



**A.B. WON PAT**  
INTERNATIONAL AIRPORT AUTHORITY, GUAM  
ATURIDAT FUETTON BATKON AIREN' GUAHAN ENTENASIONAT

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**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING**  
**3:00 p.m., Thursday, July 25, 2013**  
**GIAA TERMINAL CONFERENCE ROOM #3**

**1. CALL TO ORDER AND ATTENDANCE**

Chairman Francisco G. Santos called the A.B. Won Pat International Airport Authority, Guam (GIAA) regular meeting to order at 3:06 p.m. The presence of Directors is noted as follows: Martin J. Gerber; Lucy M. Alcorn, and Rosalinda A. Tolan. Also present were Peter Roy Martinez, Deputy Executive Manager, Carlos P. Bordallo, Acting Comptroller, Frank R. Santos, Business and Financial Consultant, and Janalynn C. Damian Esq., Legal Counsel. The Chairman welcomed the presence of Airport Tenants, stakeholders, and members of the public who are noted in a sheet made as an attachment to the minutes.

**2. APPROVAL OF AGENDA**

Director Gerber made motion to approve the agenda as presented, seconded by Director Alcorn; motion carried.

**3. APPROVAL OF MINUTES**

**A. June 27, 2013 Regular Meeting**

Director Alcorn made motion to approve the regular meeting minutes, subject to correction, seconded by Director Gerber; motion carried.

**4. CORRESPONDENCE**

No Correspondence presented.

**5. MATTERS FOR BOARD RATIFICATION/APPROVAL**

**A. Ratification of Disbursements**

The Deputy Executive Manager at this time apologized to Chairman Santos for the absence of the Executive Manager. Director Tolan inquired on the \$234,000 payment made to Calvo Fisher & Jacob for the month of May. Mr. Bordallo informed Director Tolan it was relative to the Specialty Retail Concession. Director Tolan made motion to

ratify payments above the \$50,000.00 threshold made to vendors for the period of June 24, 2013 – July 24, 2013, seconded by Director Alcorn; motion carried.

## **6. OLD BUSINESS**

### **A. Executive Manager's Report**

The Deputy Executive Manager presented updates on various matters concerning airlines and charter operations to include StarFlyer finalizing their plans with GIAA officials on July 11, 2013 for direct service to Guam from Kitakyushu, Japan. The inaugural flight will arrive on Guam August 2, 2013 at 12:30 a.m. and will be greeted as VIP's.

Reporting on Legislative issues, the Deputy Executive Manager informed the Board that for the past three (3) weeks Airport Management has been meeting with Senators to discuss legislation relative to Airport operations. Among items discussed was Bill No. 129-32 which was introduced May 31, 2013, and would authorize A.B. Won Pat International Airport Authority to issue Revenue Bonds for the purpose of refunding the General Revenue Bonds, 2003 Series A, B, C, and D, refinance the Energy Efficiency Loan, and finance new projects. The Public Hearing is pending. Also discussed, was Bill 137-32, introduced on June 5, 2013 which would provide space to the Guam Customs and Quarantine Agency at no cost in a manner consistent with federal law. A Public Hearing was held June 27, 2013 with the Airport submitting written testimony opposing the Bill.

The Deputy Executive Manager went on to report on Finance Issues such as the Refinance of 2003 Bonds and New Revenue Bonds Sales, stating that in the first week of August, a team comprised of GEDA, GIAA, Bond Counsel, Bond Underwriters and other consultants will be working toward the engagement of rating agencies, with the price and sale of the Bonds anticipated to be scheduled in late August. Lotte Duty Free launched operations on July 21, 2013 with GIAA staff working diligently and cooperatively with both Lotte and DFS on their logistics and transition plans. The Manager reported that more activity is anticipated as Lotte enhances its retail space and works to augment areas such as the restroom, food courts, smoking areas and play area.

The Deputy Executive Manager announced that the Airport Authority was successful in taking home the award of 1<sup>st</sup> place float winner for GovGuam agencies at the 69<sup>th</sup> Liberation Day Parade held on July 21, 2013. The GIAA employees and volunteers who worked on the float are given kudos for a great job in bringing home the 1<sup>st</sup> place prize in 2011, 2012 and 2013, three (3) consecutive years in a row. Director Tolan asked Management if she may see the trophy. The Deputy Executive Manager replied that he would have it for the Board to view at the next Board meeting. Chairman Santos announced that he sent a letter to Management and to all GIAA employees congratulating them, especially those that worked on the float and design. The

Chairman stated that the Board is very proud of the GIAA employees for all of their effort and hard work, and maybe next year GIAA will try for a fourth win.

Chairman Santos at this time referred back to the transition period of Lotte Duty Free, and inquired if GIAA employees such as Airport Police are being utilized around the clock and if so, are they being paid overtime. Ms. Arriola replied that it is the transition plan, it allows for an entire team to be there to allow items to be moved in and out in the short window of opportunity that they had. The Chairman queried if a Service Request is required to be able to utilize Airport employees in turn the Airport maybe reimbursed. Mr. Gerard Bautista informed the Board stating that the team that came in that night was from Property Management who had a requirement to do a post inspection for Duty Free, and that his team had to do a pre inspection, so they were handling their business and what was needed to be done based on their procedures during the transition. However, they did not assist in removing anything, equipment or anything like that. The Chairman inquired if Airport Police were there for security. Mr. Bautista responded yes, that they had planned for that because of the amount of people that were moving between DFS and Lotte and the incoming traffic, the officers were there to make sure that the customers did not enter, or that the contractors did not interfere with the movements of the passengers, that is what their role was. Chairman Santos stated that in the future if a company would like to utilize Airport's employees that a Service Request needs to be submitted, and to charge them or bill them for utilizing Airport employees. Director Tolan asked if that was part of the contract, that Airport security and manpower will be used during the transition. Ms. Arriola replied informing the Board that like any other tenant, if there's a requirement to assist, we do provide those. The Deputy Executive Manager added that Airport Police has 24 hour shifts and that is also part of their responsibilities. The Chairman explained stating that the only reason he brought up the issue was that it is not our employees' job that is a special assignment. Legal Counsel, Janalynn Damian informed Chairman Santos that she would look into it.

#### **B. Financial Report**

For the Board's information, Mr. Carlos P. Bordallo, Acting Comptroller presented the financial report as of June 30, 2013. Chairman stated that there are only two (2) more months until the end of the fiscal year. Director Tolan inquired on the FY2014 Budget. Mr. Bordallo replied, informing the Board that the first meeting with Signatory Airlines was on July 23, 2013. He went on to add that GIAA has been in correspondence with the Signatory Airlines and a cost per enplanement of \$16.00 was presented, which is a reduction from the current cost per enplanement of \$17.20. Mr. Bordallo stated that he was committed to lower the number. Director Tolan asked if it would be lowered from \$17.24. Mr. Frank Santos, Business and Financial Consultant informed the Board that right now the proposed Budget for FY2014 is at \$16.00, but possibly \$15.99. Mr. Bordallo added that the Airlines were very receptive to the reduction in cost per

enplanement so the Budget will be revised to incorporate some of their comments. A revised Budget will be submitted which will run through the Finance Chair, Director Untalan before it's finalized.

**C. Legal Counsel's Report**

No Legal Counsel Report.

**D. Status of Capital Improvement Programs**

Business and Financial Consultant, Frank Santos presented brief reports on three items; the first of which was the Energy Efficiency Program. He stated the one remaining large piece is the fire alarm system, which needs to be replaced. The Airport has been on fire watch for a considerable time. What was negotiated with Johnson Control (JCI) on the fire alarm system was a light per light replacement. After further assessment and discussions with Guam Fire Department, the fire alarm system has to be replaced. So the plan of action that Management has put forth is essentially removing the fire alarm system out of the JCI contract, they will still provide the assessment, and if there is going to be a full replacement then the fire alarm system will be put out for competitive bid; that is an update to the one remaining large piece of the JCI Performance Contract.

