

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM**

Thursday, September 29, 2022, 3:00 p.m.

GIAA CONFERENCE ROOMS 1 & 2

1. CALL TO ORDER AND ATTENDANCE

The September 29 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 Bamba at 3:08 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Brian J. Bamba
Gurvinder Sobti
Donald I. Weakley
Lucy M. Alcorn (Via VTC)
Doyon A. Morato (Via VTC)
Rosie R. Tainatongo (Via VTC)
Jesse G. Garcia

Offices or positions:

Chairman
Vice Chairman
Board Secretary

Directors Absent:

None

GIAA Officials:

John M. Quinata
Artemio R. Hernandez, Ph.D.
Jean M. Arriola
Antoniette Bautista (Via VTC)
Vince Naputi
Raymond Mantanona
Raymond Quintanilla
Elfrie Koshiba

Executive Manager
Deputy Executive Manager
Airport Services Manager
Comptroller, Acting
Airport Police, Chief
Chief, Aircraft Rescue Fire Fighting (ARFF)
Operations Superintendent
Airport Marketing

William Brennan (Via VTC)
Frank R. Santos

Arriola Law Firm, GIAA Legal Counsel
TMG, GIAA Consultant

Chairman Bamba 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

On motion duly made by Secretary Weakley, seconded by Vice Chairman Sobti, the following resolution was unanimously passed via roll call vote:

Resolution No. 22-56

The Board hereby approves the agenda of the September 29, 2022 regular meeting of the Board of Directors, as presented.

3. APPROVAL OF MINUTES

A. August 30, 2022 - Regular Meeting

On motion duly made by Secretary Weakley, seconded by Director Tainatongo, the following resolution was unanimously passed via roll call vote:

Resolution No. 22-57

The Board hereby approves the minutes of the August 30, 2022 regular meeting, subject to corrections.

4. CORRESPONDENCE

Executive Manager Quinata advised there was no Correspondence to report.

5. OLD BUSINESS

Executive Manager Quinata advised there was no Old Business to report.

6. NEW BUSINESS

A. Ratification of FAA Grant Agreement No. 3-66-0001-116-2022 - Conduct Part 150 Noise Compatibility Study

Mr. Frank Santos, GIAA Consultant presented FAA Grant Agreement No. 3-66-0001-116-2022, Conduct Part 150 Noise Compatibility Study for ratification by the Board. Mr. Santos advised the Board that the Grant Agreement is a Planning Grant, in the amount of \$2M. The Grant has been executed, and RFP has been advertised. The last Noise Study was completed approximately twenty (20) years ago, resulting in the sound proofing of over two hundred (200) homes outside Airport property. The current study will take into account new FAA policies and formulas. The Study should take approximately fourteen (14) months to complete, ending in a noise exposure map determining the number of homes, or other facilities that remain qualified for noise mitigation (sound-proofing).

Chairman Bamba inquired on the funding. Mr. Santos announced that once mitigation is confirmed, and the FAA concurs, the FAA will fund at a 90/10 share with Airport.

Vice Chairman Sobti inquired if commercial facilities are included, Mr. Santos replied no. Brief discussion followed.

After further discussion, on motion duly made by Secretary Weakley, Seconded by Vice Chairman Sobti, the following resolution was unanimously approved via roll call vote:

Resolution No. 22-58

The Board hereby ratifies the Executive Manager and Legal Counsel's execution, and acceptance of FAA Grant Agreement No. 3-66-0001-116-2022, Conduct Part 150 Noise Compatibility Study, in the amount of \$2M.

B. Approval of FY23 Insurance Renewal Program

The second item discussed by the Board was the FY23 Insurance Renewal Program. The Deputy Executive Manager explained that GIAA's Bond Indenture requires that GIAA carry an adequate amount of insurance to protect the Authority, it's officers and bondholders. The Airport Insurance Program includes six (6) different policies: Property Insurance with Catastrophe; Airport Operators Liability; Directors and Officers Liability; Workman's Compensation, Automobile Insurance; and Crime Insurance. Deputy Executive Manager announced that in attendance via Zoom were AM Insurance ("AM") representatives Ms. Ann Marie Muna and Ms. Trisha Granilo. The Deputy Executive Manager informed the Board that there were a number of challenges relating to competition with regard to coverage's, therefore some of the premium rates submitted were only from one of the eligible carriers. The Deputy Executive Manager noted an increase in total premiums of \$212,103.31, with the Property Insurance with Catastrophe representing much of the increase, due to the Airports increased footprint, which increased property value. The Deputy Executive Manager turned it over to Ms. Trisha Granilo to present the remainder of the increases. Ms. Granilo provided brief updates and announced the insurance quotes for FY2023 as follows:

Policy	Firm with Lowest Offered Premium	Amount
Property	Calvo's	\$866,745.00
Airport Operators Liability	Calvo's	\$204,000.00
Directors & Officers Liability	Moylan's	\$31,212.00 (3 of 3-Year Term)
Workman's Compensation	Nanbo	\$209,838.00 (1-Year Term)
Automobile Insurance	Moylan's	\$35,937.31 (3 of 3-Year Term)

Crime Insurance	Moylan's	\$4,860.00 (3 of 3-Year Term)
Cyber Liability	N/A	No Quotes
TOTAL:		\$1,352,592.31

The appended schedule illustrates the recommended program for FY2023. The total premium costs for all coverage including catastrophic perils for FY2023 is \$1,352,592.31. This represents an increase in premium of \$212,103.31 per annum compared to FY2022 premium cost of \$1,140,489.00. Management recommends that the Board adopt the FY2022 insurance program as appended.

Insurance premium costs are budgeted under Property Management Division (PMO) budget for FY2023. Although this year's premium exceeds the line item FY2023 budget for insurance by \$152,592.31, GIAA will reprogram funds within PMO and Administration budget for FY2023 to cover this expenditure.

Brief discussion ensued, with Chairman Bamba inquiring on why the increase was so much than Management had planned for, with regards to budget. The Deputy Executive Manager replied, informing the Board that the increase of 2 basis points applied to the property value, approximately a 12.5% increase, was not expected. There was an increase of \$166K due to property and \$46K due to worker's compensation. During the budget process Management accounted for only a portion of that. Management will be reallocating a number of budgeted expenses to cover the expenditure.

Director Alcorn inquired on the \$46K increase for Worker's Compensation. Ms. Granilo advised that the premium increased due to payroll increasing. Ms. Muna added that there was an increase in Worker's Compensation rate across the board for all categories, all companies and government agencies will see an increase.

Director Morato inquired as to why only one quote per category. Ms. Muna advised the Board that all carriers on Guam were provided the insurance specifications, as done annually, however it is still a relatively hard market with Covid-19 still a factor. Discussion followed with Ms. Granilo providing details of all carriers that were approached and results.

After further discussion, on motion duly made by Director Morato, seconded by Director Alcorn, the following resolution was unanimously approved via roll call vote:

Resolution No. 22-59

The Board hereby adopts the FY2023 Insurance Program as appended, in the total amount not to exceed \$1,352,592.31 as follows:

Policy	Firm with Lowest Offered Premium	Amount
Property	Calvo's	\$866,745.00

Airport Operators Liability	Calvo's	\$204,000.00
Directors & Officers Liability	Moylan's	\$31,212.00 (3 of 3-Year Term)
Workman's Compensation	Nanbo	\$209,838.00 (1-Year Term)
Automobile Insurance	Moylan's	\$35,937.31 (3 of 3-Year Term)
Crime Insurance	Moylan's	\$4,860.00 (3 of 3-Year Term)
Cyber Liability	N/A	No Quotes
TOTAL:		\$1,352,592.31

C. Compensation – Private Secretary

The next item requiring Board consideration was the compensation of the Private Secretary. Executive Manager, John Quinata informed the Board that at the January 31, 2019 Board of Directors meeting, the Board ratified the annual salaries of the Executive Manager and Private Secretary positions, approving \$154,979.00 and \$42,293.00 per annum, respectively. Under GIAA Personnel Rules and Regulations, GIAA Board of Directors shall set the salaries of the Executive Manager, Deputy Executive Manager and Private Secretary.

Mr. Austin Grant, GIAA's current Private Secretary currently receives a salary of \$42,293.00 per annum, and has not received an adjustment in salary since hired on August 3, 2020. Mr. Grant serves both the Executive Manager and Deputy Executive Manager and on occasion, the Board of Directors. Based on Mr. Grant's performance in the past two (2) years, along with his qualifications and experience, Management recommends the Board consider the approval of Pay Grade I, Step 11, Sub-step C, and the salary amount of \$47,657.00. The Executive Manager advised the Board that the salary amount recommended is within the range of the compensation and benefits study at the current 20th market percentile. Under financial review, the Private Secretary position will be funded under Administrations FY23 O&M budget, and shall take effect fiscal year 2023.

After further discussion, on motion duly made by Director Weakley, seconded by Vice Chairman Sobti, the following resolution was unanimously approved via roll call vote:

Resolution No. 22-60

The Board hereby approves the compensation of \$47,657.00 for the Private Secretary position, effective October 1, 2022.

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 Executive Manager Quinata. The report included brief updates on Airport operations, CIPs and Regulatory updates.

