



**FELIX P. CAMACHO**  
Governor of Guam

**MICHAEL W. CRUZ**  
Lieutenant Governor

**PORT AUTHORITY OF GUAM**  
**ATURIDAT I PUETTON GUAHAN**  
**Jose D. Leon Guerrero Commercial Port**  
**GOVERNMENT OF GUAM**

1026 Cabras Highway, Suite 201  
Piti, Guam 96925



Telephone: (671) 477-5931/35

(671) 477-2683/85

Facsimile: (671) 477-2689/4445

Webpage: [www.portofguam.com](http://www.portofguam.com)

**MINUTES OF THE**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**Thursday, May 20, 2010**

**I. CALL TO ORDER**

There being a quorum, the regular meeting of the Board of Directors was called to order at 5:00 p.m., Thursday, May 20, 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; Lea Santos-Senator James Espaldon's office; Cpt. Thomas Buckley/Henry Fong/Carlos Lukas and Port Management staff.

**II. APPROVAL OF MINUTES**

a. **April 29, 2010:** Before the approval of minutes, the Chairman made correction on page 7, first paragraph, last sentence that should read: "*She mentioned that the changes were made during negotiations with Shell counsel on these minor points, but not on the rent nor the terms. The term is for 5 years with options...*". He mentioned that nothing has changed on the terms or the rent rates. Without further corrections made, Mr. Beery made a motion to approve the minutes of April 29, 2010 subject to correction. The motion was seconded by Mrs. Lacson and was unanimously passed.

**III. CHAIRMANS REPORT**

1. Port Modernization Funding:

a. House Armed Services Committee - Guam Congresswoman Bordallo had announced that the House Armed Services Committee passed the National Defense Authorization Act for Fiscal Year 2011, H.R. 5136. Among others, this provides Department of Defense with authority to transfer operations and maintenance funding to the Governor of Guam

to fund and support local infrastructure needs. The provision expands on the temporary transfer authority that was requested by President Obama for the Port of Guam. The Department of Defense could transfer up to \$500M through Fiscal Year 2017. The bill will now move for full consideration on the floor of the House of Representatives. This is positive news for the Port's modernization program.

b. U.S. Senate Committee on Appropriations – H.R. 4899, provides emergency supplemental appropriations for Fiscal Year 2010, more particularly provides \$50M to the Department of Defense to transfer to the Port of Guam Improvement Enterprise Fund within the Department of Transportation to improve facilities, relieve port congestion and provide greater access to port facilities. Funds in the enterprise fund will be administered by the Maritime Administration.

c. USDA Guaranteed Loan – The \$50M USDA loan is borrowed money and as such will be handled by the Port Authority.

d. OEA Grant Funding Application – Understands there to be another grant funding available under the Office of Economic Adjustment and advised management to ensure compliance in applying for this grant; deadline to respond is June 4, 2010.

#### **IV. GENERAL MANAGERS REPORT**

1. Public Restroom - Board Conference Room – The renovation project of the public restroom adjacent to Board conference room is completed and is available for use.

2. Marina Users Group – First open forum with Marina Users Group was held May 5, 2010 and was well attended by 28 participants. The users were able to voice their concerns and was advised of scheduled projects that are underway as well as the removal of sunken boats.

3. SCSEP Program – The Port participated in the Senior Community Service Employment Program and took onboard Ms. Dolores James on May 10. Ms. James works 4 hours weekdays and is assigned to the Procurement division. This program is federally funded through Department of Labor.

4. MARAD PMT – Contract was signed with Program Management Team – EA Engineering, Science & Technology. PMT-EA will begin to join the regularly held conference call with MARAD on Friday morning.

5. MOU MARAD-USDA – MARAD noted that there will not be an executed MOU between MARAD-USDA relative to the USDA loan funding.

6. OAE: Terminal Development Plan – Recommendation was presented to the Finance committee to allow an additional port staff in the Engineering division to participate in the review of the 30% design in Taipei next week. The Deputy General Manager added that a working session on the 30% design is slated for June 9, 2010. Parties involve includes Port

Management, OAE, MARAD and PMT-EA. This will take place at Sheraton Hotel from 9am – 5pm. She encouraged the members to participate should their schedule permit. Soon after the comment period is completed, the final 30% design will be delivered to the Port by July 1, 2010 and subsequently handed over to the PMT-EA.

