PORT OF GUAM
ATURIDAT I PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201, Piti, Guam 96915
Telephone: 671-477-5931/5 | Facsimile: 671-477-2689
Website: www.portofguam.com

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 18, 2026, 3:00 p.m.
PAG Board Conference Room

AGENDA

I. CALL TO ORDER

II. APPROVAL OF MINUTES

1. May 28, 2026 – Regular Board Meeting

III. PUBLIC COMMENTS:
a. Public Comments
b. Employee Comments
c. PAGGMA Association

IV. GENERAL MANAGER'S REPORT

V. OLD BUSINESS

VI. NEW BUSINESS

1. Adoption of Board Resolution No. 2026-05 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.

VII. ADJOURNMENT

Port of Guam, Jose D. Leon Guerrero Commercial Port is an Equal Opportunity Employer.
Complaints of discrimination should be sent to the Human Resources Division.

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MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS Thursday, May 28, 2026

I. CALL TO ORDER

The Chairperson called the regular meeting of the Board of Directors to order at 3:01 p.m., Thursday, May 28, 2026. Present at the meeting were:

Dorothy P. Harris, Chairperson
Conchita S.N. Taitano, Vice Chairperson
Fe R. Valencia-Ovalles, Board Secretary
Mark B. Mendiola, Board Member
Frank P. Arriola, Board Member
Rory J. Respicio, General Manager
Pacifico R. Martir, Deputy General Manager, Admin/Finance
James L. Canto, Port Staff Attorney

Absent were Dominic G. Muna, Deputy General Manager, Operations. Also present was Splash Village-JR Perez, Jazel Perez, Shane Mendiola, Randy Romero; Daily Post-Frank San Nicolas; Senator Jesse Lujan Office-Marvin Crisostomo, Senator Jesse Lujan, Chirag B; Hanna Enterprise-John Ko.

II. APPROVAL OF MINUTES

1. **March 27, 2026 – Regular Board Meeting:** Director Mendiola made a motion to approve the minutes of March 27, 2026, subject to correction. The motion was seconded by Director Valencia-Ovalles and was unanimously passed.

III. PUBLIC COMMENTS

a. **Public Comments:** None.
b. **Employee Comments:** None.
c. **PAGGMA Association:** PAGGMA Vice President Chris Flores mentioned that PAGGMA association will be closing out the *Mes Chamoru* event and begin planning for the Liberation Day festivities.

IV. GENERAL MANAGER'S REPORT

1. **Frank P. Arriola Confirmed to Port Authority of Guam Board of Directors.** The Port Authority of Guam welcomes the confirmation of Frank P. Arriola to serve on the Port Authority of Guam Board of Directors following action by the Guam Legislature. Senators voted in favor of Arriola's confirmation during legislative session held on May 20, 2026 after previously considering his nomination during a confirmation hearing before the Guam Legislature on May 11, 2026. Arriola joins the Board as the Port continues advancing major long-term initiatives focused on modernization, resiliency, infrastructure investment, and operational sustainability, including federally supported efforts to replace the Port's aging gantry crane fleet, continued terminal and cargo infrastructure upgrades, and broader strategic initiatives tied to Guam's economic and national security role in the Indo-Pacific region. We welcome Mr. Arriola to the Board of Directors and appreciate his willingness to

serve the people of Guam. His experience in business, tourism, workforce development, and industry engagement will provide valuable perspective as the Port continues advancing projects and initiatives that are important not only to commerce, but to Guam's broader economic future and regional role in the Indo-Pacific.

Arriola currently serves as Deputy General Manager of the Guam Visitors Bureau and brings extensive experience in business operations, tourism, insurance, workforce development, and economic engagement. He previously served on the Guam Community College Board of Trustees representing Business, Industry, and Employer Organizations, where he supported workforce development initiatives and strengthened collaboration between education and industry stakeholders. At the confirmation hearing, Port Board Chair Dorothy Harris said, "Arriola's professional background comes at an important time for the agency as the Port continues transitioning from long-term organizational reform into execution of major capital and modernization projects. He brings practical business experience and a strong understanding of Guam's economic and tourism environment at an important time for the Port. As the Port continues major modernization and infrastructure efforts, the Board benefits from members who understand governance, operational sustainability in the context of commerce and national security, and the role the Port plays in Guam's and in the geopolitical landscape."

In testimony in support of the nomination, I highlighted the importance of strong governance, disciplined financial oversight, and strategic industry partnerships as the Port continues moving forward with major infrastructure investments while maintaining operational reliability and financial discipline. Mr. Arriola brings an understanding that aligns directly with this phase of the Port's development. His background further strengthens the composition of the Board, particularly in business operations, risk management, and market awareness. The testimony also referenced the Port's growing coordination with industry, transportation, military, and tourism stakeholders, including cruise vessel operations and broader supply chain activity connected to Guam's economy and regional role in the Indo-Pacific. The Port Authority of Guam looks forward to working with Arriola and the Board of Directors as the agency continues efforts focused on modernization, operational excellence, resiliency, and supporting Guam's economy and supply chain.

2. **Port Meets with Port Users Group to Strengthen Collaboration.** The Port Authority of Guam met with members of the Port Users Group on April 2, 2026 to provide updates, strengthen collaboration, and discuss ongoing efforts to enhance operational efficiency, infrastructure reliability, and long-term sustainability at Guam's only commercial seaport. Discussion highlighted the Port's continued commitment to maintaining safe, efficient, and resilient operations through ongoing investments in facility and equipment maintenance. Port officials outlined the scope of maintenance efforts across buildings, utilities, cargo handling equipment, and structural systems, emphasizing proactive measures such as corrosion control, preventative maintenance, and in-house repair capabilities that support uninterrupted service to the island. The Port also provided clarification on workforce structure and operations, noting the strategic use of casual employees to support peak vessel activity and ensure operational flexibility. Leadership emphasized that this approach allows the Port to efficiently manage fluctuating cargo volumes while maintaining service reliability for customers. Updates were shared on equipment maintenance outcomes and ongoing efforts to extend the useful life of critical assets. The Port continues to prioritize maintenance and repair programs that maximize operational readiness while planning for long-term capital improvements.

Financial discussions focused on the Port's balanced approach to managing rising operational costs while maintaining stable revenue levels. Operational processes were also reviewed, including cargo handling workflows, labor coordination, and vessel servicing schedules. The Port emphasized its continuous efforts to streamline operations, improve turnaround times, and maintain high service standards for all port users. Our port users are essential partners in everything we do. This discussion reflects our shared goal of keeping the Port of Guam strong, efficient, and ready to support our island's economy and national security mission. We will continue working closely with our stakeholders to ensure we are aligned, responsive, and moving forward together. The PUGG is a collaborative body comprised of key port stakeholders, including shipping lines, agents, stevedores, trucking companies, freight forwarders, and other maritime industry partners. The group serves as a forum for open dialogue and coordination between the Port Authority of Guam and its users, providing feedback, sharing operational insights, and working together to improve efficiency, service reliability, and overall port performance.

3. **Typhoon Sinlaku Response.** Operational Priorities – preparedness, command and control, port protection, rapid restoration, cargo continuity.
    - Pre-Storm Preparedness COR 3 (April 10) – COR 2 (April 12): activated typhon annex, secured equipment & yard assets, coordinated with USCG, GHS/OCD and tenants, establish command readiness, prepared operational continuity measures
    - During Storm Operations – (April 13-15): Essential personnel sheltered on-site, Port Command Center activated, communications maintained, real-time condition monitoring, operational coordination sustained
    - Post-Storm Recovery – COR 4 Restoration (April 16): Preliminary damage assessments, debris clearance and inspections, facility restoration, coordinated reopening, cargo movement resumed within targets

4. **Port Conducts Typhoon Sinlaku Hotwash Review to Strengthen Future Emergency Operations.** The Port Authority of Guam convened a Typhoon Sinlaku Hotwash Kick-Off Meeting on May 12, 2026, bringing together division leadership and operational personnel to begin a structured after-action review of the Port's response and recovery operations during Typhoon Sinlaku. All divisions participated in a comprehensive after-action review, or "hotwash," focused on documenting lessons learned, evaluating operational performance, and strengthening the Port's Typhoon Annex and emergency response procedures. The performance demonstrated during and after Typhoon Sinlaku shows what this organization is capable of when we operate as one Port. This process ensures that our experience is captured, institutionalized, and reflected in a stronger, more effective Typhoon Annex moving forward. During the meeting, Port officials reviewed the purpose and scope of the hotwash process, division reporting requirements, submission timelines, and key operational focus areas, including coordination with the U.S. Coast Guard, carriers, truckers, CNMI partners, and emergency agencies. Discussions also addressed operational readiness, cargo recovery operations, gate processing, staffing deployment, equipment availability, and opportunities to strengthen interdivision coordination.

   The review period covers operations from pre-COR readiness through 24 hours after the restoration to COR 4 and the resumption of cargo release operations. The review includes pre-storm preparations, COR transitions, port closure procedures, harbor reopening coordination, vessel sequencing, terminal operations, and cargo movement into Guam and the CNMI. By designation, Chief Planner Joe Javellana is leading the after-action review effort in coordination with the Planning Division and CIP team. The process includes division-level reporting, consolidation of findings, and

future updates to the Port's Typhoon Annex based on operational experience and identified improvements. The Port's response to Typhoon Sinlaku included coordinated operational preparations, cargo recovery efforts, interagency collaboration, and the phased restoration of port operations supporting Guam and regional supply chain continuity. Our focus is continuous improvement. This review is about reinforcing what worked, identifying areas where procedures can be strengthened, and ensuring the Port remains ready to respond effectively during future emergencies.

5. **Port Expands Access with Additional Open Gate Services.** The Port Authority of Guam continued expanding cargo access and operational support efforts throughout May as part of its ongoing post-Super Typhoon Sinlaku recovery operations. To help maintain cargo movement into the community, the Port opened additional Saturday gate operations on both May 2 and May 16, providing trucking companies, agents, tenants, and port users with greater flexibility to retrieve cargo and move freight more efficiently across the island. During the extended operating hours, both the Truckers Complex Gate and the Breakbulk Gate remained open without requiring a Special Service Request. The additional gate access reflects the Port's continued focus on keeping cargo flowing and supporting Guam's recovery and supply chain operations. Providing additional gate access helps create more opportunity for cargo to move out of the terminal and into the community. That continued movement remains important as vessel operations and cargo discharge activities continue across the seaport. Cargo operations remained active throughout the recovery period, with vessels continuing to discharge cargo daily while Port employees and maritime partners worked to maintain operational momentum across the terminal. The continued movement of cargo has depended heavily on coordination throughout the maritime and trucking community.

   Our employees and maritime partners continue working every day to maintain operational momentum and keep cargo moving efficiently. We appreciate the continued coordination from the trucking community, agents, tenants, and all port users. The additional gate access initiatives were part of the Port's broader efforts to support cargo distribution, supply chain stability, and continued recovery operations following Super Typhoon Sinlaku.

6. **Invest Guam Symposium Strengthens Investor Confidence in Port.** The Port Authority of Guam joined Governor Lou Leon Guerrero and a delegation of Government of Guam agencies in New York City for the Invest Guam Symposium 2026 held on April 29 and 30, engaging directly with current bondholders and potential investors to strengthen confidence in Guam's financial outlook and future capital initiatives. Led by Governor Lou Leon Guerrero, the delegation included the Port Authority of Guam, the Bureau of Budget and Management Research, the Guam Economic Development Authority, and other government agencies with bond financing programs. The symposium was designed to strengthen investor relationships, provide transparency on Guam's financial condition, and highlight future capital investment needs across government agencies. The Governor opened the symposium on April 29, setting the tone for the two-day engagement and highlighting Guam's economic resilience, strategic importance, and continued investment in infrastructure. Each participating agency followed with formal presentations outlining their respective financial positions, capital programs, and long-term strategies as part of a coordinated effort to present Guam's credit profile to investors.

   The Port Authority of Guam presented its role as the island's only commercial seaport and a critical component of both the local economy and national security, emphasizing that more than 90 percent of Guam's goods move through the Port. The presentation highlighted the Port's strategic location in

the Indo-Pacific, its role in supporting military buildup, and its importance as a regional transshipment hub. Port leadership also outlined its financial performance, including stable revenues, improving debt service coverage ratios, and a disciplined approach to expense management. The Port emphasized its strong regulatory framework, including full tariff approval oversight, and its ability to maintain operations through major disruptions, including the COVID-19 pandemic and recent typhoons. In addition, the Port detailed its capital improvement program, which includes a pipeline of infrastructure investments focused on cranes, wharf upgrades, and fuel resiliency, supported through a balanced funding strategy of grants, bonds, and internal resources. On April 30, the delegation participated in one-on-one meetings with investors, providing an opportunity for more detailed discussions on financial performance, capital planning, and future borrowing needs. These meetings are a key component of the symposium, allowing for direct engagement with investors and deeper discussion on Guam's credit outlook and financing strategies.

This symposium was an important opportunity to reinforce confidence in the Port and the Government of Guam. We were able to clearly demonstrate that the Port is an essential, resilient asset with strong financial fundamentals and a clear path forward for strategic investment. Our message to investors is simple – The Port performs, the Port delivers, and the Port is positioned for growth.

7. **Port Secures Nearly $60 Million MARAD Award for New Gantry Cranes.** On April 28, 2026, the Port Authority of Guam has received official notification from the U.S. Department of Transportation Maritime Administration confirming the award of nearly $60 million in federal funding for the acquisition of three new ship-to-shore gantry cranes, marking a major milestone in the Port's modernization efforts. The funding, awarded through the Maritime Administration's Port Infrastructure Development Program, will support the procurement, fabrication, delivery, and installation of three new cranes to replace the Port's existing units, which are more than 40 years old and approaching the end of their service life. The project, titled Strengthening Supply Chain with New Port Cranes, represents a total investment of approximately $74.5 million, including $59.6 million in federal funding. The Port Authority of Guam will fund its required local match of approximately $14.9 million through its existing reserves.

   Port Authority of Guam Board Chair Dorothy P. Harris and I joined Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, and Congressman James Moylan on Monday, April 27, for a formal announcement at Adelup recognizing the award and its significance to Guam's economy and national security. This official notification confirms what our team has been working toward for years. Thank you to our Port Strong employees for the incredible team effort that made this award possible and for continuing to keep our existing cranes operating on our docks every day. Their work is what keeps this port moving. The Port is also grateful to the U.S. Maritime Administration, Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, Congressman James Moylan, the Port Authority Board of Directors, military partners, industry partners, and federal and technical partners including OLDCC, WSP, and Liftech for their continued support and collaboration in advancing the project. These will be the first new gantry cranes ever procured by the Port. The procurement will be structured to evaluate one crane plus shipping, two cranes plus shipping, and three cranes plus shipping to determine overall cost, with the goal of acquiring all three new cranes. Once a contract is awarded, we estimate approximately two years for manufacturing, delivery, and installation. This investment is about strengthening our operations, improving efficiency, and ensuring we can continue to serve as the island's lifeline and a critical hub for national defense in the Indo-Pacific.

As the only commercial seaport on Guam, the Port handles more than 90 percent of the island's goods, including food, fuel, medical supplies, and construction materials. The new cranes will significantly enhance cargo handling capacity, improve vessel turnaround times, and strengthen the Port's ability to support both commercial activity and military logistics operations across the region. With official notification now received, the Port is prepared to move immediately into the next phase of the project. The Invitation for Bid is expected to be issued in the coming weeks, with a multi-step procurement process to follow. This is a transformative investment for Guam. It strengthens our infrastructure, supports economic growth, and ensures the Port remains ready to meet the needs of our island and our region for decades to come. The Port Authority of Guam will continue to work closely with federal partners to advance the project and will provide updates as the procurement process moves forward.

8. **Port and MARAD Hold Kickoff Meeting for $74.5 Million Crane Modernization Project.** The Port Authority of Guam and the U.S. Department of Transportation Maritime Administration (MARAD) officially launched the next phase of the Port's federally funded gantry crane modernization project during a virtual kickoff meeting held on May 13, 2026. The meeting marked the formal beginning of coordination between MARAD and the Port following the award of approximately $59.6 million under the Fiscal Year 2025 Port Infrastructure Development Program (PIDP) for the procurement and installation of up to three new ship-to-shore gantry cranes at the Port of Guam. The virtual kickoff meeting included Bryan Herdliska, Grants Manager with MARAD's Office of Port Infrastructure Development, PAG Strategic Planning Team Division and I. The kickoff meeting represented another major milestone in the Port's long-term modernization efforts. This meeting officially moves us into the implementation phase of one of the most important infrastructure investments in the history of the Port of Guam. These new cranes are critical not only to Guam's commercial supply chain, but also to the strategic readiness and economic resilience of our island and region.

   According to MARAD, the federal award supports "the acquisition and installation of three state-of-the-art Ship-to-Shore (STS) gantry cranes," including procurement, fabrication, shipment, installation and commissioning, operator training, and warranty support. During the kickoff meeting, Herdliska outlined the grant agreement process and discussed coordination and matters related to the project. Port officials also discussed the project's NEPA review process, grant agreement coordination, procurement preparation, and other project-related requirements necessary to advance the federally funded crane modernization project. The kickoff meeting allowed both teams to align expectations early and begin moving through the federal requirements necessary to execute the grant agreement and advance procurement activities.

9. **Port Joins Guam Delegation at Regional Energy and Transport Ministers Meeting.** The Port Authority of Guam participated as part of the Guam delegation at the Sixth Pacific Regional Energy and Transport Ministers' Meeting (PRETMM6), held May 4 through 8, 2026 in Port Moresby, Papua New Guinea, joining regional leaders, ministers, and senior officials in advancing critical discussions on maritime transport, energy resilience, and regional connectivity. Representing the Port Authority of Guam at the meeting were Board Vice Chairperson Conchita S.N. Taitano and I, who joined Guam's delegation in engaging with regional and international partners on key issues impacting the future of maritime transport in the Pacific. Hosted by the Government of Papua New Guinea in collaboration with the Pacific Community, the high-level forum brought together Pacific Island countries and territories to coordinate strategies addressing shared challenges, including climate change, infrastructure resilience, and sustainable maritime transport systems. The Guam delegation participated in a full week of meetings, technical sessions, and ministerial dialogues focused on strengthening connectivity across the Blue Pacific under the theme "Scaling Connectivity for a

Prosperous Blue Pacific." Throughout the meeting, discussions emphasized the critical role of maritime transport in supporting economic growth, trade, and access to essential goods across island communities, while also addressing vulnerabilities tied to aging infrastructure, rising operational costs, and climate impacts. As part of the Heads of Maritime sessions and broader ministerial program, regional stakeholders reviewed progress on key initiatives and explored coordinated approaches to workforce development, maritime governance, digital transformation, and sustainable financing for port and shipping infrastructure. Key outcomes of the meeting included advancing regional commitments to energy security and maritime transport, strengthening partnerships, and progressing the Pacific One-Maritime Framework, a unified approach to coordinated maritime development across the region. Participation in the meeting reinforces the Port's role as a strategic partner in regional and international maritime efforts. The Port Authority of Guam was proud to stand alongside the Guam delegation and our Pacific partners at this important regional forum.

10. **Cruise Vessel Asuka III Arrives at the Port of Guam.** On May 6, 2026, the Port Authority of Guam welcomed the Japan-flagged cruise vessel Asuka III today as part of the vessel's regional voyage through the Pacific. Onboard were 311 passengers and 429 crew members and the vessel stayed on Guam for a two-day visit. The vessel previously made its maiden call to Guam in December 2025. During their time on island, passengers are expected to visit local attractions, restaurants, retail establishments, and tourism destinations throughout Guam, with some passengers scheduled to participate in organized local tours across the island, contributing to Guam's visitor economy. To mark the vessel's arrival, the Guam Visitors Bureau coordinated a cultural welcome featuring traditional CHamoru cultural performances and hospitality. We are pleased to once again welcome the passengers and crew of Asuka III to Guam. Cruise vessel visits continue to highlight Guam as a premier destination in the Pacific while providing meaningful economic activity for our island's tourism and business community.

    Recognition is extended to our Port employees for their continued professionalism and excellence in safely converting our terminal operations to accommodate cruise vessel arrivals and passenger processing operations. Port employees coordinated terminal safety, security, and passenger movement operations to support the vessel call while maintaining ongoing commercial cargo activities at the island's only commercial seaport. The vessel departed Guam on May 7, 2026 to continue its scheduled Pacific voyage.

11. **Port Launches Emissions Inventory Initiative Under EPA Clean Ports Program.** The week of May 18, 2026, the Port Authority of Guam launched a collaborative port-wide emissions inventory effort as part of its federally funded Clean Ports Program, bringing together Port personnel, consultants, and members of the Port Users Group to support the development of Guam's long-term Zero-Emission and Zero-Waste strategy. The emissions inventory initiative is being conducted with support from Jacobs, the Port's consultant team, and includes coordination meetings and data-gathering sessions with Port users throughout the week. The effort focuses on compiling greenhouse gas (GHG) emissions and climate air pollutant (CAP) data associated with Port-owned assets and operational activities across the harbor community. The inventory process includes the collection and analysis of operational information related to vessels, cargo handling equipment, fleet vehicles, harbor craft, drayage trucks, and other fuel-powered equipment operating within the Port environment. The effort is intended to establish a comprehensive baseline of emissions activity across the Port and support future sustainability, resiliency, and modernization planning initiatives. This initiative represents another important step forward in strengthening the Port's environmental stewardship efforts while ensuring Guam's main commercial gateway remains prepared for the future.

This emissions inventory is about understanding where we are today so we can make informed decisions that strengthen resiliency, improve operational sustainability, and support the long-term future of the Port and the broader community. It is part of a larger federally funded initiative supported through the U.S. Environmental Protection Agency's Clean Ports Program. Back in January 2025, the Port Authority of Guam officially launched implementation efforts associated with its $2.4 million Clean Ports Program award provided through the U.S. Environmental Protection Agency Climate and Air Quality Planning Competition. The federal award supports several major planning initiatives, including a mobile emissions inventory, updates to the Port's Net Zero Emissions Strategy, workforce development plan, climate resiliency planning, and implementation strategies focused on decarbonization and electrification of Port operations. We thank Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, First Gentleman Jeff Cook, and the Port Authority of Guam Board of Directors for their continued leadership and support of sustainability initiatives and long-term environmental planning efforts at the Port.

12. **Modernization, Resilience, and Sinlaku Response Highlighted at SAME Guam Meeting.** I had an opportunity this morning to serve as Guest Speaker during the May monthly membership meeting of the Society of American Military Engineers (SAME) Guam Post, held at the Hyatt Regency. The presentation highlighted the Port's ongoing modernization efforts, key infrastructure priorities, and operational resilience initiatives as well as the Port's response and recovery operations during Typhoon Sinlaku - titled "2026 Look Ahead: Modernization, Resilience, & Typhoon Sinlaku Response. It provided military, engineering, infrastructure, and industry stakeholders with an overview of the Port's strategic direction as Guam's only commercial seaport and a critical component of regional logistics and national security readiness. It also included the Port's ongoing transition from recovery and reform into a period of execution and delivery, outlining major infrastructure priorities including ship-to-shore gantry crane replacement, fuel pier rehabilitation, wharf hardening projects, cybersecurity upgrades, and obsolete facility replacement efforts. The Port is not simply maintaining operations. We are modernizing in real time while continuing to move cargo, support the island economy, and strengthen Guam's role in national defense and regional logistics. Our responsibility is to ensure long-term resilience while keeping commerce and critical supply chains moving every single day. Also presented was the Port's coordination with federal and defense partners on infrastructure modernization, energy resilience, sustainability initiatives, and military-civilian operational alignment tied to Indo-Pacific strategic priorities.

