



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

REGULAR BOARD MEETING

CCU Board Room, Gloria B. Nelson Public Service Building

5:30 p.m., Tuesday, November 28, 2023

MINUTES

1. CALL TO ORDER

Chairman Duenas calls CCU Regular Board Meeting to order, November 28, 2023 at 5:39 p.m. For the record, present are Chairman Duenas and Commissioners Limtiaco, Sanchez, Santos, and Martinez.

Executives, Management, & Staff:

GPA

John Benavente, GM
Jennifer Sablan, AGMO
John Cruz, AGMET
John Kim, CFO
Tricee Limtiaco, AGMA
Marianne Woloschuk, Legal Counsel
Joyce Sayama, Communications
Melvyn Kwek, CITO
Joleen Cruz, Communications
Vien Wong, IT
Vladimir Navasca, IT
Candice Ananich, MAIV
Lourissa Gilman, UBS

GWA

Miguel Bordallo, GM
Chris Budasi, AGMA
Thomas Cruz, AGMO
Taling Taitano, CFO
Jeanet Owens, AGME
Therese Rojas, Legal Counsel
Evangaline Lujan, Compliance/Safety
Michael Schniep, HR
Manny Apuron, IT Administrator
Janae Perez, IT
Ann Borja-Gallardes, MAIV

Guests:

Annmarie Muna, AM Insurance
Stanley Wilson, Public
Jung Kim, Public
David Castro, Guam Daily Post
George Castro, Depo Resources

Online:

Sen. Parkinson's Office

2. APPROVAL OF MINUTES

Minutes up for approval are CCU Regular Board Meetings on January 12, 2023 Oath of Office and October 24, 2023 Regular Board Meeting. Comm. Santos moves to approve both minutes; Comm. Sanchez second.

Chairman Duenas states with no further discussion, calls for a vote; motion passes with five ayes. [Aye = 5, Nay = 0]

3. PUBLIC COMMENTS

3.1. Stan Wilson

Chairman explains, we are in the Public Comments portion of the meeting. Mr. Stan Wilson states, he has a lot more to say than it's going to take two minutes. Chairman asks if he can condense it.

Wilson begins, new generators for the wells, those were put in 30 years ago and they either no longer exist or they don't work. My generator is older, and it works just fine, but you're talking about buying 104 generators for either \$11.4 or \$9.5 million dollars? I did the math...that's either \$91,000 or \$109,000 dollars each. How big are the generators? I went online and the retail prices of brand name, U.S. made generators the most expensive one was 40KW and it's under \$25,000.

Wilson, continues, Marbo Cave, he's talked to 25 people that have built homes on Guam. Nobody gets plans, signs a contract with a contractor and goes home and stays home until the contractor calls them and says that, "Oh, you can move in tomorrow!" Everybody he knows, went to visit their house, if not daily, at least once a week during the construction period. Nobody from GPA ever took a trip up to Marbo Cave area? I haven't spoken to a single person that doesn't know what a ponding basin is. Nobody from GPA ever looked! Unbelievable!

New generator that you're building...number one, it's not legal because you have a contract to buy power from it for 25 years after it starts operating and that is several years past the law! Guam law says that you have to be 100% renewable. I understand that law is stupid, I understand it's not possible, but change the law before you sign a contract. Don't do like you did like the other little generator thing up near Jose Rios. Force the Legislature to do what you have to do. Why don't you do anything in advance? Doesn't anybody ever think ahead? Load shedding again? You got to be kidding me.

I think the Board members ought to represent the people that voted for them rather than the management of the Board. It appears that you don't. I haven't spoken to anybody that is happy with GPA or GWA. I had a water outage after the storm... I hate to say this, but I used to be Chairman of the Waterworks Board when it was part of GovGuam. I believe, if I'm not correct, that I was the one that bought those generators. I think it was GPA that was supposed to maintain them, is that not, correct? Who's supposed to maintain those generators, GPA or GWA?

Chairman Duenas addresses Mr. Wilson, his two-minute are up but he may continue his comments.

Wilson continues, nobody ever did their job and maintained them or at least reported them that their broken or missing or whatever? That's why we have water outage after a typhoon. Yes, it's been 13 years, but we get typhoons maybe tomorrow and now we're going to start a process to buy new generators that will take you a year to get through the bidding process and maybe another year maybe or so. That's two years away probably the way government works. Anyhow, I'm disgusted and everybody I've talked to is discussed with GWA and GPA. Not the guys that go out last week and put a new drop on my house. Those three guys worked their butt off, you know, they were hard working, conscientious, and knowledgeable knowing what they're doing. The problem is not with your line workers. The problem is with the management. Either at the very top or the next couple of layers down. Nobody holds anybody responsible or accountable...nobody!

3.2. Jung Kim

Jung Kim is a resident of Dededo and has a home in Yigo. He is requesting a refund regarding his waterline extension. He was denied and he would like more clarification. He received response from engineering, but that response is not acceptable. I don't agree and clearly, it's really different from what is written on rules and regulations. He hasn't contacted the General Manager because he doesn't know anyone else to contact.

