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Governor of Guam

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MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, August 19, 2010

I. CALL TO ORDER

There being a quorum, the regular meeting of the Board of Directors was called to order at 5:05 p.m., Thursday, August 19, 2010. Present at the meeting were:

Monte Mesa, Chairman
Jovyna Lujan, Vice Chairperson
Marilou Lacson, Board Secretary
Joseph Camacho, Member
William Beery, Member
Enrique Agustin, General Manager
Vivian C. Leon, Deputy General Manager, *Interim*
Atty. Rebecca Santo Tomas, Co-Counsel

Also present were Jimmy Camacho-Senator Tom Ada's office; AnnMarie Muna/Trish Granillo-AM Insurance; Matthew Smith/Eric Custar-(OAE) Parsons Brinckerhoff Americas and Port Management staff.

II. APPROVAL OF MINUTES

a. **July 28, 2010:** Before the approval of minutes, the Chairman made correction on page 2, first paragraph that should reflect *Department of Transportation*, and not *Department of Defense*. Without further corrections made, Mr. Beery made a motion to approve the minutes of July 28, 2010 subject to correction. The motion was seconded by Mr. Camacho and was unanimously passed.

III. CHAIRMANS REPORT

a. Matson/Horizon Lines Letter of July 6, 2010 – In relation to the letter of July 6, 2010 relative to their suggestion on acquisition of the POLA Cranes by the Port and third party agreement, understands that Matson representatives, namely Messrs. Vic Angoco, Vice President, Pacific and Matthew Cox, President are in town this week and asked whether a meeting has been arranged. The General Manager said a meeting was held with Mr. Angoco yesterday, but was not able to meet with Mr. Cox. The Deputy General Manager said Port's response to the letter was mailed out and had also provided a copy to Matson at such meeting.

She indicated that the concerns relating to insurance coverage from our Insurance Underwriters were also expressed in the meeting to Matson to provide such information.

b. 2010 Supplemental Appropriations Act – Asked management to clarify the ‘additional authorization’ of H.R. 4899 whether the provisions of the authorized \$50M is interpreted to mean that the Department of Defense has the ability to transfer additional funds on top of the \$50M. If so, this is a validation of the confidence of DOD to the Port Enterprise Fund and also to execute the projects of the Port.

c. Port Hole Magazine – Received Port Hole Magazine, August 2010 Issue which featured ‘Glorious Guam’ written by Mrs. Bernadette S. Meno, Port Marketing Administrator and photos by Mr. JR Manuel. He expressed this to be a good exposure for Guam as it promotes the attributes of the island and the desires of the cruise ship industry in our region.

IV. GENERAL MANAGERS REPORT

1. Office of Economic Adjustment - A follow-on meeting was held with Mr. Gary Kuwabara while in town recently. Topics of discussion include the protocol manual and project management accountants for the port modernization program.

2. Mercator Report – The Port Users Group has since provided the report relative to their view on the port terminal mode of operation and management has indicated that the idea to place containers on wheels is reasonable as long as sufficient chassis area available by the users. Their preference of a chassis mode of operation would also be contingent upon space availability in the terminal yard so as to not impede in the movement of cargo operations.

3. NAVFAC Meeting August 9, 2010 – Meetings continue with representatives of NAVFAC officials regarding military cargo and commercial cargo.

4. Black Construction: Unload of Sheet Piles – Management received a request today from Black Construction regarding the unloading of sheet piles at Guam Shipyard. Black Construction has indicated that they will pay the Port as though the movement of cargo were performed at port docks. A meeting is being arranged for next week with Black Construction to further address this matter.

5. Presentation/Port Tours Conducted – A presentation was conducted on August 13 to the 599th Transportation Brigade Deputy Commander LtCol Todd M. Toman with SDDC Gordon Lowe. The tour of port compound was held thereafter.

6. Information Briefing-FEIS – The Port’s Oversight Chairman had invited the Port Authority to conduct an information briefing on the FEIS scheduled for August 24.

7. Department of Defense-Inspector General – The Port received notice that the Department of Defense of the Inspector General will be arriving on September 7. A meeting has

yet to be scheduled with the Port; however understands this to be related to engineering work on the port modernization program.