8. REPORT OF THE COMPTROLLER

Ms. Antoniette Bautista, Acting Comptroller reported on the revenues and expenses of the Authority as of **August 31, 2022**. Ms. Bautista reported that year-to-date Total Signatory Revenues are below budgeted revenues by **57.7%**, year-to-date Total Concession Revenues and Passenger Facility Charges are below budget by **50.6%** and **65%**, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by **86.6%**. Year-to-date Total Operating Revenues Actual of **\$43.6M** is **21.6%** below the budget estimate of **\$55.6M**. Year-to-date Total Operating Expenses are below budget by **15.2%**. Components of this line item include a **7.2%** decrease in Personnel Services, a **18.4%** decrease in Contractual Services, a **44.7%** 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 **\$6.5M** reflects an increase of **45.1%** over the year-to-date budgeted amount of **\$11.9M**. Ms. Bautista reported that the year-to-date Debt Service Coverage is at **2.22** versus the requirement of **1.25**.

Brief discussion ensued regarding revenue trends.

The Deputy Executive Manager provided an update on the \$2M ARPA funding from the Governor's Office: \$1.3M going toward an increase in law enforcement pay; and remaining \$700K, to cover the impact of moving ARFF personnel to 120 hour pay periods. Utilization of funding shall be as soon as possible. The Deputy Executive Manager gave the Board a brief update on ARFF personnel returning to 120 hour pay periods versus 106 hour pay periods. Effective date of implantation is tentative.

9. EXECUTIVE SESSION

Executive Manager Quinata announced there would be no Executive Session.


10. PUBLIC COMMENTS

There were no Public Comments.

11. ADJOURNMENT

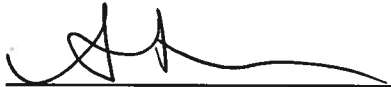
Motion to adjourn duly made by Director Weakley, seconded by Vice chairman Sobti; motion unanimously passed. The meeting was adjourned at 4:03 p.m.

Dated this 3rd, day of November, 2022.



Brian J. Bamba
Chairman

Prepared and Submitted By:



Amanda O'Brien
Corresponding Secretary

Attest:



Donald I. Weakley
Board Secretary

BOARD OF DIRECTORS REGULAR MEETING

3:00 p.m., Thursday, September 29, 2022

GIAA CONFERENCE ROOMS 1 & 2

Videoconference and Live Streamed via: <https://www.guamairport.com> or
<https://www.guamairport.com/corporate/about-our-airport/board-of-directors/airport-board-meeting>

Public Notice

First Notice:

Pacific Daily News – September 22, 2022

Notice to Media – September 22, 2022

Second Notice:

Pacific Daily News – September 27, 2022

Notice to Media – September 27, 2022

AGENDA

- 1. Call to Order and Attendance**
- 2. Approval of Agenda**
- 3. Approval of Minutes**
 - A. August 30, 2022 Regular Meeting**
- 4. Correspondence - None**
- 5. Old Business - None**
- 6. New Business**
 - A. Ratification of FAA Grant Agreement No. 3-66-0001-116-2022**
 - Conduct Part 150 Noise Compatibility Study
 - B. Approval of FY23 Insurance Renewal Program**
 - C. Compensation - Private Secretary**
- 7. Report of Executive Manager**
- 8. Report of the Comptroller**
- 9. Executive Session - None**
- 10. Public Comments**
- 11. Adjournment**



A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Board of Directors Regular Meeting
3:00 p.m., Thursday, September 29, 2022
GIAA Terminal Conference Rooms 1 & 2

SIGN-IN SHEET

<u>PRINT NAME</u>	<u>COMPANY/AGENCY</u>	<u>CONTACT NO./EMAIL</u>
1. <u>JEAN MEXIA</u>	<u>GIAA</u>	
2. <u>VINCE NAPUT</u>	<u>APD</u>	
3. <u>EUPRUS LOCHUBA</u>	<u>ADMIN/MKTG</u>	
4. <u>Raymond Quintanilla</u>	<u>ops</u>	
5. <u>Raymond Montenegro</u>	<u>ARTF</u>	
6. <u>JUSTIN GRANT</u>	<u>EXEC office</u>	
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**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Tuesday, August 30, 2022, 3:00 p.m.
GIAA CONFERENCE ROOMS 1 & 2**

1. CALL TO ORDER AND ATTENDANCE

The August 30 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 Bamba at 3:07 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Brian J. Bamba (Via VTC)
Gurvinder Sobti
Donald I. Weakley
Lucy M. Alcorn (Via VTC)
Doyon A. Morato
Rosie R. Tainatongo* (Arrived at 3:20 p.m.)

Offices or positions:

Chairman
Vice Chairman
Board Secretary

Directors Absent:

Jesse G. Garcia

GIAA Officials:

John M. Quinata	Executive Manager
Artemio R. Hernandez, Ph.D.	Deputy Executive Manager
Jean M. Arriola	Airport Services Manager
Juan S.A. Reyes, A.C.E.	Air Terminal Manager
Antoniette Bautista	Comptroller, Acting
Raymond Mantanona	Chief, Aircraft Rescue Fire Fighting (ARFF)
Raymond Quintanilla	Operations Superintendent
Ken Mc Donald	Properties & Facilities Superintendent
Victor Cruz	Engineering Supervisor
Joseph Javellana	Property Management Office
Henry Cruz	Supply Management Administrator
Rolenda Faasuamalie	Airport Marketing Administrator
Ken Quenga	Airport Police

William Brennan (Via VTC)
Frank R. Santos

Arriola Law Firm, GIAA Legal Counsel
TMG, GIAA Consultant

Chairman Bamba 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

On motion duly made by Secretary Weakley, seconded by Director Alcorn, the following resolution was unanimously passed via roll call vote:

Resolution No. 22-49

The Board hereby approves the agenda of the August 30, 2022 regular meeting, as presented.

3. APPROVAL OF MINUTES

A. July 26, 2022 - Regular Meeting

On motion duly made by Director Alcorn, seconded by Secretary Weakley, the following resolution was unanimously passed via roll call vote:

Resolution No. 22-50

The Board hereby approves the minutes of the July 26, 2022 regular meeting, subject to corrections.

4. CORRESPONDENCE

Executive Manager Quinata advised there was no Correspondence to report.

5. OLD BUSINESS

Executive Manager Quinata advised there was no Old Business to report.

6. NEW BUSINESS

A. Approval of GIAA Operating Budget FY2023

The first item requiring Board action, was the approval of GIAA's Operating Budget for fiscal year 2022. The Board was provided the draft Budget for review. A number of key points were summarized: Airline forecast for enplaned passengers for Fiscal Year 2023 Budget is 1.35M, from an actual of 397K in FY2022. Signatory Airline cost per enplanements (CP), was increased to \$23.81 from current CP of \$20.81. Operations and Maintenance (O&M) expenses are projected to decrease in FY23 by 9.7% or \$4.6M less than the FY22 approved budget. Total Airport Revenues are forecasted to increase from \$69.7M in Fiscal Year 2022 to \$70.8m in Fiscal Year 2023. Deputy Executive Manager Hernandez advised that for Fiscal Year 2023, most vacancies are funded at 50% with an increase of about \$3.3m in O&M expenditures as a gradual return to normalcy is expected, and increased traffic as demonstrated by airline forecast. The Deputy Executive Manager provided a presentation via power point for the Board's

information, and advised the Board that FY2023 proposed rates and charges were also provided as an attachment to the budget for the Board's consideration.

*Director Tainatongo arrived at the Board meeting at 3:20 p.m.

Mr. Frank Santos presented a list of six (6) Capital Improvement Projects (CIP) for fiscal year 2023. Mr. Santos added that the program is in the amount of \$43.1M, with 86% or \$37.8M being funded by the Federal Aviation Administration (FAA). Mr. Santos advised the Board that all projects listed are subject to funding availability and are prioritized relative to need. Discussion followed relative to federal grants.

The Chairman and Board congratulated Management on a job well done.

Director Morato inquired on the recent Bond refinancing and if GIAA is able to capture any savings for FY2023 Budget. Deputy Executive Manager Hernandez replied that the closing will not be until July 2023, therefore GIAA may only see an impact toward the end of FY2023.

After further discussion, on motion duly made by Director Morato, seconded by Director Alcorn, the following resolution was unanimously approved via roll call vote:

Resolution No. 22-51

The Board hereby approves the Operating Budget for Fiscal Year 2023, and Airport Tariff Schedule for Fiscal Year 2023, as presented, subject to adjustments with thirty (30) days' notice.

B. CIP Modification – Change Order for ARFF Construction, Phase 2, Project No. GIAA-FY15-04-5

The next item discussed was a CIP Modification. Mr. Frank Santos informed the Board that Board action is required for Change Order (CO) No. 5, for Aircraft Rescue Fire Fighting (ARFF) Facility, Phase II – Construction, Project No. GIAA-FY15-04-5. Mr. Santos presented the modification for the Board's consideration:

- Change Order No. 5: Contract time extension of 166 calendar days from the contract completion date of February 15, 2022, bringing the revised completion date to July 31, 2022. Last CO for the referenced project, in the amount of \$989,055.88. Issues that contributed to the CO costs include extended overhead costs due to building permit delays; material escalation, supply and demand issues; and miscellaneous field changes. Change order is subject to FAA approval. Mr. Santos explained the two-part funding system from the FAA: 1st amount provides the funding for CO No. 5, the 2nd provides

for the Construction Management Services Extension for the said ARFF project.

