

**BOARD OF DIRECTORS REGULAR MEETING**  
**3:00 p.m., Thursday, June 4, 2015**  
**GIAA TERMINAL CONFERENCE ROOM #3**

Public Notice

First Notice:

Marianas Variety – May 27, 2015

Notice to Media – May 27, 2015

Second Notice:

Marianas Variety – June 2, 2015

Notice to Media – June 2, 2015

**AGENDA**

1. Call to Order and Attendance
2. Approval of Agenda
3. Approval of Minutes
  - A. April 30, 2015 Regular Meeting
4. Correspondence
5. Old Business
  - A. Status Updates of Capital Improvement Projects
6. New Business
  - A. Approval of Air Busan's Request for Signatory Airline Status
  - B. Approval of Award - Legal Services - Conflicts Counsel - RFP-009-FY15
  - C. Resolution - Relative to Authorizing Signatories on GIAA's Safe Deposit Box
7. Report of Executive Manager
8. Report of the Comptroller
9. Public Comments
10. Executive Session
11. Adjournment

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM  
Thursday, June 4, 2015, 3:00 p.m.  
GIAA TERMINAL CONFERENCE ROOM #3

1. CALL TO ORDER AND ATTENDANCE

The June 4, 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 3:08 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

**Directors Present:**

Edward G. Untalan  
Martin J. Gerber  
Rosalinda A. Tolan  
Deedee S. Camacho  
Katherine C. Sgro

**Offices or positions:**

Chairman  
Vice Chairman

**Directors Absent:**

Lucy M. Alcorn (excused)  
Gurvinder Sobti (excused, off-island)

**GIAA Officials:**

Charles H. Ada II  
Frank R. Santos  
Jean M. Arriola  
Gerard Bautista  
Ann Bautista  
Benny Baza  
Joseph Javellana  
Edward Muna II  
Franklin Taitano  
Delbert Benlot  
Robert D. Camacho

Executive Manager (EM)  
Business and Financial Consultant  
Airport Services Manager  
Air Terminal Manager  
General Accounting Supervisor  
ARFF Chief  
Program Coordinator IV  
Airport Operations Superintendent  
Procurement Supervisor  
Acting Engineering Supervisor  
Airport Police Chief

Janalynn Cruz Damian, Esq.

GIAA Legal Counsel

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

2. APPROVAL OF AGENDA

No changes to the agenda were requested by the Board or Executive Manager Ada.

The Executive Manager recognized and introduced to the Board special guests Mr. Bokyung Moon of Air Busan, Mr. Jin Oh Kim of Jin Air, and Mr. Blaine Dydasco of Senator Tom Ada's office.

Motion to approve the agenda as presented duly made by Director Tolan, seconded by Director Sgro; motion unanimously passed.

### **3. APPROVAL OF MINUTES**

#### **A. April 30, 2015 Regular Meeting**

Director Sgro noted that "2014" needs to be changed to "2015" in the first paragraph on page 3 of the Minutes. On motion duly made by Vice Chairman Gerber, seconded by Director Sgro, the following resolution was motion unanimously passed:

#### **Resolution No. 15-27**

The Board hereby approves the minutes of the April 30, 2015 regular meeting, subject to corrections.

### **4. CORRESPONDENCE**

Executive Manager Charles H. Ada II presented to the Board that Guam Visitors Bureau has formally invited GIAA to the 2015 Guam Micronesian Island Fair located at Ypao beach park, scheduled to begin Friday. The opening ceremony begins June 12, 2015 at 6:00 p.m. EM Ada stated that the Authority is supporting this event.

### **5. OLD BUSINESS**

#### **A. Status Updates of Capital Improvement Projects**

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

Frank Santos, Business and Financial Consultant, informed the Board that the month of June is "grant season," meaning that the Authority is expecting to receive several grants – \$3.5M for the runway rehabilitation reimbursement, \$2M for noise mitigation sound solutions project, and \$1.3M for a second ARFF vehicle, and a Rapid Intervention Vehicle. The first ARFF vehicle (with a high turret) is scheduled to arrive July 15, 2015.

Mr. Santos informed the Board that in terms of key performance indicators, the status of GIAA fund usage is very good, with two of the four years showing zero. 2011 is the only year showing a significant balance at \$1.9M, with Phases I, II, & III of the demolition project still ongoing.

Mr. Santos informed the Board that the FAA flight check was successful and publication of instrument procedures and runway approach for departures for 6L/24R will be officially published June 25, 2015 with management planning a ceremonial opening on June 26, 2015. This opens GIAA's doors to trans-pacific long-haul operators.

ii. Bond Projects

Mr. Santos informed the Board that he received the final bid package for the International Arrivals Corridor from the designer which has been sent to the FAA for approval. Once approved, the IFB will be issued with a sixty (60) day bid submittal. Should there be any changes required as per the FAA, they will be added to the package as an addendum.