8. Guam Waterworks Authority – A meeting is being arranged with GWA to address outstanding matters involving the Cabras Island Water Distribution System - billings, deduct meters and pipeline.

9. Change of Name – Off of Route 18 (Marina Drive) – A meeting with Piti Mayor Ben Gumataotao is scheduled for tomorrow to address the possibilities of changing the name Marina Drive in Harbor of Refuge area in honor of the late Mr. John Gerber.

V. REPORTS

a. **List-Federal Grant & Local Funding Program:** The Chairman asked the status of the Federal Highway Administration funding of \$2.4M. The Deputy General Manager said the MOA between DPW and the Port was executed for the use of services of DPW's consultant to further the modernization of the Port and the 2030 Guam Transportation Plan. The funding for such services is provided under the FHWA SAFETEA-LU in the amount of \$2.4M of the remaining \$6M appropriated for the seawall project. The Port identified the use of such monies for the planning and A&E work for Phase 1-B. Meetings were held with representatives of the Port, DPW and FHWA whereby the Port was advised of a funding shortfall of approximately \$2.5M for the seawall project. It was stated that if funding could not be identified to continue this project, work will cease by October 2010 and this would only bring the project up to the Port's gatehouse. The factors contributing to the increased cost for the seawall project were: the current condition of the seawall and surrounding areas were different from the topography survey conducted by Army Corps; and contractor encountered soft spots which required to excavate deeper than what the A&E plans had recommended. The Port had requested that in return of the \$2.4M that DPW and FHWA consider placing a budget for FY2013 under the SAFETEA-LU the rehabilitation and repair of the remainder of Route 11 from Cabras Industrial Road to Hotel Wharf. She mentioned that after a lengthy discussion on this project with all concerned parties, it was acknowledged that there is a need to continue the seawall project to protect Route 11 from wave surges. It was noted that the Port with the assistance of OAE would aggressively identify funds for Phase 1-B marine design work order. It is now being requested of the Board to allow management to transfer back the \$2.4M funds to DPW to allow the seawall project to continue.

The Chairman asked whether the return of the \$2.4M would fully complete the project. The Deputy General Manager said the funding shortfall was identified to be at \$2.5M, and if the Port decides to return the \$2.4M, DPW & FHWA will look to identify the difference of \$100K. Mr. Beery asked for the original budget of this project. The General Manager said \$4.3M.

Mr. Beery made motion to authorize management to work with Department of Public Works in reprogramming back the \$2.4M to complete the Route 11 Seawall Project, seconded by the Vice Chairperson. Motion was unanimously approved.

b. **Insurance Report:** Insurance report for the month of July 2010 report was for Board's information.

c. **Operation Productivity Reports:** Operations report for the month of July 2010 was for Board's information. Mr. John B. Santos, Operations Manager mentioned that he continues to communicate with agents as well as outside parties on the type of cargo that is or may be calling port, such as aggregates, housing units, non-containerized cargo. He also mentioned that meetings are being held with the Port, Customs, Environmental Protection Agency, Department of Agriculture and Port Users Group relating to Pre-Clearance of Cargo. Mr. Santos clarified that on Black Construction's inquiry with Port, understands this to be of military project which has not been awarded yet. He mentioned that the import of the sheet pile operation is slated for the ending part of next fiscal year.

d. **Marina Report:** (Item to be addressed under Property Committee.)

e. **Safety Report:** Mr. Francisco Roberto, Safety Administrator presented the Safety Report and mentioned that for this reporting period there is one work injury and no industrial accident. To date there are four lost-time and five recordable injuries.

Committee Reports:

a. **Finance Committee:** The financial report for the month of June 2010 was for Board's information.

Mr. Jose B. Guevara, Financial Affairs Controller said the Finance committee met on August 12, 2010 and addressed the following.