Mr. Frank Santos reported on a second item, the In-Line Baggage System. Mr. Santos stated that the Board approved the TSA Other Transaction Agreement. At this point in time GIAA is working to a 70% submission through TSA, about August 8, 2013. Shortly thereafter, TSA will provide GIAA a proposal as to what they will be funding. Right now the Airport has 21 million dollars set aside from the bonds if TSA is unable to fund it, but it looks favorable that TSA will be funding a significant part of the program. GIAA should know maybe two (2) weeks after August 8, 2013. The draft Other Transaction Agreement will be circulated to Legal Counsel for review. Mr. Santos stated that it's a good sign. What the project entails is the relocating of all the baggage screening areas and inspections done in front of the counters, and moving it to the back. Mr. Gerard Bautista, Airport Terminal Manager added stating that TSA has promised to get the offer to the Airport by August 16, 2013 for it to be review and hopefully present it to the Board if it meets the dollar amount the Airport has estimated. The Chairman stated good it will create more space in front. Mr. Santos added that it will provide additional capacity for passengers

The third item for the Boards information was the pre conditioned air units and ground power units for the loading bridge. Mr. Santos informed the Board that the FAA has essentially given verbal approval this morning on utilizing an existing grant that has about 2.5 million dollars worth of funding. Mr. Santos stated that the only problem and the reason he was bringing it up at this time is that there is only a little over a month's time to use it. If the unencumbered amount of the grant is not utilized it goes back to

the FAA and there is no guarantee it will come back to Guam. Director Alcorn inquired on the amount. Mr. Santos replied stating about 2.5 million. He asked the Board to look at their spreadsheets under 2009, grant number 65, there is approximately 4.2 million dollars left. Mr. Santos informed the Board the reason why we have the unencumbered money, or money that is not going to be used is because GIAA had great bids on the projects that were put out, the low bids resulted in extra funding, rather than return it to the FAA, GIAA worked out a process with the FAA to fund a part of the thirty-four (34) units; 17 pre conditioned airs, 17 ground power units. The total for all items is approximately 4.6 million dollars. GIAA anticipates that 2 million dollars can be used before the end of August. Relative to the other two (2) million, the Congresswoman's office had a press release yesterday regarding the FAA. The FAA provided the Airport a grant which is now called AIP85, for the amount of \$2,005,650.00 pure reimbursement, that money has already been spent, and it will flow directly into the Airport's CIF. That will provide additional funding to make this a non-competitive proposal because only JBT AeroTech is the manufacturer for all of the equipment out there. In order to make this occur, the Board's approval would be requested to authorize Management to enter an agreement with JBT AeroTech for those units, up to 4.6 million, of which 2.5 million will be under FAA grant number 65. What makes this also time sensitive is that there are issues right now with the PC air units, including the portable units that were bought in. The suggestion is to remove the portable units, which will save from \$300,000 to \$350,000. Director Gerber asked if it will be a 'Sole Source' of Procurement. Mr. Santos replied yes, that the FAA calls it 'Non-Competitive Proposal'. We have submitted it through federal procurement regulations and through their own guidelines; their regulations are more stringent than the local procurement regulations. JBT AeroTech is the manufacturer; we are not replacing any of the bridges, the point of use units have to be compatible with the bridge, especially the computerized system. Director Gerber inquired on the maintenance relative to Untied Airlines. Mr. Santos replied that there is a contract with United to maintain it, which they have also sub-contracted. Director Gerber asked if those items were the biggest cost items that GIAA has on a recurring basis, and if approved, when are they going to charge GIAA, monthly or quarterly. Mr. Santos responded, informing the Board that it will be a monthly charge. He went on to state that the need for the six (6) portable units, which are also washing down, would be returned back to the company that is renting them out to the Airport. Mr. Santos introduced to the Board Mr. Chuck Sova, from United Airlines and asked if he had anything to add in terms of the condition of the current units, the portables and the point of use units for the bridge. Mr. Sova informed the Board that for the portables, they pay approximately \$40,000 a month, including fuel because they are diesel units. Director Alcorn inquired on how many units. Mr. Sova replied, stating that there are six (6) units, three (3) ground power units and three (3) portable air conditioners. They were rented to supplement the need for the bridge mounting units. So if the Airport can move forward with the bridge mounting units that would go away. Mr. Santos stated that is the request, to authorize Management to proceed with the ordering of the equipment, strictly purchase of the units, there is no need for maintenance or anything,

with a limitation of 2.5 million dollars, with a federal grant offering of 2 to 2.5 million before the end of the fiscal year or August. Director Alcorn inquired on federal grants and the process. Mr. Santos answered, stating that federal grants usually go through a congressional review; they give the senators and congress in Washington an opportunity to review it than able to make a press release in advance of the local government. If the press release has gone out already, that means the money is committed already. We are expecting the grant shortly, by the time of the August meeting; that grant and other grants will be presented to the Board for approval. The process in order to accelerate this procurement, the Airport needs to provide a commitment letter to United Airlines; United Airlines in turn submits the letter to JBT AeroTech, when the Airport processes the purchase order with all of the necessary contract provisions than that will resolve the commitment letter. Director Tolan inquired on the estimated time of completion if all goes well. Mr. Santos replied approximately six (6) months. The plan is, as they become manufactured, they'll be sending them to Guam for installation, rather than wait for a certain amount of units to be manufactured. Director Alcorn inquired on the payment process. Mr. Santos answered stating that GIAA will be receiving weekly invoices from the manufacturer, by that time the purchase order process should be completed. Once the invoice is received, Accounting submits a reimbursement request, than the Airport pays the manufacturer. Director Gerber asked if it's required for GIAA to pay the total, and if the Airport just pays a share, what would be the worst case scenario. Mr. Santos replied stating that 2.6 million would be the worst case scenario. Director Alcorn inquired what if the second part does not come back to the Airport. The Airport does have funds available in the current CIF to support that, in addition the Airport has the total amount factored into the Airport's Bond issued. If the money is not utilized in the federal grant it is lost completely. Mr. Santos reassured the Board on the return of the 2 million reimbursement to the Airport. Management is requesting approval based on the request to the FAA to maximize the use of the grant number 65, and to authorize Management to proceed based on a non-competitive proposal which the FAA approved and to proceed with the purchase of the pre conditioned air units and the ground power units from the manufacturer JBT AeroTech, the total amount being \$4,634,028.00, and the amount of the grant that GIAA is expected to utilize is 2 to 2.5 million. Director Gerber made motion to authorize Management to proceed with purchasing the units from the manufacturer JBT AeroTech, subject to Legal Counsel's review, seconded by Director Alcorn; motion carried.

## **7. NEW BUSINESS**

No New Business presented.

## **8. EXECUTIVE SESSION**

The Chairman announced that the Board will recess and convene Executive Session after the recess. Director Gerber made motion to recess and convene Executive Session after the recess, seconded by Director Alcorn; motion carried. The Board recessed at 3:46 p.m.

Director Gerber made motion to return to regular session, seconded by Director Alcorn; motion carried. The regular meeting reconvened at 3:52 p.m.

Janalynn Damian Esq., Legal Counsel announced for the record that the Board did not hold Executive Session due to there not being a court recorder.

At this time Deputy Executive Manager inquired with Legal Counsel if Executive Session would need to be called to discuss a personnel issue. Ms. Janalynn Damian replied that if it relates to a specific employee with personnel matters, no; Court recorders are not needed for personnel matters only litigation matters, however if the personnel matters are limited to a specific employee and charges against the employee, yes. But, to discuss salary, position description, hiring, that is done in regular session. Director Tolan announced that she had inquired with Legal Counsel, Michael Pangelinan at the previous Board meeting as to the status of the Comptroller's position and if the Board may appoint the Comptroller without violating the hiring process. Ms. Janalynn Damian responded stating that the questions Legal Counsel looked at were the Boards Authority to hire the Comptroller and specifically, whether the Comptroller needed to be a CPA. After doing some research, the Authority's Enabling Statute gives the Board directly the authority to hire the Comptroller, to set his or her duties and to establish his or her salary. What's not specifically stated in there is whether the Board has the authority to set the qualifications of that position, for example, what type of degree the Comptroller has to have, number of years of experience, any special certifications such as a CPA. Ms. Damian went on to state that her interpretation was that it's an inflicted responsibility of the Board to set that when they are setting the duties and salary. So the authority to hire would include the authority to set the qualifications of the employee they are hiring, the Comptroller.

Ms. Damian informed the Board that before finalizing her opinion, it had come to her attention that the Civil Service Commission (CSC) has established a position description for the Comptroller position and she has been trying to gain a copy. Ms. Damian stated that is where she is at right now; if it is possible to work within what has already been established by the Board which is really entirely at the Boards discretion or if it is required to follow what the CSC has in place. Ms. Damian went on to say that she was informed by the CSC that they cannot find the Comptrollers position description, Ms. Damian was given the descriptions for both the Executive Manager and Deputy Executive Manager from CSC. She informed the members of the Board that she was provided with position descriptions from other agencies such as GWA, and GTA. She went on to add they do have job announcements; job announcements for the Comptroller position were issued in 1995, 2003, 2005 and most recently in 2011, she also added that she did not know if these announcements were based on the CSC

position description or if it was the Boards standards. Ms. Damian explained that she was researching the previous year's minutes but they did not give any indication of a position description. That is the last item she is waiting for, Ms. Damian stated that she believes that the CSC would not have jurisdiction over this position, it's basically what is called an unclassified position, but the fact that there was a position description, she would at least like to present it to the Board for consideration. Chairman Santos stated that he is very surprised. Ms. Damian added that she feels that it is up to the Board to set the duties, qualifications and salary and that she wanted to give the Board the samples that the Airport used in the past so that if the Board decides to set the qualifications that they have all of the background. Chairman Santos asked that Legal Counsel give a recommendation. Ms. Damian stated that it will be sent out separately before the next Board meeting. Director Tolan informed Ms. Damian that at the next Board meeting they would like to put closure to the Comptroller position. Chairman Santos reiterated that the positions that the board appoints are the Executive Manager, Deputy Executive Manager, Comptroller and the Board Secretary. Ms. Damian added that the Board also appoints Legal Counsel.

