total	\$675,000.00

NOW, THEREFORE, in consideration of the above recitals and under authority invested by 12 GCA Section 12125, the Commission hereby **ORDERS THAT**:

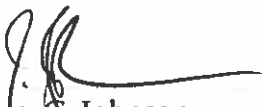
1. GPA, GWA, GTA/Other Telecom Companies, PAG, and GSWA shall pay the assessments allocated to them, as stated above, to the Commission no later than October 31, 2025. The regulated utilities and telecom companies are reminded that these assessed revenues are necessary to enable the Commission to have the staff and office facilities to entertain their requests for regulatory services. It is, therefore, essential that these assessments be paid in a timely manner.
2. The assessments due for the telecom companies are apportioned¹ as follows:

GTA:	\$66,229.00
PDS:	\$5,000.00
DPAC	\$33,329.00
PTI/ITE	\$30,442.00

3. A copy of this assessment order shall be delivered to each regulated utility and Telecom Company.

¹ This allocation of Regulatory Fees for Telecommunications Companies has been determined in accordance with the methodology set forth in the Amended Rules Governing Regulatory Fees for Telecommunications Companies, Docket 05-01, adopted by the PUC on March 29, 2018. See par. 2a, 2b, and 2. thereof. In GTA Docket 17-07, the telecom parties all agreed that a total baseline would be established annually for apportionment of PUC administrative expenses among such companies. The baseline for FY2026 is \$45,000, and it is apportioned as follows: GTA, \$16,000; PDS, \$5,000; DPAC, \$11,000; IT&E, \$13,000 (which includes the previous charge of \$2,000 for iConnect, as IT&E has purchased the telecommunications assets of iConnect). For the balance of administrative expenses for telecom for FY2026 in excess of the baseline assessment (\$90,000), such balance of fees will be apportioned among the Telecom carriers based upon each carrier's percentage of the total regulatory fees assessed against all carriers for FY2025. The calculations for the apportionment of the PUC FY2026 administrative expenses of \$90,000 among the telecom carriers are set forth in Exhibit A attached hereto.

Dated this 25th day of September 2025.



Jeffrey C. Johnson
Chairman



Rowena E. Perez-Camacho
Commissioner



Michael A. Pangelinan
Commissioner



Joseph M. McDonald
Commissioner



Peter Montinola
Commissioner



Doris Flores Brooks
Commissioner

AGENCY	DOCOMO	GTA/PULSE	PDS	PTI
	GT			ITE /Choice Phone
Date				
Oct-24	\$0.00	\$0.00	\$0.00	\$0.00
Nov-24	\$0.00	\$0.00	\$0.00	\$0.00
Dec-24	\$0.00	\$0.00	\$0.00	\$0.00
Jan-25	\$0.00	\$0.00	\$0.00	\$0.00
Feb-25	\$0.00	\$0.00	\$0.00	\$0.00
Mar-25	\$0.00	\$0.00	\$0.00	\$0.00
Apr-25	\$0.00	\$0.00	\$0.00	\$0.00
May-25	\$0.00	\$0.00	\$0.00	\$0.00
Jun-25	\$0.00	\$0.00	\$0.00	\$0.00
Jul-25	\$0.00	\$0.00	\$0.00	\$0.00
Aug-25	\$800.00	\$1,800.00	\$0.00	\$0.00
Sep-25	\$0.00	\$0.00	\$0.00	\$800.00
Total	\$800.00	\$1,800.00	\$0.00	\$625.00
				\$3,225.00
		Percentage	\$135,000 less 45,000 = \$90,000.00	
Docomo/GT	\$800.00	24.81%	\$22,329.00	
GTA/Pulse	\$1,800.00	55.81%	\$50,229.00	
PDS	\$0.00	0.00%	\$0.00	
PTI/ITE/Choice	\$625.00	19.38%	\$17,442.00	
Total	\$3,225.00	100.00%	\$90,000.00	

