

BOARD OF DIRECTORS REGULAR MEETING
3:00 p.m., Thursday, April 9, 2015
GIAA TERMINAL CONFERENCE ROOM #3

Public Notice

First Notice:

Marianas Variety – April 02, 2015

Notice to Media – April 02, 2015

Second Notice:

Marianas Variety – April 07, 2015

Notice to Media – April 07, 2015

AGENDA

1. Call to Order and Attendance
2. Approval of Agenda
3. Approval of Minutes
 - A. February 23, 2015 Regular Meeting
4. Correspondence
5. Old Business
 - A. Status Updates of Capital Improvement Projects
6. New Business
 - A. GIAA Board - Election of Vice Chairman
 - B. Approval of Award for - RFP No. RFP-03A-FY15 - Medical Services
 - C. Approval of Award for - RFP No. GIAA-005-FY15 - CM Services for Terminal Building Structural Upgrade and Concourse Isolation
 - D. Approval of Award - IFB No. GIAA-C02-FY15 - Light Aircraft Commuter Facility
 - E. First Amendment to Agreement for Legal Services - Conflicts Counsel
7. Report of Executive Manager
8. Report of the Comptroller
9. Executive Session
10. Public Comments
11. Adjournment

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Board of Directors Regular Board Meeting
3:00 p.m. Thursday, April 9, 2014
GIAA Terminal Conference Room #3

SIGN IN SHEET

| | <u>PRINT NAME</u> | <u>COMPANY/AGENCY</u> |
|-----|-------------------|-----------------------|
| 1. | Rolanda Frasnalie | GIAA Mktg |
| 2. | STEVEN Carrara | Freedom AIR |
| 3. | BENNY BAZA | ARFF |
| 4. | Raymond Mautson | ARFF |
| 5. | JOHN AERIONA | GIAA-IAA |
| 6. | FRANK P. TAITAKIO | GIAA |
| 7. | J.G. JAVELLANA | GIAA |
| 8. | J. CALVO | |
| 9. | Gerard BASTISTA | ATM-GIAA |
| 10. | Carlos Bando | GIAA |
| 11. | | |
| 12. | | |
| 13. | | |
| 14. | | |
| 15. | | |
| 16. | | |
| 17. | | |

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Thursday, April 9, 2015, 3:00 p.m.
GIAA TERMINAL CONFERENCE ROOM #3**

ATURIDAT PUEYTON BAYKON
AIREN GUAHAN ENTEKASIGNAT

1. CALL TO ORDER AND ATTENDANCE

The April 9, 2015 regular meeting of the Board of Directors of the A.B. Won Pat International Airport Authority, Guam ("GIAA" or the "Authority") was called to order by Chairman Untalan at 3:05 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Edward G. Untalan
Martin J. Gerber
Gurvinder Sobti
Lucy M. Alcorn
Rosalinda A. Tolan
Katherine C. Sgro
Deedee S. Camacho

Offices or positions:

Chairman
Vice Chairman

Directors Absent:

None

GIAA Officials:

Peter Roy Martinez
Carlos P. Bordallo
Frank R. Santos
Jean M. Arriola
Gerard Bautista
Benny Baza
Joseph Javellana
Joseph Calvo
Franklin Taitano

Deputy Executive Manager (DEM)
Comptroller
Business and Financial Consultant
Airport Services Manager
Air Terminal Manager
ARFF Chief
Program Coordinator IV
Properties and Facilities Superintendent
Procurement Supervisor

Janalynn Cruz Damian, Esq.

GIAA Legal Counsel

The Chairman welcomed Airport tenants, stakeholders, new Directors Sgro and Camacho, and members of the public who are noted in a sign-in sheet attached to these minutes.

2. APPROVAL OF AGENDA

The Chairman recommended two (2) changes to the agenda: (i) move item 6A, Election of Vice Chairman, to after Approval of the Agenda, and (ii) move Public Comments to precede Executive Session. Motion to amend the agenda as recommended by Chairman Untalan duly made by Director Sobti, seconded by Director Alcorn; motion unanimously passed.

3. GIAA Board - Election of Vice Chairman

Chairman Untalan called for nominations for Vice Chairman. Director Sobti nominated Director Gerber, seconded by Director Alcorn. No further nominations being made, on motion duly made by Director Sobti, seconded by Director Tolan the following motion was unanimously approved:

Resolution No. 15-19

The Board hereby approves the nomination of and elects Director Martin Gerber as Vice Chairman of the Board.