The Deputy Executive Manager stated that Mr. Carlos Bordallo is also interested in the Comptroller position being that he is the Acting Comptroller. Director Tolan added that as long as the Board is doing the right thing and that she would like clarification. Chairman Santos stated that there is no need to announce the position because the Board is appointing it. Ms. Damian stated she would just like to clear everything.

Mr. Frank Santos stated that he would like to add something related to what was discussed earlier and let the Board know that also under the JCI review; an assessment is being done on the loading bridge, on all three (3) systems for energy management. There's an opportunity to see more money if the three systems are connected to the building automation system. There's an opportunity for more savings.

At this time Chairman Santos inquired on some sort of recognition for the employees for winning first place in the Liberation Day Float competition and expressed the need to support the employee's. The Deputy Executive Manager replied yes. The Chairman also requested that the Oversight Chairman and the Governor be invited.

## **9. PUBLIC COMMENTS**

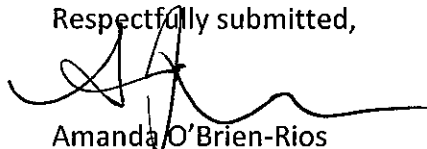
The Chairman called upon any public member wishing to make comments. There was no response.

## **10. ADJOURNMENT**

There being no further discussion, Director Tolan made a motion to adjourn the meeting, seconded by Director Alcorn; motion carried. The meeting adjourned at 4:03 p.m.




Respectfully submitted,



Amanda O'Brien-Rios  
Board Secretary

APPROVED:



EDWARD G. UNTALAN  
Chairman of the Board

10/02/13  
Date

Attachment



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## **BOARD OF DIRECTORS REGULAR MEETING**

**3:00 p.m., Thursday, July 25, 2013**

**Terminal Conference Room No. 3**

### **AGENDA**

1. Call to Order and Attendance
2. Approval of Agenda
3. Approval of Minutes
  - A. June 27, 2013 Regular Meeting
4. Correspondence
5. Matters for Board Ratification/Approval
  - A. Ratification of Disbursements
6. Old Business
  - A. Executive Manager's Report
  - B. Financial Report
  - C. Legal Counsel's Report
  - D. Status of Capital Improvement Programs
7. New Business
8. Executive Session
9. Public Comment
10. Adjournment



A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

BOARD OF DIRECTORS REGULAR MEETING

3:00 P.M., THURSDAY, JULY 25, 2013

GIAA TERMINAL CONFERENCE ROOM #3

SIGN IN SHEET

	<u>PRINT NAME</u>	<u>COMPANY/AGENCY</u>
1.	Chip Brown	EA Engineering
2.	Carlos Bordallo	GIAA
3.	CHUCK SOVA	UNITED
4.	Gerard BAUTISTA	GIAA-ATM
5.	J.G. JAVELLANA	GIAA - PMO
6.	VICTOR J. CRUZ	GIAA
7.	JOSEPH H. OALUS	GIAA P/F
8.	Benny BARRA	AKFF
9.	JERMANE AUSTIN	SAN SAN NICOLAI
10.	FRANK SANTOS	GIAA ERC
11.	EDUARDO MUNA	GIAA GPS
12.	G. NALAN	PON
13.	Jean M. Amida	GIAA
14.		
15.		
16.		
17.		
18.		
19.		



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or ideas? Submit material to  
business@mvguam.com.

MARIANAS VARIETY GUAM EDITION

# Local company tapped to build Saipan zip line facility

By Aldwin R. Fajardo  
alfajardo@mvguam.com  
Variety News Staff

A HOTEL company on Saipan is tapping the expertise of Guam-based canopy tour operator Zip Guam to build a zip line facility in the Northern Marianas as part of efforts to lure more visitors to the island.

Zip Guam President and General Manager Trevor Takasu said discussions are underway between his company and a hotel operator in Saipan but was quick to add that they are in the early stages of planning.

Although he refused to name the Saipan hotel operator, Takasu confirmed that the company has started looking into possible locations for the zip line facility, which will probably offer a bird's-eye view of the Garapan hotel district.

He explained that the Saipan company is in the initial stages of looking into the CNMI government's permitting requirements.

Under the proposed partnership, the Saipan hotel company will commission Zip Guam to build and manage the canopy tour facility similar to the one in Tumon.



Zip Guam president and general manager Trevor Takasu says a hotel operator on Saipan has approached his company to build a canopy tour facility in the Northern Marianas. Mir-Vie Cagimangan / Variety

On Guam, customers zip through six courses on suspended cable spanning 220 to 550 feet at an average height of 28 feet. Zip Guam offers customers' views of pristine ocean and mountain areas.

"[Our facility] was designed to promote and operate outdoor adventure sports and travel. By offering nothing motorized, we celebrate human power and natural environment. Zip Guam has designed a range of zip courses throughout the property giving the customer the thrill of

soaring through the air within a safe and comfortable environment," Takasu said.

He said the facility attracts not only tourists but also Guam residents, adding that a sizeable number of Zip Guam customers are from around the island.

Zip lining has become a popular vacation activity, veering away from its origin as a mode of transportation in some mountainous countries for many years, particularly in some remote areas in China where zip lines were once used as bridges.

Referred to as "an inclined strong," a zip line appeared in "The Invisible Man" by H.G. Wells published in 1897 as part of a Whit Monday fair, according to Wikipedia.

# Marriott, United integrate loyalty rewards program

BETHESDA (United/Marriott) — Marriott Rewards and United MileagePlus, two of the biggest names in travel, have joined forces to provide their most loyal members with unprecedented travel benefits.

RewardsPlus now offers Marriott Rewards Platinum Elite members MileagePlus Premier Silver status, featuring some of United's most popular Premier perks, and gives United Global Services, Premier 1K, Premier Platinum and Premier Gold members Marriott Rewards Gold Elite status, and all of the benefits that come with it. Status offerings will be effective until Jan. 31, 2014.

RewardsPlus will soon include other features as well. Beginning in August, Marriott Rewards and United MileagePlus members will receive added value when transferring points into miles and will get additional miles for travel packages. Also, for the first time, MileagePlus Premier members

will be able to convert their miles into Marriott Rewards points.

"We share United's belief that a high level of customer service and recognition are among the most important elements of our members' travel," said Ed French, Marriott Rewards senior vice president. "We are bringing together the world's leading hotel and airline loyalty programs to enhance the customer experience from beginning to end."

"United and Marriott are advancing our partnership to provide unmatched recognition and benefits for our mutual customers," said Tom O'Toole, United's senior vice president of marketing and loyalty, and president of MileagePlus. "The combination of United's global network, Marriott's brand scale and our top-rated loyalty programs enables our best customers to enjoy a heightened level of service wherever they travel."

# Legal action looms for Boeing over Asiana crash

CHICAGO (AP) — A Chicago law firm has taken steps to sue Boeing Co. on behalf of 83 people who were aboard the Asiana Airlines flight that crash-landed in San Francisco earlier this month, alleging that a malfunction of the plane's auto throttle may have caused the crash.

Ribbeck Law Chartered on Monday filed a petition for discovery, which is meant to preserve evidence, in Cook County Circuit Court in Chicago, where the aircraft manufacturer is headquartered. The firm said in a news release that additional pleadings will be filed against Asiana Airlines and several component parts manufacturers in coming days.

In addition to potential problems with the Boeing 777's auto throttle, some emergency slides reportedly opened inside the plane, injuring passengers and blocking their exit, and some passengers had to be cut out of their seats with a knife, the firm contends.

Three people were killed when the airplane, carrying 307 passengers and crew on a flight from South Korea to San Francisco International Airport on July 6, approached the runway too low and slow. It clipped a seawall at the end of a runway, tearing off the tail and sending the plane spinning down the runway. The impact caused the plane to catch fire.

"We must find the causes of the crash and demand that the problems with the airplane and the lawsuit are immediately resolved to avoid future tragedies," attorney Monica R. Kelly, head of Ribbeck's aviation department, said in a statement.

## PUBLICATION NOTICE

In accordance with the provisions of Guam Code Annotated, Title XI, Chapter III, Section 3315, notice is hereby given that:

**Hong, Sun-Hui**  
dba: Lada Mart

has applied for A Class Five General Off Alcoholic Beverage License said premises being marked as Lot 1 Tract 162 #319 W. Santa Monica Avenue; Dededo.

**GSA General Services Agency**  
(Attention: Bethelion Hualan)  
Department of Administration  
Government of Guam  
148 Route 1 Marine Drive, P.O. Box 9991  
Tel: 475-1707-13 Fax: 475-4217/475-1719/475-1721  
San Antonio, LG Guam

THIS ADVERTISEMENT WAS PAID WITH GOVERNMENT FUNDS BY:

## DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

A non-refundable fee of \$10.00 per bid package will be assessed. Certified Check, Cashier's Check, Cash will be accepted. No personal or company check. Payment for bid package picked up after 3:00 pm will be accepted.