Chairman Duenas states at GWA staff and get Mr. Kim's contact number so the general manager's office will give you a call to arrange a meeting so that he can further discuss your issue. This is an operational issue he needs to take care of. Mr. Kim states, I think the General Manager is aware of this situation. Chairman replies that this is an issue that needs to take place in meeting with the GM and he will explain and you will get your answer. Mr. Kim states he understands. With no further public comments, the board meeting move forward.

4. NEW BUSINESS

4.1. Joint Cyber Security Briefing

Melvyn Kwek, Chief Information Technology Officer, and Manny Apuron, IT Administration, are presenting a GPWA Cyber Security Update.

In the last two years the cyber security landscape has shifted considerably. The pandemic which brought across an increase in digitization of services and new processes this of course has increased the potential for expanded security issues. We have our increased geopolitical agendas rising ongoing concerns with electronic warfare and cyber security. The war in Ukraine ramped up cyber security activity from Nation State Actors and leading to targeted attacks on Guam. Growing demand for Cyber and IT professionals and leading to a shortage of skill sets and staffing. Ever changing technology requirements and of course supply chain issues and delays in procuring new technology.

Volt Typhoon, this was mentioned specifically, Guam, this came out in the New York Times in May 24, 2023, Chinese malware hit systems on Guam. This is related to Guam's strategic location with DOD presence. We had a couple incidents where there were targeted attacks on Guam a local ISP telecom company plus another GovGuam agency. Ironically, we actually had the FBI assessment team here for both GPA and GWA and they were actually here when this news broke out. This is just the tip of the iceberg.

GPA and GWA has been ongoing Cybersecurity and Network Assessments. We had our Department of Homeland Security, Infrastructure Security Agency (CISA) here in February 2023 doing the risk and vulnerability assessment. The FBI Network and Vulnerability Assessment Team was here in May 2023 for both GPA and GWA. And, the Coast Guard Cybersecurity Protection Team was here for GWA in 2022 August and they were here in September 2023 for GPA. During that time, they've put numerous network sensors on both our networks GPA and GWA and the sensors are still here and they're going to be here for indefinite amount of time. We have another Network and Host Assessment scheduled forthcoming. I'm looking at first quarter of 2024. We have been the focus of multiple federal agencies to make sure that we are trying to be secure and that we don't have any intrusions by Nation State Actors.

Another thing driving additional cybersecurity concerns is Digitizing of Services. In the past two years

because of pandemic, we've actually done more conversion of physical manual processes to automated solutions. Energy Sense Rebate applications before you would have to come in turn an application by hand and now you can go online. Actually, that's the only way to do it. Go online, submit the forms, and everything gets processed electronically even the approval process and the notification process. Prior to implementation no applications were processed within 20 days. A new KPI is 50% of applications are processed within 30 days. Meter provisioning and exchange process using Mobile Workforce. If you notice, we actually have a lot of vehicles with two antennas coming out which gives the vehicles mobile connectivity. We're using that to connect to tablets to make meter change outs faster in the field. Online Energy Audit Application roll out in April and May 2024. Distribution Troubleshooting and Planning using Smart Grid Big Data Applications and exploring AI for grid controller. All this automation also exposes us to more cybersecurity concerns because this is using technology in a different.

Some of the challenges for GPWA, Technology Upkeep, keeping up with the everchanging technology landscape, evaluating and implementing to new technology that is constantly improving has proven to be challenging. Ensuring that such technology can coexist with GPA and GWA's IT environment and future proofing such technologies are complex. Increased acquisition cost and maintenance of such technologies are driving up the price of implementing new technologies. Many times, when we're purchasing new technologies by the time we get them through the procurement process, implementation process, something new comes up. A better way or end of life equipment has always caused us challenges and concerns. Another challenge for us is End of Life (EOL) Equipment. End of Life Equipment is equipment which is no longer being supported by the vendor. It doesn't have spare parts, doesn't have really available backups, GPA and GWA are working on addressing End of Life equipment. For GPA and GWA, this covers replacement aging equipment estimated to be over \$1.2 and \$1.4 million respectively. GPA and GWA is currently working with Federal Partners to assist in funding for the replacement of such equipment. Another issue we have is Supply Chain Issues. Issues with the availability of equipment and delivery. Specialized equipment purchases have an estimate delivery time of over 6 to 10 months because of the pandemic and because of the shortage of production. Also, enforcing cybersecurity requirements from vendors adds additional costs and also limits vendor participation in the procurement process. Another major challenge Development of Skillsets/Workforce Retention. There's a high need for training and certification of IT personnel for cybersecurity, networking, and communication. Because of the military buildup, there is actually a high demand for IT personnel at the moment, cybersecurity personnel. Private sector and public sector are having hard time recruiting qualified technical people at the moment. Within the last two years GPA and GWA have lost total of five qualified, very good staff either DOD, NAVFAC or DOD contractors. Majority of the loss is because of salary benefits.