4. APPROVAL OF MINUTES

A. February 23, 2015 Regular Meeting

Director Tolan noted a correction to Section 9, Executive Session, where it is indicated that Director Alcorn made a motion; however, Director Alcorn was absent from the meeting. Chairman Untalan recommended that the minutes be put into a more summarized format.

Motion to approve the minutes of the February 23, 2015 regular meeting subject to corrections duly made by Director Alcorn, seconded by Director Tolan; motion unanimously passed.

5. CORRESPONDENCE

Deputy Executive Manager Peter Roy Martinez stated that there were no items of correspondence to report.

6. OLD BUSINESS

A. Status Updates of Capital Improvement Projects

i. FAA AIP Grant Projects – Undistributed Obligations (UDO)

Mr. Frank Santos (Business and Financial Consultant) provided background on AIP Grants for the benefit of the new Directors. Mr. Santos noted that grant recipients are normally given four (4) years to fully utilize the grant funds. With regard to overall grant status, currently the Airport is ahead of every other airport in the Western Pacific Region.

Mr. Santos informed the Board of the proposed May 4, 2015 FAA flight check of Runway 6L, which has been closed for six (6) years. If there are no issues with the flight check, an estimated publication date of August 20, 2015 will state that the runway will be fully operational and the Authority will be able to start promoting the runway to long-haul flight operators. When Runway 6L is opened, the short runway will be closed for approximately three (3) months. Director Sgro asked whether the airlines are informed of these runway projects. Mr. Santos explained that these updates are mentioned in monthly Airport Operational Council (AOC) meetings as well as quarterly meetings between Management and the Signatory Airlines. Mr. Santos mentioned that the only airline that has expressed interest so far is United Airlines.

Mr. Santos informed the Board that the new 3,000 gallon Aircraft Rescue & Fire Fighting (ARFF) vehicle would be on-site by July 2015.

ii. Capital Improvement Fund Projects

Mr. Santos informed the Board that the IFB for restrooms renovations not covered by Lotte improvements has been issued, and may come before the Board for approval during the April regular board meeting. In addition to aesthetic improvements, the wastewater system is also receiving an upgrade to support the newly upgraded restrooms.

Mr. Santos then mentioned new grant awards for the Noise Mitigation Program, Rehabilitative Runway 6L/24R, and ARFF Truck/RIV totaling approximately \$7.1M. Those grants will be presented to the Board for acceptance by June 2015.

Mr. Santos noted that the Painting & Exterior Surface Improvements Project is still in progress and the project to replace the roofing system is currently under design.

Mr. Santos updated the Board on the Tiyan Parkway Phase 1 project, which has a tentative completion date of June 3, 2015. Mr. Santos noted that the road could be opened as early as the end of April for traffic. The two remaining key areas of the project would be the connector road and crossover to Officers' Housing. Mr. Santos informed the Board that the opening of Tiyan Parkway Phase 1 does not mean

immediate closure of Central Road because of a two (2) week testing period to ensure that no issues arise.

iii. Bond Projects

Mr. Santos noted that the 90% design for the International Arrivals Corridor/Seismic Upgrade Project was presented at the end of March. Submission of the final design is expected by the end of April, subject to Airport and FAA review, after which, the Authority will advertise the IFB for construction. Mr. Santos noted that the Authority planned on shortening the bid period from ninety (90) to sixty (60) days with the possibility for an extension. Mr. Santos noted that the Authority is working on finalizing a phasing plan that would determine which gates are to be closed as the project proceeds, and that the goal is to limit construction to a maximum of two (2) years. Mr. Santos then mentioned that this project has exceeded the proposed budget and that he is working with Management and the Board sub-committee to assess which elements of the project can be excluded or included as bid additives.

Mr. Santos informed the Board that the Inline Screening Project is set to be completed by June 2016. Mr. Santos reported little progress on the other projects, due to focus on the International Arrivals Corridor/Seismic Upgrades project.

7. NEW BUSINESS

A. Approval of Award - Medical Services - RFP-03A-FY15

DEM Martinez provided background information to the Board on the referenced RFP including the scope of services, contract term, dates of advertisement of the RFP, proposal submission deadline, and the number of interested proposers. An evaluation committee was established to evaluate the two (2) proposals timely submitted to determine the most qualified proposer. The proposals were evaluated based on a point system assigned for each criteria identified in the RFP package. The qualified firms in the order of their ranking are as follows:

1. Proposer A
2. Proposer B

DEM Martinez requested that the Board approve the ranking results and award the RFP for the Medical Services to Proposers A and B, subject to Management's negotiation of a fair and reasonable fee. The selection of two (2) firms will allow GIAA flexibility to schedule annual physicals, special medical examinations, occupational physicals, random drug testing and other necessary services.