1. **USDA/ANZ Loan Status-AG Opinion on Tax Exemption** – The Port received the Attorney General's opinion regarding the interest proceeds of ANZ in the \$3.5M loan under USDA Guarantee Program which states that the interest earned by ANZ does not qualify as tax exempt because it is guaranteed by a federal agency. This is now in conflict with the Department of Revenue and Taxation's approval letter. The committee had discussed several scenarios on this matter which include: the approach of re-soliciting the RFP loan services for purposes of getting a loan that would be tax exempt on the banks interest income; no guarantee that another bank will loan \$3.5M without USDA guarantee; in review of bank proposals of RFP 2007, ANZ is still the lowest non-tax exempt interest rate. He mentioned that the Port, ANZ and USDA has been working on this loan since 2006. The initial procurement process was cancelled and was put out as an RFP in 2007. ANZ was chosen to be the best offeror on both procurement process. Legal counsels for both parties have been working on this current contract since March 2010 and have finalized the contract last month. It was the consensus of the committee by majority that it would be better for the Port to proceed with the existing loan offeror as there is a need for the Port to replenish its cash reserves to be able to proceed with other planned CIP projects currently on hold due to the cash flow shortage. It is now being requested for the Board to allow management to proceed in closing this account with ANZ and to accept ANZ's letter dated August 17, 2010 terms and conditions.

Mr. Beery made motion to authorize management to move forward in completing the transaction of the \$3.5M with ANZ Bank and to accept ANZ's letter dated August 17, 2010 commitment letter on terms and conditions, seconded by Mrs. Lacson. Motion was approved by a majority vote. Member Camacho recused himself from voting on this motion due to conflict of interest.

2. \$25M USDA Guaranteed Loan with ANZ – The Port is seeking guidance from GEDA on how to proceed with the RFP Loan Services of \$25M. In the original submission, ANZ Bank was chosen as the best proposal and was the only bank that submitted interest rates for tax and non-tax exempt. Based on the current market rate and the formula submitted by ANZ Bank for a non-tax exempt, 5 year rate is 2.74% over based rate (currently at 2.12%). Therefore the total interest rate for the first 5 years of the loan is 4.87%. ANZ Bank is confirming with their head office and will submit a revised commitment letter for the \$25M loan.

3. Financial Model Update Cost Proposal-New Cargo Forecast Report – OAE/PB was requested to submit a cost proposal to update the Financial Feasibility based on the new cargo forecast. The proposed cost is being presented before the Board as OAE Task Order No. 13 – Financial Feasibility Update at \$102,100.00. It is important that the financial feasibility be updated to ascertain whether the Port is able to acquire an additional \$14M loan to be used to purchase gantry cranes, as mandated by Public Law 30-100. The committee recommends this to be funded from the project money or contingency fund of the master plan.

Mr. Camacho made motion to approve OAE Task Order No. 13 – Financial Feasibility Update of up to \$102,100.00 for the update of the feasibility plan with the Task Order Nos. 13.5 and 13.6 as being additives/optional as required by the Port, and the funding be identified out of the contingency section of Phase 1-A, seconded by Mr. Beery. Motion was unanimously approved.

The Deputy General Manager asked whether this approval allows management to issue the Notice to Proceed to OAE. The Chairman replied positively.

4. Public Utilities Commission Update:
- a. PUC consultant to prepare the contract protocol between the Port and PUC relative to Public Law 30-52 for approval to its PUC Board in September meeting.
 - b. The Port tariff consultant contract and bank contract will be submitted to PUC Board for approval at its August 30 meeting.

5. FY2011 Budget Update – Currently working with Division Heads on their budget. The Port is also working with shipping agents to get a realistic revenue projection. The committee will review the budget ladder part of August, thereafter submit to the Board for approval.

6. EDA Federal Grants Drawdown – MARAD has approved the release of funds for payment towards the tasks that ties into the grant description. The Port has received a copy of the contract and will proceed to collect any existing invoices on the said task. Anticipated drawdown includes: \$1.4M – DOI; \$400K – OEA; \$96K – EDA; totaling approximately \$1.9M. The invoices amount for \$96K has been submitted for drawdown.

Mr. Camacho expressed concern about the 3% Administrative Fee paid to MARAD to cover their administrative costs. Mr. Guevara has been task to review the MOU between MARAD and EDA to determine how the language reads. If it reads ‘up to’ 3%, then Mr. Guevara is to obtain from MARAD justification and scope of work for assessing the maximum percentage rate.