    A significant portion of the presentation focused on the Port's response to Typhoon Sinlaku, including preparedness measures, command and control operations, rapid restoration efforts, and coordinated reopening activities following the storm. This to include coordination with the U.S. Coast Guard, Guam Homeland Security/Office of Civil Defense, tenants, and other operational stakeholders before, during, and after the storm event. It also addressed post-storm recovery operations and the Port's after-action review process aimed at strengthening future readiness and operational coordination. The response to Typhoon Sinlaku demonstrated the professionalism, preparation, and commitment of our Port Strong workforce. Even during one of the most significant operational challenges faced this year, our employees remained focused on protecting the Port, restoring operations, and supporting Guam's recovery. The Port also used the presentation to reinforce its broader "One Guam" strategic framework, emphasizing the importance of supply chain reliability, infrastructure investment, transportation resilience, healthcare support, and national security readiness. Thanks to the Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, the Port Authority of Guam Board of Directors, federal agency partners, military stakeholders, and Port employees for their continued support of the Port's modernization and resilience initiatives.

13. **Port Welcomes AAPA CEO Sang Yi, Highlights Federal Partnership and Continued Collaboration.** The Port Authority of Guam has welcomed the appointment of Sang H. Yi as President and Chief Executive Officer of the American Association of Port Authorities, while also highlighting continued collaboration between the Port, federal maritime leadership, and national port stakeholders on strategic infrastructure and supply chain priorities in the Indo-Pacific. Yi was appointed by the AAPA Board of Directors on May 4, 2026. My congratulatory message to Yi: *"Congratulations on your appointment as President and Chief Executive Officer of the American Association of Port Authorities. Your understanding of the role ports play in supply chain continuity, national security, and regional stability comes at a moment when our industry is being asked to do more with greater urgency and accountability."*

    Yi most recently served as Deputy Administrator of the U.S. Maritime Administration, where he oversaw key programs supporting the nation's commercial and strategic maritime infrastructure. His background across the Executive and Legislative Branches, combined with his experience in maritime policy and national security, brings a strong and relevant perspective to the role. Earlier this year, I met with Yi at MARAD headquarters in Washington, D.C., together with Port Board Vice Chair Conchita S.N. Taitano and Chief Planner Joe Javellana, to discuss the Port of Guam's infrastructure priorities and its role in supporting regional commerce, national security, and energy logistics in the Indo-Pacific. That engagement took place as the Port advanced its application under the Port Infrastructure Development Program, which was subsequently approved, resulting in a federal award of nearly $60 million to support the acquisition of new ship-to-shore gantry cranes. The project represents a major modernization effort and the first time in the Port's history that it will procure new cranes, replacing equipment that is more than 40 years old and nearing the end of their service life.

    I emphasized the importance of continued alignment between national port policy and regional operational needs. – *"For strategic ports like Guam, your leadership carries real significance. The Port Authority of Guam serves as a critical link in the Indo-Pacific, supporting the vast majority of the island's imports while also playing a direct role in military readiness and regional logistics. For us, port readiness is national security readiness. The challenges we face are immediate and tied to infrastructure resilience, redundancy, and our ability to operate as a reliable node in both civilian and defense supply chains."* I also acknowledged the importance of AAPA's advocacy on federal policy issues, including Buy America waiver considerations for specialized port equipment, which has been a key factor in enabling remote and strategic ports to move forward with critical infrastructure investments.

    In his response, Yi acknowledged the Port's recent federal infrastructure success and expressed appreciation for the continued partnership. – *"Thank you for the well wishes. It was a pleasure meeting with you as well, and I'm so very thrilled that the Port of Guam was able to receive your PIDP request for FY25. Very much looking forward to our continued work together."*

    Vice Chair Conchita S.N. Taitano previously extended an invitation to Yi to participate in the 112th Annual Conference of the Association of Pacific Ports, which Guam will host from August 3 to 6, 2026. The conference will bring together port leaders from across the Pacific to focus on infrastructure, resilience, and sustainability, and to strengthen alignment between national port policy and regional operational priorities. In his correspondence, Yi stated that *"While his August schedule remains uncertain, he would give the invitation "fullest consideration" if possible."*

14. **Port Unveils New Marina and Harbor of Refuge Webpage.** The Port Authority of Guam has added a new "Marinas and Harbor of Refuge Information" page to its website, providing the public with centralized access to marina services, permit information, facility guides, availability updates, and marina regulations. The new webpage, located under the Community section of the Port's website, was developed to improve public access to important information related to the Agat Marina, Agana Marina, and Harbor of Refuge facilities. The page includes downloadable applications, marina rules and regulations, facility guides, and updated marina and harbor availability information intended to assist recreational, commercial, and transient vessel operators. The initiative reflects the Port's ongoing efforts to improve customer service and make important public information easier to access online. Our marinas and Harbor of Refuge are important community and maritime assets serving recreational boaters, commercial operators, and vessels seeking safe harbor. This new webpage improves accessibility to information, streamlines the permit process, and helps ensure marina users have the resources they need in one centralized location. The new page includes information regarding marina use permits and requirements, slip and mooring availability, marina rules and regulations, emergency and severe weather guidance, recreational and commercial marina services and contact information for Commercial Division personnel. The webpage also provides downloadable guides and permit applications for Agat Marina, Agana Marina, Harbor of Refuge and Slip and Mooring Use Permits. The Port acknowledges the Commercial Division for its work compiling the content featured on the new webpage.

15. **Port Launches New QR Code Restroom Reporting System.** The Port Authority of Guam has officially launched a new restroom reporting system designed to improve responsiveness to maintenance and cleanliness concerns at public restroom facilities located on Port properties. The initiative was developed following an idea I introduced as part of ongoing efforts to improve the public experience at Port facilities and strengthen communication between the community and Port personnel responsible for maintenance and operations. Under the new system, members of the public may scan a QR code posted inside participating restrooms, which directs users to an online reporting form at: https://www.portofguam.com/restroom-form. The form allows users to report issues including restroom cleanliness, maintenance concerns, supply shortages, or other restroom-related problems. Once submitted, reports are automatically forwarded to designated Facilities Maintenance Division and Commercial Division personnel for review and response. Providing clean, functional, and accessible public facilities is important to the overall experience of those who visit and utilize Port properties. This new system gives the public a direct and convenient way to help us identify issues quickly so they can be addressed more efficiently. A total of 16 restroom signs containing QR codes have been produced and are being installed at the following locations: Agana Marina, Agat Marina, Port Beach, Old Horizon restrooms, Customs area restrooms, Main Administration Building restrooms. The new reporting system is part of the Port's continued efforts to improve public services, facility conditions, and operational responsiveness across Port-managed properties.

16. **Termination of Holdover Leases and Unlawful Detainer Action Against Atlantis Guam, Inc.** In 1995, Atlantis Guam, Inc. ("Atlantis") entered into a Lease with the Port for a 1,200 square foot open space land parcel at Harbor of Refuge ("HOR"). In 2023, Atlantis entered into a separate Lease with the Port for a different 4,000 square foot land parcel at HOR. Both leases have been on month-to-month holdover status for several years now. Atlantis owes the Port approximately $200,000 in past due partial rent accruing since 2020. In December 2025, the Port offered Atlantis to sign a promissory note for the overdue principal, in exchange for waiving accrued finance charges; however, Atlantis refused to sign the promissory note. On March 9, 2026, the Port served Atlantis with formal notice that the Port would no longer be renewing the month-to-month leases as of May 1, 2026.

Unfortunately, Atlantis refused to vacate the properties on May 1, 2026, so the Port was compelled to file an unlawful detainer lawsuit in Guam Superior Court to evict Atlantis. At the first court hearing, Atlantis agreed it will leave the property and the Port will take appropriate measures to facilitate Atlantis's exit. The next court hearing is June 19, 2026 to assess the progress and decide on next steps.

17. **Port Authority Compliance Action and Resulting Aqua World Lawsuit.** In 1985, Aqua World, Inc. ("Aqua World") assumed a Lease with the Port for the Harbor of Refuge ("HOR") and entered into a Management Agreement with the Port to manage sub-tenants at HOR, with Aqua World collecting land rental and mooring fees. The Lease was for 10 years with 4 consecutive 10-year options to renew, for a total of 50 years. Aqua World's Management Agreement is directly tied to the Lease. Aqua World owes the Port approximately $38,000 in past due partial rent accruing since 2021. In December 2025, the Port offered Aqua World to sign a promissory note for the overdue principal, in exchange for waiving accrued finance charges; however, Aqua World refused to sign the promissory note. Legal review of the Lease revealed that the Port and Aqua World never obtained Legislative approval of the Lease, which violates Title 21 Guam Code Annotated § 60112(a) and Title 12 Guam Code Annotated § 10105(i). This, plus the guidance provided by the Guam Supreme Court case YTK Corp. v. PAG (2019 Guam 12), compelled management to nullify the Lease and Management Agreement as void for illegality, so that the Port complies with controlling Guam law. As a consequence, on May 19, 2026, Aqua World filed a lawsuit in the Guam Superior Court against the Port (Aqua World, Inc. v. Port Auth. of Guam & Rory Respicio, in his official capacity; CV0247-26). The complaint alleges inverse condemnation, violation of due process, and ultra vires, and the complaint seeks a declaratory judgment and injunctive relief that the Lease and Management Agreement continue until 2035. This case is at the first step of any litigation. The next step is that the Port is required to file an Answer to the complaint in July.

18. **Port Welcomes 2026 Water Transportation Training Program Trainees.** The Port Authority of Guam welcomes trainees from across Micronesia for an intensive 28-day training under the Water Transportation Training program. The program was established by members of the Association of Terminal Operators, Stevedoring and Shipping Companies (ATOSSCOM), co-sponsored by the Port Authority of Guam, Matson Navigation Company and Marianas Steamship Agency. The training focused on maritime operations, safety, and security. The trainees arrived on Guam on May 1, 2026 and began the program the following week with Maritime Security (MARSEC) training conducted by Port Police to strengthen readiness and reinforce security protocols ahead of passenger vessel operations. Participants were issued temporary Port identification badges and engaged in a series of meet-and-greet sessions with key divisions, including Port Police and the Harbor Master, providing an overview of how the Port secures and protects its facilities.

    Throughout the program, trainees rotated through multiple divisions, gaining hands-on experience in Terminal Operations, Transportation, Equipment Maintenance Repair (EQMR), Stevedoring, and administrative functions. They also trained alongside industry partners, including Matson Navigation Company and Marianas Steamship Agency, further expanding their exposure to real-world port operations and best practices. The structured training schedule provided a comprehensive look at the Port's operations and emphasized safety, efficiency, and professionalism. Participants were outfitted with personal protective equipment and conducted full tours of Port facilities, allowing them to observe operations firsthand and understand the critical role the Port plays in sustaining Guam's economy and supporting regional logistics. This program reflects the Port Authority of Guam's commitment to building capacity across the region and sharing the standards that define our

operations. We are proud to support the next generation of maritime professionals from our neighboring island communities and to continue strengthening partnerships throughout Micronesia. The program will conclude on May 29, 2026 with an exit briefing with Port leadership, followed by a farewell luncheon recognizing the trainees' completion of the program. The trainees include Bradley Jonah from Kosrae, Junior Richie Albert and Charles Stinnett, Jr. from Majuro, and Daryl Irons from Chuuk. The WTTP is an excellent training program that continues to serve as a key platform for workforce development and regional cooperation.

19. **General Manager's Notes for YTD Finances. We are providing the following summary for April 30, 2026:**

- **REVENUES AND CARGO THROUGHPUT:**
  The Port's total operating revenue as of YTD April 2026 (7 months) is $37.2 million, which is 2.3% or $856K lower than the YTD April's revenue budget of $38.0 million but higher by 12% or $3.9 million than last year's revenues as of April 2025 at $33.3 million. The total number of containers handled as of YTD April (7 months) is 50,917, which is higher by 3.6% or 1,785 containers compared to last year's YTD total of 49,132 containers. The total for non-containerized (breakbulk) cargo as of April is 128,485 revenue tons, which is 26% or 26,507 revenue tons higher than last year's April numbers at 101,978. Breakbulk cargos from Foreign vessels have increased by 38.1%, breakbulk cargos from domestic vessels have increased by 6.6%.

- **OPERATING EXPENSES:**
  The total operating expenses as of March is $35.8 million, which is 3.4%, or $1.2M lower than the YTD April budget of $37 million. .

- **OVERTIME EXPENSE AND DIRECT LABOR REVENUE:**
  Overtime for all the divisions as of YTD April is $988 K, which is 1%, or $6K lower than YTD April overtime budget of $994K. The total Direct Labor revenue as of YTD April is $2.8 M, 5.4%, or $157K lower than the FY26 budget of $2.9 M but 7.7% or $190K higher than last year's YTD April total of $2.6M.

- **YTD OPERATING REVENUES MINUS YTD EXPENSES:**
  Operating results (Operating revenues minus operating expenses) as of March ended with an operating Income of $1.4M. The Port ended with a net income of $552K after deducting the net of Other Income/Expense of -$856 K.

- **YTD DEBT SERVICE COVERAGE RATIO (DSCR) STATUS:**
  Based on the April numbers, the DSCR calculation is at 1.62, which is above by 0.37 or 30% as compared to the 1.25 ratio requirement on the 2018 bond indenture agreement.

20. **General Manager's Notes for YTD Finances. We are providing the following summary for March 31, 2026:**

- **REVENUES AND CARGO THROUGHPUT:**
  The Port's total operating revenue as of YTD March 2026 (6 months) is $31.9 million, which is 2.1% or $695K lower than the YTD March's revenue budget of $32.6 million but higher by 13% or $3.7 million than last year's revenues as of March 2025 at $28.1 million. The total number of

containers handled as of YTD March (6 months) is 43,891, which is higher by 6% or 2,484 containers compared to last year's YTD total of 41,407 containers. The total for non-containerized (breakbulk) cargo as of March is 104,286 revenue tons, which is 24.9% or 20,799 revenue tons higher than last year's March numbers at 83,487. Breakbulk cargos from Foreign vessels has increased by 7.5% or 3,879 revenue tons compared to last fiscal year.

- **OPERATING EXPENSES:**
  The total operating expenses as of March is $30.0 million, which is 5.3%, or $1.7M lower than the YTD March budget of $31.7 million. .

- **OVERTIME EXPENSE AND DIRECT LABOR REVENUE:**
  Overtime for all the divisions as of YTD March is $879 K, which is 3%, or $28K higher than YTD March overtime budget of $852K. The total Direct Labor revenue as of YTD March is $2.4 M, 3.6%, or $91K lower than the FY26 budget of $2.5 M but 7.7% or $231K higher than last year's YTD March total of $2.2M.

- **YTD OPERATING REVENUES MINUS YTD EXPENSES:**
  Operating results (Operating revenues minus operating expenses) as of March ended with an operating Income of $1.8M. The Port ended with a net income of $1.0M after deducting the net of Other Income/Expense of -$853 K.

- **YTD DEBT SERVICE COVERAGE RATIO (DSCR) STATUS:**
  Based on the March numbers, the DSCR calculation is at 1.82, which is above by 0.57 or 46% as compared to the 1.25 ratio requirement on the 2018 bond indenture agreement.

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

- **MARAD PIDP**

Project: Strengthening Supply Chain with New Port Cranes

On April 28, 2026, the Port Authority of Guam received a $59,669,434 FY2025 PIDP award from the U.S. Department of Transportation Maritime Administration for the Strengthening Supply Chain with New Port Cranes Project. With PAG's $14,917,358 non-federal share, the total project cost is $74,586,792. The project will fund the acquisition, fabrication, delivery, installation, testing, and commissioning of three new rail-mounted Ship-to-Shore gantry cranes at the Jose D. Leon Guerrero Commercial Port.

The new cranes will be installed along Berths F4 through F6 on Cabras Island and will replace PAG's aging crane units, originally manufactured in 1983 and 1984 and acquired secondhand in 2009. Once completed, the project will improve cargo-handling efficiency, strengthen operational reliability, and support the secure movement of goods through Guam and the Indo-Pacific region. PAG has completed the MARAD kick-off meeting and will continue coordinating with MARAD on NEPA, federal review requirements, and the grant agreement process.

- **U.S. Economic Development Administration (EDA).**

Project: Fuel Pipeline Connectivity Report

Update: EDA approved the PAG's request to include the design of additional components (LPG, Mogas Bypass, and Area A Stub-Out) and a biological assessment of Golf Pier. The amended agreement was received on May 2, 2026. PAG staff from the Planning, Engineering & CIP, Legal, and Procurement Divisions are working to complete the procurement for services.

- **MARAD Marine Highway Program.**

Project: Container Yard Various Equipment Acquisition

Update: The Restated Grant Agreement was received from MARAD on April 10, 2026, adding the purchase of two 20-ton forklifts and two utility trucks to the approved project scope. PAG staff from the Transportation, Maintenance, Procurement, and Planning Divisions met to discuss next steps for the procurement process. Market research for the various equipment has been sent out and equipment specifications have been routed to DPW for approval.

- **US DOT Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program.**

Project: Wharves F2 – F6 Repair

Status Quo: Environmental compliance for the RAISE Grant project is progressing as planned, with key consultations completed and the draft Environmental Assessment under review by the federal agency, advancing toward issuance of a Finding of No Significant Impact (FONSI) and Categorical Exclusion (CATEX).

- **Office of Insular Affairs Maintenance Assistance Program (MAP).**

Project: Welding Shop Repair (Phase 1 & 2)

Update: The new roll up doors, downspouts, and roof hatch have all been installed. The project is currently pending the installation of an exhaust fan and the additional electrical work.

Project: Generator Maintenance Program

Status Quo: Ongoing third year maintenance contract with Hawthorne Pacific. Three POs were awarded to three different vendors for generator stator rewinding services at $24,000 each.

- **U.S. EPA Clean Ports Program.**

Project: Zero Emissions/Zero Waste Implementation Plan

Update: The Port has initiated Subtask 16.2: Greenhouse Gas Emission Inventory activities. The subrecipient, on-island from May 18-22, conducted data-gathering activities and held meetings with Port management, PUGG members, and the Port Marina User Group. Project activities are on schedule; current efforts include GHG emissions inventory and developing the Scenario Analysis Tool.

- **Department of Agriculture (DOAG) Sport Fish Restoration Program.**

Projects:	Pre-Construction for a Gangway & Dock for Harbor of Refuge
	Demolition and Replacement of Dock A at Hagatna Marina
	Agat Marina Southern Walkway Repair
	Repair of Merizo Boat Ramp
	Maintenance & Structural Assessment of Malesso Pier

Update: The MOA and notice to proceed is approved. Account creation has been completed. Next steps include development of the scope and procurement package. For the Agat Marina Southern Walkway Repair project, the MOA is still pending review and approval.

- **Department of Agriculture (DOAG) Clean Vessel Act.**

Project: Pumpout Service Assessment for Recreational Boats

Update: The MOA and notice to proceed is approved. Account creation has been completed. Next steps include development of the scope of services and procurement package for an environmental consultant to conduct the marina pumpout vessel survey and feasibility assessment prior to issuance of a Request for Proposal.

- **Department of Defense Office of Local Defense Community Cooperation (OLDCC) Defense Community Infrastructure Program (DCIP).**

Project: Joint Region Marianas (JRM) Pier Infrastructure Restoration (F1 Near-Term Emergency Repair)

***Update*:** JRM completed an initial site assessment and requires a site-specific biological survey prior to NEPA determination. PAG is progressing survey coordination; JRM will expedite NEPA review upon receipt of survey results.

- **FEMA Port Security Grant Program (PSGP).**

Projects:	Implementation of an Active Directory
	Replacement of Aging SonicWall 4600 Firewall and 3-Year Subscription of Intrusion Detection System Monitoring
	Security Barrier System
	Modular Floating Dock System

Update: FEMA points of contact have been impacted by the partial federal funding hiatus for the DHS. Planning has received automatic replies acknowledging emails and advising that because DHS is in a funding lapse, federal staff will only be available to support the following grant programs: Operation Stonegarden Grant Program, FIFA World Cup Grant Program and Countering-Unmanned Aircraft Systems Grant Program. Any amendments and payment requests that require federal staff action will not be processed during the lapse except for the programs outlined above. Before the funding lapse, Planning was still awaiting guidance on requirements to lift the funding hold on the 2025 award.

2026 New Proposed Grant Program Opportunities:

- **MARAD Port Infrastructure Development Program (PIDP).**

Project: Crane Rail Support

Status Quo: PAG intends to submit a grant proposal.

- **USDOT Better Utilizing Investments to Leverage Development (BUILD).**

Project: Fuel Connectivity Construction

Status Quo: Planning submitted the grant proposal to US DOT on February 24, 2026.

- **EDA Disaster Supplemental Program.**

Projects:	Dry Dock Feasibility Study
	Deep Draft Wharf Feasibility Study
	Wharf F3 Repair
	Golf Pier Repair

Status Quo: PAG intends to submit a grant proposal.

- **Office of Local Defense Community Cooperation (OLDCC) Defense Community Infrastructure Program (DCIP).**

Project: Golf Pier Repair

Status Quo: PAG intends to submit a grant proposal upon release of NOFO Federal Agency.

22. **Port Revenue Bonds Project Status.** As of May 21, 2026 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

There were no items discussed under old business.

VI. NEW BUSINESS

1. **Adoption of Board Resolution No. 2026-02 Supreme Court Appeal: JoyJean R. Arceo.** By way of background, Port Staff Attorney James Canto explained that this case originated as an adverse action that resulted in the termination of the employee. The port employee appealed the termination to the Civil Service Commission (CSC). The CSC, despite having a legal mandate under 4 GCA, Section 4402 that provides for any action the CSC take must be with the concurrence of four affirmative votes – and in this case, after a full merit hearing, the CSC voted 2 to 2 – two members voted to uphold Management's termination and two members voted to overturn it.

Attorney Canto noted that 4 GCA, Section 4407 places the burden of proof on Management in adverse action appeals. Historically, the CSC has interpreted this to mean that if Management fails to secure four votes to sustain the adverse action, the employee is reinstated by default. Based on this, the

CSC reinstated the employee because Management did not obtain four affirmative votes to uphold the termination. However, Management is concerned that this approach is in violation of Section 4402 – requiring four votes for reinstatement. Port Management then petitioned for Superior Court judicial review, challenging the legal sufficiency of the CSC's action and the interpretation of the four-vote requirement. The Superior Court did not resolve the essential question, instead, mentioned that because the burden of proof rests with Management, failure to obtain four votes to sustain the adverse action results in reinstatement, even though reinstatement itself did not receive four affirmative votes required by Section 4402.

Having said this, Attorney Canto stated that the resolution before the Board is a request to authorize the General Manager to pursue an appellate review of the Superior Court's decision to the Supreme Court on this case. He pointed out that this is an issue that may arise again, and is a question that needs to be resolved.

The Chairperson clarified whether the following excerpt from the Superior Court's Decision and Order is the purpose of the Port seeking for further appeal, which states in part: "*The Port argues that the CSC lacked authority to grant relief because fewer than four commissioners voted to revoke the adverse action. That argument mistakes both § 4402 and the allocation of the burden of proof in adverse action appeals. Section 4402 does not preserve an adverse action by default when the Commission is divided. Rather, it places the risk of non-persuasion squarely on the party bearing the burden. Where management fails to secure the four concurring votes required by statute, it has not carried that burden. In that circumstance, the Commission does not exceed its authority by granting relief; it applies the statute as written.*"

Attorney Canto confirmed that this is the rationale that Management disagrees with. The Chairperson noted that the mandate of 4 GCA, Section 4402 is very clear - § 4402. "*...The affirmative vote of four (4) members shall be required for any action of the Commission...*" Attorney Canto agreed, reiterating that this is also Management's position as well.

Director Mendiola asked that if the Board were to adopt this resolution, what type of exposure does this place the Board by directing the General Manager to pursue an appeal in this case. Attorney Canto responded that any potential liability would be in the capacity as a government official performing an official act. He explained that the Board, like any government agency, has the right to pursue litigation, and action taken in that official capacity are protected by Qualified Immunity. Plus, the Port Authority has a Directors and Officers insurance policy which provides additional protection.