Chairman Untalan informed the Board that the proposals and bids for the various procurement solicitations are available for review by the Directors any time prior to the Board meetings.

After further discussion, on motion duly made by Director Alcorn, seconded by Director Sgro, the following resolution was unanimously approved:

Resolution No. 15-20

The Board hereby approves the ranking results as presented to the Board and contract award to Proposers A and B for Medical Services, RFP-03A-FY15, subject to Management's negotiation of fair and reasonable fees and legal review. If negotiations prove unsuccessful, Management is authorized to enter into negotiations with the next highest proposer.

DEM Martinez then informed the Board that Proposer A is PMC Isla Health System and Proposer B is IHP Medical Group.

B. Approval of Award - CM Services for Terminal Building Structural Upgrade and Concourse Isolation - RFP-005-FY15

DEM Martinez provided background information to the Board on the referenced RFP including the scope of services, contract term, dates of advertisement of the RFP, proposal submission deadline, and the number of interested firms. An evaluation committee was established to evaluate the eleven (11) proposals timely submitted to determine the most qualified proposer. The proposals were evaluated based on the point system assigned for each criteria identified in the RFP package. The qualified firms in the order of their ranking are as follows:

- | | | | |
|----|------------|-----|------------|
| 1. | Proposer C | 7. | Proposer G |
| 2. | Proposer F | 8. | Proposer I |
| 3. | Proposer A | 9. | Proposer D |
| 4. | Proposer J | 10. | Proposer K |
| 5. | Proposer B | 11. | Proposer E |
| 6. | Proposer H | | |

DEM Martinez requested that the Board approve the ranking results and award the contract to **Proposer C**, as the highest ranked proposer, subject to Management's negotiation of a fair and reasonable fee. In the event that the negotiations prove unsuccessful with Proposer C, it is requested that the Board authorize Management to commence negotiations with the next highest ranked proposer.

After further discussion, on motion duly made by Director Alcorn, seconded by Director Sgro, the following resolution was unanimously approved:

Resolution No. 15-21

The Board hereby approves the ranking results presented to the Board and the contract award to Proposer C for CM Services for Terminal Building Structural Upgrade and Concourse Isolation, RFP-005-FY15, subject to Management's negotiation of fair and reasonable fees and legal review. If negotiations prove unsuccessful, Management is authorized to enter into negotiations with the next highest ranked proposer.

DEM Martinez then informed the Board that Proposer C is SSFM International Inc.

C. Ratification of Award - Light Aircraft Commuter Facility - IFB No. GIAA-CO2-FY15

DEM Martinez explained that during the February 23, 2015 Board meeting, the Board authorized EM Ada to issue the notice of intent to award to the lowest responsible bidder for the referenced IFB, in an amount not to exceed \$300,000.

Chairman Untalan informed the Board that the lowest bidder was ProPacific Builders Corp. with a bid of \$240,000. After further discussion, on motion duly made by Director Sobti, seconded by Director Sgro, the following resolution was unanimously approved:

Resolution No. 15-22

The Board hereby ratifies and approves the contract award for Light Aircraft Commuter Facility, IFB No. GIAA-CO2-FY15, to ProPacific Builders Corp. in the amount of \$240,000.

D. First Amendment to Agreement for Legal Services - Conflicts Counsel

DEM Martinez requested Board approval of an amendment to the Authority's conflicts counsel contract with Torres Law Group. Janalynn Cruz Damian, GIAA legal counsel, informed the Board that the referenced contract expired in March 2015, and this amendment will extend the term of the contract to allow conflicts counsel to complete two projects already in progress. The Authority finds that continuing the contract until the completion of two projects started by Torres Law Group would be beneficial as well as cost effective for the Airport. Ms. Damian mentioned that following Board approval, the contract will be submitted to the Attorney General's Office for approval. Should the AG reject the amendment, the Airport would have to put out an RFP.

Discussion was held on the extended term. Ms. Damian explained that the term is until February 29, 2016, or until the completion of the two projects, whichever comes first.

After further discussion, on motion duly made by Director Tolan, seconded by Director Sgro, the following resolution was unanimously approved:

Resolution No. 15-23

The Board hereby approves the Amendment to Agreement for Legal Services - Conflicts Counsel with Torres Law Group as presented to the Board, subject to Attorney General approval.