Comm. Santos asks what is it that we need to do for you so our IT are not going over to different positions with the federal government? CITO Kwek states, there is a salary bump, it's not incredibly high but there's also additional benefits. People going to work for DOD going to work for DOD even NAVFAC get those base privileges and guaranteed COLA every single year...those are some of the benefits that they get. Comm. Santos asks what are we doing to protect our staff to make sure they're not running over to the federal government? CITO Kwek states GPA is a great training ground because we have all the cutting-edge technology right now. In fact, a lot of our technologies compared to some other federal government agencies are actually higher. So, what are we doing? We're offering more training, we're working with HR, we got development programs...I'll show you additional staff positions, we're working on reclassing additional staff for their responsibilities. That's an ongoing issue and we recognize is there's always going to be season staff looking for an endpoint which is just more money so we actually

are developing also apprenticeship programs, we're trying to develop of HR, a cybersecurity long-term apprenticeship program, we do have one for three months and we've actually hired two of them. When they're developing skills then we have them for the long term compared to the those who are seasoned already who've been working with private Industries and government agencies all over they're only they're only in game or most of the time, it's leaving because of money. If we develop someone from within, long-term wise, then we at least we can keep them for a longer term. That's what we're trying to do. We can never compete against the military or private sector because if someone really wants that person with a skill set, certifications and we have good members down there, the knock team network operations, they have certifications up the ying-yang and trust me they are very valuable but they're here with us because they've been here for a long term compared to some of the people that we lost who've only been here for three or four years. Once again, no criticism to them, but maybe they're looking for the higher salary range.

Chairman Duenas states, so, Melvyn the follow up to commissioner Santos's concern, you and Manny, both need to be talking to your general managers and making sure that they understand your concerns. Then it's up to them and if they're the ones that let us down then that's a different question... we'll have to talk about that but you really need to present at the budget call... you need to put in now. You're constantly replacing equipment but you don't replace everything in one year...you have a program where you're replacing desktops, you're replacing equipment and then as you go through, you're replacing then come back and start replacing again. You need to make sure that your general managers understand so that they can put it in their budget and they can they can make sure that it has the priority.

Staff Operation Support and Address Current Shortfalls. We did that last fiscal year and we're doing it again this year. As mentioned, GPA has a cybersecurity internship for three months. We've done that the last round and we picked up two people, very good qualified people. Finished UOG cybersecurity program and one of them passed the Security Plus Certification which is great. We're looking at development of long-term internships for cybersecurity and network technicians for the GPWA workforce. We've actually also worked with GCC to bring on board internships as part of their computer science degree and we're working with HR to address the pay gaps for the technical related positions. Recruitment/Development Positions. In 202,1 the CCU approved the IT integration plan and part of the plan required additional positions Cybersecurity Manager, Cybercity Administrator, Incident Response Analyst, Compliance Analyst, Infrastructure Support Supervisor, Programmer Analyst Supervisor, OT Integration Supervisor, etc. etc. The ones in red are the ones being developed now. So, we're not waiting for the end game. We're working on those position descriptions now to draw those skillsets in.

GPA Future Goals. Once again, based on a GPWA IT Integration Plan, Converge Infrastructure, move towards a shared internet Edge utilizing next generation firewalls. Share network infrastructure, configure GWA SSID on Headquarters Wireless Infrastructure, expand GPA SolarWinds Orion installation, complete Island Wide Fiber Ring Project. The Island Wide Fiber Ring Project is actually a big one for us. We currently have 84 miles of fiber in the ground right now and we're developing more and more fiber just to make sure that we have connectivity on island. As you know, we've already experienced the loss of communications during the last storm. In fact, we were actually able to assist one of the local Tele problems with connectivity back to the office just because we had our own underground fiber. And, complete buildout of a disaster recovery site for both GPWA. Right now, it's in-house...we had a temporary location with Docomo but now it's in house. It is a priority for us as Docomo is going to be sold...yes, we realize that. GM has the new TMD building coming up and we've

actually designed out a separate building next to it for a DR site to also include a secondary site for PSCC operations in case this building goes. GPA and GWA was part of those detail build outs already.

Converge Policies. Converge IT infrastructure between GPA and GWA will offer savings, synergies, and shared resources. So, that goes to development of governance policies documentations. Converge OT Applications, OT Applications in this case, include, SCADA and the GSCAI system right and then of course Shared Business Applications, implement customer care and billing management centralized administration, customer service web applications development support and maintenance. GPA and GWA has separate applications for customer maintenance and support. Our customers are both a GPA and GWA customers so only makes sense to have them combine as one. And, shared ERP environment with JD Edwards.