The Vice Chairperson commented that if the Board were to accept the CSC's recommendation to reinstate the employee, the decision must be based on what the law actually requires. She noted that reinstatement would obligate the Port to provide back pay, and so forth. Therefore, the Board must understand the legal basis for such an outcome. She stated that, based on Attorney Canto's explanation, there appears to be a flaw in the CSC's action because the CSC did not follow its own governing statute—Section 4402, which clearly requires four affirmative votes for any action of the CSC. The Vice Chairperson emphasized that the Board must ensure it has a solid and legal foundation for its decisions. If the Port is required to make payments, the Board must be confident that those obligations rest on a lawful basis. Otherwise, the Board would proceed with a process that may be inconsistent with the statute. With that said, the Vice Chairperson expressed her support for allowing a higher court to resolve the legal question.

Without further discussion, Director Mendiola made motion to adopt Board Resolution No. 2026-02 relative to authorizing the General Manager to pursue appellate review before the Supreme Court of Guam in Port Authority of Guam v. Civil Service Commission and JoyJean R. Arceo, Superior Court Case No. SP0119-24. The motion was seconded by Director Arriola, and unanimously approved.

2. **Adoption of Board Resolution No. 2026-03 3J Perez dba Splash Village Ocean Park Lease Agreement.** At this time, the Board recognized the presence of Mr. JR Perez. Mr. Perez thanked the members and mentioned that Splash Village Ocean Park provides:

- a multi-adventure part centered around an inflatable ocean obstacle course built with over 300 pieces.
- offer a variety of mixed-use kiosk spaces, including food and beverage outlets, interactive games, and retail merchandise.
- Guest amenities will include conveniently located restrooms, locker rooms, and shower facilities, as well as an on-site nursing station.
- Certified lifeguards will be strategically stationed throughout the park to ensure a safe and enjoyable experience for all visitors.
- Future expansions will further enhance the guest experience with the addition of a cultural center, water-based activities such as jet ski and kayak rentals, and boat charter services.
- Concept:
    - floating ocean obstacle course
    - family-friendly, high-energy experience for all ages
    - supported by offsite staging (transport, food, retail, check-in)
    - eco-conscious design with no permanent structures

He mentioned that the port property of interest to lease space is located adjacent to the Port Beach site. The Vice Chairperson inquired whether there are any environmental concerns. Mr. Perez replied negatively in that the floating device being used is a THX brand material and that the inflatable floating device will only be filled with air. The floating device will not be traditionally anchored down, instead a sand screw will be used to secure the floatation device, so in essence, is environmentally friendly. The General Manager asked whether regulatory clearances have been completed. Mr. Perez replied clearances have been made with Army Corp of Engineer, and Bureau of Statistics and Plans; however, for other regulatory compliance clearances requires a lease agreement with the Port Authority.

Director Mendiola made motion to adopt Board Resolution No. 2026-03 relative to memorializing the intent of the General Manager to negotiate and execute a lease agreement between the Port Authority of Guam and 3J Perez, LLC dba Splash Village Ocean Park, consistent with the policy framework established under Board Resolution No. 2025-41 governing property use arrangements at the port. The motion was seconded by Director Valencia-Ovalles and was unanimously approved.

3. **Adoption of Board Resolution No. 2026-04 Emerald Bay Guam Ventures Lease Agreement.** The General Manager mentioned that the resolution before the Board relates to the intent to lease port property. Director Arriola made motion to adopt Board Resolution No. 2026-04 relative to memorializing the intent of the General Manager to negotiate and execute a lease agreement between the Port Authority of Guam and Emerald Bay Guam Ventures, LLC, consistent with the policy framework established under Board Resolution No. 2025-41 governing property use arrangements at the Port. The motion was seconded by Director Mendiola. Discussion followed, and the General Manager understands that the area of interest is one of the most visited tourist spots on island that is located directly across the Cabras Power Plant, Guam Power Authority, commonly known as Emerald Bay or the cooling channel.

He explained that Emerald Bay Guam Ventures is proposing the development of a coffee shop and rest stop. There were discussions between the counsels of both parties on the public easement – specifically the public parking area and the public access way - in determining what is subject to charges. Because of these considerations, the thought is to explore the idea of creating a model similar to Two Lovers Point, where an elevated platform or overlook could be developed and accessed for a nominal fee. As the site is located directly across from the power plant, the General Manager contacted Guam Power Authority to inquire if there were any concerns regarding the business proposal and GPA indicated they had no objections, provided that no swimming or water-related activities take place. Also, the General Manager noted that with the public easements, there may be a possibility at some point to seek Board approval on a dollar-for-dollar lease offset.

At this time, the Board recognized the presence of Mr. John Ko, Hanna Enterprises. Mr. Ko thanked the members as well as the General Manager for the introduction of his business venture. He added that this idea is to promote tourism on the island, bring the tourist back to Guam and for Guam to be a destination point. In response to member inquiries, Mr. Ko replied that with the safety concerns being close to the coastline, there will be railings to ensure safety on the public walkway as well as security post in place.

At this time, the motion on the floor to adopt Board Resolution No. 2026-04 on Emerald Bay Guam Ventures intent to lease port property was put to a vote and was unanimously approved.

4. **Request for $5K Sponsorship for the 51st ATOSSCOM Annual Conference, July 7-10, 2026, Majuro, Republic of the Marshall Islands.** As a member of ATOSSCOM, the General Manager requested for sponsorship support in the amount of $5,000 for the ATOSSCOM's 51st Annual Conference. Director Mendiola made motion to approve sponsorship support for the 51st ATOSSCOM Annual Conference to be held on July 7-10, 2026 at the Majuro, Republic of the Marshall Islands. The motion was seconded by the Vice Chairperson. Discussion followed, and Director Mendiola recalls that the Port Authority is a member of various associations and that this is a yearly occurrence. He suggested that the General Manager be authorized to handle these matters and use his best judgement as oppose to bringing this matter before the Board. There were no objections. The Board advised the General Manager to ensure it is budgeted. The General Manager thanked the Board and mentioned that there is a budget line item for employee incentives and perhaps a line item for sponsorships can be created as well. The motion on the floor to approve $5,000 sponsorship support for the 51st ATOSSCOM Annual Conference was put to a vote and was unanimously approved.

5. **Request for $5K Sponsorship for the 112th APP Annual Conference, August 3-6, 2026, Hyatt Regency, Guam.** As a member of the Association of Pacific Ports (APP), the General Manager requested for sponsorship support in the amount of $5,000 for the APP's 112th Annual Conference; however, understands that the Vice Chairperson, who is currently the APP President requests consideration of up to $25,000. The Vice Chairperson mentioned that the 112th APP Annual Conference will be held in Guam and is hosted by the Port Authority of Guam. The Port will be hosting ports from different countries coming from American Samoa, British Columbia, California, Hawaii, Micronesia Islands, Oregon, Taiwan, Tonga and Washington State. She requests for support and Board consideration of up to $25,000 for this event.

Director Mendiola made motion to approve up to $25,000 for the Port Authority of Guam's hosting of the 112th APP Annual Conference, scheduled for August 3-6, 2026, at the Hyatt Regency Hotel, Guam, with concurrence of the Port General Manager and Port Chief Financial Officer, subject to the availability of funds. The motion was seconded by Director Fe Valencia-Ovalles and was unanimously approved.

VII. ADJOURNMENT

There being no further business to discuss, it was moved by Director Mendiola and seconded by Director Valencia-Ovalles to adjourn the meeting at 4:59 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

AUTHORITY OF GUAM
GOVERNMENT OF GUAM

PORT OF GUAM
ATURIDAT I PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201, Piti, Guam 96915
Telephone: 671-477-5931/5 | Facsimile: 671-477-2689
Website: www.portofguam.com

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

General Manager's Report for Board of Directors
June 18, 2026

1. **Port Reviews Division Progress and Challenges in Mid-Year Update.** The Port Authority of Guam completed its Management Performance Assessment (MPA) for the Fiscal Year 2026 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 report reflects continued operational stability while advancing major infrastructure, modernization, workforce, financial, and operational initiatives. Each division was asked to identify its accomplishments, challenges, concerns, and priorities in relation to Look Ahead 2026. I then evaluated those submissions and provided direct feedback to each division. Division leadership was subsequently given an opportunity to review and comment on the draft before the report was finalized.

   The review reflects the Port's continued commitment to identifying and addressing organizational gaps, vulnerabilities, and legacy challenges before they become larger operational, financial, or compliance issues. This includes ongoing efforts to strengthen revenue integrity, internal controls, project oversight, workforce accountability, infrastructure planning, and long-term readiness.

   This review highlights continued progress in federal grant implementation, financial oversight, revenue integrity, technology modernization, operational readiness, and organizational accountability. It also documents the progress made, challenges that remain, and expectations for the second half of FY 2026. The Port maintained uninterrupted cargo operations while supporting military readiness, emergency preparedness, and Guam's commercial supply chain requirements.

   Key priorities moving forward include execution of major capital improvement projects, the Port's tariff adjustment initiative, continued modernization efforts, workforce succession planning, and long-term financial sustainability. Despite challenges associated with aging infrastructure, inflationary pressures, and workforce recruitment, the Port remains focused on project delivery, accountability, and operational readiness as Guam's only commercial seaport.

   A more detailed report was submitted to the Board Chairperson and Directors on June 9, 2026, and that document will be appended to this General Manager's report.

2. **Port completes major generator replacement project on Gantry Crane 6.** The Port Authority of Guam has successfully completed a major generator replacement project on Gantry Crane 6, restoring the crane to full operational status following an extensive project that required months of coordination, specialized equipment, and the dedication of port employees. The project involved the removal and replacement of a 22,000-pound generator that serves as the sole power supply for Gantry Crane 6. The crane was returned to operations on May 26, 2026. The replacement became necessary after a generator motor bearing failure rendered the unit inoperable. The successful completion of this generator replacement demonstrates the skill, determination, and teamwork of our Port personnel. The efforts of everyone involved ensured that one of our critical cargo handling assets was safely returned to service.

   The project required the use of a telescopic crane with a lifting capacity of at least 150 tons to remove and install the massive generator. Crews first disconnected electrical systems, removed the exhaust system and supporting structures, dismantled the generator housing roof, and then lifted out the damaged generator. After repairs and preparation of the mounting base, crews reversed the process to install the new generator. Planning and execution involved personnel from all sections of EQMR. The project also required extensive coordination with outside vendors to overhaul and load-test the replacement generator before installation.

   The timeline was significantly impacted by Super Typhoon Sinlaku, which disrupted repair schedules and diverted resources to storm preparation and recovery efforts. Despite those setbacks, crews remained focused on completing the project and worked extended hours, including Sundays, to meet the rental crane schedule and minimize operational impacts. Safety remained the top priority throughout the project. Work areas were secured and coned off, comprehensive safety briefings were conducted before each phase of work, and crews followed strict protocols to address the risks associated with overhead lifting operations and work at elevated heights.

   Our employees consistently rise to every challenge placed before them. This project required teamwork, technical expertise, and perseverance. The dedication shown by our employees reflects the very best of what it means to be Port Strong. The restoration of Gantry Crane 6 strengthens the Port's cargo handling capabilities and supports continued operational reliability as Guam's only commercial seaport and a critical logistics hub for the region.

3. **Port personnel complete specialized Matson training in Hawaii for new Barge Voyager service.** Four Port Authority of Guam employees recently completed specialized operational training at Matson's Sand Island Terminal in Honolulu, Hawaii, as part of preparations for the launch of Matson's new Barge Voyager service. The training opportunity was fully sponsored by Matson and provided Port personnel with firsthand exposure to the cargo handling procedures, vessel operations, safety requirements, and equipment coordination that will be utilized in support of the new shuttle service between Guam and Kwajalein.

   Representing the Port Authority of Guam were Operations Manager Glenn B. Nelson and Equipment Operator III employees Ted R. Cruz, Raymond I. San Nicolas, and John A. Santos. During the week-long training, the team observed live cargo operations at Matson's Sand Island facility and worked closely with Matson personnel to gain practical knowledge of loading, discharge, lashing, equipment movement, and vessel servicing procedures that will be implemented when the Barge Voyager begins service to Guam.

   The Barge Voyager is expected to play a critical role in supporting military and commercial cargo movements throughout the region. According to the site visit report, the new service will replace legacy operations and introduce specialized cargo handling methods designed to improve efficiency, reliability, and operational readiness. We thank Matson for investing in the training and professional development of Port personnel and appreciate Matson's commitment to ensuring the successful implementation of the Barge Voyager service and for providing our employees with this valuable training opportunity. By allowing our team to observe operations firsthand and learn directly from experienced Matson personnel, we are strengthening our readiness to support this important new service and further enhancing the Port's ability to serve Guam, our military partners, and our regional customers. The knowledge gained during this training has already helped identify practical solutions and equipment modifications that will support the successful launch of the Barge Voyager service.

   The training also provided Port personnel with the opportunity to study best practices that have been refined through years of successful operations in Hawaii. Lessons learned during the site visit will be incorporated into Guam's operational planning, equipment preparation, and workforce training efforts ahead of the Barge Voyager's arrival. The Port Authority of Guam extends its appreciation to Matson and its Sand Island operations team for hosting the training and fostering collaboration between the two organizations as they prepare for the launch of the new service.

4. **Port Meets with Department of War Representative on $1.4 Million Grant Application.** The Port Authority of Guam met with representatives from the U.S. Department of War's Office of Local Defense Community Cooperation (OLDCC) on May 29, 2026, to discuss the Port's application for a $1.4 million grant to support its Owner Agent Engineer (OAE) Modernization and Crane Support Program. The meeting focused on the Port's ongoing efforts to secure continued federal support for critical infrastructure modernization projects that strengthen Guam's role as a strategic logistics hub serving both commercial and national defense interests.

   In the meeting were Port Chief Planner Joe Javellana, Guam Community Defense Liaison Office (CDLO) representative Vera Topasna, Steve Chung, Pacific Readiness Senior Project Manager for the Department of Defense's Office of Local Defense Community Cooperation, and I. The proposed $1.4 million grant would fund the next phase of the Port's Owner Agent Engineer contract, providing technical oversight and engineering support for several major modernization initiatives, including the acquisition of new ship-to-shore gantry cranes, crane rail and wharf improvements, implementation of a new Terminal Operating System, and modernization of fuel infrastructure facilities.

   The Port's modernization efforts are essential not only to supporting Guam's economy but also to advancing our role in regional readiness and national security. We appreciate the continued partnership of OLDCC and the Guam Community Defense Liaison Office as we work to ensure the Port remains resilient, efficient, and capable of meeting the growing demands of both commercial trade and military logistics.

   The OAE program has played a critical role in advancing the Port and supporting projects that enhance cargo handling capacity, infrastructure resilience, and operational efficiency. Previous OLDCC-supported engineering efforts helped position the Port to secure major federal investments, including funding for new ship-to-shore gantry cranes and wharf rehabilitation projects. According to the grant proposal, the OAE will provide technical expertise and project oversight throughout the design, procurement, construction, and implementation phases of key infrastructure projects. The support is intended to ensure projects remain aligned with federal requirements, operational needs, and long-term strategic objectives.

5. **Port Advances Clean Ports Program with Workforce Development Planning Kickoff.** The Port Authority of Guam held a virtual kickoff meeting on June 10, 2026 for the Workforce Development Impact Analysis component of its federally funded Clean Ports Program, marking another important milestone in the Port's ongoing efforts to update its Net Zero Emissions Strategy and develop a long-term implementation plan for sustainable port operations.

   The virtual meeting brought together Port's Strategic Planning division, CIOP/Engineering Division team, Port's consultant WSP and I. The Workforce Development Impact Analysis is one of several key planning components funded through the Port's $2.4 million U.S. Environmental Protection Agency Clean Ports Program award. The analysis will evaluate how future zero-emission technologies and equipment deployments may impact the Port's workforce and the broader maritime industry on Guam. The effort will include surveys, interviews, and stakeholder engagement activities designed to gather input from employers and workers regarding potential workforce impacts associated with emerging technologies. Areas of evaluation will include workforce skill requirements, training needs, potential job displacement risks, workload changes, wage impacts, and health and safety considerations.

   The findings will help guide the development of strategies to support workers, strengthen workforce resiliency, and ensure employees have access to the training and resources necessary to adapt to future operational changes. This effort recognizes that the success of any modernization initiative depends on the people who make our Port operate every day. As we plan for the future, we are committed to ensuring our workforce remains prepared, supported, and positioned to benefit from new technologies and opportunities. The Port's greatest asset is its people, and workforce development must remain at the center of our planning efforts. In addition to evaluating workforce impacts, the project includes development of a High-Quality Jobs and Workforce Pathways strategy focused on expanding access to career opportunities associated with environmental sustainability, infrastructure modernization, and future port operations. The initiative will identify opportunities to create equitable pathways into maritime and environmental careers through internships, on-the-job training programs, technology forums, community outreach activities, and partnerships with educational institutions and workforce development organizations.

Special emphasis will be placed on creating opportunities for residents of disadvantaged and near-port communities while helping address workforce shortages and future skills needs. The project will also examine funding opportunities and collaborative partnerships that can support workforce development initiatives while establishing methods to measure and monitor progress over time. The Clean Ports Program is about much more than reducing emissions, it is about building a stronger, more resilient Port that supports economic growth, environmental stewardship, and workforce opportunity for future generations. This kickoff moves us one step closer toward achieving those goals.

The Workforce Development Impact Analysis and High-Quality Jobs and Workforce Pathways initiative are expected to continue throughout the planning process and will help inform future sustainability, resiliency, and modernization efforts across Guam's only commercial seaport. The Port Authority of Guam was awarded $2.4 million through the U.S. Environmental Protection Agency's Clean Ports Program Climate and Air Quality Planning Competition. The federal grant supports a comprehensive series of planning initiatives, including a mobile emissions inventory, updates to the Port's Net Zero Emissions Strategy, workforce development planning, climate resiliency planning, and implementation strategies focused on decarbonization and electrification of Port operations.

6. **Port Leaders Highlight Guam's Strategic Role at U.S. Ports Forum.** Chief Financial Officer Jojo Guevara and I represented the Port Authority of Guam as invited presenters at the U.S. Forum on Indian Ocean Ports and Supply Chains, a high-level international gathering hosted by the U.S. Department of State that brought together senior government officials, port executives, logistics leaders, financial institutions, and industry representatives from the United States and countries throughout the Indian Ocean and South Asia region. The forum was organized with the support and participation of the U.S. Department of Commerce, U.S. Trade and Development Agency (USTDA), International Development Finance Corporation (DFC), U.S. Export-Import Bank (EXIM), U.S. Department of Transportation, U.S. Maritime Administration (MARAD), U.S. Coast Guard, U.S. Customs and Border Protection, and other federal agencies. Participants also included representatives from major U.S. ports, international port authorities, maritime companies, infrastructure firms, and supply chain organizations.

The Port of Guam was invited to share its experiences as a critical Indo-Pacific gateway and one of the nation's most strategically important ports for commercial trade, regional logistics, and national security. I hosted a themed lunch discussion focused on Building Resilient Supply Chains, where lessons learned were shared from the COVID-19 pandemic, Typhoon Mawar, and Super Typhoon Sinlaku. The discussion highlighted how ports can strengthen supply chain resilience before, during, and after major disruptions.

Our message was simple – "Connectivity, resilience, and readiness are inseparable. Guam's experience as a remote island community has taught us that investing in infrastructure, preparing for disruptions, and building strong partnerships are essential to keeping supply chains moving and ensuring communities receive the goods and resources they depend on.

Jojo participated as a panelist during the forum's session, "Designing Future-Ready Ports: Capacity, Connectivity, Control and Continuity," where he discussed Guam's efforts to modernize port infrastructure, strengthen operational readiness, improve connectivity, and strategically invest in the Port's long-term future. Jojo said that Ports today must be prepared not only for current demands but also for future challenges and that strategic investments in infrastructure, technology, and operational readiness are essential to ensuring supply chains remain reliable, efficient, and resilient.

Throughout the forum, discussions repeatedly underscored Guam's growing importance as a strategic logistics hub in the Indo-Pacific region. Participants explored opportunities to strengthen port operations, improve regional connectivity, advance modernization efforts, and enhance supply chain security across global trade corridors.

One of the most significant developments discussed during the forum was the Port of Guam's recently awarded $59.6 million Port Infrastructure Development Program (PIDP) grant from MARAD. The grant will fund the replacement of the Port's aging ship-to-shore gantry cranes and represents one of the largest federal infrastructure investments ever awarded to the Port. We also met with Elizabeth O'Connor, Chief Counsel and Acting Deputy Administrator of MARAD, following her presentation on federal efforts to strengthen strategically important ports and invest in infrastructure that supports both commercial supply chains and national defense

capabilities. During their discussion, we thanked MARAD for its support and provided an update on the Port's crane replacement project. O'Connor expressed enthusiasm for the project and demonstrated a strong understanding of Guam's strategic importance and ongoing modernization efforts.

The level of attention Guam is receiving at the national level reflects the vital role our Port plays in supporting commerce, military readiness, and regional stability throughout the Indo-Pacific. As we continue modernizing our facilities and strengthening our operations, we remain committed to ensuring Guam serves as a reliable gateway for trade, economic development, and national security.

The four-day forum focused on strengthening collaboration among government agencies, international port authorities, financial institutions, and private industry partners to advance commercially viable supply chain solutions, modernize port infrastructure, improve interoperability, and enhance resilience across some of the world's most important trade corridors.

7. **Port Supports Recovery Efforts in the CNMI Through Ongoing Partnership with GPA.** The Port Authority of Guam continues to support regional recovery efforts in the Commonwealth of the Northern Mariana Islands (CNMI) through its partnership with the Guam Power Authority (GPA) and other agencies working to restore critical infrastructure following recent typhoon impacts.

   On June 4, 2026, GPA shipped an additional 34 concrete utility poles to the CNMI to support ongoing power restoration efforts. According to GPA, a total of 163 concrete poles have now been delivered to assist with rebuilding and strengthening the islands' electrical infrastructure.

   The shipment was coordinated through a collaborative effort involving GPA, the Port Authority of Guam, the Commonwealth Utilities Corporation (CUC), FEMA, and other partners. Port personnel assisted with the handling and movement of the oversized cargo through the Port of Guam to ensure the materials reached their destination as efficiently as possible. As Guam's only commercial seaport and a key logistics hub for the region, the Port regularly works with local, federal, and regional partners to facilitate the movement of critical cargo during emergencies and recovery operations.

We are pleased to support these recovery efforts and assist our neighbors in the CNMI during this important time. The Port Authority of Guam is always ready to do its part when communities in our region need assistance. We thank the Guam Power Authority for its partnership and coordination in helping deliver these critical materials to the CNMI. The Port Authority of Guam remains committed to supporting regional resilience and working alongside its partners to strengthen supply chains and emergency response capabilities throughout the Western Pacific.

8. **DISID-DVR Officials Meet with Port Authority.** The Department of Integrated Services for Individuals with Disabilities (DISID), Division of Vocational Rehabilitation (DVR), continues to expand employment opportunities for individuals with disabilities through its newly established Business Engagement Unit (BEU).

   On June 10, 2026, Stacy McDonald Flores, Business Engagement Manager, and Jared Leon Guerrero, Business Engagement Program Coordinator, met with me to formally introduce the Business Engagement Unit and discuss opportunities for collaboration between DVR and the Port of Guam. During the meeting, Flores and Leon Guerrero shared the mission and objectives of the BEU, which serves as the primary liaison between DVR and Guam's business community. The unit focuses on building meaningful partnerships with employers to create pathways for competitive integrated employment, work-based learning experiences, training opportunities, and career exploration for individuals with disabilities.

   The discussion highlighted the many career opportunities available at the Port of Guam and the valuable role the Port can play in advancing workforce inclusion throughout the island. Employment opportunities at the Port span a variety of fields, essential positions that contribute to Guam's economic infrastructure. I expressed support for the goals of the Business Engagement Unit and committed to partnering with DVR to explore opportunities for individuals with disabilities. And also shared the Port of Guam's interest in participating in the program and working collaboratively to promote inclusive hiring practices and workforce diversity.

