



PORT OF GUAM
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Lourdes A. Leon Guerrero
 Governor of Guam
Joshua F. Tenorio
 Lieutenant Governor

REGULAR MEETING OF THE BOARD OF DIRECTORS
 Jose D. Leon Guerrero Commercial Port
 Thursday, June 5, 2025
 Virtual Board Meeting
 3:00 p.m.

A G E N D A

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES
 - 1. April 30, 2025 – Regular Board Meeting
- III. PUBLIC COMMENTS:
 - a. Public Comments
 - b. Employee Comments
 - c. PAGGMA Association
- IV. GENERAL MANAGER’S REPORT
- V. OLD BUSINESS
 - 1. Request for Creation of Position – Tariff Technician I, Tariff Technician II, and Tariff Technician III (motion to approve the transparency and disclosure processes as outlined in Section 6303(d) of Title 4, Guam Code Annotated and Rule 5.015 of the Port’s Personnel Rules and Regulations).
 - 2. Abolishment of the Maintenance Manager and Equipment Maintenance Superintendent positions under the Port Authority of Guam’s classification and compensation plan, as a result of the succession plan adopted in Board Resolution No. 2024-15 by the Port Board of Directors (motion to approve the transparency and disclosure processes as outlined in Section 6303.1 of Title 4, GCA and Rule 4.200 of the Port’s Personnel Rules and Regulations.)
- VI. NEW BUSINESS
 - 1. Adoption of Board Resolution No. 2025-18 relative to approving the creation of Tariff Technician I, Tariff Technician II, and Tariff Technician III positions in the classified service as authorized in Section 6303(d) of Title 4, Guam Code Annotated and Rule 5.015 of the Port’s Personnel Rules and Regulations.
 - 2. Adoption of Board Resolution No. 2025-19 relative to approving the abolishment of the Maintenance Manager and Equipment Maintenance Superintendent positions under Port Authority of Guam’s classification and compensation plan as authorized under Title 4, GCA, Section 6303.1 and Rule 4.200 of the Port’s Personnel Rules and Regulations.
 - 3. Adoption of Board Resolution No. 2025-20 relative to requesting approval to set aside available funds to pay down outstanding 2018 revenue bond, reduce future debt service costs, improve debt service ratio, and enable immediate bond borrowing.
- VII. ADJOURNMENT





**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, April 30, 2025**

I. CALL TO ORDER

The Chairperson called the regular meeting of the Board of Directors to order at 3:10 p.m., Wednesday, April 30, 2025. Present at the meeting were:

Dorothy P. Harris, Chairperson
Conchita S.N. Taitano, Vice Chairperson
Fe R. Valencia-Ovalles, Board Secretary
Rory J. Respicio, General Manager
Dominic G. Muna, Deputy General Manager, Operations
Pacifico R. Martir, Deputy General Manager, Admin/Finance
Atty. James L. Canto, Port Attorney

Also present was Cecile Suda-Senator Jesse Lujan's office and Port Authority Staff.

II. APPROVAL OF MINUTES

a. **March 27, 2025 – Regular Board Meeting:** Director Valencia-Ovalles made motion to approve the minutes of March 27, 2025, subject to correction. The motion was seconded by the Vice Chairperson and was unanimously passed.

III. PUBLIC COMMENTS

- a. **Public Comments:** None.
- b. **Employee Comments:** None.
- c. **PAGGMA Association:** None.

IV. GENERAL MANAGER'S REPORT

1. **Third Cruise Ship Arrives to Guam.** The Port welcomed the arrival of its third cruise ship on March 31, 2025 - the Le Soléal. The vessel, having come from Yap, brings with it 136 passengers and 159 crew members. The arrival of Le Soléal highlights the growing appeal of Guam as a premier destination in the cruise industry. Each cruise call not only contributes to our local economy but also gives us the opportunity to showcase Guam's unique culture and warm hospitality to international visitors. I also want to commend our dedicated Port employees, whose hard work and coordination make it possible to safely convert our busy container yard into a secure terminal for every cruise ship arrival. The Port Authority of Guam remains committed to supporting the tourism industry and ensuring smooth, efficient operations for visiting passenger vessels. Currently, four additional cruise ships are scheduled to arrive this year, including the Seabourn on September 12, Villa Vie Odyssey on October 13, Asuka III on December 30, and Mitsui Ocean Fuji on December 31, 2025.



2. **EQMR Employees Receive Aerial Lift Training on New Telescopic Boom.** The Port continues to prioritize workforce safety and operational readiness with specialized training for employees of its Equipment Maintenance and Repair (EQMR) Division. Training began on March 26, 2025, EQMR personnel participated in a comprehensive Aerial Lift Certification Training conducted by Island Certs, a certified safety training provider. The hands-on session was held at the Port and focused on the proper use and safety procedures for the agency's newly acquired telescopic boom lift. The training is part of the Port's ongoing efforts to ensure that all equipment operators meet industry safety standards while maximizing the capabilities of the agency's upgraded fleet. Investing in both equipment and employee training is key to strengthening the Port's resilience and operational efficiency. This new telescopic boom enhances our capabilities, and with this training, our team is fully equipped to operate it safely and effectively. Employees underwent instruction on inspection protocols, safety harness use, maneuvering techniques, and emergency procedures—reinforcing the Port's commitment to a safe and skilled workforce. The addition of the telescopic boom and the certification training represent another step in the agency's broader initiative to modernize infrastructure and enhance employee proficiency across all divisions.

3. **Port Police and Guam Fire Complete Maritime Safety Training.** In collaboration with the United States Coast Guard, the Port held a recognition ceremony on March 28, 2025, to honor Port Police Officers and Guam Fire Department personnel who successfully completed the Boat Crew Member Course, a nationally recognized maritime training program. The course, delivered under the standards of the National Association of State Boating Law Administrators (NASBLA), is a 5-day, 35-hour training designed to enhance the knowledge and skills of maritime first responders. The U.S. Coast Guard conducted the training and it includes instruction in vessel handling, crew coordination, safety procedures, search and rescue operations, emergency response, and maritime law enforcement support. The training is a critical part of strengthening Guam's maritime safety network, especially given the island's strategic location and reliance on marine transportation. By completing this rigorous program, participants are now better equipped to respond to emergencies and carry out complex operations in support of port security and public safety. This training represents a proactive step toward building a more capable and resilient force on our waterfront. We are grateful for the continued partnership with the U.S. Coast Guard and for the dedication of our Port Police and Guam Fire personnel who continue to raise the bar when it comes to maritime readiness.

The following Port Police Officers were recognized for their successful completion of the course:

- Police Officer II Michael Franquez
- Police Officer II Jonathan Aguon
- Police Officer II Reggie Rechebong
- Police Officer II Christopher Fruge
- Police Officer I Gage Michael Santos
- Police Officer I Kyler Candoleta

The Boat Crew Member Course aligns with national standards used by maritime agencies across the U.S. and its territories. This is the latest example of the Port's ongoing commitment to professional development, interagency collaboration, and ensuring the safety of Guam's only commercial seaport.

4. **Port's CIP Division Completes CPR/AED Certification Training.** Members of the Port Authority of Guam's Capital Improvement Projects (CIP) Division recently completed CPR and Automated External Defibrillator (AED) certification training, equipping the team with essential life-saving skills and reinforcing the agency's commitment to workplace safety and emergency readiness. The training was conducted by Frank Lujan of the Port's in-house Training Division and covered emergency response procedures, hands-on CPR, and the proper use of AED devices during cardiac emergencies. The safety of our people—both in the office and out in the field—is always our top priority. This training ensures that our staff are not only prepared to deliver on critical infrastructure projects, but also ready to respond in the event of a medical emergency. The CIP Division plays a key role in managing and executing the Port's federally funded capital improvement initiatives. With this training, the division adds another level of safety preparedness to its ongoing efforts to modernize Guam's only commercial seaport. The Port Authority will continue investing in staff development and training programs that strengthen both operational excellence and employee well-being.

5. **Gantry Cranes Pass Federal OSHA Quadrennial Inspection.** The Port Authority of Guam's gantry cranes have once again passed their comprehensive quadrennial inspection conducted by the Occupational Safety and Health Administration (OSHA), reaffirming the Port's operational reliability and commitment to equipment safety. The inspections were completed by Doc Bailey Construction Equipment in March 2025 and all cranes received official OSHA 71 certifications.

While the Port's cranes are certified annually, every four years they undergo a more in-depth OSHA inspection that includes full load testing, structural assessments, electrical systems review, and detailed evaluation of safety features and mechanical components. The inspections involved lifting known test weights of up to 112,000 pounds—well beyond the rated 89,600-pound capacity—to confirm structural integrity and operational performance under stress. Our gantry cranes are essential to the movement of 90 percent of the goods that arrive on Guam, and their performance and reliability are non-negotiable. I congratulate our Equipment Maintenance and Repair (EQMR) Division for their constant attention to maintenance, and for achieving a flawless outcome on this critical inspection. The Port operates three Hitachi BT-RH model gantry cranes—Crane #4, Crane #5, and Crane #6—each with a capacity of 40 long tons. Despite being more than 40 years old, the cranes continue to meet or exceed federal operational and safety standards thanks to the Port's rigorous maintenance and inspection program. Our team works year-round to monitor wear and tear, replace fasteners, address corrosion, and ensure the mechanical systems are performing as they should. These inspections validate that our hard work is paying off and that our cranes are ready to meet the demands of the region.

In addition to mechanical and structural assessments, OSHA inspectors examined over 60 safety-related checkpoints, including emergency cut-off systems, boom hoist brakes, storm locks, gantry drive mechanisms, overload limit switches, cab safety, and electrical conduit integrity. In each case, the Port's cranes met or exceeded regulatory standards, with any identified maintenance needs promptly addressed by the in-house team during the inspection process. The Port Authority of Guam remains focused on sustaining and modernizing its crane fleet to meet future cargo demands while ensuring safety and service continuity for the island's residents, businesses, and military partners.

6. **Port Hosts Bond Finance Team for Site Visit.** The Port Authority of Guam welcomed key representatives from its Bond Finance Team on April 1, 2025, for a strategic site visit and facilities tour in support of ongoing capital improvement planning and financial infrastructure development. The visit began with a morning meeting with Port Management Team, followed by a site tour. The visiting delegation included representatives from PAG's key financing partners:
- Bank of America: Frank Lauterbur, Jeffrey Bower, Craig Dussinger, Bradley Gewehr
 - Morgan Stanley: Aulii Taitano, Margaret Backstrom
 - Guam Economic Development Authority (GEDA): Tina Garcia

The purpose of the site visit was to provide the finance team with a first-hand view of the Port's operational facilities, ongoing projects, and capital improvement priorities, including infrastructure upgrades funded through bond financing. This visit offers our partners a direct look at the scale and significance of the work being done at the Port. It reinforces our shared commitment to transparency, financial stewardship, and strategic investment in Guam's critical maritime infrastructure. The Port continues to execute major initiatives under its Capital Improvement Plan (CIP) to modernize terminal operations, strengthen resilience, and maintain the island's only commercial seaport as a vital hub for both economic activity and national security.

7. **Emergency Repairs to Glass Breakwater Reinforce Port's Operational Resilience.** The Port applauds the early commencement of emergency repairs to the Glass Breakwater in Apra Harbor, a critical infrastructure component that safeguards both military and commercial maritime operations. Led by Naval Facilities Engineering Systems Command (NAVFAC) Marianas, this \$571 million multi-year project began ahead of schedule in late March 2025, marking a significant milestone in enhancing the harbor's resilience. The Glass Breakwater, constructed in the 1940s by the Navy Seabees, serves as a vital barrier protecting Apra Harbor and the Port of Guam from strong waves and storm surges. Damage sustained during Typhoon Mawar in 2023 had compromised its integrity, prompting the U.S. Army Corps of Engineers to classify the structure as "failed." The accelerated repair efforts underscore the commitment to restoring this essential maritime infrastructure. The Glass Breakwater is integral to the Port of Guam's operations, ensuring the safe and efficient movement of goods that are vital to our island's economy. We commend NAVFAC Marianas for their swift action in initiating these repairs, which are crucial for maintaining the continuity of both commercial and military activities in the region. The initial phase of the project involves relocating large armor stones, each weighing between 10 to 15 tons, to stabilize the most damaged sections of the breakwater. Advanced technologies, including drone imagery and specialized software, have been employed to assess the damage and plan the repairs effectively. The comprehensive restoration will eventually incorporate massive 42-ton interlocking concrete units to enhance the structure's durability against future wave action. Rear Adm. Greg Huffman, commander of Joint Task Force-Micronesia, highlighted the dual significance of the project: "These upgrades to strengthen and harden the Glass Breakwater are vital not only to the operational capacity of Apra Harbor, ensuring military readiness, but also support the Commercial Port of Guam to supply necessary goods to the entire island." The Port remains committed to collaborating with federal partners to ensure the resilience and efficiency of Guam's maritime infrastructure, recognizing its pivotal role in the island's economic vitality and security.

8. **Execution of Lease Agreement with Black Construction.** The Port Authority of Guam has finalized a new Open Space Lease Agreement with Black Construction Corporation. The lease covers:

- Hotel Wharf (Lot Parcel 3-REM): 129,166.93 sq. ft. at \$75,950.15/month
- Former Hawaiian Rock Site (Lots 265-R2 and 254-2): 245,242.80 sq. ft. at \$144,202.77/month
- Total Monthly Rent: \$220,152.92
- Total Lease Value Over 4 Years: \$10,567,340.16

Key terms include a four-year lease beginning June 1, 2025, with a one-year automatic extension unless either party opts out 90 days before expiration. Rent for the option year will be based on CPI and applicable laws. The lease includes environmental protections, a baseline condition assessment, and provisions for compliance, indemnification, and use restrictions. This lease aligns with Public Law 30-19 and reflects the Port's continued efforts toward maximizing land use and securing long-term revenue under transparent terms, while pursuing the best opportunities for our port facilities and the people of Guam. The locations covered are strategically significant and support broader plans tied to the Glass Breakwater initiative.

Expected improvements under this lease to be completed by the lessee include road paving from the 76 Gas Station down to Family Beach, resurfacing of Hotel Wharf, and the installation of security fencing and lighting at H-wharf, as well as at the Old Hawaiian site, where they will construct warehouse office spaces, develop a concrete slab, and implement additional infrastructure enhancements. These upgrades will either directly support future Port operations or benefit public use. This lease brings much-needed revenue to the Port and strengthens our long-term vision for integrated public and commercial use across Port properties. It also directly supports port readiness and national security by enhancing the operational capacity and infrastructure of a key waterfront area, reinforcing the Port's ability to respond to future commercial growth and defense priorities. This effort also aligns with the intent of Bill No. 109-38, "An Act to authorize the Port Authority of Guam to grant a dollar-for-dollar offset against lease payments for tenants who invest in tangible, documented improvements to Port property that provide high value to the community or enhance Port operations; and to establish a streamlined process for implementation." Introduced by Senator Jesse A. Lujan and co-sponsored by Senators Christopher M. Dueñas and V. Anthony Ada, this measure supports the same principle reflected in this lease: incentivizing private investment that enhances Port assets and serves the broader public good. A meeting is scheduled for tomorrow at 10:00 a.m. with Black Construction representatives.

9. **Confirmation Hearing Held for Board Vice Chair and New Nominee.** The Port Authority of Guam expressed its strong support during a confirmation hearing held on April 1, 2025, for the reappointment of current Vice Chairperson Conchita S.N. Taitano and the appointment of new nominee Mark B.C. Mendiola to our Board of Directors. Both nominations were submitted by Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio, reflecting their continued commitment to maintaining a highly capable and forward-thinking Port Board. Testifying at the hearing, I strongly endorsed both nominees, expressing that the Vice Chair Taitano has been a key part of the Port's transformation. Her environmental leadership, technical expertise, and unwavering support for transparency and sound governance have helped position the Port as a

national model for sustainable and resilient seaport operations. Vice Chair Taitano has played a pivotal role in guiding major environmental and infrastructure initiatives at the Port. She led the successful pursuit of a \$2.4 million Clean Ports grant from the U.S. Environmental Protection Agency and championed a \$1.45 million DoD-funded Sustainability and Resiliency Plan. Her leadership continues to align board governance with operational results, and she brings both institutional knowledge and strategic insight to the role. If confirmed, Taitano will remain on the Board alongside Chairperson Dot Harris and Board Secretary Fe Valencia-Ovalles, continuing the momentum of the Port's executive and oversight leadership.

Also presented for confirmation was Mark B.C. Mendiola, Director of Residence Halls at the University of Guam, whose nomination marks a new addition to the Board. Mendiola brings experience in public administration, interagency coordination, and institutional development through prior roles at GEDA and the UOG Endowment Foundation. Mark brings exactly the kind of collaborative and thoughtful approach that has defined our current Board. His understanding of systems, safety, and structure aligns perfectly with the Port's mission and strategic priorities. The Port Board plays a key role in advancing Guam's only commercial seaport, providing oversight on critical initiatives related to infrastructure, environmental sustainability, military readiness, and economic development. Both nominees reflect the Governor's vision of engaged, mission-focused leadership for the island's vital maritime gateway. The Port Authority looks forward to the legislative body's confirmation of both nominees and remains committed to executing its long-term mission with strong leadership and oversight.

10. Port Participates in Oversight Roundtable. The Port Authority of Guam participated in an oversight roundtable hosted by Senator Jesse A. Lujan, Majority Leader and Chairman of the Committee on Transportation, Tourism, Customs, Utilities, and Federal & Foreign Affairs, on April 18, 2025 at the Guam Congress Building. During the session, I delivered a comprehensive presentation highlighting the Port's ongoing initiatives, completed capital improvement projects, and its strategic roadmap for FY2025 and beyond. Our continued focus is on sustainability, modernization, and readiness. We are not only meeting today's needs—we are preparing Guam's only commercial seaport to support the island's long-term economic growth and national defense responsibilities.

I provided updates aligned with the Port's 2023 Master Plan and Indo-Pacific strategic framework, including:

- Modernization of aging infrastructure such as the Fuel Pier, Golf Pier, and Berths F2–F6
- Replacement of outdated shore cranes and Port buildings to ensure resiliency and operational safety
- Advancement of public-private partnerships (P3s) to finance major capital projects without overburdening public funds
- Workforce initiatives like the Desk Audit Policy, cross-training, succession planning, and employee recognition programs

The Port's FY2025 strategy also includes:

- Environmental initiatives backed by EPA Clean Ports and DERA grant funding
- Strengthened cybersecurity through IT/OT integration
- Enhanced operational efficiency using data-driven maintenance and budgeting systems
- Focused efforts to improve tenant relations and commercial leasing processes

The Port is deeply committed to transparency, performance, and collaboration with our legislative partners. We thank Senator Lujan for the opportunity to participate in this roundtable and reaffirm our alignment with the priorities of the Legislature and the people of Guam. Senators attending the hearing indicated they were pleased with the Port's presentation and the work being done at the island's only commercial seaport. *"Thank you Rory and your team senator for all the presentation and I look forward to good things to come," said Senator Christopher M. Duenas. Senator Eulogio Shawn Gumataotao also expressed his support for the Port Authority of Guam and the work being done. "You guys just keep on keeping on," Senator Gumataotao said.* The legislative committee also received agency updates from the Guam Visitors Bureau and Guam International Airport Authority, underscoring the importance of interagency coordination to support tourism, trade, and transportation.

11. Farewell to our Beloved Sister. The Port Authority of Guam lost a valued member on April 19, 2025 with the untimely death of our beloved sister – Sonja Leigh Cruz. Sonja began her employment with the Port on March 16, 1998 as a Clerk III with the Harbor Master's office; shortly thereafter, she was promoted to an Administrative Assistant in 2000. Carrying out her duties and responsibilities with integrity, dedication and professionalism, Sonja rose the ranks and became the Administrative Officer in 2012. It is with great sadness that we bid final farewells to our beloved sister – Sonja. Sincere condolences is expressed to her sons (Tyler and Jaden) and her family.

12. Port Receives Reefer Generators to Boost Cold Chain Capacity. The Port marked another key milestone in its ongoing modernization efforts with the arrival of two 40-plug mobile reefer generators on April 19, 2025. These advanced reefer units are part of the Port's equipment acquisition under the \$5.7 million grant awarded by the U.S. Department of Transportation's Maritime Administration through the America's Marine Highway Program. Announced by U.S. Transportation Secretary Pete Buttigieg on October 7, 2022, the grant supports the Guam Marine Transportation Enhancement Initiative and is aimed at strengthening the nation's supply chains by expanding marine highway services and improving cargo-handling efficiency at the Port.

These reefer generators are essential to enhancing our cold chain logistics and supporting the growing demands of Guam's import-driven economy. With their arrival, the Port is another step closer to completing the full delivery of critical equipment under this transformative federal investment. The new generators, valued at approximately \$920,000, are designed to power up to 40 refrigerated containers per unit, ensuring safe and reliable temperature-controlled storage of perishable goods while at the terminal or in transit within the yard. Their mobility and capacity significantly boost the Port's ability to handle refrigerated cargo without disruption.

To date, the Port has successfully received the following equipment under the grant:

- Two 40-ton loaded container handlers – Valued at \$1,247,000
- Three 10-ton empty container handlers – Valued at \$687,000
- One 180-foot boom lift – Valued at \$517,205.41
- Nine container yard tractors – Valued at \$1,791,327
- Two 40-plug mobile reefer generators – Valued at \$920,000

With only five forklifts remaining for delivery, we are near the finish line in fully completing our grant-funded procurement of specialized yard equipment under the America's Marine Highway Program. This achievement would not have been possible without the unwavering support of Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, our Board of Directors and the hard work and dedication of Port employees. All equipment acquired under this grant proudly complies with the Build America, Buy America Act. As the Port nears completion of this vital modernization initiative, these continued investments not only improve operational capacity and resilience but also reaffirm Guam's strategic role in regional shipping and logistics.

13. **Port Revives Hågat Marina Users Group.** The Port Authority of Guam successfully convened the first meeting of the reactivated Hågat Marina Users Group on April 23, 2025, signaling a renewed commitment to open dialogue and collaborative planning with marina stakeholders. Organized and led by Port Harbor Master Chris Flores, the meeting brought together boaters, tenants, and community partners to review recent capital improvement projects, discuss upcoming priorities, and foster consistent engagement between the Port and marina users. Harbor Master Flores has done an outstanding job reviving this important forum. The strong turnout and enthusiastic participation show just how vital this kind of collaboration is. The Port is fully committed to supporting this group and addressing the needs of our marina community. Attendees were briefed on several recently completed projects, including:

- Reconstruction of Dock B (\$1.49 million);
- Installation of the North Side Catwalk near the boat ramp;
- Implementation of a CCTV surveillance system;
- Design and build of restroom facilities; and
- Port-led enhancements such as curb painting and flagpole installation.

Participants also explored potential future improvements such as dock maintenance, solar lighting, a waste pump-out station, dredging, perimeter fencing, and a life jacket loaner program in partnership with the Guam Police Department and BoatUS Foundation. Our harbors are community assets, and we're proud to create space for our users to help shape their future. The Port will continue to support and engage the Hågat Marina Users Group as it works to enhance the facility in ways that reflect the needs and voices of its users.

14. **PUC Approves Port's \$4.8M Warehouse 1 Maintenance Project.** The Port Authority received the green light on April 24, 2025 from the Public Utilities Commission (PUC) to proceed with the full execution of its Warehouse 1 Maintenance Project—an essential initiative aimed at addressing long-standing structural deficiencies at one of the Port's most critical operational facilities. The PUC approved the Port's request to award the project to the lowest and most responsive bidder, BME & Sons, Inc., with a winning bid of \$4.837 million. BME & Sons, Inc. is already engaged in the Port's ongoing Waterline Replacement and Relocation Project and brings a proven record of accomplishment of performance on Port grounds. Warehouse 1 currently houses vital sections of the Port's operations, including the equipment and maintenance repair section, controlled climate storage facility, crane mechanics section, and fleet services. This facility plays a critical role in supporting our operational readiness, equipment longevity, and the Port's vital role in commerce and national security. The structural issues such as rusting rebars and spalling concrete pose long-term risks to safety and functionality. We are grateful for the PUC's continued support in ensuring that Port infrastructure remains strong and resilient.

These projects, under the leadership of Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, and our Board, reflect a continued investment not just in facilities but in the people who keep them running. At the Port we remain focused on supporting a workplace that values our employees and their role in keeping Guam's supply chain strong. The approved maintenance project will tackle the structural integrity of the aging facility, helping to extend its useful life and preserve the essential services it supports. With the contract now cleared for execution, work is expected to commence shortly. The Port remains committed to modernizing its infrastructure and investing in safe, sustainable operations that continue to meet the needs of Guam's people and economy.

15. **Port Adds Two New Tier 4 Tractors Through EPA DERA Grant.** The Port Authority of Guam is proud to announce the arrival of two new Tier 4 tractors on April 25, 2025, funded through the U.S. Environmental Protection Agency's Diesel Emissions Reduction Act (DERA) grant program. This major equipment upgrade marks another significant step in the Port's ongoing commitment to improving operational efficiency while reducing environmental impacts.

The Port applied for the DERA grant on October 26, 2022, and was officially awarded \$300,000.00 in federal funding on February 27, 2024, with an additional \$100,000.00 in Port funds to meet the matching requirement. The Port moved quickly to initiate the procurement process to meet the grant deadlines and expedite the arrival of the new equipment. These two Tier 4 tractors will replace older, higher-emission diesel units currently in the Port's fleet. Tier 4 engines are the latest and cleanest technology available for diesel equipment, dramatically reducing emissions of particulate matter and nitrogen oxides that contribute to air pollution. The new tractors will support the Port's daily cargo handling operations, aligning with broader goals to modernize equipment and minimize the Port's carbon footprint.

This latest award follows two previous DERA grants secured by the Port:

- FY2021 DERA State Clean Diesel Program (in partnership with the Guam Environmental Protection Agency), which funded two Tier 4 tractors with a combined \$240,000.00 (federal and Port share); and
- FY2021 DERA Tribal and Insular Areas Grant, which funded an additional two Tier 4 tractors through a \$250,000.00 federal award.

With the latest acquisition, the Port has now successfully added a total of six low-emission Tier 4 tractors to its fleet under the DERA program. This achievement shows that the Port is moving forward together with purpose. These new Tier 4 tractors are part and parcel to advancing our Port Readiness Plan, which is critical to securing commerce, supporting national defense, strengthening regional stability, and protecting our island's future. I thank the U.S. EPA for providing the grant funding, and I thank Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, our Board, and especially our employees in Planning, Procurement, Legal and Transportation, who worked hard and worked together to make this possible. I am proud of our team for taking pride in their work, staying focused on the mission, and overcoming daily challenges to keep the Port moving forward for the people of Guam. The Port Strong Family is preparing to integrate the new tractors into daily operations and remains committed to modernizing the Port for the people of Guam.

16. **Port Hosts Youth Leaders for Island Leadership Day.** The Port Authority of Guam proudly welcomed four exceptional students for the Department of Youth Affairs' Island Leadership Day on Friday, April 25, 2025. This annual initiative allowed young leaders to shadow Port management and gain firsthand experience in the operations and responsibilities of Guam's commercial seaport. Francisco Taitano of Father Duenas Memorial School stepped into the shoes of Acting General Manager Dominic Muna for the day. Noelle Camacho of Harvest Christian Academy shadowed Deputy General Manager of Administration Pacifico Martir. Phoebe Garcia of Tiyan High School partnered with Chief Planner Joe Javellana, while Kristen Quinata of Career Tech High School worked alongside Assistant Procurement and Supply Manager Annie Sablan.

The day began at 8:00 a.m. with a welcome at the Human Resources Division, followed by briefings from the Acting GM, DGMA, and division heads who provided an overview of their roles and contributions to port operations. By 10:00 a.m., the student leaders returned to their assigned divisions for a closer look at daily functions. At 11:15 a.m., the students reconvened at the General Manager's office before heading out for a tour and lunch at the Agat Marina. Acting Chief Planner Phoebe Garcia and Acting Procurement and Supply Manager Kristen Quinata's afternoon featured a presentation on the Port's modernization efforts, including a video and PowerPoint discussion held in the Board Conference Room, while Acting GM Francisco Taitano and Acting DGMA Noelle Camacho attended a meeting with the Department of Public Works followed by a tour of the Agana Marina. The day concluded with a presentation of certificates at 4:00 p.m., recognizing each student's participation and enthusiasm throughout this immersive experience. The Port Authority thanks the Department of Youth Affairs for this meaningful collaboration and remains committed to supporting the development of Guam's future leaders.

17. **General Manager's Notes for YTD Finances.** We are providing the following summary for March 31, 2025:

REVENUES AND CARGO THROUGHPUT:

- The Port's total operating revenue as of March 31, 2025 (6 months), is \$28.2 million, which is 10% or \$3.0M lower than the YTD revenue budget of \$31.1 million as of March 2025.
- The total number of containers handled as of March (6 months) is 41,407, which is lower by 1.5% or 616 containers compared to last year's YTD total of 42,023 containers. The total tonnage for non-containerized cargo stands is 83K revenue tons, a 19% decrease from last year's March total of 103K revenue tons. Part of the increase of breakbulk revenue in FY 2024 was on the GPA Okkodu Power Plant project. This is not a constant event or transaction that is part of the annual revenue for this category.

OPERATING EXPENSES:

- The total operating expenses as of March 31, 2025 is \$30.0 million, which is 4.8%, or \$1.3M higher than the March YTD FY25 budget of \$28.7 million. Some of the expenses that are high in the first six months are General Insurance, Operational Supplies, Depreciation, Utilities, and Repairs and Maintenance.

OVERTIME EXPENSE AND DIRECT LABOR REVENUE:

- Overtime for all the divisions for the month of March is \$960K, which is 22%, or \$176K, higher than the FY25 overtime budget of \$784K.
- The total Direct Labor revenue as of March is \$2.2 million, 7.5% or \$152K higher than the FY25 budget of \$2.0 million.

YTD OPERATING REVENUES MINUS YTD EXPENSES:

- Operating revenues minus operating expenses resulted in an operating loss of \$1.9M. After adding the net Other Income/Expenses totaling \$1.4M, the final result for YTD March is a net loss of \$469K. The federal reimbursements booked year to date is \$2.4M.

18. Status of Ongoing Awarded Grant Activities and Updates on Planned Grant Acquisitions.

- **U.S. Economic Development Administration (EDA) Fuel Pipeline Connectivity Project.** Planning and Engineering Divisions met with the EDA Project Officer and Economic Development Representative (EDR) to discuss the remaining project scope and funding options moving forward. *Status Quo:* Project Officer will work with PAG on a possible amendment to grant scope and expend remaining grant funds.
- **Office of Local Defense Community Cooperation.** The PAG's recent grant application totaling \$1.45 million for its Owner's Agent/Engineer to conduct a Port Resiliency and Sustainability Study was granted by OLDCC through the Office of the Governor. *Status Quo:* Pending reimbursement payments from Department of Administration and close out notification from OLDCC.
- **US DOT Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program.** The USDOT Office of the Secretary, through MARAD, approved the Port's no-cost modification, reallocating funds from Pier F-1 to support repairs for Wharves F-2 through F-6. *Update:*
 - This month, the Port mailed the final HAER package to the National Park Service (NPS). The next step is to await final review and approval for submission into the National Archives by NPS.
- **Office of Insular Affairs Maintenance Assistance Program (MAP).**
 - **Port Welding Shop Phase 1 & 2 Project.** The contract and PO have been signed. Notice to Proceed (NTP) commenced on December 10, 2024. Work commenced on January 22, 2025. *Update:* Work is ongoing. Exterior spall repairs are 60% complete. Interior spall repairs will begin soon.
 - **Generator Maintenance Program.** Maintenance services are ongoing with the awarded contract to Hawthorne Pacific Corp. On January 23, 2025, the PAG received approval for its no-cost extension request to September 30, 2026. This will allow the Port to fully execute Year 3 of the technical service contract. The PAG Facilities Maintenance Division has also begun the procurement for needed generator parts. *Update:* Work is ongoing.

- **U.S. EPA Clean Ports Program: Climate and Air Quality Planning Competition.** The U.S. EPA Clean Ports Program aims to reduce air pollution and greenhouse gas emissions at ports by supporting projects that adopt cleaner technologies and practices. December 19, 2024, PAG received the Notice of Award/Grant Agreement of \$2,410,415 to fund the PAG Net Zero Emissions Strategy Update and Implementation Plan project. *Update:* Task Order #16 is set to be finalized for management review.
 - **New Grant Opportunity – U.S. EPA Environmental and Climate Justice Community Change Grants Program / Inflation Reduction Act Community Change Grants Program.** *Status Quo:* PAG awaits notification from Community First Guam Federal Credit Union, lead applicant.
 - The three projects selected are (1) the PAG Installation of a Solar Photovoltaic (PV) System and Batteries Project, (2) the PAG Microgrid Feasibility Study Project, and (3) the PAG Route 11 Seawall Improvement Project.
 - **New Grant Opportunity - 2024 NOAA Marine Debris Program- BoatUS Foundation Abandoned and Derelict Vessel (ADV) Removal Grant Program.** The Port submitted its application on November 21, 2024, for the PAG Harbor Restoration and Resilience Initiative (PAGHRR) Project, which would remove thirteen (13) abandoned and/or sunken vessels from PAG properties. The proposed project total is \$859,720.00. *Status Quo:* The Port awaits BoatUS Foundation's notice of selection.
 - **Sport Fish Restoration and Sport Fishing and Boating Safety Act Program Maintenance of Public Boat Ramp at Agat Marina and Harbor of Refuge Improvements.** On October 1, 2024, PAG was awarded \$120,000 for the Agat Marina Southern Walkway Repairs under the assistance title 15.605 Sport Fish Restoration. Additionally, PAG received \$275,000 for the Pre-construction Planning Grant for a Gangway and Courtesy Dock at the Guam Harbor of Refuge under the assistance title 15.622 Sport fishing and Boating Safety Act. Both grants were provided by the U.S. Fish and Wildlife Service through the Guam Department of Agriculture. *Update:* The draft MOU is currently under development by DOAg and is anticipated to be finalized in Q3 2025.
 - **New Grant Opportunity - U.S.DOT Federal Highway Administration (FHWA) Low-Carbon Transportation Materials Program (LCTM).** § On November 26, 2024 (and revised on Jan. 23, 2025), the PAG submitted an application, PAG Low-Carbon Transportation Materials Study, which proposes activities to identify and test locally sourced low-carbon recycled waste materials to determine suitability for use in eligible Federal-aid projects and incorporation into future transportation plans or updates for Guam. The total project cost is \$ \$7,216,910.00. *Status Quo:* PAG awaits FHWA's notice of selection.
19. **Port Revenue Bonds Project Status.** As of April 28, 2025, the attachment provides information on the status of the revenue bond projects, which include the rehabilitation of the hotel wharf, repairs and improvements to the golf pier, waterline replacement/relocation, upgrades to the EQMR building, repairs and upgrades to warehouse one, construction of a new admin annex building, and other priority projects.