Shared IT Services, Shared services ticketing and change management systems. A shared Disaster Recovery (DR) site capabilities and a remote data center and a shared services email solution for GPA and GWA. Consolidate to a shared virtual environment, implement asset and inventory management tools and merge customer record databases. On the cybersecurity side, GovGuam has ask us they actually have a cybersecurity working group. They're asking us to help participate in that working group and so far, we've sat in couple sessions both GPA and GWA. We listened in but they're still developing certain policies and procedures. They just got their cybersecurity plan approved by SISA which is Homeland Security but GPA and GWA have their cybersecurity plan whereas GPA had the plan approved by Department of Energy with the Smart Grid Implementation back in 2013. Chairman Duenas asks, you're helping them in terms of imparting knowledge trying to help them build their system but there's no connectivity between us and them, right? CITO Kwek replies, no, there is no connectivity between us and them. We're completely separate from the government of Guam. The reason why is because being a utility for both GPA GWA, we have a lot of operational technology that we need to protect. Whereas the objectives of the Office of Technology have different objectives for their data. Comm. Santos asks, the ring that we're developing around the island is exclusive to u? Kwek replies, yes, it is exclusive to us. The fiber that is going around the island is in a conduit. There is room in there for other fiber that doesn't get connected to ours. So, we have a fiber swap project ongoing and the reason why is it's not just a giveaway fiber but with 31 substations, we need fiber connectivity to the substations because we're putting so much automation in there. Right now, at the 31 substations, we have nine substations which are on GPA owned and fiber and the remainder is on GTA ISP connected devices. The problem with the last storm, GTA, they lost connectivity and so if you lose connectivity to those substations then PSCC is blind. So that's why we need our own fiber... during the storm our own fiber was working. Any ISPs that we use, both GTA and Docomo, were down and so we actually lost visibility.

AGMET, John Cruz, and I have been working with other ISPs for the fiber Swap and with GovGuam...yes, the infrastructure money available for us. AGMET Cruz states, there's \$156 million. I've been helping them along and providing some technical guidance background. It allows us right now with the fiber swap... they will connect the fiber conduits that are actually GWAs that are between Baza Gardens and the Agat/Santa Rita wastewater treatment plant. They're going to connect those into the northern ring and into the Southern ring with the Talofofa Substation. We've informed them through the RFI responses that we provided the Broadband Infrastructure Team that we would like to have another ring coming down from the Eastern side of the island...down and connecting and creating an entire island ring. We've been posturing ourselves by all the large Power Plant projects and renewable energy and energy storage projects they have to provide fiber from their substation to the substation that they're

interconnecting with. So, a lot of this network has been built either through Federal funding or to those types of large project. So, the handout is the future state of GPWA.

Comm. Sanchez interrupts, Mr. Chairman and maybe counsel could help us...I'm concerned that it's not on the slide but it's on a handout and we're in an open session and that handout is public record. There's a concern that we that there are some things you wish not to share publicly. So, counsels, how do you protect this handout from being shown to the public if for security reasons we don't want to show this to the public. Atty. Rojas, GWA Legal Counsel states, so, under the FOIA statute, we are able to limit disclosure for security. If there are security risk and issues or security details that would expose the utilities to some harm, it's not FIOA-ble. We can limit disclosure and it's not available to the public. Comm. Sanchez asks, but in Open Session, every document handed to the commission, isn't that, other than litigation, isn't that public record. Atty. Rojas responds, so any document falls under the FIOA Statute. There isn't an exception because we're in a regular board meeting and this is an open session...disclosure can be limited. If it's not on the slide, it's not being disclosed to the public even though it's being handed to the board physically. So, we did have a discussion with IT before this meeting, so IT is aware and they exercise their discretion to determine what information would pose a risk if it was disclosed to the public, so we're okay. CITO Kwek continues, so, on the handouts was just basically the IT GPWA organization future state and some of the positions and how many positions will be created based on that to address the new technology. Any questions?

Chairman Duenas clarifies, there is one team for cybersecurity IT for both GPA and GWA working together with both GM support. I think Commissioner Santos' concern is specifically to GPA and GWA, you need to do more training that's where the focus has to be. So, wrapping this up, thank you very much for the presentation.

Chairman Duenas asks Comm. Sanchez to bring up his concerns, colleagues I was think thinking through if would we be comfortable and would it be appropriate for us to just ask our legal counsel, that there's been a representation by one attorney that we're inorganic, and I was wondering whether we wanted our own counsels to write their own their own opinions? The legal counsels can write a legal opinion either it can be two different ones or it could be one collaborative...we leave it up to you.