   In her statement, McDonald Flores said: *"The Port of Guam has long been an essential part of our island's economy and workforce. We are grateful for General Manager Respicio's willingness to partner with DVR and help create opportunities for individuals with disabilities to contribute their talents, skills, and abilities within Guam's maritime industry."*

This partnership reflects the shared commitment of both organizations to fostering an inclusive workforce where individuals of all abilities have access to meaningful employment opportunities and career advancement. The Business Engagement Unit looks forward to working closely with the Port of Guam and other employers throughout the island to strengthen workforce development efforts and promote equal employment opportunities for individuals with disabilities.

9. **Port Welcomes Summer Youth Interns.** The Port Authority of Guam on June 15, 2026 welcomed participants of the 2026 Governor's Summer Youth Employment Program (GSYEP), providing local youth with hands-on work experience and exposure to careers in the maritime, transportation, administration, and public service sectors.

   The student interns officially began their assignments at the Port on June 15 and will continue working through July 24, 2026, as part of the six-week summer employment program administered by the Department of Youth Affairs. The program provides Guam youth ages 15 to 17 with opportunities to develop workplace skills, gain practical experience, and explore potential career paths. Throughout the summer, the interns will be assigned to various divisions within the Port Authority, where they will assist with administrative duties, customer service functions, special projects, record management, and other operational activities while working alongside Port personnel.

   The Governor's Summer Youth Employment Program provides young people with an excellent opportunity to gain valuable workplace experience and learn the importance of professionalism, responsibility, and teamwork. We are pleased to welcome these students to the Port and look forward to helping them develop skills that will benefit them throughout their academic and professional careers.
   The Port Authority of Guam has long supported youth development initiatives that provide educational and workforce opportunities for Guam's future leaders. Through programs such as GSYEP, students gain firsthand knowledge of government operations while building confidence, communication skills, and workplace readiness.

10. **PAG submits Testimony on Proposed Post-Audit Rules.** The Port Authority submitted testimony on the proposed post-audit rules of the Civil Service Commission, recommending the following:

Amendment No. 1: Initial Substantive Screening
The proposed rules provide for review of administrative completeness but do not appear to provide for substantive screening of complaints before a formal investigation begins.

Specifically, we did not identify a provision authorizing preliminary review of standing, jurisdiction, timeliness, mootness, legal sufficiency, duplicative filings, or whether the factual basis for the allegations, even if accepted as true, would constitute a violation of law, rule, or regulation. As a result, agencies may be required to devote significant public resources to responding to investigations that could potentially be resolved at the outset through a threshold review process. Equally, the Commission and its staff would expend time and effort unnecessarily.

It was recommended to add a preliminary substantive review section that authorizes dismissal or administrative closure before an investigation is initiated, where threshold defects are identified. Such a provision would not diminish the Commission's oversight authority. Rather, it would ensure that investigative resources remain focused on matters presenting legitimate disputes that warrant further review.

New subsections in between current subsections (b) and (c) of § 2412:
"Preliminary Substantive Review.
Upon determining that a complaint is administratively complete, the Executive Director or designated CSC staff shall conduct a preliminary substantive review to determine whether:
(c) the Commission has jurisdiction over the complaint;
(d) the complainant has standing under these rules;
(e) the complaint was timely filed;
(f) the complaint is moot;
(g) the complaint is duplicative of a previously filed or adjudicated complaint;
(h) the factual allegations, if accepted as true, would constitute a violation of applicable law, rule, regulation, or merit system principle.
If any of the foregoing conditions are not satisfied, the Executive Director may recommend administrative dismissal or closure to the Commission without further investigation."

The current subsection (d) in § 2412 would then become subsection (i).

Amendment No. 2: Administrative Cure and Closure
Recent Commission proceedings demonstrate that corrective action and cooperative compliance already occur in practice.

In one matter involving the Port Authority of Guam, the Commission accepted Management's corrective action after concluding that the Port's response remedied the identified issue. Because corrective action is already recognized in practice, it was recommended that the rules expressly authorize voluntary corrective action, administrative cure, rescission of a Notice of Alleged Violation, and administrative closure where deficiencies have been corrected to the satisfaction of CSC staff or the Commission.

Such a provision would encourage prompt compliance, conserve public resources, and allow the Commission to focus on unresolved matters requiring adjudication.

Proposed New Section §2416.5 – Administrative Cure and Corrective Action
(a) At any time after issuance of a Notice of Alleged Violation and prior to issuance of a Final Decision, the agency may voluntarily implement corrective action to remedy the alleged violation.
(b) Upon review of the agency's corrective action, CSC staff may recommend that the Notice of Alleged Violation be withdrawn if the corrective action satisfactorily resolves the alleged violation.
(c) Upon recommendation of CSC staff and approval of the Commission, the matter may be administratively closed without further proceedings.
(d) Administrative closure under this section shall constitute a final disposition of the complaint unless otherwise ordered by the Commission.
(e) Nothing in this section shall prevent the Commission from continuing its review if it determines that corrective action is incomplete, inadequate, or otherwise insufficient to remedy the alleged violation.

The Commission's proposed rules represent an important and constructive effort to strengthen, modernize, and formalize the post audit process. In particular, the proposed 365-day filing limitation and the Commission's commitment to resolving matters within defined timelines reflect a recognition that oversight must be both effective and efficient. The recommendations offered above are based not only on a review of the proposed rules, but also on practical experience participating in multiple post-audit proceedings before the Commission.

Those proceedings demonstrated that the Commission already exercises discretion in determining whether matters warrant further investigation, corrective action, administrative resolution, or no further action. The proposed amendments are intended to better align the rules with those practical realities and provide greater procedural clarity for complainants, employees, agencies, investigators, and the Commission itself.

The recommendations concerning substantive screening, administrative cure and closure, and clarification of procedural outcomes are not intended to limit the Commission's oversight authority. Rather, they are intended to ensure that investigative and adjudicative resources remain focused on matters presenting legitimate disputes, while encouraging prompt compliance, efficient resolution of issues, and greater certainty for all participants in the process.

Ultimately, a strong post audit system should not be measured solely by its ability to identify violations. It should also be measured by its ability to resolve matters fairly, efficiently, consistently, and transparently.

11. **General Manager's Notes for YTD Finances. We are providing the following summary for May 31, 2026:**

- **REVENUES AND CARGO THROUGHPUT:**
  The Port's total operating revenue as of YTD May 2026 (8 months) is $43.2 million, which is 0.6% or $241K lower than the YTD May's revenue budget of $43.5 million but higher by 15% or $5.8 million than last year's revenues as of May 2025 at $37.4 million.

  The total number of containers handled as of YTD May (8 months) is 58,321, which is higher by 5.7% or 3,127 containers compared to last year's YTD total of 55,194 containers. The total for non-containerized (breakbulk) cargo as of May is 148,200 revenue tons, which is 26.2% or 30,723 revenue tons higher than last year's May numbers at 117,477. Breakbulk cargos from Foreign vessels have increased by 46%, breakbulk cargos from domestic vessels have decreased by 6.4%.

- **OPERATING EXPENSES:**
  The total operating expenses as of May is $41.1 million, which is 2.8%, or $1.2M lower than the YTD May budget of $42.3 million.

- **OVERTIME EXPENSE AND DIRECT LABOR REVENUE:**
  Overtime for all the divisions as of YTD May is $1.2 million , which is 7%, or $78K higher than YTD May overtime budget of $1.1 million.

The total Direct Labor revenue as of YTD May is $3.2 M, 5.4%, or $99K lower than the FY26 budget of $3.3 M, but 13% or $373K higher than last year's YTD May total of $2.9M.

- **YTD OPERATING REVENUES MINUS YTD EXPENSES:**
  Operating results (Operating revenues minus operating expenses) as of May ended with an operating Income of $2.1M. The Port ended with a net income of $739K after deducting the net of Other Income/Expense of -1.3 M.

- **YTD DEBT SERVICE COVERAGE RATIO (DSCR) STATUS:**
  Based on the May numbers, the DSCR calculation is at 1.65, which is above by 0.37 or 30% as compared to the 1.25 ratio requirement on the 2018 bond indenture agreement.

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

- **MARAD PIDP**

Project: Strengthening Supply Chain with New Port Cranes

Update: PAG continues to coordinate with MARAD on the grant agreement, NEPA, and federal review requirements. The RAISE21 NEPA EA is expected to supplement the environmental review record for the New Port Cranes Project and support MARAD's NEPA determination, where applicable. MARAD confirmed that Section 106 consultation is not necessary and may be considered complete upon submittal to Guam SHPO. PAG submitted the hard copy to SHPO on May 20, 2026, and is awaiting any SHPO feedback or comments.

- **U.S. Economic Development Administration (EDA).**

Project: Fuel Pipeline Connectivity Report

Status Quo: EDA approved the PAG's request to include the design of additional components (LPG, Mogas Bypass, and Area A Stub-Out) and a biological assessment of Golf Pier. The amended agreement was received on May 2, 2026. PAG staff from the Planning, Engineering & CIP, Legal, and Procurement Divisions are working to complete the procurement for services.

- **MARAD Marine Highway Program.**

Project: Container Yard Various Equipment Acquisition

Update: Requisitions have been entered for the purchase of two 20-ton forklifts and two utility trucks. Procurement is ongoing for the equipment.

- **US DOT Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program.**

Project: Wharves F2 – F6 Repair

Status Quo: Environmental compliance for the RAISE Grant project is progressing as planned, with key consultations completed and the draft Environmental Assessment under review by the federal agency, advancing toward issuance of a Finding of No Significant Impact (FONSI) and Categorical Exclusion (CATEX).

- **Office of Insular Affairs Maintenance Assistance Program (MAP).**

Project: Welding Shop Repair (Phase 1 & 2)

Update: New louvers have been installed in the window near the rear admin parking lot and are pending installation of an exhaust fan. Work has begun on the electrical upgrades.

Project: Generator Maintenance Program

Status Quo: Ongoing third year maintenance contract with Hawthorne Pacific. Three POs were awarded to three different vendors for generator stator rewinding services at $24,000 each.

- **U.S. EPA Clean Ports Program.**

Project: Zero Emissions/Zero Waste Implementation Plan

Update: Project activities under Subtask 16.2: Greenhouse Gas Emission Inventory are progressing as scheduled; current efforts include compiling the GHG emissions inventory and developing the Scenario Analysis Tool. On June 10, 2025, the Port launched Subtask 16.4, focused on Workforce Development.

- **Department of Agriculture (DOAG) Sport Fish Restoration Program.**

Project: Pre-Construction for a Gangway & Dock for Harbor of Refuge

Update: Project scope development is pending with PAG CIP/Engineering. Scope of Services finalization and procurement advancement remain anticipated in Q3/Q4 FY2026.

Project: Demolition and Replacement of Dock A at Hagatna Marina

Update: PAG submitted a proposed phased, priority-based scope to DOAG-DAWR on May 28, 2026, to prioritize immediate life-safety and critical dock repair needs within the available $500,000 subaward funding. PAG is awaiting DOAG-DAWR authorization to proceed. Additional work may be considered if subsequent funding becomes available. Scope refinement and procurement package development remain targeted for Q3/Q4 FY2026.

Project: Agat Marina Southern Walkway Repair

Status Quo: MOA remains pending review and approval; no change since the previous reporting period.

Project: Repair of Merizo Boat Ramp

***Update*:** Refinement of the project scope remains active, with ongoing coordination between DOAG and PAG CIP/Engineering. USACE provided initial guidance that a Corps permit is not likely required if the work is limited to structural assessment, engineering review, and report preparation; however, a permit may be required for any work below mean high water or future physical repairs. Next steps include continued scope coordination and confirmation of applicable permit requirements.

Project: Maintenance & Structural Assessment of Malesso Pier

Update: Refinement of the project scope remains active, with ongoing coordination between DOAG and PAG CIP/Engineering. USACE provided initial guidance that a Corps permit is not likely required if the work is limited to structural assessment, engineering review, and report preparation; however, a permit may be required for any work below mean high water or future physical repairs. Next steps include continued scope coordination and confirmation of applicable permit requirements.

- **Department of Agriculture (DOAG) Clean Vessel Act.**

Project: Pumpout Service Assessment for Recreational Boats

Update: Refinement of the project scope is underway for internal review and feedback prior to submission of the procurement package. Finalization of the Scope of Services and procurement advancement are anticipated in Q3/Q4 FY2026.

- **Department of Defense Office of Local Defense Community Cooperation (OLDCC) Defense Community Infrastructure Program (DCIP).**

Project: Joint Region Marianas (JRM) Pier Infrastructure Restoration (F1 Near-Term Emergency Repair)

Status Quo: JRM completed an initial site assessment and requires a site-specific biological survey prior to NEPA determination. PAG is progressing survey coordination; JRM will expedite NEPA review upon receipt of survey results.

- **FEMA Port Security Grant Program (PSGP).**

Projects:	Implementation of an Active Directory
	Replacement of Aging SonicWall 4600 Firewall and 3-Year Subscription of Intrusion Detection System Monitoring
	Security Barrier System
	Modular Floating Dock System

Status Quo: FEMA points of contact have been impacted by the partial federal funding hiatus for the DHS. Planning has received automatic replies acknowledging emails and advising that because DHS is in a funding lapse, federal staff will only be available to support the following grant programs: Operation Stonegarden Grant Program, FIFA World Cup Grant Program and Countering-Unmanned Aircraft Systems Grant Program. Any amendments and payment requests that require federal staff action will not be processed during the lapse except for the programs outlined above. Before the funding lapse, Planning was still awaiting guidance on requirements to lift the funding hold on the 2025 award.

2026 New Proposed Grant Program Opportunities:

- **MARAD Port Infrastructure Development Program (PIDP).**

Project: Crane Rail Support

Update: Planning submitted the grant proposal to US DOT on June 1, 2026.

- **USDOT Better Utilizing Investments to Leverage Development (BUILD).**

Project: Fuel Connectivity Construction

Status Quo: Planning submitted the grant proposal to US DOT on February 24, 2026.

- **EDA Disaster Supplemental Program.**

Projects:	Dry Dock Feasibility Study
	Deep Draft Wharf Feasibility Study
	Wharf F3 Repair
	Golf Pier Repair

Status Quo: PAG intends to submit a grant proposal.

- **Office of Local Defense Community Cooperation (OLDCC) Defense Community Infrastructure Program (DCIP).**

Project: Golf Pier Repair

Status Quo: PAG intends to submit a grant proposal upon release of NOFO Federal Agency.

- **Office of Insular Affairs (OIA) – MAP.**

Project: Crane Mechanic Shop and Maintenance Officer Repair

Update: Planning submitted the grant proposal to OIA on June 3, 2026.

- **Office of Insular Affairs (OIA) – MAP.**

Project: Generator Maintenance

Update: Planning submitted the grant proposal to OIA on June 3, 2026.

- **Office of Insular Affairs (OIA) – TAP**

  Project: PAG Workforce Capacity Enhancement Initiative

  Update: Planning submitted the grant proposal to OIA on June 5, 2026.

- **US Department of Housing and Urban Development (HUD)/Proposed Hazard Mitigation Projects**

  Projects:
  1. Shore power pit hardening
  2. Installation of light fixtures, tiles and shutters
  3. Demolition and removal of fuel tanks
  4. Seawall slope protection measures
  5. F2-F6 improvements
  6. Horizon Building hardening
  7. F3 wharf project
  8. Golf Pier
  9. Removal and disposal of fallen debris along wharve F2-F6
  10. Microgrid feasibility study

  Update: Planning submitted ten (10) project proposals onto the GHURA CDBG Portal on June 2, 2026.

13. **Port Revenue Bonds Project Status.** As of June 15, 2026 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 June 15, 2026

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-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
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. The PAG had received a FEMA determination for Golf Pier. On August 9, 2025, PAG submitted an appeal letter requesting reinstatement of eligibility for Permanent Work assistance related to damages sustained during Typhoon Mawar. **UPDATE:** The Guam Recovery Office submitted appeal letter to FEMA. Pending FEMA response/decision.
Waterline Replacement and Relocation	$6,000,000.00	$4,704,482.60	$1,295,517.40	RFP No. 2019-03 - A&E Design awarded to NC Macario PO No. 20723-OS for $4,837,223.18 BME & Sons Inc. (Outstanding balance to be drawn down from the New Administration Building)	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: The contract extension has been approved through January 2027 and work is continuing with 10 new fire hydrants installed. Prep work for additional fire hydrants is ongoing.
EQMR Building Repairs and Upgrades	$3,628,800.00	$3,628,800.00	$0.00	PO No. 18007OS for $3,980,000.00 awarded to JJ Global Service	The repair & paint work as well as lead based paint abatement has been completed. **UPDATE:** This project is complete.
Warehouse 1 Repairs	$2,000,000.00	$1,924,670.35	$75,329.65	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. Chipping and saw cutting exterior concrete spalling is complete and spall repair is at 40%. Electrical demolition is 80% complete, construction joint removal and cleaning is 70% complete, and joint repair is 65% complete. **UPDATE:** Installation of electrical components and fire alarms is at 5%. Roof crack repair has also begun. Status Quo.
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 and integration of TOS	$4,980,745.00	$473,162.52	$4,507,582.48	See status	1. Please refer to MARAD RAISE - Wharves Service Life Extension Hardening of Wharves F2-F6 for more information on the Port Grant/Bond Monthly Update. 2. **UPDATE:** The TOS Upgrade procurement process is ongoing.
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 has moved from Oracle to DXE for customer support via a MOA with GWA. The PAG's RFP for DXE is still ongoing. Status Quo.
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**	**$15,340,456.91**	**$62,545,983.09**		

PORT OF GUAM
ATURIDAT I PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201, Piti, Guam 96915
Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445
Website: www.portguam.com

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

June 9, 2026

Memorandum

To: Chairperson and Members of the Port's Board of Directors

From: Rory J. Respicio, General Manager

Subject: Port of Guam's FY 2026 Mid-Year Management Performance Assessment

Buenas yan Håfa Adai. We respectfully submit this FY 2026 Mid-Year Review summarizing each division's performance during the first half of the fiscal year.

The first six months of FY 2026 have been marked by continued progress across the organization. Major infrastructure projects have advanced, federal grant-funded initiatives have moved further into implementation, and divisions have continued supporting daily operations while pursuing long-term improvements. Among the most significant developments during this period was the announcement of approximately $60 million in federal funding to support the replacement of the Port's aging ship-to-shore gantry cranes, a critical investment in Guam's supply chain, economic security, and national defense readiness.

Many of the reforms implemented over the past seven and a half years are now part of the Port's normal operations. Personnel controls, financial oversight, procurement processes, project tracking, and cross-divisional collaboration continue to support accountability and consistency across the organization. At the same time, this review identifies areas where additional attention and follow-through remain necessary.

The Port continues to support daily operations while advancing major investments in infrastructure, workforce development, technology, and operational readiness. As Guam's only commercial seaport, the Port remains essential to the island and our region's economy and national security mission.

This report reflects the progress achieved during the first half of FY 2026, the challenges that remain, and the work that continues as we focus on execution, accountability, and delivering results.

Objectives-to-Evidence Crosswalk (FY 2026 Mid-Year)

Objective	Expected Outcomes	Documented Results (FY 2026 Mid-Year)
Infrastructure Execution	Advance major capital projects into implementation	$60M federal crane award announced; grant-funded projects advancing into execution

Objective	Expected Outcomes	Documented Results (FY 2026 Mid-Year)
Financial Stewardship	Maintain fiscal discipline and revenue integrity	Financial controls, tariff compliance, automation, audit readiness, bond planning
Workforce Accountability and Merit System Integrity	Sustain personnel reforms and workforce development	Hiring reforms, pre-audits, practical assessments, certification tracking, succession planning
Organizational Modernization	Expand digital systems and automation	E1 enhancements, dashboards, digitization, automation initiatives
Operational Readiness	Maintain uninterrupted operations during modernization	Vessel operations, cargo movement, maintenance, facilities, security, service continuity
National Security and Strategic Readiness	Support defense and supply chain resilience	Federal coordination over OneGuam approach, military engagement, resilience and readiness initiatives
Governance, Compliance, and Legal Integrity	Ensure lawful and defensible actions	Personnel, procurement, leases, tariffs, grants, Board actions, compliance oversight
Revenue Integrity and Commercial Accountability	Strengthen collections and accountability	Tariff compliance, billing, collections, lease compliance, budget controls
Leadership Development and Succession Planning	Build leadership continuity	Acting assignments, out of position policy, mentorship, cross-training, succession planning
Institutionalization of Reforms	Sustain reforms beyond leadership transitions	Personnel controls, procurement accountability, financial oversight, project tracking, documentation standards

Madam Chair and members of the Board, the following is the mid-year review for the General Manager's Office:

FY 2026 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

GM's Office Self-Report
The first half of FY 2026 represented an important period for the Port Authority of Guam. Many of the issues, reforms, projects, and organizational challenges addressed during this reporting period originated in FY 2025 and, in some cases, FY 2024. While significant attention remained

focused on infrastructure projects, federal funding, operational readiness, and financial performance, a defining priority of the General Manager's Office was protecting the institutional integrity of the Port and preserving the reforms implemented over the past seven and a half years.

The General Manager's Office, particularly the General Manager and in-house counsel, former Judge Jamie Canto, devoted substantial effort to enforcing the Personnel Rules and Regulations, implementing and defending legally reviewed personnel reforms designed to strengthen merit-based employment practices, maintaining procurement and financial accountability, safeguarding revenue integrity, and ensuring that organizational decisions remained legally defensible, fact-based, and consistent with established policies and procedures. A significant portion of this work involved identifying and correcting longstanding interpretations, practices, and procedures that had gone unchallenged for years and contributed to underbilling, revenue leakage, avoidable expenditures, weak internal controls, inconsistent application of policies, and other outcomes that were ultimately determined to be inconsistent with the Port's tariff, Personnel Rules and Regulations, or were based on misinterpretation of established policies and procedures.

These efforts required extensive review, documentation, coordination, and follow-through, including responses to grievances, post-audit reviews, personnel matters, compliance issues, and other challenges affecting the organization. These actions helped preserve public trust and protect reforms that have strengthened accountability, transparency, consistency, and organizational integrity across the Port. At the same time, the office continued advancing major infrastructure projects, overseeing implementation of federal grants, supporting tariff and revenue initiatives, maintaining financial discipline, and ensuring accountability across all divisions. Particular attention was directed toward securing federal funding for the replacement of the Port's aging ship-to-shore gantry cranes, advancing fuel pier and wharf rehabilitation efforts, supporting succession planning, strengthening organizational controls, and maintaining the long-term operational readiness of Guam's only commercial seaport.

The office remained actively engaged with the Board of Directors, the Governor and Lieutenant Governor, federal agencies, military partners, regulators, stakeholders, and the Port Users Group to support funding opportunities, project implementation, and strategic initiatives affecting the Port's role in commerce, economic development, supply chain resiliency, and national security.

Organizational Progress Since FY 2025 Year-End

Areas of Progress

- Advanced major infrastructure projects from planning and funding coordination into implementation, including progress toward replacement of the Port's aging ship-to-shore gantry cranes and other critical capital improvements.
- Continued strengthening personnel reforms, procurement accountability, financial oversight, revenue integrity, and organizational controls as established operational practices.
- Implemented an updated Physical Fitness and Wellness Program, modernizing a policy that had not been comprehensively updated since 1999 and expanding support for employees' physical, mental, and emotional well-being.

- Strengthened cross-divisional collaboration in support of project execution, federal grant administration, operational readiness, and long-term organizational priorities.

Areas Maintaining Stability

- Financial stewardship, audit readiness, regulatory compliance, and organizational accountability remain core priorities.
- Active engagement with federal agencies, military partners, regulators, stakeholders, and the Board of Directors continues to support infrastructure development, funding opportunities, and strategic initiatives.
- Workforce development, succession planning, leadership continuity, and operational readiness remain embedded throughout the organization.

