



**PORT OF GUAM**  
ATURIDAT I PUETTON GUAHAN  
**Jose D. Leon Guerrero Commercial Port**  
1026 Cabras Highway, Suite 201, Piti, Guam 96925  
Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445  
Website: [www.portguam.com](http://www.portguam.com)



Eddie Baza Calvo  
Governor of Guam  
Ray Tenorio  
Lieutenant Governor

**MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Thursday, November 17, 2011**

**I. CALL TO ORDER**

There being a quorum, the regular meeting of the Board of Directors was called to order at 11:50 a.m., Thursday, November 17, 2011. Present at the meeting were:

Daniel Tydingco, Chairman  
Michael Benito, Vice Chairman  
Jovyna Lujan, Board Secretary  
Eduardo Ilao, Board Member  
Shelly Gibson, Board Member – *Telephonic Participation*  
Pedro A. Leon Guerrero, General Manager  
Anisia B. Terlaje, Deputy General Manager  
Atty. Mike Phillips, Legal Counsel  
Atty. Rick Bordallo, Co-Counsel

Also present were Jimmy Camacho-Senator Tom Ada's office; Hugh Healey-Horizon Lines; Trish Granillo/Warren Waki-AM Insurance; Jack Mowreader-PMT EA and Port Management staff.

**II. APPROVAL OF MINUTES**

a. **October 27, 2011:** Ms. Lujan made motion to approve the minutes of October 27, 2011 subject to correction. The motion was seconded by Mr. Ilao and was unanimously passed.

b. **November 4, 2011:** Ms. Lujan made motion to approve the minutes of November 4, 2011 subject to correction. The motion was seconded by Mr. Ilao and was unanimously passed.

Without objections and at this time, the members agreed to entertain Board Resolution 2011-13 – Horizon Lines under new business.

1. **Board Resolution 2011-13 – Horizon Lines:** The General Manager presented Board Resolution No. 2011-13 relative to recognizing and thanking Horizon Lines for their contributions and service to the people of Guam and the Micronesia for over twenty years. Mr. Hugh Healey, Horizon Lines General Manager thanked the Board, management and staff for making their operational service possible. He mentioned that Guam is a valuable place for Horizon Lines; however, is unfortunate that due to economic times, headquarters had to make a

difficult decision to halt their service route to Guam. Mr. Healey expressed gratitude to the Port Authority of Guam for making Horizon Lines a success in Guam.

The Board members thanked Horizon Lines for their services, support and relationship to the people of Guam.

### III. OLD BUSINESS

1. **Financial Report:** The financial report for the months of September and October 2011 was presented to the Board for information.

2. **Insurance Report:** The insurance report for October 2011 was presented to the Board for information.

3. **Procurement Report:** Mrs. Alma presented the following projects:

a. **RFP No. 10-003 PMC:** Currently in the appeals process, Superior Court.

b. **IFB-CIP-12-001 Port Container Yard Lighting:** Issued bid announcement on November 10 with bid opening on November 29; thereafter evaluation by December 5. Contract award prior to December 31, 2011.

Other projects for this fiscal year includes: maritime & port security operation center; independent auditing services; TOS development/integration services; command & control integration system; and generator & mobile x-ray container inspection system.

Relative to the container yard lighting project, Mr. Ilaio made motion to authorize the General Manager to proceed forward with the procurement process for IFB-CIP-12-001 Port Container Yard Lighting for Board ratification at its next Board meeting. Motion was seconded by the Vice Chairman and was unanimously approved.

4. **List – Federal Grant / Local Funding Programs:** Ms. Dorothy P. Harris, Chief Planner provided the list of funding programs and noted two additional items: 1) \$850K from the Office of Economic Adjustment for OAE Support Services of which the Port has received notice of award; and 2) application submission of the US Department of Transportation Tiger III Program in the amount of \$23M plus. She mentioned that management has prepared a draft letter to Congresswoman Bordallo requesting support assistance to the Port's Tiger Grant application submission. The Chairman asked that the letter be prepared for all Board signatures.