After further discussion, on motion duly made by Director Alcorn, seconded by Director Tainatongo, the following resolution was unanimously approved via roll call vote:

Resolution No. 22-52

The Board hereby approves change Order No. 5 for GIAA Aircraft Rescue & Fire Fighting (ARFF) Facility Construction, Phase II, Project No. GIAA-FY15-04-5, in the amount of \$989,055.88 to BME & Son's, Inc.

- C.** CIP Modification – Construction Management Services Extension – ARFF Facility Construction, Phase 2, Project No. GIAA-FY15-04-5

The next item discussed was the Construction Management Services (CM) Extension for Aircraft Rescue Fire Fighting (ARFF) Facility, Phase II – Construction, Project No. GIAA-FY15-04-5. Mr. Santos presented the modification for the Board's consideration:

- Work Order No. 08: KHLG & Associates, Inc., for CM services from May 31, 2022 to July 31, 2022 in the amount of \$289,492.03. A further two (2) months CM services will be for closeout and punch list items. Said Work Order has already been approved by the FAA, subject to funding availability.

After further discussion, on motion duly made by Director Alcorn, seconded by Vice Chairman Sobti, the following resolution was unanimously approved via roll call vote:

Resolution No. 22-53

The Board hereby approves Work Order No. 08 for GIAA Aircraft Rescue & Fire Fighting (ARFF) Facility Construction, Phase II, Project No. GIAA-FY15-04-5, Construction Management Services contract extended from May 31, 2022 to July 31, 2022, in the amount of \$289,492.03 to KHLG & Associates, Inc.

- D.** Approval of Architectural/Engineering Services for Terminal Building Roof Replacement Design – RFP-002-FY22

The fourth item requiring Board action was the award for Architectural/Engineering Services for the Terminal Building Roof Replacement Design. Deputy Executive Manager Hernandez, 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. A total of fourteen (14) firms showed their interest by obtaining the RFP package, and three (3) firms submitted a proposal before the established deadline. An evaluation committee was established to evaluate the proposals that were submitted based on the evaluation criteria set forth in the RFP. The score sheets were gathered

and tabulated by the Procurement Office and the evaluation results in the order of ranking are as follows:

1. Offeror B
2. Offeror A
3. Offeror C

The term of the contract is for a period of five (5) years from the issuance of the Notice to Proceed, subject to the availability of funding. The Architectural/Engineering Services for the Terminal Building Roof Replacement Design contract will be funded under an FAA AIP grant, Federal Share is 90% and Sponsor Share is 10%.

Management recommended that the Board approve the ranking results and the contract award to the best qualified offeror, Offeror 'B', for the Architectural/Engineering Services for the Terminal Building Roof Replacement Design contract, subject to negotiation of fair and reasonable fees to be submitted by the proposer at a time and in a format determined by GIAA. If GIAA is unable to negotiate a contract with the highest ranked offeror, the Executive Manager or designee may enter into negotiations with the next most qualified offeror and so forth consistent with the Guam Procurement Law & Regulations and the RFP.

After further discussion, on motion duly made by Secretary Weakley, seconded by Director Tainatongo, the following resolution was unanimously approved via roll call vote:

Resolution No. 22-54

The Board hereby approves the ranking results as presented and the contract award to Offeror 'B' for Architectural/Engineering Services for the Terminal Building Roof Replacement Design – RFP-002-FY22, subject to Management's negotiation of fair and reasonable fees and review by Legal Counsel. If GIAA is unable to negotiate a contract with the highest ranked offeror, the Executive Manager or designee may enter into negotiations with the next most qualified offeror and so forth consistent with the Guam Procurement Law & Regulations and the RFP.

Deputy Executive Manager Hernandez announced that Offeror 'B' is SSFM International.

E. Approval of Legal Services Invoice No. 80228 (CFJ)

The next item discussed was an invoice from Calvo Fisher & Jacob, LLP (CFJ) relative to legal services fees incurred in June 2022. Deputy Executive Manager Hernandez presented an invoice from CFJ for general legal services relating to DFS Guam L.P. Arbitration Claim in the amount of \$30,899.32. Due to the referenced services exceeding CFJ's monthly cap of \$10,000.00, Board action is required to authorize the additional amount of \$20,899.32 above the cap.

After further discussion, on motion duly made by Director Morato, seconded by Director Tainatongo, the following resolution was unanimously approved via roll call vote:

Resolution No. 22-55

The Board hereby authorizes the Authority to issue payment to Calvo Fisher & Jacob, LLP for legal fees incurred in June 2022 pertaining to DFS Guam L.P. Arbitration Claim that exceed the monthly cap of \$10,000.00 in the amount of \$20,899.32, for a total invoice amount of \$30,899.32.

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 Executive Manager Quinata. The report included brief updates on Airport operations, CIPs and Regulatory updates.

Chairman Bamba took this time to congratulate the upcoming retiree's, Linette M. Perez, Program Coordinator IV, retiring September 9, 2022; Victor J. Cruz, Engineer Supervisor, retiring September 23, 2022; and John Ballesta, Fire Captain with the ARFF Unit, who is retiring September 24, 2022.

Chairman Bamba commended Airport Management on the recent visit from FAA Officials Shannetta Griffin, Associate Administrator for Airports, Mark McClardy, Airports Division, Western Pacific Region, Arlene, Draper, Manager, Planning & Programming, Western Pacific Region, Ronson Fox, Civil Engineer, Honolulu Airports District Office who visited with GIAA between August 10-12, 2022 to discuss various regulatory issues, CIP status updates and tours, participated in the ribbon cutting of the new \$27M Aircraft Fire Fighting Facility, and met with Governor Leon Guerrero and staff.

8. REPORT OF THE COMPTROLLER

Ms. Antoniette Bautista, Acting Comptroller reported on the revenues and expenses of the Authority as of **July 31, 2022**. Ms. Bautista reported that year-to-date Total Signatory Revenues are below budgeted revenues by **59.3%**, year-to-date Total Concession Revenues and Passenger Facility Charges are below budget by **55.8%** and **67.1%**, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by **97.8%**. Year-to-date Total Operating Revenues Actual of **\$39.5M** is **21.0%** below the budget estimate of **\$50.0M**. Year-to-date Total Operating Expenses are below budget by **17.3%**. Components of this line item include a **9.0%** decrease in Personnel Services, a **20.5%** decrease in Contractual Services, a **49.7%** 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 **\$6.4M** reflects an increase of **35.8%** over the year-to-date budgeted amount of **\$10M**. Ms. Bautista reported that the year-to-date Debt Service Coverage is at **2.50** versus the requirement of **1.25**.

9. EXECUTIVE SESSION

Executive Manager Quinata announced there would be no Executive Session.

10. PUBLIC COMMENTS

There were no Public Comments.

11. ADJOURNMENT

Motion to adjourn duly made by Director Weakley, seconded by Director Alcorn; motion unanimously passed. The meeting was adjourned at 4:42 p.m.

Dated this _____, day of _____, 2022.

Attest:

Brian J. Bamba
Chairman

Donald I. Weakley
Board Secretary

Prepared and Submitted By:

Amanda O'Brien
Corresponding Secretary



U.S. Department
of Transportation
Federal Aviation
Administration

Airports Division
Western-Pacific Region

Honolulu Airports District
Office
300 Ala Moana Blvd, Rm 7-
128
Honolulu, HI 96850-7128

August 25, 2022

Mr. John Quinata
Executive Manager
A.B. Won Pat International Airport Authority
P.O. Box 8770
Tamuning, Guam 96931

Dear Mr. Quinata:

The Grant Offer for Airport Improvement Program (AIP) Project No. 3-66-0001-116-2022 at Guam International Airport is attached for execution. This letter outlines the steps you must take to properly enter into this agreement and provides other useful information. Please read the conditions, special conditions, and assurances that comprise the grant offer carefully.

You may not make any modification to the text, terms or conditions of the grant offer.

Steps You Must Take to Enter Into Agreement.

To properly enter into this agreement, you must do the following:

1. The governing body must give authority to execute the grant to the individual(s) signing the grant, i.e., the person signing the document must be the sponsor's authorized representative(s) (hereinafter "authorized representative").
2. The authorized representative must execute the grant by adding their electronic signature to the appropriate certificate at the end of the agreement.
3. Once the authorized representative has electronically signed the grant, the sponsor's attorney(s) will automatically receive an email notification.
4. On the **same day or after** the authorized representative has signed the grant, the sponsor's attorney(s) will add their electronic signature to the appropriate certificate at the end of the agreement.
5. If there are co-sponsors, the authorized representative(s) and sponsor's attorney(s) must follow the above procedures to fully execute the grant and finalize the process. Signatures must be obtained and finalized no later than **September 23, 2022**.
6. The fully executed grant will then be automatically sent to all parties as an email attachment.

Payment. Subject to the requirements in 2 CFR § 200.305 (Federal Payment), each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System.

Project Timing. The terms and conditions of this agreement require you to complete the project without undue delay and no later than the Period of Performance end date (1,460 days from the grant execution date). We will be monitoring your progress to ensure proper stewardship of these Federal funds. We expect you to submit payment requests for reimbursement of allowable incurred project expenses consistent with project progress. Your grant may be placed in "inactive" status if you do not make draws on a regular basis, which will affect your ability to receive future grant offers. Costs incurred after the Period of Performance ends are generally not allowable and will be rejected unless authorized by the FAA in advance.