## INVITATION FOR BID

BID NO: GSA-129-13

FOR: 60 month Lease Agreement - Multifunction Device/Color Copier/Printer/Scanner/P

Opening Date: August 2, 2013 Time: 11:00 AM

INTERESTED PARTY MAY PICK UP FORM/SPECIFICATIONS AT SAID PLACE

/s/ CLAUDIA S. ACFALE  
Chief Procurement Officer

## PUBLICATION NOTICE

In accordance with the provisions of Guam Code Annotated, Title XI, Chapter III, Section 3315, notice is hereby given that:

**Jong Kon Shlm**  
dba: Minagof Mart

has applied for A Class Five General Off Alcoholic Beverage License said premises being marked as Lot 2149-4-7 New #164 Farenholt Ave., Tamuning.

The Honorable  
**EDDIE GALVO**  
Governor

The Honorable  
**RAY TENORIO**  
Lt. Governor

## PUBLIC NOTICE

The Board of Directors of the A.B. Won Pat International Airport Authority (GIAA) will convene its Regular Board meeting on Monday, July 22, 2013, at 3:00 p.m. in Terminal Conference Room 201. The agenda for regular matters, pursuant to 5 G.C.A. Section 22.2 Executive Session will be held to discuss pending matters in which GIAA is a party. Parking is available in the Public Parking Lot.

For special accommodations or agenda items, please call the Board Office at 642-4717/18.

(This ad paid for by GIAA)

## Japanese stocks lose steam as yen bounces

SYDNEY (Reuters) — Japanese stocks struggled to extend gains on Monday as an initially sparked by Prime Minister Shinzo Abe's big election win over the weekend fizzled with profit taking emerging after the yen bounced off lows.

Most other Asian share markets showed slight advances, although Hong Kong's Hang Seng was a touch lower.

Tokyo's Nikkei was flat, having earlier climbed as much as 1.2 percent. Exporters such as Toyota Motor Corp underperformed as the dollar slid below 100 yen.

Abe's victory in the election for the upper house of parliament, which was widely expected, should make it easier for him to push through painful economic reform, the "Third Arrow" of his "Abernomics" prescription to end deflation. The other two

arrows are "ultra-easy" monetary policy and spending.

The results of Sunday's election are pretty much fully priced in and we're seeing more sell off the fact type moves, said a trader in Tokyo, adding overall flows were light.

Another dealer said markets were now turning to earnings results due in major financial centers over next few weeks for fresh trading cues.

MSCI's broadest index of Asia-Pacific shares outside Japan advanced 0.4 percent. South Korea's KOSPI rose 0.7 percent and Australia's S&P/ASX 200 index gained 0.6 percent. Hong Kong's Hang Seng index was a little softer.

Abe's win should be negative for the yen, which initially plunged a week and a half low against the dollar and a two-month trough on the euro.

## When will your credit score go up?

ALLEN (Creditscore.com) — So you've had some negative items on your credit reports — maybe you had late payments, or you defaulted on a credit card, mortgage or other kind of debt.

But now you've resolved the problems with your creditors. Or you might have found errors on your credit reports, or discovered fraudulent accounts because of identity theft — and you succeeded in getting the issues straightened out and the items removed from your credit reports. So now you're wondering: Will your credit score go up?

The answer is: Your credit score will probably improve. However, it may not improve as you expect. Here are some examples where you might not see the bump you hope for:

► Closing negative credit card accounts: Closing credit card accounts will not improve your score. Closing the account also won't remove the record and any associated negative payment history from your credit report. The negative information will continue to show and will continue to be

used in the score calculation.

► When negative records expire: Removing negative information from your credit reports may not immediately increase your score as you expect. There could be additional, heavier weighted negative information, remaining that will prevent an immediate increase in your score. For example: If you remove a collection record from seven years ago but have a charge-off from a year ago, the charge-off has more of an impact and is hurting your score more than the collection from seven years ago. You probably won't see a large impact in this case.

It's important to check your credit reports regularly. You can catch mistakes or fraud, or review it for any problems with your debts that you may (or may not) be aware of — and then take action to correct them. You can pull your own credit reports from each of the three major credit reporting agencies once a year using AnnualCreditReport.com, and check your credit score once a month for free using Credit.com's Credit Report Card.

## GPS device promises fuel-saving solutions

By Aidwin Fajardo  
aidwin@mvguam.com  
Variety News Staff

A LOCAL company has just the solution to the rising cost of fuel: a tracking device that allows business and government organizations that own a fleet of vehicles to effectively manage the activities and driving habits of their employees.

There have been five 10-cent pump price adjustments for regular unleaded on Guam this year — three price drops and two price increases. Last week's price hike, the third this year, was the highest at 15 cents a gallon.

TrackMe! Guam provides vehicle management solutions and products that allow fleet managers to efficiently control their vehicles from one central location, effectively cutting fuel consumption in the process, according to company owner Yosi Veksler.

Veksler said fleet managers that use the company's fleet management solutions have succeeded in reducing costs by 12 to 30 percent. It detects vehicle location and idling time, thereby significantly reducing, if not completely eliminating, the number of times engines are left running but not moving.

The Guam Power Authority, which piloted the program through TrackMe! Guam in November, disclosed that it has generated substantial fuel savings. Each of GPA's 272 vehicles is equipped with a GPS device connected to the ignition.

The device — which allows



TrackMe! Guam owner Yosi Veksler, left, shows how a GPS device helps control vehicles wirelessly, effectively cutting fuel consumption in the process.

time, distance and velocity monitoring — transmits data wirelessly and provides statistical reports that include fuel tank capacity, refuels and fuel theft, and fuel consumption. It also provides comprehensive reports regarding driver performance and vehicle diagnostics.

"Aside from the obvious benefits of a fleet management system, TrackMe! Guam's fleet management solutions, with real time on-board feedback, actively promote drivers' environmentally friendly driving practices for reduced vehicle wear-and-tear, and reduced fuel consumption," Veksler said.

TrackMe! Guam provides an automatic, fully wireless, radio frequency-based fuel pump control system that records the operators and fuel pump activities while preventing unauthor-

ized use. The company also installs a sensor that monitors refueling, how often the vehicle refuels, and the tank level, with an additional sensor that tells whether fuel has been siphoned out of the tank.

According to Veksler, the device also has the capability to help make Guam thoroughfares safer because it sends signals when the driver is speeding. "We could potentially prevent accidents by making the drivers aware that their driving habits are being monitored," he added.

Started in 2005, he said the company is committed to providing local businesses and public organizations a variety of vehicle management solutions and products that are low cost, state-of-the-art, and effective in monitoring workforce efficiency and productivity.

### Proposed Issuance of Underground Injection Control System Operating Permits for Guam Power Authority Public Review and Comment Period: July 25 - August 23, 2013

The Guam Environmental Protection Agency (Guam EPA) runs the Underground Injection Control (UIC) Program, as mandated by the Safe Drinking Water Act, and approved by U.S. E.P.A.

The Agency regulates all applicable activities as set forth in the Guam's UIC Regulations. The UIC Program requires operating permits for all existing injection wells/systems. This includes wells built prior to the approval of the regulations are still in operation, and wells/system constructed after the effective date of the regulations.

Guam EPA has received renewal applications from Guam Power Authority for injection wells located at Tanguisson Power Plant, Dededo. Tanguisson Power Plant has an oil recovery system which includes an oil water separator that discharges the treated/filtered water into the injection.

On the basis of a preliminary UIC requirement review, the administrator has proposed issuing UIC permits to allow discharge of treated/filtered water into the injection wells.

The discharges contain treated/filtered water from the oil water separator. No industrial discharge or any discharges are allowed in to the wells.

The permit for this application will require:

1. Only treated/filtered water to be discharge into the injection wells
2. Monthly monitoring of oil and grease and annual monitoring of water quality for the following: MBAS, Oil and Grease, N03-N, Endrin, Lidané, Toxaphene, 2, 4-D, 2, 4, 5-TP-Silvex, Heptachlor, Methoxychlor, Lead, Benzene, Ethylbenzene, Xylene, Toluene, MTBE, Boron, COD, and pH;
3. Assurance regarding repairs, replacement, or abandonment of the well in the event of failure.
4. A laboratory analysis report of the water taken from the designated sampling.
5. Compliance with other UIC requirements.

A copy of the Draft Permits and Permit Applications for the above applicant and all other supporting documents are available for public inspection

from 8 a.m. until 5 p.m., Monday through Friday at the Water Resources Management Program Section of the Water Division, Guam Environmental Protection Agency, located at 15-6101 Mariner Ave., Tiyan, Barrigada 96913.

For more information, contact Ms. Susan Marquez at (671) 300-4778 or (671) 300-4751.

Written comments on the draft permits may be hand delivered to the address above or mailed to the address below. Comments must be received by Guam EPA no later than 5 p.m., Friday, August 23, 2013. No fax submissions will be accepted.

Administrator  
Guam Environmental Protection Agency  
P.O. Box 22439 GMF  
Barrigada, Guam 96921


If there are no appeals, the Draft Permits becomes final. Operation of the injection well/system identified by the applicant may proceed subject to the conditions of the permit and other applicable legal requirements.