Chairman Duenas addresses something that Mr. Wilson did bring up...John B, there's a question about people who have rooftop solar and are getting a credit and they're getting a credit of \$100 but their bill every month is \$15 because they have solar back in solar back out and their bill is always just for customer service so that \$100 credit is accumulating. And, that is really not GPA's money. That that money was given to the customer as a subsidy to the customer so you need, John, to work with your legal counsel and your customer service people to see if that qualifies as an overpayment. And therefore, the person that customer, does he have the right to request a refund but you have to go through your service rules and regulations. I think it's an unintended consequence...nobody thought about when they passed the law...they just said give a \$100 credit to everybody...to each ratepayer account. I'm talking specifically about the ones who actually paid and put their own rooftop on they usually get a bill \$15 a month so \$100 is coming in minus the if they don't pay the \$15, they get to use that as a credit but whatever credit is in there really belongs to them not to GPA but double check it with your legal counsel and work on work on it with your finance people and your customer service. And, advise us of your findings. Atty. Marianne Woloschuk, GPA Legal Counsel states, I am looking into that, we are looking into that. I think the law provides for a different result so we'll come to a conclusion.

GM Bordallo suggests to defer to GPA GM Benavente to go first since GWA has and Executive Session. The Board agrees.

5. GPA

- 5.1. GPA Resolution No. FY2024-05 Relative to Increase Contract Expenditures for the Supply of Diesel Fuel Oil No. 2 for the GPA Water System Diesel (WSD) Generators** – GM Benavente asks in order to provide Ultra-low sulfur Diesel to GPA WSD generators located at Guam Waterworks Authority sites. The initial approved costs estimated for the is contract did not include the extended generator operations and fuel consumption during Typhoon Mawar. This includes various GWA sites including water wells, treatment plants, pump station and lift locations. The estimated additional const for contract years two through five over the approved \$1,150,200 is \$2,146,077 for a total contract cost of \$3,296,277. The five-year contract term will expire September 20, 2027. Comm. Santos motions to approved Resolution 03-FY2024; Comm. Sanchez second.

Chairman Duenas states with no further discussion, calls for a vote; motion passes with five ayes. [Aye = 5, Nay = 0]

- 5.2. GPA Resolution No. FY2024-06 Relative to Approving the Purchase of WSD Generators** – To initiate the replacement program of Water System Diesel (WSD) generators which ae the backup power supply for the Guam Waterworks Authority water wells, waste water facilities, and water booster pump stations. The initial procurement of 104 generators includes 94 generators for priority sites identified in coordination with GWA as well as 10 portable generators with trailers to serve as additional backup for other critical sites as needed. Most of the generators are over 29 years old, nearing end of life, which has become difficult to maintain their availability and reliability. This will be for various GWA sites including water wells, treatment plants, pump stations, and lift stations. The estimated cost is \$11.4M total. So, estimated \$9.5M plus 20% contingency. Funds will be coming from our Revenue funds. It would be a good investment for us to begin this process...we were trying to do this before COVID occurred. We did put this in for mitigation funds with FEMA, but we want to start the process. Comm. Santos motions to approved Resolution FY2024-06; Comm. Sanchez seconds. Comm. Limtiaco asks, are these just generators? Or, do they include day tanks, Ats or anything else? GM Benavente confirms it includes an automatic transfer switch and day tanks.

Chairman Duenas states with no further discussion, calls for a vote; motion passes with five ayes. [Aye = 5, Nay = 0]

- 5.3. GPA Resolution No. FY2024-08 To Authorize the Management of Guam Power Authority to Petition the Guam Public Utilities Commission to Adjust the Levelized Energy Adjustment Clause (LEAC) for the Period of February 1, 2024 through July 31, 2024** – The objective is to meet the December 15, 2023 upcoming LEAC filing deadline with the PUC. GPA proposes to adjust the LEAC factor to \$0.264327/kWh for the periods of February 1, 2023 through July 31, 2024. The most recent Morgan Stanley market projects the average fuel price is expected to be \$120.28/bbl for the period ending July 31, 2024. Projected under-recovery for the same period at the proposed reduced LEAC rate of \$0.264327/kWh is about \$19.5M. The LEAC is billed and collected through the monthly electric billings of customers. Comm. Sanchez states this is an example of how to help the rate payers and keep the LEAC lower... we use our working capital which we built because we've protected the rate payer's money, we're investment grade, and we have the resources to help the

rate payers get through difficult oil prices. Our working capital is like a hedge because it allows us to delay the payment of actual fuel price that we're paying today and spread that out over time. Comm. Limtiaco asks CFO Kim what will this do to the average rate payer's monthly bill? CFO Kim replies, it will increase the consumer's bill about 10% at about 1000/kWh. CFO also confirms it is about \$33.18/per monthly bill for the LEAC adjustment. For commercial customer should be about the same. Chairman Duenas confirms with CFO Kim that the Department of Defense pay the actual LEAC costs. Comm. Sanchez moves to approve Resolution FY2024-08; Comm. Santos second.