V. OLD BUSINESS

1. **Request for Creation of Position Tariff Technician II and Tariff Technician III (motion to proceed with the transparency and disclosure processes as outlined in Section 6303(d) of Title 4, Guam Code Annotated and Rule 5.015 of the Port's Personnel Rules and Regulations).**

The Vice Chairperson made motion to proceed with the transparency and disclosure processes as outlined in Section 6303(d) of Title 4, Guam Code Annotated and Rule 5.015 of the Port's Personnel Rules and Regulations, seconded by Director Valencia-Ovalles. Discussion followed, and the General Manager mentioned that the request before the Board is the creation of the Tariff Technician series of positions that consists of Tariff Technician I, Tariff Technician II and Tariff Technician III. The Vice Chairperson amended the motion to proceed with the creation of the Tariff Technician series of positions that includes Tariff Technician I, Tariff Technician II, and Tariff Technician III and to proceed with the transparency and disclosure processes as outlined in Section 6303(d) of Title 4, Guam Code Annotated and Rule 5.015 of the Port's Personnel Rules and Regulations. Motion on the floor as amended was seconded by Director Valencia-Ovalles and was unanimously approved.

VI. NEW BUSINESS

1. **Adoption of Board Resolution No. 2025-13.** The Vice Chairperson made motion to adopt Board Resolution No. 2025-13 relative to the abolishment of the Maintenance Manager and Equipment Maintenance Superintendent positions under the Port Authority of Guam's classification and compensation plan, as a result of the succession plan adopted in Board Resolution No. 2024-15 by the Port Board of Directors. The motion was seconded by Director Valencia-Ovalles and was unanimously approved.

2. **Adoption of Board Resolution No. 2025-14.** The Vice Chairperson made motion to adopt Board Resolution No. 2025-14 relative to adopting the General Manager's Workplace Violence Policy Memorandum No. 2025-GM01 as Board Policy Memorandum No. 2025-01, and authorizing mandatory drug testing, counseling, or anger management for the involved employee, as deemed appropriate based on the nature of the incident, without presuming misconduct and in recognition of due process. The motion was seconded by Director Valencia-Ovalles and was unanimously approved.

3. **Adoption of Board Resolution No. 2025-15.** The Vice Chairperson made motion to adopt Board Resolution No. 2025-15 relative to assigning the General Manager to outline and pursue, wherever possible, the necessary steps to secure permission for vessel discharge operations at hotel wharf from all relevant federal and regulatory agencies. Motion was seconded by Director Valencia-Ovalles and was unanimously approved.

4. **Adoption of Board Resolution No. 2025-16.** The General Manager explained that the resolution is on Bill No. 104-38 that includes a specific provision under Section 10107(s) to Chapter 10 of Title 12, Guam Code Annotated referencing the Port Authority and requires collaboration with the Guam Customs and Quarantine Agency to enhance inspection protocols. He

mentioned the concern is that this provision could be interpreted as imposing additional mandates or operational obligations on the Port, including the purchase of scanning equipment, without a clear statutory basis or accompanying funding. The General Manager stated that the resolution provides language to request an amendment to Section 10107(s) that:

- Removes any language that implies or requires the Port to purchase scanning equipment or take on inspection functions;
- Acknowledges the Port's existing support role under the Leon Guerrero Tenorio Administration; and
- Clarifies that any future operational responsibilities must be consistent with the Port's enabling statute and accompanied by appropriate funding.

The General Manager mentioned that the bill, particularly Section 10107(s), states in part "...a fixed x-ray machine for cargo inspections, including containers and vehicles, shall be procured and operational within 6 months of enactment of this Act, and shall be paid for with Port Authority of Guam revenues..." He stated that if this resolution passes, the basis of the Port's testimony would be to advise the legislature to remove this section of the bill because it is not part of the Port's enabling legislation.

The Vice Chairperson made motion to adopt Board Resolution No. 2025-16 relative to stating the Board's position on Bill No. 104-38, "An act to enact the 'Crime Victim and people of Guam's Protection Reform Act of 2025,'" including comments and a request for an amendment to address the Port Authority of Guam's specific concerns. The motion was seconded by Director Valencia-Ovalles. Discussion followed, and the Vice Chairperson commented that these are critical issues that the bill is proposing. She expressed that this is an unfunded mandate that would create potential financial liabilities for the Port which is outside its statutory role. The Vice Chairperson mentioned that this bill creates a jurisdictional overlap and implies that the Port may take on inspection responsibilities which conflicts with the established jurisdiction of the Guam Customs and Quarantine agency. She pointed out that a legislative bill has to ensure it aligns with the Port's enabling statute and does not impose obligations on the Port's core function. She further stated that there is belief that drugs are flowing through the Port, and had suggested to offer an office space at the Port for Customs and Quarantine to perform their jobs and to consider having discussions with Drug Enforcement Administration of the federal government offering them an office space as well, and perhaps receive some sort of detection training for the Port police division to enable them to easily identify anomalies. Director Valencia-Ovalles agrees with the points raised by the Vice Chairperson and commented that it is clear the container inspection is a mandate of Customs and Quarantine agency; however, suggested that the Port support Customs in any way possible without having to infringe upon their jurisdictional responsibilities that would help to manage, control and eradicate this problem for the community.

At this time, the General Manager read parts of the resolution that addresses points raised – "the Port Authority of Guam has consistently supported the Guam Customs and Quarantine Agency through a wide range of actions, including providing unimpeded access to container yard operations, constructing secure perimeters and installing surveillance systems using federal grants, allocating four acres for a proposed Customs Inspection Facility and completing a feasibility study, transforming terminal space to support cruise ship passenger disembarkation and Customs screening,

including Customs in Port security planning and emergency drills, and coordinating the installing of scanning equipment with necessary power infrastructure at the request of Customs. These efforts recognize that while container inspections are not a statutory function of the Port, the agency remains committed to assisting Customs in fulfilling its mission; and the Port's role has always been to support, not supplant, the enforcement responsibilities of the Guam Customs and Quarantine Agency. Requiring the Port to purchase or maintain scanning machines or to assume enforcement related responsibilities would extend beyond the Port's core statutory function and create unfunded liabilities". The Chairperson added that the Port also provides Customs and Quarantine an office space for them to perform their functions at port premise. As to the bill that also calls for a 100% inspection of cargo, the Chairperson commented that there are no Ports in the world that conducts a 100% inspection. She understands that this would be under the purview of Customs and Quarantine, but within the maritime industry and commerce, in doing so, could cause potential ramifications and impacts, such as back-logged of containers in the port terminal yard, an increase cost in storage charges on carriers/shipping agents, increase in time delay in the distribution of goods and services to the community and islands in the region.

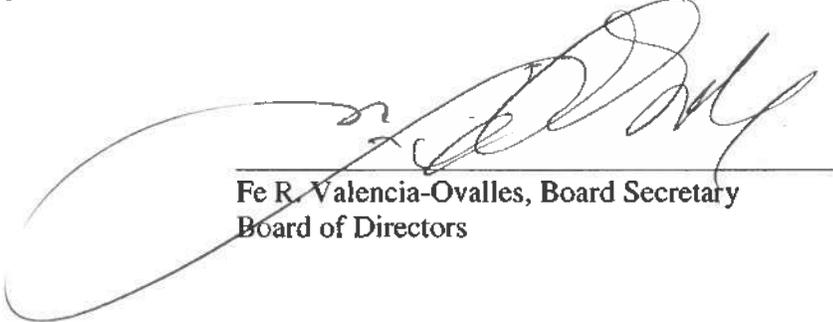
With no further discussion, the motion on the floor was put to a vote and unanimously passed.

5. **Adoption of Board Resolution No. 2025-17.** The General Manager explained that this resolution presented on Bill No 109-38 would authorize the Port to grant a dollar-for-dollar offset against lease payments for tenants who invest in tangible, documented improvements to Port property, provided that those improvements offer measurable benefit to the community or enhance Port operations. He said potential examples of qualifying improvements under this program include tenant-funded pavement of cargo laydown areas, installation of energy-efficient lighting, security enhancements, and upgrades to the Port's recreational facilities – such as road paving from the area fronting the 76 gas station to beyond Family Beach, which improves safe access and supports continued public use of Port lands. Further, examples of tenants that do not qualify under this program, for instance if a Jet Ski operator were to build a concrete pad or an improvement structure would not qualify because that improvement for the area is solely for that vendor and their customers.

The Vice Chairperson made motion to adopt Board Resolution No. 2025-17 relative to stating the Board's support of Bill No. 109-38, "An Act to authorize the Port Authority of Guam to grant a dollar-for-dollar offset against lease payments for tenants who invest in tangible, documented improvements to port property that provide high value to the community or enhance Port operations; and to establish a streamlined process for implementation". The motion was seconded by Director Valencia-Ovalles. Discussion followed, and the Vice Chairperson expressed her support for this bill as it encourages public-private partnerships and tenant-led investments. She commented that the bill clearly indicates that in determining what qualifies for this program is to show measurable benefits to the community or port enhancement to operations. Director Valencia-Ovalles agreed and commented that this bill is forward thinking for the Port. The Chairperson shares the same sentiments and mentioned that the bill provides that this program is for Port tenants that have invested in improvements that directly benefit Port operations, infrastructure, and the wider community which qualifies as eligible improvement. She expressed support for this legislation. With no further discussion, the motion on the floor was put to a vote and was unanimously approved.

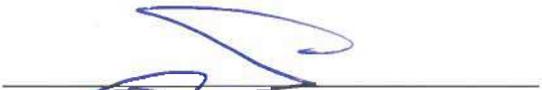
VII. ADJOURNMENT

There being no further business to discuss, it was moved by Director Valencia-Ovalles and seconded by the Vice Chairperson to adjourn the meeting at 4:41 p.m. The motion was unanimously passed.



Fe R. Valencia-Ovalles, Board Secretary
Board of Directors

APPROVED BY:



Dorothy P. Harris, Chairperson
Board of Directors





PORT OF GUAM

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Lourdes A. Leon Guerrero
Governor of Guam

Joshua F. Tenorio
Lieutenant Governor

General Manager's Report for Board of Directors
June 5, 2025

1. **Legislative Confirmation of Vice Chairperson Conchita SN Taitano and new Board Member Mark Mendiola.** The Port Authority of Guam is pleased to announce the legislative confirmation of Vice Chairperson Conchita SN Taitano and new Board Member Mark Mendiola to the Port Authority Board of Directors. Their confirmation reflects Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio's confidence in them by their appointment and our legislative oversight chairperson Senator Jesse A. Lujan for shepherding these nominees through the legislative process.

The Port Authority looks forward to their contributions as part of the Board's ongoing efforts to strengthen governance, promote transparency, and ensure the Port meets the needs of Guam and the broader Indo-Pacific region. Please join us in congratulating Vice Chairperson Taitano and new Board Member Mendiola on their official appointments.

2. **Passage of Bill 109-38 by I Liheslatura (to be transmitted to I Maga'håga and Pending her approval) Supporting Tenant-Funded Infrastructure Improvements.** The Port Authority of Guam proudly acknowledges the recent passage of Bill No. 109-38: An Act to Authorize Dollar-for-Dollar Lease Offsets for Tenant-Funded Infrastructure Improvements at the Port Authority of Guam, introduced by Senators Jesse Lujan, Chris Duenas, and Tony Ada. This legislation authorizes a dollar-for-dollar lease offset for tenant-funded infrastructure improvements on Port-controlled property, incentivizing private investment while preserving public ownership.

Bill No. 109-38 Overview and Clarification

The bill authorizes the Port Authority of Guam to grant a dollar-for-dollar lease payment offset for tenants who invest in tangible, documented capital improvements to Port-controlled property that provide high value to the community or substantially enhance Port operations. It establishes a clear, transparent process to encourage private investment in Port infrastructure.



Key Features and Safeguards:

- **No Lease Breaks or Discounts:** The bill does not provide any lease breaks, tax credits, discounts, or waivers. Lease offsets are strictly limited to the verified cost of approved capital improvements and cannot exceed the tenant's total lease obligation.

- **Eligibility Criteria and Public Asset Ownership:** Improvements must be permanent, located on Port or Port-controlled property, built to code, compliant with all permitting and safety regulations, and shall remain the property of the Port. This ensures long-term public control and benefit from tenant-funded enhancements.

- **Structured Application Process:**
 - Tenants shall submit a written request detailing the scope, cost, timeline, and public or operational benefits.
 - The Port Authority shall review the request for alignment with public interest and capital improvement standards.
 - If approved, a formal Offset Agreement shall be executed prior to work commencement, specifying project details, costs, timelines, and compliance expectations.
 - Tenants shall be responsible for ensuring ongoing compliance during project execution and shall provide periodic updates as requested by the Port.

- **Verification and Credit Application:**
 - Upon completion, tenants shall submit formal, verifiable invoices for all costs incurred. The CIP/Engineering Division shall verify project completion, reasonableness of costs, and conformance with approved plans.
 - Verified amounts shall be credited against future lease payments on a dollar-for-dollar basis until fully exhausted. Retroactive application is not automatic and shall be allowed only with explicit Port Authority approval.
 - Under no circumstances shall the total offset exceed the tenant's total lease obligation.
 - Any disputes regarding cost verification or project completion shall be handled through established Port dispute resolution policies, ensuring fairness and transparency.

- **Robust Recordkeeping and Transparency:**
 - The Port shall maintain detailed records of all approved offsets, improvement types, and associated benefits.
 - An annual summary report shall be submitted to the Port Board of Directors and made available to the Guam Legislature.
- **Applicability to Existing Leases:** The offset shall apply to leases existing as of the bill's effective date, ensuring fairness for current and future tenants.
- **No Financial Risk to Port:** The Port shall incur no upfront costs, subsidies, or financial exposure under this program. It is a revenue-neutral approach designed to encourage private investment in infrastructure improvements that benefit the Port and the community.

Approval Process per Bill 109-38:

1. **Tenant Request:** Tenants shall submit a detailed written request outlining the project scope, estimated costs, and expected benefits.
2. **Port Authority Review:** The Port shall evaluate the request for alignment with public interest and capital improvement criteria.
3. **Formal Approval:** If approved, a formal Offset Agreement shall be executed prior to commencement of work, specifying project details, costs, timelines, and compliance expectations.
4. **Project Monitoring:** The Port shall require periodic updates or site inspections during the project to ensure compliance with approved plans.
5. **Verification:** Upon project completion, tenants shall submit formal, verifiable invoices for all costs incurred. The CIP/Engineering Division shall verify project completion and confirm that all costs are reasonable and supported by these invoices. Any discrepancies shall be resolved prior to credit application.
6. **Documentation & Audit:** Tenants shall be responsible for maintaining documentation and cooperating with any audits or reviews related to the improvements.
7. **Lease Offset Application:** Verified costs supported by formal invoices shall be applied as lease payment offsets on a dollar-for-dollar basis going forward. Retroactive application shall require Port Authority approval. Under no circumstances shall the total offset exceed the tenant's total lease obligation.

Summary:

Bill 109-38 incentivizes tenants to invest in Port infrastructure upgrades by allowing recoupment of verified costs through lease offsets without compromising the Port's financial integrity. The bill embeds multiple safeguards to protect public resources, ensures all work is properly approved and verified, maintains transparency through formal agreements and reporting, and limits financial risk to the Port.

The Port Authority acknowledges our Board of Directors, the Guam Legislature, namely our oversight Chair and this bill's cosponsors, together with Governor Lou Leon Guerrero, Lieutenant Governor Josh Tenorio, and all stakeholders for their collaboration in advancing this important measure. The successful passage of Bill 109-38 marks a key milestone in strengthening the Port's infrastructure and fostering vital public-private partnerships essential to Guam's economic growth, local and regional commerce, and national security throughout the Indo-Pacific region.

3. **Update on Funding Strategies for Gantry Crane Replacement.** The Port Authority of Guam continues to advance multiple strategic funding initiatives to support the replacement of its ship-to-shore (STS) gantry cranes, a critical priority for modernizing maritime infrastructure and reinforcing Guam's role as a key logistics hub in the Indo-Pacific region.

- **Governor and Lieutenant Governor's Leadership in Federal Advocacy and Economic Adjustment Committee (EAC) Process.** As part of ongoing federal advocacy efforts led by the Governor and Lieutenant Governor over the past several years, the Port Authority's General Manager and others briefed representatives from the Governor's Community Defense Liaison Office and consulting firm Tetra Tech on May 6, 2025, for a strategic meeting focused on advancing critical infrastructure projects that support Guam's military readiness and long-term resilience. Tetra Tech is conducting a comprehensive island-wide assessment of infrastructure needs and compiling a prioritized list of projects to be submitted to the federal Economic Adjustment Committee for funding consideration aligned with national defense priorities.

The Port Authority continues to collaborate closely with the Governor, Lieutenant Governor, Congressman Moylan, and other local and federal partners to advance these critical infrastructure initiatives. Among the priority projects identified, the acquisition of new STS gantry cranes remains a key focus.

- **Port Authority Submits \$75 Million PIDP Grant Proposal for STS Gantry Cranes.** On April 29, 2025, the Port Authority formally submitted a \$75 million grant proposal to the U.S. Maritime Administration's Port Infrastructure Development Program (PIDP) to fund new ship-to-shore gantry cranes. This marks the third consecutive year the Port has applied for this grant. What distinguishes this submission is that, following persistent and aggressive lobbying and advocacy efforts, including requests for a Buy American Act (BAA) waiver for STS gantry cranes, MARAD has recently granted a targeted exemption from the BAA for STS gantry cranes, limited to Pacific ports and accompanied by detailed compliance specifications. This critical development significantly enhances the likelihood of funding approval. The proposal aims to increase cargo handling capacity and sustain Guam's strategic logistics capabilities. The PIDP grant requires an 80/20 federal/local match (\$60M/\$15M), underscoring the importance of securing complementary funding sources to fully realize this vital infrastructure investment.

Due to updates in the Notice of Funding Opportunity (NOFO), MARAD has extended the submission deadline to September 30, 2025. This extension allows applicants to make necessary revisions based on updated guidance. The Port Authority plans to revise and resubmit its proposal ahead of this amended deadline.

- **Congressman James Moylan's 60 Million Appropriation Request.** On May 27, 2025, Congressman James Moylan informed the Port Authority that he had submitted a 60 million community project funding request for new STS gantry cranes through the Infrastructure Investment and Jobs Act (IIJA). While this request awaits approval in the U.S. Senate, it signals significant progress in our collective advocacy about the critical need to replace the Port's aging gantry cranes. As we say often: if the Port is not ready, then the military will not be ready.
- **GHURA CDBG-DR Unmet Needs Assessment – Port Authority of Guam Comments.** The Port Authority submitted formal comments on April 16, 2025 to the Guam Housing and Urban Renewal Authority (GHURA) as part of the Community Development Block Grant – Disaster Recovery (CDBG-DR) unmet needs assessment. The Port emphasized the strategic, economic, social stability, and humanitarian importance of replacing the three gantry cranes,

rehabilitating wharves and crane rails, and upgrading fuel piers, all of which are critical to Guam's resilience and Indo-Pacific defense posture. The Port highlighted the disproportionate impact infrastructure delays have on Low and Moderate Income (LMI) communities, the central role of the Port in regional trade and military logistics, and the urgent need for federal recognition and support through CDBG-DR funding. This submission represents an additional funding strategy to complement ongoing grant applications and federal advocacy efforts.

- 4. Update on Post-Typhoon Mawar Insurance Claim Recovery.** Following Typhoon Mawar in 2023, the Port Authority of Guam promptly received a \$2 million payment for business interruption losses. We are now expecting an additional payout of approximately \$5 million, which will be applied to fiscal year 2024 revenues, bringing the total recovered amount to \$7 million. For context, the Port was historically underinsured for nearly 20 years due to the absence of a formal insurance appraisal. This gap contributed to limitations in coverage and highlighted the critical need for updated risk assessments and asset valuations.

On Friday, May 30, 2025, we submitted a letter to the Port's insurance brokers confirming our agreement to secure the maximum payout available under the Port's insurance policy. This amount reflects coverage limits, the applied penalty clause, and a \$3 million deductible, leaving a claim balance of \$13.2 million. Our total claim anticipated from the start of this process was \$18.2 million. We also provided a detailed spreadsheet that justified our claim and the applied penalty clause. The Port, through the CIP/Engineering and Finance divisions, continues to provide comprehensive documentation and damage assessments to support the claim process. This ongoing collaboration with our insurance broker, AM Insurance, is vital to securing the funds needed for critical repairs and infrastructure restoration. Timely receipt of these insurance proceeds is essential to maintaining the Port's operational readiness and advancing our long-term resilience initiatives.

- 5. Port Passes U.S. Coast Guard Annual Inspection.** The Port Authority of Guam has successfully passed the U.S. Coast Guard's rigorous annual inspection of its container yard and cruise ship terminal, conducted on May 1, 2025. The inspection ensures compliance with federal regulations governing maritime facility safety and security, reaffirming the Port's ongoing commitment to excellence and operational integrity. The U.S. Coast Guard's comprehensive inspection covered critical security and safety

elements including security area protocols, the Port's security measures and plans, training records, drills and exercises, hazardous waste management, emergency response plans, signage, and verification of the Facility Security Officer's role. Additionally, the review encompassed TWIC (Transportation Worker Identification Credential) checks, CCTV operations, MARSEC (Maritime Security) level compliance, and the Declaration of Security procedures. On the safety front, the inspection evaluated electrical systems, flammable material storage, fire extinguishers, eyewash stations, beacon lights, the drum lot, emergency exits, smoke detectors, escape routes, LC 1-5 generators, facility housekeeping, lighting, and the international shore connection—all of which met U.S. Coast Guard standards.

The Port has once again passed the U.S. Coast Guard's annual inspection with zero deficiencies. That does not happen by happenstance. It reflects the daily discipline, professionalism, and pride of the people who power this Port. This is not just a one-time result. It is the standard we prepare for every single day. We are holding the line on safety and security. We thank Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, and our Board of Directors for keeping us focused on our core functions. And we give full credit to the men and women at the Port who make this level of performance the norm. This achievement underscores the Port's vital role in Guam's economy and its readiness to support both commercial cargo and cruise ship operations with confidence, efficiency, and security.

- 6. Port Reviews Division Progress and Challenges in Mid-Year Update.** On May 29, 2025, the Port Authority of Guam has released its Management Performance Assessment (MPA) for the Fiscal Year 2025 Mid-Year Review, highlighting steady progress across all divisions and the continued implementation of reforms aimed at improving accountability, operational performance, and financial stewardship.

The MPA provides a comprehensive overview of each division's performance during the first half of the fiscal year. It is based on the official Mid-Year Performance Reviews submitted by division heads and, where applicable, their assistant managers. The report reflects how each individual is meeting their responsibilities, advancing the Port's priorities, and responding to challenges within their areas of oversight. The MPA outlines concrete accomplishments in infrastructure modernization, hiring reforms, fiscal controls, and tenant oversight. It also documents the Port's ongoing pursuit of FEMA and insurance reimbursements tied to post-typhoon recovery, along with preparations for critical capital projects including gantry crane replacement, wharf rehabilitations, and fuel pier upgrades.

This is more than a progress report. It's a cultural shift toward consistent performance and shared accountability. We are building systems that work, seeing the results in how Port employees are leading, how projects are moving forward, and how we are all delivering on our responsibilities to the public and to our federal partners.

Highlights of the MPA include:

- Maintain active coordination with local, federal, and defense agencies to ensure the Port's operational readiness through infrastructure upgrades, including gantry crane replacement, fuel pier modernization, and wharf rehabilitation. As Guam's only commercial seaport, the Port plays a critical dual role in sustaining regional commerce and serving as a frontline logistics hub essential to the nation's defense posture in the Indo-Pacific.
- Strengthen lease enforcement and tariff billings to fully maximize application of the Port's approved tariff wherever applicable, ensuring consistency, transparency, and full revenue recovery.
- Advance financial systems improvements to support job cost billing, revenue tracking, and audit readiness, while simultaneously pursuing bond defeasance to reduce liabilities and exploring future bond financing options aligned with the Port's long-term capital priorities.
- Implement recruitment reforms, including resume redaction, rating panel safeguards, and practical assessments for all certification-based positions to uphold merit-based hiring and ensure compliance with the Port's Personnel Rules and Regulations.

The MPA also acknowledges operational challenges such as documentation delays, staffing constraints, and legacy practices that require continued reinforcement. Each division is expected to maintain real-time coordination, internal discipline, and measurable follow-through.

Each division's submission demonstrates that we are actively executing our shared goals. The themes of performance, integrity, and follow-through remain consistent throughout. These reviews are not just reports. They are working documents that help us calibrate direction, reinforce expectations, and support the leaders who are stepping forward. Across the organization, the Port continues to address inherited challenges while building systems that work for all employees. Many reforms now in place reflect a shift from reactive to proactive management. While progress is real, significant work remains to institutionalize these changes and apply them consistently. Each day tests whether the organization will hold the line on reform and avoid slipping back into outdated habits.

This Management Performance Assessment formalizes expectations, measures leadership alignment, and documents follow-through in ways that strengthen transparency and credibility. The Port is moving forward with steady coordination, deeper accountability, and systems that support both integrity and results.

The Port Authority of Guam extends its appreciation to Governor Lou Leon Guerrero, Lieutenant Governor Josh Tenorio, the Port Board of Directors, Port management and employees, the Port Users Group of Guam, Port tenants, and all stakeholders for their continued support and partnership. It is through this collective commitment that the Port continues to grow stronger, deliver results, and meet the needs of the people of Guam and our regional neighbors.

The following is a high-level overview of each division's reported mid-year feedback. A more detailed report was submitted to the Board Chairperson and Directors on May 29, 2025, and that document will be appended to this General Manager's report.

General Manager

Rory J. Respicio, General Manager

Dominic Muna, Deputy General Manager of Operations

Pacifico Martir, Deputy General Manager of Administration and Finance

The General Manager, with support from the Deputy General Manager for Operations and the Deputy General Manager for Administration and Finance, together with one Management Program Analyst Officer and one Program Coordinator II, continue to assist agency-wide reforms while reinforcing accountability, port readiness, and coordination. Reforms to hiring, billing accuracy, and lease enforcement were implemented and enforced. Continued discipline is expected across all divisions to ensure that the standards and systems in place are upheld consistently with sustained focus on reimbursement recovery, audit integrity, and operational execution.

The Deputy General Manager for Operations provided oversight across daily operations, vessel activity coordination whenever applicable, equipment maintenance follow-up, and division-level reporting, including coordination of special projects. This role has been central in handling outside agency coordination to-dos, coordinating surge responses on various assignments, and enforcing any follow up requests from the General Manager. Cross-training, shift coordination, employee issues, and operational readiness were reportedly prioritized during this period.

The Deputy General Manager for Administration and Finance supported division alignment across Finance, Human Resources, Procurement, Planning, Marketing, Commercial, and General Administration. The role provided guidance on audit preparation, procurement integrity, revenue recovery, and personnel policy enforcement. With new leadership now in place, oversight of the Commercial Division has been formally handed off from the Deputy General Manager to Leo Espia who is currently in charge. This shift reinforces the expectation that the division will operate with full accountability and carry forward the corrective measures and standards already set in motion. The General Manager's Office will continue to monitor progress closely.

GM's Feedback: The General Manager will continue setting the tone on discipline, structure, and cross-divisional accountability. No division is exempt from the standards we have all worked hard to put in place since day one of this administration. Our focus remains on forward execution, correcting underperformance, following through on reforms, and ensuring that project readiness and compliance are not just reported but demonstrated. Every reform we implement must work in practice, not just on paper. The second half of the year is about proving that we can always do better, no matter the odds.

The DGM for Operations plays a critical role in reinforcing structure and ensuring real-time communication flows from field to leadership. This position must continue to lead with visibility, reinforce shift discipline, and close follow-through gaps identified in Equipment Maintenance and Terminal. The expectation is consistent application of directives, weekly operational check-ins, and early flagging of issues requiring GM intervention. Fortright reporting is essential. I rely on this office to exercise sound judgment and to bring forward issues early rather than selectively. Discretion without delay is how we lead.

The DGM for Administration and Finance is expected to maintain strong alignment between administrative functions and execution of all General Manager's directives. Coordination across all divisions under his supervision must be his focus, and must remain tight, especially as we enter the second half of the fiscal year with increasing pressure on project delivery, audit readiness, and personnel compliance. Active monitoring, timely escalation, and clear follow-through are critical to sustaining reforms and performance momentum. Fortright reporting is not optional. I expect discretion, discernment, transparency, and an unfiltered view of what is working and what is not so we can course-correct quickly and uphold the integrity of the system we have been building across all divisions through the Port.

Every division must continue to exercise discretion and discernment in elevating issues that require the attention of the General Manager. I expect forthright communication, not selective reporting. If a process is breaking down, if performance is falling behind, or if a policy is being ignored, I want to know immediately. Timeliness, honesty, and the courage to speak up are essential parts of leadership responsibility.

Legal

Former Judge James L. Canto

Attorney Jessica Toft

The Port's two Staff Attorneys report directly to the General Manager and do not constitute a formal division. Their services are engaged through a Legal Service Request (LSR) process to ensure proper oversight and prioritization of legal work. They continue to provide essential internal counsel on personnel actions, procurement matters, lease enforcement, litigation, and contract compliance.

Legal has supported the development of policy reforms, reviewed board matters and resolutions, assisted in preparing responses to regulatory bodies, and helped navigate adverse actions, audit findings, and litigation risks. They have played a central role in refining policy language, ensuring procedural due process, and safeguarding the Port's interests in civil service proceedings, legislative initiatives, and contract enforcement. Importantly, Legal has been instrumental in advancing much-needed reforms that protect the integrity of the Port and its workforce.

GM's Feedback: The Port's two in-house staff attorneys remain critical to the survivability of our operations. They continue to serve with professionalism, integrity, consistency, and legal discipline. Legal ensures that the Port's actions are defensible, consistent with statute, and grounded in the Rule of Law and the Port's Personnel Rules and Regulations. I expect legal guidance to remain practical, timely, and embedded in the Port's operational cadence, meaning legal must continue to be proactive, stay in step with how the Port runs, remain involved in real time with ongoing workflows, and be ready to advise so that timely decisions can be made, just as they have both been doing.

Operations

Glenn Nelson, Operations Manager

Patrick Alvarez, Assistant Operations Manager

The Operations team reported steady vessel discharge and container flow, including the ability to adjust operations to accommodate cruise ship arrivals and peak yard conditions. Improvements in shift coordination and field-level oversight helped ease congestion and supported throughput. The team also expanded cross-training to increase flexibility across shifts. Continued focus is needed to strengthen communication during shift handoffs and ensure that daily expectations are fully aligned with leadership.

GM's Feedback: Operations has shown it can step up under pressure, and that resilience is something I value deeply. The next step is to carry that same consistency into every shift and every hour, which they have continue to demonstrate consistently without fail. Supervisors are also leading from the ground, staying connected with the teams, and communicating directly with the Deputy General Manager for Operations and with the General Manager whenever necessary.

As previously directed in the delegation of authority memo, the Operations Manager and Assistant Operations Manager are exercising sound discretion, upholding the chain of command, and remaining fully accountable for the areas under their charge. Any decision involving agency-wide impact, unresolved risk, or external consequence are being elevated accordingly. Clear communication and sound judgment remain essential as we move into the second half of the fiscal year. This expectation is not new, but it is critical to maintaining operational continuity and shared responsibility at all levels.

It has also been raised that even with additional hiring, overtime costs may not decrease. This is a valid concern given the structural limitations in place. Our current Collective Bargaining Agreement defines three recognized shifts: 0700 to 1600 and 1900 to 0400 for normal operations, and 0700 to 1900 and 1900 to 0700 for vessel operations. These schedules create boundaries that affect how labor is deployed and how overtime is triggered. And, at all costs, we are committed to adhering to the "Shift Schedule Bill of Rights" in order to ensure fairness in the application of employee scheduling and fairness in time keeping.