7. DoT National Infrastructure Investments (\$600M) TIGER II Discretionary Grant – Planning staff has been task to identify priority projects for this grant application, and at this time it appears that hotel wharf is an ideal area for this purpose. The Chairman asked whether consulting service is necessary. The Deputy General Manager said planning staff is currently working on the ground work of the application. It is being requested of OAE Consultant to provide an estimated cost on technical support. Ms. Dorothy P. Harris, Chief Planner said the preliminary estimate relative to hotel wharf repair and upgrades is \$15M (\$30K per lineal foot at 500LT). Additionally, about 7% of the construction cost provides for preliminary design work, environmental compliances, and surveys; resulting in a total application cost of \$16.05M. This grant requires a 20% matching fund from the applicant which amounts to \$3.21M at direct cost to the Port.

8. Public Law 30-100 – Attempts are being made to extend the Port’s report back to the Legislature regarding its efforts to secure grants and similar funding from June 2010 to September 2010 relative to its port modernization.

9. Port Users Group-Acquire Mercator International Services – On May 19, 2010, the Port received notice that Port Users Group acquired the services of Mercator International to study the cost impacts and efficiencies of a ‘wheeled operation’ versus a ‘grounded operation’. Users Group felt it important that Port place emphasis on maximizing chassis stalls for a wheeled operation while having the ability to flex into a grounded operation should the need arise.

The Chairman commented that the consulting services of Mercator are at the sole expense of the Port Users Group and advised management to assist accordingly.

10. USCG Notice-AZUMA Boat – The Port received letter of warning by the United States Coast Guard relative to the AZUMA boat at the Agat marina as it poses an environmental hazard. There is a slip fee arrears of about \$21K. The owner Mr. Hieo Nokaha has since passed on which is now being handled by his wife. There are several individuals who claims authority of the asset to transact the sale of the boat, but no legal document to affect this claim has materialized. Management had made contact with Nokaha’s attorney (Atty. Terrence Brooks) on the concerns of the asset to determine best course of action. In the meantime, management is working with the following options: 1) ownership claim produce supporting legal documents to the asset, pay the arrears and immediately remove the AZUMA from slip; 2) seek USCG assistance to remove the asset in order to be in compliance; or 3) look into specialty services to remove petroleum products from the vessel.

Mr. Camacho said regardless of course of action, management should pursue the estate to pay the arrears. The Chairman asked what the findings of the USCG were. The General Manager said upon inspection of the USCG, it was found that there is evidence of hazardous

materials that remain on the asset, such as gas, oil that may leak into the water. If leakage occurs, the Port will be assessed a penalty fine of \$25K per day. The Deputy General Manager said USCG is requiring the Port to submit a plan of action within ten days to resolve the removal of petroleum products on such vessel. Mr. Camacho advised management to remove the petroleum/liquid products in order to not be subjected to the USCG fine and ensure collection of slip fees. There were no objections.

At this time, the Chairman noted the presence of interested parties to the AZUMA boat, and advised such parties to schedule separate meeting with the General Manager to further address this concern. Individuals include: Cpt. Thomas Bukley, Henry Fong and Carlos Lukas.

## V. REPORTS

a. **List-Federal Grant & Local Funding Program:** The Chairman asked that the format include a 'Notice to Proceed' column and to also remove grants/loan that may not materialize, such as with the \$94K-CMTF Ports & Customs FY 2011 and to include perhaps the \$14M USDA loans for the acquisition of gantry cranes as this will be de-obligated. Without objections, Mr. Camacho advised to not remove the USDA loans on the gantry cranes, pending actual receipt of the DoD \$50M funds transfer to the DoT-MARAD.

The Chairman asked the status of the ANZ/USDA Guarantee \$3.5M. The Deputy General Manager said party counsels are still reviewing the contract provisions and upon completion it will be forwarded to the Attorney General's office for final review pursuant to Public Law 30-72. Mr. Camacho asked what is taking so long. He expressed concern that the Port is out-of-pocket \$3.5M on this equipment acquisition and the cash position of the Port is down. He pointed out that this needs to be finalized expeditiously. Legal Counsel said both party counsels are currently reviewing the content of the loan contract and believes this review to be finalized soon. The Chairman said this item is critical and should be completed soonest because as noted by member Camacho the Port has covered the expense for this acquisition which in turn affects the port's cash flow. After some discussion, Mr. Camacho expressed disappointment toward management about how it has taken over a year to close this contract loan. He voiced his concern that \$3.5M is not to be taken lightly and as it stands now, such amount is over half of Port's cash on hand. Mr. Camacho does not understand the holdup of this issue and directed management to aggressively pursue this transaction and expedite its completion. The Chairman said the point to management is made clear and to fast track this process. The Deputy General Manager understands the direction of the Board and will make every attempt to expedite this matter; however, there are extenuating circumstances and request that this be further explained offline. Mr. Camacho had no objection.