Chairman Duenas states with no further discussion, calls for a vote; motion passes with five ayes. [Aye = 5, Nay = 0]

- 5.4. GPA Resolution No. FY2024-09 Relative to Authorizing the Increase of Contract Amount for Janitorial Services for Various Locations** – GM Benavente states to provide janitorial services on daily basis, excluding holidays and weekends. The Gloria B. Nelson Public Service Building, the Transmission & Distribution buildings, Generation Administrative buildings, and the GPA satellite office in the Julale Shopping Center. The annual cost is \$251,856. The contract cost through the five-year terms is \$1,259,280. The second and final extension year ends July 31, 2025. The funding source will be from Revenue Funds. Comm. Santos motions to approved Resolution FY2024-09; Comm. Limtiaco second.

Chairman Duenas states with no further discussion, calls for a vote; motion passes with five ayes. [Aye = 5, Nay = 0]

5.5. Generation Capacity Shortfalls Update

GM Benavente states that Comm. Limtiaco asked what the numbers and the percentages of load shedding. We did work very hard to put it together. Our capacity shortfall today the peak demands up to November 16 the highest we're in the highest period and it starting to go down to January and February. Daily peak demand for October August September and November as you can see the demand was going up. We're short in capacity in the highest demand period. Oe base load down and two base loads down as we can see the peak time is really our issue. It would be nice if we had the batteries that would have shaved the peak time with our other generators but right now that's why we're short. Even the solar...that 2,500 solar in the evening coming right on the peak and so that's what we have to take care of. As of September, the total percent of unserved energy, every day we serve everyone as much as we can. When we load shed, we estimate how much that unserved energy is and when you put it together the amount of unserved energy for September is 0.59%. The amount of October is 0.25 of a percent. For November, 0.7 of a percent. Why did November go up? Because it the demand was actually higher in November. As you can see in October/November the demand was creeping up the average demand, hotter 223, 224, 233. December starts to decrease, January 218, 221 stays down until March, it starts to climb up until May. If we don't accomplish the getting temporary power, we're going to have issues by May. November is higher because we had two days when we had two and a half base loads down and the demand was high. Although there was only eight days of load shedding versus 20 in September, 12 in October, and 8 in November. We're doing our best to try and get this capacity out.

I did go to the Legislature and testified on Bill 201 Senator Parkinson is trying to get it into this session, but I'm not sure that is successful. There's another bill, Bill 36-37 which is supposed to help us, but not sure it's going to help us. I've asked them to help us in temporary power because if PUC approves it next week, we're going to issue the bid in December and we can award something in in January. If no protest,

great, then I can get it on the line within 100 days before May. Comm. Sanchez asks, we've already authorized you to buy 40-Megs, right? You're repairing Yigo CT for 25-Megs, so, that's 65-Megs right? You reported a total up to around 80 megawatts of being put back on the grid between now and May...that's your goal right? One is to procure 40-Megs, one is to fix the protest that is hurting us from putting Yigo CT back online that was damaged by Mawar...not by failed maintenance...Mawar, that's 25-Megs so that's 65. GM Benavente states, it's similar to the diesel units. But the key here is really the Yigo PMC we have three bidders that is ready to open and qualified and I can't open it. Our legal counsels are doing a great job they're going to the OPA and they're trying to get it through. We're trying to get through another avenue, but we're not getting help from some areas that could help us. At the end of the day, when they don't help us, what can I say, I'm constrained with what I can do we're going to have to find something else. The laws of today does not work for us and we're not afraid...our decisions have been very sound but the process takes too long.

Comm. Limtiaco asks to clarify in September, the average hours per feeder in September was out 5.9 hours and the days of load shedding were 20 days so on average I would divide those hours by the number of days and the average rate pair had a 17-minute outage per day. GM Benavente replies, no, actually you take the number, this is the number that a feeder goes out it, could be the same feeder for three times, another feeder for 10 times, but the total feeder out is on a total 349. GM Benavente explains, you divide the total hours for each of these feeders. They were out for 70 minutes, for every outage so you add all the minutes that total the hours, divided by the total number of feeders which in this case, is 49 feeders. So that's how you get the 5.9 hours for the month. Comm. Limtiaco asks, let me let me ask the question a different way, so, on my feeder Tamuning in September is it accurate to say that I experienced 5.9 hours in September of low shedding? GM Benavente states, you could be more or less on average. Comm. Limtiaco continues, so over that 20-day period, each day average 17 minutes of load shedding. That's what that those numbers seem to portray. I think that's one of the things we need to do a better job communicating is because, yes, load shedding is a problem, we all know that we don't want to do it. Really how inconvenience has a particular feeder or group of people on that feeder of you know what was their average minutes per load ship and based on that data in September it's 17.7 minutes. In November, per day, per day over 20 days right but in November it was a lot higher. In November, it was 6.1 hours on average per feeder divided by eight days so that that that load shed was more significant in November. I just want to make sure that we communicate to the public. Yes, this is a problem but you know in reality this is a number of minutes less than an hour that you've been Inc convenience. Not that it's good because it's not good, but it's not the end of the world and what we're doing to fix it to get it to zero.