As we continue tying overtime strictly to vessel operations, I encourage the Operations leadership team to take a closer look at whether overtime patterns are driven by true operational need or by limitations in how shifts are currently structured. The idea of establishing a mid-shift has been discussed within Operations for several years and may be explored further if leadership believes it should be formally presented to the union. Any such proposal must be carefully evaluated to determine whether it addresses operational needs in a sustainable and equitable way. It should also provide a clear benefit to employees by supporting their overall wellness and promoting a healthier work-life balance.

Stevedoring Division

Junior Topasna, Stevedoring Superintendent

Stevedoring leadership reported consistent shift coverage, reliable communication, and dependable on-the-ground presence. Coordination with Terminal and Transportation remained strong and helped maintain flow and morale. The division continues to play a critical role in vessel operations, particularly during overlapping schedules and high-volume throughput. Forecasting crew availability and managing surge periods remain top operational priorities that require close attention and stronger predictability.

GM's Feedback: I appreciate the steady leadership this team continues to show, especially the consistent presence in the field and the ability to hold the line during pressure points. That reliability has not gone unnoticed. As we move into the second half of the year, I expect this division to continue being proactive in forecasting manpower needs and aligning early with vessel schedules. The Stevedoring team has earned a reputation for steadiness, and I look to them to build on that by leading with anticipation and maintaining control over the pace and safe execution of each operation.

Terminal Division

Janice Flores, Acting Terminal Superintendent

Despite a leadership transition, the Terminal Division reported stabilized operations, improved morale, and expanded cross-training. The Acting Superintendent emphasized safety, coordination, and a return to structure as essential to maintaining smooth yard operations and supporting vessel flow. The team demonstrated adaptability during high-traffic periods and showed a renewed focus on consistency

and shared accountability. Continued coordination with Operations is essential to strengthen staging practices, manage equipment flow, and reinforce real-time communication across shifts.

GM's Feedback: I want to recognize the work that has gone into maintaining confidence, teamwork, and morale across this division. The leadership transition has been steady and thoughtful, and the results are visible. This team continues to show discipline, professionalism, and a strong commitment to how the terminal runs day to day. I expect this momentum to continue by strengthening collaboration with Operations and improving how equipment movement and container staging are coordinated throughout each shift. Just as important, I expect consistent integrity in how container movements are captured for billing and accountability. That responsibility is shared, but it begins with accuracy at the field level. This division has shown what is possible when leadership is steady and employees are supported. I look forward to continued growth, stronger coordination, and a clear structure that keeps this progress moving forward.

Transportation Division

Raymond Santos, Transportation Superintendent

The Transportation Division reported successful integration of new yard tractors, improved shift coordination through handheld radio communication, and consistent team engagement across operations. The team has shown focus in managing container movements during peak vessel and cruise overlaps. At the same time, challenges remain in balancing equipment deployment, managing overtime, and responding to dynamic field conditions in real time. Coordination with Equipment Maintenance and Operations continues to be essential in aligning schedules and maximizing available resources.

GM's Feedback: I want to recognize this division's consistent commitment to field responsiveness and teamwork under pressure. The improvements in communication, equipment integration, and shift alignment are clear. Now is the time to build on that momentum. Equipment deployment and overtime control must remain top priorities, not just in practice but through regular reporting that tracks utilization, workload distribution, and operational bottlenecks. Their presence on the ground makes a difference and their coordination with other divisions improves overall flow. I expect continued focus on improving responsiveness while reinforcing accountability and structure. Transportation plays a key role in keeping yard movements smooth and timely and I appreciate the pride this team takes in owning that responsibility.

Equipment Maintenance Division

Joaquin Pangelinan, Equipment Maintenance Manager

Shine San Agustin, Assistant Equipment Maintenance Manager

The Equipment Maintenance Division reported reduction in its repair backlog and a renewed focus on preventive maintenance scheduling. The team also acknowledged areas that require rebuilding, particularly in task oversight and coordination with other divisions. A corrective structure is now in place under the Deputy General Manager for Operations, including weekly performance tracking and clear expectations for documentation and task closure. Reestablishing continuity and structure across supervisory levels remains a primary focus.

GM's Feedback: I expect this division to continue building momentum under the renewed oversight now in place. This is not just about keeping up with repairs. It is about reinforcing the systems and leadership discipline that ensure equipment is maintained before failure and that field operations are fully supported without delay. Structure must be present at every level of the division, and communication between supervisors, Operations, and Finance must be timely, documented, and proactive. Weekly updates will continue until full operational consistency is achieved. The work of this division is essential to every other division's success. Equipment must be safe, available, and properly tracked. I trust that this team will continue stepping up to that responsibility and bring sustained focus and ownership into the second half of the year.

Facilities Maintenance Division

Alex Aflague, Facilities Maintenance Manager

The Facilities Maintenance Division reported completion of multiple site improvements and continued support for Port-wide facility maintenance and logistics needs. The team remained responsive to daily work orders while managing limited staffing and aging vehicle equipment. Concerns were raised regarding vehicle conditions, budget constraints, and the overall demographics of the workforce. The division is now working toward a structured preventive maintenance calendar at the request of the General Manager and a quantified resource plan to better anticipate future needs and reduce unplanned disruptions.

GM's Feedback: I want to acknowledge the support this division provides across the Port. This division often operates behind the scenes but remains essential to keeping our facilities clean, safe, functional, and mission ready. That support must now be matched by clear planning, transparent resource forecasting, and proactive communication. I expect this division to track equipment conditions and budget requirements with discipline and to work closely with Finance and Engineering to anticipate material needs before they become operational delays. Facilities Maintenance cannot operate in reactive mode. We must move toward a system that allows for readiness, predictability, and continuity. I trust this team to continue stepping up and to bring forward the recommendations and insights needed to keep the Port functioning at its best.

Finance Division

Jojo Guevara, Chief Financial Officer

The Finance Division reported progress in key areas including preparation of the tariff adjustment petition, automation of payroll functions, integration of job cost billing, and continued audit readiness. The division has maintained oversight over revenue modeling and compliance activities while managing complex demands across budgeting, procurement, and capital projects. Delays in data or documentation from other divisions were noted as a recurring challenge that affects reporting accuracy and financial pacing. Finance emphasized the need for stronger internal alignment between spending, reporting, and project execution to support more disciplined fiscal planning in the second half of the year.

GM's Feedback: I want to recognize the Finance Division's continued leadership in financial oversight, revenue forecasting, and operational accountability. This division has held the line through tight timelines, mounting workloads, and shifting external demands, and its contributions are reflected in how we have been able to stay audit ready and strategically positioned. That said, momentum must continue. Finance must lead with structure and hold all divisions accountable for timely and accurate inputs. Budget tracking, billing accuracy, and spending discipline are only as strong as the information flowing into the finance team. Delays must be flagged early and patterns of non-responsiveness must be escalated. Finance plays a critical role in making sure our resources are used responsibly and that our decisions are backed by data. I trust that this team will continue to lead by example and bring both precision and structure into the second half of the fiscal year.

Planning Division

Joe Javellana, Chief Planner

The Planning Division reported securing multiple federal grants and submitting high-value proposals, including those for the Port Infrastructure Development Program and the Clean Ports initiative. The team continues to serve as a critical driver in identifying funding opportunities, aligning project scopes with national priorities, and maintaining coordination with FEMA, MARAD, and other federal partners. Planning has also proposed the use of execution dashboards, milestone tracking, and quarterly reviews to strengthen oversight and provide visibility across project lifecycles. The division acknowledged the need to apply these tools more consistently and to improve integration with CIP/Engineering and Finance to support more informed and timely decision-making backed by financial forecasting.

GM's Feedback: Planning is doing the right work and through various planning documents developed under our administration, including the Port Master Plan Update, the Capital Improvement Program, the Clean Ports Strategic Framework, and the Port Readiness Plan, we have positioned the Port to pursue long-term capital success. The challenge now is consistent execution. Tools like dashboards and milestone reviews must become standard operating practice and not just concepts on paper. Planning is uniquely positioned to bridge strategy and delivery by ensuring that grant timelines, scope compliance, and resource alignment are actively tracked. I expect this division to lead that shift with structure and urgency. Integration with Engineering and Finance is essential to keeping projects moving and ensuring that proposals translate into results. This is the team that can turn vision into execution and must continue setting the pace as we move forward. The second half of the year is about performance and Planning must lead that charge with clarity and consistency.

CIP/Engineering Division

Clarence Lagutang, CIP/Engineering Manager

The CIP and Engineering Division reported measurable progress across several major capital projects, including FEMA reimbursements, insurance-supported recovery work, the ongoing demolition of the ship-to-shore crane, and various major capital improvement projects tied to the 2018 Revenue Bond. The division continues to serve as a technical backbone for project execution and has taken the lead in coordinating documentation for federally funded repairs. It acknowledged ongoing challenges in

maintaining internal reporting discipline, sustaining inter-division coordination, and managing scope across projects with limited staffing. To improve transparency and support strategic oversight, future reports will clearly identify each project's status as active, dormant, or completed and align updates with the Port's broader capital improvement framework.

GM's Feedback: The division's technical work is essential to the Port's long-term readiness and mission delivery. However, technical expertise alone is not enough. I expect this division to raise its reporting discipline, improve milestone tracking, and work closely with Planning, Procurement, legal, and Finance to ensure capital projects stay on pace and aligned with strategic priorities. The CIP plan must remain a living document, not just a list of ideas. Each project must be reviewed and validated for its readiness, status, and alignment with agency goals.

All CIP planning must be cleared with the General Manager at the inception stage. No division resources should be spent developing or preparing projects that have not been authorized by me in writing. A key determinant will be the availability of funding and, if necessary, board-approved allocations through the budget act. We cannot afford to invest time or effort in wishful planning that does not reflect the agency's direction. I also want to acknowledge the CIP and Engineering Manager for the thoughtful development of the current plan, which provides a solid foundation for improved oversight and coordination. Going forward, visibility and accountability must define every project update. I trust this division to match its technical ability with clarity, structure, and timely delivery.

Procurement and Supply Division

Annie Sablan, Acting Procurement & Supply Manager

The division reported processing over 400 requisitions and issuing multiple formal contract awards tied to capital projects, personnel needs, and ongoing operational support. Procurement also advanced digitization efforts, improved document accessibility, and worked toward full compliance with GSA requirements. Challenges reported include recurring delays from vendors, insufficient lead time from requesting divisions, and the continued need to standardize contract templates and internal workflows. The division also identified cross-division communication gaps that affect processing efficiency and vendor follow-up.

GM's Feedback: Procurement has managed high volume under pressure and continues to show strong support for critical functions across the agency. That said, the second half of the year must focus on eliminating recurring vendor delays, enforcing expiration tracking, and accelerating the use of standardized templates. Coordination with Legal, IT, and requesting divisions must be proactive and precise. Procurement cannot operate in a vacuum because it depends on accurate scoping, timely submissions, and full documentation. Audit readiness is a shared responsibility, and this division is expected to lead by example.

Marketing Division

Bernadette Sterne, Marketing & Communications Manager

Marketing reported strong and consistent performance across cruise ship coordination, public messaging, and internal communications. The division continued producing the monthly employee newsletter, launched the first-ever Port challenge coin as part of employee engagement efforts, and maintained the Port's website while preparing to roll out the new employee mobile app. These efforts reflect the division's commitment to both external visibility and internal cohesion. At the same time, the division noted that timely access to information remains a challenge. Continued coordination with division heads and early input on key developments are essential to ensure that messaging is accurate, aligned, and delivered with the consistency the public and our employees expect.

GM's Feedback: This division continues to deliver under pressure and has maintained professionalism, structure, and accuracy in how the Port is represented. The real value of this work is in prevention by getting facts out early, avoiding confusion, and protecting the Port's integrity before problems escalate. Every division is expected to treat Marketing as a partner by providing timely and accurate updates and by working together to ensure our messaging reflects the full scope of the Port's work. Messaging is not an afterthought. It is how we protect the credibility of this agency, the integrity of all Port employees and partners, and the trust of the people we serve.

Human Resources

Shawn Cepeda, Personnel Services Administrator

Human Resources reported comprehensive implementation of key hiring reforms under our administration, including resume redaction, rotation of rating panels with safeguards against conflicts of interest, rigorous pre-audit compliance, and skills certification testing. These measures have significantly enhanced fairness, transparency, and integrity in recruitment. While progress is evident, challenges remain with timely submission of performance evaluations and consistent policy enforcement across some divisions. HR is preparing an expanded training rollout on personnel policies to address these gaps and strengthen supervisory accountability. The division's continued leadership is critical to building a workforce culture rooted in merit, equity, and ongoing professional development.

GM's Feedback: This division has made significant progress in protecting the integrity of the Port's hiring system. The work must now be sustained and enforced without exception. All divisions are required to comply with performance evaluation timelines, supervisory responsibilities, and policy standards. HR's role is not to clean up mistakes but to lead with structure and uphold fairness. The division must continue to track certification requirements and training completion, and actively support enforcement of the Board Policy on Workplace Violence in coordination with Safety and Port Police. Consistency and clarity in all personnel actions are non-negotiable.

General Administration

Annette Mafnas, General Administration Manager

The General Administration Division reported continued progress in digitization of documents, document routing, recordkeeping, and administrative logistics across the agency. The division remained consistent in managing internal workflows, tracking certifications, and ensuring the movement of key personnel and procurement documents. Staffing constraints and continued reliance on manual processes were acknowledged as limiting factors, affecting response time and creating occasional backlogs. The team is working closely with IT and HR to modernize internal tracking and reduce paper dependency.

GM's Feedback: This division is the unseen engine that keeps the Port's daily operations running. Their role touches nearly every process we rely on—from routing approvals to maintaining critical records. I expect this division to stay fully engaged in our digitization efforts and to take initiative in streamlining how information is managed and moved. Manual processes must continue to give way to faster, more reliable systems. Time-sensitive actions cannot be delayed by outdated workflows or internal gaps in communication. Their work may not always be visible, but it is foundational to everything we do. I trust this team to continue building momentum, working closely with IT and HR, and ensuring that the Port's administrative backbone remains strong, responsive, and aligned with our push for operational excellence.

Occupational Health & Safety Division

Paul Salas, Acting Safety Administrator

The Occupational Health & Safety Division reported successful completion of multiple federal inspections, procurement of critical safety gear, and execution of site-wide hazardous waste disposal. The division has continued to support compliance and risk mitigation across operational areas, while also coordinating safety briefings and incident tracking. Ongoing challenges were noted related to staffing limitations and inconsistent follow-through on training requirements across divisions. As the Port continues to navigate high-volume operations, cruise ship activity, and equipment demands, the role of Safety remains central to both prevention and preparedness.

GM's Feedback: Safety is not a passive or background function—it is a core operating principle. I expect this division to remain present, visible, and consistent in how it supports field operations and vessel activity. Corrective actions must be documented, training must be tracked and enforced, and risks must be flagged early. This division plays a key role in prevention, and that work must be deliberate and disciplined. I am also directing Safety to continue working with Human Resources and the General Manager's Office to clarify its field role and ensure full alignment with the Board Policy on Workplace Violence. Safety is not just about compliance—it is about culture. Employees must feel protected, and supervisors must understand that safety is everyone's responsibility. I trust this team to stay active, raise concerns without hesitation, and help build a work environment where preparation, protection, and prevention are the standard.

Harbor Master

Chris Flores, Harbor Master

The Harbor Master reported continued stability in vessel traffic management, pilotage services, and enforcement of maritime safety regulations. Coordination with vessel operators, tug services, and federal agencies supported smooth arrivals and departures even during peak traffic and adverse weather. The team maintained vigilant monitoring of navigational safety and environmental compliance while addressing ongoing training needs and equipment upgrades. The Harbor Master also plays an active leadership role in the Marina Users Group, fostering communication and cooperation between the Port and the boating community, marina users, and tenants. Continued emphasis is needed on real-time communication across maritime stakeholders and proactive response planning.

GM's Feedback: I commend the Harbor Master for steady leadership and consistent focus on safe and efficient vessel movements. His engagement with the Marina Users Group demonstrates a commitment to fostering positive relations and collaboration with the boating community, marina users, and tenants. This division plays a critical role in safeguarding Port operations and ensuring compliance with maritime regulations. Moving forward, the Harbor Master continues to strengthen collaboration with Operations and Equipment Maintenance to anticipate and address challenges early. Real-time communication protocols have been improved to support rapid decision-making and effective risk mitigation. The Harbor Master is actively advancing professional development initiatives and modernizing operational tools to sustain readiness. Timeliness, situational awareness, and proactive coordination remain key priorities as the division successfully manages growing complexity and demand in the second half of the fiscal year.

Port Police Division

Jesse Mendiola, Port Police Chief

Roseanna Stone, Assistant Port Police Chief of Administration

Victor Camacho, Assistant Port Police Chief of Operations

Port Police reported continued law enforcement visibility across Port facilities, successful coordination during multiple cruise ship operations, and overall stability in its command structure. Officers remained present and responsive during vessel arrivals, and the division-maintained support for both daily security and federally

regulated operations. However, challenges persist in shift documentation, inter-agency coordination, and the consistent application of internal discipline protocols. The need for stronger alignment between written procedures and field execution was also identified. Unified command presence and active situational awareness remain top operational priorities.

GM's Feedback: The Port Police command structure is holding and must continue to project leadership in the field. Documentation, officer conduct, and unified supervision must remain tight and fully aligned with the Port's regulatory responsibilities. As General Manager, I remain directly accountable for the Facilities Security Plan and will not compromise on compliance. I expect full enforcement of security protocols, proper incident documentation, and coordination with external agencies when necessary. The division must also work closely with Human Resources and the General Manager's Office to address gaps in the Board Policy on Workplace Violence, ensuring our response protocols are coordinated, documented, and defensible. Leadership in this division must remain visible, decisive, and responsive to evolving risks.

Information Technology Division

Dennis Perez, Systems Manager

The Information Technology Division reported continued progress across multiple modernization initiatives, including infrastructure upgrades, improved server security protocols, support for procurement system digitization, and agency-wide email migration. The division remains actively engaged in developing the Terminal Operating System (TOS), planning for industrial-grade Wi-Fi deployment, and supporting the Port's transition to a Smart Port model. Staffing limitations and the evolving landscape of cybersecurity compliance were identified as ongoing challenges, particularly as system demands increase and digital threats grow more sophisticated.

GM's Feedback: IT continues to play a central role in our transformation as a modern, data-driven Port. Under the leadership of the Systems Manager, the division has shown dedication to balancing security, innovation, and day-to-day responsiveness. Now that foundation must be expanded. The focus must remain on system stability, full cybersecurity compliance, and user support that keeps pace with operational needs. Key projects like the TOS, website rollout, and industrial Wi-Fi planning must remain on track and visible to all stakeholders. IT is also expected to work directly with divisions to align tools with field-level requirements and flag implementation

risks early. We cannot afford disconnects between technology and execution. As we move further into Smart Port readiness, IT's leadership must continue to be forward-looking, practical, and integrated with the Port's strategic direction. This team is vital to ensuring that technology not only works—but works for everyone.

Commercial Division

Pacifico Martir, Deputy GM and Divisional Oversight (May 20, 2024 to May 21, 2025)

Leo Espia, Person-In-Charge (effective May 22, 2025 to present)

The Commercial Division, now under new leadership, reported steady progress in lease enforcement, communication protocols, and tenant coordination. The division is actively reconciling tenant files, cross-referencing billing records with Finance, and updating outdated documentation. While the ongoing reset has introduced greater structure and momentum, challenges remain in maintaining consistency in enforcement actions, standardizing internal workflows, and rebuilding collaborative relationships with both internal and external stakeholders. Billing accuracy, lease compliance, and proactive follow-up remain the division's primary operational priorities.

GM's Feedback: I want to commend the new person in charge of the Commercial Division for the positive actions taken and the clear commitment to guiding the division's personnel. While our expectations remain high, this division is well positioned to achieve consistent lease enforcement, maintain accurate and up-to-date billing records, and fully document all tenant interactions, including those involving the Port's marinas. Protecting Port revenue and ensuring tenant obligations are met with fairness, transparency, and precision are central to the division's mission.

I also remind the team that timely communication of all critical updates, including unresolved tenant matters, billing discrepancies, and lease concerns, is essential for coordinated oversight and agency-wide alignment. This work goes beyond administration; it reflects our dedication to upholding public trust.

- 7. Port Files \$55 Million Federal Lawsuit in Wake of Typhoon Mawar Damage.** On May 23, 2025, the Port Authority of Guam filed a civil lawsuit in the U.S. District Court of Guam seeking damages stemming from the destruction of Port facilities during Typhoon Mawar. The complaint names Guam Industrial Services, doing business as Guam Shipyard, as well as crane barges YD 120 and YD 223, as defendants. The

lawsuit alleges that the barges were improperly moored before the typhoon struck on May 24, 2023, causing them to break free and crash into the Port's Golf Pier and seaplane ramp. The resulting damage rendered both facilities inoperable. According to the complaint, steel piles were sheared, concrete structures were cracked or displaced, and critical infrastructure, including mooring dolphins and piping, was significantly damaged.

The Port Authority is seeking no less than \$55 million in damages, citing negligence and trespass to real property. The suit claims that despite widely available warnings about the typhoon, the defendants failed to secure the barges adequately, resulting in what the Port calls a preventable disaster.

"As a result of the Typhoon, YD 120 and YD 223 broke free from their moorings and were blown into Golf Pier and seaplane ramp, causing extensive property damage to Golf Pier and the piping and appurtenances affixed thereto, and to a seaplane ramp," the filing states. The lawsuit further requests compensation for economic losses, emergency response costs, attorney's fees, and future repair and reconstruction needs. This marks a major legal step by the Port in recovering costs related to Typhoon Mawar and safeguarding against future negligence impacting Guam's only commercial seaport.

8. **Port Hosts Strategic Infrastructure Meeting with CDLO Consultants.** The Port Authority of Guam welcomed representatives from the Governor's Community Defense Liaison Office (CDLO) and Tetra Tech on May 6, 2025 for a key meeting focused on assessing and advancing critical Port infrastructure projects that support Guam's military readiness and long-term resiliency. Tetra Tech, consultants for the Governor's CDLO, is currently gathering information from government agencies across the island to compile a comprehensive list of infrastructure initiatives. These projects will be submitted to the federal Economic Adjustment Committee (EAC) as part of a broader justification for federal funding tied to national defense priorities.

During the meeting, Port leadership, CDLO officials and Tetra Tech consultants discussed several high-priority initiatives, including the acquisition of new STS gantry cranes, the hardening of cargo piers, upgrades to fuel piers, and the proposed development of Area A fuel storage facility. These projects are essential to strengthening the Port's ability to serve as a critical logistics hub in support of both civilian and military operations on Guam and throughout the Indo-Pacific region.

Collaborating with Tetra Tech and the Governor's Office on these strategic priorities ensures the Port's infrastructure can support Guam's critical role in national security. These initiatives are not only investments in the island's economic future, but also vital enhancements to our readiness and resilience in the face of increasing regional demands. On May 8, 2025, the Port team hosted a boat tour for representatives from CDLO and Tetra Tech to provide an on-site assessment of key infrastructure projects. The tour allowed Port staff to showcase critical areas and ongoing initiatives that are under consideration for inclusion in the Governor of Guam's packet of priority projects.

The Port Authority extends its deepest appreciation to Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio for their leadership and vision in securing federal support for Guam's infrastructure. Gratitude is also extended to the Port's Board of Directors and dedicated employees, whose continued efforts are instrumental in advancing these transformative projects. As Tetra Tech continues its island-wide assessments, the Port Authority remains committed to ensuring Guam's strategic infrastructure meets the evolving demands of both commerce and national defense.

9. **Port Police Certified in Advanced Speed Enforcement Technology.** Officers from the Port Police Division have successfully completed certification training on the use of the LTI 20/20 TruVISION laser system, a cutting-edge photo and video laser technology designed to enhance traffic enforcement and promote roadway safety. Officers who participated in the training include :

- Higinio N. Camacho Jr.
- Eric J. Salas
- James A. Sandlin
- Frank J. San Nicolas
- Benny M. Quinata
- Theresa R.T. Reyes-Manibusan
- Michael G. Lasiste
- Joy R. Quichocho-Cruz
- Michael A.P. Franquez
- Keesha A.F. Duenas
- Daryl M. Movida
- Alex L. Tithingrad
- Kylie R. Maurer
- Jacob Q. Iriarte
- Rudolph Salas
- Kyler J. Candoleta
- Pedro C. Lizama
- Justin S. Cruz

The training, held from May 5–7, 2025, was conducted by Lieutenant Dean Delgado from the Guam Airport Authority and marks a significant milestone in the Port's efforts to strengthen its law enforcement capabilities under the Operation Adahi Hao

(Watch Out!) program. Funding for this program is provided in whole by the Department of Public Works, Office of Highway Safety Federal Grant which focuses on high-visibility traffic enforcement operations such as speed checks to encourage compliance with traffic laws and safer driving habits.

The LTI 20/20 TruVISION laser system offers a range of advanced features including high-resolution video tracking and image capture, simplified operation, secure and encrypted data storage, wireless field printing and scalable integration with other enforcement technologies. The system is easy to learn and empowers officers to efficiently document and respond to traffic violations with greater precision and safety. Investing in modern enforcement tools and training is essential to maintaining a secure and orderly port environment. The LTI 20/20 TruVISION laser system enhances our officers' ability to enforce traffic laws effectively while also supporting our commitment to public safety through proactive, visible enforcement.

The Port Authority extends its thanks to the Department of Public Works and the Office of Highway Safety for their partnership and continued support of the Operation Adahi Hao program. Congratulations to the Port Police Officers for their successful completion of this important training and for their ongoing dedication to keeping our roads safe.

10. **ATOSSCOM's Regional Water Transportation Training Program.** The Port Authority of Guam, in partnership with the Matson Navigation Company and the Marianas Steamship Agency, successfully hosted the Water Transportation Training Program (WTTP) on May 28, 2025. The month-long program, held from May 1 to May 28, brought together participants from across Micronesia to strengthen regional capacity in maritime operations and management. The WTTP was sponsored by the Association of Terminal Operators, Stevedoring and Shipping Companies of Micronesia (ATOSSCOM), a non-profit organization uniting maritime stakeholders across the region. ATOSSCOM requested the training be co-sponsored by its Guam-based members—Port, Matson, and MSA—who formalized their support through a Memorandum of Agreement signed on March 7, 2025.

The Port Authority of Guam is proud to share its knowledge and expertise with our partners in Micronesia. This program demonstrates the power of cooperation, collaboration, and mentorship, especially in strengthening smaller ports in our island region. Together, we raise the standard for everyone. The WTTP provided on-the-job training in two major areas of water transportation:

- Agency-Carrier Operations: Customer service, documentation, vessel operations, administration, and accounting.
- Port Operations: Terminal logistics, stevedoring processes, transportation operations, equipment maintenance, tariff/billing implementation, and completed the HAZWOPER, Forklift and Industrial training.

Participants included Terence Miozawa (Palau), Matty Rengeisom (Chuuk), John Acosta (Saipan), and Tristan Edwards (Pohnpei). Each participant brought a unique perspective from their home ports and gained first-hand experience in Guam's advanced maritime operations.

"I was motivated to participate in the program to see and learn how Guam port operates and bring back and share knowledge with my team in Chuuk, especially on teamwork and safety to get the work done efficiently," said Matty Rengeisom. *"The most memorable part of the training was climbing up the gantry crane—it was incredible!"*

Each participant expressed admiration for the level of advancement at the Port Authority of Guam compared to their respective ports. They emphasized the importance of bringing this new knowledge back to their home islands, where they aim to enhance local practices and foster a culture of efficiency and safety.

The Port Authority of Guam, a proud member of ATOSSCOM for more than 20 years, currently serves as the secretary of the association. This ongoing leadership and collaboration continues to shape the future of maritime excellence across Micronesia. As the training program wrapped up, the Port reaffirmed its commitment to regional partnerships, knowledge-sharing, and the continued development of a resilient and interconnected Micronesian water transportation network.

11. Hagåtña Marina Users Group Meeting – Key Issues and Immediate Action Items.

The Hagåtña Marina Users Group (MUG) convened last night, June 4, 2025 with strong participation from tenants, commercial operators, recreational boaters, and Guam Fire and Rescue. Frank Quinata was elected as President of the reestablished MUG. The meeting provided a candid look at user concerns and underscored areas where the Port Authority must strengthen its marina oversight, maintenance, and responsiveness.

Top Issues Raised by Marina Users:

1. Security Concerns

- Repeated break-ins and thefts reported by tenants.
- Gate locks are broken or easily bypassed; loiterers and unauthorized users access the docks.
- Unattended individuals use open slips for showering and leave trash, clothing, and water running.
- No available trash bins lead to tenant complaints of having to clean up after others.
- Requests for tenants to access security camera feeds or to monitor activity themselves.

2. Lighting Deficiencies

- Dockside and pedestal lights are non-functional.
- Parking lot lights are either off or angled away from docks.
- Suggested fix: reorient dual fixtures so one light faces dock, the other the lot; consider solar lighting with timers.

3. Trash Accumulation

- Widespread littering, primarily from non-tenant users.
- Absence of trash receptacles contributes to unsightly and unsanitary conditions.
- Calls for enforcement through fines or usage restrictions for violators.

4. Water Access and Washdown Issues

- No functioning water access to clean boats and trailers.
- Washdown station frequently broken or secured.
- Users compare it unfavorably to Agat, where water is accessible though still lacking a designated washdown area.

5. Trailer Parking Shortages

- Inadequate designated space forces users to park on grass, gravel, or across the street.

6. Dredging and Dock Functionality

- Low tide impedes vessel movement at Docks B and C due to buildup of rocks and coral.
- Mariners have requested dredging around the front ramp and dock areas.

7. Growing Slip Demand and Infrastructure Gaps

- Users cite decade-long waits for slips, with rising demand.
- South Ramp lacks temporary mooring space, limiting use.
- Requests for catwalks or parallel structures to improve loading safety.
- Need for regular water blasting of docks, sidewalks, and ramps.

Immediate Remedies Under Consideration:

Security Enhancements

- Increase foot patrols by Port Police and Commercial Division personnel.
- Implement dock checkpoint system.
- Explore round-the-clock monitoring of marina cameras from Port Command Center.
- Consider staffing a marina office 24 hours a day.

Lighting Repairs

- Prioritize repairs to existing pedestal and parking lot lighting.
- Adjust light fixtures to cover docks.
- Install solar-powered timed lighting for sustainability and coverage.

Trash Management

- Deploy trash bins throughout marina areas.
- Begin monitoring and enforcement program targeting litterers.

Water Access

- Repair or replace hose at washdown station.
- Assess permitting system for water use with potential fees.

Maintenance Scheduling

- Establish periodic water blasting of ramps, sidewalks, and docks to ensure safety and cleanliness.

Next Steps

The Planning, CIP/Engineering, Facilities Maintenance and Commercial Divisions and Port Police will develop a plan to triage and act on quick fixes. I have assigned the Harbor Master to continue to lead these efforts, which will also include this task. A prioritized work plan will be developed with cost estimates and timelines presented to me. Recommendations for long-term capital improvements, including dredging and new slip construction, will be reviewed as part of the Port's overall infrastructure planning.

12. General Manager's Notes for YTD Finances. We are providing the following summary for April 30, 2025:

REVENUES AND CARGO THROUGHPUT:

- The Port's total operating revenue as of April 30, 2025 (7 months), is \$33.3 million, which is 8.4% or \$3.1M lower than the YTD revenue budget of \$36.4 million as of April 2025.
- The total number of containers handled as of April (7 months) is 49,132, which is lower by 0.6% or 307 containers compared to last year's YTD total of 49,439 containers. The total tonnage for non-containerized cargo stands is 102K revenue tons, a 16.5% decrease from last year's April total of 122K revenue tons. Part of the increase of breakbulk revenue in FY 2024 was on the GPA Okkoddu Power Plant project. This is not a regular event or transaction that is part of the annual revenue for this category.

OPERATING EXPENSES:

- The total operating expenses as of April 30, 2025 is \$35.0 million, which is 4.5%, or \$1.5M higher than the March YTD FY25 budget of \$33.5 million. Some of the expenses that are high in the first seven months are General Insurance, Operational Supplies, Depreciation, Utilities, Agency & Management fees, and Repairs and Maintenance.

OVERTIME EXPENSE AND DIRECT LABOR REVENUE:

- Overtime for all the divisions as of March is \$1.1M, which is 22%, or \$202K, higher than the FY25 overtime budget of \$915K.
- The total Direct Labor revenue as of April is \$2.6 million, 8.8% or \$207K higher than the FY25 projection of \$2.4 million.

YTD OPERATING REVENUES MINUS YTD EXPENSES:

- Operating revenues minus operating expenses resulted in an operating loss of \$1.7M. After adding the net Other Income/Expenses totaling \$1.2M, the final result for YTD April is a net loss of \$403K. The federal reimbursements booked year to date is \$2.4M.

13. Demurrage – Bare Chassis Fee Implementation. The Port began assessing the new Bare Chassis Demurrage Fee under account number 60.6151.CHASSIS in accordance with the Port's tariff. This fee, which took effect in December 2024, applies to bare chassis that remain on Port property beyond the free time allowance, which is set at 7 days.

Since its implementation, the Port has recorded the following monthly revenues:

- December 2024: \$28,374.18
- January 2025: \$110,355.15
- February 2025: \$94,026.99
- March 2025: \$77,078.52
- April 2025: \$74,016.99

As of April 30, 2025, the total revenue collected from this fee stands at \$383,851.83.

