



**BOARD OF DIRECTORS REGULAR MEETING**  
**3:00 p.m., Thursday, August 25, 2016**  
**GIAA TERMINAL CONFERENCE ROOM #3**

Public Notice

First Notice:

Guam Daily Post – August 18, 2016  
Notice to Media – August 18, 2016

Second Notice:

Guam Daily Post – August 23, 2016  
Notice to Media – August 23, 2016

**AGENDA**

1. Call to Order and Attendance
2. Approval of Agenda
3. Approval of Minutes
  - A. July 28, 2016 Regular Meeting
4. Correspondence
5. Old Business
  - A. Status Updates of Capital Improvement Projects
6. New Business
  - A. Approval of GIAA Fiscal Year 2017 Budget
  - B. Approval of Award for Safety Management Systems (SMS) - RFP No. RFP-005-FY16
  - C. Approval of Board Resolution No. 16-60: Recognizing the Services of the Honorable Former Lieutenant Governor Of Guam †Frank F. Blas
7. Report of Executive Manager
8. Report of the Comptroller
9. Executive Session
10. Public Comments
11. Adjournment



**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM  
Thursday, August 25, 2016, 3:00 p.m.  
GIAA TERMINAL CONFERENCE ROOM #3**

**1. CALL TO ORDER AND ATTENDANCE**

The August 25, 2016 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 Vice Chairperson, Katherine C. Sgro at 3:03 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

**Directors Present:**

Katherine C. Sgro  
Gurvinder "Bic" Sobti  
Martin J. Gerber  
Rosalinda A. Tolan  
Deedee S. Camacho

**Offices or positions:**

Vice Chairperson  
Board Secretary

**Directors Absent:**

Ricardo C. Duenas (Excused)  
Lucy M. Alcorn (Excused)

Chairman

**GIAA Officials:**

Charles H. Ada II  
Peter Roy Martinez  
John A. Rios  
Jean M. Arriola  
Antonio Taitingfong  
Ray Santos  
Franklin Taitano  
Victor Cruz  
Rolenda Faasuamalie

Executive Manager  
Deputy Executive Manager  
Comptroller  
Airport Services Manager  
Assistant Chief, Airport Police  
Airport Fire Chief, Acting  
Procurement Supervisor  
Engineering Supervisor  
Airport Marketing Administrator

Fred Tupaz  
Janalynn Cruz Damian, Esq.

TMG, LLC  
GIAA Legal Counsel

Vice Chairperson Sgro 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**

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

**3. APPROVAL OF MINUTES**

**A. July 28, 2016 Regular Meeting**

No corrections or changes were recommended. On motion duly made by Director Camacho, seconded by Director Tolan, the following resolution was unanimously passed:

**Resolution No. 16-59**

The Board hereby approves the minutes of the July 28, 2016 regular meeting, subject to corrections.

**4. CORRESPONDENCE**

Executive Manager Ada had no correspondence to report.

**5. OLD BUSINESS**

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

Mr. Fred Tupaz referred the Board to handouts regarding the current Airport projects and provided various updates to the Board.

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

- 2013 - Update Airport Master Plan Study: Airport Geographic Information System (AGIS) Survey was approved by the FAA on August 17, 2016. Training sessions for Operations personnel are being scheduled to assist with management of the system.
- 2014 - Install Instrument Landing System (ILS) Runway 06L - Phase III: Close out documents were received August 24, 2016.
- 2015 - Noise Mitigation Measures for Residences within 65 - 69 DNL: FAA's approval of the Scope of Work was received and the advertisement for Acoustical Assessment RFP went out on August 24, 2016. Submittals are anticipated for September 22, 2016.
- 2016 - Miscellaneous Airport Improvements – Phase V: Consisting of two (2) projects: First, completion of the fence line project, this is 98% complete as of August 21, 2016; Second, the Demolition of Remnant properties in North Tiyan area. The project was awarded to BME & Sons in the amount of \$66,000.00 and is awaiting FAA concurrence to award.

ii. Bond Capital Improvement Projects

- International Arrivals Corridor with Building Seismic Upgrades: IFB announcement anticipated for August 29, 2016 with a closing date of September 28, 2016.
- Hold Bag Screening Relocation: Project is 74% complete as of July 31, 2016, with installation at 63%. Estimated time of completion is March 2017.
- SSCP Improvements: Weekly meetings with TSA to address congestion issues in the well-wisher lobby. Based on recent discussions, TSA is expected to receive additional x-ray machines. Parking Expansion: The revised concepts were received and submitted to Leigh Fisher & Associates for final concurrence. Phasing plan study is underway to address a number of issues.
- ARFF Facility Replacement: FAA's approval was received for the Scope of Work and advertisement for the design. RFP scheduled to be advertised August 24, 2016 with a submittal date of September 22, 2016.