Reporting. Until the grant is completed and closed, you are responsible for submitting formal reports as follows:

- For all grants, you must submit by December 31st of each year this grant is open:
 1. A signed/dated SF-270 (Request for Advance or Reimbursement for non-construction projects) or SF-271 or equivalent (Outlay Report and Request for Reimbursement for Construction Programs), and
 2. An SF-425 (Federal Financial Report).
- For non-construction projects, you must submit FAA Form 5100-140, Performance Report within 30 days of the end of the Federal fiscal year.
- For construction projects, you must submit FAA Form 5370-1, Construction Progress and Inspection Report, within 30 days of the end of each Federal fiscal quarter.

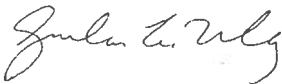
Audit Requirements. As a condition of receiving Federal assistance under this award, you must comply with audit requirements as established under 2 CFR part 200. Subpart F requires non-Federal entities that expend \$750,000 or more in Federal awards to conduct a single or program specific audit for that year. Note that this includes Federal expenditures made under other Federal-assistance programs. Please take appropriate and necessary action to ensure your organization will comply with applicable audit requirements and standards.

Closeout. Once the project(s) is completed and all costs are determined, we ask that you work with your FAA contact indicated below to close the project without delay and submit the necessary final closeout documentation as required by your Region/Airports District Office.

FAA Contact Information. Kevin Nishimura, (808) 312-6030, kevin.h.nishimura@faa.gov is the assigned program manager for this grant and is readily available to assist you and your designated representative with the requirements stated herein.

We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project.

Sincerely,



Gordon K. Wong
Manager, Airports District Office



U.S. Department
of Transportation
Federal Aviation
Administration

FAA Airport Improvement Program (AIP)

GRANT AGREEMENT

Part I - Offer

Federal Award Offer Date	August 25, 2022
Airport/Planning Area	Guam International Airport
FY2022 AIP Grant Number	3-66-0001-116-2022
Unique Entity Identifier	CBDXKNH7L5H9
TO:	Guam Airport Authority
	(herein called the "Sponsor")

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated February 21, 2020, for a grant of Federal funds for a project at or associated with the Guam International Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Guam International Airport (herein called the "Project") consisting of the following:

Conduct Part 150 Noise Compatibility Study

which is more fully described in the Project Application.

NOW THEREFORE, Pursuant to and for the purpose of carrying out the Title 49, United States Code (U.S.C.), Chapters 471 and 475; 49 U.S.C. §§ 40101 et seq., and 48103; FAA Reauthorization Act of 2018 (Public Law Number 115-254); the Department of Transportation Appropriations Act, 2021 (Public Law 116-260, Division L); the Consolidated Appropriations Act, 2022 (Public Law 117-103); and the representations contained in the Project Application; and in consideration of: (a) the Sponsor's adoption and ratification of the Grant Assurances attached hereto; (b) the Sponsor's acceptance of this Offer; and (c) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurance and conditions as herein provided;

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay one hundred (100) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.

Assistance Listings Number (Formerly CFDA Number): 20.106

This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is \$2,000,000.

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

\$ 2,000,000	for planning
\$ 0	airport development or noise program implementation; and,
\$ 0	for land acquisition.

2. **Grant Performance.** This Grant Agreement is subject to the following Federal award requirements:

- a. Period of Performance:

1. Shall start on the date the Sponsor formally accepts this Agreement and is the date signed by the last Sponsor signatory to the Agreement. The end date of the Period of Performance is 4 years (1,460 calendar days) from the date of acceptance. The Period of Performance end date shall not affect, relieve, or reduce Sponsor obligations and assurances that extend beyond the closeout of this Grant Agreement.
2. Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or budget periods. (2 Code of Federal Regulations (CFR) § 200.1).

- b. Budget Period:

1. For this Grant is 4 years (1,460 calendar days) and follows the same start and end date as the period of performance provided in paragraph (2)(a)(1). Pursuant to 2 CFR § 200.403(h), the Sponsor may charge to the Grant only allowable costs incurred during the Budget Period.
2. Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which the Sponsor is authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to 2 CFR § 200.308.

- c. Close Out and Termination

1. Unless the FAA authorizes a written extension, the Sponsor must submit all Grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later than 120 calendar days after the end date of the period of performance. If the Sponsor does not submit all required closeout documentation within this time period, the FAA will proceed to close out the grant within one year of the period of performance end date with the information available at the end of 120 days. (2 CFR § 200.344).

2. The FAA may terminate this Grant, in whole or in part, in accordance with the conditions set forth in 2 CFR § 200.340, or other Federal regulatory or statutory authorities as applicable.
3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.
4. **Indirect Costs - Sponsor.** The Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.
5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with 49 U.S.C. § 47109, the regulations, policies, and procedures of the Secretary of Transportation ("Secretary"), and any superseding legislation. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this Agreement, 49 U.S.C. Chapters 471 and 475, and the regulations, and the Secretary's policies and procedures. Per 2 CFR § 200.308, the Sponsor agrees to report and request prior FAA approval for any disengagement from performing the project that exceeds three months or a 25 percent reduction in time devoted to the project. The report must include a reason for the project stoppage. The Sponsor also agrees to comply with the grant assurances, which are part of this Agreement.
7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before September 23, 2022, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.
10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this Grant Agreement.
11. **System for Award Management (SAM) Registration and Unique Entity Identifier (UEI).**

- a. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR § 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this Grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
 - b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at <https://sam.gov/content/entity-registration>.
12. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this Agreement electronically via the Delphi invoicing System for Department of Transportation (DOT) Financial Assistance Awardees.
13. **Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.
- The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of Condition No. 1, Maximum Obligation.
- The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.
- An informal letter amendment has the same force and effect as a formal grant amendment.
14. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this Grant Agreement.
15. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all Federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
16. **Buy American.** Unless otherwise approved in advance by the FAA, in accordance with 49 U.S.C. § 50101, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract and subcontract awarded under this Grant.
17. **Build America, Buy America.** The sponsor must comply with the requirements under the Build America, Buy America Act (Public Law 117-58).
18. **Maximum Obligation Increase.** In accordance with 49 U.S.C. § 47108(b)(3), as amended, the maximum obligation of the United States, as stated in Condition No. 1, Maximum Obligation, of this Grant Offer:

- a. May not be increased for a planning project;
- b. May be increased by not more than 15 percent for development projects if funds are available;
- c. May be increased by not more than the greater of the following for a land project, if funds are available:
 - 1. 15 percent; or
 - 2. 25 percent of the total increase in allowable project costs attributable to acquiring an interest in the land.

If the sponsor requests an increase, any eligible increase in funding will be subject to the United States Government share as provided in 49 U.S.C. § 47110, or other superseding legislation if applicable, for the fiscal year appropriation with which the increase is funded. The FAA is not responsible for the same Federal share provided herein for any amount increased over the initial grant amount. The FAA may adjust the Federal share as applicable through an informal letter of amendment.

19. Audits for Sponsors.

PUBLIC SPONSORS. The Sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Upon request of the FAA, the Sponsor shall provide one copy of the completed audit to the FAA. Sponsors that expend less than \$750,000 in Federal awards and are exempt from Federal audit requirements must make records available for review or audit by the appropriate Federal agency officials, State, and Government Accountability Office. The FAA and other appropriate Federal agencies may request additional information to meet all Federal audit requirements.

20. Suspension or Debarment. When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:

- a. Verify the non-Federal entity is eligible to participate in this Federal program by:
 - 1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-Federal entity is excluded or disqualified; or
 - 2. Collecting a certification statement from the non-Federal entity attesting they are not excluded or disqualified from participating; or
 - 3. Adding a clause or condition to covered transactions attesting the individual or firm are not excluded or disqualified from participating.
- b. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions (e.g., Sub-contracts).
- c. Immediately disclose in writing to the FAA whenever (1) the Sponsor learns they have entered into a covered transaction with an ineligible entity or (2) the Public Sponsor suspends or debars a contractor, person, or entity.

21. Ban on Texting While Driving.

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
 - 1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
 - 2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
 - a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts, and subcontracts funded with this Grant.

22. Trafficking in Persons.

- a. You as the recipient, your employees, subrecipients under this Grant, and subrecipients' employees may not:
 - 1. Engage in severe forms of trafficking in persons during the period of time that the Grant and applicable conditions are in effect;
 - 2. Procure a commercial sex act during the period of time that the Grant and applicable conditions are in effect; or
 - 3. Use forced labor in the performance of the Grant or any subgrants under this Grant.
- b. We as the Federal awarding agency, may unilaterally terminate this Grant, without penalty, if you or a subrecipient that is a private entity:
 - 1. Is determined to have violated a prohibition in paragraph (a) of this condition; or
 - 2. Has an employee who is determined by the agency official authorized to terminate the Grant to have violated a prohibition in paragraph (a) of this Condition through conduct that is either –
 - a. Associated with performance under this Grant; or
 - b. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement), as implemented by our agency at 2 CFR Part 1200.
- c. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph (a) of this Condition.
- d. Our right to terminate unilaterally that is described in paragraph (a) of this Condition:
 - 1. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. § 7104(g)), and