7. Capital Expenditure Applications:

a. Two check disbursement printers for Finance division – to replace the laser printers currently being used for payroll checks and vendor disbursements. The existing printers are 11 years old, purchased back in 1999 and have been malfunctioning the past few months. The printers are also used for other activities such as daily print jobs of large reports for accounting purpose and supporting document submission to other government agencies. The committee recommends approval to purchase such equipment in the amount of \$9,626.00. The funding source will be from CIP funding that did not commence in FY2010. The committee had task Mr. Guevara to look into the efficiency of all printers being used in the Port and to ensure that the use of printers/Xerox machines is being optimized principally for business purposes.

Mr. Camacho made motion to approve the purchase of two printers at \$4,813.00 each, totaling \$9,626.00. Motion was seconded by Mr. Beery and was unanimously approved.

b. Request for CIP to fund renovation of Harbor Master’s office bathroom, kitchen and wall tiles in the amount of \$6K – this office is being used 24 hours and shipping agents used this office to meet on a regular basis. The committee approves the repair at \$6K.

Mr. Camacho made motion to approve funding for the renovation and improvement project of the Harbor Master’s office which includes office bathroom, kitchenette, and wall tiles of up to \$6,000.00, seconded by Mr. Beery and was unanimously approved.

b. Maintenance/Equipment Committee: Mr. Ernest G. Candoleta, Maintenance Manager presented the cargo handling equipment maintenance/repair cost report for July 2010 and the downtime report for the POLA Cranes January thru June 2010. These reports were for Board’s information. The Chairman noticed that Gantry 3 was not indicated in the cargo handling equipment and thought this to be overlooked. He asked that it be placed back into the report.

c. **Human Resources Committee:** Mrs. Lacson presented the following items.

1. **Budgeted Position Filled** – Clerk III for General Administration division; and an Administrative Assistant for the divisions of Equipment Maintenance, Transportation and Commercial. These positions were either vacated based on resignation, retirement or transfer.

2. **Jose D. Leon Guerrero Commercial Port-Apprenticeship Program** – We are pleased to announce that 10 employees of 21 who are under the U.S. Department of Labor Apprenticeship Program have completed the course. To recognize the accomplishments of our employees and to officially congratulate them, a graduation ceremony is currently being planned by the Human Resources division.

3. **Travel Authorization** – As directed by the Board at its previous meeting, the travel cost for two Superintendents of the Operations division to attend the AAPA Marine Terminal Management Training Program in Jacksonville, Florida on October 25-28, 2010 is \$9,439.12.

Mrs. Lacson made motion to approve the travel authorization request for two port representatives to attend the AAPA Marine Terminal Management Training Program in Jacksonville, Florida on October 25-28, 2010 in the amount of \$9,439.12, seconded by the Vice Chairperson. Motion was unanimously approved.

4. **Port's Drug-Free Workplace Program** – Currently in cost negotiation process.

5. **Port Employee Uniforms** – Currently working on a uniform policy which will be presented to the Board once finalized.

d. **Property Leasing/Port Development Committee:** Mr. Glenn B. Nelson, Commercial Manager said the Property committee met on August 16, 2010 and addressed the following items of importance.

1. **Tristar** – Tristar submitted a letter on July 26, 2010 requesting the Port to reconsider F-1 Management Fees. Proposed is to increase import compensation from \$0.077 to \$0.16 per barrel, impact of plus 107%; also, requested was to increase export compensation from \$0.038 to \$0.08 per barrel, impact of plus 110%. Staff felt that not enough information has been provided to truly justify the need for an increase considering the compensation schedule was revisited just in 2008. Staff position is that acquisition of agreement from Shell was term specific of 5 years. Assignment value determined on this fixed term assumption is not to the benefit of the Port. The Port may consider revisiting structure at time of next letting process. Also, amounts being proposed may place expenditure above procurement limits requiring Attorney General involvement pursuant to Public Law 30-157. This following provides a better picture of the financial impact using 2009 throughput activity:

	Barrels	Management Fee	Proposed (Port to pay Tristar)
Import	4,680,960	\$360,433.90	\$748,953.60
Export	12,805	\$ 486.59	\$ 1,024.40

Mr. Nelson mentioned that during committee discussions it was concluded that no further consideration to be made to this request until such time staff completes the review of all provisions of the management agreement related to maintenance, both ordinary and extraordinary; staff was directed to take proactive approach to enforce provisions of the service agreement, to include both establishing and enhancing relationships with regulatory agencies that have oversight of the pier operations; and level of expenditure resulting from proposed must also be channeled to Mr. Guevara considering that at request was not foreseen this fiscal year.

2. Sunbay Corporation – Effective termination of the existing agreement with Sunbay Corporation is September 22, 2010. In the meantime, Sunbay submitted a letter on August 9, 2010 requesting for Board reconsideration of the termination based on protection of employee jobs and lack of action and interest resulting from two prior actions by the Port to place this facility out to bid. Meeting to settle assets is scheduled tomorrow, August 17, 2010. It was recommended to the committee that staff remains of position that to place this facility out to bid with tenant in place will serve only to compromise the solicitation process again. Matter of receivable although of interest and substantial, did not drive this effort. Discussions concluded that it is expected from Sunbay to submit a worksheet on capital expenditures and improvements made to facility to be used to further matter of receivable. No assurances being given other than the need t have available to the Port all the information necessary to make informed decisions. Month to month concessionaire agreement will be revisited consistent with RFP process, and at point receivable is settled.

3. Casamar Guam – Rent discussions have been non-existent for reasons related to their inactivity and local appearance of insolvency. Recent attempts to contact Casamar representative via email. Ms. Malou Marigomen has indicated that she will visit Guam to settle all the issues. The recommendation is to seek authorization for management to forward this matter to legal for purposes of guiding possible termination. At this time, there is no known local representative who may engage the Port on matters related to either the inactivity or rents.

The Chairman said with all the efforts of Commercial staff seeking to engage Casamar, has no objections for management to continue forward with the legal proceedings and possibly taking back the property based on default with current tenant to allow the Port to maximize the usage of such property. The Vice Chairperson asked how many months is Casamar behind on their rent. Mr. Nelson said back in March 2010 Casamar paid rent in the amount of \$38K, but that was the rent schedule amount of last year. This year both parties were to renegotiate for an extended period and address the rent schedule, however, as earlier stated, no local representative known to engage the Port.

4. Civil Action-Consent Decree: Mobil Oil – The Chairman understands that the consent decree had prompted Mobil to notice the Port that it will shut down Area A Tank 4 which is the high producing revenue tanks of the Port that now has implications to port's revenue projections. He advised management to move forward and resolve this issue by reviewing the management agreement as well as exploring other alternatives to get those assets back online.

e. **Procurement Advisory Committee:** Mrs. Alma B. Javier, Procurement & Supply Manager presented the following items.

1. Delegation of Special Assistant Attorney General – Public Law 30-157 as amended, allows the Attorney General to designate one or more Special Assistant Attorney General to serve as legal advisor during all phases of the procurement process that is estimated to result in a contract award of \$500K or more. As you know, the MOA between the AG's office and the Port relative to this mandate has not been finalized as the proposed employee (Attorney) is not available at this time. In the interim, and after consultation with the AG's office having no objections, being proposed is to designate Attorney Rebecca Santo Tomas from Lujan, Aguigui, and Perez Law office as the Special Assistant Attorney General. This will allow the Port to expedite issuance of pending procurement solicitations, i.e. Mobil pipeline construction bid, RFP for IDIQ, A&E Services for other projects, Agana Marina Renovations, etc.

The Vice Chairperson understands that the expected timeline 30-45 days on this temporary assignment pending the relocation of the Deputy Attorney General who is relocating to Guam.

The Vice Chairperson made motion to authorize management to work with the Attorney General's office to designate the Special Assistant Attorney General from Lujan, Aguigui, and Perez Law office on an interim period until such time the Attorney General identifies a new attorney to be assigned to the Port Authority, seconded by Mrs. Lacson. Motion was unanimously approved.