Areas Requiring Continued Attention

- Maintaining momentum on major infrastructure projects and modernization initiatives to ensure timely execution and delivery.
- Advancing the Port's pending tariff adjustment and addressing structural revenue imbalances resulting from rising operating costs, inflationary pressures, aging infrastructure, and revenue limitations under the current tariff structure.
- Strengthening communication, coordination, and decision-making during complex multi-division projects and operational activities.
- Continuing to develop leadership capacity, institutional knowledge, and workforce readiness across all levels of the organization.
- Ensuring consistent reporting, documentation, accountability, and follow-through throughout the Port.

General Manager's Feedback

The first half of FY 2026 reflects continued progress across the organization. Many of the reforms, policies, and controls implemented over the past seven and a half years have become established operational practices. Maintaining these standards requires vigilance, leadership, and shared responsibility at every level of the organization.

As we move into the second half of the fiscal year, the Port's focus must remain on execution. Major infrastructure projects that have spent years in planning, environmental review, funding development, procurement preparation, and grant coordination must continue moving toward implementation and completion. Progress will ultimately be measured not by plans developed, but by projects delivered.

The Port must also continue advancing its pending tariff adjustment and addressing structural revenue imbalances resulting from rising operating costs, aging infrastructure, regulatory requirements, inflationary pressures, and increasing capital investment needs. Revenue integrity, financial discipline, and long-term sustainability remain essential to maintaining the Port's operational and financial strength.

Communication, coordination, and timely decision-making remain critical, particularly when multiple divisions are involved in a project or operational activity. Delays, incomplete information, and inconsistent follow-through create obstacles that can be avoided through early engagement, clear communication, and shared accountability.

Workforce development and succession planning must remain priorities across the organization and at all levels. As the Port continues to modernize and assume increasingly complex operational, regulatory, and infrastructure responsibilities, divisions must continue developing the knowledge, skills, and leadership capacity necessary to support long-term success. The Board of Directors has reinforced the importance of these efforts through its continued support of leadership development and organizational continuity initiatives.

The Port's 50th anniversary highlighted a simple reality: every generation inherits challenges and responsibilities. The Port inherited challenges. Some issues required renewed attention. Difficult decisions were necessary. Reforms were implemented. The purpose was Port readiness.

Addressing these matters has required the organization to strengthen institutional controls, improve accountability, enhance revenue integrity, modernize policies and practices, and make decisions intended to protect the Port's long-term interests. As these efforts have demonstrated, meaningful and lasting change requires commitment, cooperation, and shared responsibility at all levels of the organization, as well as support from the Board of Directors, government leaders, stakeholders, and our partners throughout the community.

This reporting period also tested the Port's readiness through Typhoon Sinlaku. The Port's response and recovery demonstrated the dedication of our workforce, the value of investments made in preparedness and resilience, and the critical role the Port continues to play in supporting Guam's economy, supply chain, and emergency response capabilities.

These efforts are not solely about correcting the past. They are about ensuring Port readiness. While significant work remains, the Port enters its next 50 years with stronger systems, improved oversight, major infrastructure investments underway, the announcement of approximately $60 million in federal funding for replacement of the Port's aging ship-to-shore gantry cranes, and a clearer path toward long-term sustainability and operational readiness.

IN-HOUSE LEGAL
Atty. James L. Canto
Atty. Jessica Toft

Division Self-Report
The Legal Section continued supporting the General Manager, Board of Directors, and divisions on personnel matters, post-audit reviews, grievances, procurement activities, lease administration, tariff matters, federal grant compliance, and major infrastructure initiatives.

A significant portion of the section's efforts focused on defending management actions, supporting personnel reforms, ensuring legal compliance, and protecting the Port's interests in administrative proceedings and disputes. Legal counsel remained actively involved in reviewing proposed actions, identifying risks, and ensuring decisions were supported by applicable law, policy, and documented facts.

The Legal Section also provided representation and support in Civil Service Commission matters, contract negotiations, procurement protests, lease compliance issues, and policy development efforts.

Operational Progress Since FY 2025 Year-End

Areas of Progress

- Continued providing legal support and representation in personnel matters, Civil Service Commission proceedings, post-audit reviews, grievances, and administrative actions.
- Supported Board resolutions, policies, management directives, procurement activities, contract reviews, bid protests, lease administration, tenant compliance matters, and tariff-related initiatives.
- Provided legal review and guidance for major infrastructure projects, federal grant initiatives, commercial matters, revenue protection efforts, and organizational reforms.
- Maintained coordination with divisions to ensure legal, regulatory, and procedural considerations were incorporated into operational and strategic decision-making.
- Rewrote and updated the Port's Invitation for Bids and Request for Proposals solicitation packets in accordance with Guam's Procurement Law to ensure legality and procedural conformity.
- Created new templates for Sole Source Procurements, Written Determinations, Contract Administration, and Federal Subaward documents to promote efficiency, uniformity, and transparency.

Areas Maintaining Stability

- Consistent legal support to the General Manager, Board of Directors, and division leadership.
- Continued oversight of legal compliance, administrative due process, procedural consistency, and risk management.
- Ongoing legal support for personnel, procurement, commercial, operational, and infrastructure-related activities.

Areas Requiring Continued Attention

- Increasing volume and complexity of personnel, administrative, compliance, and regulatory matters requiring legal review and support.
- Continued monitoring of evolving federal and local requirements affecting Port operations, infrastructure projects, grants, procurement, and commercial activities.
- Balancing legal support for major capital projects, federal funding initiatives, procurement activities, personnel matters, and daily operational needs.

General Manager's Feedback
As the Port continues strengthening internal controls, refining policies and procedures, addressing legacy issues, advancing major infrastructure projects, and implementing federally funded initiatives, the volume and complexity of legal matters continue to increase. The Legal Section continues to provide timely guidance that helps divisions identify and address issues before they become disputes, findings, delays, or operational challenges.

One of the most significant legal and procurement efforts currently underway is supporting the development of the solicitation and contract documents for the Port's ship-to-shore gantry crane replacement project. Given the size, complexity, and strategic importance of this procurement, the Legal Section plays an important role in helping ensure that procurement documents, contract provisions, risk allocations, and project requirements are thoroughly reviewed and legally sound.

The Legal Section continues working closely with the CIP and Engineering Division, Planning Division, Procurement Division, and executive leadership as the Port advances major capital improvement projects, federal grant-funded initiatives, construction procurements, environmental compliance requirements, and infrastructure modernization efforts. Early legal involvement during project planning, procurement, contracting, and implementation helps identify available legal options, reduce avoidable delays, minimize unnecessary contract amendments and change orders, strengthen contract administration, and support successful project delivery.

The Legal Section will continue to play an important role as the Port advances modernization initiatives, implements federal grant-funded projects, addresses evolving regulatory requirements, and strengthens organizational accountability, governance, and compliance across all divisions.

The following section-by-section updates reflect each division's contributions, challenges, and expectations for the second half of FY 2026. 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

Division Self-Report
During the first half of FY 2026, the division supported approximately 150 vessel calls and the movement of more than 44,000 containers while maintaining operational continuity across terminal, stevedoring, and transportation activities.

The division continued coordinating labor resources, gang assignments, shift coverage, and operational scheduling to support vessel servicing and cargo movement. More than 600 Special Service Requests were completed during the reporting period, supporting customer requirements and generating additional revenue opportunities in accordance with the Port's tariff.

Cross-training efforts were expanded across vessel, yard, and gate operations to improve workforce flexibility, strengthen operational resilience, and support succession planning objectives. Standardized reporting practices and communication procedures were reinforced to promote greater consistency, accountability, and situational awareness across shifts and work groups.

The division also continued supporting terminal modernization efforts, infrastructure improvements, reefer capacity enhancements, traffic flow improvements, and preparations associated with future Terminal Operating System implementation and ship-to-shore crane deployment. Continued coordination with Equipment Maintenance, Facilities Maintenance, Planning, Information Technology, and other supporting divisions remained essential to maintaining operational readiness and service reliability.

Operational Progress Since FY 2025 Year-End

Areas of Progress

- Cross-training efforts have expanded workforce flexibility across vessel, yard, and gate operations.
- Standardized reporting practices and communication procedures have improved operational consistency and situational awareness.
- Coordination between frontline operations and supporting divisions has strengthened in support of equipment readiness, infrastructure improvements, and operational planning.
- Continued focus on labor utilization, workforce scheduling, and Special Service Request execution has supported service delivery and revenue generation.

Areas Maintaining Stability

- Vessel operations, cargo movement, and terminal activities continue to be supported at a consistent operational level.
- Labor coordination, gang assignments, shift coverage, and operational scheduling remain core operational priorities.
- Collaboration with Terminal, Stevedoring, Transportation, Equipment Maintenance, and all other divisions divisions continues in order to support daily operations.
- Operational readiness remains focused on supporting commercial activity, emergency response requirements, and national security objectives.

Areas Requiring Continued Attention

- Frequent feeder vessel calls continue to require full operational readiness despite lower cargo volumes. Approximately 65% of vessel calls involve fewer than 50 container moves yet account for only 21% of total container throughput, requiring disproportionate labor deployment, berth utilization, and operational support relative to the volume handled.
- Aging equipment, particularly Gantry Crane 5 and other cargo-handling assets, continues to present operational challenges.
- Equipment downtime and electrical limitations affecting reefer capacity require ongoing coordination and investment.

- Truck turnaround times, equipment utilization, labor forecasting, and productivity measurement remain areas for continued improvement.
- Preparations for Terminal Operating System implementation and future modernization initiatives require sustained attention and coordination.

General Manager's Feedback
During the first half of FY 2026, the division maintained operational stability while improving workforce flexibility, communication, and operational coordination. The Operations Manager, Assistant Operations Manager, and all supervisors and leaders throughout the division continued strengthening labor coordination, workforce scheduling, cross-training, reporting consistency, and frontline operational support.

These efforts improved the division's ability to respond to changing operational demands while maintaining optimal service levels. As the Port advances major modernization and infrastructure initiatives, expectations remain unchanged and performance remains strong. The division must continue emphasizing communication, accountability, workforce development, equipment readiness, and operational discipline.

The Port must continue pursuing opportunities to improve external truck turnaround times and overall terminal productivity. Our focus remains on the customer experience of private truckers entering and exiting the terminal, and this management review should not be interpreted as attributing any single operational challenge to a particular cause or division, now or ever. It takes all divisions working together to keep the Port fully functioning and operational.

As reflected in the division's report, equipment reliability, aging assets, and the operational demands associated with feeder vessel activity remain significant factors affecting terminal performance. The Operations Manager and Assistant Operations Manager also deserve recognition for their management actions taken to stabilizing our workforce, including efforts that contributed to reducing year-to-date overtime expenditures below the FY 2025 mid-year pace while maintaining operational readiness and service levels. Continued coordination among Operations, Transportation, Equipment Maintenance, Human Resources, and the General Manager's Office will be essential to identifying solutions, maximizing available resources, and supporting the efficient movement of cargo throughout in and out of the Port's terminal.

STEVEDORING DIVISION
Junior Topasna, Stevedoring Superintendent

Division Self-Report
During the first half of FY 2026, the division maintained operational continuity across vessel discharge and loading activities while supporting customer requirements and overall terminal productivity. The division continued emphasizing workforce development, safety, and operational accountability through daily supervision, toolbox meetings, and ongoing coordination with vessel operators and terminal personnel. Internal promotions strengthened supervisory capacity and supported succession planning objectives while helping preserve institutional knowledge and operational experience within the division.

Coordination with the Tariff Division was expanded through workshops and operational discussions designed to improve understanding of vessel activities, operational documentation, and cost capture requirements. The division also continued reinforcing standardized reporting procedures, operational log documentation, and supervisory oversight to improve consistency and accountability.

The division remained engaged in planning efforts related to workforce training, equipment replacement needs, and operational process improvements while continuing to support daily vessel operations and cargo movement activities.

Operational Progress Since FY 2025 Year-End

Areas of Progress

- Internal promotions strengthened supervisory capacity and supported succession planning objectives.
- Coordination with the Tariff Division improved understanding of operational activities and documentation requirements.
- Standardized reporting practices and supervisory oversight enhanced accountability and operational consistency.
- Continued emphasis on safety awareness and hazard mitigation contributed to maintaining safe operations.

Areas Maintaining Stability

- Vessel loading and discharge operations continue to be supported without significant service disruptions.
- Coordination with Operations, Terminal, Transportation, and Equipment Maintenance remains strong.
- Workforce supervision, shift coverage, and operational oversight continue to support daily operations.
- Safe vessel and cargo-handling operations continue to be supported through consistent field supervision and adherence to operational procedures.

Areas Requiring Continued Attention

- Full implementation of workforce training initiatives remains a priority.
- Aging equipment, including cable racks and related support equipment, requires continued monitoring and replacement planning.
- Continued field exposure and operational familiarization opportunities for Tariff personnel should be expanded.
- Workforce development, succession planning, and operational readiness require sustained attention as modernization efforts continue.

General Manager's Feedback

The first half of FY 2026 demonstrates continued operational stability while advancing workforce development, safety initiatives, and operational accountability. Continued coordination with the Tariff Division is particularly encouraging. As the Port works to ensure that all services are billed

in accordance with the tariff, greater collaboration between operational personnel and tariff personnel improves operational understanding, strengthens documentation, and helps ensure that work performed in the field is accurately captured and billed.

This includes ensuring that labor, equipment, vessel operations, and Special Service Requests are properly documented and charged in accordance with the Port's tariff. The division should continue expanding field exposure and operational familiarization opportunities for Tariff personnel to strengthen their understanding of vessel operations, improve documentation accuracy, and support the proper application of the Port's tariff.

As the Port advances modernization and infrastructure initiatives, expectations remain unchanged. The division must continue emphasizing safety, communication, workforce readiness, operational discipline, and accountability. The division should focus on implementing training initiatives, strengthening supervisory development, maintaining operational documentation standards, and addressing aging equipment concerns, including cable racks and related support equipment, through continued monitoring, replacement planning, and coordination with supporting divisions before operational impacts occur.

TERMINAL
Janice Flores, Terminal Superintendent

Division Self-Report
During the first half of FY 2026, the division maintained uninterrupted terminal operations while supporting vessel cargo activities, yard management functions, vessel cruise operations, and customer service requirements.

The division remained focused on workforce development, operational continuity, and succession planning. Permanent staffing of Port Terminal Worker positions helped alleviate manpower shortages, improve workforce flexibility, and support more efficient operations. Cross-training efforts continued throughout the division, increasing operational resiliency while strengthening employee development and readiness.

The division also continued emphasizing safety, communication, and accountability through daily operational oversight, coordination meetings, and active engagement with supporting divisions. Ongoing efforts to document procedures, standardize work practices, and improve operational consistency support both current operations and long-term organizational stability.

Terminal personnel remained actively engaged in supporting infrastructure improvement initiatives involving terminal lighting, reefer power systems, waterline replacement activities, yard improvements, and terminal modernization efforts. The division continues working closely with Capital Improvement Projects, Engineering, Facilities Maintenance, Planning, and other stakeholders to support operational readiness and maximize terminal utilization.

Operational Progress Since FY 2025 Year-End

Areas of Progress

- Permanent staffing additions helped reduce manpower shortages and improve operational flexibility.
- Cross-training efforts expanded workforce capabilities and strengthened operational resiliency.
- Leadership transition within the division was successfully managed while maintaining uninterrupted operations.
- Continued documentation of procedures and operational practices supports long-term continuity and succession planning.
- Strong coordination with supporting divisions has helped advance infrastructure improvement efforts affecting terminal operations.

Areas Maintaining Stability

- Terminal operations continue to support vessel discharge and cargo movement activities without significant disruption.
- Coordination with Operations, Stevedoring, Transportation, Equipment Maintenance, and Facilities Maintenance remains strong.
- Safety continues to be emphasized throughout terminal operations.
- Daily operational oversight, yard management, and customer service functions remain consistent.
- Workforce engagement and communication efforts continue supporting operational continuity.

Areas Requiring Continued Attention

- Reefer power restoration and related infrastructure improvements remain operational priorities.
- Terminal lighting, bumper stopper repairs, and yard improvement projects require continued follow-through.
- Waterline replacement completion remains important to maximizing terminal utilization and operational efficiency.
- Workforce development and succession planning efforts should continue as the division adapts to future operational demands.
- Continued coordination with supporting divisions is necessary to ensure infrastructure projects are completed on schedule and with minimal operational impact.

General Manager's Feedback

The first half of FY 2026 reflects continued operational stability despite leadership transitions, infrastructure challenges, and ongoing modernization efforts. Particularly encouraging is the division's commitment to workforce development, cross-training, and succession planning. Building operational flexibility and institutional knowledge strengthens the division's ability to maintain continuity while preparing future leaders. The successful management of staffing transitions while maintaining uninterrupted operations reflects the professionalism and dedication of the division's workforce.

As the Port advances critical infrastructure and modernization initiatives, continued attention must be given to reefer power restoration, terminal lighting, bumper stopper repairs, waterline replacement activities, yard improvements, and other projects that directly affect operational efficiency. These initiatives require sustained collaboration with Facilities Maintenance, Capital Improvement Projects, Engineering, Planning, Equipment Maintenance, and Operations to ensure timely completion and minimal disruption to terminal activities.

The Terminal Division continues to demonstrate the One Port, One Fight philosophy through strong collaboration with supporting divisions and a shared commitment to operational excellence. Success moving forward will depend on maintaining operational discipline, strengthening workforce readiness, supporting infrastructure improvements, and continuing to adapt to the evolving demands of a modern port environment while maintaining the high level of service expected of the Port.

TRANSPORTATION
Ray Santos, Transportation Superintendent

Division Self-Report
During the first half of FY 2026, the division maintained transportation support for vessel operations, cargo movement, equipment deployment, and fuel management activities while adapting to evolving operational requirements and supporting the Port's modernization efforts.

The division remained focused on operational readiness, workforce development, fuel accountability, and equipment availability. Efforts continued to improve fleet monitoring through expansion of the Fuel Fleet Tracking System to include load centers and gantry crane fuel tanks, providing greater accountability and oversight of fuel usage throughout the Port. The division also supported equipment replacement initiatives through the acquisition of two FED/GSA vehicles and continued coordination on future equipment procurement needs.

Transportation personnel continued supporting succession planning, cross-training, certification programs, and workforce development initiatives designed to strengthen operational resiliency and prepare future leaders within the division. Close coordination with Operations, Equipment Maintenance, Finance, Commercial, and Facilities Maintenance remained essential in supporting daily operations and long-term planning efforts.

Operational Progress Since FY 2025 Year-End

Areas of Progress
- Expanded the Fuel Fleet Tracking System to include load centers and gantry crane fuel tanks, improving fuel accountability and operational oversight.
- Acquired two FED/GSA replacement vehicles through the one-for-one replacement program.
- Continued recruitment efforts for key operational positions to support workforce readiness and succession planning.

- Relocated Transportation administrative personnel to the Operations Administration area, improving communication and coordination with operational leadership.
- Continued supporting procurement planning for future equipment needs, including forklifts, utility vehicles, and other operational assets.

Areas Maintaining Stability

- Transportation support for vessel operations and cargo movement activities remained consistent.
- Coordination with Operations, Terminal, Stevedoring, Equipment Maintenance, Facilities Maintenance, Finance, and Commercial remained strong.
- Fuel management, fleet utilization monitoring, and equipment deployment activities continued without significant disruption.
- Preventive maintenance coordination with Equipment Maintenance continued to support operational readiness and equipment availability.
- Workforce engagement and operational communication efforts continued supporting daily operations.

Areas Requiring Continued Attention

- Managing overtime expenditures and fuel costs remains an ongoing priority.
- Aging vehicles and equipment continue to require replacement planning and procurement coordination.
- Surveyed asset disposal efforts require continued coordination with supporting divisions.
- Workforce development, certifications, and succession planning efforts should continue to prepare for future retirements and operational needs.
- Continued coordination with Equipment Maintenance and supporting divisions is necessary to maintain long-term equipment readiness and operational efficiency.

General Manager's Feedback

The first half of FY 2026 reflects steady operational performance, continued support of fuel accountability initiatives, and a commitment to maintaining transportation resources necessary to support daily Port activities.

The continued emphasis on workforce development, succession planning, cross-training, and certification programs remains encouraging. These efforts strengthen operational resiliency, preserve institutional knowledge, and support the Port's long-term workforce sustainability objectives.

The division's continued coordination with Operations, Terminal, Stevedoring, Equipment Maintenance, Facilities Maintenance, Finance, and Commercial demonstrates the One Port, One Fight philosophy and reinforces the importance of cross-divisional collaboration in achieving operational success.

As the Port advances modernization and infrastructure initiatives, the division must continue managing overtime expenditures, controlling fuel costs, supporting equipment replacement planning, and advancing surveyed asset disposal efforts. Workforce development, certifications,

and succession planning should remain priorities as the division prepares for future operational demands and workforce transitions. Continued coordination with Equipment Maintenance and supporting divisions remains necessary to maintain equipment readiness, improve operational efficiency, and ensure transportation resources remain available to support the Port's mission.

EQUIPMENT MAINTENANCE
Kin Pangelinan, Equipment Maintenance Manager
Shine San Agustin, Assistant Equipment Maintenance Manager

Division Self-Report
The division remained focused on maintaining the reliability of critical cargo-handling equipment, reducing equipment downtime, improving maintenance planning, and strengthening accountability through maintenance-tracking and reporting systems.

The division continued refining maintenance performance monitoring tools and financial tracking systems to improve visibility over equipment condition, maintenance costs, and resource utilization. Coordination with Operations, Transportation, Stevedoring, Terminal, Finance, Procurement, and Information Technology remained essential to ensuring equipment availability and supporting uninterrupted Port operations.

Preventive maintenance remained a priority to maximize equipment life, improve reliability, and reduce operational disruptions. The division also continued supporting equipment acquisitions, fleet integration efforts, and immediate and long-term maintenance planning initiatives designed to strengthen operational readiness and asset sustainability.

Operational Progress Since FY 2025 Year-End

Areas of Progress
- Continued reduction of deferred maintenance and recurring equipment failures through improved preventive maintenance planning and scheduling.
- Expanded use of the Equipment Maintenance Dashboard to improve visibility over equipment availability, maintenance backlogs, work order status, repair priorities, labor utilization, and maintenance expenditures. The dashboard has become an important management tool for supporting planning, accountability, and operational decision-making.
- Utilized maintenance and financial dashboard data to better prioritize repairs, allocate resources, monitor expenditures, and support communication between Maintenance, Operations, Finance, and executive leadership.
- Improved visibility over maintenance expenditures, budget utilization, and equipment-related costs.
- Continued focus on preventive maintenance and equipment reliability.
- Sustained support for vessel operations and cargo handling activities despite equipment and staffing challenges.
- Improved coordination with Finance regarding job cost tracking, capitalization, and maintenance reporting.

- Continued efforts to reduce equipment downtime and improve equipment availability.
- Continued support of crane reliability initiatives and maintenance activities associated with the Port's aging ship-to-shore crane fleet.
- Improved coordination between maintenance planning and operational requirements to balance equipment availability with preventive maintenance needs.

Areas Maintaining Stability

- Consistent support for Port operations, vessel activities, and cargo movement requirements.
- Continued maintenance of critical cargo handling equipment, support vehicles, and operational assets.
- Ongoing coordination with Operations, Transportation, Terminal, Stevedoring, and Facilities Maintenance.
- Stable work order processing, maintenance documentation, and repair tracking practices.
- Continued monitoring of equipment performance and operational readiness.
- Continued support of emergency repairs and operational response requirements as needed to maintain Port operations.