5. **Port Modernization Program – Implementation Plan:** At this time, the Board recognized the presence of Mr. Jack Mowreader, PMT-EA and allowed him to speak. Mr. Mowreader mentioned that he just received direction from MARAD this morning to start the environmental documentation process for the upland work and small repairs on the waterfront. PMT-EA is proceeding with the geo-technical evaluation and a session is scheduled for November 18 involving representatives from PMT-EA, OAE and ABAM identifying all the

agreeable/disagreeable areas on the technical aspect of F4 and F6 piers. The Vice Chairman understands work is also being made to the scope of work Port, MARAD and PMT-EA have agreed upon. Mr. Mowreader said that is correct; however, the first step is to get the environmental documentation completed. He said any work on the waterfront will be disruptive to the uplands area, so there is a need to sort out what needs to be done first on the upland areas. Work on the waterfront area cannot be performed without having adequate workspace on the uplands. Mr. Mowreader mentioned that direction has yet to be received from MARAD headquarters to start on that.

The Chairman asked the timeframe for the environmental assessment to be completed. Mr. Mowreader said about 90 days. Ms. Gibson commented that is an aggressive timeframe. Ms. Lujan asked whether it is different from the chart schedule provided by PMT-EA showing latter part of next year for the completion of the environmental work and then 90% design completion by May 2012. Mr. Mowreader stated it is different because the schedule incorporates in-water work. He clarified the 90 day period is for the review/revision process of the environmental documentation already in place, but until then PMT-EA does not have a task order in place at this time. Ms. Lujan asked whether the approach is to address the environmental documentation for both uplands and in-water work. Mr. Mowreader said the approach is to perform those areas separately. He further stated the uplands work first, but concurrently working towards the geo-technical evaluation, and then work towards a more in-depth, as appropriate, on the waterfront repairs. He said he will submit a proposal to MARAD in order to generate a task order which should take about two weeks.

Ms. Gibson requested that after the geo-technical session, the Board is provided with a timeline schedule that includes publication, construction, and so forth. Mr. Mowreader said as soon as he submits the proposal to MARAD which will include the timeline for performance and expectations, he should then be able to provide information to the Board.

6. **Program Management Manual:** Mr. Ilaio said an inquiry was made with Mr. Brian Varney-MARAD on the status of the program management manual. Mr. Varney had indicated that he will follow-up with MARAD headquarters and provide feedback to the Board.

7. **PAG 09-001 Owner's Agent/Engineer Consultant Agreement – Third Option Year:**
8. **Task Order No. 28-10 – Project Management:**
9. **Task Order No. 34 – Public Involvement:**
10. **Task Order No. 35 – OAE Support Services:**

Without objections, the Board agreed to table items 7 thru 10 for discussion in a Board and management working session.

11. **Collection Services:** The Chairman advised the Deputy General Manager to work with Finance and Commercial divisions to explore other options and alternatives on collection services and look into a template that provides provisions that safeguards the Port.

12. **Recent Legislation:**  
a. **Cranes:**  
i. **Negotiating Team**  
ii. **Consultants Report**

The Chairman understands that Bill No. 336-31 has passed the Legislature and is now before the Governor for action. This measure expands the options for the Port to enter into negotiations for the acquisition of the POLA cranes owned by Matson and Horizon Lines by next year as mandated by Public Law 30-100. Also contained in this legislation is the appointment of a negotiating team authorized to engage in negotiations with the Carriers. The General Manager added that prior to negotiations the consultants' report should be completed by December 16, 2011 on the assessment of the POLA cranes.

b. **Balanced Modernization:** The Chairman said the Legislative Resolution No. 254-31 was adopted by the Legislature on November 8, 2011, relative to the affirmation of a "balanced modernization," as it relates to phase 1A of the Port Modernization Program, and resulting sustainability and economic vitality of the commercial port of Guam. This resolution expresses similar sentiments of this body.

c. **Liquid Fuel Tax:** The Chairman understands that Bill No. 279-31 relative to eliminating the tax exemption on liquid fuel transshipped through Guam did not pass the Legislature; therefore, discussion on this item is not necessary.