GUAM PUBLIC UTILITIES COMMISSION

Jeffrey C. Johnson
Chairman

Peter B. Montinola
Vice Chairman

Commissioners
Joseph M. McDonald
Michael A. Pangelinan
Rowena E. Perez-Camacho
Doris Flores-Brooks

Suite 207, GCIC Building
Post Office Box 862
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Telephone: (671) 472-1907
Fax: (671) 472-1917
Email: info@guampuc.com

Lourdes R. Palomo
Administrator

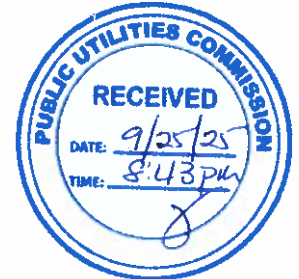
Marie M. Leon Guerrero
Administrator-in-Training

Sheila M. Salas
Administrative Assistant

Frederick J. Horecky
Chief Administrative Law Judge

Joephet R. Alcantara
Administrative Law Judge

Anthony R. Camacho
Legal Counsel



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

RESOLUTION NO. 25-07

APPROVAL OF FY2026 EMPLOYMENT AGREEMENT FOR THE PUC ADMINISTRATOR

WHEREAS, the **GUAM PUBLIC UTILITIES COMMISSION** ("PUC") is an autonomous instrumentality within the Government of Guam; and

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

WHEREAS, **LOURDES R. PALOMO** has diligently served as PUC Administrator for the past twenty-three (23) years and the PUC is satisfied with the services rendered by **LOURDES R. PALOMO**; and

WHEREAS, the PUC is authorized to employ and approves the continued employment of **LOURDES R. PALOMO**, as a fulltime employee and Administrator to the PUC, for a term of one (1) year for FY2026; and

WHEREAS, the PUC and **LOURDES R. PALOMO** desire that she be hired under an Employment Agreement, a true and correct copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, the salary of **LOURDES R. PALOMO**, for the term of the Employment Agreement, shall be Sixty-Six Thousand Dollars (\$66,000.00) per annum, representing a base salary of Sixty Thousand Dollars (\$60,000.00) and a payment for Health and Welfare Benefits of Six Thousand Dollars (\$6,000.00); and

NOW, THERFORE, BE IT HEREBY

RESOLVED, that the **PUC** hereby approves and authorizes the continued employment of **LOURDES R. PALOMO**, as a fulltime employee and Administrator to the **PUC**, for a term of one (1) year for FY2026; and

RESOLVED, that Employment Agreement attached hereto is hereby approved.

RESOLVED, that the salary of **LOURDES R. PALOMO**, for the term of the Employment Agreement, shall be Sixty-Six Thousand Dollars (\$66,000.00) per annum, representing a base salary of Sixty Thousand Dollars (\$60,000.00) and a payment for Health and Welfare Benefits of Six Thousand Dollars (\$6,000.00). The Guam Federal Wage Determination standards recommends that compensation for Health and Welfare Benefits be included in an employee's salary where such benefits (i.e., health insurance and others) are not provided to the employee. The **PUC** is unable to provide health insurance or retirement benefits to **LOURDES R. PALOMO**.

RESOLVED, that during the term of her employment, all terms and conditions of said Employment Agreement between the **PUC** and **LOURDES R. PALOMO** shall remain in full force and effect and shall govern the respective relations of the parties.

RESOLVED, that the Chairman is authorized to sign all documents necessary to effectuate the above-referenced agreement.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

DULY AND REGULARLY ADOPTED ON THIS 25TH DAY OF SEPTEMBER,
2025.



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 October 1, 2025, by and between the **GUAM PUBLIC UTILITIES COMMISSION ("PUC")**, a public corporation and autonomous instrumentality of the Government of Guam, and **LOURDES R. PALOMO ("Employee")**, whose mailing address is Post Office Box 399, Hagatna, Guam 96932.