2. Is in addition to all other remedies for noncompliance that are available to us under this Grant Agreement.
23. **AIP Funded Work Included in a PFC Application.** Within 90 days of acceptance of this Grant Agreement, the Sponsor must submit to the FAA an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this Grant Agreement as described in the project application. The airport sponsor may not make any expenditure under this Grant Agreement until project work addressed under this Grant Agreement is removed from an approved PFC application by amendment.
24. **Exhibit "A" Property Map.** The Exhibit "A" Property Map dated June 2010, is incorporated herein by reference or is submitted with the project application and made part of this Grant Agreement.
25. **Employee Protection from Reprisal.**
 - a. Prohibition of Reprisals
 1. In accordance with 41 U.S.C. § 4712, an employee of a Sponsor, grantee, subgrantee, contractor, or subcontractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (a)(2) below, information that the employee reasonably believes is evidence of:
 - i. Gross mismanagement of a Federal grant;
 - ii. Gross waste of Federal funds;
 - iii. An abuse of authority relating to implementation or use of Federal funds;
 - iv. A substantial and specific danger to public health or safety; or
 - v. A violation of law, rule, or regulation related to a Federal grant.
 2. Persons and bodies covered. The persons and bodies to which a disclosure by an employee is covered are as follows:
 - i. A member of Congress or a representative of a committee of Congress;
 - ii. An Inspector General;
 - iii. The Government Accountability Office;
 - iv. A Federal employee responsible for contract or grant oversight or management at the relevant agency;
 - v. A court or grand jury;
 - vi. A management official or other employee of the Sponsor, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct; or
 - vii. An authorized official of the Department of Justice or other law enforcement agency.
 3. Submission of Complaint. A person who believes that they have been subjected to a reprisal prohibited by paragraph (a) of this Condition may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.
 4. Time Limitation for Submittal of a Complaint. A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.
 5. Required Actions of the Inspector General. Actions, limitations, and exceptions of the Inspector General's office are established under 41 U.S.C. § 4712(b).
 6. Assumption of Rights to Civil Remedy. Upon receipt of an explanation of a decision not to conduct or continue an investigation by the OIG, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c)(2).

SPECIAL CONDITIONS

26. **Compatible Land Use Planning and Projects.** The Sponsor agrees and understands that:
- a. It will achieve, to the maximum extent possible, compatible land uses consistent with Federal land use compatibility criteria in 14 CFR Part 150, and those compatible land uses will be maintained;
 - b. It will provide, in the case of a planning grant, a land use plan that:
 1. Is reasonably consistent with the goal of reducing existing non-compatible land uses and preventing the introduction of additional non-compatible land uses;
 2. Addresses ways to achieve and maintain compatible land uses, including zoning, building codes, and any other land use compatibility measures identified under 49 U.S.C. § 47504(a)(2), that are within the authority of the Sponsor to implement;
 3. Uses noise contours provided by the airport operator that are consistent with airport operation and planning, including any noise abatement measures adopted by the airport operator as a part of its own noise mitigation efforts;
 4. Does not duplicate, and is not inconsistent with, the airport operator's noise compatibility measures for the same area; and
 5. Has been approved jointly by the airport owner or operator and the Sponsor.
 - c. It will make provision to implement, or it has implemented, those elements of the plan ineligible for Federal financial assistance.
27. **Buy American Executive Orders.** The Sponsor agrees to abide by applicable Executive Orders in effect at the time this Grant Agreement is executed, including Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the Grant Assurances, terms, and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.¹

**UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION**



(Signature)

Gordon K Wong

(Typed Name)

Manager, Honolulu Airports District Office

(Title of FAA Official)

¹ Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the Grant Assurances, terms, and conditions in this Offer and in the Project Application.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.²

Dated August 26, 2022

Guam Airport Authority

(Name of Sponsor)



(Signature of Sponsor's Authorized Official)

By: John Quinata

(Typed Name of Sponsor's Authorized Official)

Title: Executive Manager

(Title of Sponsor's Authorized Official)

² Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Anita P. Arriola, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the Government of Guam. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative, who has been duly authorized to execute this Grant Agreement, which is in all respects due and proper and in accordance with the laws of the said State; and Title 49, United States Code (U.S.C.), Chapters 471 and 475; 49 U.S.C. §§ 40101 et seq., and 48103; FAA Reauthorization Act of 2018 (Public Law Number 115-254); the Department of Transportation Appropriations Act, 2021 (Public Law 116-260, Division L); the Consolidated Appropriations Act, 2022 (Public Law 117-103); and the representations contained in the Project Application. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.³

Dated at August 29, 2022

Anita P. Arriola
 By: Anita P. Arriola (Aug 29, 2022 10:08 GMT+10)
 (Signature of Sponsor's Attorney)

³ Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

ASSURANCES

AIRPORT SPONSORS

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

The terms, conditions and assurances of this Grant Agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph (1) also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, and 37 in Section C apply to planning projects. The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. General Federal Requirements

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Grant including but not limited to the following:

FEDERAL LEGISLATION

- a. 49, U.S.C., subtitle VII, as amended.
- b. Davis-Bacon Act, as amended — 40 U.S.C. §§ 3141-3144, 3146, and 3147, et seq.¹
- c. Federal Fair Labor Standards Act - 29 U.S.C. § 201, et seq.
- d. Hatch Act – 5 U.S.C. § 1501, et seq.²
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. § 4601, et seq.^{1, 2}
- f. National Historic Preservation Act of 1966 – Section 106 - 54 U.S.C. § 306108.1.¹
- g. Archeological and Historic Preservation Act of 1974 - 54 U.S.C. § 312501, et seq.¹
- h. Native Americans Grave Repatriation Act - 25 U.S.C. Section § 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended - 42 U.S.C. § 7401, et seq.
- j. Coastal Zone Management Act, P.L. 92-583, as amended - 16 U.S.C. § 1451, et seq.
- k. Flood Disaster Protection Act of 1973 – Section 102(a) - 42 U.S.C. § 4012a.¹
- l. 49 U.S.C. § 303, (formerly known as Section 4(f)).
- m. Rehabilitation Act of 1973 - 29 U.S.C. § 794.
- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin).
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.) (prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 - 42 U.S.C. § 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968, as amended - 42 U.S.C. § 4151, et seq.¹
- s. Powerplant and Industrial Fuel Use Act of 1978 – Section 403 - 42 U.S.C. § 8373.¹
- t. Contract Work Hours and Safety Standards Act - 40 U.S.C. § 3701, et seq.¹
- u. Copeland Anti-kickback Act - 18 U.S.C. § 874.¹
- v. National Environmental Policy Act of 1969 - 42 U.S.C. § 4321, et seq.¹
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 U.S.C. § 1271, et seq.
- x. Single Audit Act of 1984 - 31 U.S.C. § 7501, et seq.²
- y. Drug-Free Workplace Act of 1988 - 41 U.S.C. §§ 8101 through 8105.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (P.L. 109-282, as amended by section 6202 of P.L. 110-252).

- aa. Civil Rights Restoration Act of 1987, P.L. 100-259.
- bb. Build America, Buy America Act, P.L. 117-58, Title IX.

EXECUTIVE ORDERS

- a. Executive Order 11246 – Equal Employment Opportunity¹
- b. Executive Order 11990 – Protection of Wetlands
- c. Executive Order 11998 – Flood Plain Management
- d. Executive Order 12372 – Intergovernmental Review of Federal Programs
- e. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction¹
- f. Executive Order 12898 – Environmental Justice
- g. Executive Order 13166 – Improving Access to Services for Persons with Limited English Proficiency
- h. Executive Order 13985 – Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government
- i. Executive Order 13988 – Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation
- j. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America’s Workers
- k. Executive Order 14008 – Tackling the Climate Crisis at Home and Abroad

FEDERAL REGULATIONS

- a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.^{4, 5}
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.
- d. 14 CFR Part 13 – Investigative and Enforcement Procedures.
- e. 14 CFR Part 16 – Rules of Practice For Federally-Assisted Airport Enforcement Proceedings.
- f. 14 CFR Part 150 – Airport Noise Compatibility Planning.
- g. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.
- h. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.
- i. 29 CFR Part 1 – Procedures for Predetermination of Wage Rates.¹
- j. 29 CFR Part 3 – Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.¹

- k. 29 CFR Part 5 – Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act).¹
- l. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally-assisted contracting requirements).¹
- m. 49 CFR Part 20 – New Restrictions on Lobbying.
- n. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.
- p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs.^{1 2}
- q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.
- r. 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance.¹
- s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.
- t. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.
- u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).
- v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
- w. 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.
- x. 49 CFR Part 41 – Seismic Safety.

FOOTNOTES TO ASSURANCE (C)(1)

- ¹ These laws do not apply to airport planning sponsors.
- ² These laws do not apply to private sponsors.
- ³ 2 CFR Part 200 contains requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation shall apply where applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
- ⁴ Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- ⁵ Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

SPECIFIC ASSURANCES

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

2. Responsibility and Authority of the Sponsor.**a. Public Agency Sponsor:**

It has legal authority to apply for this Grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:

It has legal authority to apply for this Grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. Sponsor Fund Availability.

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

4. Good Title.

- a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.
- b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. Preserving Rights and Powers.

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.
- b. Subject to the FAA Act of 2018, Public Law 115-254, Section 163, it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this Grant Agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or

document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.

- c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.
- d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.
- e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.
- f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with Title 49, United States Code, the regulations and the terms, conditions and assurances in this Grant Agreement and shall ensure that such arrangement also requires compliance therewith.
- g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. Consideration of Local Interest.

It has given fair consideration to the interest of communities in or near where the project may be located.

8. Consultation with Users.

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. Public Hearings.

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. Metropolitan Planning Organization.

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. Pavement Preventive Maintenance-Management.

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. Terminal Development Prerequisites.