Comm. Sanchez asks, the column on the right that in the 91 days of September through November there was load shedding of a circuit in 39 days is that the way to read that? Far right column in 39 days all of the total out of 90 September, October, November is about 90 days? So, there was 39 days a circuit was load? GM states, at least one circuit was in load shed. Comm. Sanchez continues, but that means on 61 days of the last three months no circuit was load shed is that? GM Benavente states, that is correct. Comm. Sanchez reiterates as unfortunate and as horrible as we feel not only did it average only 17 minutes a day of the inability of GPA to meet the average demand for a customer, was 17 minutes a day and in the 90-day period where load shedding became problematic there was 39 days of load shedding and there was 51 days in which there was no load shedding...am I doing that right? GM Benavente states, that's correct. The way I explain it is the 6.1 hours for the month of November is the average feeder outputs. If you're in that feeder, you experience 6 hours for the whole month. Some feeders maybe a little more than six and some a little less than six on the average six. We have about 60 feeders. So, in one

day so feeders may go out and for that one day only went out for 1 hour before feeders but it's a load shedding day. We haven't load shed since the day before Thanksgiving. Cabras 2 has been staying on the line. The reason why we ended up load shedding in that period is because we had to do maintenance. We're not running the machines to death. We have to do the maintenance otherwise it will pass out on us. We didn't have the capacity to make up for the down maintenance. That's why we need the reserves... I have to get this up...if I had enough reserves, I can schedule it around low period and get it done without anybody feeling anything.

Comm. Sanchez adds, to better explain to our rate payers, we had reserves when Cabras 3 and 4 left due to the industrial accident we lost 80 megawatts of reserves. Had it stayed online, had it not exploded, there would have been no load shedding because we would have had an extra 80-Megs. Since the explosion in 2015, we've been living with 80 megawatts of lost reserve for 8 years and it wasn't until September of this year that load shedding returned. In the last eight years, it's been roughly seven years and nine months since we've lost Cabras 3. We weren't load shedding with Cabras 3 and 4 even before that so that's the frustration of all of us is, until the last three months, we didn't have load shedding even when we lost Cabras... 80 megawatts 7 years ago. Until the last 90 days when the cascading effect of losing 80 megawatt 24/7 the pressure on the remaining generation.

GM Benavente adds, the other thing that's not being understood here is right around 2015 or so we were making the decision to avoid the millions of fines from US EPA. That's why we decided that the combined cycle was the best put good money into new machines and save money and pay for the machine itself that's in 2016. We did have a contract which was going to come on the line in 2022. Even though we were short 40 than the original reserve we were going to write as much as possible in because saving on the cost and plus putting machines that you're not going to use once Ukudu comes on line. Let's not forget, there's been a lot of pressure on Renewables. Put in more Renewables and don't put in any new capacity conventional unit...that's why we had to go out on a technology neutral bid. No Renewables came out to be the combined cycle did so again all of those are drivers towards the shortage that we are today. No excuses, but at least you know we just want to lay it out as to how this all happened. We can fix it...I just need help. I need Bill 201 passed. I need help with temporary power, I hope don't we don't get protested on that again, and let me get to work and put this machine in place. You can't hand cuff me and expect me to work. Our counsels can say we've been trying every which way to get this done, but for the record, if they don't help, then believe me, at some point machines are not up by May, we don't have enough this the demand that's here is going up and those numbers are going to start screaming.

Comm. Sanchez responds, things occur beyond anyone's control, but the real test of management is when you have to deal with things that occur beyond your control. When we lost Cabras 3 and 4, we dealt with it, we kept the lights on. GM Benavente states, again, load shedding is only during the peak period of the day and not during the day time when schools are functioning. Everything and the economy are functioning. When everybody goes home at night, that's when it impacts everyone. That is all Mr. Chairman.

6. GWA

6.1. GWA Resolution No. 03-FY2024 Relative to Approval of Additional Funding for the Hagåtña Main Sewage Pump Station Redundant Force Main and Station Rehabilitation Design Project, GWA Project No. S20-002-EPA - GM Bordallo begins the original scope of this was for a Redundant Force Main and the concept was laid out when we proceeded with the design with the first deliverable. The estimated cost to put in two directionally drilled force main...the price

had increased dramatically between the range of \$17.7M and \$20.6M for a single force main. In order to keep the costs within reason, for what we needed to do to satisfy the requirements for this project with USEPA, we pivoted our design to include a temporary bypass surface mounted over the causeway and to take the old one out of service and then rehabilitate it. Keeping of course, the infrastructure in place if we needed a temporary bypass to put that in again. In anticipation of the consent decree, we are seeking additional funding so that we can take care of the pump station rehabilitation for this critical Pump Station which is a tier one pump station and requires our urgent action once the Consent Decree is signed. The additional cost we're seeking is \$695,000. \$350,000 of which is the design allowance for the pump station assessment. It could turn out to be less but that's our estimate at this point. A 20% contingency for a total estimated funding authorization of \$1.63M. This will be completed by September of 2024 and it will be USEPA Grant funded. Comm. Santos motions to approved Resolution 03-FY2024; Comm. Limtiaco second.