WITNESSETH:

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

WHEREAS, **Employee** desires to be employed by the **PUC** as its Administrator, in a fulltime capacity, for a term of one (1) year for FY2026; and

WHEREAS, **Employee** has diligently served as **PUC** Administrator for the past twenty-three (23) years and the **PUC** has been satisfied with the past services rendered by the **Employee**;

WHEREAS, it is the desire of the parties that **Employee** continue her employment as Administrator for the **PUC**, in a fulltime capacity, for a term of one (1) year for FY2026;

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

1. **Scope of Work.** The **PUC** hereby hires **Employee** to serve as its Administrator. **Employee** will operate the **PUC's** Office during its regular office hours (i.e., 8:00 o'clock a.m. through 5:00 o'clock p.m., Monday through Friday, excluding Government of Guam holidays) and such additional hours as may be required to attend to **PUC** 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 **PUC**. **Employee** shall be responsible for the day-to-day operations of the **PUC**, subject to the supervision and

control of the **PUC's** Chairman and the **PUC**. Her duties will include, but not be limited to:

(a) To ensure that the **PUC's** Office is open and operational during its regular business hours;

(b) To supervise other employees or administrative staff of the **PUC**;

(c) To receive and file all documents submitted to the **PUC**, and to take appropriate action for the processing of such documents;

(d) To handle incoming inquiries and requests from all members of the public or representatives of the utilities and to assure that such matters are handled by her or other **PUC** personnel;

(e) To undertake any tasks necessary for the operation and maintenance of the **PUC** Office;

(f) To undertake accounting and bookkeeping, or to ensure that said functions are performed by authorized **PUC** personnel/contractors;

(g) To maintain and update the **PUC's** website, with the assistance of the **PUC's** webmaster;

(h) To undertake efforts to scan and digitize **PUC** files and documents;

(i) To provide administrative and secretarial services to the **PUC**;

(j) To arrange and coordinate **PUC** meetings and hearings, and to ensure that such meetings are properly broadcasted in accordance with law; and

(k) To perform such other duties as may be assigned to her by the **PUC** or its authorized representatives.

2. Compensation.

(a) **Employee** shall receive a total salary in the amount of **\$66,000.00** per annum, representing an annual base salary of **\$60,000.00** and a payment for Health and Welfare Benefits of **\$6,000.00**, which shall be paid by the **PUC** 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 PUC 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 three (3) weeks paid vacation during the term of this Agreement.

(c) **Employee** shall be provided with appropriate training.

(d) **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 (1) 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 PUC'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 the PUC for any reason, **Employee** agrees to deliver promptly to the PUC all equipment, notebooks, documents, memoranda, reports, files, samples, books correspondence, lists, or other written or graphic records, and the like, relating to the PUC'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 PUC to the **Employee** may be affected either by personal delivery in writing or by email to **Employee's** email address at the PUC. Any notices required to be given hereunder by the **Employee** to the PUC may be affected by personal delivery to the Chairman and the Chief ALJ or by email to the Chairman and the Chief 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 PUC 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 PUC 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 PUC, 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.

EMPLOYEE:

Dated: 9-25-25


LOURDES R. PALOMO

COMMISSION:

Dated: 09/25/2025

BY: 
JEFFREY C. JOHNSON, CHAIRMAN

GUAM PUBLIC UTILITIES COMMISSION

Jeffrey C. Johnson
Chairman

Peter B. Montinola
Vice Chairman

Commissioners
Joseph M. McDonald
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Lourdes R. Palomo
Administrator

Marie M. Leon Guerrero
Administrator-in-Training

Sheila M. Salas
Administrative Assistant

Frederick J. Horecky
Chief Administrative Law Judge

Joepheth R. Alcantara
Administrative Law Judge

Anthony R. Camacho
Legal Counsel



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

RESOLUTION NO. 25-08

APPROVAL OF FY2026 EMPLOYMENT AGREEMENT FOR ADMINISTRATIVE ASSISTANT TO THE PUC ADMINISTRATOR

WHEREAS, the GUAM PUBLIC UTILITIES COMMISSION ("PUC") is an autonomous instrumentality within the Government of Guam; and