8. REPORT OF THE EXECUTIVE MANAGER

DEM Martinez provided information to the Board on Air Busan's anticipated operation of a Busan/Guam route four (4) times per week. DEM Martinez then updated the Board on regulatory matters, including a visit from Mr. Eddie Angeles, FAA Associate Administrator for Airports, and a meeting with USCBP officials.

DEM Martinez then updated the Board on pending RFPs and IFBs, which are identified in the EM Report included in the Board's packet.

Further discussion was held on the meeting with USCBP and moving forward with pre-clearance at originating airports to alleviate the long lines at immigration.

9. REPORT OF THE COMPTROLLER

Mr. Bordallo reported on the revenues and expenses of the Authority as of February 28, 2015. Mr. Bordallo reported that year-to-date Total Signatory Revenues are above budgeted revenues by 1.7%, year-to-date Total Concession Revenues and Passenger Facility Charges are under budget by -0.6% and -4.4%, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by 12.5%. Year-to-date Total Operating Revenues Actual of \$29.4M is 3.2% above the budget estimate of \$28.5M. Year-to-date Total Operating Expenses are below budget by -16.0%. Components of this line item include a -7.9% decrease in Personnel Service, a -17.5% decrease in Contractual Services, a -69.5% decrease in Materials & Supplies and -100.0% decrease in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date New Revenues from Operations of \$14.0M reflects an increase of 37.7% over the year-to-date budgeted amount of \$10.2M. Mr. Bordallo reported that the year-to-date Debt Service Coverage is at 1.45 versus the requirement of 1.25.

10. PUBLIC COMMENTS

Chairman Untalan called upon any public member wishing to make comments. Mr. Steve Carrara requested the opportunity to address the Board on behalf of Freedom Air. Legal Counsel informed Mr. Carrara that he may present to the Board, but that there would be no

open discussion involving the Board as the matter was part of litigation. Mr. Carrara presented a framework to the Board in the hopes of moving forward regarding a GIAA and Freedom Air relationship. Chairman Untalan thanked Mr. Carrara for his presentation and Mr. Carrara thanked the Board for their time.

It is noted that Director Alcorn left the meeting.

11. EXECUTIVE SESSION

Upon written recommendation of counsel, on motion duly made by Director Tolan, seconded by Director Sgro, and unanimously approved, the Board recessed to convene into Executive Session at 4:16 p.m.

On motion duly made by Director Tolan, seconded by Director Camacho, and unanimously approved, Executive Session adjourned at 5:07 p.m, at which time the Board reconvened regular session.

After Executive Session, Attorney Damian requested that the Board approve a waiver of the monthly cap on legal fees under Calvo Fisher & Jacob's (CFJ) new contract for the following litigation matters: (i) the Specialty Retail Protest Matters, (ii) the Arbitration and Government Claims Matters involving DFS, and (iii) the Crawford litigation matter. Ms. Damian explained that the Board waived the cap under the old contract for the first two matters. Additionally, Ms. Damian requested that the Board authorize payment of CFJ's March 2015 invoice, which exceeds the monthly cap because of the extensive work done in the Crawford litigation matter. Ms. Damian noted that the legal fees for the Crawford matter is about \$57,000.00.

Discussion was held and the Chairman requested that the Comptroller assess the agency's budget and determine whether the budget permitted a lifting of the cap based upon counsel's estimated budget for the arbitration matter. Chairman Untalan also noted that the Specialty Retail Protest Matters legal fees were subject to reimbursement by Lotte per the Concession Agreement.

After further discussion, on motion duly made by Director Sgro and seconded by Director Tolan, the following resolution was unanimously approved:


Resolution No. 15-24

The Board hereby authorizes payment of Calvo Fisher & Jacob's March 2015 legal services invoice. The Board further approves the waiver of the monthly cap on legal fees for the Specialty Retail Protest Matters.

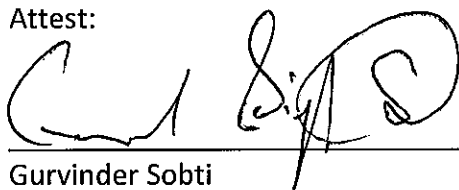
12. ADJOURNMENT

There being no further business, motion to adjourn duly made by Director Tolan, seconded by Director Sgro; motion unanimously passed. The meeting was adjourned at 5:15 p.m.

Dated this 4th, day of May, 2015.




Edward G. Tantalán
Chairman

Attest:


Gurvinder Sobti
Secretary

Prepared and Submitted By:



Maria DeVille Sablan
Corresponding Secretary

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