#### IV. NEW BUSINESS

The members agreed to first entertain item 3 under new business.

3. **Executive Order No. 2011-14 – Relative to Freezing Salary Increases for all Government of Guam Executive Branch Employees / Reorganization Advisory No. 7:** The Chairman expressed that as a government entity these are difficult times that are shared by all government of Guam agencies. The Vice Chairman said there is no doubt port employees deserve a salary increment; but in looking at increasing the port tariff; developing the Port through the modernization program and Port share of those costs; and complying with the financial conditions of the government of Guam is not always pleasant, but in these difficult times, it is necessary.

The Vice Chairman made motion to comply with Executive Order No. 2011-14 relative to freezing salary increases for all government of Guam executive branch employees, seconded by Mr. Ila. Motion was unanimously approved.

2. **Board Resolution 2011-14 – Board Member:** The Chairman said during the transition of this administration, the Governor wanted to ensure there was continuity in policies and direction of the Board and the Port Authority. He appreciated Director Lujan for accepting the challenge and offered to stay on board. Director Lujan was recognized for her immense knowledge of the Port, its developments and keeping the direction of the Port moving forward

with its modernization, projects and programs. On behalf of the Board and management, the Chairman expressed a word of gratitude to Director Lujan for her efforts, dedication and passion throughout her tenure as a Board member to the Port.

The Vice Chairman thanked Director Lujan for sharing the knowledge on issues and developments presented to this body and for also providing historical information on the direction the Port is pursuing with its modernization program as well as on other matters.

Ms. Lujan said it is reassuring to know this Port is getting closer to being modernized from what it was before. She stated it was a challenging journey to get where it needed to be and very appreciative of being part of that journey despite the obstacles that were presented before us and is confident the Port is in good hands. Ms. Lujan said the Agency is very important to the welfare of the island and it is important to continue with open communication, investment for developments, relationship with tenants and customers, and alliance with local and federal government entities. She encouraged management and staff to aggressively continue to submit grant applications and pursue other resources to help support and develop the Port. Ms. Lujan said although her term is to expire this month, she is available to the Board, management and staff when the need arises. She expressed gratitude of thanks to the Board, management and all port employees for their support throughout her tenure as a Board member. It has been an absolute pleasure and privilege to work with everyone.

The Vice Chairman made motion to adopt Board Resolution No. 2011-14 relative to recognizing and appreciating Ms. Jovyna S.A. Lujan for her contributions and service to the Port Authority of Guam as a member of the Board of Directors from May 6, 2006 to November 21, 2011. Motion was seconded by Mr. Ilao and was unanimously approved.

#### **V. PUBLIC COMMENT**

No public comments were made.

#### **VI. EXECUTIVE SESSION**

**RECESSED:** Meeting recessed at 1:35 p.m.

**RECONVENED:** The meeting reconvened at 1:40 p.m.

At this time, the Board went into executive session. Executive Session ended at 2:40 p.m. The Board is now back in regular meeting session.

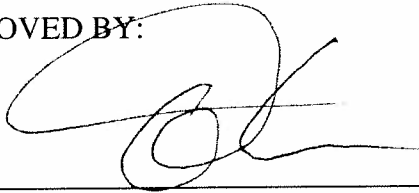
Items addressed in executive session includes: IP&E; Guam YTK; GFT Union; Performance Management Contract and Tristar.

## VII. ADJOURNMENT

There being no further business to discuss, it was moved by Mr. Ilao and seconded by Ms. Lujan to adjourn the meeting at 2:40 p.m. The motion was unanimously passed.

*for* *Joseph Michelle Glin*  
JOVYNA S.A. LUJAN, Board Secretary, Board of Directors

APPROVED BY:



DANIEL J. TYDINGCO, Chairman, Board of Directors