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

WHEREAS, on July 25, 2024, the PUC authorized the hiring of **SHEILA MARIE SALAS**, as the Administrative Assistant to the PUC Administrator; and

WHEREAS, **SHEILA MARIE SALAS** has diligently served as Administrative Assistant to the PUC Administrator since August 1, 2024, and the PUC is satisfied with the services rendered by **SHEILA MARIE SALAS**; and

WHEREAS, the PUC is authorized to employ and approves the continued employment of **SHEILA MARIE SALAS**, as a fulltime employee and Administrative Assistant to the PUC Administrator, for a term of one (1) year for FY2026; and

WHEREAS, the PUC and **SHEILA MARIE SALAS** desire that she be hired under an Employment Agreement, a true and correct copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, the total salary of **SHEILA MARIE SALAS**, for the term of the Employment Agreement, shall be \$44,179.20 per annum (based upon 2080 hours); with \$75.00 worth of gasoline per month for work related travel; and

NOW, THERFORE, BE IT

RESOLVED, that the **PUC** hereby approves and authorizes the continued employment of **SHEILA MARIE SALAS**, as a fulltime employee and Administrative Assistant to the **PUC** Administrator, for a term of one (1) year for FY2026; and

RESOLVED, that Employment Agreement attached hereto is hereby approved.

RESOLVED, that the total salary of **SHEILA MARIE SALAS**, for the term of the Employment Agreement, shall be \$44,179.20 per annum (based upon 2080 hours); with \$75.00 worth of gasoline per month for work-related travel. Said total annual salary of \$44,179.20, represents a base hourly rate of \$16.70 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), for a total hourly rate of \$21.24. The Guam Federal Wage Determination standards recommends that compensation for Health and Welfare Benefits be included in an employee's salary where such benefits (i.e., health insurance and others) are not provided to the employee. The **PUC** is unable to provide health insurance or retirement benefits to **SHEILA MARIE SALAS**.

RESOLVED, that during the term of her employment, all terms and conditions of said Employment Agreement between the **PUC** and **SHEILA MARIE SALAS** shall remain in full force and effect and shall govern the respective relations of the parties.

RESOLVED, that the Chairman is authorized to sign all documents necessary to effectuate the above-referenced agreement.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

DULY AND REGULARLY ADOPTED ON THIS 25TH DAY OF SEPTEMBER,
2025.



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 October 1, 2025, by and between the **GUAM PUBLIC UTILITIES COMMISSION ("PUC")**, 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 who resides at 131 Tun Leo Caldio Pauline Street, Inarajan, Guam 96915.

WITNESSETH:

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

WHEREAS, **Employee** desires to be employed by the **PUC** as its Administrative Assistant to the **PUC** Administrator, in a fulltime capacity, for a term of one (1) year for FY2026; and

WHEREAS, **Employee** has diligently served as the Administrative Assistant to the **PUC** Administrator since August 1, 2024, and the **PUC** is satisfied with the past service rendered by the **Employee**; and

WHEREAS, it is the desire of the parties that **Employee** continue her employment as Administrative Assistant to the **PUC** Administrator, in a fulltime capacity, for a term of one (1) year for FY2026;

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

1. **Scope of Work.** The **PUC** hereby hires **Employee** to serve as its Administrative Assistant to the **PUC** Administrator. **Employee** will perform her duties at the **PUC's** Office during its regular office hours (i.e., 8:00 o'clock a.m. through 5:00 o'clock p.m., Monday through Friday, excluding Government of Guam holidays) and such additional hours as may be required to attend to **PUC** 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 PUC. **Employee** shall be under the direct supervision of the PUC Administrator. The **Employee** 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 and documents, running errands, bookkeeping, receiving payments and making bank deposits, and such other duties as are reasonably related to the operation of the PUC.