The final decision to set conditions and issue the final permits or deny application for the permits will be decided after all comments have been considered. If no comments are received within the 30-day waiting period, the final permits shall be issued immediately after the commenting period closes.


Please bring this information to the attention of all persons who may be interested in this matter.

/s/ ERIC M. PALACIOS-Administrator






The Honorable  
**EDDIE E. CALVO**  
Governor



The Honorable  
**RAY TENORIO**  
Lt. Governor



**A.B. WON PAT**  
INTERNATIONAL AIRPORT AUTHORITY GUAM

## PUBLIC NOTICE

The Board of Directors of the A.B. Won Pat International Airport Authority, Guam (GIAA) will convene its Regular Board meeting on Thursday, July 25, 2013 at 3:00 p.m. in Terminal Conference Room No. 3. In addition to regular matters, pursuant to 5 G.C.A. §8111(c)(2), Executive Session will be held to discuss pending litigation to which GIAA is a party. Parking is available in the Public Parking Lot.

For special accommodations or agenda items, please call the Board Office at 642-4717/18.  
(This ad paid for by GIAA)

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING**  
**3:00 p.m., Thursday, June 27, 2013**  
**GIAA TERMINAL CONFERENCE ROOM #3**

**1. CALL TO ORDER AND ATTENDANCE**

Chairman Francisco G. Santos called the A.B. Won Pat International Airport Authority, Guam (GIAA) regular meeting to order at 3:07 p.m. The presence of Directors is noted as follows: Jesus Q. Torres, Vice Chairman, Rosalinda A. Tolan; Edward G. Untalan; and Lucy M. Alcorn. Also present were Charles H. Ada II, Executive Manager, Peter Roy Martinez, Deputy Executive Manager, Carlos P. Bordallo, Acting Comptroller, Frank R. Santos, Business and Financial Consultant, Michael A. Pangelinan Esq., and Janalynn C. Damian Esq., Legal Counsel. The Chairman welcomed the presence of Airport Tenants, stakeholders, and members of the public who are noted in a sheet made as an attachment to the minutes.

**2. APPROVAL OF AGENDA**

Vice Chair Torres made motion to approve the agenda as presented, seconded by Director Tolan; motion carried.

**3. APPROVAL OF MINUTES**

- A. May 30, 2013 Board Regular Meeting
- B. June 11, 2013 Board Special Meeting

Before proceeding with the approval of the minutes, the Executive Manager announced that he would like to make a clarification in reference to the minutes. Regarding the unified pay scale, the 20<sup>th</sup> Percentile on page four (4), he stated that it was approved by the Board for the purposes of analysis, and to develop a performer report to present to the Board, which will be given later on today.

Director Tolan made motion to approve the minutes of the May 30, 2013 Regular Board Meeting and the June 11, 2013 Special Board Meeting subject to correction, seconded by Vice Chair Torres; motion carried.

**4. CORRESPONDENCE**

The Executive Manager informed the Board there is one item that was received today and apologized for the item not being in the Boards' packets. The correspondence is from Vladivostok Air, announcing that the airline will be operating scheduled Charter flights on direct route from Vladivostok, Russia to Guam from November 2013 to March 2014. Although they are only looking at flights every two (2) weeks, they are hoping with our partnership to have flights year round. Vice Chair Torres inquired on the type of aircraft they would be using. The Executive Manager replied that it will be a 737 aircraft, 142 – 155 passenger count.

## **5. MATTERS FOR BOARD RATIFICATION/APPROVAL**

### **A. Approval of Award for Custodial Services for TSA Offices and Facilities – IFB No. GIAA-003-FY13**

The Executive Manager reported that an Invitation for Bid was published to solicit bids from professional firms to provide custodial services at the TSA offices and facilities, inclusive of all labor, materials, supplies and equipment to the main terminal building. The term of the contract is for a period of three (3) years and may be renewed annually at GIAA's sole option for additional one-year periods, not to exceed the total contract term of five (5) years. Of the thirteen (13) firms that received bid packages, eight (8) submitted bids before the submission deadline. All eight (8) firms were evaluated; with only seven (7) determined to be acceptable. Management recommends that the contract be awarded to JJ Global with the bid amount of \$47,400.00. It has been determined that JJ Global has met the standards of responsibility and responsiveness outlined in the Guam Procurement Regulations. Discussion followed relative to bid amounts. At this time Chairman Santos welcomed the presence of Director Alcorn. Director Untalan made motion to approve Management's recommendation, seconded by Director Tolan; motion carried.

### **B. Approval of Award for Rehabilitate Runway 6L-24R, Phase II – IFB No. GIAA-C01-FY13**

The Executive Manager stated that Board action is requested to approve the bid award of the above mentioned project. The project is to provide construction and renovation work to rehabilitate runway 6L-24R (Phase 2) inclusive of all labor, materials, supplies and equipment. Six (6) firms received bid packages, and only two (2) submitted bids before the submission deadline. Management recommends that the Board authorize the contract award of \$6,896,871.09 to Nippo USA, Inc. who has been determined to have met the standards of responsibility and responsiveness outlined in the Guam Procurement Regulations. Director Tolan inquired if Nippo USA, Inc. was a new company on Guam and if they have been doing business on Guam. The Executive Manager responded stating the firm has done work previously for the Airport. Vice Chair Torres

made motion to approve Management's recommendation, seconded by Director Untalan; motion carried.

### **C. Ratification of Disbursements**

The Executive Manager presented the summary of Disbursements to the Board. Vice Chair Torres inquired on the payment made to AECOM Technical Services Inc. in the amount of \$419,652.00. Business and Financial Consultant, Frank Santos replied, informing the Board that Guam Airport is one of the few designated for a 'Pilot Program', a testing program for a Geographical Information System (GIS) with the purpose of creating an electronic airport layout plan which includes both aerial and ground surveys, the GIS will be stored in the FAA servers. Mr. Santos went on to say that this will save the Airport money in the future with anything that has to do with the airfield because everything is now under GIS format, GPS (Global Positioning System) based. The payment amount of \$419,652.00 is for several invoices.

Vice Chair Torres made motion to ratify payments above the \$50,000.00 threshold made to vendors for the period of May 29, 2013 – June 21, 2013, seconded by Director Alcorn; motion carried.

## **6. OLD BUSINESS**

### **A. Executive Manager's Report**

The Executive Manager presented brief reports on various issues and announcements relating to Airlines, regulatory and financial issues, including the refinancing of the 2003 Revenue Bonds. The Manager reported that a GIAA team travelled to San Francisco to present an Airport review to Standard & Poor's and Moody's Investors during the week of June 17, 2013 to refinance approximately \$125M in bonds, and new money financing structures.

Relating to the Specialty Retail Merchandise Concession, Lotte Duty Free Guam, LLC continues to transition and work toward the July 21, 2013 occupancy and operational date of the new retail concession awarded to Lotte. A job fair was held by Lotte on Friday, June 21, 2013 to hire managerial, supervisory and support staff. Lotte plans to phase in more personnel to an estimated 200 employees for the Airport retail concession and their off Airport location.

The Executive Manager reported on Legislative issues such as Bill 69-32, which would require legislative approval for lease agreements that span more than five (5) years. The Bill passed in the Legislative Session on May 28, 2013. The Manager stated that the new law will affect the way that the Airport does business. Vice Chair Torres inquired if any of the Management staff had met with the Airport's Oversight Chairman, Senator San



Nicolas regarding the new law. The Executive Manager replied, stating that Management had met with Senator San Nicolas, and he acknowledged the concerns. Vice Chair Torres stated this should be something that the Airport revisit, the Airport does not get a dollar from the general fund and he does not remember a time that the Airport had to go to the Legislature to ask that they appropriate for Airport operations. Vice Chair Torres went on to say that the Airport is run like a business, some of the commitments we have just cannot be constricted within the five (5) years. The Vice Chairman suggested that Management meet with Senator San Nicolas and ask that the Airport be exempt from the five (5) years. Vice Chair stated that from his understanding even though the law has been passed, it is possible for a law to be amended. Discussion followed relative to the new law. The Chairman requested that Management schedule a meeting with Senator San Nicolas regarding this issue.

Continuing with Legislative Issues, the Executive Manager reported that Bill 125-32 was passed in the June 4, 2013 Legislative session. The Bill appropriates \$500,000 to the Department of Public Works to fund the acquisition property for the Tiyan Parkway Project. The Manager informed the Board that Management has been in discussion with the FAA to come up with creative ways to augment this effort to resolve the Tiyan Parkway issue and have a couple of proposals, which will be packaged and presented to the Board at the next Board meeting. Discussion followed with the Executive Manager informing the Board that the FAA was very assistive with the matter for the Government of Guam to resolve this particular long standing issue we have. The Manager stated that with the conversation he had with the FAA, he believes he will be the last Executive Manager of the Airport that will have to deal with the issue, for the people of Guam, all stakeholders, and entire Government, he is confident it is close to being resolved.