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under 49 U.S.C. § 44706, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. Accounting System, Audit, and Record Keeping Requirements.

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a Grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United

States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. Minimum Wage Rates.

It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor under 40 U.S.C. §§ 3141-3144, 3146, and 3147, Public Building, Property, and Works), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. Veteran's Preference.

It shall include in all contracts for work on any project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in 49 U.S.C. § 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. Conformity to Plans and Specifications.

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this Grant Agreement, and, upon approval of the Secretary, shall be incorporated into this Grant Agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this Grant Agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. Planning Projects.

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. Operation and Maintenance.

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, State and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:
 - 1. Operating the airport's aeronautical facilities whenever required;
 - 2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
 - 3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.
- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. Hazard Removal and Mitigation.

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

- a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
- b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:
 1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
 2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
- d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
- e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.
- f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.
- g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

- h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
- i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
- b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a Grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

- a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:
 - 1. If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the

revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

2. If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
3. Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at 49 U.S.C. § 47102), if the FAA determines the airport sponsor meets the requirements set forth in Section 813 of Public Law 112-95
- b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.
- c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of 49 U.S.C. § 47107.

26. Reports and Inspections.

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;
- b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;
- c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this Grant Agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and
- d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
 1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that:

- a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
- b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. Land for Federal Facilities.

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. Airport Layout Plan.

- a. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, it will keep up to date at all times an airport layout plan of the airport showing:
 1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
 2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
 3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and
 4. all proposed and existing access points used to taxi aircraft across the airport's property boundary.

Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The

sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

- b. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, if a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary:
 - 1. eliminate such adverse effect in a manner approved by the Secretary; or
 - 2. bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4); creed and sex (including sexual orientation and gender identity) per 49 U.S.C. § 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this Grant.

- a. Using the definitions of activity, facility, and program as found and defined in 49 CFR §§ 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.
- b. Applicability
 - 1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
 - 2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
 - 3. Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.
- c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is

to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
 2. So long as the sponsor retains ownership or possession of the property.
- d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:
- “The (**Guam Airport Authority**), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, [select businesses, or disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in consideration for an award.”
- e. Required Contract Provisions.
1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
 2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
 3. It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
 4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:
 - a. For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
 - b. For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
- f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other

participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

- g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. Disposal of Land.

- a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

1. Reinvestment in an approved noise compatibility project;
2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117
4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

- b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

1. Reinvestment in an approved noise compatibility project;
2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117
4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

- c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.
- d. Disposition of such land under (a), (b), or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

If any phase of such project has received Federal funds under Chapter 471 subchapter 1 of Title 49 U.S.C., it will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U.S.C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this Grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. Policies, Standards, and Specifications.

It will carry out any project funded under an Airport Improvement Program Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars (<https://www.faa.gov/airports/aip/media/aip-pfc-checklist.pdf>) for AIP projects as of February 21, 2020.

35. Relocation and Real Property Acquisition.

- a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
- b. It will provide a relocation assistance program offering the services described in Subpart C of 49 CFR Part 24 and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
- c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. Disadvantaged Business Enterprises.

The sponsor shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801-3809, 3812).

38. Hangar Construction.

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. Competitive Access.

- a. If the airport owner or operator of a medium or large hub airport (as defined in 49 U.S.C. § 47102) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:
 1. Describes the requests;
 2. Provides an explanation as to why the requests could not be accommodated; and
 3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.
- b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

GIAA BOARD OF DIRECTORS

Executive Summary

Regular Board Meeting

September 29, 2022

GENERAL AIRPORT INSURANCE – RENEWAL FOR FISCAL YEAR 2023

INTRODUCTION

The A.B. Won Pat International Airport Authority, Guam as required by the GIAA Bond Indenture is required to carry an adequate amount of insurance coverage to protect the Authority, its officers and bondholders. The Airport Insurance Program, which consists of Conventional Insurance covers general airport operations and was developed by GIAA with the assistance of its Insurance Consultant. The Insurance Program includes six (6) policies: Property Insurance including Catastrophe; Airport Operators Liability; Directors & Officers Liability; Workman's Compensation; Automobile Insurance; and Crime Insurance, all of which are described in detail below.

CONVENTIONAL INSURANCE COVERAGE

The General Airport Insurance is provided to protect GIAA from potential losses resulting from its operations. Listed below are the types of insurance and coverage provided and described in the Premium Comparison and Markets & Underwriters indications attached:

Property Insurance Including Catastrophe

Blanket coverage for All risks of direct and physical loss or damage to all Real and Personal Property. Renewal of coverage includes limit of \$200M with \$450,000 deductible and B&M sub-limit of \$5M.

Catastrophe insurance: Windstorm, Typhoon & Earthquake.

Renewal of coverages includes sub-limit of \$5M with \$5M deductible.

Airport Operators Liability

Legal liability coverage against claims from members of the general public (third parties) arising from operations at the Airport or elsewhere in the course of the Airports business.

Renewal of coverage includes limit of \$500M with Personal Injury limit of \$25M and \$75,000 deductible for Property Damage.

Directors & Officers Liab.

Coverage for GIAA's Directors & Officers for loss in which the parties become legally obligated to pay for a Wrongful Act. Includes Employment Practices Liability (EPL) that provides coverage for loss in which the GIAA becomes legally obligated to

pay for employee's or former employee's claim for Wrongful Termination, Unfair Dismissal, Harassment, Discrimination, Emotional Distress, Invasion of Privacy, Failure to Employ or Promote, Wrongful discipline, etc.

Renewal of coverage includes limit of \$4M with EPL sub-limit of \$1M and no deductible.

Workman's Compensation

Coverage for costs and benefits for job related injuries sustained by GIAA employees.

Renewal of coverage includes P.L. 80 Statutory Benefits, Employers Liability limit of \$1M with no deductible.

Automobile Insurance

Coverage provides for bodily injury and property damage to third parties arising from the use of owned, non-owned or hired vehicles. Coverage has no Aviation Risk Exclusion clause. Coverage on comprehensive, collision & typhoon on all vehicles with a current market value of \$10,000 or more.

Renewal of coverage includes combined single limit of \$2M for bodily injury and property damage liability. Comprehensive & Collision on all vehicles covers actual cash value with deductible of \$1,000.

Crime Insurance

Employee Dishonesty - Coverage provides indemnity to the Authority for the loss of money or other property through the fraudulent or dishonest acts committed by employees. Renewal of coverage includes limit of \$1M with \$50,000 deductible.

Money & Securities - Coverage provides indemnity for loss or destruction of money, securities or negotiable instruments inside the premises and off premises. Coverage sustained from accepting counterfeit money orders or currency.

Renewal of coverage includes limit of \$100,000 for Loss inside of premises, \$100,000 for Loss outside premises and \$100,000 for Counterfeit Paper Currency. Deductible is \$10,000 for each occurrence for Premises, Transit, and Offices & \$50,000 for Counterfeit paper.

Depositors Forgery – Coverage provides indemnity for loss of money as a result of forgery or alteration of or in any check, draft, promissory note, bill of exchange or similar written promise made or drawn from the account.

Renewal of coverage includes limit of \$100,000 with \$50,000 deductible.

Computer Fraud – Coverage provides loss resulting directly from fraudulent acts involving electronic data or computer systems.

Renewal of coverage includes limit of \$100,000 with \$50,000 deductible.

RECOMMENDATION

The appended schedule illustrates the recommended program for FY2023. Management recommends the Board adopt the FY2023 insurance program as appended.

The total premium costs for all coverage including Catastrophic perils for FY2023 is **\$1,352,592.31**. This represents an increase in premium of **\$212,103.31** per annum compared to FY2022 premium cost of **\$1,140,489.00**

The insurance premium costs are budgeted under Property Management Division (PMO) budget for FY2023. Although this year's premium exceeds the line item FY2023 budget for insurance by \$152,592.31 we will reprogram funds within the PMO and Administration budget for FY2023 to cover this expenditure.



Broader Perspective. Business Solutions.

Corporate Headquarters
3475 E Foothill Blvd, Suite 100, Pasadena, CA 91107
(626) 799-7000 main // (626) 441-3233 fax

Mailing Address
PO Box 6030
Pasadena, CA 91102

September 19, 2022

A.B. Won Pat International Airport Authority
P.O. Box 8770
Tamuning, Guam 96931

Re: Insurance Renewal Recommendations
F/Y 2023

Dear GIAA Team,

I have reviewed the insurance renewal options provide by AM Insurance; I am making the following recommendations for the upcoming renewal term:

Property Insurance – Calvo's/AIG
Airport Liability – Calvo's/AIG
Directors & Officers – Moylan's/DB 3rd year of the 3-year option
Workers Compensation – Nanbo/Tokio Marine
Auto – Moylan-s/DB – Moylan's/DB 3rd year of the 3-year option
Crime – Moylan's/DB – Moylan's/DB 3rd year of the 3-year option

If you have any questions or need anything further, please do not hesitate to reach out. I am more than happy to be of assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl McDowell", is written over a horizontal line.

Cheryl McDowell, ARM, CSRM, CISR
Vice President, Risk Management Services

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Insurance License No. 0008309 // www.boltonco.com

[illegible]

Note: This is a summary only. Please refer to policy for complete terms conditions.