2. **Compensation.**

(a) **Employee** shall receive a total salary in the amount of **\$44,179.20** per annum, which shall be paid by the PUC in bi-weekly installments on the 15th and last day of each month. **Employee's** total annual salary represents a base pay at the rate of **\$16.70** per hour and an add-on 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), for a total hourly rate of **\$21.24**.

(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 PUC 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 (2) 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 (1) 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 PUC'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 the PUC for any reason, Employee agrees to deliver promptly to the PUC all equipment, notebooks, documents, memoranda, reports, files, samples, books correspondence, lists, or other written or graphic records, and the like, relating to the PUC'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 PUC to the Employee may be affected either by personal delivery in writing or by email to Employee's email address at the PUC. Any notices required to be given hereunder by the Employee to the PUC may be affected by personal delivery to the Chairman and the Chief ALJ or by email to the Chairman and the Chief 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 PUC 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 PUC 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 PUC, 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.

EMPLOYEE:

Dated: 9/25/25


SHEILA MARIE SALAS

COMMISSION:

Dated: 09/25/2025

BY: 
JEFFREY C. JOHNSON, CHAIRMAN

GUAM PUBLIC UTILITIES COMMISSION

Jeffrey C. Johnson
Chairman

Peter B. Montinola
Vice Chairman

Commissioners

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Suite 207, GCIC Building
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Lourdes R. Palomo
Administrator

Marie M. Leon Guerrero
Administrator-in-Training

Sheila M. Salas
Administrative Assistant

Frederick J. Horecky
Chief Administrative Law Judge

Joephet R. Alcantara
Administrative Law Judge

Anthony R. Camacho
Legal Counsel



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

RESOLUTION NO. 25-09

APPROVAL OF FY2026 EMPLOYMENT AGREEMENT FOR THE PUC ADMINISTRATOR-IN-TRAINING

WHEREAS, the **GUAM PUBLIC UTILITIES COMMISSION** ("PUC") is an autonomous instrumentality within the Government of Guam; and

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

WHEREAS, on October 7, 2024, the PUC authorized the hiring of **MARIE M. LEON GUERRERO** as an Administrator-in-Training; and

WHEREAS, **MARIE M. LEON GUERRERO** has diligently served as Administrator-in-Training for the PUC since October 7, 2024, and the PUC is satisfied with the services rendered by **MARIE M. LEON GUERRERO**; and

WHEREAS, the PUC is authorized to employ and approves the continued employment of **MARIE M. LEON GUERRERO**, as a fulltime employee and Administrator-in-Training, for a term of one (1) year for FY2026; and

WHEREAS, the PUC and **MARIE M. LEON GUERRERO** desire that she be hired under an Employment Agreement, a true and correct copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, the salary of **MARIE M. LEON GUERRERO**, for the term of the Employment Agreement, shall be Fifty-Four Thousand Dollars (\$54,000.00) per annum; and

NOW, THEREFORE, BE IT HEREBY

RESOLVED, that the **PUC** hereby approves and authorizes the continued employment of **MARIE M. LEON GUERRERO**, as a fulltime employee and Administrator-in-Training for the **PUC**, for a term of one (1) year for FY2026; and

RESOLVED, that Employment Agreement attached hereto is hereby approved.

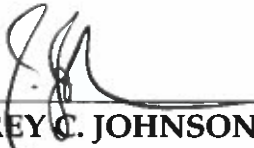
RESOLVED, that the salary of **MARIE M. LEON GUERRERO**, for the term of the Employment Agreement, shall be Fifty-Four Thousand Dollars (\$54,000.00) per annum. The total salary includes a payment for health and welfare benefits. The Guam Federal Wage Determination standards recommends that compensation for Health and Welfare Benefits be included in an employee's salary where such benefits (i.e., health insurance and others) are not provided to the employee. The **PUC** is unable to provide health insurance or retirement benefits to **MARIE M. LEON GUERRERO**.