The Inline Hold Bag Screening project is proceeding, and GIAA is finalizing required documents for TSA for reimbursement of \$5.1M. GIAA is currently working with legal counsel per prior Board approval on the replacement loading bridge for Gate 21. Mr. Santos reports that that order will be made shortly.

iii. Capital Improvement Fund Projects

Mr. Santos updated the Board on the final design of the third floor additional facilities Fire Alarm/Suppression system replacement. With regard to the restroom renovations, final contract documents from legal counsel are all that are needed to proceed as all bonding requirements have been met. Because of the long ordering lead time, Mr. Santos informed the Board that a pre-NTP (Notice to Proceed) has been issued to allow the contractor to order materials. Phase I includes the Customs restroom, the public restroom near the conference room, and the public restroom next to the elevator by Ben N Yan's. Phase II is the public restrooms on the Western side and the restroom between the ticket counters in the lobby. During phase II, the arrivals restrooms will also be done. Thereafter will be the employee restrooms in the non-secure areas. Mr. Santos reported that the timeline is approximately two hundred and seventy (270) days.

Mr. Santos noted that Tiyan Parkway is open. The FAA has suggested that the Authority fence off the property on either side of the parkway using a light fence, meaning not concrete. Cost details are still being worked out.

**6. NEW BUSINESS**

**A. Approval of Air Busan's Request for Signatory Airline Status**

EM Ada began with providing background information on Air Busan which started as a South Korean regional airliner and has successfully grown since being established in 2007. International destinations include Japan, China, and Southeast Asia. Air Busan's fleet now

consists of six (6) A321-200, three (3) A320-200, four (4) B737-400, and one (1) B737-500. They have received economic authority from U.S. DOT to conduct foreign air transportation from the Republic of Korea to points in the United States and beyond, with specific reference to Busan-Guam services. Air Busan is in the process of obtaining signatory status with the U.S. Dept. of Homeland Security and U.S. Customs and Border Protection under the Guam-CNMI Visa Waiver Program.

GIAA PMO has drafted a Signatory Airline Operating Agreement and Terminal Building Lease consistent with lease negotiation terms and conditions. Upon Board approval, the Signatory Agreement will be forwarded to GIAA's legal counsel for review and approval.

Management recommends that the GIAA Board approve Air Busan's request to become a Signatory Airline at the A. B. Won Pat International Airport Authority, Guam, with the expiring term to be conterminous with other Signatory Agreements.

On motion duly made by Director Sgro, seconded by Director Tolan, the following resolution was unanimously passed:

**Resolution No. 15-28**

The Board hereby approves Air Busan's request for Signatory Airline Status. The Board further approves the Signatory Airline and Operating Agreement and Terminal Building Lease negotiated by Management, subject to legal counsel's review.

**B. Approval of Award - Legal Services - Conflicts Counsel - RFP No. RF-009-FY15**

EM Ada 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 four (4) 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 B
2. Proposer A
3. Proposer C
4. Proposer D

The term of the contract shall be a period of one (1) year. The agreement may be renewed annually at the sole discretion of GIAA, for additional (1) year periods, not to exceed a total of five (5) years.

EM Ada noted that the RFP permits GIAA to select one or more conflicts counsel and requested that the Board approve the ranking results and award the RFP for the Legal Services - Conflicts Counsel to the top three Proposers – B, A, and C, subject to Management’s negotiation of fair and reasonable fees and legal counsel review.

After further discussion, on motion duly made by Director Tolan and seconded by Vice Chairman Gerber, the following resolution was unanimously passed:

**Resolution No. 15-29**

The Board hereby approves the ranking results as presented to the Board and contract award to Proposers B, A, and C for Legal Services, Conflict Counsel RFP-009-FY15, subject to 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.

EM Ada then informed the Board that Proposer B is Fisher & Associates, Proposer A is Law Office of Peter Perez, and Proposer C is Torres Law Group.

**C. Resolution - Relative to Authorizing Signatories on GIAA's Safe Deposit Box**

EM Ada presented to the Board a resolution to authorize signatories relative to storage of back-up computer data tapes in a safe deposit box. This off-Airport location of stored computer data tapes is needed to maintain the continuity and integrity of such data. Said resolution would allow any one of the following to deposit into, retrieve from, or access the safe deposit box on behalf of GIAA:

1. Danny C. Cepeda, Data Processing Manager
2. Arleen M. Torres-Sanchez, Systems Programmer
3. Rita A. Camacho, Computer Operator III
4. Jacob F. Jesus, Computer Operator II

The proposed resolution also authorizes the Executive Manager to further designate and authorize additional employees of the Authority to deposit into, retrieve from, or access said safe deposit box.