14. Status of Ongoing Awarded Grant Activities and Updates on Planned Grant Acquisitions.

- **U.S. Economic Development Administration (EDA) Fuel Pipeline Connectivity Project.** Planning and Engineering Divisions met with the EDA Project Officer and Economic Development Representative (EDR) to discuss the remaining project scope and funding options moving forward.
 - *Update:* PAG staff met with Project Officer to discuss options to expend remaining grant funds. Project Officer recommended to obtain price quotes for proposed activities outside current project scope. Follow-up meeting with Project Officer on a possible amendment to grant scope scheduled for June 17, 2025.
- **MARAD Marine Highway Program.**
 - *Update:*
 - PO 19901-OS - PAG Maintenance Division certified the equipment to be in working condition on March 7, 2025. Planning processed the recommendation for payment on March 11, 2025. Finance processing drawdown request to MARAD.
 - PO 19902-OS - PAG Transportation and Maintenance Divisions provided acceptance letter of nine (9) terminal yard tractors on

March 10, 2025. Final 25% installment payment has been made to the vendor. Finance processing drawdown request to MARAD.

- PO 19890-OS - PAG received two refrigerated container (reefer) 40-plug gensets on April 19, 2025.
 - PO 20412-OS - Pending delivery of five (5) ea. 11,000-lbs. fork lifts; estimated arrival January 2027.
-
- **Office of Local Defense Community Cooperation.** The PAG's recent grant application totaling \$1.45 million for its Owner's Agent/Engineer to conduct a Port Resiliency and Sustainability Study was granted by OLDCC through the Office of the Governor.
 - *Update:* Reimbursement payments received from Department of Administration on 5/15/2025 and 5/27/2025. Pending close out notification from OLDCC.

 - **EPA Diesel Emissions Reduction Act (DERA) Program.**
Status Quo: Grant application status pending review by US EPA. PO 20063-OS - Two Tier 4 terminal yard tractor units were delivered to PAG on April 25, 2025. Planning and Maintenance Divisions will coordinate the decommissioning of tractor units previously identified for replacement.

 - **US DOT Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program.** The USDOT Office of the Secretary, through MARAD, approved the Port's no-cost modification, reallocating funds from Pier F-1 to support repairs for Wharves F-2 through F-6.
Update:
 - The environmental assessment remains active, with progress guided by consultants and pre-NEPA consultations. Monthly updates are provided to Team MARAD.
 - May 5, 2025: The National Park Service, Interior Regions 8, 9, 10, and 12 formally acknowledged receipt and accepted the Historic American Engineering Record (HAER) documentation for the Port of Guam Commercial Port, Pier F-1 and Berths F-2 thru F-6. NPS confirmed that the completed documentation will be transmitted to the Prints and Photographs Division of the Library of Congress, where it will be publicly accessible as part of the national record.

- **Office of Insular Affairs Maintenance Assistance Program (MAP).**
 - **Port Welding Shop Phase 1 & 2 Project.** Work commenced on January 22, 2025. *Update:* Interior spall repair has begun and spall and crack repairs are 65% complete. Roof silicone painting is 90% complete.
 - **Generator Maintenance Program.** On January 23, 2025, the PAG received approval for its no-cost extension request to September 30, 2026. This will allow the Port to fully execute Year 3 of the technical service contract. *Update:* Facilities Maintenance Division has begun working with Procurement on the process to continue the 3rd year of the maintenance contract.

- **U.S. EPA Clean Ports Program: Climate and Air Quality Planning Competition.** The U.S. EPA Clean Ports Program aims to reduce air pollution and greenhouse gas emissions at ports by supporting projects that adopt cleaner technologies and practices.
 - *Update:* Subaward documents are pending review and acceptance by the subrecipient; additional inquiries regarding program requirements to be addressed with EPA. Following this review, the subaward documents will be updated accordingly.

- **New Grant Opportunity – U.S. EPA Environmental and Climate Justice Community Change Grants Program / Inflation Reduction Act Community Change Grants Program.**
 - *Status Quo:* PAG awaits notification from Community First Guam Federal Credit Union, lead applicant. Projects selected are:
 - Installation of a Solar Photovoltaic System and Batteries Project
 - Microgrid Feasibility Study Project
 - Route 11 Seawall Improvement Project

- **New Grant Opportunity - 2024 NOAA Marine Debris Program- BoatUS Foundation Abandoned and Derelict Vessel (ADV) Removal Grant Program.** The Port submitted its application on November 21, 2024, for the PAG Harbor Restoration and Resilience Initiative (PAGHRR) Project, which would remove thirteen (13) abandoned and/or sunken vessels from PAG properties. The proposed project total is \$859,720.00.

- **Update:** PAG is progressing through the final stages of the review process, actively fulfilling all requirements. Requested information has been sent and acknowledged received by BoatUS Foundation.
 - **Sport Fish Restoration & Sport Fishing and Boating Safety Act Program Maintenance of Public Boat Ramp.** On October 1, 2024, PAG was awarded \$120,000 for the Agat Marina Southern Walkway Repairs under the Sport Fish Restoration. Additionally, PAG received \$275,000 for the Pre-construction Planning Grant for a Gangway and Courtesy Dock at the Harbor of Refuge under the Sport Fishing and Boating Safety Act. Both grants were provided by the U.S. Fish and Wildlife Service through the Guam Department of Agriculture.
 - **Status Quo:** The draft MOU is currently under development by DOAg and is anticipated to be finalized in Q3 2025.
 - **New Grant Opportunity - U.S.DOT Federal Highway Administration (FHWA) Low-Carbon Transportation Materials Program (LCTM).** On November 26, 2024 (and revised on Jan. 23, 2025), the PAG submitted an application, PAG Low-Carbon Transportation Materials Study, which proposes activities to identify and test locally sourced low-carbon recycled waste materials to determine suitability for use in eligible Federal-aid projects and incorporation into future transportation plans or updates for Guam. The total project cost is \$ \$7,216,910.00.
 - **Update:** FHWA still in the process of reviewing applications.
15. **Port Revenue Bonds Project Status.** As of June 2, 2025, the attachment provides information on the status of the revenue bond projects, which include the rehabilitation of the hotel wharf, repairs and improvements to the golf pier, waterline replacement/relocation, upgrades to the EQMR building, repairs and upgrades to warehouse one, construction of a new admin annex building, and other priority projects.

Respectfully submitted,


Rory J. Respicio
General Manager

**2018 Port Revenue Bonds Status Report
As of Jun 2, 2025**

Bond Project	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
Rehabilitation of "H" Wharf	\$46,331,895.00	\$1,740,063.86	\$44,591,831.14	PO No. 17043-06 for \$2,249,945.54 awarded to GHD Inc. New Contract Amount: \$2,856,621.37 I PO No. 18140-05 was issued to Sumitomo Mitsui Construction Company, Ltd. for \$46,331,895.00	Resolution No. 2024-01 authorized the PAG GM to temporarily pause H-Wharf construction, procure additional gantry cranes, and establish comprehensive strategic measures for port operational enhancement and financial reallocation. WSP finalized the design to ensure compliance with the latest engineering codes. UPDATE: Status Quo
Golf Pier Repairs and Improvements	\$2,000,000.00	\$372,147.93	\$1,627,852.07	RFP No. 2019-02: A&E Design for \$484,000.17 awarded to NC Macario	Golf Pier was rendered inoperable after Typhoon Mawar. The PAG along with its OAE have developed cost estimates that are currently under review by FEMA Public Assistance. This review is ongoing. Previously noted funding opportunity (FEMA Building Resilient Infrastructure and Communities (BRIC) program) has been canceled. All BRIC applications from Fiscal Years 2020-2023 has been canceled, according to an April 9, 2025 FEMA release. UPDATE: The PAG continues to work with FEMA on damages to various assets caused by Typhoon Mawar, including damage to Golf Pier.
Waterline Replacement and Relocation	\$6,000,000.00	\$4,020,473.74	\$1,979,526.26	PO No. 1779005 for \$4,856,568.91 awarded to BME & Sons Inc.	Pipe installation along wharves F4 to F5 is ongoing. The first section of the new waterline near the fire water tank has been connected. Work has begun near the main gate to connect the new waterline and additional work that includes the installation of new fire hydrants to meet fire code standards. UPDATE: Work on Route 11 asphalt pavement is ongoing. Installation along F-5 has begun.
EQMR Building Repairs and Upgrades	\$3,628,800.00	\$3,064,831.20	\$563,968.80	PO No. 1800705 for \$3,980,000.00 awarded to JJ Global Service	The repair & paint work as well as lead based paint abatement has been completed. Electrical work is ongoing. The next step is installation of the fire sprinkler system. UPDATE: Electrical work is ongoing. The fire protection installation began the week of May 26, 2025.
Warehouse 1 Repairs	\$2,000,000.00	\$510,715.68	\$1,489,284.32	RFP No. 2019-03: A&E Design for \$1,406,427.48 awarded to NC Macario	The Construction IFB was published on November 25, 2024. The bid opening was held on February 5, 2025. UPDATE: The PO has been processed and the contract is effectuated. The project is now pending NTP.
Other Priority Projects 1. Repair of F-1 Fuel Pier and wharves F-2, F-3, F-4, F-5, and F-6 waterfront facilities 2. Upgrade of the Port's IT system	\$4,980,745.00	\$222,668.79	\$4,758,076.21	See status	1. Please refer to MARAD RAISE - Wharves Service Life Extension Hardening of Wharves F1-F6 for more information. 2. The TOS Upgrade scope of services is under Procurement and Legal review. UPDATE: Status Quo
Other Priority Projects - EnterpriseOne Financial Management System	\$2,500,000.00	\$2,497,129.65	\$2,870.35	See status	Module updates are ongoing for vessels and SSRs. An RFP for joint comprehensive support services with GPA, GIAA, and the lead agency GWA is ongoing. The PAG is also exploring additional applications such as employee self serve and dashboards. The PAG is also exploring preventative maintenance modules and content management. UPDATE: The PAG Payroll Modernization Project, which includes employee self service and automated paystubs, is ongoing.
New Admin. Annex Building	\$10,445,000.00	\$0.00	\$10,445,000.00	See status	Project is currently on hold pending Management decision. Engineering has been instructed to develop Scope of Work to repair concrete cracks and spalling and made a priority. UPDATE: Status Quo
Grand Total	\$77,886,440.00	\$12,428,030.85	\$65,458,409.15		



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Lourdes A. Leon Guerrero
Governor of Guam
Joshua F. Tenorio
Lieutenant Governor

May 29, 2025

Memorandum

To: Dorothy P. Harris, Board Chairperson
Conchita S.N. Taitano, Board Vice Chairperson
Fe R. Valencia-Ovalles, Board Secretary & Director

From: Rory J. Respicio, General Manager 

Subject: Management Performance Assessment – FY 2025 Mid-Year Review

Buenas yan Háfa Adai. I respectfully submit this FY 2025 mid-year management assessment, which provides an overview of each division's performance during the first half of the fiscal year. This report is based on the official Mid-Year Performance Reviews submitted by division heads and, where applicable, their assistant managers. It reflects how each individual is meeting their responsibilities, advancing the Port's priorities, and responding to challenges within their areas of oversight.

Madam Chair and members of the Board, these submissions demonstrate the continued alignment of our organization with *Look Ahead 2025*, the steady implementation of key reforms, and our shared commitment to operational execution.

The following is the mid-year review for the General Manager's Office:

FY 2025 Mid-Year Review

General Manager's Office

Rory J. Respicio, General Manager

Dominic Muna, Deputy General Manager of Operations

Pacifico Martir, Deputy General Manager of Administration and Finance

Intro

The first half of Fiscal Year 2025 reflects steady oversight, disciplined follow-through, and continued implementation of the strategic direction set under *Look Ahead 2025*. As the General Manager and Deputy General Managers of the Port Authority of Guam, our job is to ensure that each division is operating with purpose, that challenges are being addressed early, and that reforms are not just announced but applied. This mid-year cycle confirms that work is underway across the board. The Port's infrastructure readiness remains central to Guam's economic recovery, disaster response capacity, and regional defense posture. Our leadership remains focused on ensuring the Port is prepared not only to meet current operational demands but to serve as a secure and reliable partner in national security.



Key Accomplishments and Progress

- Implemented significant reforms over the hiring process, including resume redaction, pre-audit reviews, conflict of interest declarations, rating panel rotation, and skills-based assessments for certification-required positions.
- Stopped significant revenue leakages related to underbilling resulting in tariff misapplication and implemented new chassis rental charges aligned with the Port tariff.
- Presided over the shift in the Commercial Division to provide for structure to address delinquency and lease enforcement, and to standardize internal coordination and tenant reporting (work in progress).
- Port Legal Counsels provided legal support across personnel reform, enforcement of the Port's Personnel Rules and Regulations, contract review, and lease enforcement matters, helping ensure compliance and consistency with Port rules, Board and General Manager Manager's directives, and statutory obligations. Their work reinforced internal controls and supported decision-making in key areas of operational and administrative oversight.
- Secured the Black Construction lease at the current statutory lease rate, reinforcing the collective commitment to maximizing the value of Port-controlled property.
- Continued the Delegation of Authority given by the General Manager to the Operations Manager and Assistant Operations Manager to oversee Operations, Terminal, Stevedoring, and Transportation.
- Ensured the Port's succession planning for managers and assistant managers in accordance with the Board of Directors' directive.
- Directed the transition from planning to implementation of FEMA, MARAD, and EPA grant-funded infrastructure projects.
- Reprioritized the Port's capital program to focus on execution of high-impact projects including gantry crane replacement, rehabilitation of Hotel Wharf, fuel pier replacement including Area A, and facilities upgrades tied to resilience and safety.
- Reinforced coordination between Planning, Finance, and CIP/Engineering to align grant funding conditions with execution milestones and job cost billing.
- Formed and supported the Chassis Safety Task Force to assess and strengthen safety and inspection standards.
- Maintained direct engagement with oversight bodies including the Port's Board of Directors, Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio, the Legislature, and the Public Utilities Commission, along with active coordination with the Port Users Group, stakeholders, and federal and military partners to communicate key milestones, secure support, and advance the Port's strategic initiatives.
- Successfully renewed procurement delegation each year since 2019, after the Port regained this authority following a 14-year lapse.

Initiatives Underway

- Pursue continued review and adoption of the Port Master Plan to secure alignment with long-term infrastructure needs and legislative support for capital investment.

- Advance financial planning efforts, including bond defeasance and exploration of future bond financing options, to support infrastructure priorities identified in the Port Master Plan.
- Support passage of Bill 109-38, which would authorize a dollar-for-dollar lease offset for tenant-funded Port infrastructure improvements. This legislation would incentivize private investment in Port facilities while preserving public ownership and ensuring infrastructure upgrades are completed without direct capital outlay by the Port.
- Continue pursuit of FEMA and insurance claim reimbursements to support post-typhoon recovery and capital execution.
- Sustain oversight of personnel system reforms, including the employee certification checklist, rating panel protocols, and expansion of the Apprenticeship Program.
- Support interagency briefings and strategic engagement to reinforce the Port's role in regional defense readiness and economic development.
- Review workforce structure and succession planning to maintain leadership continuity and operational stability.
- Oversee infrastructure project readiness and milestone tracking across gantry cranes, wharf structures, fuel piers, terminal modernization, and upland facility upgrades to ensure these efforts directly support the Port's Facilities Security Plan and national security obligations.

Challenges Acknowledged by the General Manager

- Communication and coordination delays during time-sensitive or multi-division efforts, especially where roles and responsibilities overlap.
- Occasional delays in infrastructure updates and interagency coordination requiring more consistent information flow.
- Incomplete, untimely, or unsupported employee performance evaluation submissions continue to affect workforce planning, fairness, and compliance monitoring.
- Inconsistent documentation and overreliance on informal processes, requiring more structured protocols to meet audit and reporting standards.
- Ongoing challenge of meeting the debt service coverage ratio due to the exclusion of the Crane Surcharge and Facility Maintenance Fee from the revenue calculation in the 2018 Revenue Bond indenture.
- Continued reinforcement of reforms is needed to fully replace legacy practices with more accountable systems.

General Manager's Response and Expectations

Our mid-year review confirms that progress is being made across all divisions, but it also reinforces the need for continued discipline, coordination, and execution. The standards we have set are clear. What matters now is whether these standards are upheld consistently and whether all divisions are positioned to anticipate challenges and follow through with solutions.

As the General Manager, together with the Deputy General Managers, our expectations remain unchanged. Communicate early, document accurately, enforce fairly, and lead with presence. The pursuit of all reimbursements, charges and fees, audit integrity, and workforce reform will continue

to guide our work. Bond defeasance planning is moving forward subject to the Board's approval, and all revenue generating efforts will continue to stay grounded in statutory authority, the Port's tariff and accountability. Project readiness, especially those tied to wharf structures, fuel piers, gantry cranes, and facilities improvements, remain a top priority. These critical infrastructure assets are not just critical to Port operations, but to our nation's defense readiness. If the Port is not ready, then the military will not be ready!

We acknowledge every division head who submitted a serious and thoughtful review. These are not ceremonial exercises. These reviews serve as working documents that allow us to track what matters, remove roadblocks, and support the people who are doing the work. Our job is to make sure that what we build actually works and that we are building for the future, and keeping the Port Strong!

The following section-by-section updates reflect each division's contributions, challenges, and expectations for the second half of FY 2025. This report follows the operational structure of the organization and does not imply rank or hierarchy among divisions.

OPERATIONS

Glenn Nelson, Operations Manager

Patrick Alvarez, Assistant Operations Manager

Intro

The Operations Division continues to anchor the Port's core functions, overseeing Stevedoring, Terminal, and Transportation during a period of sustained operational demand. This mid-year review reflects input from both the Operations Manager and Assistant Operations Manager, whose combined efforts support field execution, supervisory oversight, and operational continuity.

The Operations Manager reaffirmed alignment with the strategic direction of Look Ahead 2025 and emphasized the importance of shared leadership in managing workload, maintaining morale, and sustaining performance during peak vessel activity.

The Assistant Operations Manager provided a practical assessment of frontline coordination, highlighting equipment utilization, shift transitions, and team development. His focus on accountability, communication, and mentoring reflects a hands-on approach that reinforces operational stability and long-term workforce resilience.

Key Accomplishments and Progress

- Maintained coordination of daily vessel discharge activities and supported supervisors during shift planning and execution.
- Provided consistent field oversight to ensure accountability, safety, and shift coverage during peak operations.
- Flagged yard congestion issues and implemented strategies that improved cargo flow, equipment staging, and turnaround times.
- Collaborated with Equipment Maintenance to report issues and prioritize repair needs aligned with vessel schedules.

- Recommended handheld radio deployment to enhance communication and reduce response delays across shifts.
- Advanced cross-training initiatives to increase workforce flexibility and reduce staffing bottlenecks.
- Contributed to on-the-job development of operations personnel with a focus on readiness, coordination, and team leadership.

Initiatives Underway

- Cross-Division Engagement: Continued integration with other divisions to support yard readiness and cargo handling.
- Communication Streamlining: Reinforcing the chain of command and internal coordination channels to reduce confusion and delays.
- Leadership Presence: Sustaining field visibility and supervisor engagement across all shifts.

Challenges Acknowledged by Operations

- Sustaining operational oversight and shift coverage during high vessel volume and staffing fluctuations remains a core challenge.
- Communication gaps during shift handoffs and peak periods continue to affect continuity and responsiveness.
- Maintaining consistent field leadership across overlapping operations is essential to reinforcing safety and accountability.
- Access to cargo-handling equipment during surge periods remains a constraint requiring close coordination with Maintenance.
- Supervisors continue to operate under pressure, and ongoing overtime demands highlight the need for stronger labor forecasting and support.

General Manager's Response and Expectations

The Operations Manager coordinates effectively across Stevedoring, Terminal, and Transportation. His mid-year submission shows a clear grasp of the logistical and supervisory demands involved in vessel discharge, shift coverage, and field coordination. We appreciate the Operations Manager's efforts to reinforce the chain of command and strengthen operational structures, aiming to expand this direct and timely communication to reach the Deputy General Manager of Operations and the General Manager. Real-time information is vital for informed decision-making, and structure is essential for maintaining steady operations.

The Assistant Operations Manager's submission reflects a leadership approach that aligns with the priorities outlined in Look Ahead 2025. His recommendations to improve shift coordination, reduce congestion, assign equipment operators, and strengthen communication are timely and based on operational realities. His mentorship of emerging supervisors, expansion of cross-training, and involvement in infrastructure coordination demonstrate a practical, field-based commitment to workforce development and long-term improvement.

The Operations leadership team is expected to maintain strong alignment with division heads and frontline personnel, reinforce accountability in shift execution, and stay present in the field. A continued focus on timely reporting, labor forecasting, and cross-divisional coordination is essential for sustaining daily execution and long-term operational resilience across the Port.

STEVEDORING DIVISION

Junior Topasna, Stevedoring Superintendent

Intro

The Stevedore Division continues to operate under steady leadership with a strong focus on coordination, morale, and operational stability. Weekly productivity remains consistent, and the Superintendent's direct involvement across divisions has helped strengthen safety protocols, ensure reliable shift coverage, and improve planning discipline. Across the Port, there is a clear understanding that our success depends on the collective effort of the entire workforce, including both operations and administrative staff. This principle is reflected in the culture of each team, where presence, accountability, and coordination remain core to how we work.

Key Accomplishments and Progress

- Consistently supported vessel discharge operations with minimal disruption.
- Reinforced communication with Terminal and Transportation to support cargo flow.
- Maintained steady field-level supervision across all shifts.
- Contributed to operational readiness during peak vessel schedules.

Initiatives Underway

- Shift Coordination: Building on established collaboration with Terminal and Operations to streamline shift transitions.
- Safety Oversight: Reinforcement of field-level safety practices in alignment with Safety Division protocols.
- Workforce Presence: Sustained on-site engagement with longshore crews during vessel operations.

Challenges Acknowledged by Stevedoring Division

- Manpower Allocation: Managing shift coverage during high-volume vessel activity.
- Cargo Flow Bottlenecks: Addressing congestion through improved staging and coordination.
- Crew and Schedule Alignment: Improving the match between labor availability and vessel schedules to reduce idle time and delays.

General Manager's Response and Expectations

We recognize that the Stevedore Division plays a critical role in maintaining the rhythm of vessel operations. The Stevedore Superintendent has demonstrated steady leadership and maintained a strong field presence that reinforces accountability, morale, and operational reliability. His coordination with Terminal, Transportation, and Operations leadership, including the Operations Manager, Assistant Operations Manager, and Deputy General Manager of Operations, has been essential to meeting performance expectations.

Discipline remains evident in shift planning, real-time coordination, and consistent field supervision. The men and women in this division continue to play a critical role in supporting cargo movement and overall vessel readiness. Their effectiveness is strengthened by leadership presence and cross-divisional alignment, which together contribute to high morale and steady performance. This progress reflects the culture we are working to build across the Port, one that is rooted in safety, execution, and mutual respect. Let us continue reinforcing it at every level.

TERMINAL

Janice Flores, Acting Terminal Superintendent

Intro

Terminal operations have remained steady and well-coordinated with Operations and Transportation. The team continues to contribute to smooth vessel discharge, quicker yard turnarounds, and enhanced coordination during peak periods. The Acting Port Terminal Superintendent's mid-year review reflects a strong focus on safety, morale, and leadership development during a time of supervisory transition. Her efforts, along with the team, are helping to sustain performance while preparing the division for ongoing day-to-day operations and long-term continuity.

Key Accomplishments and Progress

- On-boarded three Port Terminal Workers to ease manpower shortages, resulting in improved morale and smoother operations.
- Acknowledged the new radios, which improve field coordination, responding to situations, and ensuring safety
- Acknowledged renovation of the Gatehouse, and improved workspace, boosting morale and productivity.
- Led cross-training efforts that expanded workforce flexibility and reduced operational stress.
- Implemented "out-of-position temporary work assignments" to recognize effort and encourage collaboration.

Initiatives Underway

- Support for stripping of the yard, bumper stoppers, terminal lighting, terminal operating system upgrade, and upgrade to referrer plugs.
- Maintaining daily oversight of terminal yard activities.
- Supporting cruise operations in collaboration with other Port divisions.
- Addressing minor staging and equipment concerns as they develop.

Challenges Acknowledged by the Terminal Division

- Balancing staffing levels and overtime remains an ongoing challenge.
- Greater alignment with Operations is needed to support structural coordination.
- Stepped into leadership during a vacancy, taking full responsibility for execution and stability.
- Recognized the importance of proactive communication and early issue resolution.

General Manager's Response and Expectations

The Terminal Division continues to support critical vessel and yard operations through consistent coordination and responsiveness. The Acting Terminal Superintendent has provided steady leadership during this period of transition. Her efforts to stabilize the division while mentoring future leaders reflect the kind of internal capacity-building that strengthens the Port over time.

The Acting Terminal Superintendent's focus on safety, communication, and team morale is evident throughout her report, as is her awareness of infrastructure needs and the importance of interdivision planning. I expect the Terminal Division to continue working closely with the Operations leadership team to improve shift coordination, cargo staging, and execution during vessel discharge. Her leadership will continue to play a key role in supporting both near-term operations and the long-term continuity of the Terminal Division.

TRANSPORTATION

Ray Santos, Transportation Superintendent

Intro

The Transportation Division continues to support vessel and yard operations by maintaining cargo flow, coordinating equipment availability, and reinforcing frontline readiness. The mid-year review reflects steady progress in fleet integration, communication upgrades, and coordination with the Terminal and Stevedore Divisions. The Transportation Superintendent remains directly engaged in daily planning and execution, ensuring that transportation services meet operational demands. His consistent leadership and presence in the field have helped sustain performance, responsiveness, and morale across his team.

Key Accomplishments and Progress

- Integrated new yard tractors to improve cargo movement and reduce delays.
- Acknowledged the procurement of handheld radios for enhanced coordination during shift transitions and vessel support.
- Acknowledged the renovation of the CFS lounge and supervisor work areas, which aims to improve morale and field oversight.
- Maintained regular communication with Mechanics and Operations to balance repairs with vessel demands.
- Participated in certified training programs to strengthen supervisor preparedness.

Initiatives Underway

- Forklift Procurement: Working with Procurement and Planning to acquire new forklifts for cargo operations.
- Equipment Planning: Continued coordination with Maintenance, Operations and Planning to schedule equipment usage based on manpower and shift demands.
- Training and Certification: Supervisors are participating in federally certified training to build leadership capacity and reinforce safety.
- Preventive Maintenance Coordination: Supporting the effort to reduce downtime by aligning equipment availability with cargo flow needs.

Challenges Acknowledged by Transportation

- Managing overtime and manpower coordination during high vessel activity periods remains a daily challenge requiring constant adjustments
- Monitoring and managing the deployment of yard tractors, including maintenance coordination.
- Occasional overlap between cargo transport and cruise traffic requires constant coordination.

General Manager's Response and Expectations

The Transportation Division, like all other divisions the Port, plays a critical role in supporting the Port's daily operations. The integration of new equipment, improved communication tools, and renovated workspaces reflects steady follow-through and responsiveness to field needs. The division is expected to remain closely aligned with the Operations leadership team to ensure equipment is used effectively, field-level issues are addressed early, and shift transitions are consistently supported.

The Transportation Superintendent's coordination efforts and responsiveness to equipment and cruise-related needs continue to support vessel operations and contribute to broader Port activities. The division will keep collaborating with Maintenance and Operations to manage yard tractor uptime and reduce congestion during peak periods. Consistent field-level leadership, proactive coordination, and situational awareness across all shifts are essential for maintaining daily operational flow and long-term resilience.

EQUIPMENT MAINTENANCE

Kin Pangelinan, Equipment Maintenance Manager

Shine San Agustin, Assistant Equipment Maintenance Manager

Intro

The Equipment Maintenance Division continues to support vessel readiness and yard operations by addressing maintenance backlogs, sustaining asset reliability, and coordinating closely with Operations. The division's mid-year review was provided by the Assistant Equipment Maintenance Manager and reflects day-to-day oversight, coordination, and operational challenges observed in the field. The Assistant Equipment Maintenance Manager has remained engaged in day-to-day execution, field-level oversight, and coordination with supporting divisions. His mid-year review reflects a high level of accountability, technical discipline, and commitment to continuing to build structure and consistency in the application of policies and procedures.

Key Accomplishments and Progress

- Reduced the maintenance backlog through targeted repairs and improved work order tracking.
- Reinforced preventive maintenance schedules to minimize recurring equipment failures.
- Coordinated with relevant divisions on equipment upgrades and repair prioritization.
- Provided consistent field presence and inter-division coordination during periods of high vessel activity.

- Worked with Finance and IT to improve tracking of asset capitalization and job order reconciliation.

Initiatives Underway

- Working with Finance on a Vehicle Equivalent Units (VEU) system to better assess asset value and maintenance demand.
- Supporting an update to the Port's Accident and Abuse policy to improve reporting and cost recovery.
- Continuing to conduct regular spot checks to ensure adherence to established procedures and communication protocols.

Challenges Acknowledged by Equipment Maintenance

- Breakdown in structured task assignment, oversight, and coordination processes following leadership changes within the division.
- Communication gaps between supervision and operations, leading to misalignment in priorities and work execution.
- Paused monthly financial coordination meetings, complicating asset capitalization, cost tracking, and funding requests.
- Increased workload and operational strain due to unresolved staffing issues
- Erosion of team alignment leads to inefficiencies, morale issues, and unclear direction during daily operations.

General Manager's Response and Expectations

The Equipment Maintenance Division continues to contribute meaningfully to the Port's operational continuity through sustained backlog reduction, field-level oversight, and preventive maintenance efforts. The Assistant Equipment Maintenance Manager's submission reflects not only performance but also a candid assessment of the structural and communication challenges that have emerged within the division.

The concerns raised, including the breakdown of coordination processes, the absence of timely guidance, and the need for stronger leadership alignment, point to systemic issues that must be addressed. The division has identified the importance of having clearly defined roles, consistent expectations, and more engaged oversight to support stability, coordination, and progress.

Although the division's submission was prepared by the Assistant Equipment Maintenance Manager, the underlying issues point to broader structural concerns that must be addressed at the leadership level. The Equipment Maintenance Manager and Assistant Manager will work closely with the Deputy General Manager of Operations to restore coordination and oversight. I have directed the Deputy General Manager of Operations, the Equipment Maintenance Manager, the Assistant Equipment Maintenance Manager, and all supervisors within the Equipment Maintenance Division to reestablish structured oversight, reinstate regular coordination mechanisms, and clarify responsibilities at every level. They are to report to me weekly until this matter is fully resolved.

FACILITIES MAINTENANCE

Alex Aflague, Facilities Maintenance Manager

Intro

The Facilities Maintenance Division remains a vital support function that spans Port infrastructure, office environments, and key operational areas. The division's mid-year report outlines a diverse workload tied to project completions, facilities upkeep, and succession continuity. The scope and execution of work support the recent reclassification of this leadership position and reflect the division's expanding responsibility.

Key Accomplishments and Progress

- Completed facilities improvements at the CFS Building, Transportation and Stevedoring offices, and the shared breakroom and locker room.
- Reached 85% completion of the WH1 Bay-1 inner structure project.
- Advanced flooring and window upgrades at the Commercial service window, Marketing area, and CFO office.
- Continued support for material-ready projects awaiting execution across multiple Port sites.

Initiatives Underway

- Addressing lighting in the terminal yard area, seawall, marinas, Family and Port beaches.
- Sustaining core systems including pumps, load centers, equipment wash racks, storm drains, air conditioners, and fire alarms.
- Ensuring safe, comfortable, and productive conditions across offices and operational spaces.
- Continuing succession planning through acting leadership roles that preserve institutional knowledge and operational continuity.

Challenges Acknowledged by Facilities Maintenance

- Budget shortfalls continue to affect material availability and equipment reliability.
- Facility-managed systems require increased care and attention, adding pressure to available resources.
- The division's vehicles have a projected service life of less than two years, despite stopgap efforts using pre-owned units from FedGSA.
- Workforce age and limited skill sets pose long-term risk: only three of eight staff are under 60, and retirements would significantly reduce capability and productivity.

General Manager's Response and Expectations

The Facilities Maintenance Division continues to provide essential services that support the Port's overall safety, reliability, and operational readiness. The range of completed and in-progress projects, including workspace upgrades, structural repairs, and site-wide support, reflects steady execution and a clear understanding of the Port's evolving needs. The division remains focused on maintaining critical systems, supporting daily site readiness, and preparing for leadership continuity through succession planning. Concerns regarding the aging vehicle fleet, pending

retirements, and a projected shortfall for the remainder of FY 2025 must be quantified immediately so that funding options can be evaluated and addressed.

Moving forward, the division is expected to maintain close coordination with CIP and Engineering, provide consistent documentation of priorities, and establish a master calendar for routine and preventive facilities maintenance, including yard work throughout all Port properties and marinas. The Facilities Maintenance Manager's leadership, reliability, and sense of mission are evident throughout the mid-year submission. We acknowledge the contributions of the entire Facilities team and the standards they help uphold across the Port.

FINANCE

Jojo Guevara, Chief Financial Officer

Intro

The Finance Division continues to support the Port's operational stability through oversight of budgeting, revenue tracking, collections, and fiscal controls. The division plays a central role in enabling compliance with local and federal requirements while ensuring that divisions remain accountable for spending, reporting, and planning. The mid-year reporting period has seen continued coordination with Procurement, Planning, and executive leadership to support grant tracking, asset capitalization, and cash flow forecasting.