At this time, Mr. Camacho referred the members to a financial report that tracks actual funding sources of the port modernization projects. The report identifies funding sources from OEA, OIA, FHWA – receivables/payables relative to task orders for the port modernization in progress. Total amount include: Funding Source at \$8.933M, Port at \$1.926M, and 'Others' at \$838K; resulting in an overall total of \$11.699M. Mr. Camacho pointed out that this report is simply meant to help understand port cash position relative to committed funds. Upon review,

discussions took place on the following: secure EDA monies under MARAD; change 'Others' to 'Unfunded'; include EDA column on financial report; OAE's responsibilities is a separate issue; certain task order funding source shown appears to be mis-categorized; over commitment based on funding sources; OEA \$3.411M shows funds committed, does that amount encompass the 30% design; understanding format of OAE's tracking of task orders against funding source; appears report addresses actual invoices/expenses, however, OAE has a broader report that outlines all task orders and funding source activities.

As to the concerns of the Board, management was advised to pursue EDA grant \$2M under MARAD to help defray port cost on modernization projects where appropriate. Re-emphasize Port letter to MARAD dated May 13, 2010 relative to EDA grant. Arrange for OAE Consultant to explain before the Board the grant allocation spreadsheet for better understanding of the funding source/funding applied to OAE task orders on port modernization projects. Additionally, look to acquiring Financial Management personnel via OEA grant to assist in the tracking of port modernization funds: task orders, loans and port enterprise fund. This is to be coordinated with Mr. Gary Kuwabara, OEA.

c. **Operation Productivity Reports:** The Operations Productivity Report of April 2010 was for Board's information. Mr. Joe Ulloa, Terminal Superintendent presented a new report 'Vessel Chassis (Inbound) Count Report'. He mentioned that this report tracks the carriers' availability of chassis during operations and as shown there are shortages of chassis to support wheeled operations. The Chairman said from the period of January-May 2010 the report reflects and confirms that if there is going to be a smooth transition of a wheeled operation, the carriers need to ensure that there is sufficient amount of chassis to support this type of operation. Mr. Camacho asked at what point it becomes a problem for the Port when there is a shortage in chassis. The General Manager said it becomes a problem when the carriers want containers on wheels, but does not have the capability for this type of operation. When the carriers bring in twice as much of container cargoes and does not measure up against the current amount of chassis, this creates a problem based on volume, and they would have to increase their chassis if they expect to be on wheeled. The Chairman understands that the contention of the carriers is that they prefer a wheeled operation after construction of the terminal yard and will invest on a one-to-one to ensure the wheeled operation continues, however, based on this report shows chassis shortage. Mr. Camacho mentioned that the approach should be balanced in order to effectuate an efficient and productive cargo operation. The Deputy General Manager said the Operations Manager has ideas as to the mode of operation in the terminal yard and will advise him to share these ideas with the Board upon his return from off-island. The Chassis Report is to be a continuous report for the Board.

Other items under Report were for board's information.

**Committee Reports:**

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

Mr. Camacho said the Financial Affairs Controller was instructed to resolve the water usage issue as this is an ongoing matter. He mentioned that this is one other concern and understands there to be a leakage somewhere in port property. Mr. Camacho expressed once again as to why it has taken this long for management to resolve these issues. Port monies are being spent on water usage in the sum of \$664K which is 69% over budget due to water leakage in port property and this matter is not being pursued aggressively by management to resolve it. This is a lot of money that is costing the Port, so how can it not be fixed immediately. The Deputy General Manager said management and GWA are working together to install a deduct meter that will determine actual water consumption of only the Port because currently there is a master meter being used for cabras island. The deduct meter will also enable the Port to identify where the water leakage is coming from. Management was advised to resolve the water utility with GWA and get deduct meter installed. In the meantime, management should begin the procurement of professional services to detect/locate water leakage on port properties.

Mr. Camacho said the Finance committee met on May 19, 2010 and addressed the following.

1. RFP-Tariff Review – Management to request the Public Utilities Commission to allow the Tariff Consultant to precede with its study once the contract has been signed.

2. New Vessel Voyage-HUBLine – Report made on new shipping company, HUBLine that will be servicing Guam, Hong Kong and Manila. The agent for the company is paying the Port for the estimated operations before each vessel arrives and is also required to submit a letter of credit.