Chairman Untalan noted that Management needs to look into a long term plan for storage of back-up data as such storage should allow for immediate access.

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

**Resolution No. 15-30**

**WHEREAS**, the ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM ("GIAA" or the "Authority") desires to obtain a safe deposit box for storage of GIAA's back-up computer data tapes and to designate the individuals authorized to use and access the safe deposit box on behalf of GIAA for such purposes.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby authorizes Management to open and maintain a safe deposit box for the purpose of storing GIAA's back-up computer data tapes; and

**BE IT FURTHER RESOLVED**, that the Board of Directors hereby designates and authorizes any one of the following individuals to deposit into, retrieve from, or access the safe deposit box on behalf of GIAA for the limited purposes stated herein:

1. Danny C. Cepeda, Data Processing Manager
2. Arleen M. Torres-Sanchez, Systems Programmer
3. Rita A. Camacho, Computer Operator III
4. Jacob F. Jesus, Computer Operator II

**BE IT RESOLVED FURTHER**, that the Board of Directors hereby authorizes the Executive Manager to further designate and authorize additional employees of the Authority who may deposit into, retrieve from, or access the safe deposit box; and

**BE IT RESOLVED FURTHER**, that the establishment of the safe deposit box is intended to provide an off-Airport location to store back-up computer data tapes in order to maintain the continuity and integrity of such data.

**7. REPORT OF THE EXECUTIVE MANAGER**

Executive Manager Ada began his report with airline issues, addressing pre- and post-Typhoon Dolphin activity.

The EM then updated the Board on T'Way Air. T'Way Air was issued an order from U.S. DOT granting them an exemption and allowing them to operate in the U.S., i.e. Guam, with a show cause providing 21 days for anyone seeking to file an objection. The application specifies a Seoul-Guam service on a daily, year-round basis. Start-up date was initially July 15, but may be delayed to allow the airline time to promote the route.

Regulatory issues included the FAA flight checks on extended runway 6L/24R and the new Instrument Landing System which took place May 2-6, 2015. In a teleconference May 8, 2015, Airport Management was informed that both passed all flight checks. The runway was extended from 10,000 to 12,000 linear feet; a project which took over five (5) years in progressive phases and cost over \$70M, with the FAA providing most of the funding through grants which were aggressively pursued by the Authority.

The FAA conducted its annual certification inspection from May 26-29, 2015, which the Authority passed. There were a few insignificant findings which were corrected on the spot and Inspector Juan Reyes indicated that he would issue his Letter of Correction upon return to the Honolulu Area District Office. Inspector Reyes also conducted a hot wash with all levels of employees from Management to P&F staff to impart how important they and their jobs are to the running and certification of the Airport.

A Federal USCBP contractor conducted a time and motion study on Guam USCBP operations from May 20-23, 2015. Guam currently ranks 9th in the Top 25 Airports in International Arrivals.

EM Ada moved on to operation issues, beginning with the activation of the Airport's Emergency Coordination Center (ECC) staffed with a minimal 2-person rotation that carried through before, during, and after the typhoon. Management held two Heavy-Weather briefings with stakeholders, on May 13, 2015 and May 14, 2015, with a post briefing on May 16, 2015. The ECC welcomed the Government of Guam Emergency Operations Center (EOC) and Joint Information Center (JIC) on 6:00 p.m. May 16, 2015 due to compromised conditions at the Office of Civil Defense/Guam Homeland Security bunker. The EOC/JIC was deactivated on May 18, 2015 at 5:30 p.m.

DPW opened the new Maga'håga Highway (formerly Tiyan Parkway) on May 26, 2015. The Airport published the FAA's FONSI/ROD based on results of a Final Supplement to the Proposed Tiyan Parkway Environmental Assessment prepared in April 2015 for the Proposed Acquisition of Remnant Parcels. The full FONSI/ROD is available for public view at the Airport Administrative Offices, Nieves M. Flores Memorial Library, and Robert F. Kennedy Library at the University of Guam.

Lastly, the EM reported that the final inspection of the Airport's newest ARFF truck is underway at Rosenbauer in Minnesota with airport ARFF and procurement personnel. Ray T. Quintanilla, an Airport Operations Supervisor, undertook Air Certification training and completed it May 30, 2015 with the Association of American Airport Executives, and is now an Airport Certified Employee (A.C.E.).