iii. Capital Improvement Fund

- Noise Mitigation Program 65 DNL & Higher - Phase VI: Received FAA approval for Scope of Work and advertisement for Acoustical Assessment RFP. RFP scheduled to be advertised August 24, 2016 with a submittal date of September 22, 2016.
- ARFF Facility Design/Construction, Phase I: FAA approval was received for the Scope of Work and advertisement for the design. RFP scheduled to be advertised August 24, 2016 with a submittal date of September 22, 2016.
- Wildlife Management Assessment: Contract negotiations expected to be completed August 26, 2016 with PCR. Notice to proceed anticipated in October 2016.
- Improve Leasehold Facilities (GSE, Tech, HC-5): Contract with DB's Builders Inc. fully executed. Awaiting the pre-construction meeting, to issue the notice to proceed.
- Improve Arrival and Inspection Facilities: The commissioning of the Automated Passport Control units is anticipated for September 15, 2016. Awaiting programming of Guam-specific software as well as training of Customs & Border Protection personnel.
- Safety Management System: RFP evaluations completed August 12, 2016. Board action required to award.
- Miscellaneous Airport Improvements, Phase IV: Project 97% complete as of August 14, 2016. Demolition project awarded to BME Sons, pending FAA concurrence to award.

Mr. Tupaz went on to direct the Board to a handout relative to the TSA Recapitalization and Optimization Project, summarizing additional funding that is necessary to complete the project due to delays in infrastructure and facility build out that was required. He also advised the

Board that the item was presented to the Capital Improvement Project Board sub-committee. After a brief background on the project, Mr. Tupaz announced that Management is requesting: 1) that the Board approve the extension of the Construction Management (CM) contract for EMPSCO Engineers through March 15, 2017; 2) approve the corresponding fees to cover the CM work for the general contractor and Siemens installation work in the ROM of \$367,003.44, which is subject to negotiation with the CM; 3) approve estimated ROM to BME & Sons in the amount of \$197,748.04 for work relating to the updated heat load requirements based on additional equipment specifications provided by Siemens, subject to verification by the CM; 4) approve estimated ROM to Siemens for the demobilization costs associated with infrastructure, building and badging delays in the amount of \$1,985,062.00, subject to the verification of the CM; and 5) approve the request for an additional \$1,350,000.00 to install a 4th CTX machine to avoid future operational delays and the additional cost of a standalone project at the request of TSA, due to the increase in passenger activity, TSA will provide the machine, and the cost for installation will be a part of the GIAA associated cost.

Mr. Tupaz explained that the amounts identified are in the Rough Order of Magnitude (ROM), and subject to verification with the Construction Manager. He added that items 2 - 4 are approximately \$2.5M, however Management would like to request for authorization not to exceed \$2.7M. Item 5, was estimated at \$1.35M, however Management would like to request for authorization not to exceed \$1.5M. Mr. Tupaz announced that the total amount that GIAA will be contributing is still within the \$20.55M budget amount that was appropriated from the 2013 Bond proceeds for this project. This would bring the total cost for this project approximately to \$29.87M, with \$24.9M funded by TSA. The additional \$1.5M outside of the Other Transaction Agreement with TSA, GIAA will request from TSA with the hope that the funds become available.

Director Gerber inquired on the fees associated with extending the CM contract from April 2016 to March 2017, which is for work that has already been completed. Mr. Tupaz replied that the work was necessary in order to minimize further delays on the project, and because the project is part of GIAA's CIP listing and under Bond funding and not grant funding, all that is needed is authorization.

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

**Resolution No. 16-61**

The Board hereby approves the request to extend the Construction Management (CM) work order and the request for additional project funding relative to the Installation of the Baggage Handling System under the TSA Capitalization and Optimization program as presented, authorizing the following:

- 1) Extension of EMPSCO Engineers CM work order through March 15, 2017 to cover CM services for the general contractor's (GC) work and Siemens's installation work;
- 2) The appropriation of \$2.7M under Bond proceeds to cover:
  - a) The fees for services under the CM's work order extension, and the change orders submitted by the GC and Siemens, in the amount of \$367,0003.44, which

- is subject to verification by the CM, for work that has been or will be completed through March 15, 2017;
- b) Payment to the general contractor for work relating to the updated heat load requirements based on additional equipment specifications by Siemens in the amount of \$197,748.04
  - c) Payment to Siemens for the work relating to the demobilization costs associated with infrastructure, building and badging delays in the amount of \$1,985,062.00;
- 3) The appropriation of \$1.5M under Bond proceeds for the installation of a 4th CTX machine at the request of the TSA to avoid future operational delays and additional cost associated with the Baggage Handling System; subject to legal review.