3. Travel Request – Allow for Engineer II to participate and review the consultants 30% design documents in Taipei. This is to ensure that all facility definition components are addressed in the design. Mrs. Lacson made motion to approve travel authorization request at \$3,522.86 for the Engineer II to participate and review documents with the Port's OAE Consultants on the 30% Design of the Terminal Development Plan in Taipei on May 22, 2010, seconded by the Vice Chairperson. Motion was unanimously approved.

4. 185 CFM Compressor Portable – As a cost savings measure, it was recommended that instead of renting this equipment, the Port would like to purchase and own a portable compressor equipment that is used regularly in the maintenance operation. Rental of said equipment averages from \$26K to \$30K each year. Mr. Beery made motion to authorize management to purchase a 185 CFM Portable Air Compressor up to \$20K to repair port equipments and facilities, subject to identifying funding source. Motion seconded by Mrs. Lacson and was unanimously approved.

5. 8 Desktop Computers – Recommendation is to replace old Gateway computers that are irreparable. There are several employees who are current users of the old Gateway computers that is 11 years old. Continued use is not reliable due to its age and will be phased out in the near future. Purchase of new desktops is necessary so that financial production and efficiencies are not disrupted. Mr. Beery made motion to authorize management to purchase

eight (8) Desktop Computers for \$13,880.00, seconded by Mrs. Lacson. Motion was unanimously approved.

6. Pay Grade Reassignments – Recommendation is being made to approve the pay grade reassignments to take effect May 25, 2010. The pay grade adjustment needed amounts to \$3,500.00 for the remainder of the pay period in Fiscal Year 2010. This item will be further addressed by the HR Committee.

b. Maintenance/Equipment Committee: The Chairman asked to ensure the numbers on the maintenance report is tallied and carried over correctly from previous report. Include budgeted amount line item to track maintenance cost is within budget.

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

1. Budgeted Position Filled – Two Port Police I positions, Port Police division were filled as well as an Administrative Officer for the Maintenance Department. These positions were either vacated based on resignation, retirement or transfer.

2. Pay Grade Reassignments and Amendment to Job Specification - As directed at the previous meeting, the committee presented the positions affected for the pay grade reassignment to the Finance committee to determine the financial impact. As mentioned earlier by member Camacho, the Finance committee recommends approval of the pay grade adjustments for such positions of: Administrative Aide, Buyer I, Buyer II, Facilities Maintenance Superintendent and Mobile Equipment Dispatcher to take effect May 25, 2010. The total financial impact is \$3,500.00 for the remainder of this fiscal year. This matter is now being presented before the Board for approval. As to the Mobile Equipment Dispatcher position, although inclusive in the \$3,500.00, the HR committee will further present to the Board at its next meeting for authorization to begin the transparency process.

Mr. Beery made motion to approve the pay grade reassignments for the positions of Administrative Aide, Buyer I, Buyer II, Facilities Maintenance Superintendent and Mobile Equipment Dispatcher, totaling \$3,500.00 for the remainder of the pay period in fiscal year 2010 which will take effect May 25, 2010. Motion was seconded by Mr. Camacho and was unanimously approved.

3. Jose D. Leon Guerrero-Apprenticeship Program – There are 23 employees enrolled and about 7 that have less than a semester to complete their programs. The Apprenticeship Program with the Port was approved and is recognized by the Office of Apprenticeship, United States Department of Labor. Mr. Alfred B. Valles, State Director, Hawaii/Pacific Area will arrive on island on June 15, 2010 to review the standards and to ensure the program is in compliance with CFR Parts 29 and 30.

4. OSHA Trainer Course for Maritime Industry – The Port's Compensation Plan requires that all Certified, Technical and Professional positions at the Port must successfully complete a Marine Terminal and Longshoremen certification requirements as it relates to

Occupational Safety and Health in all aspects of their duties and responsibilities. As such, Mr. Francisco C. Roberto, Safety Administrator is being nominated to attend the OSHA 5400 Maritime Train-the-Trainer Education Program in San Diego California from June 21-24, 2010. Travel accommodations amounts to \$3,702.46.

The Vice Chairperson made motion to approve travel authorization request at \$3,702.46 for the Safety Administrator to attend the OSHA 5400 Maritime Train-the-Trainer Education Program in San Diego, California from June 21-24, 2010. Motion was seconded by Mr. Beery and was unanimously approved.