A.B. WON PAT INT'L AIRPORT AUTHORITY, GUAM
FY2023 INSURANCE QUOTES

POLICY DESCRIPTION	CURRENT INSURER	COVERAGE	FY2022 PREMIUM	FY2023 QUOTES			
				MOYLAN'S		NANBO	CALVO'S
				DB	FIRST NET (*)		
CRIME COVERAGE LIMITS A. Aggregate B. Employee Dishonesty Coverage C. Money & Securities Loss Inside Money & Securities Loss Outside D. Money Orders and Counterfeit currency E. Depositors Forgery F. Cheque Forgery G. Third Party Computer & Funds Transfer Fraud H. Cost DEDUCTIBLE \$50,000 each & every loss <i>EXCEPT</i> loss inside/outside the premises at \$10,000 each occurrence REQUIRED CONDITIONS: <i>Retroactive dates 10/01/2004 iro Employee Dishonesty in excess of \$500,000 and 10/01/2003 iro all other coverages.</i>	Moylan's (DB)	\$1,000,000 \$1,000,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000	\$4,860	\$4,860.00 <i>(3 of 3-Year Term)</i>			
CYBER LIABILITY COVERAGE LIMITS: A. Network Security & Privacy Liability B. Breach Notification Costs C. Internet Media Liability D. Cyber Crime/Extortion E. Data Restoration F. Cyber Business Interruption G. Miscellaneous Professional Liability H. Technology Professional Liability		\$3, 5 & 10MM	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE
TOTAL FY2022 PREMIUM :			\$1,140,489				

Note: This is a summary only. Please refer to policy for complete terms conditions.

A.B. Won Pat International Airport Authority, Guam
FY2023
MARKETS & UNDERWRITERS

GENERAL AGENT	CARRIER	BEST RATING/ FINANCIAL STRENGTH	PROPERTY	AIRPORT LIABILITY	WORKERS COMP	DIRECTORS & OFFICERS	EPL	COMMERCIAL AUTO	CYBER	CRIME
CENTURY	Century	B++ / V	Carrier does not meet financial rating required by Insurance Specifications.							
CALVO'S	National Union	A / XV	\$866,745	\$204,000	No Quote	No Quote	No Quote	No Quote	No Quote	No Quote
CASSIDY'S	Pacific Indemnity	AA	Carrier did not respond to Request for Proposal.							
GNIU	Chung Kuo	A- (S&P)	Carrier does not meet financial rating required by Insurance Specifications.							
MOYLAN'S	DB	A / XV	No Quote	No Quote	No Quote	3 of a 3-Year Term \$31,212	Included	3 of a 3-Year \$35,937.31	No Quote	3 of a 3-Year \$4,860
MOYLAN'S	First Net	B++ / V	Carrier does not meet financial rating required by Insurance Specifications.							
NANBO	Tokio Marine	A++ / XV	No Quote	No Quote	1-Year \$209,838	No Quote	No Quote	No Quote	No Quote	
GUAHAN	Perfutura International	Not Rated	Carrier does not meet financial rating required by Insurance Specifications.							
TAKAGI & ASSOCIATES	Aioi	A+ / XV	Carrier declined to quote due to underwriting restrictions on airport risks.							

NOTE (S):

13 Aug 2022-Transmitted Specs to all qualifying carriers; 09 Sept 2022-Quotes due from all carriers

EXECUTIVE MANAGER'S REPORT

GIAA BOARD OF DIRECTORS MEETING

September 29, 2022

AIRLINE UPDATES

Jeju Air – On Tuesday, Sept. 27, 2022, GIAA welcomed Jeju flight #7C3102 with a water salute and a GVB & GIAA welcoming team. The flight carrying 189 passengers and crew including Jeju's CEO were greeted by the KoKo bird mascot and given gift bags to commemorate Jeju's 10th Anniversary of service from Incheon, Korea to Guam.

Jeju currently flies 1x weekly to Incheon. By Sept. 30th, tomorrow, they will add an additional flight to 2x weekly to Incheon and then by Oct. 31st, flight service will increase to 3x weekly with two (2) flights to Incheon and one (1) to Pusan.

Japan Airlines – Japan Airlines twice weekly flights are temporarily discontinued and will resume service on Dec. 21, 2022.

Star Marianas – Regional carrier, Star Marianas is resuming service this October and will begin flying 5x weekly between Guam and Rota.

REGULATORY UPDATES

UDO – The regular UDO meeting with FAA was just concluded this morning, Thursday, Sept. 29th discussing the status of all airport AIP Grants and ongoing capital projects

FINANCE

Tariff Schedule – The GIAA Airport Tariff Schedule for FY'23 has been published and new tariffs will take effect Oct. 1, 2022.

Financial Audit – The FY'22 audit has commenced and is expected to be completed on or before Feb. 1, 2023.

Additional Funds – In addition to the \$15M received from the State and Local Fiscal Recovery Funds, GIAA received an additional \$2M, \$1.3M of which will fund the 18% salary increase for our law enforcement officers which went into effect Jan. 30, 2022; and the \$700k is slated for converting our ARFF fire fighters to 120 hours, consistent with the Guam Fire Department fire fighters.

PROCUREMENT

Procurement Authority – The Delegation of Procurement Authority granted by the General Services Agency to GIAA Executive Manager John M. Quinata and Deputy Executive Manager Artemio Hernandez, PhD on behalf of the A.B. Won Pat Int'l. Airport Authority, Guam becomes effective Saturday, Oct. 1, 2022.

Request for Proposal – 14 CFR Part 150 Noise Compatibility Study (NCP) & Update to Noise Exposure Maps (NEMS)

Announced:

Thursday

September 29, 2022

Proposal Deadline:

Tuesday

November 01, 2022 @ 4pm

EXECUTIVE MANAGER'S REPORT

GIAA BOARD OF DIRECTORS MEETING

September 29, 2022

Notice to Solicit Interest – Foreign Currency Exchange Services

Announced:	Wednesday	September 14, 2022
LOI Submission Deadline:	Thursday	October 6, 2022 @ 5pm

Notice of Public Hearing – Intent to Extend Emergency Contract

Announced:	Friday	September 16, 2022 (2 nd run 09/21)
Public Hearing Date:	Friday	September 23, 2022 @ 1:30pm & via Live-streamed videoconference at www.guamairport.com

ANNOUNCEMENTS:

- This morning, Sept. 29th at 7:00am, TSA held a ceremony to commemorate their 20th anniversary here at Airport. Thirteen (13) employees were recognized as those who have been here since the agency was stood up here at GIAA.
- Planning Committee headed by ATM Juan Reyes has been established and met Sept. 26, 2022 to begin coordination of the upcoming 2023 AERODROME Certification Workshop that GIAA will be hosting. The FAA Honolulu ADO has approved the dates: 2023 April 18th – 21st with the theme: “Recovery, Resilience & Revitalization”. GIAA’s original hosting opportunity for May 2020 had of course been postponed by the pandemic.
- On Monday, Sept. 26th American Medical Clinic (AMC) notified GIAA that effective tomorrow, Sept. 30, 2022, their COVID-19 testing operations in the terminal Arrivals Lobby would be discontinued, due to the decline in testing needs.
- TSA is slated to complete the installation of six (6) new state-of-the-art x-ray screening equipment at the security checkpoints by today.
- Three (3) FloWater (7x Advanced Purification system) were installed in the concourse on the west side at Gate 4, across from Gate 7 (next to restrooms) and on the east side up at Gate 14 (right before the restrooms).
- On Sunday, Sept. 11, 2022, the ARFF Unit organized their own division commemoration of 9-11 with a Patriot’s Day 5k where ARFF personnel completed a 5k in full proximity fire gear!
- GIAA and GVB had very promising air service development meetings in Tokyo and Manila. From Sept. 5-9, 2022, GIAA DEM Artemio Hernandez, PhD along with GVB President Carl Gutierrez went to Japan and met with JetStar, a low-cost carrier with Japan Airlines; the US Embassy in Japan; and the CEO’s of both the Japan Air Terminal Co., Ltd. (JAT) and the Tokyo International Air Terminal Corp. (TIAT) at Haneda Airport. EM John Quinata followed with a trip to Manila to meet with top Philippine Airlines officials and VietAir.
- On Sunday, Sept. 4, 2022 GIAA along with the rest of the Government of Guam agencies/departments converged on Ypao Beach Park to celebrate the annual GovGuam Labor Day picnic. After a 2-year COVID-19 pandemic hiatus, the celebration with this year’s theme being “Pride in Public Service” was a success. Team GIAA came in 2nd Place in the Tug-o-War competition.

September 23, 2022

MEMORANDUM

To: Mr. Brian Bamba
Chairman
GIAA Board of Directors

From: Antoniette L. Bautista
Acting Comptroller

Subject: Operating Results – Revenues and Expenses as of August 31, 2022

Attached herewith is GIAA's Operating Results Report for the month ending August 31, 2022. This report summarizes the Budgeted versus Actual Revenues and Expenses for the month and year-to-date results ended August 31, 2022.