Moving on to Air Service Development, Mr. Tupaz directed the Board to a handout regarding the Interim Air Service Development Incentives. Mr. Tupaz advised that after discussions with a number of airlines over the past few months as a result of the Routes Asia conference in March 2016, Management would like to request to amend the Incentive Program that was approved by the Board in February 2014, to allow GIAA to proceed with negotiations with interested carriers and to continue developing Asian routes. The amendments allow the Authority to fine-tune the Incentive Program but also allows GIAA to provide greater flexibility when negotiating agreements with airlines. The amendments are in line with the Governor's Japan Recovery Strategy, to provide additional air services from destinations in Japan and other areas in Asia.

Mr. Tupaz provided the amendments to the Board for consideration to include significant changes such as the cumulative percentage discount for the first year of operations being reversed from 75% to 50%, however applying the 75% discount to those carriers eligible for the second year of operations. Incentives for existing GIAA signatory airlines may be provided on a case-by-case basis and discounts of up to 50% may be applicable subject to negotiations.

Vice Chairperson Sgro announced that she understands the need for these issues to be addressed immediately as there are negotiations with carriers currently underway. Mr. Tupaz advised the Board that under the existing agreement, GIAA is prevented from moving forward with current negotiations.

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

**Resolution No. 16-62**

The Board hereby approves the amendments to the Interim Air Service Development Incentives Program as presented, subject to further refinement, review by legal counsel and the FAA.

**6. NEW BUSINESS**

**A. Approval of GIAA Fiscal Year 2017 Budget**

The 2017 operating budget was presented by the Comptroller, John A. Rios. In summary, cost per enplanements (CP) was increased to \$16.54, a 6.64% increase from current CP of \$15.51.

Original CP included in the budget proposed to the airlines was \$17.30. The FY16 budget is a 5.4% increase over actual estimates and a 2.8% increase over the FY16 adopted budget.

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

**Resolution No. 16-63**

The Board hereby approves the Operating Budget for Fiscal year 2017 as presented, subject to adjustments.

**B. Approval of Award for Safety Management Systems (SMS) - RFP No. RFP-005-FY16**

Executive Manager 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 five (5) proposals that were submitted before the established deadline. The proposals were evaluated on a point system assigned for each criteria identified in the RFP package. As a result of the evaluation committee's tabulation, the selected firms in order of their ranking are as follows:

1. Proposer D
2. Proposer A
3. Proposer B
4. Proposer C
5. Proposer E

Management recommends the approval of the ranking results and the contract award to Proposer D, as the highest ranked proposer, subject to negotiations of fair and reasonable fees. In the event that the negotiations prove unsuccessful, GIAA Management will enter negotiations with the next highest ranked proposer.

Executive Manager Ada announced that the referenced RFP will be funded under the CIF, at a 90/10 cost share.

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

**Resolution No. 16-64**

The Board hereby approves the ranking results as presented and the contract award to Proposer D for Safety Management Systems (SMS) - RFP No. RFP-005-FY16, subject to Management's negotiation of fair and reasonable fees and legal review.

Executive Manager Ada informed the Board that Proposer D is AECOM.

C. Approval of Board Resolution No. 16-60: Recognizing the Services of the Honorable Former Lieutenant Governor of Guam †Frank F. Blas

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

**Resolution No. 16-60**

WHEREAS, the Honorable Former Lieutenant Governor †Frank F. Blas created the Guam Airport Authority as an autonomous agency of Guam in legislation he authored while in the 13<sup>th</sup> Guam Legislature and made into law as Public Law 13-57;

WHEREAS, under his administration as the Lieutenant Governor of Guam, the Airport Authority successfully floated \$247 Million of Bonds in 1993 that built the current airport facility that still remains the largest capital improvement project ever done on Guam; and

WHEREAS, the Honorable Former Lieutenant Governor †Frank F. Blas was appointed to the GIAA Board of Directors in January of 2003 and unanimously elected as the Chairman of the GIAA Board of Directors; and

WHEREAS, under his chairmanship, the Airport developed and formally adopted key Board tenets in the areas of Air Service Development, Finance, Capital Programs, Operations and Service and Public Engagement; and

WHEREAS, under his chairmanship, the key tenets were the basis of developing specific Board Initiatives that are formal programs continuing today and a critical component of the Airport's growth and development; and

WHEREAS, under his chairmanship, the Airport Authority was successful in achieving expanded air service by acquiring an exemption of USDOT authorized foreign carriers from transporting cargo or passengers between point in the Asia/Pacific Region and points in the United States via Guam.