Key Accomplishments and Progress

- Launched multiple automation initiatives:
 - Employee Self-Service access to personal profiles
 - Employment verification (E1)
 - Payroll stub delivery via email
 - Employee access to benefits
- Completed tariff adjustment analysis based on salary and equipment variances between 2019 and 2025.
- Initiated a petition to the Public Utilities Commission for tariff rate adjustments.
- Processed W-2 forms three weeks ahead of the January 31 deadline.
- Brought payroll file scanning, uploading, and processing fully up to date.
- Streamlined payroll audits, enabling earlier uploads and faster net pay delivery.
- Progressed the workaround for job cost billing in E1:
 - Enabled billing of labor, equipment, and SSR charges through E1 instead of AS400.
- Implemented Bare Chassis charges to comply with the Port tariff.
- Partnered with IT to launch the following E1 improvement projects:
 - Request for proposal to secure new FMS consultant
 - Development of Accounts Payable (AP) Dashboard
 - Procurement and Budget Dashboard
 - Document retention enhancements

Initiatives Underway

- Improving digital tracking of capital assets and reconciling funding sources tied to specific projects.
- Strengthening internal coordination with divisions to align expenditures with procurement cycles and grant timelines.
- Streamlining reporting formats and enhancing expenditure forecasting for greater accuracy and planning.
- Assessing budget adjustments needed to support post-typhoon repairs and ensure project execution.
- Enhancing audit readiness by standardizing documentation and improving process consistency across all financial functions.

Challenges Acknowledged by Finance

- Balancing regular financial deliverables with Port-wide and division-specific initiatives.
- Managing delays caused by late or incomplete document submissions from other divisions.
- Addressing gaps in inter-departmental communication that affect financial coordination.
- Ensuring proper capture of labor charges and benefit allocations for capitalization in CIP and Work Orders.
- Improving the accuracy of data needed to support debt service ratio coverage and financial reporting.

General Manager's Response and Expectations

The Finance Division remains central to the Port's financial health and operational credibility. The mid-year review reaffirms Finance's progress in automation, audit readiness, and the implementation of revenue-enhancing reforms. As the Port's first Chief Financial Officer, the CFO's leadership, together with the work of the Finance team, has helped establish a strong foundation for institutional trust and fiscal discipline.

The division's efforts in job cost integration, payroll modernization, and internal control improvements have supported timely reporting, project reconciliation, and cost recovery. These initiatives align with our broader goals of sustaining clean audits and maintaining favorable bond ratings.

As we move into the second half of FY 2025, Finance is expected to continue shaping Port-wide solutions by improving alignment between budgets, planning, procurement, and execution. Stronger coordination with Planning and Maintenance will be essential to keeping funding timelines and asset tracking properly synchronized.

Internal communication must remain steady and timely to support accurate forecasting, resource allocation, and grant compliance. Finance is also expected to reinforce audit readiness through standardized documentation and consistent reporting practices. This work is foundational to the Port's ability to manage growth responsibly and maintain the confidence of oversight bodies and funding partners.

The division will no doubt remain focused on execution, cross-division coordination, and the timely delivery of financial information needed to support informed decision-making and accountability across the Port. Clean audits and strong bond ratings continue to serve as the foundation of the Port's financial integrity and credibility. These outcomes must guide how we communicate our financial position both internally and to the public, particularly when issuing updates related to capital projects, grant funding, and revenue performance.

PLANNING

Joe Javellana, Chief Planner

Intro

The Planning Division continues to support the Port's strategic direction by coordinating capital improvement planning, managing federal grant acquisition and compliance, and advancing resiliency and sustainability initiatives. Under the leadership of the Chief Planner, the division remains engaged in long-term infrastructure priorities while also responding to evolving federal policy, post-typhoon coordination, and interagency requirements.

Key Accomplishments and Progress

Federal Grant Awards and Proposals

- Port awarded the \$2.4 million Clean Ports Grant from the U.S. Environmental Protection Agency in coordination with Vice Chairperson Conchita Taitano, WSP (Owner Agent Engineer), and Jacobs (subgrantee).
- Completed submission of a \$75 million MARAD PIDP proposal for three new ship-to-shore gantry cranes.
- Port awarded additional federal grants for equipment replacement, clean port initiatives, and abandoned vessel removal.
- Submitted a microgrid feasibility study grant to FEMA in support of the Port's long-term resiliency efforts.

Strategic Planning and Execution Support

- Advanced federally supported initiatives including the Port Master Plan Update, Customs Container Inspection Facility feasibility study, gantry crane tie-down plan, and the Port Readiness Plan under the OLDCC program.
- Recommended the adoption of a strategic planning framework that includes real-time dashboards, a quarterly performance review cadence, and a leadership matrix to improve project execution and oversight.

Infrastructure and Technology Coordination

- Coordinated repairs for typhoon-damaged assets through FEMA public assistance and mitigation.
- Supported rehabilitation planning for Area A fuel storage and the reprogramming of federal funds for Wharves F2–F6 to extend service life.
- Participating in multi-source planning for the replacement of the Golf and F1 fuel piers.

- Collaborated with IT on the Port's IT Master Plan and the procurement of a new Terminal Operating System (TOS).

Federal and Interagency Engagement

- Maintained staffing and planning support for the General Manager's engagement with MARAD, Indo-Pacific Command, Joint Region Marianas, and other key federal and defense stakeholders in coordination with the Governor and Lieutenant Governor.

Team Development and Division Capacity Building

- Promoted internal team-building, professional development, and planning-specific engagement activities to strengthen division capacity and leadership continuity.

Challenges Acknowledged by Planning

- **Funding Constraints:** Difficulty securing sufficient funds for large-scale infrastructure projects, including STS gantry cranes, fuel piers, wharf rehabilitation, and Hotel Wharf access upgrades.
- **Buy America, Build America (BABA) Compliance:** Inability to secure federal waivers for STS gantry cranes due to restrictive BABA provisions, despite past exemptions granted to other Pacific Island Territories.
- **Post-Typhoon Damage:** More than \$100 million in infrastructure damage from Typhoon Mawar, requiring extensive FEMA coordination and long-term repair strategies.
- **Inflation:** Rising construction costs have impacted previously funded projects, resulting in budget shortfalls, rebids, or project scaling.
- **Logistical Challenges:** Guam's remote location causes delays and increases costs for importing materials and equipment.
- **Regulatory Complexity:** Navigating complex federal compliance requirements (e.g., NEPA, FEMA, DoD) remains time-consuming and resource-intensive.
- **Federal Coordination:** Securing support and alignment from agencies like DoD, MARAD, and USDOT is a continuous challenge.
- **Environmental Compliance:** Balancing infrastructure development with environmental regulations and permitting requirements remains time-intensive.
- **Strategic Equipment Vulnerability:** Aging STS cranes pose a direct risk to the Port's ability to support military and commercial operations, especially under Indo-Pacific defense initiatives.

General Manager's Response and Expectations

The Planning Division continues to support the Port's strategic direction by coordinating long-term infrastructure priorities, federal funding opportunities, and resiliency initiatives. The mid-year submission included several well-considered proposals, many of which are now endorsed for implementation. The focus moving forward must be on execution.

Planning has demonstrated progress in supporting grant development, advancing capital project readiness, and aligning Port initiatives with national funding priorities. These efforts have helped position the Port competitively and reflect active engagement with federal partners, defense agencies, and local stakeholders. At this stage, the division must shift from planning to delivery. Tools such as dashboards, quarterly performance reviews, and the leadership matrix must move from proposal to consistent application. Delays in grant execution, federal submissions, or

interagency coordination must be reported early and directly to support timely intervention and strategic decision-making.

The Division, like all others across the Port, is expected to remain aligned with the priorities set by the Board, the Governor, the Lieutenant Governor, and the Office of the General Manager. All initiatives must continue to be coordinated through the General Manager and the appropriate Deputy General Managers to ensure oversight, consistency, and alignment across the organization.

The work of the Planning Division, beginning with the Chief Planner and extending to every member of the team, contributes meaningfully to the Port's long-term readiness and regional visibility. Planning's success will continue to be measured by its ability to help drive execution with discipline, transparency, and shared accountability across the organization. Stronger integration with Finance is expected to improve coordination of funding timelines, project delivery, and reporting. The division is expected to continue providing timely updates, reinforcing communication, and maintaining performance tracking in coordination with CIP, Engineering, Facilities, and other relevant divisions.

CAPITAL IMPROVEMENT PROJECTS (CIP) AND ENGINEERING

Clarence Lagutang, CIP/Engineering Manager

Intro

The Capital Improvement Projects and Engineering Division continues to play a central role in advancing the Port's infrastructure agenda. The division is responsible for overseeing project development, design, construction readiness, and execution in support of both federally funded and locally prioritized initiatives. The mid-year update reflects ongoing coordination with Facilities, Procurement, and Planning, as well as sustained technical support for capital projects funded through FEMA, MARAD, EPA, and other federal programs. The division also remains essential in maintaining compliance with grant requirements, supporting recovery-related documentation, and helping ensure that critical infrastructure priorities stay on track through interagency and internal collaboration.

Key Accomplishments and Progress

- Oversaw construction activities for the Container Yard Upgrade and Waterline Replacement projects.
- Reached 82 percent completion of the Waterline Replacement Project.
- Completed the Yard Poles and Signage Project, the Warehouse 1 Roof Vents Project, and the PAG Miscellaneous Painting Project.
- Reached 85 percent completion of the EQMR Maintenance Project and 90 percent completion of the EQMR Canopy Project.
- Completed the design phase for the Equipment Maintenance Wash Rack and Typhoon Mawar Repair projects.
- Supported procurement coordination and project readiness for the A&E Roof Replacement and Passenger Terminal Ramp Repair projects.
- Awarded the Warehouse 1 Maintenance Project and reached 50 percent completion of the Welding Shop Maintenance Project.

- Progressed the FEMA HMGP Fendering Project to 20 percent completion and the F3–F6 Bulkhead Repair Project to 50 percent completion.
- Finalized the design for the EDA Fuel Connectivity Project.
- Reached 90 percent completion of the STS Crane Demolition and Barge Removal and Disposal Project.
- Facilitated grant-related reporting and documentation for MARAD, FEMA, and EPA-funded projects.
- Assisted the Planning Division with aligning CIP updates to long-term infrastructure strategies and funding schedules.
- Maintained coordination across CIP, Engineering, and Port divisions on master planning, grant implementation, and infrastructure pre-design.
- Conducted dive inspections of the F3–F6 wharves and completed the Horizon Building assessments.
- Contributed to post-typhoon recovery assessments and supported FEMA documentation as required.

Initiatives Underway

- Advancing design and pre-construction work for the Wharf F2–F6 Repair and Area A Fuel Pier Rehabilitation projects.
- Continuing coordination with Procurement to manage bid specifications, contracting, and construction timelines.
- Updating FEMA documentation to support reimbursement schedules and ensure compliance for active repair projects.
- Working with Facilities and Operations to prioritize storm-related repairs and site restoration efforts across Port properties.

Challenges Acknowledged by CIP/Engineering

- Limited staffing and workload imbalance requiring mentorship and shift rotation to meet project timelines.
- Complexity of serving as primary Construction Manager on all Port projects, demanding both technical oversight and project coordination.
- Need for continued cross-training of less experienced staff to build internal capacity.
- Challenges in preparing scopes of work and cost estimates for complex projects without external support.
- Ongoing need to improve collaboration with contractors and other Port divisions for project execution.
- Nighttime construction schedules for EQMR-related work requiring extended shifts and increased personnel coordination to avoid burnout.
- Pressure to track and manage multiple overlapping projects while maintaining safety and operational continuity.

General Manager's Response and Expectations

The CIP and Engineering Division remains central to the Port's ability to modernize infrastructure, assist in the preparation and execution of federal grant applications, and track both immediate and long-term capital priorities. The mid-year review reflects measurable progress in planning,

tracking, and coordination with partners such as WSP, Jacobs, FEMA, MARAD, and key internal divisions. I acknowledge the consistent effort by the CIP and Engineering Manager and the entire team in supporting post-typhoon recovery, compliance with the Bipartisan Infrastructure Law, and project execution, responding to everything required of this division.

As we move into the second half of the fiscal year, the focus must remain on results. This includes advancing priority projects such as the Hotel Wharf and Fuel Pier rehabilitations, completing key design milestones, securing FEMA and insurance reimbursements, and ensuring project readiness through close coordination with Procurement, Legal, and executive leadership. Project dashboards and milestone updates must be communicated clearly and early to flag potential delays before they take hold.

Future reports must clearly distinguish between active, dormant, and completed projects. This clarity is necessary to support resource planning, reprogramming, and audit readiness. Coordination with Planning and Finance must improve not only to align timelines, grant conditions, and procurement processes, but also to identify significant project shortfalls early. This is necessary to avoid unexpected gaps in funding, as seen with the fuel connectivity line project. Shared awareness, consistent documentation, and clarity across divisions remain essential to project delivery. Engineering is expected to manage scopes tightly and ensure that design outputs meet operational needs, support funding justifications, and are ready for implementation.

We support revisiting and formalizing the Port's capital project prioritization process. A clear policy for how we rank and resource projects will improve transparency and guide long-term investment. The division is also expected to incorporate environmental, social, and governance considerations into project planning and development in alignment with Board Resolution 2024-03.

The success of this division will continue to be measured by its ability to move projects from planning to execution with consistency and discipline. The Port depends on steady technical leadership, cross-division coordination, and follow-through to meet its capital priorities. The contributions of the CIP and Engineering Manager and the team are acknowledged. The division is expected to remain focused on timely delivery, project oversight, and accountability across all active and upcoming initiatives.

PROCUREMENT AND SUPPLY

Annie L.G. Sablan, Acting Procurement and Supply Manager

Intro

The Procurement and Supply Division continues to operate under high demand, supporting a steady flow of requisitions, formal solicitations, and construction procurements. The division's mid-year review reflects a clear commitment to compliance, process improvement, and collaboration with operational and capital project teams. Annie Sablan has provided consistent oversight during this period of transition, working closely with divisions to manage workloads and improve file accessibility and transparency.

Key Accomplishments and Progress

- **Processed High Volume of Requisitions:** Handled 427 requisitions and converted 351 into purchase orders to meet operational needs without compromising compliance.
- **Awarded Formal Contracts:** Successfully facilitated three Invitations for Bid (IFBs) for goods and services and two construction projects.
- **Advanced E-Submission of Issue Receipts:** Implemented electronic submission of posted supply issue receipts to the Finance Division, promoting digitization, cost savings, and better review oversight.
- **Streamlined E1 System Use:** Enabled the automatic generation of issue receipt forms within the E1 System, simplifying workflow and reducing manual entries for Supply staff.

Initiatives Underway

- **Digitization of Procurement Files:** Coordinating with IT and General Administration to digitize procurement records for improved public access and long-term file management.
- **Ensuring GSA Compliance:** Monitoring procurement practices to ensure full adherence to the Port's GSA procurement delegation authority.
- **Public Inspection Readiness:** Working to digitize and organize procurement records from FY 2019 onward to meet transparency and inspection requirements.
- **Standardizing Contracts:** Collaborating with the Port's legal counsel to create consistent templates for IFB and RFP documents to reduce delays and improve clarity.

Challenges Acknowledged by Procurement and Supply Division

- **Vendor Quote Delays:** Some vendors are slow to submit quotes, requiring staff to repeatedly follow up, which delays the purchase order process.
- **Contract Expiration Risks:** Extensions and renewals are sometimes processed after contracts expire; a tracking system was put in place to monitor and alert end users in advance.

General Manager's Response and Expectations

The Procurement Division continues to play a critical role in supporting Port operations and project delivery. The mid-year review reflects a disciplined approach to procurement oversight, document management, and compliance. The division has maintained high transaction volumes while advancing digitization efforts and strengthening coordination with internal stakeholders.

We must reflect on how far the division has come. The Port operated without procurement delegation for 14 years. Within the first year of this administration, that authority was restored. This milestone represented more than just a regulatory achievement; it marked a fundamental shift in how the Port approaches procurement. The focus is no longer solely on processing paperwork or instructing end users on what to purchase. Now, the focus is on supporting the operational needs of divisions while ensuring that all procurements comply with Guam Procurement Law.

The division now operates with a mission centered on improving turnaround times, supporting operational requirements, and ensuring procedural integrity. The Acting Procurement and Supply Manager and the entire Procurement team have helped foster a more constructive and responsive

relationship with Legal and end users. Their work reflects a commitment to collaboration, communication, and shared responsibility.

We appreciate the leadership being demonstrated and the extensive workload the team continues to handle with focus and professionalism. The commitment to engaging staff, listening to feedback, and enhancing internal processes is clear. Under current leadership, the division has remained stable, accountable, and forward-looking.

As we enter the second half of the fiscal year, Procurement is expected to continue enhancing communication with all divisions to ensure that requisition processing remains timely, transparent, and audit-ready. Focus must remain on reducing backlogs, complying with procurement authority, and ensuring that all transactions are supported by complete documentation and appropriate routing.

The division must also continue to address process inefficiencies that contribute to procurement delays, whether they are internal or vendor-related. Implementing a contract tracking system is a positive step. Sustained follow-through and coordination across divisions will be essential to avoid missed deadlines, late renewals, or post-expiration extensions.

Collaboration with Legal must continue to support standardized procurement templates. Coordination with IT is essential to ensure long-term access to procurement records and to aid internal modernization. The ongoing digitization of procurement files, including archived records from FY 2019, demonstrates a strong commitment to transparency and enhances audit and public inspection readiness.

Procurement's role remains foundational to the Port's ability to deliver services, implement capital projects, and maintain compliance. The division is expected to continue operating with structure, consistency, and professionalism. This work must demonstrate the discipline and integrity necessary to meet operational requirements and uphold public trust.

MARKETING

Bernadette Sterne, Marketing and Communications Manager

Intro

The Marketing Division plays an important role in ensuring that the Port's accomplishments, priorities, and public-facing activities are communicated clearly to the community, stakeholders, and partners. The mid-year review reflects consistent engagement across cruise ship operations, infrastructure milestones, and public information efforts. These contributions are acknowledged and appreciated.

At the same time, stronger coordination with division heads is needed to ensure that content is accurate, timely, and aligned with current developments. As a communications function, Marketing depends on visibility into operational updates. It is essential that this connection be maintained through routine information sharing and early notice of major milestones or events.

Looking ahead, Marketing will continue to build additional structure into its messaging calendar, refine internal workflows, and continue strengthening its media strategy. Continued collaboration with divisions will help ensure that the Port's messaging reflects the full scope of its activity and that materials are reviewed with appropriate lead time.

This division remains essential to shaping the Port's visibility and public trust. As we move into the second half of the fiscal year, Marketing must remain focused on consistency, clarity, and coordination. That focus is key to ensuring that the Port's story is told with accuracy, purpose, and professionalism.

Key Accomplishments and Progress

- **Community Engagement:** Produced and distributed press releases, public notices, and event updates to ensure the community and stakeholders remain informed of major Port initiatives.
- **Event Support:** Coordinated messaging and coverage for key events including cruise ship arrivals, facility upgrades, and federal partnership announcements.
- **Brand Alignment:** Ensured promotional materials, signage, and publications consistently reflect the Port's mission and tone across platforms.

Initiatives Underway

- **Cruise Ship Coordination:** Continues to play a key role in shaping messaging and visual presence during cruise ship arrivals. Marketing provides coordination across internal divisions and external partners such as GVB and Customs to ensure that passenger-facing communications reflect the Port's operational readiness and community engagement.
- **Media Strategy Development:** Advancing efforts to formalize the Port's public messaging framework, including structured media calendars, refined talking points for leadership, and improved workflows for handling media requests and content review. These steps are intended to improve clarity, responsiveness, and message alignment.
- **Port Visibility and Storytelling:** Supporting long-term visibility goals through proactive media outreach and content development. Marketing continues to highlight the Port's milestones, federal partnerships, and infrastructure projects through earned media, digital platforms, and strategic storytelling that elevates the Port's public profile. These efforts also serve a vital internal function by reinforcing organizational priorities, building staff awareness of ongoing initiatives, and strengthening unity across divisions by ensuring employees are informed, engaged, and aligned with the Port's broader mission.

Challenges Acknowledged by the Marketing Division

- **Workload Balance:** The number of events and communications requests has outpaced current creative and support capacity.
- **Timely Access to Information:** Marketing remains dependent on division updates to deliver accurate and current messaging.
- **Creative Bottlenecks:** Design and publication work continues to experience slowdowns due to limited personnel and competing demands.

General Manager's Response and Expectations

The Marketing Division plays a key role in ensuring that the Port's accomplishments, priorities, and public-facing activities are communicated with clarity, consistency, and credibility. The division continues to provide steady support that strengthens the Port's visibility and reinforces public trust. This includes a high volume of press releases tied to board actions, employee recognition, public safety updates, daily coordination with media, and ongoing collaboration with other divisions.

As we move into the second half of the fiscal year, the division is expected to formalize its messaging calendar and strengthen coordination across internal teams. Closer alignment with division heads will help ensure that milestones, achievements, and updates are captured and shared in real time, an essential part of maintaining accuracy and consistency across all communication channels.

The monthly newsletter remains a useful internal platform, and I appreciate the continued effort to keep it relevant and timely. As we transition to a paperless environment, pairing the newsletter with digital paystub delivery will help ensure employees stay informed in an accessible and streamlined way. I also look forward to the rollout of the Port's updated website and mobile app, which will enhance our ability to reach the public and improve how we engage stakeholders.

While news coverage often prioritizes controversy or conflict, the quiet work of prevention rarely makes headlines. Still, I can attest to the level of care, coordination, and strategic discipline this division brings to its work, especially when there are efforts to discredit the Port or its employees. Marketing plays a key role in making sure the Port's story is told accurately, that facts are communicated early and clearly, and that our values are consistently reflected in the messages we share. That vigilance is essential to protecting the integrity of this agency and the people who serve it.

The Marketing and Communications Manager and the marketing team continue to approach their work with structure, creativity, and a clear sense of purpose. Their contributions, grounded in integrity, accuracy, and respect for the work being done across the organization, are essential to how the Port is represented to the public, our partners, and the people of Guam. That representation must always be thoughtful, fact-based, and reflective of the values that guide our work.

HUMAN RESOURCES

Shawn B. Cepeda, Personnel Services Administrator

Intro

The Human Resources Division continues to lead the Port's comprehensive personnel reform efforts with a focus on integrity, compliance, and accountability. The mid-year submission reflects the division's implementation of key directives designed to restore trust in recruitment, enforce merit-based practices, and ensure procedural fairness across all personnel actions. Under the leadership of the Personnel Services Administrator, Human Resources remains a central force in strengthening hiring systems, standardizing internal controls, and supporting division-wide

workforce readiness. These efforts are essential to upholding the credibility of the Port's personnel framework and ensuring that public service standards are applied consistently at every level.

Key Reforms and Progress

- **Internal Pre-Audit Process:** All personnel actions are now subject to internal HR review before certification of eligibilities, preventing rule misapplication and ensuring alignment with Personnel Rules and Regulations.
- **Resume Redaction and Panel-Based Ratings:** HR institutionalized the use of redacted applications and rotating rating panels with conflict-of-interest declarations to eliminate bias and restore fairness in hiring evaluations.
- **Practical Assessments:** Skills-based testing is now required for all positions requiring certification, ensuring applicants can demonstrate job-relevant competence.
- **Restricted Recruitment Authority:** Only designated HR officials are authorized to manage recruitment activities, reinforcing procedural discipline and eliminating ad hoc practices.
- **Excess Leave Forfeiture Review:** HR collected division-level data on employees who lost excess annual leave due to work constraints to support case-by-case review for potential reinstatement.

Initiatives Underway

- **Employee Certification Checklist:** A standardized checklist is being finalized to ensure required licenses and certifications for each position are properly tracked and current.
- **Outreach and Recruitment:** HR has resumed participation in job fairs and community events to expand the applicant pool and raise the Port's profile as an employer of choice.
- **Policy Training and Division Support:** Training on the Out-of-Position Detail Policy and Desk Audit Policy is being prepared for rollout across all divisions to ensure clear, consistent application by supervisors and staff.

Challenges Acknowledged by Human Resources Division

- Rooting out legacy practices that previously undermined recruitment integrity and advancement fairness.
- Ensure consistent application of all policies across all divisions/sections.
- Ensuring timely submission of performance evaluations and compliance with supervisory obligations across all divisions.

General Manager's Response and Expectations

The Human Resources Division has taken bold and necessary steps to restore integrity, transparency, and consistency to the Port's recruitment and personnel systems. The mid-year review reflects focused work aligned with the expectations I have set as General Manager. This includes internal reforms, audit readiness, and the strict application of merit-based processes. We acknowledge the continued leadership of the Personnel Services Administrator and the Human Resources team in advancing these priorities and bringing structure to an area that has long required correction.

The implementation of internal pre-audits, practical assessments, and resume redaction protocols is now a critical safeguard embedded in our hiring process. The formal rotation of panelists, the requirement for conflict-of-interest disclosures, and the consistent enforcement of procedural controls mark a shift to a zero-tolerance, high-integrity framework. These are not just policy improvements because these policies are operational expectations that define how recruitment and selection are conducted at the Port.

We also recognize the division's responsiveness to post-audit reviews, grievance activity, and workforce concerns. The ongoing work to finalize the Employee Certification Checklist, enhance the Apprenticeship Program, and provide training across all divisions reflects continued follow-through. These are system-level changes that support how the Port recruits, develops, and retains a capable workforce.

At the same time, challenges remain. Legacy practices, uneven rule enforcement, and late performance submissions from divisions continue to pose risks. These issues are not procedural because these procedures affect fairness, organizational readiness, and public confidence. Human Resources must stay firm in enforcing expectations and hold division leadership accountable for full and timely compliance with personnel requirements.

We support the continued rollout of improvements such as a formal intake process before recruitment, a trained rater pool, and a more structured approach to tracking certifications and licenses. These efforts will help reduce delays, ensure compliance, and improve planning across the organization.

Human Resources must continue to lead with clarity, consistency, and discipline. As the Port's compliance gatekeeper, Human Resources must remain a trusted and steady partner in helping every division meet the standards expected of public service. That includes enforcing rules with consistency, addressing concerns with professionalism, and maintaining the integrity of all personnel actions. The Port is stronger because of this work.

GENERAL ADMINISTRATION

Annette Mafnas, General Administration Manager

Intro

The General Administration Division provides foundational support to the Port's daily operations through administrative services, internal logistics, and coordination of cross-division processes. The division remains engaged in activities that contribute to documentation flow, procurement support, and internal communications. Its role is often behind the scenes but remains essential to Port efficiency and continuity.

Key Accomplishments and Progress

- Continued support to the divisions in routing, tracking and submitting internal documents.
- Assisted with preparation of files, records, and supporting documents for audit requests.

- Supported procurement activities through inventory processing, supply distribution and routing of purchase requisitions.
- Maintained division mail and inter-department correspondence routing.
- Coordinated routing of personnel-related documents for onboarding and performance evaluations.
- Provided documentation support for grants and project folders upon request.
- Maintained document access for correspondence tied to lease, board files, personnel files, and project archives.

Initiatives Underway

- **Centralized Document Management System:** Working with IT and Finance to implement a unified platform for document access, retention, and tracking.
- **Workflow Policy Development:** Developing formal policies to govern automated processes and electronic file handling.
- **Succession and Capacity Planning:** Identifying internal growth paths and potential certification programs to support long-term continuity.
- **Technology Integration:** Continuing to strengthen digitized systems and support automation as a core business function.

Challenges Acknowledged by General Administration Division

- **Staffing Constraints:** Three detailed support personnel supplement a three-person division but are limited to clerical functions, restricting the division's technical capacity.
- **Process Standardization:** Ongoing work is needed to align procedures as new technologies and tools are introduced.
- **Implementation Complexity:** The layered nature of new systems has posed momentum challenges, particularly within current staffing limits.

General Manager's Response and Expectations

General Administration remains a key part of the Port's internal operations, providing support that ensures documents are processed, records are maintained, and coordination between divisions stays on track. The mid-year submission reflects steady engagement with procurement support, contract routing, file management, and administrative follow-through.

As workloads increase and responsibilities evolve, the division must continue strengthening its ability to track and monitor time-sensitive tasks. The continued reliance on manual routing systems and limited workspace remains a challenge. These issues must be addressed in close coordination with IT and executive leadership to reduce delays and minimize errors. That is why there is shared recognition across the organization that automation and digitization are critical tools for improving efficiency and enhancing overall support.

Moving forward, the division confidentially will remain fully engaged in digitization efforts, particularly those tied to procurement files, contract administration, and internal recordkeeping. Coordination with IT, HR, and Procurement will be essential to improve access, reduce turnaround time, and support audit readiness.

The division must also continue to communicate proactively when documents require multiple sign-offs or when follow-up is needed to maintain timelines. General Administration is expected to work closely with division heads and the General Manager's Office to ensure smooth communication and that administrative processes are carried out with accuracy, consistency, and professionalism.

While the work may often happen behind the scenes, its impact is felt across the organization. General Administration's reliability, under the leadership of the General Administration Manager and the team within this Division, remains essential to the Port's ability to function efficiently and respond to operational needs without disruption.

SAFETY

Paul Salas, Acting Safety Administrator

Intro

The Safety Division remains a key partner in supporting the Port's operational readiness, emergency response capacity, and compliance posture. The Acting Safety Administrator's mid-year review reflects renewed engagement in training efforts, internal coordination, and field-level accountability. The division has been directed to channel all safety initiatives through Human Resources and the appropriate Deputy General Manager to ensure clarity, oversight, and alignment with Port-wide protocols.

Key Accomplishments and Progress

- Passed the U.S. Coast Guard inspection of the container yard and cruise ship terminal with no discrepancies, confirming full compliance with federal maritime safety and security regulations.
- Completed the WSP draft for the Port Authority Safety Training Programs to align with the Code of Federal Regulations.
- Certified all fire extinguishers through the annual inspection process.
- Completed safety shoe procurement, awarding contracts to three vendors.
- Conducted and finalized the disposal of tires, hazardous and non-hazardous waste, water sampling, and oil-water sampling activities.

Initiatives Underway

- The division is working with HR and other divisions to align safety protocols and standard operating procedures.
- A review is underway to clarify how the division supports vessel discharging operations, especially when short on staff.
- Safety is coordinating efforts to ensure required briefings, refresher training, and emergency drills are delivered across divisions.

Challenges Acknowledged by the Safety Division

- There have been instances where Operations has had to step in due to staffing limitations in Safety during vessel operations.

- Some divisions require sustained reminders to complete mandatory training and safety briefings on time.
- Clarification is still needed regarding the division's field responsibilities and coordination role during critical operations.

General Manager's Response and Expectations

The Safety Division must remain a visible and dependable presence throughout all operational activities. Its role is essential to the Port's ability to remain prepared, mitigate risk, and protect its workforce. The division is expected to maintain consistent presence during vessel operations and to ensure that corrective actions and training follow-through are completed without delay.

Clarifying the division's scope, responsibilities, and expectations should remain a priority and must be addressed in partnership with Human Resources and the Deputy General Managers. Safety does not operate separately from the rest of the organization. It must be fully integrated into each division's planning and operations, with a focus on accountability, communication, and shared responsibility for maintaining a safe and compliant work environment.

Ongoing coordination with Operations will continue without disruption. All safety initiatives are to be routed through Human Resources and the appropriate Deputy General Manager for oversight and alignment. A proactive approach that includes early engagement, steady field presence, and timely response to risks will remain central to the division's performance.

PORT POLICE DIVISION

Jesse Mendiola, Port Police Chief

Roseanna Stone, Assistant Port Police Chief of Administration

Victor Camacho, Assistant Port Police Chief of Operations

Intro

The Port Police Division plays a critical role in safeguarding Port facilities, enforcing maritime security protocols, and supporting public safety throughout Port grounds. This mid-year summary reflects the collective efforts of the Chief and Assistant Chiefs in overseeing law enforcement operations, field visibility, cruise ship support, and emergency coordination. While operational demands remain constant, the division continues to contribute meaningfully to the Port's security posture, public trust, and readiness. The importance of documenting law enforcement activity and aligning personnel practices with Port-wide expectations remains a key priority moving forward.

Key Accomplishments and Progress

- Maintained perimeter security, gate access control, and patrol coverage to ensure a consistent security presence across Port facilities.
- Supported cruise ship arrivals through perimeter management, traffic coordination, and interagency engagement.
- Participated in after-action reviews and readiness planning tied to typhoon recovery and emergency operations.
- Reinforced field presence, shift coverage, and officer accountability through direct supervision and guidance.

- Oversaw uniform compliance, appearance standards, and professional conduct across shifts.
- Provided regular administrative and operational updates to command staff and participated in team-building efforts to strengthen morale and internal trust.
- Maintained a steady command presence across all shifts, reinforcing consistency in leadership and response.
- Conducted on-site walkthroughs with command staff to support officer visibility and readiness.

Initiatives Underway

- Resolution of the ongoing Port Police collective bargaining agreement negotiations.
- Continued preparation for joint emergency drills and multi-agency security exercises.
- Improved coordination with Port Safety, Operations, and CIP on readiness and infrastructure-related support.
- Strengthened internal accountability systems including uniform enforcement, communication protocols, and field-based supervision.
- Formalizing documentation protocols for security incidents, field activities, and shift briefings.
- Ongoing documentation of officer patrol logs, coverage reports, and incident response coordination.
- Evaluating equipment needs to support long-term operational readiness and infrastructure demands.
- Construction of a firing range at Old Hawaiian Rock area.