On another Legislative issue, the Executive Manager informed the Board of an oversight hearing today of Bill 137-32, which provides low cost space to the Guam Customs and Quarantine Agency at the Guam International Airport Authority in a manner consistent with Federal law. By the introduction of the Bill, USCBP not only Guam but throughout the country does not pay rent to any airport operator. The Vice Speaker Benjamin J. Cruz had introduced this legislation. Vice Chairman Torres reiterated for confirmation, the Guam Customs and Quarantine be a non-paying tenant at here at the Airport. The Executive Manager responded, stating correct. He then went on to inform Chairman Santos that the hearing was today, the Airport provided written testimony and that it is their intention to be making office calls to senators in reference to this matter, hopefully before it leaves committee. The Chairman requested that there be a scheduled meeting with the Oversight Chairman to explain and provide more knowledge regarding the Airport. Vice Chair Torres inquired on how much is the Guam Customs and Quarantine earning, how much was approved for the inspections that they conduct downstairs. The Executive Manager replied based on the current Customs charge, it is approximately 10M annually. Vice Chair Torres stated, we have a Government agency coming in and siphoning off revenue from the Airport when our enabling legislation mandates that we

have to be self-sustaining financially and otherwise. Vice Chair Torres stated that we're all obligated here as Board members to insure that we maintain the financial integrity number one, so that we can run a first class facility.

The Executive Manager announced that the Pohnpei Ports Authority has committed to join GIAA as a partner in hosting the ACI Asia Pacific Small & Emerging Airports Conference to be held in October 2013.

Before closing the report the Manager informed the Board that the Airport completed Phase I of 4 Phases in part of the 'Modernization of Electronics' here in the Airport and invited the Board members to take a look at the completions.

#### **B. Financial Report**

For the Board's information, Carlos P. Bordallo, Acting Comptroller presented the financial report as of May 31, 2013, stating that the Net Debt Service Coverage is at 1.84. Vice Chair Torres stated that the report was the best he heard so far. The Acting Comptroller also added that the power costs have been declining.

Before proceeding to Legal Counsel's report, Director Untalan presented a brief report relative to the adjustment in salaries up to the 20<sup>th</sup> percentile approved at the last Board meeting. The Director presented a forecast that confirmed that the Airport would be able to absorb the \$830,000 for the salary increases and still have a good cash position at the end of the year. Discussion followed on the effective date of the salary adjustments, with the Acting Comptroller adding that the effective date would be from October 1<sup>st</sup>, 2012. Vice Chair Torres expressed the importance in giving back to the employees.

#### **C. Legal Counsel's Report**

Legal Counsel recommended that discussions regarding litigation matters be reported during Executive Session. The Board had no objection.

#### **D. Status of Capital Improvement Programs**

Business and Financial Consultant, Frank Santos presented a brief report for the Board's information stating that by the regular Board meeting in July that the FAA will be providing the Airport with grants for four (4) projects. One 2M dollar grant to repay the Airport for money previously spent, which adds to our cash position, strictly a reimbursement. He went on to add that the Airport will be getting one new ARFF truck. Vice Chair Torres inquired if the old truck will be given to Rota. Frank Santos replied, no that the intention is to keep the trucks so they can be rotated, eventually they will be given to somebody. Mr. Santos reported that the last grant that the Airport will receive

for FY13 will be an additional \$800,000 for the Airport Geographical Information System mentioned earlier in the meeting.

## **7. NEW BUSINESS**

No New Business presented.

The Executive Manager informed the Board that he had items to report to the Board under Tenant Matters the first being that the Airport sent a letter of intent to the Guam Army National Guard for a Hanger Project. The Manager stated that the Guam Army National Guard received funding for a proposed project to provide helicopter capabilities within the Guard Unit to service our area, and the background is that they requested for approximately two (2) acres of land located on Airport property specifically the south side of the AOA for the purpose of constructing a helicopter hanger facility. The purposes would be for Medivac helicopters and to maintain emergency units for our island. We actually found a template for other National Guard Units that operate within local airports and used the same format. After comprehensive discussions between the two organizations, the Guam Army National Guard will pay the Airport approximately \$5,242.04 per month for the use of the facilities including the runways, taxi's, light systems, navigational waves and other areas open to the public and used by the National Guard as well. The Manager informed the Board that the reason why we had to move quickly prior to the Board meeting is that there is a deadline to the Guam Army National Guard Bureau to access additional funds to extend the lease out to 45 years and expand their footprint. The Manager stated that we wanted to insure we did our part to insure that Guam receives more funding and support, to respond to not only to our Guards needs but our islands needs. Chairman Santos inquired on the lease term and if it would need to go to the Legislature. The Executive Manager replied informing the Board it is for a 20 year term and yes it would need to go to the Legislature as the law is enacted already. The Manager stated it would be a huge asset to the island.

The second item the Manager announced to the Board was correspondence from one of the Airports tenants. Pac Air walked a letter late Friday requesting for the approval of a new lease agreement. The Executive Manager reported that they are looking at bringing on the U.S. Citizenship and Immigration Services, leasing about 17,000 square feet of space at the Pac Air Cargo facility, bringing them to 80% of warehouse space that's dedicated to cargo, again, aeronautical. This is a similar to the concern that the former Chairman, Mr. Michael Ysrael had which elevated all the way to the Hawaii Area District Office and returned without merit. I just want to insure our tenant that it will be bought to the Board. They are going to be expanding their capacities to pay us next summer. As you know, the initial agreement with Pac Air was the deferred payment, which comes into effect July 2014. The Manager added that he is in full support of new lease agreement, and wanted to bring it to the Board. If there are concerns from constituents

within the community about the Airport engaging in non-aeronautical activity, that discussion will be made if it needs to be had with the appropriate stakeholders. The Executive Manager stated that it is the intent of Management right now to aggressively seek aeronautical and non-aeronautical revenue for the Airport, the more we can provide revenue to this Airport the better off we are to engage partners, more importantly signatory airlines, to reduce rates and possibly lower airfares, not just for the traveling tourists in the region but our people as well. Discussion followed relative to the changes of Airports over time and what Airports are emerging to be. Chairman Santos requested that Management keep the Oversight Chairman, Senator San Nicolas up to date with what is going on with Airport.

## **8. EXECUTIVE SESSION**

The Chairman announced that the Board will recess and convene Executive Session after the recess. Vice Chair Torres made motion to recess and convene Executive Session after the recess, seconded by Director Alcorn; motion carried. The Board recessed at 4:09 p.m.

Chairman Santos called the Executive Session to order at 4:18 p.m. Executive Session adjourned at 5:13p.m., at which time the regular meeting reconvened.

Based on discussions during Executive Session, Director Untalan announced that he would like to make a motion authorizing Management to proceed as directed by the Board in Executive Session regarding Freedom Air, seconded by Vice Chair Torres; motion duly carried.

## **9. PUBLIC COMMENTS**

The Chairman called upon any public member wishing to make comments. There was no response.

Vice Chair Torres announced that he would like to share some concerns with the Board regarding two (2) key Management positions. Both Comptroller and Chief Engineer positions have been vacant for a number of years. He stated that right now is an indication that we are prepping for the new fiscal year. Historically they are key positions and the right approach is to appropriately fill those positions.

The Executive Manager informed the Board that he did speak with Mr. Victor Cruz in reference to the Chief Engineer position, which he currently oversees the responsibility. The Manager stated that out of courtesy to Mr. Cruz, who is a long time employee and very well liked, he had given him up to December 2013 to obtain the credentials needed to qualify for the position of Chief Engineer. If he was unable to, the position would be filled. He was informed there are ways to gain the credentials, and asked the Board to allow Mr. Cruz that time to gain them. The Chairman agreed with the Executive

Manager and requested that Mr. Cruz be given a chance and opportunity to gain the requirements. The Executive Manager added however, Mr. Cruz would have to compete for the position. Vice Chair Torres responded, of course, that's the 'Merit System', the problem is that the Chief Engineer position is a classified position with the Government of Guam, and answers to the Executive Manager, whereas the Comptroller position is unclassified and answers to the Board. Airport Services Manager, Ms. Jean Arriola added that the Chief Engineer requires a PE, and the Comptroller requires a CPA. Discussion followed relative to the requirements of the position of Comptroller. Vice Chair Torres expressed the need to fill both key positions. Director Tolan made motion to allow Legal Counsel to obtain clarification whether Carlos Bordallo may be appointed to the Comptroller position by the Board without requiring a CPA, seconded by Director Untalan; motion carried.

#### **10. ADJOURNMENT**

Mr. Frank Santos announced for the Board's information that the first Executive Manager of the Airport had passed away in Hawaii yesterday. The body will be brought back to Guam over the weekend and rosaries will begin.

There being no further discussion, the Chairman announced that the next regular meeting is scheduled for Thursday, July 25, 2013. Director Alcorn made a motion to adjourn the meeting, seconded by Director Untalan; motion carried. The meeting adjourned at 5:10 p.m.