5. Performance Management Tool-KPI's – Management met with Mr. Alan Searle on May 13, 2010 to address his review of the key performance indicators. Mr. Searle offered to prepare the policies and procedures for the performance management tool at no cost to the Port.

d. **Property Leasing/Port Development Committee:** As directed at the previous board meeting, counsel parties have finalized the lease agreements relative to the Shell / IP&E pipeline easement agreement and F-3 lease. This item is now being presented before the Board for approval. Mrs. Lacson made motion to authorize management to proceed forward in executing the Pipeline Easement Agreement (New GEDA Easement) and Lease Agreement (F-3 Pier) with Shell Guam, Inc., seconded by the Vice Chairperson. Motion was unanimously approved.

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

1. Current Proposals - Solicitation Process

- i. Request for Proposal:
  - PMC for the Management of Cargo Terminal Operator and Maintenance of Cargo Handling Equipment
  - Comprehensive Tariff Study
  - Creative Design, Production and Event Coordination Services
  - Drug Free Workplace Program
  - Insurance Brokerage Services
- ii. Invitation for Bids – Construction:
  - Design/Build for Hagatna marina Dock Repairs
  - Hagatna marina Renovation and Site Improvements – Phase I (Relative to Sheet Pilings)

2. Guam YTK-Third Arbitrator Services – Pursuant to the Procurement Rules and Regulations, Section 3112 – Sole Source Procurement, it was determined that there is only one source for the required services for a neutral third arbitrator to serve on the arbitration panel to resolve the dispute relative to the development and lease agreement executed between the Port Authority and Guam YTK Corporation. Based on this determination, the Port will be procuring such services through sole source procurement because the selection of the third



arbitrator would be made by the arbitrator appointed by the Port and Guam YTK. There is only a single firm that is available to provide such services. Therefore, the Port would like to engage the services of Atty. Ed Han as the third arbitrator. The hourly rate negotiated is \$200/hour which will be a shared cost between the Port and Guam YTK.

The Vice Chairperson made motion to authorize management to execute sole source procurement for the third arbitrator services of the arbitration process for the Guam YTK case, seconded by Mr. Beery. Motion was unanimously approved.

3. Crane Acquisition-Public Law 30-100 – Public Law 30-100 mandates the Port Authority to acquire two gantry cranes by December 31, 2012. Having said this, the Crane Strategy Team prepared a report identifying pros and cons concerning the gantry crane acquisition which has been shared with the Board. The following options include: 1) purchase new gantry cranes, 2) purchase POLA cranes, or 3) purchase refurbished cranes. The recommendation of the crane strategy team is to purchase new gantry cranes. Mr. Beery asked whether the Port would consider alternate bids so that the information is readily available. He mentioned that an alternate bid does not preclude the Port from acquiring new cranes, but rather provide for an opportunity to know what the cost is for used cranes. Mrs. Javier recalled this discussion with member Beery in a prior meeting to factor into the bid process an alternate bid that allows the vendor to propose a new crane and a refurbished crane. However, at this point, the team is leading towards acquiring a new crane, although however, not eliminating this alternative in the process. The Chairman mentioned that both scenarios can be considered by purchasing a new crane and refurbished crane. The General Manager said over the years the Port has never acquired a brand new gantry crane and it has cost the Port a lot of money on maintenance for used cranes. The POLA cranes is like any other used crane that has been refurbished and is already encountering problems and five years from now, those problems and conditions of the cranes would only worsen. The General Manager said this is a golden opportunity for the Port to purchase brand new cranes as it would be more reliable. Mr. Camacho recalled the difficulties in the Port procuring new gantry cranes and advised to ensure that this time around it be done properly, perform the research and make sure the bid goes out with the proper amount.

Mrs. Lacson made motion to authorize management to proceed in the procurement process of acquiring a brand new gantry crane and allowing for alternate proposal for a refurbished crane, seconded by Mr. Beery. Discussion followed and Mr. Camacho said the master plan on Phase 1A is at \$100M and Phase 1B at \$106M. He understands that the crane acquisition was included in Phase 1B which is scheduled to start by 2012, and the monies secured for Phase 1A does not include the purchasing of cranes, so will there be funding available should the procurement process of the cranes begin. The Chairman said the port will generate the revenues to purchase the cranes and also the port master plan modernization totals \$206M, so there is allocation for crane and equipment, therefore funding should not be an issue. Mr. Camacho expressed this concern only to ensure that funding will be available. The General Manager said management has considered the timing on the crane acquisition in that the bid proposal will be issued, purchased by 2012 and have it manufactured and brought to the Port by

2014. Mr. Beery mentioned that finding out the cost of the crane sooner than later might be beneficial, because the actual construction cost of Phase 1A will be determined soon.