Chairman Duenas states with no further discussion, calls for a vote; motion passes with five ayes. [Aye = 5, Nay = 0]

6.2. GWA Resolution No. 04-FY2024 Relative to Approval of Additional Funding for the Fujita Sewage Pump Station Redundant Force Main and Station Rehabilitation Design Project, GWA Project No. S20-003-EPA - This Fujita Pump Station serves tourism sector and so the project involved the Rehabilitation of the force main that takes the waste water from the Tumon Sub-basin out to the Route 16 Pump Station which then pushes it all the way to Northern District Wastewater Treatment Plant. Because of the Consent Decree, there is an additional assessment work that needs to be done and also the rehabilitation of the pump station. This is a top tier priority project for the Consent Decree and so we're seeking additional funding to add those elements onto the original design contract which was at \$930,000. We're seeking an additional \$670 for the pump station assessment and design and additional assessment services plus a 15% contingency. The total contract amount will be \$1.6M with the contingency that would put the total authorized funding at \$1.84M. This is USEPA grant funded. Comm. Santos motions to approved Resolution 04-FY2024; Comm. Sanchez second.

Chairman Duenas states with no further discussion, calls for a vote; motion passes with five ayes. [Aye = 5, Nay = 0]

6.3. GWA Resolution No. 05-FY2024 Relative to Approval of Additional Funding for the Yigo Sewer Pump Station Flood Mitigation and Facility Rehabilitation Construction Project, GWA Project No. S18-001-BDN - We're seeking additional funding to handle a change order for cleaning that was required after Typhoon Mawar and also an additional change order for some safety improvements that were required and replacement of instrumentation that was damaged during the flooding. The original contract amount with a previously approved change orders is at \$1.1M we're seeking additional funding in the amount of \$84,000 roughly for the two change orders. This would bring the total cost to make it \$1.95M for the potential total contract amount. This is Bond funded and we do anticipate that the long need item here is just getting the instrumentation in. So, once that comes in, it'll be an additional two months to complete the project. Comm. Limtiaco motions to approve Resolution 05-FY2024; Comm. Martinez second.

Chairman Duenas states with no further discussion, calls for a vote; motion passes with five ayes. [Aye = 5, Nay = 0]

6.4. GWA Resolution No. 06-FY2024 Relative to Approval of an Increase in Funding and Scope of Work for Construction Management Contract of Santa Rosa, Sinifa and Santa Rita Tank and System Upgrades - There are essentially three components of the additional scope that we're seeking to uh additional funding for. The first is due to a contractor's delay in construction of the Santa Rosa Reservoir Booster Pump Station and the similarly the station and control building at the Sinifa Reservoir. Also, some site work. This has extended the contractor's schedule out to May of 2024 which means we have additional CM services that are going to be required for that but because it is a contractor's delay, we are seeking special damages from the contractor as opposed to liquidated damages but special damages specifically to pay for the CM services on this. The second component is for engineering consultation support and CM constructability reviews for work that needs to be done at the Santa Rita site resulting from the landslides. So, that is additional work that we need done until we complete that project. The third component is for CM services for Santa Rosa #1 and Sinifa #1 the steel tank repairs. This is optional. We're looking at other avenues to see if we can do it but we want to because it's a court order project. We want to build in this additional scope in the event that we need it. So, all of these uh three items will result in a total, not to exceed additional funding request, of about \$1.1M and will bring the total authorized funding to \$7.7M. We anticipate that all of this work will be completed by January of 2025 and this is going to be funded by bond funds and also from funds that are recovered as special damages from the contractor. Comm. Martinez motions to approve Resolution 06-FY2024; Comm. Santos second.

Chairman Duenas states with no further discussion, calls for a vote; motion passes with five ayes. [Aye = 5, Nay = 0]

7. GWA GM Report

GM Bordallo states there are no changes in the management report and there are no changes in the financial report. The board can go into Executive Session.

Chairman Duenas motions to rise up and move into Executive Session; Comm. Sanchez responds, so moved; and Comm. Santos second.

Chairman Duenas calls for a vote; motion passes with five ayes. [Aye = 5, Nay = 0]

8. EXECUTIVE SESSION

GWA Litigation Matter

Chairman Duenas announces the meeting is back in open session and there is a Ratification before the Board. Comm. Santos motions to approved Ratification No. 01-FY2024 Relative to the Ratification of a GWA as a class member in the proposed 3M at Dupont Water Provider Settlement; Comm. Limtiaco second.

Chairman Duenas states with no further discussion, calls for a vote; motion passes with five ayes. [Aye = 5, Nay = 0]

9. ADJOURNMENT

Comm. Santos motions to adjourn; Comm. Sanchez second and meeting adjourns at 7:37 PM.

//s/

Lourissa L. Gilman

Attested



JOSEPH T. DUENAS, Chairman



PEDRO ROY MARTINEZ, Secretary

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