Respectfully submitted,

Amanda O'Brien-Rios  
Board Secretary

APPROVED:

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FRANCISCO G. SANTOS  
Chairman of the Board

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Date

Attachment



# **BOARD APPROVAL OF DISBURSEMENTS**

**June 24, 2013 - July 24, 2013**

**Ratified by the Board of Directors on**

**July 25, 2013 Regular Meeting**

<b>Payee</b>	<b>Amount</b>	<b>Purpose</b>	<b>Date Approved</b>
Pac Air Properties LLC	\$88,200.00	Rental Space Lease	6/24/2013
Guam Power Authority	\$524,042.40	Power	6/26/2013
Government of Guam Retirement Fund	\$151,794.56	Payroll Employee & Employers Contribution for PPE 06/29/13	7/5/2013
BEJESS ENTERPRISES INC. DBA: GEMCCO	\$165,533.06	CIP - AIP65 Electrical (Power Hardening Phase 2)	7/11/2013
Calvo Fisher & Jacob LLP	\$234,205.91	Specialty Retail Concession May 2013 services	7/11/2013
Government of Guam Retirement Fund	\$150,100.39	Payroll Employee & Employers Contribution for PPE 07/13/13	7/17/2013
Siemens Industry Inc.	\$107,141.61	CIP - Baggage Handling System	7/23/2013
Pac Air Properties LLC	\$88,200.00	Rental Space Lease	7/23/2013
Aircraft Service International Group	\$114,230.33	Outbound Baggage System for June 2013	7/23/2013
GMP International, LLC	\$84,502.78	CIP - AIP74 ILS6L24R	7/23/2013
Propacific Builder Corporation	\$123,875.62	CIP - AIP65 Replace/Upgrade Apron Area Ramp Light System	7/23/2013
BEJESS ENTERPRISES INC. DBA: GEMCCO	\$108,470.72	CIP - AIP65 Electrical (Power Hardening Phase 2)	7/23/2013
Lyon Associates, Inc.	\$73,283.05	CIP - CM Services Rehab Runway 6L24R AIP84	7/23/2013
EMPSCO Engineering Consultants	\$143,985.91	CIP - AIP65 Utility Power Hardening	7/23/2013
E&A Engineers	\$91,531.79	CIP - Code Upgrade & Property Valuation	7/23/2013
Taniguchi Ruth Makio Architects	\$57,205.40	CIP - AIP79 Assessment Stormwater	7/24/2013
First Hawaiian Bank	\$267,362.00	Loan Payment - Energy Savings Project	7/24/2013
Taniguchi Ruth Makio Architects	\$71,457.75	CIP - TSA Expansion New CCO & Offices	7/24/2013
Parsons Transportation Group Inc.	\$148,897.00	CIP - Master Plan	7/24/2013
E.M. Chen & Associates, Inc.	\$268,349.00	CIP - Runway Protection Zone Improvement Project	7/24/2013
<b>TOTAL:</b>	<b>\$3,062,369.28</b>		



## **Executive Manager's Report GIAA Board of Directors Meeting July 25, 2013**

### **AIRLINE ISSUES**

**StarFlyer** officials met with GIAA officials on July 11, 2013 to finalize their plans for direct service to Guam from Kitakyushu, Japan. Kitakyushu is approximately 1 ½ hours from Fukuoka, with a catchment area of 2 million. The inaugural flight will arrive August 2, 2013 at 12:30am and will be greeted as VIPs. 13 charters will be operated in August, operating an A320 with 150 seat capacity. StarFlyer is a hybrid model operation, not an LCC, offering in-flight passenger services at a lower cost.

**China Airlines** has added an extra section to its TPE/GUM/TPE operation in the first week of August. 11 charters from Narita, and 5 charters from Kansai will be operated in August, in addition to their twice operations. All charters will utilize an A330 aircraft with 307-passenger capacity.

**Delta Airlines** is adding 60 extra sections, or one flight daily between Kansai and Guam between July 27 and September 23, 2013.

**United Airlines** announced 78 extra sections between Narita and Guam daily, beginning July 14 through September 29, 2013. They also celebrated the 15<sup>th</sup> anniversary of direct service between Guam and Cairns, Australia, launched in 1998. The route is serviced twice weekly by B737, and offers a vital link between Cairns and Japan, Hawaii and beyond.

**Korean Airlines** has also planned 50 extra sections, daily, serving Narita/Guam from July 26 through September 2013.

**Vladivostok Air** announced plans to operate direct, scheduled charter flights from 2 locations in Russia's far east, which are Vladivostok, and Khabarovsk. The flights will operate from November through March 2014, on a bi-weekly basis, serviced by a Tupolov aircraft and an A320, both with a seat capacity of 150 passengers.

### **LEGISLATIVE ISSUES**

For the past 3 weeks, airport management has been meeting with legislators to discuss legislation relative to airport operations. Among them are:

**Bill No. 129-32** introduced on May 31, 2013, which would authorize the A.B. Won Pat Guam International Airport Authority to issue Revenue Bonds for the purpose of refunding the General Revenue Bonds, 2003 Series A, B, C and D, refinance the Energy Efficiency Loan, and finance new projects. Schedule for the public hearing is pending.

**Bill No. 137-32** introduced on June 5, 2013 would provide space to the Guam Customs and Quarantine Agency at no cost in a manner consistent with federal law. A Public Hearing was held 06/27/13 at 10am, with the Airport submitting written testimony opposing the bill.

**Executive Manager's Report**  
**GIAA Board of Directors Meeting**  
**July 25, 2013**

**FINANCIAL ISSUES**

**Refinance of 2003 Bonds and New Revenue Bonds Sales.** A team comprised of GEDA, GIAA, bond counsel, bond underwriters and other consultants will be working towards the engagement of rating agencies in the first week of August. The price and sales of bonds is anticipated to be scheduled in late August. Bond refinance and sales would equate to significant money for capital improvement projects as well as possible savings in debt service.

**Lotte Duty Free** launched operations on July 21, 2013 at 12:01am. GIAA staff has worked diligently and cooperatively with both Lotte and DFS on their logistics and transition plans. More activity is anticipated as Lotte enhances its retail space and works on augmenting areas such as the restroom, food courts, smoking areas and play area.

**PROCUREMENT**

**IFB Demolition and Remediation of Various Airport Facilities Phase I**

Announced: June 19, 2013  
Pre Bid: Tuesday, July 2, 2013 10am  
Closing: Friday, August 2, 2013, 2pm

**ANNOUNCEMENTS**

- The Airport Authority was successful in attaining a "THREE-PEAT", taking home the award of 1<sup>st</sup> place float winner for GovGuam agencies in the 69<sup>th</sup> Liberation Day Parade held this past Sunday. The GIAA employees and volunteers who worked on the float are given kudos for a great job in bringing home the prize in 2011, 2012, and 2013 – three consecutive years in a row. Biba GIAA!





**A.B. WON PAT**  
INTERNATIONAL AIRPORT AUTHORITY, GUAM  
ATURIDAT PUETTON BATKON AIREN GUAHAN ENTENASIONAT

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July 23, 2013

**MEMORANDUM**

**To:** Mr. Francisco G. Santos  
Chairman  
GIAA Board of Directors

**From:** Carlos Bordallo ✓  
Acting Comptroller

**Subject:** Operating Results - Revenues and Expenses as of  
June 30, 2013

Attached herewith is GIAA's Operating Results Report for the month ending June 30, 2013. This report summarizes the Budgeted versus Actual Revenues and Expenses for the month and year-to-date results ended June 30, 2013.

The key operating results for 9 month(s) of FY 2013 ending June 30, 2013 - (in \$000's) are:

CATEGORY	YEAR-TO-DATE				FORECAST FOR FULL YEAR-FY13	
	Budget FY 13 Y-T-D	Actual FY 13 Y-T-D	% Variance Budget vs. Actual		Actual Y-T-D + Remaining FY 13 Budget	% Variance Budget vs. Estimate for Full Year
			Y-T-D Current Month	Y-T-D Last Month		
Total Signatory Revenues	\$20,309.6	\$21,653.9	6.6%	8.1%	\$28,666.5	4.9%
Total Concession Revenues	\$7,935.2	\$7,731.2	-2.6%	-1.9%	\$10,653.7	-1.9%
Total PFC's	\$4,414.3	\$4,827.1	9.4%	10.0%	\$6,388.2	6.9%
Total Other Revenues	\$11,191.5	\$11,579.3	3.5%	1.3%	\$15,532.6	2.6%
Total Operating Revenues	\$43,850.6	\$45,791.5	4.4%	4.6%	\$61,240.9	3.3%
Total Operating Expenses	\$31,628.8	\$26,095.0	-17.5%	-19.2%	\$34,908.6	-13.7%
Net Revenues from Operations	\$12,221.8	\$19,696.5	61.2%	66.5%	\$26,332.4	39.6%
Non-Operating Expenses	\$500.0	\$195.4	-60.9%	-54.8%	\$195.4	-60.9%
Other Available Moneys/other sources of funds	\$3,587.5	\$3,682.2	2.6%	3.2%	\$4,878.0	2.0%
Net Debt Service Coverage	1.24	1.85	49.5%	51.8%	1.85	32.9%

Page 2 - Operating Results as of June 30, 2013

Year-to-date Total Signatory Revenues for the month ending June 30, 2013 are above Budgeted revenues by **6.6%**. Signatory revenue estimates are based on projections submitted by Signatory airlines and adopted in the annual budget.