Challenges Acknowledged by Port Police

- Coverage and overtime demands continue to stretch available manpower and scheduling flexibility.
- Internal communication gaps among command staff have occasionally led to confusion during shift handoffs and planning.
- Officer conduct and discipline require consistent oversight to uphold public confidence and operational integrity.
- The need for more regular documentation and strategic planning for long-term equipment, staffing, and infrastructure support remains an area for improvement.
- Coordination with other divisions during cruise operations and special events continues to require early planning and resource alignment.
- Supervisory development and cross-training among command staff to ensure continuity during absences.

General Manager's Response and Expectations

The Port Police Division carries a unique and visible responsibility that requires discipline, presence, and unity of purpose. Security is not a background function. It is central to the Port's mission. I acknowledge the steady commitment shown by Chief Jesse Mendiola and Assistant Chiefs Roseanna Castro and Victor Camacho in ensuring daily coverage, public visibility, and coordinated response under high operational pressure.

Chief Mendiola continues to lead with an emphasis on department-wide structure and mission continuity. Assistant Chief Castro provides administrative leadership, focusing on personnel documentation, logistics, and internal reporting. Assistant Chief Camacho manages field-level coordination, patrol briefings, and shift coverage, and serves as the Port's primary liaison to the U.S. Coast Guard.

At the same time, formal reporting, internal cohesion, and field accountability must remain priorities. Each member of the Port Police leadership team is expected to maintain structure, reinforce professional standards, and ensure that law enforcement activities are communicated clearly and documented consistently. This is essential not only for planning and oversight, but also for protecting the integrity of the Port and the people who serve it.

As General Manager, I expect continued collaboration with Human Resources and Safety to strengthen workplace violence prevention protocols and ensure operational readiness across all scenarios. As leadership coordination continues to improve, command presence must remain visible, unified, and consistent. The Port's security reputation depends on how we lead in every setting, with clarity, professionalism, and accountability.

The Port Police Division will continue to focus on its core mandates and responsibilities. Our primary focus remains the implementation and enforcement of the Port's Facilities Security Plan, to which the General Manager is directly accountable. This plan is tied to the regulatory requirements set by the Captain of the Port, U.S. Coast Guard. All law enforcement activity must align with this framework, which governs how the Port secures its facilities, manages its personnel, and coordinates with federal agencies. Adherence to these standards is non-negotiable and must continue to guide the division's priorities, structure, and performance.

INFORMATION TECHNOLOGY (IT)

Dennis Perez, Systems Manager

Intro

The Information Technology Division continues to play a critical role in advancing the Port's digital transformation. IT supports system stability, cybersecurity compliance, and digitization efforts that improve transparency, operational efficiency, and internal coordination. The mid-year review reflects ongoing work to modernize systems, improve user response time, and provide infrastructure support to divisions including Procurement, General Administration, and Human Resources. IT remains essential to maintaining the integrity of the Port's digital environment while supporting the broader goals of modernization and efficiency.

Key Reforms and Progress

- Implemented server and firewall upgrades to strengthen network security and improve system resilience.
- Continued support for digitization efforts, including file scanning and electronic storage for Records and Procurement.
- Enhanced internal support through an updated ticketing system to improve responsiveness and track resolution times.

- Coordinated with HR and General Administration to support digital workflows and document routing.
- Assisted in preparations for the Port website and mobile app redesign.
- Maintained regular system backups and updated antivirus protections across all user systems.

Initiatives Underway

- **Terminal Operating System (TOS) Implementation:** Ongoing development of the TOS project packet and coordination for maintenance renewal.
- **Email System Upgrade:** Continued rollout of the Port's updated email infrastructure, including user support and transition assistance.
- **Cybersecurity Compliance and Training:** Ongoing internal cybersecurity training and collaboration with federal agencies to meet compliance standards.
- **Industrial Wi-Fi Feasibility Study:** Supporting WSP's study on wireless infrastructure to improve network access across the Port.
- **Division-Level IT Coordination:** Maintaining regular, interactive engagement with division heads to align IT projects and deliverables with operational needs.

Challenges Acknowledged by IT

- Staffing limitations
- Funding constraints for CS compliance
- Resource limitations affecting implementation of key IT initiatives

General Manager's Response and Expectations

The Port's Information Technology Division continues to play an essential role in advancing the Port's digital transformation. The Systems Manager and IT team have provided support to ensure system stability, user responsiveness, and cybersecurity compliance, even while operating under limited staffing and resource constraints. Their efforts reflect a strong understanding of operational demands and the importance of modernization to the Port's mission.

The mid-year review confirms meaningful engagement with divisions across the Port. IT has supported digitization, improved internal workflows, and helped lay the foundation for greater transparency, audit readiness, and process efficiency. These are critical contributions that impact daily operations and long-term infrastructure planning.

Ongoing work to maintain and upgrade systems, including firewall protection, antivirus coverage, server performance, and routine backups, continues to ensure the Port meets evolving cybersecurity requirements from local and federal agencies. Its sustained role in these efforts is appreciated and essential.

Key initiatives such as the Terminal Operating System packet, the email upgrade, and the development of the Port's website and mobile app are acknowledged. These projects must remain on track. The Division is expected to maintain close coordination with department heads to ensure that IT solutions are matched to operational priorities. Progress on the Industrial Wi-Fi Feasibility

Study and support for WSP's infrastructure planning must also continue as part of our broader modernization effort.

Looking ahead, the Port is exploring Smart Port technologies that integrate logistics, operations, and infrastructure systems into a unified digital environment. In addition, the Port and its marinas are well positioned to serve as anchor institutions for broadband deployment. These assets could help expand connectivity to surrounding neighborhoods, in line with national infrastructure goals. IT is expected to support early-stage planning and readiness for these types of strategic initiatives. Challenges related to staffing and cybersecurity compliance, as acknowledged in the mid-year report, will be factored into future resource planning. In the meantime, IT must continue prioritizing key deliverables, reinforcing internal training, and updating leadership on implementation risks and milestones.

Digital systems are now fundamental to how the Port operates, responds, and grows. The professionalism, consistency, and technical discipline demonstrated by IT are recognized and valued. As modernization continues, this division will remain at the center of our efforts to improve service, protect critical systems, and build infrastructure that supports the Port's strategic direction.

COMMERCIAL

Pacifico Martir, Deputy GM and Divisional Oversight (May 20, 2024 to May 21, 2025)

Leo J. Espia, Person-In-Charge (effective May 22, 2025 to present)

Intro

As of the third quarter of FY 2025, the Commercial Division has been placed under new oversight with the designation of Leo J. Espia as Person-In-Charge. This transition was made to reinforce operational stability and allow the Deputy General Manager of Administration and Finance to resume his other responsibilities. The mid-year review submitted by the Deputy General Manager of Administration and Finance reflects a renewed focus on lease administration, tenant coordination, and internal reporting, and outlines steps to restore consistency, structure, and compliance across the division's core functions.

This report moves beyond general updates and reflects a more structured, accountable, and forward-facing approach. It acknowledges prior inconsistencies in operations, gaps in recordkeeping, and the need for stronger internal communication. The division also commits to improved coordination with the General Manager and frames this period as a cultural reset. That framing signals a shift from managing around problems to confronting them directly.

This submission better reflects what the mid-year review process is intended to support: honest assessment, shared accountability, and meaningful course correction. It also recognizes the accomplishments made since October 1, 2024, and provides a clearer roadmap for how the division intends to improve oversight, strengthen lease administration, and support Port-wide goals.

Key Reforms and Progress

- Reestablishing clear roles and responsibilities across Commercial staff.
- Cross-referencing rent and lease payments with Finance to ensure accuracy and accountability.
- Reviewing and addressing delinquent tenant accounts with Legal and Finance.
- Verifying tenant payment statuses and structuring a notification process through 1st, 2nd, and 3rd notices.
- Reviewing leases with outstanding issues.
- Implementing routine communication and file organization systems.
- Increasing collaboration with Safety and Facilities for inspections and work orders.
- Improving lease documentation and audit practices through Legal.
- Finalizing E-1 training for billing accuracy.
- Establishing formal tenant correspondence and escalation procedures to the General Manager.

Initiatives Underway

- Adopting automation tools and tablets for daily inspections.
- Conducting follow-up practices for stalled projects or tenant issues.

Challenges Acknowledged by Commercial

- Past lack of formal reporting and communication to the General Manager.
- Billing discrepancies and oversight in tenant accounts prior to coordination with Finance.
- Gaps in lease enforcement and inspection protocols across land leases, marina permits, and dry dock activities.
- Historical inconsistencies in tracking tenant performance and facility use violations.
- Delays due to inadequate follow-up on critical lease matters.
- Dependence on informal communication tools instead of structured documentation systems.
- Need for clearer division of responsibilities and check-ins with other divisions to close gaps in property oversight.

General Manager's Response and Expectations

The Commercial Division is a critical revenue-generating arm of the Port and must operate with clarity, consistency, and full alignment with the Port's statutory obligations. The transition in leadership to Leo Espia as Person-In-Charge marks an important step toward restoring the standards expected of this division. It also reinforces the Port's commitment to stronger lease enforcement, improved tenant communication, and internal coordination.

I want to acknowledge Deputy General Manager Pacifico Martir for his role in helping guide the Commercial Division through this period of transition. His support was instrumental in stabilizing the division and ensuring that the mid-year review reflected a more complete and accurate picture of the division's current work. I also recognize the staff within the Commercial Division for their willingness to reset expectations, support improvements, and take ownership of their responsibilities during this leadership change.

This mid-year review reflects meaningful progress. The division has acknowledged key operational gaps and is now addressing long-standing issues related to delinquent accounts, lease tracking, and inconsistent communication. The team's renewed effort to cross-reference tenant records with Finance, formalize internal workflows, and route updates through the appropriate leadership channels reflects a clearer understanding of their responsibilities and the standards now in place.

The division is expected to sustain this course. Lease files must be accurate, current, and audit-ready. Compliance issues must be addressed promptly and documented thoroughly. All tenant-related matters, particularly those involving late payments, inspections, or lease status must be elevated through the proper chain, with timely notification to the General Manager and consistent follow-through across all interactions outside the division.

The implementation of updated reporting systems, case-by-case lease reviews, and increased coordination with Legal, Finance, Safety, and Facilities shows that a course correction is underway. These improvements must now become standard practice. The division will remain under close review by the General Manager, with continued support as it works to strengthen accountability, reinforce professionalism, and rebuild trust through disciplined and transparent management of tenant obligations.

HARBOR MASTER'S OFFICE

Chris Flores, Harbor Master

Intro

The Harbor Master's Office plays a critical role in ensuring the smooth and secure movement of vessels through the Port's inner harbor, surrounding waters and its marinas. The FY 2025 Mid-Year Review reflects steady leadership, cross-divisional collaboration, and a commitment to both operational continuity and relationship-building with external stakeholders. Despite staffing adjustments and infrastructure construction disruptions, the Harbor Master maintained stable vessel accommodations and ensured that the Port remained responsive to tenant needs and federally mandated requirements. The Harbor Master also continued to show initiative in volunteerism and civic engagement, reflecting a sense of service beyond the core function of his duties and responsibilities.

Key Reforms and Progress

- Secured the Nationwide Permit-22 for removal and disposal of the M/V Voyager.
- Improved direct coordination with vessel agents to support smooth commercial operations despite crane and waterline project disruptions.
- Implemented new MTC shift rotation to improve work-life balance while maintaining operational continuity.
- Maintained vessel accommodations and mooring schedule despite staffing transitions, relying on internal trust and personnel adjustments.
- Re-established the Hagat Marina Users Group to enhance tenant communications and issue reporting.

- Volunteered for Port events, showing continued civic leadership and employee engagement.

Initiatives Underway

- Coordinating a Marina Users Group meeting scheduled for June 4, 2025.
- Continued efforts to support marina tenant relations and safety coordination.
- Building operational resilience through effective cross-divisional communication and personnel development.
- Ongoing collaboration with local and federal agencies to strengthen Port operations and address broader concerns.

Challenges Acknowledged by Harbor Master's Office

- **Crane Maintenance and Waterline Disruptions:** Recent infrastructure projects created significant scheduling and operational challenges for vessel accommodations, requiring constant communication and adaptive planning to minimize delays.
- **Staffing Gaps:** The absence of an Administrative Officer placed additional workload on the Harbor Master, who had to redistribute responsibilities while maintaining office operations.
- **Stakeholder Coordination:** Maintaining direct engagement with vessel agents and federal partners required extra effort to ensure smooth accommodations despite project impacts and limited administrative support.
- **Tenant Communication and Marina Oversight:** Reestablishing the Hagat Marina Users Group was necessary to close feedback gaps between the Port and marina users, especially for surfacing safety and operational concerns.
- **Balancing Operational Duties and Volunteer Commitments:** The Harbor Master continues to support agency events and external partnerships, requiring careful balance between core responsibilities and volunteer involvement.

General Manager's Response and Expectations

The Harbor Master's Office continues to support the Port's operational rhythm through vessel coordination, stakeholder communication, and site oversight. The FY 2025 mid-year review reflects steady engagement during a period of infrastructure activity, staffing limitations, and expanded berth management responsibilities.

The update acknowledges the coordination required to maintain commercial vessel scheduling while accommodating projects such as the waterline replacement and crane-related work. Continued engagement with Marine Traffic Controllers, vessel agents, and federal partners helped ensure operational continuity and minimize disruptions.

The reactivation of the Hagat Marina User Group, Hagatna Marina Users Group and ongoing volunteer service are also noted and appreciated. These efforts reflect a commitment to the Port's values of collaboration, internal morale, and public service.

As we move into the second half of the fiscal year, the Harbor Master's Office will remain focused on berth planning, vessel flow coordination, and ensuring alignment with Operations and Safety.

Continued attention must be given to structured delegation and mentoring to address coverage gaps and prepare for future transitions.

The contributions of the Harbor Master and the team are acknowledged, and support will be provided as needed to reinforce readiness. The expectation remains consistent with all divisions: maintain presence, ensure communication is timely and clear, and model the level of accountability that supports both service continuity and public trust.

CONCLUSION

Each division's submission demonstrates that we are actively executing our shared goals. The themes of performance, integrity, and follow-through remain consistent throughout. These reviews are not just reports. They are working documents that help us calibrate direction, reinforce expectations, and support the leaders who are stepping forward.

Across the organization, we continue to address inherited challenges while building systems that work for all Port employees. Many of the reforms now in place reflect a deliberate shift from reactive to proactive management. While this progress is real, we recognize that there is still significant work ahead to fully institutionalize these changes and ensure they are applied consistently across every division. Each day is a test of whether we will hold the line on these reforms. Without clear and active reinforcement of why this path was chosen, it becomes far too easy to fall back into the comfort of how things have always been done. The real concern is that all the progress we have made through hard work, data-driven decisions, and strict adherence to the Rule of Law and our Personnel Rules and Regulations could be reversed if the discipline behind it is not preserved and continuously reinforced.

This mid-year review reflects more than just progress. It signals a cultural shift toward consistency, accountability, and shared purpose. As a Management Performance Assessment, it formalizes expectations, measures leadership alignment, and documents follow-through in ways that strengthen transparency and credibility.

The Port Authority of Guam is moving forward with steady coordination, deeper accountability, and systems that support both integrity and results. This is a strong and credible record of institutional evolution with the right people doing the right work and the outcomes becoming more visible.

We thank Governor Lou Leon Guerrero, Lieutenant Governor Josh Tenorio, the Port Board of Directors, the Port's management and employees, the Port Users Group of Guam, Port's tenants, and all stakeholders for their continued support and partnership. It is through this collective commitment that the Port continues to grow stronger, deliver results, and meet the needs of the people of Guam and our regional neighbors. *Si Yu'os Ma'åse.*

Digital Copies to: Dominic Muna, Deputy General Manager for Operations
 Pacifico Martir, Deputy General Manager for Administration and Finance
 All Division Heads and Assistants
 Port In-House Counsels
 All Port Employees



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Lourdes A. Leon Guerrero
Governor of Guam
Joshua F. Tenorio
Lieutenant Governor

June 3, 2025

MEMORANDUM

To: Board of Directors

From: Rory J. Respicio, General Manager *Rory Respicio*

Subject: Creation of Positions: Tariff Technician I, Tariff Technician II, & Tariff Technician III

Hafa Adai! On April 30, 2025, the Board of Directors authorized management to proceed with the transparency and disclosure process for the creation of the Tariff Technician I, Tariff Technician II, and Tariff Technician III positions.

To comply with the transparency and disclosure process as mandated by 4 GCA Section 6303.1, the creation of positions documents was posted on the Port's website, port employees were notified, and notification was also provided to electronic and written media outlets. The postings and notifications were provided on May 12, 2025, and the deadline to submit public comments was on May 27, 2025 to the Port's Human Resources Office.

On June 3, 2025, the Port's Human Resources Office advised that there was one (1) public comment received by the Port's Corporate Services Manager.

In light of the above, the transparency and disclosure requirements were met. I am available for any questions you may have.



Margret Duenas

From: Margret Duenas <mduenas@portofguam.com>
Sent: Tuesday, May 13, 2025 1:26 PM
To: life; news; gerry partido; news; editor; mar vic cagurangan; john; michael weakley; kstokish; kishfm102 9; Tricia Granillo; taentgu; Kandit News Group; production; raygibson; senator lujan; info; nesor; newsdirector
Subject: PUBLIC NOTICE: Creation of Positions Tariff Technician I, Tariff Technician II & Tariff Technician III
Attachments: creation of position for TARIFF TECH SERIES.pdf

PUBLIC NOTICE

Creation of Positions Tariff Technician I, Tariff Technician II & Tariff Technician III

Piti, Guam, May 12, 2025: In compliance with Title 4 of the Guam Code Annotated (GCA), the public is notified of the Port's request for the creation of the positions of Tariff Technician I, Tariff Technician II, and Tariff Technician III.

Request to the Board of Directors and supporting documents are available on the Port's website under "Public Notices" <https://www.portofguam.com/news/public-notice>, for public review and comment.

Please submit your comments to the Human Resources Division no later than May 27, 2025. For more information, please contact the Human Resources Division at 671-477-5931/4, ext. 244 - 249.

-30-

(See Attached)



Public Notices

[HOME](#) / [NEWS](#) / [PUBLIC NOTICES](#)

Public Notices

- [Creation of Tariff Tech Series](#)
- [Tariff Adjustment Notice to the General Public](#)
- [Stormwater Pollution Prevention for Gregorio D. Perez Marina](#)
- [Stormwater Pollution Prevention for PAG Harbor of Refuge](#)
- [Abolish Classified Positions under PAG's Classification and Compensation Plan](#)
- [Creation of Position Equipment Maintenance Manager](#)
- [Designation of Commercial Port as a Historic District and Mitigation for Planned Upgrades and Replacements](#)
- [Innovative Readiness Training \(IRT\) Program - 2nd Public Notice](#)
- [Creation of Position Environmental Compliance Administrator](#)
- [Innovative Readiness Training \(IRT\) Public Notice](#)
- [Realignment of the Port Organizational Structure and Amendment of Job Standards](#)
- [Creation of Position Assistant Procurement & Supply Manager](#)
- [Creation of Position General Administration Manager - Comments Submission Extended](#)
- [Creation of Position Chief Financial Officer - Comments Submission Extended](#)
- [Chief Financial Officer](#)
- [General Administration Manager](#)
- [Creation of Position Port Chief Engineer](#)

Margret Duenas

From: Annette M. Mafnas <ammafnas@portofguam.com>
Sent: Tuesday, May 13, 2025 1:30 PM
To: ajaflague@portofguam.com; algsablan@portofguam.com; ammafnas@portofguam.com; bsterne@portofguam.com; cflores01@portofguam.com; cvlagutang@portofguam.com; djperez@portofguam.com; gbnelson@portofguam.com; jaulloa01@portofguam.com; jbguevara@portofguam.com; jdtopasna01@portofguam.com; jgjavellana@portofguam.com; jppangelinan@portofguam.com; jsmendiola@portofguam.com; mduenas@portofguam.com; pealvarez01@portofguam.com; prsalas@portofguam.com; Vivian C. Leon; Shawn B. Cepeda; Shine A. San Agustin; Raymond B. Santos; Paul R. Salas
Subject: Public Notice: Creation of Position - Tariff Technician Series
Attachments: Creation of Position - Tariff Technician Series 051225.pdf

Hafa Adai All,

Provided for your review and/or comment is the public notice on the Creation of Position for Tariff Technician Series.

For immediate access, please see attached or click link <https://www.portofguam.com/news/public-notice>

Deadline to submit comments to the Human Resources Office is no later than **Tuesday, May 27, 2025**. Si Yu'os Ma'ase



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Lourdes A. Leon Guerrero
Governor of Guam
Joshua F. Tenorio
Lieutenant Governor

May 13, 2025

MEMORANDUM

To: Shawn B. Cepeda, Personnel Services Administrator
Via: Pacifico R. Martir, Deputy General Manager, Administration & Finance
From: Vivian C. Leon, Corporate Services Manager
Subject: Comments on Creation of Positions – Tariff Technicians Series (I, II, & III)

Hafa Adai! On April 30, 2025, the Board of Directors approved the General Manager's request to begin the transparency and disclosure process to create the Tariff Technician series of positions, specifically, Tariff Technician I, II and III. On May 13, 2025, formal notice was provided to the division heads for comments.

Reviewing the proposed positions for creation, it revealed the following:

- a. As a position classifier with the Government of Guam, one would need to remember that processing a creation of position should not be based on volume of work, quality of work, value of incumbents in that division to the Port, length of service, probable loss of employee to a better position or recruitment difficulties.
- b. Creation of positions should be based on the kind of work performed, the level of difficulty and responsibility involved in the work of the position and the knowledge, skills and abilities required to do the work.

In 1985 prior to the Port implementing its first Compensation and Classification Plan, a classification review was conducted on the incumbents under the Tariff Section of the Financial Affairs Division to determine whether a series of positions could be established and the nature of work should solely be focused on the application and interpretation of the terminal tariff. The incumbents were occupying Clerk III, Accounting Clerk and Accounting Supervisor positions. Below is a summary of what occurred in that review:

In 1985, then Personnel Specialist III and I were assigned by then Personnel Services Administrator to review the duties and of the incumbents for the Tariff Section. Our review found there was no complexity of duties and responsibilities that could be segregated in the formulation of the nature of work to establish a series of positions for the section. It was then recommended if Port management wishes to establish positions for the Tariff Section that they consider a Tariff Technician and Tariff Supervisor.

In 2002, the Human Resources staff conducted another classification review to determine if another position could be established in the Tariff Section. This review was conducted because of the Terminal Operating System the Port was utilizing and the numerous Board memoranda issued because the then Terminal Tariff had become cumbersome and complex for the Port customers to utilize. In that review, which I participated, recommended that a Tariff Specialist and Tariff



Administrator position be established. The Tariff Specialist would be involved in deciphering the operation logs submitted by Operations and Maintenance staff to the Tariff Section and ensure that all services outlined in the document are captured and invoiced to the shipping agencies and other tenants in accordance with the Terminal Tariff. It was also foreseen this position also be actively involved in observing the different vessel operations and provide guidance to the Operations and Maintenance supervisors on what needs to be captured in the logs for billing purposes. The position would also serve as a leader to a group of entry level positions.

The review also found that the Port is sometimes faced with new, uncommon or one-time tariff situations, which may require an immediate determination and application of a new tariff rate. It was recommended that a Tariff Administrator reports directly to the General Manager or his designee as an advisor to provide clarification of a regulation or the establishment of a rate for which no rate has been established in the Terminal Tariff. This recommendation was based on the Port Terminal Tariff that the General Manager is the only one to provide written interpretation on certain regulations of the tariff and its applicability. This position would also provide analysis as to whether certain tariff rates would need to be increased to provide the Port with an adequate rate of return on its capital investments and make such recommendation to management.

It was recommended that the Tariff Technician position remain status quo and to be used as an entry level to the section. However, because of the change of administration in 2003, the creation of the Tariff Specialist position was held in abeyance, but the Tariff Administrator position was established.

Be further advised when attempting to locate the classification reviews conducted in 1985 and 2003, I was told by staff the fire which occurred in the Port Administration Building all classification review records were destroyed.

Based on the posting of the transparency and disclosure process for the creation of the Tariff Technician series of positions, there is no complexity between the level of the proposed positions. Therefore, it is suggested that the creation of positions be relooked at and determine whether the Port may desire to establish a Tariff Specialist position and abolish the Tariff Supervisor position. This would clearly establish the complexity of duties between the Tariff Technician and Tariff Administrator positions.

Your consideration on the comments submitted is appreciated.

Be advised that a copy of this memorandum will be forwarded to Director of Department of Administration, who is responsible for providing the classification code for new positions and Civil Service Commission who is responsible for the Port's Classification and Compensation Plan as stipulated in the Personnel Rules and Regulations.

Cc: General Manager
Chief Financial Officer
Director, Department of Administration
Executive Director, Civil Service Commission



PORT OF GUAM
ATURIDAT / PUETTON GUAHAN
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Website: www.portguam.com



Lowdes A. Leon Guerrero
Governor of Guam
Joshua F. Tenorio
Lieutenant Governor

May 14, 2025

Memorandum

To: Vivian C. Leon, Corporate Services Manager
From: Rory J. Respicio, General Manager *Rory Respicio*
Subject: Clarification on Tariff Position Recommendations and External Communications

*Rec'd
5-15-25 J*

This is to acknowledge receipt of your memorandum dated May 13, 2025, which I received today via email. While I recognize your past involvement in tariff classification reviews, I want to clarify that the Port's current effort to strengthen the tariff structure is not a continuation of past practices. It is a direct response to longstanding operational challenges within the Finance Division, including the need for succession planning and consistency in the Tariff Unit. These issues have been raised with the Board of Directors as part of our broader commitment to transparency and stronger internal controls.

Your recent memorandum appears to bypass the established internal process by presenting your proposal directly to the Department of Administration and the Civil Service Commission. While I understand your intention to contribute to the discussion, it is essential to follow the established internal channels. External engagement before Board review undermines both the management process and the Board's role in policy decisions.

The transparency and disclosure process currently underway is intended to allow Port employees and the public to comment on the proposed Tariff Technician class series. All feedback will be compiled and presented to the Board for consideration. The process is still active, and premature contact with DOA or CSC could create confusion or misrepresent the Port's official position. The decision to establish the Tariff Technician II and III positions was based on a clear need for structure and accountability. Previous gaps in the tariff process have resulted in underbilling and audit exposure. This class series was designed to address those issues and ensure clarity in the interpretation and application of the tariff.

As you are well-versed in the classification process, all feedback on position matters should be submitted to the Personnel Services Administrator for internal review. This includes any technical input you may wish to provide. Once reviewed and presented to the Board, the appropriate engagement with external agencies will follow through the proper channels. In this case, you got ahead of yourself by sending your memorandum directly to the Department of Administration and the Civil Service Commission before the Port had completed its internal process. This not only undermines the role of the Board but also misrepresents the Port's official position.

Finally, I want to clarify a point of accountability. Regardless of reporting lines, which all ultimately report to the General Manager, all senior managers are expected to operate within the framework of the Port's Personnel Rules and Regulations. In this case, your memorandum was inconsistent with the expectations set for senior managers, in my view.

CC: PAG Board of Directors
Chief Financial Officer
Director of Administration
Executive Director, Civil Service Commission



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Lourdes A. Leon Guerrero
Governor of Guam
Joshua F. Tenorio
Lieutenant Governor

June 3, 2025

MEMORANDUM

To: Board of Directors

From: Rory J. Respicio, General Manager *Rory J. Respicio*

Subject: Abolishment of Positions under the Port's Classification and Compensation Plan

Reference: Maintenance Manager and Equipment Maintenance Superintendent Positions

Hafa Adai! On April 30, 2025, the Board of Directors authorized management to proceed with the transparency and disclosure process for the abolishment of the Maintenance Manager and Equipment Maintenance Superintendent positions under the Port's Classification and Compensation Plan.

To comply with the transparency and disclosure process as mandated by 4 GCA Section 6303.1, and Rule 4.200 of the Port's Personnel Rules and Regulations, the documents were posted on the Port's website, port employees were notified, and notification was also provided to electronic and written media outlets. The postings and notifications were provided on May 16, 2025 and the deadline to submit public comments was on May 30, 2025 to the Port's Human Resources Office.

On June 2, 2025, the Port's Human Resources Office advised that there were no comments received by the Port employees, or the general public regarding the abolishment of positions.

In light of the above, the transparency and disclosure requirements were met in accordance with the statutory process. It is therefore being requested that management's petition to abolish the job specifications of the Maintenance Manager and Equipment Maintenance Superintendent positions in the classified service be made.

I am available for any questions you may have.



Margret Duenas

From: Margret Duenas <mduenas@portofguam.com>
Sent: Friday, May 16, 2025 10:09 AM
To: life; news; gerrypartido; news; editor; mar vic cagurangan; john; michael weakley; kstokish; kishfm102 9; Tricia Granillo; taentgu; Kandit News Group; production; raygibson; senator lujan; info; nestor; newsdirector
Subject: PUBLIC NOTICE: Abolish Classified Positions under PAGs Classification & Compensation Plan
Attachments: abolish of position.pdf

PUBLIC NOTICE

Abolish Classified Positions Under the Port Authority of Guam's Classification and Compensation Plan

Piti, Guam, May 16, 2025: In compliance with Title 4 of the Guam Code Annotated (GCA), the public is notified of the Port's request for the abolishment of classified positions under the Port Authority of Guam's classification and compensation plan.

Request to the Board of Directors and supporting documents are available on the Port's website under "Public Notices" <https://www.portofguam.com/news/public-notice>, for public review and comment.

Please submit your comments to the Human Resources Division no later than May 30, 2025. For more information, please contact the Human Resources Division at 671-477-5931/4, ext. 244 - 249.

-30-

See attached



Public Notices

HOME / NEWS / PUBLIC NOTICES

Public Notices

- **Abolish of Position**
- **Creation of Tariff Tech Series**
- **Tariff Adjustment Notice to the General Public**
- **Stormwater Pollution Prevention for Gregorio D. Perez Marina**
- **Stormwater Pollution Prevention for PAG Harbor of Refuge**
- **Abolish Classified Positions under PAG's Classification and Compensation Plan**
- **Creation of Position Equipment Maintenance Manager**
- **Designation of Commercial Port as a Historic District and Mitigation for Planned Upgrades and Replacements**
- **Innovative Readiness Training (IRT) Program - 2nd Public Notice**
- **Creation of Position Environmental Compliance Administrator**
- **Innovative Readiness Training (IRT) Public Notice**
- **Realignment of the Port Organizational Structure and Amendment of Job Standards**
- **Creation of Position Assistant Procurement & Supply Manager**
- **Creation of Position General Administration Manager - Comments Submission Extended**
- **Creation of Position Chief Financial Officer - Comments Submission Extended**
- **Chief Financial Officer**
- **General Administration Manager**

Margret Duenas

From: Annette M. Mafnas <ammafnas@portofguam.com>
Sent: Friday, May 16, 2025 10:32 AM
To: Alex J. Aflague; Annie; Bernadette Sterne; Christopher Flores; Clarence V. Lagutang; Dennis J. Perez; Glenn B. Nelson; Jose A. Ulloa; Jose B. Guevara, III; Junior D. Topasna; Jose G. Javellana; Joaquin P. Pangelinan; Jesse S. Mendiola, Jr.; Margret Duenas; Patrick E. Alvarez; Paul R. Salas; Vivian C. Leon; Shawn B. Cepeda; Shine A. San Agustin; Raymond B. Santos
Cc: Dominic G. Muna; Pacifico R. Martir
Subject: Public Notice: Abolish Classified Positions Under the Port Authority of Guam's Classification and Compensation Plan
Attachments: Notice to Abolish Classified Positions Under the Port Authority of Guam's Classification and Compensation Plan 051525.pdf

Hafa Adai All,

Provided for your review and/or comment is the public notice on the Abolishment of Positions Under the Port Authority of Guam's Classification and Compensation Plan.

For immediate access, please see attached or click link <https://www.portofguam.com/news/public-notice>

Deadline to submit comments to the Human Resources Office is no later than **Friday, May 30, 2025**. Si Yu'os Ma'ase



PORT OF GUAM
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Lourdes A. Leon Guerrero
Governor of Guam
Joshua F. Tenorio
Lieutenant Governor

May 15, 2025

MEMORANDUM

To: Division Heads

From: Rory J. Respicio, General Manager *Rory Respicio*

Subject: Notice to Abolish Classified Positions Under the Port Authority of Guam's Classification and Compensation Plan

Hafa Adai! Public Law 30-43 adopted the Port's Personnel Rules and Regulations Rule 4.200, *Amendment of Maritime Positions Unique to Port Operations and Certified Technical and Professional Positions*, authorizes the General Manager to request the Board of Directors to amend, including but not limited to deleting, adding or modifying positions on the approved list of the Authority's Maritime Positions Unique to Port Operations, and Certified, Technical and Professional Positions.

The request shall include the justification for the deletion and the need to comply with the transparency and disclosure process by posting the request on the Port's website for ten (10) days (Saturdays, Sundays and Government of Guam holidays excepted). After posting, the General Manager shall forward the request, along with the evidence that prompt notice of the posting was provided to each newspaper of general circulation and broadcasting station which airs a regular local news program within Guam, to the Board. The Board shall approve, disapprove or amend the request at any regularly scheduled meeting or at a special meeting called for this purpose.

Since 2007, the Board of Directors created new positions and amended several job specifications to ensure that its current organizational structure aligns with the Authority's operational goals and objectives since 2007.

A review of the Port Classification and Compensation Occupational Listing of Maritime Positions Unique to Port Operations, and Certified, Technical or Professional Positions revealed the following positions' duties and responsibilities are either duplicated, obsolete or no longer expected to be utilized by the Port Authority of Guam. Such positions include: Maintenance Manager and Equipment Maintenance Superintendent.