2. Ratification: MOA – Port Authority / Attorney General – The Chairman said the MOA between the Port Authority and Attorney General's office for a specific Assistant Attorney General assigned for port legal matters, and procurement process resulting in an award of \$500K or more, had an amendment made to the agreement as it relates to the funding being made in advance and deposited into a special account so that it complies with the Attorney General's audit requirements for expenditure. He asked whether this arrangement would impact the Port's audit requirements. Mr. Guevara said so long as an amount is identified for the fiscal year with supporting documents it should be sufficient. Mr. Camacho asked the amount for this service. Mr. Guevara said it is estimated at \$105K with benefits included.

The Vice Chairperson made motion to authorize management to move forward with the amended memorandum of agreement between the Port Authority and the Attorney General's office, seconded by Mrs. Lacson. Motion was unanimously approved.

3. Crane Acquisition – Mr. Beery asked whether management was able to have OAE review the specifications. Mrs. Javier replied negatively and said the Crane Strategy committee back then had agreed to hold the procurement process in abeyance pending the award of the PMC for they may propose alternative ideas; however, given the present circumstance with this RFP now at a 'Stay' procurement, the committee will reconsider and look into having OAE review the specifications.

4. Protest Process on Procurement – Typically, when a protest is launched on any solicitation process, the procuring agency is required to cease from moving forward with the bid proposal that is being protested, identified as a Stay Procurement. At the time of the protestor's receipt of the written response they have a right to file an appeal within a 14 day period before the Public Accountability Office. Mr. Camacho asked if appealed, how long does the appellate board have on resolving this issue. Mrs. Javier said the procurement regulation does not provide a specific timeline on the appeals process, but worst case scenario could take years.

f. **Building Facility Committee:**

1. Draft Implementation Plan - Mr. Beery said the draft implementation plan received is very informative and appears to be an updated projection of OAE plans to date. Without objections, Mr. Matt Smith, OAE Consultant said the draft implementation plan is one component of in addition to the preliminary design, drawings, specifications and estimates. This is the piece that provides direction on how MARAD should take with their PMT-EA and implement the program step by step in order to ensure that facility/operations can maintain operations efficiently and that the process unfolds in a way that the timelines are met. He said basically it's a guideline on how to implement the design and construction.

Discussions took place to commence a team building session with representatives of the Port, PB, MARAD, PMT-EA on the port modernization. It was suggested to pose this arrangement at the MARAD conference call held on Fridays.

2. Progress Reports-Task Orders – For Board's information, Mr. Smith said the Progress Report of task orders basically shows the status on anticipated start and end dates on various task orders; completion of certain task orders; grant allocations applied to each task orders.

3. ARRA Tiger II Grant Application – Mr. Camacho asked the status of the ARRA Tiger II Grant Application. Mr. Smith said the deadline to submit the application is August 26, 2010. The Port and PB is working diligently on this application and the final draft will be submitted to the Port this Monday for review.

4. Board of Directors / Management Working Session - The Chairman directed management to arrange a Board of Directors and Management Working Session basically to regroup on matters relating to the port modernization and proposed financial obligation for FY2011.

VI. OLD BUSINESS

- a. **DPW-Seawall Project:** (Item addressed under Reports.)
- b. **Ratification: MOA-Port Authority / Attorney General:** (Item addressed under Procurement committee.)

c. **Financial Approval for Travel – Marine Terminal Management Training Program, Hyatt Regency Jacksonville, Riverfront, Jacksonville, Florida, October 25-28, 2010:** (Item addressed under HR committee.)

VII. NEW BUSINESS

a. **Unclaimed Cargo:** The Deputy General Manager said several communications have been made with Ambyth (agent) on the unclaimed cargo of a Tasman Trader V918, Container CAXU 7226375 & TRIU 0798790 (Casamar Guam). Ambyth submitted a letter to the Port on May 4, 2010 deeming the cargo as frustrated and authorized the Port to proceed with disposal. According to Board Policy Memorandum 2002-11 it indicates that *“on cargo handled over or stored at the Port facilities, the Board may take possession of such cargo and may remove and store the same at the same at the risk and expense of the owner or consignee thereof or may sell the goods at public auction or pursue such other remedies as may be provided by law”*. As a result, management seeks Board direction on either to auction off such items or donate to a non-profit organization.