The key operating results for 11 month(s) of FY2022 ending August 31, 2022 – (in \$000's) are

CATEGORY	Actual FY22 Current Month	YEAR-TO-DATE			FORECAST FOR FULL YEAR- FY22	
		Budget FY22 Y-T-D	Actual FY22 Y-T-D	% Variance Budget vs. Actual	Actual/Est	% Variance Budget vs. Actual
				Y-T-D Current Month		
Total Signatory Revenues	\$ 1,344.0	\$ 22,582.1	\$ 9,561.1	-57.7%	\$ 11,777.7	-52.5%
Total Concession Revenues	\$ 1,489.8	\$ 15,893.1	\$ 7,858.9	-50.6%	\$ 9,330.8	-46.3%
Total PFC's	\$ 220.1	\$ 3,802.0	\$ 1,331.0	-65.0%	\$ 1,714.9	-59.0%
Total Other Revenues	\$ 978.7	\$ 13,296.4	\$ 24,804.6	86.6%	\$ 26,042.9	79.2%
Total Operating Revenues	\$ 4,032.5	\$ 55,573.5	\$ 43,555.6	-21.6%	\$ 48,866.2	-19.7%
Total Operating Expenses	\$ 3,956.4	\$ 43,701.5	\$ 37,039.8	-15.2%	\$ 40,661.9	-14.1%
Net Revenues from Operations	\$ 76.1	\$ 11,872.1	\$ 6,515.8	-45.1%	\$ 8,204.4	-39.5%
Non-Operating Expenses	\$ 68.2	\$ 800.0	\$ 745.2	-6.8%	\$ 745.2	-6.8%
Other Available Moneys/Other Sources of Funds	\$ 207.4	\$ 9,980.2	\$ 10,019.5	2.4%	\$ 10,171.1	2.2%
Net Debt Service Coverage	0.44	2.92	2.22	-24.0%	2.28	-4.4%

Year-to-date Total Signatory Revenues for the month ending August 31, 2022 are below Budgeted revenues by **57.7%**. Signatory revenue estimates are based on projections submitted by Signatory airlines and adopted in the annual budget.

Year-to-date Total Concession Revenues are **50.6%** below budget while Passenger Facility Charges are below the budget estimate by **65%**.

Year-to-date Total Other Revenues, inclusive of non-signatory and non-airlines revenues, are above the budget estimate by **86.6%**.

Year-to-date Total Operating Revenues actual of **\$43.6M** is **21.6%** below the budget estimate of **\$55.6M**.

Year-to-date Total Operating Expenses are below budget by **15.2%**. Components of this line item include a **7.2%** decrease in Personnel Service, a **18.4%** decrease in Contractual Services, a **44.7%** 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 **\$6.5M** represents a **45.1%** decrease over the year-to-date budgeted amount of **\$11.9M**.

Finally, our year-to-date results for Debt Service Coverage is at **2.22** versus the requirement of **1.25**.

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

Attachments

Cc: Board of Directors
Executive Manager
Deputy Executive Manager
Airport Services Manager

GUAM INTERNATIONAL AIRPORT AUTHORITY
KEY OPERATING RESULTS (\$000's)
as of August 31, 2022

	CURRENT MONTH				Budget Full Year	YEAR - TO - DATE				FULL YEAR FORECAST	
	Actual FY2021	Budget FY2022	Actual FY2022	%Var Bud Vs Act'l		Actual FY2021	Budget FY2022	Actual FY2022	%Var Bud Vs Act'l	Actual/Est	%Var Bud Vs Act'l
I. Signatory Airline Rents & Fees											
Terminal Bldg Rentals	232.9	204.7	205.0	0.1%	2,456.8	2,562.4	2,252.1	2,248.7	-0.2%	2,453.4	-0.1%
Departure Fees	97.2	722.3	324.3	-55.1%	7,099.4	639.5	6,448.4	1,975.5	-69.4%	2,626.5	-63.0%
Arrival Fees	68.2	541.9	218.6	-59.7%	5,322.8	416.7	4,829.2	1,254.1	-74.0%	1,747.6	-67.2%
Immigration Inspection Fees	11.1	213.9	81.1	-62.1%	2,090.4	75.8	1,893.7	388.4	-79.5%	585.1	-72.0%
Common Use Ticket Counter Fees	1.1	62.9	42.7	-32.2%	704.3	6.7	642.7	152.2	-76.3%	213.8	-69.6%
Loading Bridge Use Fees	102.3	275.7	185.0	-32.9%	3,112.5	1,077.1	2,844.7	1,154.6	-59.4%	1,422.4	-54.3%
Apron Use Fees	14.4	254.3	201.3	-20.8%	2,907.3	204.4	2,660.1	1,743.2	-34.5%	1,990.4	-31.5%
Landing Fees	52.8	96.7	86.0	-11.0%	1,105.1	682.3	1,011.2	644.4	-36.3%	738.4	-33.2%
Total Signatory Revenue	580.0	2,372.5	1,344.0	-43.4%	24,798.7	5,664.9	22,582.1	9,561.1	-57.7%	11,777.7	-52.5%
Enplaned Signatory Pax	17,109	121,265	63,541	-47.6%	1,191,858	111,465	1,082,568	358,647	-66.9%	467,937	-60.7%
Cost per Enplaned Pax	\$33.90	\$19.56	\$21.15	8.1%	\$20.81	\$50.82	\$20.86	\$26.66	27.8%	\$25.17	21.0%
Revenues from Sources other than Signatory Airlines Rents & Fees											
Concession Revenues											
Gen Mdse	368.4	1,237.9	1,263.3	2.1%	14,854.3	4,052.8	13,616.5	6,271.2	-53.9%	7,509.1	-49.4%
In-flight Catering	36.6	57.3	48.5	-15.3%	563.0	241.9	511.4	351.3	-31.3%	403.0	-28.4%
Food & Beverage	18.3	69.7	60.3	-13.6%	685.3	101.5	622.5	351.3	-43.6%	414.2	-39.6%
Rental Cars	61.2	75.1	96.8	28.9%	869.7	301.5	794.6	764.0	-3.9%	839.0	-3.5%
Other Concession Rev	9.1	42.6	20.9	-51.0%	392.7	113.8	348.2	121.0	-65.2%	165.6	-57.8%
Total Concession Revenues	493.7	1,482.5	1,489.8	0.5%	17,365.0	4,811.5	15,893.1	7,858.9	-50.6%	9,330.8	-46.3%
Passenger Facility Charges	59.3	425.9	220.1	-48.3%	4,185.8	227.1	3,802.0	1,331.0	-65.0%	1,714.9	-59.0%
Other Revenue	1,038.9	1,260.0	978.7	-22.3%	14,534.7	10,947.8	13,296.4	24,804.6	86.6%	26,042.9	79.2%
Total Operating Revenue	2,171.8	5,540.9	4,032.5	-27.2%	60,884.2	21,651.2	55,573.6	43,555.6	-21.6%	48,866.2	-19.7%
II. Operating Expenses:											
Personnel Services	1,546.9	1,712.9	1,905.4	11.2%	22,267.3	20,298.3	20,554.5	19,076.5	-7.2%	20,789.3	-6.6%
Contractual Services	1,268.6	1,871.0	1,908.2	2.0%	22,669.5	13,503.8	20,856.1	17,008.9	-18.4%	18,822.2	-17.0%
Materials & Supplies	72.3	112.1	142.8	27.4%	1,804.3	596.2	1,726.2	954.4	-44.7%	1,032.4	-42.8%
Equipment/Furnishings	0.0	15.5	0.0	0.0%	582.5	0.0	564.7	0.0	-100.0%	17.9	-96.9%
Total Operating Expenses	2,887.9	3,711.4	3,956.4	6.6%	47,323.5	34,398.2	43,701.5	37,039.8	-15.2%	40,661.9	-14.1%
Net income from Operations	-716.1	1,829.5	76.1	-95.8%	13,560.7	-12,747.0	11,872.1	6,515.8	-45.1%	8,204.4	-39.5%

GUAM INTERNATIONAL AIRPORT AUTHORITY
KEY OPERATING RESULTS (\$000's)
as of August 31, 2022

	CURRENT MONTH				Budget Full Year	YEAR - TO - DATE				FULL YEAR FORECAST	
	Actual FY2021	Budget FY2022	Actual FY2022	%Var Bud Vs Act'l		Actual FY2021	Budget FY2022	Actual FY2022	%Var Bud Vs Act'l	Actual/Est	%Var Bud Vs Act'l
III. Other Revenues and Expenses											
Less: Non-operating /Non-recurring Expense (Post Employment/Emergency)	62.3	0.0	68.2	0.0%	800.0	800.5	800.0	745.2	-6.8%	745.2	-6.8%
Add: Interest on Investments	43.0	54.0	78.2	44.8%	648.3	562.0	594.3	658.6	10.8%	712.6	9.9%
Net Revenues	-735.3	1,883.5	86.1	-95.4%	13,409.0	-12,985.5	11,666.4	6,429.1	-44.9%	8,171.7	-39.1%
Add: Other sources of Funds (Federal Reimb)	8,047.1	33.3	39.2	17.7%	8,163.3	19,992.8	8,129.9	8,122.5	-0.1%	8,155.9	-0.1%
Add: Other available moneys	144.1	168.2	168.2	0.0%	2,018.6	3,009.6	1,850.3	1,897.0	2.5%	2,065.3	2.3%
Net Revenues and Other Available Moneys	7,455.9	2,085.1	293.6	-85.9%	23,590.8	10,016.9	21,646.7	16,448.7	-24.0%	18,392.9	-22.0%
Debt Service payments	576.6	672.9	672.9	0.0%	8,074.2	11,860.6	7,401.4	7,401.4	0.0%	8,074.2	0.0%
Debt Service Coverage	12.93	3.10	0.44	-85.9%	2.92	0.84	2.92	2.22	-24.0%	2.28	-22.0%
Debt Service Requirement	1.25	1.25	1.25		1.25	1.25	1.25	1.25		1.25	