Year-to-date Total Concession Revenues are below budget estimate by **-2.6%** and Passenger Facility Charges are above budget estimates by **9.4%**.

Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues, are above the budget estimate by **3.5%**.

Year-to-date Total Operating Revenues Actual of **\$45.8M** is **4.4%** above the budget estimate of **\$43.8M**.

Year-to-date Total Operating Expenses are below budget by **-17.5%**. Components of this line item include a **-12.7%** decrease in Personnel Service, a **-19.2%** decrease in Contractual Services, a **-35.8%** decrease in Materials & Supplies and a **-100%** decrease in Equipment/Furnishings from budgeted amounts for these respective categories.

The actual year-to-date Net Revenues from Operations of **\$19.7M** reflects an increase of **61.2%** over the year-to-date budgeted amount of **\$12.2M**.

Finally, our year-to-date results for Debt Service Coverage is at **1.85** versus the requirement of **1.25**.

Should you have any questions, please contact me at your convenience.

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Attachments

cc: Board of Directors  
Executive Manager  
Deputy Executive Manager  
Frank R. Santos, Expansion  
Division Heads



# GIAA Program Status and UDO Analysis on Open AIP Grants

FY	Loc ID	Description	Grant #	Grant Amount	Balance as of 6/20/13	UDO	Balance as of 7/25/13	UDO	Comments
2007	GUM	Noise mitigation measures for residences within 65 DNL	3-66-0001-056	\$3,500,000	\$0	0%	\$0	0%	FOR CLOSE OUT (FCO)
2007	GUM	Extend Runway 6L/24R - Phase 3	3-66-0001-057	\$4,536,213	\$0	0%	\$0	0%	FCO
2007	GUM	Improve Airport Utilities Infrastructure - Phase 5 (MAP)	3-66-0001-058	\$6,800,000	\$0	0%	\$0	0%	FCO
		Amendment No. 1 to AIP 58	3-66-0001-058	\$755,815	\$351,833	47%	\$351,833	47%	
		Sub Total:		\$14,836,213	\$351,833	0%	\$351,833	2%	
2008	GUM	Noise Mitigation Measures for Residences w/n 65-69 DNL - Phase 4	3-66-0001-59	\$2,000,000	\$0	0%	\$0	0%	FCO
2008	GUM	Complete Construction of Parallel Taxiway - Phase 1	3-66-0001-60	\$5,797,441	\$0	0%	\$0	0%	FCO
		Amendment No. 1 to AIP 60	3-66-0001-60	\$869,616	\$0	0%	\$0	0%	FCO
2008	GUM	Extend Runway 6L/24R - Phase 4	3-66-0001-61	\$14,000,000	\$0	0%	\$0	0%	FCO
		Amendment No. 1 to AIP 61	3-66-0001-61	\$2,100,000	\$0	0%	\$0	0%	FCO
2008	GUM	Miscellaneous Airport Improvements - Phase 2	3-66-0001-62	\$2,000,000	\$0	0%	\$0	0%	FCO
		Amendment No.1 to AIP 62	3-66-0001-62	\$300,000	\$0	0%	\$0	0%	FCO
2008	GUM	Improve Terminal Building (Seismic Zone 4 Upgrade) - Phase 2	3-66-0001-64	\$1,148,913	\$0	0%	\$0	0%	FCO
		Sub Total:		\$28,215,970	\$0	0%	\$0	0%	
2009	GUM	Improve Airport Utility Infrastructure (Electrical System) - Phase 1	3-66-0001-65	\$7,000,000	\$5,067,739	72%	\$4,269,781	61%	
2009	GUM	Conduct Airport Master Plan Study Update	3-66-0001-66	\$700,000	\$90,335	13%	\$90,335	13%	
2009	GUM	Extend Runway 6L/24R - Phase 5	3-66-0001-67	\$744,647	\$0	0%	\$0	0%	FCO
2009	GUM	Rehabilitate Runway 6L/24R	3-66-0001-68	\$4,807,180	\$0	0%	\$0	0%	FCO
2009	GUM	Noise Mitigation Measures for Residences w/n 65-69 DNL - Phase 5	3-66-0001-69	\$2,000,000	\$1,071,565	54%	\$1,071,565	54%	
2009	GUM	Extend Runway 6L/24R - Phase 7	3-66-0001-70	\$3,294,390	\$0	0%	\$0	0%	FCO
		Amendment No. 1 to AIP 70	3-66-0001-70	\$494,158	\$0	0%	\$0	0%	FCO
2009	GUM	Complete Construction of Parallel Taxiway - Phase 2	3-66-0001-71	\$3,005,610	\$0	0%	\$0	0%	FCO
		Amendment No. 1 to AIP 71	3-66-0001-71	\$450,842	\$0	0%	\$0	0%	FCO
		Sub Total:		\$22,496,827	\$6,229,639	28%	\$5,431,681	24%	



# GIAA Program Status and UDO Analysis on Open AIP Grants

FY	Loc ID	Description	Grant #	Grant Amount	Balance as of 6/20/13	UDO	Balance as of 7/25/13	UDO	Comments
2010	GUM	Extend Runway 6L/24R - Phase 8	3-66-0001-72	\$4,000,000	\$0	0%	\$0	0%	FCO
		Amendment No. 1 to AIP 72	3-66-0001-72	\$600,000	\$0	0%	\$0	0%	FCO
2010	GUM	Rehabilitate Runway 6L/24R - Phase 1 (Design only)	3-66-0001-73	\$1,500,000	\$127,688	9%	\$124,644	8%	
2010	GUM	Install Instrument Landing System (ILS) Runway 6L - Phase 1	3-66-0001-74	\$2,172,362	\$0	0%	\$0	0%	
2010	GUM	Noise Mitigation Measures for Residences w/n 65-69 DNL - Phase 6	3-66-0001-75	\$2,000,000	\$1,884,036	94%	\$1,884,036	94%	
2010	GUM	Improve Airport Utility Infrastructure (Sewer & Storm Water Drainage) - Phase 1 (Design only)	3-66-0001-76	\$1,550,000	\$1,545,031	100%	\$1,545,031	100%	
2010	GUM	Collect Airport Data for the Airports Geographic Information System (AGIS)	3-66-0001-77	\$675,000	\$0	0%	\$0	0%	
2010	GUM	Install Instrument Landing System (ILS) Runway 6L - Phase 2	3-66-0001-78	\$4,827,638	\$1,037,557	21%	\$957,279	20%	
2010	GUM	Conduct Environmental Assessment for Sewer and Storm water Drainage	3-66-0001-79	\$700,000	\$513,550	73%	\$459,204	66%	
		Sub Total:		\$18,025,000	\$5,107,862	28%	\$4,970,194	28%	
2011	GUM	Extend Runway 6L/24R - Phase 9	3-66-0001-80	\$1,975,678	\$0	0%	\$0	0%	FCO
2011	GUM	Miscellaneous Airport Improvements - Phase 3	3-66-0001-81	\$2,304,801	\$2,226,702	97%	\$2,226,702	97%	
2011	GUM	Miscellaneous Airport Improvements - Phase 4	3-66-0001-82	\$1,400,000	\$1,326,954	95%	\$1,326,954	95%	
		Sub Total:		\$5,680,479	\$3,553,656	63%	\$3,553,656	63%	
2012	GUM	Extend Runway 6L/24R - Phase 10	3-66-0001-83	\$2,000,000	\$0	0%	\$0	0%	FCO
2012	GUM	Rehabilitate Runway 6L/24R - Phase 2	3-66-0001-84	\$5,441,024	\$4,723,987	0%	\$4,621,601	85%	
		Sub Total:		\$7,441,024	\$4,723,987	63%	\$4,621,601	62%	
		GRAND TOTAL:		\$96,695,513	\$19,966,977	21%	\$18,928,965	20%	

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## RECOMMENDATION OF COUNSEL



A.B. WON PAT  
INTERNATIONAL AIRPORT AUTHORITY, GUAM

JUL 15 2013

TIME: 12:1 PM

REC'D BY: 

**TO:** Board of Directors  
ANTONIO B. WON PAT INTERNATIONAL  
AIRPORT AUTHORITY, GUAM

**CC:** Mr. Charles H. Ada II  
Executive Manager  
ANTONIO B. WON PAT INTERNATIONAL  
AIRPORT AUTHORITY, GUAM

**FROM:** Janalynn Cruz Damian   
CALVO FISHER & JACOB LLP

**DATE:** July 16, 2013

**SUBJECT:** Executive Session

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Pursuant to 5 G.C.A. § 8111(c)(1), I hereby recommend that the Board of Directors of GIAA conduct an Executive Session at the next regularly scheduled Board meeting to discuss pending or threatened litigation to which GIAA is or may be a party.