Rule 4.200, *Amendment of Maritime Positions Unique to Port Operations and Certified Technical and Professional Positions*, of the Rules and Regulations would need to be complied with regarding transparency and disclosure. The requirements of this Rule are as follows:

1. The petition for abolishment of position is posted on the Port's website for 10 days (Saturdays, Sundays and Government of Guam holidays excepted.)
2. Notices of the postings are provided to each newspaper of general circulation and broadcasting station which airs a regular local news program within Guam.



Subject: Notice to Abolish Classified Positions Under the Port Authority of Guam's Classification and Compensation Plan

Page 2

After the transparency process has been completed, the General Manager shall forward the petition, along with evidence of compliance to the Board of Directors. If the Board is satisfied that all requirements have been met, the petition for abolishment of positions is approved by resolution, which copies is transmitted to the Director of Administration and Guam Legislative Secretary.

Upon meeting the above requirements, the abolished positions from the Port's Classification and Compensation Plan Occupational Listing will take effect. However, if the Port does not comply with the requirements, the petition to abolish the classified positions shall be voided. To ensure that transparency and disclosure is provided to all parties concerned, the following processes and estimated timeframes are to be followed:

PROCESS	ESTIMATED TIMELINE
Request to be submitted to the Board for their initial review and approval to proceed with the transparency process to abolish the positions, i.e., posting such request on the Port's website.	April 30, 2025
If Board agrees to proceed with the abolishment, the request will be submitted to the division heads for review and comments	May 15, 2025
Posting of proposed abolishment of positions on Port's website.	May 16 - 30, 2025
Notification to be provided to the electronic and written media outlets of the Port's request and its availability on the website.	May 16, 2025
Request to be submitted to the Board of Directors for final approval and adoption by resolution.	June 26, 2025

To provide you with an opportunity to submit your inputs on the proposed action, we have attached the petition to abolish the positions and posted the request to abolish the positions on the Port's website under the "News - Public Notices" <https://www.portofguam.com/news/public-notice> for your review and comments.

Please submit your comments, if any, to the Human Resources Division no later than May 30, 2025.

Should you have any questions, please feel free to contact the Human Resources Division at 671-477-5931-4, extensions 244 to 249. *Si Yu'os Ma'ase.*

Attachments

Cc: Deputy General Manager, Administration & Finance
Deputy General Manager, Operations & Maintenance
Personnel Services Administrator

PETITION TO ABOLISH CLASSIFIED POSITIONS UNDER THE PORT CLASSIFICATION & COMPENSATION LISTING OF MARITIME POSITIONS UNIQUE TO PORT OPERATIONS, CERTIFIED, TECHNICAL OR PROFESSIONAL POSITIONS

REQUEST:

The General Manager requested the Board of Directors to begin the transparency and disclosure process to abolish the following positions in the classified service under the Port Compensation and Classification Plan:

1. Maintenance Manager
2. Equipment Maintenance Superintendent

On April 30, 2025, the Board of Directors approved Resolution 2025-13, *Relative to Requesting to Abolish the Maintenance Manager and Equipment Maintenance Superintendent under the Port Authority of Guam's Classification and Compensation Plan, as a result of the succession plan adopted in Board Resolution No. 2024-15 by the Port Board of Directors.*

AUTHORITY:

Public Law 30-43 adopted the Port's Personnel Rules and Regulations Rule 4.200, *Amendment of Maritime Positions Unique to Port Operations and Certified Technical and Professional Positions*, authorizes the General Manager to request the Board of Directors to amend, including but not limited to deleting, adding or modifying positions on the approved list of the Authority's Maritime Positions Unique to Port Operations, and Certified, Technical and Professional Positions. The petition shall include justification to abolish the position, the essential details concerning the abolishment of the position, fiscal note and any other pertinent information.

The petition shall be posted on the Port's website for ten (10) days (Saturdays, Sundays, and Government of Guam holidays excepted.) After the posting, the General Manager shall forward the petition, along with evidence of his compliance with Title 4, GCA, Section 6303.1(a) to the Board, who if they approve the same, shall approve the petition by resolution and file the petition and resolution for record with the Director of Administration and the Legislative Secretary.

The transparency and disclosure process shall include:

- A. Prompt notice of the postings required by Title 4, GCA, Section 6205 and 6303 shall be provided to each newspaper of general circulation and broadcasting station which airs a regular local news program within Guam.
- B. The petitions required by Title 4, GCA, Sections 6205 and 6303 are public documents for purposes of Title 5, GCA, Chapter 10, Article 1 (The Sunshine Law).

- C. Any attempted abolishment of positions not in compliance with the provisions of Title 4, GCA, Section 6205, 6303 and 6303.1(a) is void.

References of Compliance:

2 GCA §9101, Restrictions Against Unfunded Appropriations, *"All bills that have an effect against the revenues or the expenditure of any funds of the Government of Guam shall identify a specific funding source for which funds are, in fact available..."*

4 GCA §4105(a) Departmental Rules states *"Rules subject to criteria established by this Chapter governing selection, promotion, performance, evaluation, demotion, suspension and other disciplinary action of classified employees shall be adopted by the Board of Directors of the...Jose D. Leon Guerrero Commercial Port...with respect to personnel matters within their respective Branches, agencies, public corporations or departments, and by the Director of Administration as to all other Executive Branch employment."*

4 GCA §4101.1(d). Responsibilities of the Director of Administration Regarding Personnel Policy of the Government, states *"The Director of Administration shall perform the following functions...(d) Maintain, post and keep current the Department's website a list of all classified and unclassified positions in the executive branch, including autonomous agencies and public corporations, showing the job descriptions and pay range assigned to each position..."*

4 GCA §6303. Compensation Policy.

- (1) "Employee compensation shall be based on internal equity and external competitiveness.
- (2) To the extent practical, compensation will be targeted at the U.S. National Average levels compared to the appropriate labor markets and account taken of the relevant economic factors.
- (3) Internal equity shall be reviewed annually and external competitiveness at least every three (3) years.
- (4) Compensation structures and administrative policies shall be recognized and reward individual employees commensurate with performance.
- (5) All aspects of compensation (base salaries, benefits, pay differentials, and other factor(s)) will be considered as a total reward and incentive package for employees and shall be consistent and uniformly administered through the government.
- (6) A program of ongoing communication and training shall be a critical component of compensation administration."

AGENCY BACKGROUND, CLASSIFICATION REVIEW & ANALYSIS OF SIMILARITIES & DIFFERENCES:

On April 30, 2025, the Board of Directors approved Resolution 2025-13, *Relative to Requesting to Abolish the Maintenance Manager and the Equipment Maintenance Superintendent under the Port Authority of Guam's Classification and Compensation Plan, as a result of the succession plan adopted in Board Resolution No. 2024-15 by the Port Board of Directors.*

Since 2007, the Board of Directors created new positions and amended several job specifications to ensure that its current organizational structure aligns with the Authority's operational goals and objectives.

The following creation of positions and amendment of job specifications under the Maritime Positions Unique to Port Operations, and Certified, Technical and Professional Positions under the Port's Classification and Occupational Listing impacted the job specifications for the Maintenance Manager and the Equipment Maintenance Superintendent.

1. On May 31, 2024, the Board of Directors approved the amendment of the Assistant Equipment Maintenance Manager position through Resolution 2024-06. The nature of work is to assist the Equipment Maintenance Manager in the administration of the maintenance and repair programs and activities of cargo handling equipment.
2. On October 31, 2024, through Resolution 2024-15, the Board of Directors approved the General Manager to proceed with the creation of the Equipment Maintenance Manager and not to merge the Operations and Equipment Maintenance divisions into one division and continue to operate as separate divisions.
3. On December 20, 2024, the Board of Directors approved the creation of the Equipment Maintenance Manager position through resolution 2024-19. The nature of work for this position administers the activities of the Equipment Maintenance divisions.

Such positions are duplicated, obsolete and no longer expected to be utilized by the Port Authority of Guam. As such, it is recommended that the positions of the Maintenance Manager and the Equipment Maintenance Superintendent be abolished and removed from the Port's Classification and Compensation Occupational Listing.

FISCAL NOTE:

The structural minimum adjustment for recommended positions to be abolished would result in a savings to the Port Authority of Guam as noted below:

Position Title	Pay Grade/Step	Structural Minimum Adjustment
Maintenance Manager	PP-6A	\$123,980.00
Equipment Maintenance Superintendent	OO-5C	\$104,773.00
TOTAL		\$228,753.00

RECOMMENDATION:

Our review has determined that the following positions be abolished under the Maritime Positions Unique to Port Operations and Certified, Technical and Professional Positions under the Port's Classification & Compensation Plan:

1. Maintenance Manager
2. Equipment Maintenance Superintendent

Petition to Abolish Classified Positions Under the Port Classification and Compensation Listing
of Maritime Positions Unique to Port Operations, Certified, Technical or Professional Positions

Page 4

It is further recommended that the Board of Directors abolish the above positions in the classified service under the Port Classification and Compensation Plan as Maritime Positions Unique to Port Operations, Certified, Technical or Professional Positions.


SHAWN B. CEPEDA

Date: 05-15-25

PORT AUTHORITY OF GUAM

JOSE D. LEON GUERRERO COMMERCIAL PORT

1026 Cabras Highway, Suite 201 Piti, GU 96915

Phone: (671) 477-5931 Fax: (671) 477-2689

Website: www.portguam.com



PUBLIC NOTICE

Abolish Classified Positions Under the Port Authority of Guam's Classification and Compensation Plan

Piti, Guam, May 16, 2025: In compliance with Title 4 of the Guam Code Annotated (GCA), the public is notified of the Port's request for the abolishment of classified positions under the Port Authority of Guam's classification and compensation plan.

Request to the Board of Directors and supporting documents are available on the Port's website under "Public Notices" <https://www.portofguam.com/news/public> notices, for public review and comment.

Please submit your comments to the Human Resources Division no later than May 30, 2025. For more information, please contact the Human Resources Division at 671 – 477-5931/4, ext. 244-249.

BOARD OF DIRECTORS

*Dorothy P. Harris, Chairperson
Conchita S.N. Taitano, Vice Chairperson
Fe R. Valencia-Ovalles, Board Secretary*



Resolution No. 2025-13

RELATIVE TO REQUESTING THE ABOLISHMENT OF THE MAINTENANCE MANAGER AND EQUIPMENT MAINTENANCE SUPERINTENDENT POSITIONS UNDER THE PORT AUTHORITY OF GUAM'S CLASSIFICATION AND COMPENSATION PLAN, AS A RESULT OF THE SUCCESSION PLAN ADOPTED IN BOARD RESOLUTION NO. 2024-15 BY THE PORT BOARD OF DIRECTORS.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PORT AUTHORITY OF GUAM.

WHEREAS, Public Law 30-43 adopted the Port Authority of Guam's Personnel Rules and Regulations and Port Classification and Compensation Plan for its Maritime Positions Unique to Port Operations, and Certified, Technical and Professional Positions; and

WHEREAS, Section 4.200, *Amendment of Maritime Positions Unique to Port Operations and Certified Technical and Professional Positions*, of the Personnel Rules and Regulations authorizes the General Manager to request the Board of Directors to amend, including but not limited to deleting, adding or modifying positions on the approved list of the Authority's Maritime Positions Unique to Port Operations, and Certified, Technical or Professional Positions; and

WHEREAS, the process shall include the justification to delete and need to comply with the transparency and disclosure process by posting the request on the Port Authority's website for ten (10) days (Saturdays, Sundays and Government of Guam holidays excepted); and

WHEREAS, after posting, the General Manager shall forward the request along with the evidence that prompt notice of the posting was provided to each newspaper of general circulation and broadcasting station which airs a regular local news program within Guam, to the Board of Directors; and

WHEREAS, the Board shall approve, disapprove or amend the request at any regularly scheduled meeting or at a special meeting called for this purpose; and

WHEREAS, through Board Resolution No. 2024-15, an assessment was conducted by the General Manager on the improvements led by the Equipment Maintenance team that was found to be beneficial in keeping the Equipment Maintenance Division as one division; and

WHEREAS, this ensures that a succession plan is in place for the Equipment Maintenance Division by creating in the classified service an Equipment Maintenance Manager position; and

WHEREAS, that on December 20, 2024, the Board of Directors approved the creation of the Equipment Maintenance Manager under the Port's Classification and Compensation Plan to ensure that its current organizational structure aligns with the Authority's operational goals and objectives; and

WHEREAS, as a result of the creation of this position, the classified positions of Maintenance Manager and Equipment Maintenance Superintendent under the Port Classification and Compensation Occupational Listing of Maritime Positions Unique to Port Operations, and Certified, Technical or Professional Positions duplicates the duties and responsibilities of the Equipment Maintenance Manager and are no longer expected to be utilized by the Port Authority of Guam; and

WHEREAS, it would be beneficial for the Port to proceed with the transparency and disclosure process to abolish these positions listed above; now therefore, be it

RESOLVED, that the General Manager is authorized to proceed with transparency and disclosure process to abolish the job specifications of Maintenance Manager and Equipment Maintenance Superintendent positions in the classified service under the Port's Classification and Compensation Plan for Maritime Positions Unique to Port Operations, and Certified, Technical or Professional Positions pursuant to applicable statutory law and the Personnel Rules and Regulations; and be it further

RESOLVED, that the Chairperson certify to, and the Secretary attest to, the adoption hereof.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 30th DAY OF APRIL, 2025.

**DOROTHY P. HARRIS
CHAIRPERSON, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**

**FE R. VALENCIA-OVALLES
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**



BOARD OF DIRECTORS

Dorothy P. Harris, Chairperson

Conchita S.N. Taitano, Vice Chairperson

Fe R. Valencia-Ovalles, Board Secretary



Resolution No. 2025-18

RELATIVE TO APPROVING THE CREATION OF TARIFF TECHNICIAN I, TARIFF TECHNICIAN II, AND TARIFF TECHNICIAN III POSITIONS IN THE CLASSIFIED SERVICE AS AUTHORIZED IN SECTION 6303(d) OF TITLE 4, GUAM CODE ANNOTATED AND RULE 5.015 OF THE PORT'S PERSONNEL RULES AND REGULATIONS.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PORT AUTHORITY OF GUAM:

WHEREAS, Title 4, Guam Code Annotated, Section 6303(d) authorizes the General Manager to petition to the Board of Directors to create positions in the classified service; and

WHEREAS, on February 26, 2025, the General Manager petitioned the Board of Directors to create the Tariff Technician Series positions comprised of a Tariff Technician I, Tariff Technician II, and Tariff Technician III in the classified service by providing its justification, essential details concerning the creation of the position, an analysis of similarities and differences between the position to be created and positions listed pursuant to Title 4, Guam Code Annotated, Section 4101.1(d), position description, and proposed pay grade and demonstration of compliance with Section 6301 of Title 4, and fiscal note as that term is described in Title 2, Guam Code Annotated, Section 9101 and any other pertinent information; and

WHEREAS, the Board of Directors at their regular meeting of April 30, 2025 authorized management to begin the transparency process of the Tariff Technician I, Tariff Technician II, and Tariff Technician III positions; and

WHEREAS, to ensure transparency and disclosure is conducted on the creation of said positions and to comply with Title 4, Guam Code Annotated, Chapter 6, Section 6303.1, the creation of position documents were posted on the Port's website, port employees were notified, and notification was also provided to electronic and written media outlets. The postings and notifications were provided on May 12, 2025 and deadline to submit comments was on May 27, 2025; and

WHEREAS, the Human Resources Division received one comment in a memorandum dated May 13, 2025, from the Port's Corporate Services Manager, addressing the proposed creation of the Tariff Technician I, II, and III positions. The memorandum referenced classification reviews conducted in 1985 and 2002, both of which concluded that duties within the Tariff Section at the time lacked the complexity needed to justify a series of positions. The 1985 review recommended the establishment of a Tariff Technician and Tariff Supervisor. The 2002 review, conducted in light of the Port's evolving Terminal Operating System and increasingly complex tariff structure, recommended creating positions titled Tariff Specialist and Tariff Administrator; and

WHEREAS, the May 13, 2025 memorandum further recommended that the Port consider establishing a Tariff Specialist position instead of a three-level technician series, and proposed the elimination of the Tariff Supervisor role to clarify the distinction between technical and administrative functions. The memorandum asserted that the proposed technician levels lacked meaningful complexity and suggested that duties related to billing validation, log analysis, and coordination with Operations and Maintenance could be better housed within a single specialist role; and

WHEREAS, the General Manager, in a memorandum dated May 14, 2025, acknowledged the historical context provided but clarified that the current initiative is not a continuation of past classification practices. Rather, it is a direct response to current operational challenges within the Finance Division, including underbilling, audit exposure, and the need to formalize succession planning and accountability. The General Manager further stated that while previous classification reviews reflected the conditions of their time, the Port's billing functions have since expanded in both scope and complexity. Establishing the Tariff Technician Series now creates a structured framework aligned with modern operational needs, supports career development within the unit, and distributes oversight responsibilities that were previously concentrated in a single specialist role; and

WHEREAS, throughout the current administration, the Port has ensured consistent applications in applying the Port's tariff, particularly in areas such as third and fourth gangs, supervisor overtime, mechanic/electrician night differentials, the use of a third gantry crane, shift variations, and bare chassis billing. The establishment of the Tariff Technician Series is intended to address these gaps by ensuring internal alignment between operations and billing, consistent application of rates, and proper documentation of all services rendered; and

WHEREAS, the Terminal Tariff Revenue Opportunities Analysis conducted by WSP further confirmed the need to align operational practices with billing, implement regular cost studies, define vessel service standards, and institutionalize proactive billing mechanisms to ensure the Port fully captures all revenue allowed under the existing tariff. These findings were supported by Port Board Resolutions Nos. 2025-01 and 2025-09; and



WHEREAS, the current structure of the Tariff Section includes three Tariff Technicians and one Tariff Administrator, and the creation of a formalized technician series will provide a clearer organizational path while reinforcing compliance with the Port's financial, audit, and operational controls; and

WHEREAS, at the regular meeting of June 5, 2025, management advised the Board of Directors that the Port complied with the transparency process as mandated by Title 4, Guam Code Annotated, Section 6303.1; now therefore, be it

RESOLVED, that the Board of Directors approves management's petition to establish the creation of the Tariff Technician series of positions in the classified service, as follows: Tariff Technician I at a Pay Grade I, Tariff Technician II at a Pay Grade J, and Tariff Technician III at a Pay Grade K; and be it further

RESOLVED, that the Board of Directors authorizes management to transmit copies of such petition to the Director of Department of Administration and the Legislative Secretary of the 38th Guam Legislature as required under Title 4, Guam Code Annotated, Section 6303(d)(2); and be it further

RESOLVED, that the Chairperson certify to, and the Secretary attest to, the adoption hereof and that copies of the same be thereafter transmitted to the Director of Department of Administration and Legislative Secretary of the 38th Guam Legislature.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 5th DAY OF JUNE, 2025.

DOROTHY P. HARRIS
Chairperson, Board of Directors
Port Authority of Guam

FE R. VALENCIA-OVALLES
Secretary, Board of Directors
Port Authority of Guam



BOARD OF DIRECTORS

*Dorothy P. Harris, Chairperson
Conchita S.N. Taitano, Vice Chairperson
Fe R. Valencia-Ovalles, Board Secretary*



Resolution No. 2025-19

RELATIVE TO APPROVING THE ABOLISHMENT OF THE MAINTENANCE MANAGER AND EQUIPMENT MAINTENANCE SUPERINTENDENT POSITIONS UNDER PORT AUTHORITY OF GUAM'S CLASSIFICATION AND COMPENSATION PLAN AS AUTHORIZED UNDER TITLE 4, GCA, SECTION 6303.1 AND RULE 4.200 OF THE PORT'S PERSONNEL RULES AND REGULATIONS.

BE IT RESOLVED BY BOARD OF DIRECTORS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT:

WHEREAS, Public Law 30-43 adopted the Port Authority of Guam's Personnel Rules and Regulations and Port Classification and Compensation Plan for its Maritime Positions Unique to Port Operations, and Certified, Technical and Professional Positions; and

WHEREAS, Section 4.200, *Amendment of Maritime Positions Unique to Port Operations and Certified Technical and Professional Positions*, of the Personnel Rules and Regulations authorizes the General Manager to request the Board of Directors to amend, including but not limited to deleting, adding or modifying positions on the approved list of the Authority's Maritime Positions Unique to Port Operations, and Certified, Technical or Professional Positions; and

WHEREAS, on April 30, 2025, the General Manager was authorized by the Board of Directors to proceed with the transparency and disclosure process to abolish the job specifications of the Maintenance Manager and Equipment Maintenance Superintendent under the Port's Classification and Compensation Plan for Maritime Positions Unique to Port Operations, and Certified, Technical or Professional Positions; and

WHEREAS, to ensure transparency and disclosure is conducted on the abolishment of the Maintenance Manager and Equipment Maintenance Superintendent and to comply with Section 6303.1 of Title 4, Guam Code Annotated, and Port Personnel Rules and Regulations, the petition to abolish the positions were posted on the Port's website, port employees were notified and notification was also provided to electronic and written media outlets; and

WHEREAS, the postings and notification were made on May 16, 2025 and deadline to submit comments was on May 30, 2025; and

WHEREAS, during the transparency process, there were no comments received on the abolishment of positions as stated herein by the deadline of May 30, 2025; and

WHEREAS, at the regular meeting of June 5, 2025, management advised the Board of Directors that the Port complied with the transparency process as mandated by Title 4, Guam Code Annotated and the Port's Personnel Rules and Regulations; now therefore, be it

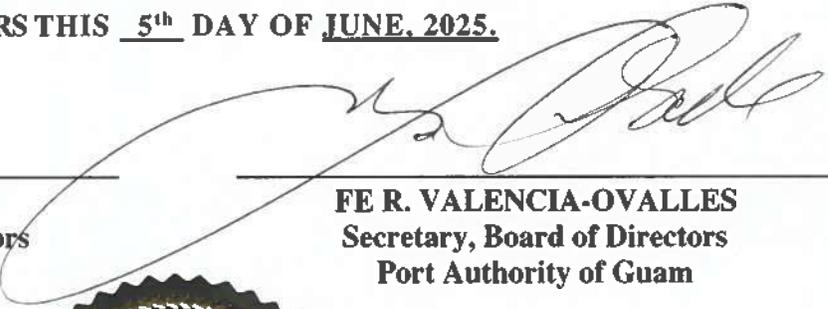
RESOLVED, that the Board of Directors approve management's petition to abolish the job specifications of the Maintenance Manager and Equipment Maintenance Superintendent positions in the classified service under the Port's Classification and Compensation Plan for Maritime Positions Unique to Port Operations, and Certified, Technical or Professional Positions pursuant to applicable statutory law and the Port's Personnel Rules and Regulations; and be it further

RESOLVED, that the Chairperson certify to, and the Secretary attest to, the adoption hereof and that copies of the same be transmitted to the Director of Department of Administration and Legislative Secretary of the 38th Guam Legislature.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 5th DAY OF JUNE, 2025.



DOROTHY P. HARRIS
Chairperson, Board of Directors
Port Authority of Guam



FE R. VALENCIA-OVALLES
Secretary, Board of Directors
Port Authority of Guam



BOARD OF DIRECTORS

*Dorothy P. Harris, Chairperson
Conchita S.N. Taitano, Vice Chairperson
Fe R. Valencia-Ovalles, Board Secretary*



Resolution No. 2025-20

RELATIVE TO AUTHORIZING A BOND DEFEASANCE TRANSACTION TO PAY DOWN OUTSTANDING 2018 REVENUE BOND OBLIGATIONS, IMPROVE DEBT SERVICE RATIOS, AND REDUCE FUTURE DEBT SERVICE COSTS.

BE IT RESOLVED BY BOARD OF DIRECTORS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT:

WHEREAS, the Port Authority of Guam issued its 2018 Revenue Bonds to fund critical infrastructure improvements necessary to maintain and modernize the island's only commercial seaport; and

WHEREAS, , the 2018 Revenue Bond indenture requires the Port to maintain a minimum debt service coverage ratio (DSCR) of 1.25 in order to remain in good standing with bondholders and rating agencies; and

WHEREAS, the bond defeasance is a financial strategy utilized by bond issuers to remove outstanding debt obligations from their balance sheets through a deposit of cash in a restricted escrow account to pay specific bond principal and interest payments; and

WHEREAS, the Port has been contemplating utilizing a bond defeasance strategy as part of its efforts to continue toward credit enhancement through financial ratio improvement, and to achieve cost savings in the current interest rate environment; and

WHEREAS, the indenture's calculation of DSCR intentionally excludes revenues and related expenses tied to the Crane Surcharge, Facility Maintenance Fee, and Marina revenues, even though these are recurring revenue sources that support Port operations and capital improvements; and

WHEREAS, since FY 2020, the Port has tracked its debt service coverage ratio on a monthly basis to ensure compliance with the 2018 Revenue Bond indenture, and while the Port has met the required 1.25 DSCR each fiscal year since FY 2020, there were months where coverage was tight and required close monitoring and internal controls to maintain compliance; and

WHEREAS, because the Port has had to manage around a restricted DSCR calculation for years, the limitations of that structure are now unavoidable in FY 2025, where the Port is projected to fall below the required 1.25 threshold unless corrective action is taken; and

WHEREAS, in FY 2020, the indenture-defined DSCR was 2.29, and when the Crane Surcharge, Facility Maintenance Fee, and Marina revenues are included, the adjusted DSCR improves to 3.72; and

WHEREAS, in FY 2021, the indenture-defined DSCR was 1.35, and when the excluded revenues are included, the adjusted DSCR improves to 2.18; and

WHEREAS, in FY 2022, the indenture-defined DSCR was 3.66 as a result of cash infused by a one-time \$15 million payment by Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio from the American Rescue Plan Act (ARPA) funds, and when the excluded revenues are included, the adjusted DSCR improves to 4.22; and

WHEREAS, without the ARPA grant, the indenture-defined DSCR for FY 2022 would have dropped to approximately 1.62, and when the Crane Surcharge, Facility Maintenance Fee, and Marina revenues are included, the adjusted DSCR would have been 2.18, showing the Port still would have met the required 1.25 DSCR using operational revenues alone; and

WHEREAS, in FY 2023, the indenture-defined DSCR was 2.29, and when the Crane Surcharge, Facility Maintenance Fee, and Marina revenues are included, the adjusted DSCR improves to 2.89; this year also included a one-time \$2 million MAWAR revenue reimplementation; and

WHEREAS, in FY 2024, the indenture-defined DSCR was 1.79, and when the Crane Surcharge, Facility Maintenance Fee, and Marina revenues are included, the adjusted DSCR improves to 2.12; and

WHEREAS, in FY 2025, the Port projects a DSCR of 0.85 under the indenture calculation, which falls below the required 1.25, but after the cash defeasance the debt service coverage ratio will be 1.78; and

WHEREAS, this consistent pattern shows that the Port has operated responsibly and generated sufficient operating revenues, and that the DSCR shortfalls are technical in nature and not a reflection of financial instability or operational mismanagement; and

WHEREAS, the Port's adjusted debt service coverage ratio figures are provided for illustrative purposes only to show the Port's true financial capacity, and do not reflect any changes to the pledged revenue sources or payment streams required under the 2018 Revenue Bond indenture; and



WHEREAS, the current debt service coverage ratio formula in the 2018 Revenue Bond indenture excludes key recurring revenue sources such as the Crane Surcharge, Facility Maintenance Fee, and Marina revenues, creating an artificially narrow benchmark that has placed structural limits on how the Port's financial capacity is measured; and

WHEREAS, the inclusion of Crane Surcharge, Facility Maintenance Fee, and Marina revenues in future bond agreements is intended to ensure a more accurate reflection of the Port's financial capacity, and does not mean that these specific revenues will be used to make bond payments, and

WHEREAS, this structure, put in place before the current administration, has now created technical compliance issues that must be corrected through defeasance, representing yet another example of a feel-good approach that only looked good on paper and in theory but ultimately tied the hands of those now charged with keeping the Port strong and operational around the clock; and

WHEREAS, the Port acknowledges and appreciates the assistance of the Guam Economic Development Authority (GEDA), the Bureau of Budget and Management Resources (BBMR), Bank of America Securities, Morgan Stanley & Co. LLC, and the Port's financial advisors assigned by GEDA, in facilitating the bond defeasance transaction, including coordination with legal counsel to ensure proper execution and compliance with all applicable requirements; and

WHEREAS, by executing this defeasance transaction and restoring compliance with the indenture-defined DSCR, the Port will be in a stronger position to access the bond market for immediate future borrowing to support critical infrastructure capital needs; and

WHEREAS, the proposed defeasance involves the deposit of up to \$3,019,862.25 into a restricted escrow account to cover the July 1, 2025 debt service payment, using a mix of available Port cash, other unrestricted funds, and a release from the debt service reserve fund; and

WHEREAS, the Port's General Manager and Chief Financial Officer have also identified estimated legal, financial, and administrative costs of approximately \$50,000 to complete the transaction, including a reimbursement to GEDA for services rendered; and

WHEREAS, to avoid future technical shortfalls in debt service coverage despite strong operational revenues, the Port intends to ensure that any subsequent bond borrowing allows for the inclusion of all recurring revenue sources such as the Crane Surcharge, Facility Maintenance Fee, and Marina revenues in the debt service coverage calculation so that the DSCR more accurately reflects the Port's true financial capacity;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Port Authority of Guam authorizes the General Manager to proceed with a bond defeasance transaction in an amount not to exceed \$3,069,862.25 inclusive of associated expenses, which shall include a \$50,000 reimbursement to the Guam Economic Development Authority for costs incurred in connection with this transaction; and

BE IT FURTHER RESOLVED, that the General Manager is authorized to coordinate with the Port's legal counsel, Chief Financial Officer, the government's financial advisors, and other necessary parties to execute the defeasance in full compliance with all applicable legal and financial requirements; and

BE IT FURTHER RESOLVED, that the Board supports this necessary action to protect the Port's financial standing, improve its debt service coverage ratio, and position the Port to pursue future financing opportunities in support of ongoing modernization efforts; and

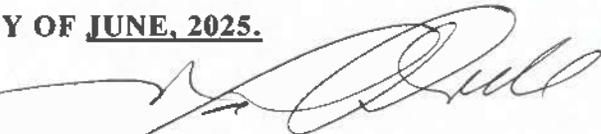
BE IT FURTHER RESOLVED, that a certified copy of this Resolution shall be transmitted to the Governor of Guam, the Speaker of *I Liheslaturan Guåhan*, Port's Legislative Oversight Chair, GEDA Administrator, and the Director of the Bureau of Budget and Management Research; and

BE IT FURTHER RESOLVED, that the Chairperson certify to, and the Secretary attest to, the adoption hereof.

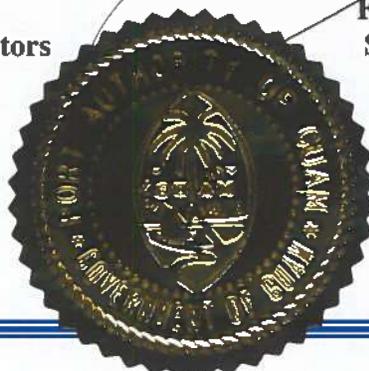
PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 5th DAY OF JUNE, 2025.



DOROTHY P. HARRIS
Chairperson, Board of Directors
Port Authority of Guam



FE R. VALENCIA-OVALLES
Secretary, Board of Directors
Port Authority of Guam



Status as of June 2, 2025

Fact Sheet No. **134**

**Project Status
Post-Award Projects**

Project Title	Warehouse 1 Building Maintenance
Project Number	IFB-PAG-CIP-022-009
Project Amount	\$ 4,215,000.00
Work in Progress (WIP)	0% Complete
Funding Source	PAG Bonded Project
Contractor	BME & Sons
Designer of Record	NC Macario & Associates
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	TBD (Planned scheduled on June 10, 2025)
Project Completion Date	540 calendar days from NTP
<p>Current Status: NTP/Pre-con scheduled on June 10, 2025 (coordination with stakeholders ongoing). PO/Contract signed.</p>	

Project Title	EQMR Building Maintenance
Project Number	IFB-PAG-CIP-021-010
Project Amount	\$ 2,500,000.00
Work in Progress (WIP)	92%
Funding Source	PAG
Contractor	JJ Global Services
Designer of Record	NC Macario and Associates
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	January 3, 2023
Project Completion Date	05/26/2025
<p>Current Status: Removal and Installation of Electrical Components – Ongoing Retrofit of EQMR Canopy – Ongoing 90% complete. Fire Protection Installation started, coordination with FPS Engineer ongoing. *No Cost Time extension requested due to challenges with material procurement for Fire Protection System.</p>	

Project Title	PAG Waterline Replacements
Project Number	IFB-PAG-CIP-021-005
Project Amount	\$ 4,856,569.00
Work in Progress (WIP)	82%
Funding Source	PAG
Contractor	BME & Sons
Designer of Record	NC Macario and Associates
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	March 21, 2022
Project Completion Date	01/29/26
<p>Current Status:</p> <p>Project modification to install new fire hydrants ongoing (long lead items ordered). Installation of New waterline is on-going. Pavement restoration along Route 11 finished. Connection to GWA main line ongoing along Route 11.</p>	

Project Title	Design, Demolition, Removal & Proper Disposal of 5 Inoperable Cranes and Optional Removal/Disposal on one Barge YFN816
Project Number	IFB-PAG-CIP-021-002
Project Amount	\$ 2,573,155.00
Work in Progress (WIP)	85% Complete
Funding Source	PAG
Contractor	Guam Shipyard (Guam Industrial Services, Inc.)
Designer of Record	PAG In-House
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	September 13, 2021
Project Completion Date	November 15, 2024
<p>Current Status:</p> <p>Project Terminated – No Change</p> <p>Demolition of All Cranes and YFN-816 has been completed. The entirety of YFN-816 Barge has been containerized. Disposal Pending. Disposal of Gantry #3 is ongoing. Concrete counter weights will require demolition in order to dispose of sill beam. Repair of pavement and concrete at Wharf F4 is needed. Remaining Material at the designated Route 11 laydown area remains to be disposed.</p> <p>GSY has Begun to Demobilize as of March 24, 2025.</p>	

Project Title	Rehabilitation of H-Wharf and Access Road
Project Number	IFB-PAG-CIP-022-002
Project Amount	\$ 46,331,895.00 (Original Amount: \$23,000,000.00)
Work in Progress (WIP)	30% Complete
Funding Source	TIGER Grant and PAG Revenue Bond
Contractor	Sumitomo Mitsui Construction Co. LTD (SMCC)
Designer of Record	WSP
Construction Manager	GHD Engineering
Notice to Proceed Issued	TBD (On-Hold)
Project Completion Date	TBD
Current Status: On-Hold	

Project Title	Welding Shop Maintenance and Repair Project
Project Number	IFB-PAG-CIP-024-002
Project Amount	\$386,370
Work in Progress (WIP)	60%
Funding Source	OIA Grant + PAG funds
Contractor	Guam Evergreen Corp.
Designer of Record	N/A
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	12/10/24
Project Completion Date	12/10/25
Current Status: Crack and spalls repair ongoing. Roll up doors inspected and accepted. Electrical work started.	