Areas Requiring Continued Attention

- Recruiting and retaining qualified mechanics, welders, crane technicians, and other skilled trades personnel remains increasingly difficult as competition for technical talent continues across both the public and private sectors.
- Employee burnout and fatigue remain concerns due to the demands of maintaining aging equipment, responding to unexpected breakdowns, supporting vessel operations, and balancing preventive maintenance requirements with operational priorities.
- Aging equipment continues to place significant demands on maintenance resources, requiring increased repairs, parts procurement, technical troubleshooting, and specialized maintenance support to maintain operational readiness.
- Further integration of automated maintenance management tools, asset tracking systems, and maintenance analytics is needed to improve forecasting, planning, and resource allocation.
- Strengthening succession planning, technical training, and cross-training remains necessary to preserve institutional knowledge and maintain continuity as experienced personnel approach retirement.
- Continued review of overtime utilization, standby coverage requirements, and workforce deployment strategies is necessary to ensure resources are used efficiently while maintaining operational readiness.
- Preparing for the transition to new equipment and technologies associated with major Port modernization projects will require additional training, technical development, workforce readiness, and maintenance planning.

General Manager's Feedback

One of the division's most significant accomplishments has been the continued development and expansion of the Equipment Maintenance Dashboard and related financial tracking tools. What began as an effort to improve visibility over maintenance activities has evolved into a management

system that provides real-time information on equipment status, maintenance priorities, expenditures, labor utilization, and resource allocation. The dashboard has strengthened accountability, improved communication between Maintenance, Operations, Finance, Procurement, and executive leadership, and provided a stronger foundation for data-driven decision-making.

The Equipment Maintenance Dashboard has become a model for how information can be used to move the organization from reactive management to proactive planning. The ability to identify trends, monitor performance, prioritize repairs, and allocate resources based on data rather than assumptions has strengthened the division's effectiveness and supports better long-term asset management.

The division also deserves recognition for its continued efforts to reduce deferred maintenance, improve equipment availability, and support vessel operations despite the challenges associated with maintaining an aging equipment fleet. These accomplishments reflect a sustained commitment to preventive maintenance, operational readiness, and service reliability.

The division continues to shoulder the burden of maintaining equipment that, in many cases, has exceeded its intended service life. While modernization efforts are underway, the reality is that maintaining aging equipment requires extraordinary effort, technical expertise, persistence, and coordination. Their ability to keep critical assets operational under these conditions is a significant contribution to the Port's overall performance, operational readiness, and national security responsibilities.

I recognize that the division continues to face challenges recruiting and retaining qualified mechanics, welders, crane technicians, and other skilled trades personnel. Competition for technical talent continues to increase, placing additional pressure on existing personnel and reinforcing the importance of succession planning, workforce development, technical training, cross-training opportunities, and employee retention.

I also recognize the risk of employee burnout associated with maintaining aging equipment while simultaneously supporting daily vessel operations, emergency repairs, and preventive maintenance requirements. The division's ability to continue meeting operational demands despite these pressures reflects the professionalism, adaptability, and dedication of its workforce.

Moving forward, the division should continue emphasizing preventive maintenance, equipment lifecycle planning, and data-driven decision-making. The objective should not simply be to repair equipment after failure, but to anticipate failures before they occur, maximize equipment availability, extend asset life, and reduce long-term maintenance costs.

While significant progress has been made through the Equipment Maintenance Dashboard and related reporting tools, opportunities remain to further integrate maintenance management systems, asset tracking technologies, and maintenance analytics to support more effective forecasting, planning, resource allocation, and long-term asset replacement strategies.

Communication and coordination between Equipment Maintenance and Operations must continue to improve. Maintenance priorities, equipment scheduling, and operational demands should be discussed proactively to minimize conflicts, reduce downtime, and ensure resources are utilized effectively. Success depends on viewing maintenance and operations as complementary functions working toward the same organizational objectives.

The division should also continue evaluating overtime utilization, standby coverage requirements, and workforce deployment strategies to ensure resources remain aligned with operational needs while supporting workforce sustainability and maintaining readiness.

As the Port advances major modernization projects, including the replacement of critical cargo handling equipment, rehabilitation of key infrastructure, and implementation of new technologies, the division's role will evolve from primarily maintaining aging assets to preparing for and supporting a new generation of equipment and systems. Planning for that transition should begin now through technical training, cross-training opportunities, workforce development, succession planning, workforce readiness, and the transfer of institutional knowledge.

I also appreciate leadership approaches that empower employees to take ownership of their responsibilities, develop their skills, and contribute beyond the minimum expectations of their positions. Throughout the organization, I have consistently encouraged division managers to support, mentor, and develop their personnel while creating opportunities for employees to grow into greater responsibilities. The continued progress we are seeing throughout the Port is due in large part to leaders who are willing to invest in their employees, share responsibility, and create opportunities for others to succeed. Strong organizations are built when managers, supervisors, and employees work collaboratively, support one another, and remain focused on organizational success rather than individual recognition.

The expectation remains clear: improve reliability, strengthen accountability, support operational readiness, and ensure that the Port's equipment assets are managed strategically, efficiently, and responsibly. The success of the Port's modernization efforts will depend not only on acquiring new equipment, but on maintaining that equipment to the highest standard for decades to come.

FACILITIES MAINTENANCE
Alex Aflague, Facilities Manager

Division Self-Report
During the first half of FY 2026, the division remained focused on preventive maintenance, facility improvements, infrastructure support, and workforce development while working closely with Operations, Capital Improvement Projects and Engineering, Planning, Procurement, Safety, and other supporting divisions.

The division successfully completed several facility improvement projects, including renovations to the Clerical Services Office, construction of the Pedestrian Gate Guard Shack, improvements to the second floor of the Operations Building, and completion of the Facilities Maintenance and Grounds Crew Breakroom. Additional projects are nearing completion or are ready for execution,

including the Facilities Maintenance and Maintenance Control Office improvements, Port Police Dispatcher flooring upgrades, and container yard lighting enhancements. The division also continues to support planning and estimating activities for future facility improvement projects throughout the Port.

Facilities Maintenance remained focused on preserving critical facility systems, including fire pumps, load centers, equipment wash rack systems, storm drains, air conditioning systems, and fire alarm infrastructure. These systems remain essential to operational continuity, workplace safety, and the Port's long-term infrastructure investment strategy.

The division continued emphasizing succession planning through acting leadership assignments and workforce development efforts designed to preserve institutional knowledge and prepare future leaders. Strong collaboration with supporting divisions has allowed the team to maintain service levels despite budgetary, staffing, and vehicle-related challenges.

Operational Progress Since FY 2025 Year-End

Areas of Progress

- Completed renovations to the Clerical Services Office, Pedestrian Gate Guard Shack, Operations Building second floor, and Facilities Maintenance and Grounds Crew Breakroom.
- Advanced multiple facility improvement projects, including office renovations, flooring upgrades, and container yard lighting improvements.
- Continued preventive maintenance of critical facility systems supporting Port operations and workplace safety.
- Sustained succession planning efforts through acting leadership assignments and workforce development initiatives.
- Maintained strong coordination with CIP and Engineering, Planning, Procurement, and other supporting divisions to support project execution and operational readiness.

Areas Maintaining Stability

- Facility maintenance services continue to support daily Port operations without significant disruption.
- Preventive maintenance activities remain focused on preserving critical infrastructure and facility systems.
- Coordination with supporting divisions remains strong and supports timely response to operational needs.
- Workplace safety, facility reliability, and employee support remain priorities throughout the division.
- The division continues to maintain operational readiness despite budget, vehicle, and staffing challenges.

Areas Requiring Continued Attention

- Operational supply funding remains a concern due to reduced budget allocations and rising supply costs.

- Vehicle replacement planning remains necessary as several facility vehicles approach the end of their service life.
- Workforce succession planning remains important as several experienced employees approach retirement eligibility.
- Continued attention is needed to ensure adequate resources are available to maintain facility systems and infrastructure improvements.
- Ongoing coordination with CIP and Engineering, Planning, and Procurement remains necessary to advance facility improvement projects and modernization initiatives.

General Manager's Feedback
Particularly encouraging is the division's continued focus on succession planning and leadership development. The use of acting leadership assignments helps preserve institutional knowledge while preparing future supervisors and leaders. Our track record has consistently demonstrated that these opportunities help employees develop the skills, confidence, and experience necessary to assume greater responsibilities as vacancies occur.

The division's ability to maintain critical facility systems while simultaneously supporting multiple improvement projects demonstrates professionalism, adaptability, and strong teamwork. Continued coordination with CIP and Engineering, Planning, Procurement, Safety, and Operations remains essential as the Port advances modernization initiatives and infrastructure investments.

At the same time, the concerns identified by the division regarding operational supply funding, aging vehicles, workforce succession, and resource availability warrant continued attention. These challenges are not unique to Facilities Maintenance and must be addressed through proactive planning, prioritization, and coordination across the organization. Quantifying future vehicle replacement needs, anticipated retirements, and resource requirements will help ensure that potential impacts are identified early and incorporated into the Port's planning and budgeting efforts.

As the Port continues implementing major capital projects and modernization initiatives, Facilities Maintenance will remain critical to preserving existing assets while preparing for future improvements. Continued emphasis should be placed on preventive maintenance, workforce development, succession planning, vehicle replacement strategies, and maintaining the resources necessary to support reliable facility operations.

FINANCE
Jojo Guevara, Chief Financial Officer

Division Self-Report
During the first half of FY 2026, the division maintained strong financial oversight while supporting modernization initiatives, grant management, tariff implementation efforts, and ongoing digital transformation projects. Coordination with Planning, Procurement, Information Technology, Equipment Maintenance, and executive leadership remained essential to ensuring fiscal accountability and alignment with the Port's strategic priorities.

Operational Progress Since FY 2025 Year-End

Areas of Progress

- Continued implementation of financial automation initiatives, including employee self-service access, electronic payroll distribution, employment verification tools, and digital benefits access.
- Expanded utilization of E1 financial systems to improve job cost billing, labor tracking, equipment billing, and financial reporting accuracy.
- Continued support for the Port's tariff implementation efforts through financial analysis, cost validation, and revenue monitoring.
- Maintained strong coordination with grant-funded projects to support modernization efforts, including gantry crane replacement, wharf rehabilitation, fuel pier projects, and Clean Ports initiatives.
- Supported bond defeasance planning and long-term financing strategies intended to strengthen debt service performance and position the Port for future capital investment opportunities.
- Continued development of financial dashboards and reporting tools to improve transparency, forecasting, and management decision-making.

Areas Maintaining Stability

- Maintenance of strong internal controls and financial oversight processes.
- Continued support for clean audit objectives and compliance with local and federal financial requirements.
- Consistent management of payroll, accounts payable, accounts receivable, budgeting, and financial reporting functions.
- Ongoing coordination with Procurement, Planning, and operational divisions to ensure expenditures align with approved budgets and project timelines.
- Continued support of the Port's bond rating objectives through disciplined fiscal management.

Areas Requiring Continued Attention

- Continued coordination with all divisions to ensure timely submission of supporting documentation necessary for financial reporting, project reconciliation, and grant compliance.
- Improving labor allocation, job cost billing, and capitalization tracking associated with capital improvement projects and work orders.
- Further refining expenditure forecasting, budget monitoring, and financial reporting tools to support long-term planning and decision-making.
- Monitoring tariff implementation, revenue performance, and cost recovery efforts to ensure financial sustainability and alignment with the Port's strategic objectives.
- Maintaining readiness to support major modernization initiatives that require complex funding strategies, reimbursements, grant administration, and regulatory compliance.

General Manager's Feedback

Particularly encouraging is the continued advancement of financial automation, E1 improvement projects, and system integration initiatives. These efforts strengthen internal controls, improve financial visibility, enhance accountability, and provide all of us with improved access to information needed to support informed decision-making, reporting, and operational efficiency.

As the Port advances major infrastructure and modernization projects, continued coordination among Finance, Planning, Procurement, CIP and Engineering, Information Technology, Equipment Maintenance, Facilities Maintenance, Commercial, and operational divisions remains essential to ensure funding strategies, project execution, financial reporting, and grant requirements remain aligned. Accurate labor allocation, job cost billing, capitalization tracking, reimbursement documentation, insurance claims reporting, and supporting records depend upon timely communication and documentation from all affected divisions. While Finance provides financial oversight, accounting controls, financial reporting, insurance administration, claims coordination, and compliance with applicable accounting, audit, and grant requirements, successful execution requires organization-wide participation and accountability.

As revenue accountability, lease administration, and tenant compliance efforts continue to evolve, maintaining strong coordination between the Finance Division and the Commercial Division remains important. The Commercial Division administers leases, monitors tenant compliance, conducts inspections, and identifies activities or obligations that give rise to charges pursuant to lease agreements, permits, tariffs, and other applicable agreements. The Finance Division is responsible for billing, accounts receivable administration, collections tracking, financial reporting, and revenue monitoring. To maintain appropriate internal controls and separation of duties, Commercial personnel should not be generating invoices, maintaining accounts receivable records, or performing debt collection accounting functions. Those responsibilities properly belong within the Finance Division. Commercial's role is to administer leases, monitor compliance, identify billable activities, and support the resolution of tenant issues, while Finance is responsible for billing administration, receivables management, financial reporting, and revenue accountability. Continued communication and coordination between both divisions will help ensure that charges are accurately identified, timely billed, properly recorded, and effectively monitored.

Continued coordination among Finance, Safety, Equipment Maintenance, Facilities Maintenance, Human Resources, and operational divisions is also necessary to strengthen accident reporting, damage recovery efforts, insurance claims administration, and Accident Review Board processes. Accurate reporting, timely investigations, proper documentation, and consistent follow-through remain essential to protecting the Port's financial interests, maximizing available insurance recoveries, strengthening accountability, and supporting informed decision-making throughout the organization.

The division's continued focus on audit readiness, expenditure forecasting, debt management, revenue integrity, and financial transparency helps position the Port for long-term financial stability. Equally important is the division's role in supporting clean audits, maintaining strong bond ratings, monitoring tariff implementation and revenue performance, and ensuring that modernization efforts are supported by sound fiscal management and responsible stewardship of public resources.

PLANNING
Joe Javellana, Chief Planner

Division Self-Report
The division maintained oversight and coordination of numerous federal grants and projects, including the EDA Fuel Connectivity Project, DCIP F1 Pier Repair, MARAD F2-F6 Service Life Extension, EPA Clean Ports Program, FEMA PSGP projects, and multiple marina and hazard mitigation initiatives. Planning also continued development of major federal funding proposals supporting crane replacement, wharf rehabilitation, fuel infrastructure, and resiliency improvements.

Operational Progress Since FY 2025 Year-End

Areas of Progress
- Advanced implementation of multiple federal grant programs supporting infrastructure, resiliency, environmental, and operational initiatives.
- Continued progress on the EPA Clean Ports Program, including approval of the Quality Assurance Project Plan and initiation of greenhouse gas inventory activities.
- Supported MARAD, EDA, FEMA, DCIP, and other federal programs through planning, reporting, environmental review, and grant administration activities.
- Advanced major federal funding proposals supporting crane replacement, wharf rehabilitation, fuel infrastructure, and resiliency projects.
- Continued support of the Port Master Plan update, Customs Container Inspection Facility planning, Port Readiness Plan initiatives, and Terminal Operating System implementation efforts.
- Strengthened coordination with federal agencies, military partners, and stakeholders supporting Guam's commercial and national security objectives.
- Continued professional development and succession planning efforts within the division to strengthen institutional capacity and leadership continuity.

Areas Maintaining Stability
- Ongoing oversight and administration of active federal grants and project funding.
- Continued coordination with CIP and Engineering, Finance, Operations, Facilities Maintenance, Equipment Maintenance, IT, and other divisions on project development and execution.
- Sustained support for FEMA recovery efforts and long-term resiliency planning following Typhoon Mawar.
- Continued management of environmental compliance, permitting requirements, and federal reporting obligations.
- Maintained active engagement with federal agencies, military partners, and grant administrators to support project execution and funding opportunities.

Areas Requiring Continued Attention
- Securing funding for major infrastructure priorities, including ship-to-shore gantry cranes, fuel piers, wharf rehabilitation, and Area A fuel storage improvements.

- Managing environmental permitting, compliance reviews, and federal approval processes that continue to impact project timelines.
- Addressing inflationary pressures, supply chain constraints, and increased construction costs affecting project budgets and delivery schedules.
- Advancing FEMA reimbursement efforts and recovery coordination related to Typhoon Mawar and subsequent storm events.
- Strengthening project execution, milestone tracking, and cross-divisional coordination to ensure timely delivery of federally funded initiatives.
- Continuing to move major projects from planning and grant development into procurement, implementation, and construction phases.

General Manager's Feedback
The division's management of the 2025 Port Master Plan update process, implementation of the $2.4 million EPA Clean Ports Grant, administration of numerous federal grants supporting yard equipment acquisition, resiliency initiatives, and capital improvement projects, and continued coordination of the approximately $60 million ship-to-shore gantry crane replacement initiative reflect the breadth and importance of the work being undertaken by the division. The gantry crane replacement project represents one of the most significant modernization investments in the Port's history and has the potential to transform operational capacity, resiliency, productivity, and national security readiness for decades to come.

These efforts, together with continued progress in grant administration, environmental compliance, project development, federal engagement, and long-range planning, are helping position the Port for future growth and resilience. The division must also continue navigating environmental permitting requirements, federal approval processes, FEMA recovery and reimbursement efforts, and the budgetary and scheduling impacts associated with inflation, supply chain constraints, and rising construction costs.

As the Port continues transitioning from project development to project execution, expectations remain focused on timely communication, proactive identification of project risks, and stronger integration with Finance, CIP and Engineering, Operations, Facilities Maintenance, Equipment Maintenance, IT, and other supporting divisions. Continued emphasis should be placed on moving funded projects toward implementation while ensuring compliance, accountability, and transparency throughout the process.

CAPITAL IMPROVEMENT PROJECTS (CIP) AND ENGINEERING
Clarence Lagutang, CIP/Engineering Manager

Division Self-Report
The division worked closely with Planning, Facilities Maintenance, Equipment Maintenance, Operations, Procurement, and external partners to ensure projects remained aligned with operational needs, grant requirements, and the Port's long-term strategic objectives. Building upon the progress achieved in FY 2025, the division remained heavily engaged in project execution, engineering assessments, grant support, and infrastructure planning activities.

Operational Progress Since FY 2025 Year-End

Areas of Progress

- Completed the EQMR Maintenance Project and held a ribbon-cutting ceremony supporting improved maintenance operations and workforce efficiency.
- Completed the Wharves Fendering Project, strengthening infrastructure protection and operational readiness.
- Completed demolition and disposal of Warehouse 1 office spaces and supported facility improvements throughout Port properties.
- Continued construction management oversight of multiple active Port projects while maintaining compliance with federal, local, and grant requirements.
- Conducted numerous dive surveys, post-earthquake assessments, and engineering inspections to support infrastructure planning and asset management.
- Coordinated with Planning, USACE, FEMA, MARAD, EDA, DOAGR, local agencies, contractors, and Port divisions on major infrastructure initiatives, including Agat Marina dredging, fuel connectivity improvements, fuel pier replacement, wharf rehabilitation, service life extension planning, and other federally funded capital improvement projects.

Areas Maintaining Stability

- Maintained project oversight, contractor coordination, and project tracking across multiple active construction and engineering initiatives through project dashboards, contractor meetings, and status reviews.
- Sustained cross-divisional collaboration with Planning, Operations, Facilities Maintenance, Equipment Maintenance, Procurement, and Finance to support project execution and operational continuity.
- Continued cross-training and knowledge sharing among staff to improve resiliency, maintain continuity, and preserve institutional knowledge.

Areas Requiring Continued Attention

- The division continues to operate with limited engineering resources, particularly in structural and civil engineering disciplines needed to support complex infrastructure analysis, design review, code compliance, and value engineering.
- Limited vehicle availability continues to affect field inspections, site visits, and responsiveness to operational issues at Port facilities and marinas.
- Training opportunities remain constrained despite the growing need for project management, construction management, structural assessment, procurement, estimating, and engineering-related professional development.
- The division continues balancing multiple overlapping projects while serving as the Port's primary engineering and construction management resource, requiring careful prioritization and coordination.
- Continued focus is needed on procurement coordination, contractor performance, project forecasting, and early identification of schedule, scope, and funding risks to support successful project delivery.

GM's Feedback
The division identified a need for additional structural and civil engineering expertise to support complex infrastructure analysis, design review, code compliance, and value engineering activities. While these functions remain important, many of the Port's major infrastructure initiatives have been intentionally structured to include these specialized services through project-specific architects, engineers, Construction Managers, technical consultants, and Owner's Agent Engineer support funded through federal grants and other available project funding sources. These resources are intended to provide specialized expertise on a project-specific basis and for the duration necessary to successfully deliver the projects.

This approach allows the Port to access the expertise necessary to deliver complex infrastructure projects without creating permanent staffing obligations that would ultimately need to be supported by the Port's operating revenues after project funding has been exhausted. Maintaining a staffing structure that remains financially sustainable while leveraging project-funded professional services remains the more prudent long-term approach for the Port.

As major initiatives such as the Gantry Crane Replacement Program, Crane Rail Rehabilitation, Wharf Rehabilitation, Service Life Extension Program, Fuel Pier Rehabilitation, and FEMA-funded recovery projects advance, these specialized functions are expected to continue being performed through the project delivery structure rather than through the creation of permanent positions. The Port is already incorporating these anticipated technical support requirements into the upcoming Owner's Agent Engineer procurement and related project delivery strategies, which have previously been communicated to the CIP and Engineering Manager as part of the Port's long-term modernization planning.

The Port's Owner's Agent Engineer is intended to function as an extension of the Port's technical and project delivery capabilities, providing specialized engineering, project management, construction administration, technical review, and advisory services that supplement the efforts of the CIP and Engineering Division. Accordingly, many of the specialized functions identified by the division are expected to be addressed through the Owner's Agent Engineer and other project-funded professional services rather than through the creation of permanent positions funded by the Port's operating revenues. The CIP and Engineering Division's role remains critical in providing project oversight, coordination, institutional knowledge, and ensuring that consultant and contractor deliverables align with the Port's operational needs, funding requirements, and project objectives.

I appreciate the CIP and Engineering Manager's longstanding recommendation to establish a formal cross-divisional project review and approval process. I encourage the division to develop and submit a proposed framework for my review and approval. As the Port's capital program continues to grow, I believe the time has come to further develop this concept. A structured project governance framework that incorporates project prioritization, funding validation, procurement readiness, legal review, risk assessment, and execution planning would improve transparency, strengthen accountability, and provide greater consistency in how capital projects move from concept to completion.

The division also identified a need for additional professional development opportunities in areas such as project management, construction management, estimating, procurement, and other disciplines that support project delivery. As the Port's capital program continues to expand, the division should identify and prioritize specific training opportunities that directly support current project responsibilities, succession planning efforts, and future organizational needs. To the extent practicable, such training should be pursued through on-island programs, virtual platforms, webinars, professional associations, and other cost-effective resources that maximize employee development while maintaining fiscal responsibility.

On the issue of procurement, I do not view this primarily as a matter of coordination, but rather one of continued legal and procurement compliance. Continued attention should be given to procurement planning, contractor performance, project forecasting, and the early identification of schedule, scope, funding, and compliance risks. The division must continue working closely with Procurement and Legal, first and foremost, to ensure compliance with procurement requirements, contractual obligations, and applicable laws and regulations. Equally important is continued coordination with Planning to ensure compliance with grant and funding requirements, and with Finance to ensure that funding remains available and aligned with project needs.

Successful project delivery requires not only technical expertise, but also a commitment to legal, procurement, contractual, and funding compliance from the earliest stages of project development. Compliance considerations should not be viewed as separate from project delivery, but rather as essential components of successful project execution that protect the Port's interests and ensure projects remain legally and financially sound.