## **8. REPORT OF THE COMPTROLLER**

Mrs. Bautista reported on the revenues and expenses of the Authority as of April 30, 2015. Mrs. Bautista reported that year-to-date Total Signatory Revenues are above budgeted revenues by **0.3%**, year-to-date Total Concession Revenues and Passenger Facility Charges are under budget by **0.6%** and **-2.1%**, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by **12.0%**. Year-to-date Total Operating Revenues Actual of **\$41.3** is **3.1%** above the budget estimate of **\$40.1**. Year-to-date Total Operating Expenses are below budget by **-18.6%**. Components of this line item include a **-12.0%** decrease in Personnel Service, a **-20.1%** decrease in Contractual Services, a **-60.4%** 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 **\$20.2** reflects an increase of **42.9%** over the year-to-date budgeted amount of **\$14.1M**. Mrs. Bautista reported that the year-to-date Debt Service Coverage is at **1.53** versus the requirement of **1.25**.

## **9. PUBLIC COMMENTS**

There were no public comments.

## **10. 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 4:06 p.m.

On motion duly made by Director Gerber, seconded by Director Tolan, and unanimously approved, Executive Session adjourned at 4:59 p.m, at which time the Board reconvened regular session.

At this point, Attorney Damian stated that Director Sgro had to excuse herself from the meeting during executive session. Chairman Untalan also noted that Director Sgro recused herself from the legal matter discussed in Executive Session with conflicts counsel, Tom Fisher.

The Board then addressed two items. The first is to allow Management to negotiate with Commonwealth Development Authority (CDA) on a resolution to the liquidation of the Freedom Air assets, and to give authority to the Executive Manager to be able to determine what is in the best interests for the Airport and to return to the Board for confirmation of his decision.

On motion duly made by Director Tolan, seconded by Vice Chairman Gerber, the following resolution was unanimously passed:

**Resolution 15-31**

The Board hereby authorizes Management to negotiate a resolution with the Commonwealth Development Authority relative to the liquidation of Freedom Air assets.

The second matter relates to authorizing payment of Calvo Fisher & Jacob's April invoice for legal services related to the Crawford litigation in the amount of \$54,763.08.

On motion duly made by Vice Chairman Gerber, seconded by Director Camacho, the following resolution was unanimously passed:

**Resolution 15-32**

The Board hereby authorizes payment of Calvo Fisher & Jacob's April 2015 legal services invoice for the Crawford litigation matter.

Chairman Untalan then informed the EM that for the next meeting, Management and Board should continue working with Oversight Chairman, Senator Tom Ada's office, towards an amendment to current legislation that will allow the Authority to increase aeronautical-type leases up to thirty (30) years as opposed to the existing five (5) year limitation.

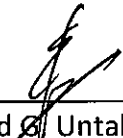
The Chairman also requested that one RFP be presented at each monthly Board meeting, starting with focus on property development and determination of need to start the process. The Chairman also indicated that he wanted to address route strategy at the next meeting.

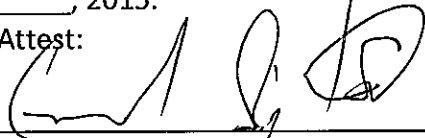
Lastly, Chairman Untalan requested a recommendation from Comptroller Carlos Bordallo on whether or not the Authority would benefit from hiring an investment advisor.


**11. ADJOURNMENT**

There being no further business, motion to adjourn duly made by Director Tolan, seconded by Vice Chairman Gerber; motion unanimously passed. The meeting was adjourned at 5:05 p.m.

Dated this 29<sup>th</sup>, day of June, 2015.

  
\_\_\_\_\_  
Edward G. Untalan  
Chairman

Attest:  
  
\_\_\_\_\_  
Gurvinder Sobti  
Secretary

Prepared and Submitted By:  
  
\_\_\_\_\_  
Maria DeVille Sablan  
Corresponding Secretary

**A.B. WONPAT INTERNATIONAL AIRPORT AUTHORITY**  
**Board of Directors Regular Board Meeting**  
**3:00 p.m. Thursday, June 4, 2015**  
**GIAA Terminal Conference Room #3**

**SIGN IN SHEET**

	<u>PRINT NAME</u>	<u>COMPANY/AGENCY</u>
1.	ANN BAUTISTA	GIAA
2.	FRANK P. TAITANCO	GIAA
3.	DELBERT BENLOT	GIAA
4.	F. Fragmanche	GIAA
5.	Blaine Dydasco	Sen. Tom Ada
6.	BENNY BAZA	ARFF
7.	FRANK SANDS	
8.	JIN OH KIM	JIN AIR
9.	BOKYUNG MOON	AIRBUSAN
10.	EDWARD MUNA	GIAA-OPS
11.	J.G. JAVELLANA	PPMO
12.	ROBERT CAMARAO	AIP
13.	Gerard BAUTISTA	
14.	CHARLES H. ADRA	GIAA
15.	JEAN MARLOLA	
	Therese F. Chin	ICOU

16. JOSEPH M. BORJA OFFICE OF SENATOR THOMAS ADA

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