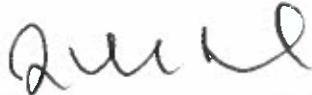
RESOLVED, that during the term of her employment, all terms and conditions of said Employment Agreement between the **PUC** and **MARIE M. LEON GUERRERO** shall remain in full force and effect and shall govern the respective relations of the parties.

RESOLVED, that the Chairman is authorized to sign all documents necessary to effectuate the above-referenced agreement.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

DULY AND REGULARLY ADOPTED ON THIS 25TH DAY OF SEPTEMBER,
2025.



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 October 1, 2025, by and between the **GUAM PUBLIC UTILITIES COMMISSION ("PUC")**, a public corporation and autonomous instrumentality of the Government of Guam, and **MARIE M. LEON GUERRERO ("Employee")**, whose mailing address is Post Office Box 2221, Hagatna, Guam 96932.

WITNESSETH:

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

WHEREAS, **Employee** desires to be employed by the **PUC** as its Administrator-in-Training, in a fulltime capacity, for a term of one (1) year for FY2026; and

WHEREAS, **Employee** has diligently served as Administrator-in-Training for the **PUC** since October 7, 2024, and the **PUC** is satisfied with the service rendered by **Employee**; and

WHEREAS, it is the desire of the parties that **Employee** continue her employment as Administrator-in-Training to the **PUC**, in a fulltime capacity, for a term of one (1) year for FY2026.

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

1. **Scope of Work.** The **PUC** hereby hires **Employee** to serve as its Administrator-in-Training. **Employee** will operate the **PUC's** Office during its regular office hours (i.e., 8:00 o'clock a.m. through 5:00 o'clock p.m., Monday through Friday, excluding Government of Guam holidays) and such additional hours as may be required to attend to **PUC** 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 **PUC**. **Employee** shall be responsible for the day-to-day operations of the **PUC**, subject to the supervision and control of the **PUC's** Chairman and the **PUC**. Her duties will include, but not be limited to:

(a) To ensure that the **PUC's** Office is open and operational during its regular business hours;

(b) To supervise other employees or administrative staff of the **PUC**;

(c) To receive and file all documents submitted to the **PUC**, and to take appropriate action for the processing of such documents;

(d) To handle incoming inquiries and requests from all members of the public or representatives of the utilities and to assure that such matters are handled by her or other **PUC** personnel;

(e) To undertake any tasks necessary for the operation and maintenance of the **PUC** Office;

(f) To undertake accounting and bookkeeping, or to ensure that said functions are performed by authorized **PUC** personnel/contractors;

(g) To maintain and update the **PUC's** website, with the assistance of the **PUC's** webmaster;

(h) To undertake efforts to scan and digitize **PUC** files and documents;

(i) To provide administrative and secretarial services to the **PUC**;

(j) To arrange and coordinate **PUC** meetings and hearings, and to ensure that such meetings are properly broadcasted in accordance with law; and

(k) To perform such other duties as may be assigned to her by the **PUC** or its authorized representatives.

2. Compensation.

(a) **Employee** shall receive a total salary in the amount of **\$54,000.00** per annum, which shall be paid by the **PUC** 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 PUC 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 three (3) weeks paid vacation during the term of this Agreement.

(c) **Employee** shall be provided with appropriate training.

(d) **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 (1) 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 PUC'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 the PUC for any reason, **Employee** agrees to deliver promptly to the PUC all equipment, notebooks, documents, memoranda, reports, files, samples, books correspondence, lists, or other written or graphic records, and the like, relating to the PUC'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 **PUC** to the **Employee** may be affected either by personal delivery in writing or by email to **Employee's** email address at the **PUC**. Any notices required to be given hereunder by the **Employee** to the **PUC** may be affected by personal delivery to the Chairman and the Chief ALJ or by email to the Chairman and the Chief 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 **PUC** 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 **PUC** 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 **PUC**, 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.

EMPLOYEE:

Dated: 9/25/2025


MARIE M. LEON GUERRERO

COMMISSION:

Dated: 09/25/2025

BY: 
JEFFREY C. JOHNSON, CHAIRMAN