PROCUREMENT AND SUPPLY
Annie L.G. Sablan, Acting Procurement and Supply Manager

Division Self-Report
During the first half of FY 2026, the Procurement and Supply Division maintained compliance with Guam Procurement Law and the Port's delegated procurement authority while supporting a growing volume of operational, maintenance, and infrastructure-related procurement activities. Building upon the workload documented during FY 2025, when the division processed 427 requisitions, issued 351 purchase orders, awarded three Invitations for Bid for goods and services, and completed two construction procurement projects, the division continued providing critical procurement support across the organization.

The division continued advancing digitization efforts, improving records management, strengthening procurement tracking systems, and supporting greater transparency and audit readiness. Coordination with Finance, General Administration, Information Technology, Legal, Planning, CIP and Engineering, and operational divisions remained critical to ensuring procurement actions aligned with project schedules, funding requirements, and operational needs.

Operational Progress Since FY 2025 Year-End

Areas of Progress

- Continued processing requisitions, purchase orders, and procurement actions in support of daily operations and capital projects.
- Advanced procurement file digitization efforts to improve document accessibility, transparency, and audit readiness.
- Continued use of electronic issue receipt processing and E1 system enhancements to improve efficiency and reduce manual processing.
- Strengthened coordination with Finance, Legal, Planning, CIP and Engineering, and end users to support project delivery and procurement compliance.
- Continued implementation of contract tracking measures to improve oversight of renewals, amendments, and expiration dates.
- Supported procurement activities associated with major modernization initiatives, grant-funded projects, and infrastructure improvements.

Areas Maintaining Stability

- Compliance with Guam Procurement Law and delegated procurement authority.
- Timely support of operational procurement needs across all divisions.
- Maintenance of procurement records and supporting documentation.
- Coordination with vendors, contractors, and internal stakeholders.
- Responsiveness to procurement requests and project support requirements.

Areas Requiring Continued Attention

- Vendor responsiveness continues to affect procurement timelines for certain purchases and solicitations.
- Continued improvement in procurement planning and early engagement by end users is needed to reduce expedited requests and avoid project delays.
- Contract monitoring and renewal tracking require ongoing attention to ensure uninterrupted services and compliance.
- Growing capital project activity will require continued coordination among Procurement, Planning, CIP and Engineering, Finance, and end users to manage competing priorities and procurement workloads.
- Continued investment in digitization and records management remains necessary to support transparency, efficiency, and audit readiness.

General Manager's Feedback

The continued advancement of digitization efforts, contract tracking, and records management reflects a commitment to improving efficiency, transparency, and accountability. These efforts support the Port's broader modernization objectives and strengthen audit readiness across the organization.

The issues identified by the division regarding vendor responsiveness, procurement planning, contract renewals, and increasing procurement demands warrant continued attention. While some factors remain outside the Port's control, early planning, timely submission of procurement requests, and close coordination among end users, Planning, CIP and Engineering, Finance, Legal, and Procurement will be essential to minimizing delays and maintaining project schedules.

As the Port moves further into project execution and implementation of major modernization initiatives, procurement planning will become increasingly important. Procurement actions must be initiated early enough to account for solicitation timelines, vendor response periods, contract reviews, and funding requirements. Successful project delivery depends on proactive planning, effective communication, and coordination among all involved divisions.

MARKETING
Bernadette Sterne, Marketing and Communications Manager

Division Self-Report
During the first half of FY 2026, the division remained actively engaged in communicating the Port's accomplishments, infrastructure initiatives, cruise operations, employee recognition efforts, and public information updates while supporting the Port's broader strategic objectives and public trust responsibilities.

Marketing continued providing communications support for Board actions, federal partnership announcements, infrastructure milestones, employee events, community engagement activities, and operational updates. The division also maintained ongoing coordination with local media outlets, government partners, tourism stakeholders, and other organizations to ensure timely and accurate dissemination of information.

Operational Progress Since FY 2025 Year-End

Areas of Progress
- Continued production and distribution of press releases, public notices, social media content, newsletters, and stakeholder communications.
- Supported communications and public outreach efforts related to infrastructure projects, federal grants, capital improvements, and operational milestones.
- Coordinated messaging and public information efforts associated with cruise ship arrivals and passenger operations.
- Maintained consistent branding, visual communications, and public-facing materials across Port platforms.
- Continued development of communication strategies that highlight the Port's role in economic development, supply chain reliability, national security, and community engagement.
- Strengthened coordination with media partners and external stakeholders to improve awareness of Port initiatives and accomplishments.

Areas Maintaining Stability
- Continued support for executive communications, Board communications, and organizational messaging.
- Maintained regular engagement with media outlets and community stakeholders.
- Continued publication of employee-focused communications that help reinforce organizational awareness and shared priorities.

- Sustained support for special events, employee recognition activities, public ceremonies, and community outreach initiatives.
- Maintained responsiveness to emerging issues requiring timely public communication and stakeholder engagement.

Areas Requiring Continued Attention

- Timely access to operational information remains dependent upon proactive communication from divisions regarding accomplishments, milestones, and emerging issues.
- The increasing volume of communication requests, events, projects, and public outreach efforts continues to place pressure on available staffing resources.
- Continued refinement of content planning, publication scheduling, and workflow coordination is needed to improve efficiency and responsiveness.
- Additional structure is needed to ensure major operational milestones, project developments, and division accomplishments are communicated consistently and in a timely manner.
- Ongoing efforts to strengthen digital communications platforms, website content management, and stakeholder engagement tools remain important priorities.

General Manager's Feedback

The division continues to do a remarkable job supporting public outreach efforts, coordinating communications related to cruise operations, highlighting employee achievements, and ensuring that important milestones are communicated to the public. The volume of work handled by Marketing often extends well beyond traditional communications functions and includes event coordination, media engagement, stakeholder outreach, executive support, and organizational messaging.

As we move forward, stronger coordination between Marketing and all division heads remains critical. Marketing cannot effectively communicate accomplishments, milestones, emerging issues, project developments, or special events if information is not shared early and consistently. Too many times, Marketing is not informed about events, accomplishments, or activities that should be covered until the General Manager brings them to the division's attention. Division leadership across the organization must view Marketing as a partner and ensure that opportunities for coverage and public outreach are communicated directly and in a timely manner.

The division continues to formalizing its communications calendar, expanding digital engagement efforts, and advancing the rollout of the Port's website and other public-facing communication tools. Marketing also plays a critical role in ensuring that the Port's story is told factually, particularly when misinformation, misunderstanding, or incomplete narratives emerge.

HUMAN RESOURCES
Shawn B. Cepeda, Personnel Services Administrator

Division Self-Report
Throughout the first half of FY 2026, the division remained focused on maintaining merit-based personnel practices, strengthening internal controls, and supporting workforce readiness across all divisions.

The division continued administering personnel actions in accordance with the Personnel Rules and Regulations while providing guidance and support to supervisors and employees on personnel matters. Human Resources also maintained oversight of employee records, benefits administration, leave management, recruitment activities, and performance evaluation tracking.

Operational Progress Since FY 2025 Year-End

Areas of Progress

- Continued administration of internal pre-audit reviews for personnel actions to ensure compliance with the Personnel Rules and Regulations prior to certification and implementation.
- Continued support of Civil Service Commission appeals, post-audit reviews, grievance proceedings, disciplinary actions, personnel investigations, and other personnel matters requiring significant research, documentation, and coordination with Legal and executive leadership.
- Maintained the use of redacted applications, rotating rating panels, conflict-of-interest disclosures, and practical assessments as standard components of the Port's recruitment process.
- Participated in job fairs, workforce outreach activities, and recruitment initiatives to expand the applicant pool, strengthen workforce succession planning, and promote employment opportunities at the Port.
- Continued development of the Employee Certification Checklist to improve verification and tracking of required licenses, certifications, and position qualifications.
- Supported workforce development, apprenticeship initiatives, and succession planning efforts designed to strengthen leadership continuity and preserve institutional knowledge. Updated Apprenticeship Program standards to include work process schedules and related instruction outlines.
- Continued safeguarding confidential personnel records, recruitment materials, examination instruments, rating documents, post-audit records, disciplinary files, and other Human Resources documents protected under the Port's Personnel Rules and Regulations, ensuring the integrity of personnel processes and compliance with applicable confidentiality requirements.
- Continued implementation and support of personnel policies, including guidance related to Temporary Out-of-Position Assignments, Desk Audits, and other workforce administration procedures.

Areas Maintaining Stability

- Personnel records management, employee benefits administration, leave administration, and employee support services.
- Internal recruitment controls, including restricted recruitment authority and standardized personnel review procedures.
- Monitoring of performance evaluation submissions and supervisory compliance requirements.
- Administration of personnel transactions and workforce support services across all divisions.

Areas Requiring Continued Attention

- Ensuring timely submission of employee performance evaluations and fulfillment of supervisory responsibilities across all divisions.
- Maintaining consistent application of personnel policies, procedures, and compliance requirements throughout the organization.
- Continued elimination of legacy personnel practices that are inconsistent with established rules, policies, and procedures.
- Managing the complexity of appeals, grievances, post-audit reviews, disciplinary actions, and personnel matters while maintaining timely service delivery and compliance oversight.
- Finalizing implementation of the Employee Certification Checklist and expanding certification tracking capabilities.
- Strengthening internal Human Resources procedures and standard operating procedures to reflect recent personnel reforms and policy updates.

General Manager's Feedback

The continued use of internal pre-audits, resume redaction, rotating rating panels, conflict-of-interest disclosures, practical assessments, and restricted recruitment controls demonstrates the division's commitment to maintaining merit-based recruitment and personnel administration. These measures have strengthened confidence in personnel actions, reduced opportunities for bias or procedural error, and reinforced compliance with the Personnel Rules and Regulations.

The division's participation in job fairs, workforce outreach efforts, apprenticeship initiatives, and succession planning activities is encouraging and supports the Port's long-term workforce development objectives. As competition for qualified employees continues to increase, Human Resources must remain proactive in attracting, developing, and retaining a capable workforce while preparing future leaders to meet the Port's operational needs.

The Human Resources Division, like any organization responsible for administering a merit-based personnel system, routinely manages appeals, grievances, disciplinary matters, post-audit reviews, and other personnel-related issues that require careful review, documentation, coordination, and follow-through. While these matters can be time-consuming and often involve competing priorities, the division has continued to meet its responsibilities while maintaining focus on recruitment, compliance, employee services, and workforce planning. Throughout these efforts, Human Resources has remained committed to applying the Personnel Rules and Regulations consistently, professionally, and with appropriate regard for confidentiality and due process.

I am also encouraged by the division's continued focus on protecting confidential personnel records, examination materials, rating documents, disciplinary files, post-audit records, and other sensitive Human Resources information. Maintaining the integrity and confidentiality of these records is essential to preserving employee trust and ensuring the credibility of the Port's personnel processes.

Challenges identified during FY 2025 remain relevant today. Late performance evaluations, inconsistent supervisory compliance, uneven application of policies, and incomplete personnel documentation continue to require attention throughout the organization. These are not solely Human Resources issues. Every manager and supervisor shares responsibility for compliance with the Personnel Rules and Regulations and for ensuring that personnel matters are addressed accurately, consistently, and in a timely manner.

Moving forward, Human Resources is expected to continue strengthening workforce planning, certification tracking, recruitment practices, apprenticeship initiatives, policy implementation, and internal accountability measures. The completion of the Employee Certification Checklist and continued refinement of personnel procedures should remain priorities. Through continued diligence, consistency, professionalism, and sound judgment, the division will remain central to preserving the integrity of the Port's workforce and ensuring the continued application of merit-system principles across the organization.

GENERAL ADMINISTRATION
Annette Mafnas, General Administration Manager

Division Self-Report
During the first half of FY 2026, the division maintained responsibility for document routing, records management, procurement support, policy coordination, administrative tracking, and interdivisional communications while supporting the Port's broader modernization and digitization efforts.

The division continued improving document routing and tracking processes to strengthen accountability, improve turnaround times, and enhance visibility of administrative actions requiring multiple levels of review. Efforts also continued to support audit readiness through organized recordkeeping, records inventories, and improved accessibility of personnel files, lease documents, contracts, board records, and other critical organizational records.

General Administration expanded its focus on records management and governance initiatives by beginning updates to the Port's Records Retention and Disposition Schedule, coordinating records inventories across divisions, and initiating reviews of existing Port policy memorandums to ensure policies remain current and aligned with operational needs.

Operational Progress Since FY 2025 Year-End

Areas of Progress
- Continued improvements to document routing, tracking, and accountability processes.
- Advanced digitization efforts and preparation for a centralized document management system.
- Initiated updates to the Records Retention and Disposition Schedule.

- Began review and update of existing Port policy memorandums.
- Improved organization and accessibility of personnel files, lease documents, contracts, and archival records.
- Strengthened audit readiness through improved records management and documentation practices.
- Expanded coordination with division record keepers to improve records inventories and records management practices across the Port.
- Continued support of procurement operations through purchase order processing and administrative coordination.
- Supported cross-divisional efforts related to document management, policy development, and organizational modernization initiatives.

Areas Maintaining Stability

- Consistent routing and tracking of administrative documents.
- Maintenance and accessibility of official records and archives.
- Administrative support services for Port divisions.
- Procurement support and internal coordination functions.
- Correspondence routing and records management activities.
- Support for audits, compliance reviews, and documentation requests.

Areas Requiring Continued Attention

- Staffing limitations continue to constrain the division's capacity to accelerate modernization and digitization initiatives.
- Continued reliance on manual processes in several administrative and records management functions.
- Delays associated with multi-level review and approval processes.
- Need for greater standardization of administrative workflows and records management practices across divisions.
- Continued implementation of centralized document management and electronic recordkeeping systems.
- Ongoing need to strengthen accountability and timely follow-through on documents requiring action by multiple divisions.

General Manager's Feedback

I am encouraged by the division's increased focus on records management, policy review, document tracking, and digitization. The division is actively modernizing records systems and strengthening records retention practices, efforts that will become increasingly important as the Port expands its operational, financial, legal, and regulatory responsibilities.

At the same time, the challenges identified by the division warrant continued attention. Staffing limitations continue to affect the pace at which modernization and digitization initiatives can be implemented. The continued reliance on manual processes in several administrative and records management functions increases workload demands and can affect efficiency, consistency, and turnaround times. The division continues to work with Information Technology and executive leadership to identify opportunities for automation and process improvements that reduce administrative burdens and improve productivity.

Continued efforts are also needed to standardize administrative workflows and records management practices across all divisions. Consistency in how documents are created, routed, retained, and archived will improve accountability, reduce confusion, and strengthen audit readiness throughout the organization.

The implementation of a centralized document management system and expanded electronic recordkeeping capabilities should remain priorities moving forward. The division should also continue strengthening coordination with all divisions to improve document accountability and ensure timely follow-through on actions requiring multiple reviews, approvals, or signatures. While some delays are unavoidable when multiple divisions are involved, clear communication, proactive tracking, and early follow-up can help minimize bottlenecks and keep critical actions moving forward.

SAFETY
Paul Salas, Safety Administrator

Division Self-Report
During the first half of FY 2026, the division remained focused on preventive safety measures, environmental stewardship, safety equipment procurement, and coordination with operational divisions to promote a safe and compliant working environment.

The division successfully completed the annual inspection and certification of all fire extinguishers throughout Port facilities and awarded contracts to two qualified vendors for safety footwear procurement. Environmental compliance activities continued through management of hazardous and non-hazardous waste disposal, water sampling, and coordination of waste handling activities generated through Equipment Maintenance operations. The division also continued working with Human Resources to align safety requirements with Port policies, procedures, and standard operating practices.

Operationally, the division increased its emphasis on field visibility and direct engagement with employees in operational areas to monitor compliance, provide guidance, and reinforce safe work practices. Coordination also continued with divisions regarding emergency preparedness activities, refresher briefings, and safety awareness initiatives.

Operational Progress Since FY 2025 Year-End

Areas of Progress
- Successfully completed annual inspection and certification of all fire extinguishers throughout Port facilities.
- Awarded contracts to qualified vendors for safety footwear procurement and continued efforts to improve availability of safety equipment.
- Continued environmental compliance activities involving hazardous and non-hazardous waste management, water sampling, and disposal coordination.
- Increased field presence within operational areas to provide real-time safety guidance and compliance monitoring.
- Continued coordination with Human Resources and operational divisions to align safety procedures and standard operating practices.

Areas Maintaining Stability

- Maintenance of regulatory compliance and workplace safety oversight responsibilities.
- Ongoing support for emergency preparedness planning, drills, and safety awareness activities.
- Continued participation in accident review processes and safety-related investigations.
- Consistent collaboration with Operations, Equipment Maintenance, Human Resources, and other divisions on safety matters.

Areas Requiring Continued Attention

- Resumption of mandatory safety training that was temporarily impacted by the absence of the division's primary trainer.
- Resolution of surveyed equipment disposal backlogs and improved coordination of EQMR-generated waste disposal activities.
- Continued clarification of safety staffing roles and operational support requirements during vessel operations and other high-activity periods.
- Development of contingency training plans to ensure uninterrupted delivery of required safety training during staffing shortages.

General Manager's Feedback

The concerns identified by the Safety Division are less a matter of resources and more a matter of institutionalizing processes. Safety programs, training requirements, compliance activities, and operational oversight must be structured to continue regardless of the availability of any single employee. The division should continue developing redundancy within its training and compliance functions to ensure continuity during staffing shortages, employee absences, or other unforeseen circumstances.

Similarly, the issues involving surveyed equipment disposal and EQMR-generated waste disposal have been recognized for some time. The focus should now be on implementing practical, sustainable solutions in coordination with Equipment Maintenance, Facilities Maintenance, Procurement, and Finance. Continued follow-through and accountability will be necessary to reduce existing backlogs and prevent future accumulation.

The division should also continue refining its role during vessel operations and other periods of heightened activity. Safety personnel provide an important compliance, training, and advisory function, while operational responsibility remains with Operations leadership. Continued clarification of responsibilities and expectations will strengthen coordination, improve communication, and reduce uncertainty during vessel operations.

Moving forward, the division should focus on building redundancy into its training, compliance, and oversight functions while maintaining a visible field presence. A safety program is measured not only by compliance activities completed, but by its ability to operate effectively, maintain continuity, and support safe operations regardless of personnel changes, operational demands, or unforeseen disruptions.

PORT POLICE DIVISION
Jesse Mendiola, Port Police Chief
Roseanna Castro, Assistant Port Police Chief of Administration
Victor Camacho, Assistant Port Police Chief of Operations

Division Self-Report
The Port Police Division continued to provide law enforcement, security, and emergency response services throughout Port facilities while supporting cruise vessel operations, maritime security requirements, and daily operational activities. During the first half of FY 2026, the division maintained a visible security presence across Port properties, strengthened coordination with federal and local law enforcement partners, and continued efforts to improve training, documentation, accountability, and operational readiness.

The division maintained compliance with the Port's Facilities Security Plan through patrol operations, access control activities, incident response, security inspections, and enforcement of maritime security requirements designed to protect critical infrastructure, commerce, and public safety. Port Police personnel also participated in emergency preparedness activities, training programs, and interagency coordination efforts to strengthen the Port's overall security posture.

The division continued investing in workforce development through firearms qualifications, tactical law enforcement training, CPR, First Aid and AED certification, and specialized security training. Security readiness was further strengthened through recruitment and training efforts, continued evaluation of staffing needs, and initiatives designed to improve long-term operational sustainability.

Several strategic initiatives advanced during this reporting period. The Hotel Wharf Annex received U.S. Coast Guard approval, establishing operational security requirements supporting activities at the Wharf. The Port Police Drone Program progressed from concept to implementation through equipment acquisition and instructor certification efforts. The division also supported successful pursuit of federal Port Security Grant funding to strengthen perimeter security, access control systems, critical infrastructure protection, and development of a modular floating dock supporting maritime security operations.

Operational Progress Since FY 2025 Year-End

Areas of Progress
- Maintained perimeter security, access control, patrol operations, and law enforcement presence throughout Port facilities.
- Successfully supported cruise vessel operations through traffic management, passenger safety coordination, and interagency collaboration.
- Continued implementation and enforcement of the Port's Facilities Security Plan and federal maritime security requirements.
- Strengthened coordination with the U.S. Coast Guard and other local and federal public safety partners to support compliance and emergency preparedness efforts.

- Expanded training opportunities through firearms qualifications, tactical law enforcement instruction, CPR, First Aid and AED certification, and specialized security training.
- Increased emphasis on field supervision, command presence, officer accountability, and professional standards.
- Advanced implementation of the Port Police Drone Program to support future security and emergency response operations.
- Secured Port Security Grant funding to strengthen security infrastructure and long-term operational readiness.
- Continued documentation of patrol activities, incident reporting, shift operations, and security-related activities.

Areas Maintaining Stability

- Consistent security coverage across Port facilities and operational areas.
- Ongoing support for cruise operations, special events, and maritime security activities.
- Continued coordination with Operations, Safety, Harbor Master, and other Port divisions.
- Stable command oversight across administrative and operational functions.
- Continued compliance with federal maritime security requirements and security protocols.

Areas Requiring Continued Attention

- Staffing levels, overtime utilization, recruitment, and workforce sustainability continue to place pressure on operational schedules and require ongoing monitoring and planning.
- Communication, coordination, and information sharing among command staff must continue improving to ensure consistency in supervision, decision-making, shift transitions, and operational execution.
- Supervisory development, leadership succession, and cross-training should remain priorities to strengthen continuity during leave periods, vacancies, emergencies, and other operational disruptions.
- Long-term planning for vehicles, equipment, technology, facilities, and other operational resources must continue to support readiness, security requirements, and future operational demands.
- Documentation of incidents, patrol activities, enforcement actions, shift operations, and operational reporting must continue improving to support accountability, planning, compliance, and informed decision-making.
- Coordination with Operations, Safety, Harbor Master, and other Port divisions must remain strong to support cruise operations, special events, emergency response activities, daily Port operations, and implementation of the Port's Facilities Security Plan.
- Continued attention must be given to maintaining compliance with federal maritime security requirements, the Port's Facilities Security Plan, and evolving regulatory obligations.

General Manager's Feedback

The division has maintained consistent security coverage across Port facilities while supporting cruise vessel operations, special events, emergency preparedness activities, and daily law enforcement responsibilities. These responsibilities require continuous coordination, flexibility, and professional execution across all shifts and operational environments.

I appreciate the leadership provided by Chief Jesse Mendiola, Assistant Chief Roseanna Castro, and Assistant Chief Victor Camacho. Their efforts have helped maintain operational continuity, support compliance with the Port's Facilities Security Plan, and ensure the Port remains aligned with federal maritime security requirements and U.S. Coast Guard expectations.

The division has demonstrated progress in strengthening professionalism, field supervision, officer accountability, documentation, and operational readiness. The advancement of the Drone Program, implementation of security enhancements, and continued coordination with local and federal law enforcement partners position the division to better address evolving security threats and operational demands.

At the same time, the challenges identified by the division require continued attention. Staffing levels, overtime utilization, recruitment, and workforce sustainability remain ongoing concerns that directly affect operational flexibility and long-term readiness. Continued focus must be placed on recruitment, retention, succession planning, and development of future supervisors to ensure the division can maintain required coverage while reducing reliance on overtime.

The division has also correctly identified the importance of strengthening communication, coordination, and information sharing among command staff. Consistent communication, unified leadership, and clear expectations are essential to maintaining continuity across shifts, supporting officer development, and ensuring operational decisions are effectively communicated throughout the organization.

Supervisory development and cross-training should remain priorities. Building leadership depth throughout the organization will strengthen continuity during leave periods, vacancies, emergencies, and other operational disruptions while preparing the next generation of Port Police leadership.

Long-term planning for vehicles, equipment, technology, facilities, and other operational resources must continue. Security infrastructure, training, equipment replacement, and technology investments should be planned proactively to ensure the division remains capable of meeting future operational, regulatory, and security requirements.

Documentation, reporting, and strategic planning must also remain a focus. Accurate reporting and timely documentation support accountability, informed decision-making, compliance efforts, and the Port's ability to demonstrate adherence to federal security requirements. These functions are not administrative exercises. They are essential components of effective law enforcement and security operations.