WHEREAS, under his chairmanship, the Airport became a participant in the FAA sponsored Residential Sound Solutions Program which qualified approximately 500 homes affected by airport operations to be mitigated from noise impact; which to date infused over \$8 Million into the economy; and

WHEREAS, under his chairmanship, over \$40 Million in private development was invested in the Tiyan Park with DHL, FedEx and the GIAA Integrated Air Cargo Building; and

WHEREAS, under his Chairmanship, GIAA created and put in place its Energy Management Program which allowed for significant savings in energy costs which underwrote the replacement and addition of new, energy efficient equipment; and



WHEREAS, under his chairmanship, the Airport received over \$70 Million in federal grants from the FAA, the US Department of Commerce, the US Environmental Protection Agency; and the US Department of Interior for critical projects within the Airport footprint; and

WHEREAS, under his leadership, the 1993 Revenue Bonds were refinanced at a much lower interest rate, with savings estimated to reach \$14 Million over the life of the bonds; and

WHEREAS, the Honorable Former Lieutenant Governor of Guam †Frank F. Blas, attained prestigious positions as a Board Member with the American Association of Airport Executives and was an active participant with the Airports Council International and National Association of State Aviation Officials, thereby enhancing Guam Airport's recognition as a major player in Pacific Aviation; and

WHEREAS, upon his departure from the Airport Board in 2008, he was recognized as the "Father of the Airport" in the creation of the Airport Authority in 1976 and for his significant contributions to the growth and development of Guam's only civilian airport;

NOW THEREFORE, BE IT RESOLVED, that the Authority hereby recognizes the great contribution of the Honorable Former Lieutenant Governor †Frank F. Blas as described in the aforementioned and extends Un Dangkulo' Na Si Yu'os Ma'ase to his family posthumously for his invaluable service and leadership to the A.B. Won Pat International Airport Authority, Guam and the people of Guam.

## **7. REPORT OF THE EXECUTIVE MANAGER**

Reference is made to the Executive Manager's Report included as part of the Board's packet, which was presented by the Executive Manager Ada.

Vice Chairperson Sgro announced that she is very pleased with the number of training programs offered to GIAA employees and went on to express the importance of GIAA being on top of regulatory trainings. Discussion followed, with Executive Manager Ada giving an update regarding Emergency Medical Technician (EMT) training. With recent issues surrounding EMT's, it was suggested that this topic be discussed further at a Legal/Legislative sub-committee meeting.

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

Mr. Rios reported on the revenues and expenses of the Authority as of **July 31, 2016**. Mr. Rios reported that year-to-date Total Signatory Revenues are above budgeted revenues by **2.6%**, year-to-date Total Concession Revenues and Passenger Facility Charges are above and below budget by **0.1%** and **-0.5**, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by **8.7%**. Year-to-date Total Operating Revenues Actual of **\$59.4M** is **2.9%** above the budget estimate of **\$57.7M**. Year-to-date Total Operating Expenses are below budget by **-10.3 %**. Components of this line item include a **1.6%** increase in Personnel Service, a **-16.3%** decrease in Contractual Services, a -

**46.8%** decrease in Materials & Supplies and a **-100.0%** decrease in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date Net Revenues from Operations of **\$26.2M** reflects an increase of **26.5%** over the year-to-date budgeted amount of **\$20.7M**. Mr. Rios reported that the year-to-date Debt Service Coverage is at **1.50** versus the requirement of **1.25**.

**9. EXECUTIVE SESSION**

Vice Chairperson Sgro announced that there will be no Executive Session.

**10. PUBLIC COMMENTS**

There were no Public Comments.

**11. ADJOURNMENT**

Motion to adjourn duly made by Director Tolan, seconded by Director Gerber; motion unanimously passed. The meeting was adjourned at 4:11 p.m.

Dated this 30th, day of September, 2016.



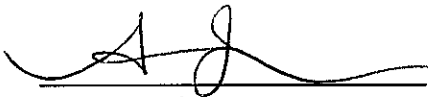
Ricardo C. Duenas  
Chairman

Attest:



Gurvinder Soby  
Secretary

Prepared and Submitted By:



Amanda O'Brien-Rios  
Corresponding Secretary

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM  
Board of Directors Regular Board Meeting  
3:00 p.m. Thursday, August 25, 2016  
GIAA Terminal Conference Room #3

SIGN-IN SHEET

	<u>PRINT NAME</u>	<u>COMPANY/AGENCY</u>
1.	Antonio Martinez	Police
2.	FRANK P. TATTANO	GUSA
3.	Butch ROE	Empsco.
4.	Edwards Day	EMPSCO
5.	Folena Fasanelle	GIAA Mktg
6.	VICTOR J. CRUZ	GIAA
7.	JEAN ARRIOLA	GIAA Adm
8.	Winnie Hung	Eva Airways
9.	DANIEL SPONE	ARFF
10.	RAY SANTOS	ARFF
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