Without further discussion, the motion on the floor was voted on and was unanimously approved.

In relation to this matter, Mrs. Javier presented differing procurement processes of the crane acquisition which include:

Option 1: Purchase and Delivery – Outright Purchase

- Issue RFP to design tie downs
- Issue bid for Construction Management services to oversee manufacturing, delivery, installation, tie downs, site preparation
- Issue bid to demolish Gantry 2
- Acquisition of the cranes

Option 2: Construction Bid

- Includes construction work, site preparation, installation, demolition/disposal of Gantry 2, civil and construction work for the tie downs
- Upgrade Crane System – includes acquisition, delivery, installation; specifications will include warranty requirements, certification process, load testing, training of personnel, etc.
- Includes deductive bid for the trade-in of the Mobile Harbor Crane
- Includes deductive bid for the sale of metal scrap from demolition of Gantry 2
- Includes alternate bid for vendor to bid for refurbished crane and new crane

Mrs. Javier said Option 1 includes a four-step procurement process, while Option 2 includes a two-step procurement process (A&E Design/Construction Management Services and Construction Bid to Upgrade the Crane Port System).

Mr. Beery made motion to authorize management to proceed with the brand new gantry crane procurement using the Construction Bid method of the procurement process to include the trade-in of the mobile harbor crane, seconded by the Vice Chairperson. Motion was unanimously approved.

## VI. OLD BUSINESS

a. **Board Ratification:**

1. OAE Task Order No. 16 (Amendment No. 1) – No Cost Scope Change to Aquatic Sampling and Habitat Assessment – The Vice Chairperson made motion to ratify the Owner's Agent/Engineer Task Order No. 16 (Amendment No. 1) – No Cost Scope Change to Aquatic Sampling and Habitat Assessment, seconded by Mrs. Lacson. Motion was unanimously approved.

2. Travel Authorization for Engineering Manager, May 22, 2010, Taipei – Mrs. Lacson made motion to ratify travel authorization request at \$3,476.00 for the Engineering Manager to participate and review documents with the Port’s OAE Consultants on the 30% Design of the Terminal Development Plan in Taipei on May 22, 2010. Motion was seconded by the Vice Chairperson and was unanimously approved.

b. Legislation for Leases: Staff is still working with Senator Tom Ada’s office.

c. Pay Grade Reassignment: Building Maintenance Superintendent; Administrative Aide, Buyer I & II: (Item addressed under HR committee.)

#### VII. NEW BUSINESS

a. Board Resolution No. 2010-05: Tabled, until the next meeting.

b. Travel Authorization Request-Technical Training-OSHA #5400, June 21-24, San Diego, California: (Item addressed under HR committee.)

#### VIII. PUBLIC COMMENT

a. Port Users Group Comment: None.

b. General Public Comment: None.

c. Employee Comment: None.

#### IX. EXECUTIVE SESSION

RECESSED: Meeting recessed at 7:55 p.m.

RECONVENED: The meeting reconvened at 8:10 p.m.

At this time, the Board went into executive session. Executive Session ended at 8:45 p.m. The Board is now back in regular meeting session. Items addressed in executive session include PB Letter of May 17, 2010; Guam YTK and Watts Constructors Civil Case No. CV10-00002.

1. Watts Constructors Civil Case No. CV10-00002 – Mr. Camacho made motion to authorize Legal Counsel to proceed with agreeing to a Stay as discussed in executive session relative to the Watts Constructors litigation (CV No. 10-00002), seconded by Mr. Beery. Motion was unanimously approved.

2. PB Letter of May 17, 2010 – The Vice Chairperson made motion to authorize management to move forward with its due diligence and continue the PMC procurement process on track as recommended by the Procurement & Supply Manager, seconded by Mrs. Lacson. Motion was unanimously approved.

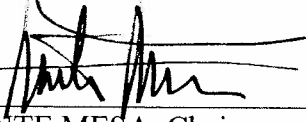
## X. ADJOURNMENT

There being no further business to discuss, it was moved by Mr. Camacho and seconded by the Vice Chairperson to adjourn the meeting at 8:50 p.m. The motion was unanimously passed.



MARILOU LACSON, Board Secretary, Board of Directors

APPROVED BY:



MONTE MESA, Chairman, Board of Directors

\*CORRECTION AS NOTED