Project Title	F3 – F6 Bulkhead Repair
Project Number	IFB-PAG-CIP-024-007
Project Amount	\$289,600
Work in Progress (WIP)	35% Complete
Funding Source	PAG Funds (FEMA Reimbursable)
Contractor	Guam Evergreen Corp
Designer of Record	
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	02/17/25
Project Completion Date	11/14/2025
Current Status: Work on bulkheads ongoing	

Pre-Award Project

Project Title	Harbor Master Office + Admin Structural Repairs
Project Number	TBD
Project Amount	\$ 250,000 (Estimate)
Work in Progress (WIP)	0% Complete
Funding Source	PAG Funds
Contractor	TBD
Designer of Record	TBD
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	TBD
Project Completion Date	TBD
<p>Current Status: SOW drafted and Cost Estimate developed, will request account number after comments are addressed.</p>	

Project Title	Golf Pier Replacement Project
Project Number	TBD
Project Amount	\$ 82.0 M
Work in Progress (WIP)	0% Complete
Funding Source	FEMA PA/HMGP
Contractor	TBD
Designer of Record	TBD
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	TBD
Project Completion Date	TBD
<p>Current Status: TS Mawar damages resulted in the pier's inoperability. Discussion with FEMA and USACE on-going with respect to design and construction cost.</p>	

Project Title	New Administration Building
Project Number	TBD
Project Amount	\$15-20 M (Current Estimate)
Work in Progress (WIP)	TBD
Funding Source	TBD
Contractor	TBD
Designer of Record	TBD
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	TBD
Project Completion Date	TBD
<p>Current Status: Project is Pending fund allocation.</p>	

**PORT AUTHORITY OF GUAM
CONTRACT SUMMARY UPDATE**

No.	Consultant/Vendor	Type of Service	Solicitation Method Reference No.	Division	Contract Term	Initial Term	Expiration After Options	Next Renewal Due Date	Annual Amount (Comments / Notes)
PROFESSIONAL SERVICES									
1	A1 - Guam WEBZ	Web Development, Hosting, Support and Maintenance Srvcs	RFP-25-004	IT	3 years w/7 1 yr options				Negotiations completed, contract withg legal
2	Allied Human Resources	Temporary Staffing Services	RFP 024-002	HR					Currently in Negotiations
3	AM Insurance	Insurance Coverages	GSA/PAG-015-22	Finance	5 years	10/01/2022 to 09/30/2023	09/30/27	09/30/24	Premium Based/Annual renewal
4	AM Insurance	Workers Compensation Coverages	IFB-PAG-011-23	Finance/Safety	3-years				No Coverage
5	Matson	PMC for Gantry Cranes	RFP-020-005	EQMR	5 years with options to 20 years	11/05/21 to 11/05/26		11/05/26	\$200K per annum
6	Bank of Guam	Banking Services	RFP 020-004	Finance	5 years	5/14/21 to 5/13/26	05/14/26	05/14/26	
7	Mobil Oil Guam	Management and Operations of Golf Pier	RFP-PAG-021-002	Commercial	5 years	Month to Month Lease Agreement			Golf Pier Damaged from Typhoon Mawar
8	Island CERTS Corp.	OSHA Training & Certification Services for Maritime Terminal Operations	RFP-024-001	Human Resources	5 years	05/24/24 to 05/23/29			
9	Pacific Human Resources. Inc.	Drug Free Workplace Program	RFP-020-003	Human Resources	Initial 3yr term with 2 add'l one year options, not to exceed 5 yrs	06/15/20 to 6/14/2023	06/15/25	06/15/24	Final Year
10	Milo Appraisals	Real Estate Appraisal Services	RFP-021--004	Commercial	3yrs w/ 2 option	10/06/21 to 10/05/24	10/05/26	10/05/25	Task Order based
11	International Health Providers IHP	Medical Examination Services	RFP-022-005	Human Resources	3 yr. w/ 2 options NTE 5 years	06/14/23 to 06/13/26 w/ Two 1yr options NTE 5yrs	06/13/28	06/13/26	Fees based on rates
12	Tristar Terminal Guam	M & O of F-1 Fuel Pier Facility	RFP-019-004	Commercial	5 years	04/01/21 to 03/31/26	04/01/21	03/31/26	
13	Ernst & Young	Annual Independent Audit Services	RFP 022-004	Fiscal	3 years w/2 1 yr option	FY22, FY23, FY24, (FY25 Option)	2025	2024	
14	WSP USA Inc.	OAE - Owner Agent Engineer	RFP-021-003	Planning	2 yr w/ 3 options NTE 5 yrs	10/22/21 to 10/21/23	10/22/26	10/23/25	\$1.5M

**PORT AUTHORITY OF GUAM
CONTRACT SUMMARY UPDATE**

No.	Consultant/Vendor	Type of Service	Solicitation Method Reference No.	Division	Contract Term	Initial Term	Expiration After Options	Next Renewal Due Date	Annual Amount (Comments / Notes)
15	N.C. Macario & Associates	A/E Design and Consulting Services Golf Pier	RFP 019-002	Engineering	3 years w/2 1 yr options	11/20/19 to 11/19/22	11/19/2024	11/20/2022	Did not renew
16	N.C. Macario & Associates	A/E Design and Consulting Services EQMR, Warehouse No.1, Waterline Relocation	RFP 019-003	Engineering	3 years w/2 1 yr options	02/05/20 to 02/04/23	2/5/2025 final year		\$1,406,427.48
17	GHD	Construction Management Services	RFP 020-002	Engineering	Initial 2 years with 3 add'l One year options not to exceed 5 yrs	3/15/21 to 3/14/23	3/15/2025	3/14/2024	Did not renew
18	AM Orient	A&E Design of Fuel Pipeline System	RFP 022-003	Planning/CIP		6/28/23 to 6/27/25 w/ 1 option	6/27/2026	6/27/2025	\$471,588.55

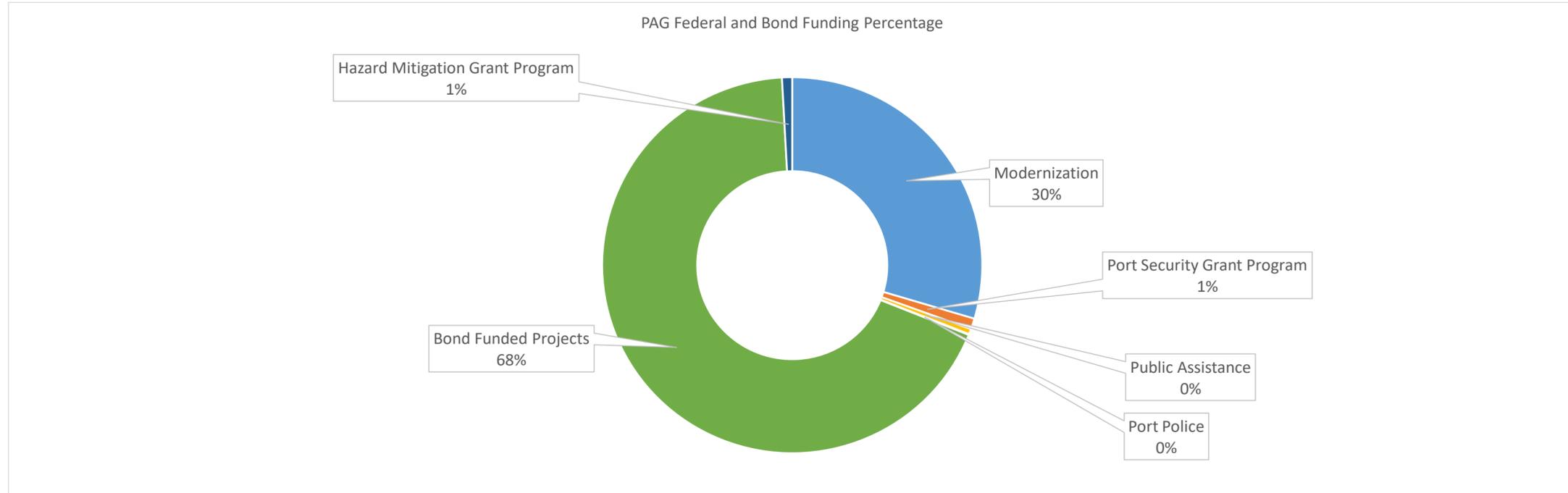
CONSTRUCTION CONTRACTS

No.	Consultant/Vendor	Type of Service	Solicitation Method Reference No.	Division	Contract Term	Contract signed	Expiration After Options	Next Renewal Due Date	Annual Amount (Comments / Notes)
1	Sumitomo Mitsui Construction Company	Re-bid - Construction Rehab of H-Wharf and Hwy 11 Roadway Reconstruction	IFB-022-002	CIP/Planning	790 Calendar days from NTP	8/9/2022			\$47M approx.
2	Guam Shipyard	Design Demolition of 5 inoperable Port Cranes and One Barge at F-6	MS IFB 021-002	CIP/EQMR	410 calendar days	9/10/2021			\$2,573,155.00
3	BME and Sons	Waterline Replacement Project	IFB -021-005	CIP	365 calendar days from NTP. Amended to Extend to 12/31/24	3/9/2022			\$4.8M
4	Cabras Marine Corp	Supply/ Install New 11 ea. Cylindrical Fendering System at F3 & F5 Rubber Leg Arch Fenders at F4 to F6	IFB 022-008	CIP	243 calendar days from NTP. Amended to Extend to 12/31/24	12/22/2022			\$301,077.47
5	JJ Global	EQMR Building Repair & Maintenance Project	IFB 021-010	CIP	540 days from NTP Amended to Extend to 09/30/24	5/10/2022			\$2,798,009.83
6	Guam Evergreen Construction Corp	Welding Shop Repairs & Upgrades	IFB-024-002	CIP/Planning	365 calendar days from NTP	Pending 100% Bonding			
7	Guam Evergreen Construction Corp	Yard Pole Signage	IFB-024-005	CIP	274 calendar days from NTP signed 8/19/24	8/14/2024			\$324,000.00
8	Guam Evergreen Construction Corp	Roof Vent Repairs WH1	IFB-024-003	CIP	182 Calendar Days from NTP	9/4/2024			\$225,000.00
9	Surface Solutions	Painting of Various PAG Buildings	IFB-024-006	CIP	270 calendar days from NTP				\$85,999.15

PORT AUTHORITY OF GUAM
CONTRACT SUMMARY UPDATE

No.	Consultant/Vendor	Type of Service	Solicitation Method Reference No.	Division	Contract Term	Initial Term	Expiration After Options	Next Renewal Due Date	Annual Amount (Comments / Notes)
10	Guam Evergreen Construction Corp	F3-F6 Bulkhead Repairs	IFB-024-007	CIP	270 Calendar Days from NTP				\$289,600.00
11	BME and Sons	WH1 Maintenance Project	IFB 024-004	CIP	540 Calendar days from NTP	PUC Approved, formulating Contract			\$4,838,000.00

**FY 2025 Port Grant/Bond - Monthly Update
As of June 2, 2025**



Grant Funded Projects	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
Modernization	\$33,853,222.00	\$6,793,503.03	\$27,059,718.97		
GR882-21-08 - PAG Construction Technical Oversight Services	\$1,500,000.00	\$1,462,112.43	\$37,887.57	P.O. No. 17424-OS for \$1,500,000.00	Close out report and deliverables submitted to Community Defense Liaison Office. NO UPDATES
GR882-22-02 Growth Port Authority of Guam In-Water Infrastructure Study	\$1,200,000.00	\$1,117,713.00	\$82,287.00		UPDATE: Tasks were completed under budget. The PAG has been fully reimbursed for all submitted invoices.
GR882-23-04 Port Owner's Agent Engineer Services	\$1,450,000.00	\$1,444,181.10	\$5,818.90		Grant award notification was received on August 1, 2023. MOA signed by Governor - October 4, 2023; TO #14 signed by GM - January 1, 2024. The POP concluded on November 30, 2024. UPDATE: Deliverables and final close out report were submitted to the CDLO on February 20, 2025. The PAG has been fully reimbursed for all submitted invoices.
07-79-07614 - F1 Pier to Golf Pier Fuel Connectivity Project	\$2,413,091.00	\$0.00	\$2,413,091.00	RFP-PAG-022-003 - A&E DESIGN CONSULTING SERVICES For The Installation of a Fuel Pipeline System for F1 Pier and Golf Pier Connectivity	Amorient submitted the 100% Design Submittal; including the basis of design, drawings, and specifications on February 14, 2025. UPDATE: PAG staff met with Project Officer to discuss options to expend remaining grant funds. Project Officer recommended to obtain price quotes for proposed activities outside current project scope. Follow-up meeting with Project Officer on a possible amendment to grant scope scheduled for June 17, 2025.
D20AP00136 - Phase 1: Port Authority of Guam - Welding Shop	\$240,325.00	\$91,872.90	\$148,452.10	PO No 20385OS for \$386,379.00 to Guam Evergreen Corp.	The Notice to Proceed (NTP) was issued on December 6, 2024 and commenced on December 10, 2024. The grantor also approved the PAG's request to expend federal funding prior to local funding. Work began on January 22, 2025. Roof repairs are 85% complete. UPDATE: Work is ongoing. Interior spall repair has begun. Spall and crack repairs are 65% complete. Roof silicone painting is 90% complete.
D21AP10142 - Phase 2: Port Authority of Guam - Welding Shop	\$151,850.00	\$0.00	\$151,850.00		The procurement packet is being developed for the specialized welding equipment. UPDATE: Status Quo

**FY 2025 Port Grant/Bond - Monthly Update
As of June 2, 2025**

Grant Funded Projects	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
D22AP00124- Generator Maintenance & Sustainment Program	\$165,375.00	\$25,583.28	\$139,791.72	PO#18867OS -1st year contract services for \$65,000.00 to Hawthorne Pacific Corp. PO#20005OS- 2nd year contract services for \$65,000.00 to Hawthorne Pacific Corp. Generator Parts POs: PO#193080OS and PO#19311OS Landscape Management Systems Inc. \$4,314.00; PO#19310OS, PO#19313OS, PO#19315OS Far East Equipment Co. LLC. \$9,346.11; PO#19309OS, PO#19312OS, PO#19314OS Hawthorne Pacific Corp. \$11,046.35 PO#20626OS Gatbo Industries Inc. \$1,774.00	Grant award notification was received on June 29, 2022. POP: May 19, 2022 - September 30, 2025. UPDATE: On Jan. 23, 2025, the PAG received approval for its no-cost extension request to September 30, 2026. This will allow the Port to fully execute Year 3 of the technical service contract. The PAG Facilities Maintenance Division has also begun the procurement for needed generator parts. PO#20626OS was awarded to Gatbo Industries on March 20, 2025 for a total of \$1,774.00 for LC5-1 generator parts.
98T27101/98T34801/98T77501 - Diesel Emissions Reduction Act (DERA) - Tractor Replacement	\$676,609.00	\$376,609.00	\$300,000.00		PAG Procurement issued PO no. 20063-OS on August 27, 2024 for the purchase of two units under grant 98T77501. Delivery is anticipated within 250 days. PAG submitted final reports for grants 98T27101 and 98T34801 on October 30, 2024. An application to replace two additional terminal yard tractors was submitted under the FY2024 DERA Territory Grant on December 6, 2024. STATUS QUO - FY 2024 Grant application status pending review by US EPA. FY2022 DERA grant no. 98T77501 - PO 20063-OS - Two Tier 4 terminal yard tractor units were delivered to PAG on April 25, 2025. UPDATE: Planning and Maintenance Divisions will coordinate the decommissioning of tractor units previously identified for replacement.
MARAD AMHP - Acquisition of Specialized Container Yard Equipment	\$5,703,560.00	\$2,242,500.00	\$3,461,060.00	PO Nos. 19083/84-OS for \$2,689,408.00 and 2,205,723.00, respectively.	The Grant Agreement for MARAD FY 2022 America's Marine Highway (AMH) Grant No. 693JF72340007 was effectuated on August 4, 2023. The telescopic boom lift, reefer generators, and nine (9) terminal yard tractors are anticipated to be delivered November 2024 (boom lift) and March 2025 (generators and tractors). 180-ft telescopic boom lift was delivered November 22, 2024. On December 11, 2024, MARAD Senior Grants Management Specialist notified the PAG of its approval to purchase five 5.5-ton forklifts under the BABA waiver for Pacific Island Territories. Contract and purchase order were issued on December 13, 2024. UPDATE: PO 19890-OS - PAG Maintenance processed invoice for payment to LMS, Inc. PO 19901-OS/19902-OS - PAG Finance processed drawdown to MARAD, pending approval. PO 20412-OS - Pending delivery of five (5) ea. 11,000-lbs. fork lifts; estimated arrival January 2027.
MARAD RAISE - Wharves Service Life Extension Hardening of Wharves F1-F6	\$17,941,997.00	\$0.00	\$17,941,997.00	PAG's OAE Task Order 11, Subtask 11.9 - P.O. was issued to WSP to conduct the HABS/HAER Study mandated by State Historic Preservation Officer (SHPO). Task Order 15 - P.O. 19948-OS was issued to WSP to conduct an Environmental Assessment. Amendment approved to change period of performance from February 18, 2025 to August 18, 2025. Total billed to date \$148,564.27	UPDATE – May 5, 2025: The National Park Service, Interior Regions 8, 9, 10, and 12 formally acknowledged receipt and accepted the Historic American Engineering Record (HAER) documentation for the Port of Guam Commercial Port, Pier F-1 and Berths F-2, F-3, F-4, F-5, and F-6 (HAER GU-14-A). In a letter from Dr. Christopher Johnson, Historian for the Preservation Partnerships Program, NPS confirmed that the completed documentation will be transmitted to the Prints and Photographs Division of the Library of Congress, where it will be publicly accessible as part of the national record. Status: HAER documentation accepted by NPS and designated for public access via the Library of Congress.
U.S. EPA Clean Ports Program - Net Zero Emissions Strategy Update and Implementation Plan	\$2,410,415.00	\$32,931.32	\$2,377,483.68		On Dec. 19, 2024, PAG received the Notice of Grant Award/Grant Agreement to fund the PAG Net Zero Emissions Strategy Update and Implementation Plan project. UPDATE: Subaward documents are pending review and acceptance by the subrecipient; additional inquiries regarding program requirements to be addressed with EPA. Following this review, the subaward documents will be updated accordingly.

**FY 2025 Port Grant/Bond - Monthly Update
As of June 2, 2025**

Grant Funded Projects	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
Port Security Grant Program	\$1,055,248.00	\$942,002.91	\$113,245.09		
EMW-2021-PU-00230-S01 - Acquisition of Vessel Tracking/Radar Intrusion System	\$267,773.00	\$267,773.00	\$0.00	PO No. 187300S- G4S Security System \$347,000.00	IFB-PAG-013-22 published on August 15, 2022. Bid opening held on 10/24/2022 with one (1) submission. A budget request to utilize portion of remaining IJ #2 funding to cover any shortfall of IJ #1 was reviewed and approved FEMA on 2/4/2023. Awarded to G4S Security Systems. Project was completed on November 6, 2023 and warranty is for one (1) year up to November 6, 2024. UPDATE: Project Completed.
EMW-2021-PU-00230-S01 - Acquisition of Transportation Worker Identification Credentialing (TWIC) System	\$98,478.00	\$96,338.50	\$2,139.50	PO No. 182120S- ComPacific \$61,012.00 PO No. 190190S- ComPacific \$58,178.00 PO No. 178270S- DMR \$6,542.00	Award issued to ComPacific and equipment was delivered on September 29, 2022. Project Completed. A budget request to use remaining balance to purchase additional units was reviewed and approved by FEMA on 2/4/2023. On July 7, 2023 a second purchase order #190190S was cut for 6 additional TWIC handhelds and accessories as well as to cover the third year subscription service. The remaining TWIC handhelds and accessories were delivered on September 21, 2023. The remaining funds will be used to purchase a monitor to be used at Port Police's dispatch center to access the TWIC system. UPDATE: Project Completed.
EMW-2022-PU-00149 - Acquisition of Unmanned Aerial Vehicles (UAV)	\$74,290.00	\$0.00	\$74,290.00		Revised DRAFT policy resubmitted to FEMA Program Manager on Nov. 14, 2024. Revisions made were based on FEMA's comments on first draft. This policy must be approved by FEMA prior to commencing the procurement process. Port Police re-submitted its revised UAV Policy and Procedures to FEMA for review and concurrence. Currently waiting on notification. UPDATE: Per FEMA Program Manager, review of DRAFT SUAS Policy is ongoing. PAG submitted a one-year no cost time extension to August 31, 2026, which should allow for final Policy review and approval by FEMA and procurement of the sUAS.
EMW-2022-PU-00149 - Primary Communications Replacement of Motorola Radio Units	\$405,478.00	\$404,107.16	\$1,370.84		Grant was awarded on September 1, 2022. On July 12, 2023 Procurement issued purchase order #190230S to Motorola and Port Police recieved the units on November 28, 2023. Port Police worked with Guam Police Dept. for radio programming and is working with Finance on tagging the assets. Distribution of radio units is in progress. UPDATE: Radio distribution to respective individuals and as determined by Port General Manager was completed.
EMW-2022-PU-00149- Integrated Digital Enhanced Network (iDEN) Technology Redundant Interoperable Communications System Service	\$84,450.00	\$55,604.99	\$28,845.01	PO No. 18297-OS IT&E \$35,013.36 PO No. 19528-OS IT&E \$47,058.00 PO No. 201610S IT&E \$48,174.00	Grant was awarded on September 1, 2022. iDEN Services are ongoing provided by IT&E (Period of October 1, 2022 - September 30, 2023.) Third year purchase order issued for the period of October 1, 2024- September 30, 2025. UPDATE: Status Quo. Communication service ongoing.
EMW-2023-PU-00298 - Acquisition of Two (2) Port Police Boat Trailers	\$42,003.00	\$35,751.26	\$6,251.74		Guam Home Center was awarded Purchase Order #197420S on March 19, 2024. UPDATE: Project Complete. Trailers have been delivered to the Port.
EMW-2023-PU-00298 - Acquisition of Port Police Durabooks and Accessories	\$43,378.00	\$43,125.00	\$253.00		MD Wholesale was awarded Purchase Order #197770S on April 1, 2024. Laptops delivered to PAG IT and are currently being configured and distributed to Port Police. UPDATE: Project complete.
EMW-2023-PU-00298 - Port Police Division Acquisition of Personal Protection Equipment (PPE)	\$39,398.00	\$39,303.00	\$95.00	PO NO. 202110S Code 1 Law Enforcement Equip. & Supply \$39,303.00	Notice of award - August 25, 2023. UPDATE: Project Complete. PPEs delivered Jan. 5, 2025
Public Assistance	\$530,517.90	\$310,216.07	\$220,301.83		
4398DR - Typhoon Mangkhut #66352	\$530,517.90	\$310,216.07	\$220,301.83		Fendering project was completed on September 30, 2022. Requested no-cost time extension for the Management & Admin. project (CAT Z) Project #99994 up to March 1, 2023. All work was completed between December 2018 through September 30, 2022. The final reimbursement payment from GHS/OCD was recieved by the PAG on October 13, 2023. UPDATE: Project Completed and Reimbursed.

**FY 2025 Port Grant/Bond - Monthly Update
As of June 2, 2025**

Grant Funded Projects	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
Hazard Mitigation Grant Program	\$989,564.00	\$537,824.38	\$451,739.62		
Fendering System Hardening Project	\$603,689.00	\$151,949.38	\$451,739.62		IFB-PAG-CIP-022-008 posted on August 26, 2022. Pre-bid conference held on Sept. 7, 2022 and Site visit conducted on Sept. 9, 2022. Bid opening held on Oct. 27, 2022, 2:00 pm. Contract awarded to Cabras Marine. Notice to Proceed was given to Cabras Marine on January 10, 2023. Original project scope was 15 arch fenders and 11 cylindrical fenders. After Typhoon Mawar, a request was submitted to descope the damaged fenders from this HMGP project and add rubber arch fenders not included in original SOW. PAG received notification that FEMA approved the amendment on August 28, 2024. Grant POP end date has been extended to November 3, 2025. UPDATE: Amendment No. 5 executed and project is ongoing.
Warehouse 1 Hardening Project	\$385,875.00	\$385,875.00	\$0.00		IFB-PAG-CIP-022-009 posted on Sept. 13, 2022. Pre-bid conference held on Sept. 20, 2022 and Site visit scheduled for Sept. 23, 2022. Bid opening was completed on October 20, 2022. There were two (2) bid submissions received by the deadline. Both bids were opened and the documents were reviewed by the Port Staff Attorney as well as the Procurement and Engineering divisions. Meeting held on December 7, 2022 with lowest bidder to discuss submission and specifications. Awarded to IAN Corporation. Notice to Proceed was given to IAN Corp on April 16, 2023. Grant Period of Performance end date is March 18, 2024. Project date of completion is March 1, 2024 with a one (1) year warranty period through March 2, 2025. UPDATE: Project Complete.
Port Police	\$80,000.00	\$0.00	\$80,000.00		
PT24-03-03PPD - Operation A'dai He'Hao	\$80,000.00	\$0.00	\$80,000.00		OHS has authorized the PAG to begin grant activities. Speed enforcement activities will be scheduled as soon as possible. UPDATE: Port Police certified 18 Port Police Officers in the TruVision speed laser from May 5-7, 2025.
Bond Funded Projects	\$77,886,440.00	\$12,428,030.85	\$65,458,409.15		
New Administration Building	\$10,445,000.00	\$0.00	\$10,445,000.00		Project is currently on hold pending Management decision. Engineering has been instructed to develop Scope of Work to repair concrete cracks and spalling and made a priority. UPDATE: Status Quo
Waterline Replacement and Relocation	\$6,000,000.00	\$4,020,473.74	\$1,979,526.26	PO No. 177900S for \$4,856,568.91 awarded to BME & Sons Inc.	Pipe installation along wharves F4 to F5 is ongoing. The first section of the new waterline near the fire water tank has been connected. Work has begun near the main gate to connect the new waterline and additional work that includes the installation of new fire hydrants to meet fire code standards. UPDATE: Work on Route 11 asphalt pavement is ongoing. Installation along F-5 has begun.
EQMR Building Repairs and Upgrades	\$3,628,800.00	\$3,064,831.20	\$563,968.80	PO No. 180070S for \$3,980,000.00 awarded to JJ Global Service	The repair & paint work as well as lead based paint abatement has been completed. Electrical work is ongoing. The next step is installation of the fire sprinkler system. UPDATE: Electrical work is ongoing. The fire protection installation began the week of May 26, 2025.
Warehouse 1 Repairs and Upgrades	\$2,000,000.00	\$510,715.68	\$1,489,284.32	RFP No. 2019-03 - A&E Design awarded to NC Macario	The Construction IFB was published on November 25, 2024. The bid opening was held on February 5, 2025. UPDATE: The PO has been processed and the contract is effectuated. The project is now pending NTP.
Golf Pier Repairs and Improvements	\$2,000,000.00	\$372,147.93	\$1,627,852.07	RFP No. 2019-02 - A&E design for \$484,000 awarded to NC Macario	Golf Pier was rendered inoperable after Typhoon Mawar. The PAG along with its OAE have developed cost estimates that are currently under review by FEMA Public Assistance. This review is ongoing. Previously noted funding opportunity (FEMA Building Resilient Infrastructure and Communities (BRIC) program) has been canceled. All BRIC applications from Fiscal Years 2020-2023 has been canceled, according to an April 4, 2025 FEMA release. UPDATE: The PAG continues to work with FEMA on damages to various assets caused by Typhoon Mawar, including damage to Golf Pier.
Rehabilitation of "H" Wharf	\$46,331,895.00	\$1,740,063.86	\$44,591,831.14	PO No. 17043-OF for \$2,249,945.54 awarded to GHD Inc. New Contract Amount: \$2,656,621.37 PO No. 18140-OS was issued to Sumitomo Mitsui Construction Company, Ltd. for \$46,331,895.00	Resolution No. 2024-01 authorized the PAG GM to temporarily pause H-Wharf construction, procure additional gantry cranes, and establish comprehensive strategic measures for port operational enhancement and financial reallocation. WSP finalized the design to ensure compliance with the latest engineering codes. UPDATE: Status Quo

**FY 2025 Port Grant/Bond - Monthly Update
As of June 2, 2025**

Grant Funded Projects	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
Other Priority Projects	\$4,980,745.00	\$222,668.79	\$4,758,076.21		<p>1. Please refer to MARAD RAISE - Wharves Service Life Extension Hardening of Wharves F1-F6 for more information.</p> <p>2. The TOS Upgrade scope of services is under Procurement and Legal review. UPDATE: Status Quo</p>
Other Priority Projects - EnterpriseOne Financial Management System	\$2,500,000.00	\$2,497,129.65	\$2,870.35		<p>Module updates are ongoing for vessels and SSRs. An RFP for joint comprehensive support services with GPA, GIAA, and the lead agency GWA is ongoing. The PAG is also exploring additional applications such as employee self serve and dashboards. The PAG is also exploring preventative maintenance modules and content management.</p> <p>UPDATE: The PAG Payroll Modernization Project, which includes employee self service and automated paystubs, is ongoing.</p>
Grand Total	\$114,394,991.90	\$21,011,577.24	\$93,383,414.66		

Port Authority of Guam
Operations Division Report
APRIL 2025

I. OVERVIEW

Vessel Calls	29
Cans Handled	7,821
Special Service(s)	129

a. Productivity

Vessel Op	Avg NMPH	TOP GANG	M/Hr
Matson:			
Domestics	27.1	4	29.4
Feeders	19.5	3	35.0
MSA:			
Barges/Merdian	13.3	2	16.1
Mariana	14.1	1	14.1
Triton/Galaide	16.7	1	19.4
Kyowa	21.0	4	23.5
MELL:			
Kotas	22.2	2	23.8
APL:			
OCEANIA/ISLANDER/PRES	24.5	3	27.2

b. Equipment Status

As of : 04/30/2025	ON HAND	UP	RM	Repair
GANTRYS	3	3		
TOP LIFTERS	10	6		4
SIDELOADERS	3	3		0
20T FORKLIFT	2	0		2
10T FORKLIFT	4	1		3
5T FORKLIFT	7	4		3
TRACTORS	33	19		14

II. YEAR TO DATE

a.

Vessels_YTD	168
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b. Can_Cnt YTD

APRIL	FY24		FY25		Variance	
	I	E	I	E	I	E
Local	20202	19756	19284	18805	-5%	-5%
TS	3334	3380	3992	4087	20%	21%
TSMT	1380	1387	1419	1545	3%	11%
Others (OS/Sh/Reh)	597	600	288	311	-52%	-48%
TTL	25513	25123	24983	24748	-2%	-1%

1FY-25 WORK INJURY REPORT

(01/01/25 to 12/31/25)

<u>Divisions</u>	<u>*Lost-time</u>	<u>**Recordable</u>	<u>*** Refused Treatment</u>
Stevedoring	0	2	0
Transportation	0	0	0
Terminal	0	0	0
EQMR	0	2	0
Port Police	0	1	0
Admin	0	1	0
Total:	0	6	0

Work Injury Summary for this reporting period: 5/29/2025

Total Injuries for FY-25 to date: 6–Injury

0-- Lost-time

6– Recordable

0– Refused Medical Attention

Last disabling work injury was on: 5/21/25

Number of days since last work injury: 8-days

Note: PAG best record was 222 days or 7 months w/o a disabling work injury

***Lost-time** = If an employee was injured on the job and medical doctor sent him/her home, his/her injury is considered a lost-time.

****Recordable** = If an employee was injured on the job and medical doctor treated him/her and released him/her back to work on the same day (Recordable because of medical charges).

*****Refused Medical Attention:** Filed WC Forms 201 & 202 for record purposes only.