Mr. Chairman asked what type of cargo and how long has it been unclaimed. Mr. Santos said there is a 40' flat rack that contains a depth wise stretching machine (fish net heating machine) and a 40' container containing machine accessories. This cargo has been unclaimed since October 2009.

Mr. Beery made motion to authorize management to move forward with selling the unclaimed cargo specific to Tasman Trader V918, Container CAXU7226375 & TRIU 0798790, seconded by Mrs. Lacson. Motion was unanimously approved.

b. **Port Week Activities:** Mr. Santos said Port Week 2010 is slated for October 18-22, 2010 celebrating 35 years of serving as Guam's Lifeline. To assist in the success of Port Week, several committees have been established to take lead on a variety of functions and activities which include the Opening Ceremony, Grand Finale, Island Cookout and numerous sporting events. In support of this Port Week 2010, Board approval is being requested to fund these activities in the amount of \$15,000.00. As practiced in prior years, the PAGGMA Association will handle the disbursement of funds to the committees and provide a financial reporting of such funds to the Finance division.

Mr. Camacho made motion to authorize management to fund the Port Week 2010 Activities up to \$15,000.00, seconded by Mrs. Lacson. Motion was unanimously approved.

The Deputy General Manager said normally PAGGMA Association handles the disbursement of those funds and then later provide a financial accounting report to Finance division. She requested for the Board to transfer such funds from Port to PAGGMA to allow the association to handle the disbursements for easier processing.

Motion on the floor was amended to read that management is authorized to fund up to \$15,000.00 to PAGGMA Association for the Port Week 2010 Activities. Motion was made by Mr. Camacho as amended, seconded by Mr. Beery and was unanimously approved.

VIII. PUBLIC COMMENT

- a. **Port Users Group Comment:** None.
- b. **General Public Comment:** None.
- c. **Employee Comment:** Mr. Santos announced that the Government of Guam Labor Day is scheduled for Sunday, September 5, 2010 at 12:00 p.m., Ipao Beach Park. The Port Authority's tent will be located next to GVB office, same as last year. This is being funded by Port employees. He welcomed all to attend.

IX. EXECUTIVE SESSION

RECESSED: Meeting recessed at 7:10 p.m.

RECONVENED: The meeting reconvened at 7:15 p.m.

At this time, the Board went into executive session. Executive Session ended at 7:55 p.m. The Board is now back in regular meeting session.

Board Resolution No. 2010-09

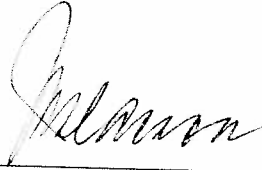
The Vice Chairperson made motion to approve Board Resolution No. 2010-09 relative to recognizing and appreciating the exemplary performance and dedication of Mrs. Vivian C. Leon with the Jose D. Leon Guerrero Commercial Port, Port Authority of Guam, seconded by Mr. Camacho. Motion was unanimously approved.

Items addressed in executive session include Guam YTK, Watts Constructors Civil Case No. CV10-00002 and Performance Management Contract.

1. The Vice Chairperson made motion to authorize legal counsel to proceed with the action as directed in executive session, seconded by Mr. Camacho. Motion was unanimously approved.

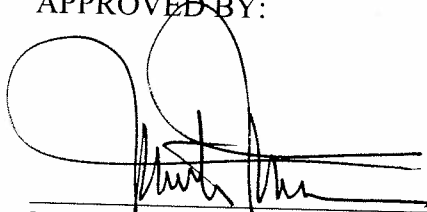
X. ADJOURNMENT

There being no further business to discuss, it was moved by the Vice Chairperson and seconded by Mr. Beery to adjourn the meeting at 8:00 p.m. The motion was unanimously passed.



MARILOU LACSON, Board Secretary, Board of Directors

APPROVED BY:



MONTE MESA, Chairman, Board of Directors