Finally, continued coordination with Operations, Safety, Harbor Master, Facilities Maintenance, Information Technology, and other Port divisions remains essential to supporting cruise operations, special events, emergency response activities, daily Port operations, and implementation of the Port's Facilities Security Plan. Security is not solely the responsibility of Port Police. The Port's overall security posture depends on every division working together under the One Port, One Fight philosophy. Continued collaboration, communication, and operational discipline will remain critical to maintaining compliance with the Port's Facilities Security Plan, federal maritime security requirements, and the Port's mission of providing a safe, secure, and resilient operating environment.

INFORMATION TECHNOLOGY (IT)
Dennis Perez, Systems Manager

Division Self-Report
During the first half of Fiscal Year 2026, the division remains responsible for maintaining critical technology infrastructure supporting daily Port operations, financial systems, communications, cybersecurity, and modernization projects.

The division successfully completed consolidation of the JD Edwards EnterpriseOne cloud environment and deployed SentinelOne protection across all EnterpriseOne servers, strengthening cybersecurity and system resilience. Enhanced cybersecurity awareness training was conducted throughout the organization, while implementation of NCIS Honeypot monitoring and participation in federal cybersecurity exercises further strengthened the Port's cyber defense posture.

The division expanded wireless connectivity throughout the Administration Building through the installation of additional access points and continued supporting the Port's EnterpriseOne environment, including year-end processing requirements and coordination with Guam Waterworks Authority under the existing support agreement.

IT continued supporting operational and revenue integrity initiatives through development of the EnterpriseOne Real Estate Management Module, which is intended to strengthen lease administration, reporting, and transparency. The division also continued supporting implementation planning for the Port's new email platform and Terminal Operating System, both of which represent significant modernization initiatives that will enhance operational efficiency and information management across the organization.

Operational Progress Since FY 2025 Year-End

Areas of Progress
- Completed EnterpriseOne cloud server consolidation and deployed SentinelOne protection across all EnterpriseOne servers.
- Expanded cybersecurity training and awareness programs for Port personnel.
- Implemented NCIS Honeypot monitoring and participated in cybersecurity coordination efforts with NCIS, FBI, USCG, and GovGuam partners.

- Advanced implementation planning for the new email platform.
- Continued evaluation and selection activities associated with the Terminal Operating System procurement process.
- Expanded wireless network coverage within the Administration Building through additional access point deployment.
- Continued development of the EnterpriseOne Real Estate Management Module to improve lease administration and revenue transparency.
- Maintained uninterrupted support of critical EnterpriseOne systems and year-end processing activities.

Areas Maintaining Stability

- Continued reliable operation of the Port's core financial and enterprise systems.
- Maintained cybersecurity compliance and system monitoring activities.
- Sustained support for multiple divisions through enterprise technology services and technical assistance.
- Continued coordination with federal and local partners regarding cybersecurity readiness and compliance requirements.

Areas Requiring Continued Attention

- Delays in federal grant funding continue to impact planned cybersecurity infrastructure improvements, including firewall, intrusion detection, and Active Directory implementation.
- Vendor delays associated with workstation replacement continue to slow modernization of desktop equipment.
- Long-term EnterpriseOne support strategy remains under development as the Port evaluates options to reduce dependency on external support arrangements.
- Staffing levels continue to require careful prioritization of projects and operational support activities.

General Manager's Feedback

Nearly every modernization initiative underway, including financial management, cybersecurity, lease administration, procurement automation, document management, communications, and the future Terminal Operating System, depends on the foundation being built and maintained by IT.

The division has demonstrated meaningful progress since FY 2025 by moving beyond system maintenance and into implementation of projects that strengthen cybersecurity, operational resilience, and digital modernization. The successful consolidation of the EnterpriseOne environment, deployment of enhanced cybersecurity protections, and advancement of the new email and Terminal Operating System initiatives reflect disciplined execution and sound technical leadership.

The challenges identified by the division require continued attention. Delays in federal grant funding have affected implementation of several planned cybersecurity initiatives, including firewall upgrades, intrusion detection capabilities, and Active Directory deployment. These projects remain important priorities. Delays in federal grant funding are largely outside the Port's

control. However, continued coordination among IT, Planning, Finance, Procurement, and the General Manager's Office will be necessary to position these projects for funding and timely implementation once resources become available.

Vendor delays affecting workstation replacement have also slowed portions of the Port's technology modernization efforts. The division should continue evaluating replacement schedules and available alternatives to ensure aging equipment does not negatively affect productivity, cybersecurity, or operational reliability.

The long-term support strategy for EnterpriseOne remains an important organizational priority. As the Port continues to expand its reliance on enterprise systems, the division should continue evaluating options that improve sustainability, strengthen internal knowledge and system administration capabilities, and reduce dependency on external support arrangements where practical.

Staffing limitations remain a reality and require careful prioritization of projects and operational support activities. While these constraints have not prevented progress, continued growth in technology demands across the organization will require ongoing evaluation of staffing needs, succession planning, and resource allocation to ensure the division can effectively support both daily operations and major modernization initiatives.

COMMERCIAL
Leo J. Espia, Person-In-Charge

Division Self-Report
During the first half of FY 2026. Building upon the organizational reset initiated during FY 2025, the division continued to focus on improving internal controls, standardizing reporting practices, enhancing coordination with Finance and Legal, and increasing accountability in the management of Port assets.

The division continued implementing structured processes for lease administration, inspections, tenant correspondence, delinquency monitoring, and documentation management. Coordination with Finance, Legal, Facilities Maintenance, Safety, Planning, and the General Manager's Office remained a priority to ensure that commercial activities support the Port's operational, financial, and strategic objectives.

The division also continued strengthening oversight of the marinas and waterfront properties through increased inspections, improved recordkeeping, and enhanced communication with tenants and stakeholders.

Operational Progress Since FY 2025 Year-End

Areas of Progress

- Continued reconciliation of tenant accounts and lease payment records with the Finance Division to improve billing accuracy and revenue accountability.
- Expanded monitoring of delinquent accounts and strengthened coordination with Legal and Finance regarding collection and enforcement efforts.
- Improved lease file organization, documentation standards, and record retention practices to support audit readiness.
- Increased use of formal tenant correspondence and escalation procedures to improve accountability and responsiveness.
- Continued development of inspection processes and field documentation practices for Port properties, marina facilities, and leased premises.
- Strengthened communication and coordination with Facilities Maintenance, Safety, and other divisions regarding tenant concerns, work orders, and compliance matters.
- Continued implementation of EnterpriseOne billing and reporting processes to improve consistency and accuracy.

Areas Maintaining Stability

- Ongoing administration of land leases, marina permits, waterfront agreements, and tenant relations.
- Continued coordination with Legal regarding lease interpretation, compliance issues, and enforcement actions.
- Routine inspections of Port properties and commercial facilities.
- Support for marina operations and customer service functions.
- Continued reporting to executive leadership regarding commercial activities, tenant issues, and revenue-related matters.

Areas Requiring Continued Attention

- Resolution of complex legacy lease matters and longstanding compliance issues.
- Continued reduction of delinquent accounts and enforcement of tenant obligations.
- Further integration of digital inspection tools and automated reporting systems.
- Consistent documentation of inspections, lease compliance activities, and tenant communications.
- Strengthening coordination among divisions to ensure timely follow-up on facility issues, lease requirements, and tenant concerns.
- Balancing growing oversight responsibilities with available staffing resources.

General Manager's Feedback
The progress achieved from the 2025 Management Review to mid-year 2026 helped build a more stable and disciplined operating environment. As that foundation continues to strengthen, I encourage the division to continue on this path under the present person in charge's oversight.

At the same time, I continue to expect ownership of commercial matters originating from the division and attention should be given to lease administration, tenant compliance, revenue enhancement opportunities, and maximizing the value of the Port's commercial assets.

HARBOR MASTER'S OFFICE
Chris Flores, Harbor Master

Division Self-Report
During the first half of FY 2026, the division maintained uninterrupted vessel traffic management services while coordinating closely with federal agencies, vessel operators, marina users, and Port divisions to support maritime commerce, navigational safety, and harbor readiness.

The division continued to serve as a key operational link between the Port, the maritime community, and federal regulatory agencies. Through proactive vessel scheduling, berth management, and stakeholder coordination, the Harbor Master's Office ensured continuity of vessel operations while supporting several significant initiatives affecting both commercial and marina users.

Operational Progress Since FY 2025 Year-End

Areas of Progress
- Successfully completed the disposal of the M/V Voyager, resolving a longstanding navigational and environmental concern within Port waters.
- Coordinated with the U.S. Army Corps of Engineers to plan and commence dredging activities within the Agat Marina channel to improve navigational access and marina operations.
- Assisted Black Construction in securing the required Facility Security Plan for Hotel Wharf, allowing continued aggregate discharge operations in support of the Glass Breakwater Project. Coordinated efforts with the Port Police Division and the U.S. Coast Guard to ensure compliance with federal maritime security requirements.
- Assisted in reestablishing the Hagåt Marina Users Group, strengthening communication between the Port and marina users while addressing issues involving lighting, security, gate access, waste management, and boat ramp maintenance.
- Conducted post-Typhoon Sinlaku assessments of harbor waterways, piers, and navigational areas, working with the U.S. Coast Guard to reopen waterways and restore vessel operations, including container and fuel vessel activities.
- Expanded utilization of available berth space at F4 following removal of debris associated with the Gantry Crane No. 3 demolition project, increasing operational flexibility and accommodation capacity for inter-island and commercial vessels.

Areas Maintaining Stability

- Maintained uninterrupted vessel traffic management and berth scheduling activities despite ongoing infrastructure projects and operational demands.
- Continued providing timely review and processing of vessel documentation and harbor movement requirements.
- Sustained strong working relationships with vessel agents, commercial carriers, federal agencies, marina users, and the maritime community.
- Maintained operational continuity through cross-training efforts that enabled Marine Traffic Controllers to perform administrative functions and support office operations during personnel absences.
- Successfully accommodated all commercial and non-commercial vessels entering Port facilities without significant disruption to vessel mooring or harbor operations.

Areas Requiring Continued Attention

- Continued coordination and follow-through associated with marina improvements and tenant concerns at both Hagåt and Hagåtña marinas.
- Ongoing support for dredging activities and long-term marina infrastructure improvements.
- Succession planning and workforce development to ensure continuity of Marine Traffic Control and harbor management functions.
- Continued coordination with Operations, Planning, CIP and Engineering, Port Police, and Safety as modernization projects affect berth utilization, vessel scheduling, and harbor operations.
- Balancing increasing stakeholder coordination responsibilities while maintaining uninterrupted vessel traffic management and regulatory compliance.

General Manager's Feedback

The successful disposal of the M/V Voyager represents a significant accomplishment and reflects persistence, coordination, and follow-through with federal partners. Equally important are the division's efforts to support dredging activities, marina engagement, post-typhoon recovery efforts, and expanded berth utilization resulting from ongoing infrastructure improvements.

The reestablishment of the Hagåt Marina Users Group demonstrates a proactive approach to stakeholder engagement and reflects the importance of maintaining direct communication with marina tenants and users. These efforts help strengthen relationships, improve responsiveness, and support long-term marina improvements.

As the Port advances major modernization initiatives, the Harbor Master's Office will play an increasingly important role in coordinating vessel movements, berth assignments, and operational impacts associated with construction activities. The division should continue strengthening coordination with Operations, Planning, CIP and Engineering, Port Police, Commercial, and Safety to ensure that operational impacts are identified early and managed effectively.

The Harbor Master's Office remains a strong example of the One Port, One Fight philosophy through its ability to bring together multiple stakeholders, agencies, and divisions in support of safe, efficient, and uninterrupted maritime operations. Its continued professionalism, adaptability, and commitment to service remain essential to the Port's success.

CONCLUSION

Each division's submission reflects the work performed across the Port during the first half of FY 2026. Collectively, these division submissions demonstrate an organization that continues to recognize accountability, discipline, workforce development, financial stewardship, and readiness while advancing some of the most significant modernization initiatives in the Port's history.

The submissions by each division also demonstrate that progress is measured not only by accomplishments, but by a willingness to identify challenges, address deficiencies, and improve performance. Honest self-assessment remains essential as the Port continues transitioning major initiatives from planning into execution. Identifying a challenge is only the first step. Divisions must also demonstrate ownership, identify practical solutions, document actions already taken, and show measurable progress toward resolving the issues they have identified. Sustainable improvement requires more than recognizing a problem; it requires a commitment to solving it.

As the Port moves into the second half of FY 2026, these priorities will require OUR continued focus:

- Advancing the ship-to-shore gantry crane replacement project and major federally funded infrastructure projects toward procurement, award, and construction.
- Advancing the Port's pending tariff adjustment to address structural revenue imbalances and strengthen long-term financial sustainability, with implementation anticipated as early as January 2027.
- Continuing workforce development, recruitment, succession planning, certification processes, and merit-based personnel practices.
- Improving truck turnaround times through operator availability, workforce scheduling, equipment utilization, and operational coordination.
- Continuing modernization of technology, cybersecurity, financial systems, lease administration, records management, and business processes.
- Maintaining readiness for severe weather events, emergencies, supply chain disruptions, and national security requirements while ensuring uninterrupted Port operations.
- Ensuring that project oversight, grant administration, procurement activities, reporting, and documentation keep pace with the increasing volume and complexity of modernization initiatives underway across the Port.

The Port's 50th anniversary highlighted a simple reality: every generation inherits challenges and responsibilities. The Port inherited challenges. Some issues required renewed attention. Difficult decisions were necessary. Reforms were implemented. The purpose was Port readiness.

The work undertaken during this reporting period has focused on strengthening institutional controls, accountability, revenue integrity, policies and practices, infrastructure investment, and preparing the Port to meet future operational, financial, regulatory, and security demands.

We thank every division head, assistant manager, supervisor, and employee who contributed to this review and, more importantly, to the work being performed every day across the Port. I also thank the Deputy General Managers, and Board of Directors for its continued support, guidance, and commitment to the Port Authority of Guam.

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 Legal Counsels
All Port Employees

BOARD OF DIRECTORS
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Resolution No. 2026-05

RELATIVE TO AUTHORIZING A SECOND CASH DEFEASANCE TRANSACTION OF CERTAIN OUTSTANDING 2018 REVENUE BOND OBLIGATIONS TO STRENGTHEN THE PORT'S DEBT SERVICE COVERAGE POSITION, PRESERVE FINANCIAL FLEXIBILITY, AND PRESERVE FUTURE INFRASTRUCTURE FINANCING.

BE IT RESOLVED BY THE 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 Guam'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 compliance with its bond covenants; and

WHEREAS, the Debt Service Coverage Ratio established under the 2018 Revenue Bond Indenture excludes certain recurring revenue sources, including the Crane Surcharge, Facility Maintenance Fee, and Marina revenues, resulting in a more limited measure of the Port's financial capacity than would otherwise be reflected by total operating revenues; and

WHEREAS, the exclusion of recurring revenue sources, including the Crane Surcharge, Facility Maintenance Fee, and Marina revenues, from the Debt Service Coverage Ratio calculation has resulted in a Debt Service Coverage Ratio that does not fully reflect the Port's actual operating revenues and financial capacity, thereby requiring the Port to periodically utilize unrestricted cash reserves through cash defeasance transactions to strengthen debt service coverage metrics and preserve financing flexibility; and

WHEREAS, the Board of Directors finds that future financing structures should recognize the full range of the Port's recurring revenue sources when evaluating financial capacity and debt service coverage, regardless of whether such revenues are specifically pledged for repayment of any particular debt obligation, so as to avoid repeating financing structures that require the use of unrestricted cash reserves to offset limitations in debt service coverage calculations; and

WHEREAS, since FY 2020, the Port has monitored its debt service coverage ratio on a monthly basis to ensure compliance with the requirements of the 2018 Revenue Bond Indenture; and

WHEREAS, the Port's historical DSCR performance reflects continued financial discipline and compliance with its bond obligations, with annual DSCR results of 2.29 in FY 2020, 1.35 in FY 2021, 3.66 in FY 2022, 2.29 in FY 2023, 1.79 in FY 2024, and 1.78 in FY 2025 following the Board-authorized defeasance transaction; and

WHEREAS, on June 5, 2025, the Board of Directors adopted Resolution No. 2025-20 authorizing a cash defeasance transaction that strengthened the Port's debt service coverage position, reduced future debt service obligations, and enhanced the Port's overall financial profile; and

WHEREAS, as of May 31, 2026, the Port generated total operating revenues of approximately $43.2 million, which was $241,000, or 0.6%, below budget, but $5.8 million, or 15%, higher than the same period in FY 2025; and

WHEREAS, cargo activity remained strong, with 58,321 containers handled through May 2026, an increase of 3,127 containers, or 5.7%, over the same period in FY 2025, while non-containerized cargo increased by 26.2% to 148,200 revenue tons; and

WHEREAS, growth in cargo throughput reflects continued economic activity, military construction demand, disaster recovery efforts, and the Port's critical role in supporting commercial and strategic supply chains throughout Guam and the Micronesian region; and

WHEREAS, as of May 31, 2026, total operating expenses were approximately $41.1 million, which was $1.2 million, or 2.8%, below budget, reflecting continued efforts to manage operating costs and maintain fiscal discipline; and

WHEREAS, the Port continues to experience a structural revenue imbalance resulting from inflation, increased fuel and utility costs, aging infrastructure, equipment maintenance requirements, regulatory compliance obligations, and other operational demands; and

WHEREAS, to address this structural revenue imbalance and strengthen the long-term financial sustainability of Guam's commercial seaport, the Port petitioned the Public Utilities Commission for a tariff adjustment; and

WHEREAS, the Port's tariff adjustment petition remains pending before the Public Utilities Commission, and management has determined that preserving additional financial management options during the pendency of that proceeding is prudent and consistent with sound fiscal stewardship; and

WHEREAS, despite ongoing inflationary pressures, increased operating costs, and continuing infrastructure maintenance requirements, the Port generated approximately $2.1 million in operating income and approximately $739,000 in net income through May 31, 2026, while maintaining healthy cash reserves and uninterrupted operations; and

WHEREAS, based on May 31, 2026 financial results, the Port's Debt Service Coverage Ratio was approximately 1.65, exceeding the minimum bond covenant requirement of 1.25 and reflecting continued compliance with the requirements of the 2018 Revenue Bond Indenture; and

WHEREAS, although the Port remains in compliance with all bond covenant requirements and currently projects a favorable Debt Service Coverage Ratio for FY 2026, the final Debt Service Coverage Ratio is determined based upon year-end financial results and remains subject to fluctuations in operating revenues, expenses, cargo activity, and other financial factors during the remaining months of the fiscal year; and

WHEREAS, the Port is entering a significant period of infrastructure investment and modernization that includes the replacement of ship-to-shore gantry cranes, wharf rehabilitation, crane rail improvements, fuel pier modernization, cargo yard improvements, and other capital projects necessary to support Guam's commercial and military supply chain requirements; and

WHEREAS, the Port has secured approximately $60 million in federal funding through the Maritime Administration's Port Infrastructure Development Program to support the replacement of its ship-to-shore gantry cranes, representing one of the largest federal investments in the Port's history; and

WHEREAS, the Port anticipates seeking future financing to support major infrastructure investments, including the local share of federally funded cargo crane replacement projects and other strategic capital improvements, and maintaining strong financial ratios is important to preserving favorable market access, supporting future borrowing capacity, and maintaining financing flexibility; and

WHEREAS, maintaining strong financial metrics, including a healthy debt service coverage ratio, is essential to preserving investor confidence, supporting favorable credit considerations, maximizing future financing opportunities, and leveraging federal infrastructure investments; and

WHEREAS, the Board of Directors recognizes that maintaining flexibility in the management of the Port's debt portfolio is an important component of long-term financial stewardship and supports the Port's ability to respond to changing financial, operational, and capital funding needs; and

WHEREAS, bond defeasance is a recognized financial management strategy that allows an issuer to reduce outstanding debt obligations through the deposit of funds into a restricted escrow account for the payment of designated principal and interest obligations; and

WHEREAS, management has determined that maintaining the ability to undertake a second cash defeasance transaction, if warranted by future financial conditions, market circumstances, debt service coverage considerations, or the Port's long-term capital financing needs, represents prudent financial management and preserves flexibility for the Board of Directors and Port management; and

WHEREAS, the Port's General Manager and Chief Financial Officer have identified sufficient unrestricted cash reserves and other legally available funds to complete a potential defeasance transaction and associated costs without impairing the Port's operational requirements, financial stability, or capital improvement priorities;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes the General Manager to undertake a second cash defeasance transaction of certain outstanding 2018 Revenue Bond obligations should such action be determined to be in the best financial interests of the Port Authority of Guam, and further authorizes the General Manager to utilize such sums as may be necessary from available unrestricted general cash reserves, together with any other legally available funds, to complete the transaction and pay all associated legal, financial advisory, trustee, escrow, administrative, and related costs; provided, however, that the General Manager determines, after consultation with the Chief Financial Officer, bond counsel, financial advisors, and other appropriate professionals, that the anticipated benefits of the transaction outweigh the associated costs and that the transaction will materially improve the Port's financial position, Debt Service Coverage Ratio, borrowing capacity, long-term debt profile, or overall financial flexibility; and

BE IT FURTHER RESOLVED, that the General Manager shall have the authority to determine whether and when to proceed with a defeasance transaction after consultation with the Chief Financial Officer, bond counsel, financial advisors, and other appropriate professionals, provided that such action is determined to be in the best financial interests of the Port Authority of Guam; and

BE IT FURTHER RESOLVED, that this Resolution does not authorize a specific defeasance amount and is intended solely to provide management with the flexibility to evaluate and execute a defeasance transaction should future financial, market, operational, regulatory, or strategic considerations warrant such action; and

BE IT FURTHER RESOLVED, that upon execution of any cash defeasance transaction authorized by this Resolution, the General Manager shall promptly notify the Board of Directors and, as soon as practicable thereafter, provide a written report summarizing the transaction, including the amount of bonds defeased, the funds utilized, any anticipated debt service savings, and the projected Debt Service Coverage Ratio resulting from the transaction, and shall cause such report to be posted on the Port Authority of Guam's website for public information and transparency; and

BE IT FURTHER RESOLVED, that the General Manager shall maintain appropriate documentation supporting the financial rationale for any defeasance transaction undertaken pursuant to this Resolution and shall provide such documentation to the Board of Directors contemporaneously with the written report required herein; and

BE IT FURTHER RESOLVED, that nothing in this Resolution shall be construed as requiring the execution of a defeasance transaction, and this authorization is intended solely to provide the flexibility necessary to act should future financial, market, operational, or strategic considerations warrant such action; and

BE IT FURTHER RESOLVED, that the General Manager is authorized to coordinate with the Port's Chief Financial Officer, legal counsel, financial advisors, the Guam Economic Development Authority, trustees, escrow agents, and other necessary parties to carry out the intent of this Resolution and ensure compliance with all applicable legal and financial requirements; 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*, the Chairperson of the Port's Legislative Oversight Committee, the Administrator of the Guam Economic Development Authority, and such other parties as deemed appropriate; 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 18th DAY OF JUNE, 2026.

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

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

Port Authority of Guam
CIP / Engineering Divisions

Status as of June 16, 2026 Fact Sheet No. **142**

Project Status
Post-Award Projects

Project Title	Warehouse 1 Building Maintenance
Project Number	IFB-PAG-CIP-024-004
Project Amount	$ 4,837,223.18
Work in Progress (WIP)	36.5% Complete
Funding Source	PAG Bonded Project
Contractor	BME & Sons
Designer of Record	NC Macario & Associates
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	June 10, 2025
Project Completion Date	540 calendar days from NTP
Current Status: Roof joint repair is at 75% completed and crack repair for the roof 60 % completed. Bay 3 and 4 wall replacement is not at 40 % complete, Electrical work and Fire Alarm System is now at 35% complete. Waiting for DPW to release the permit for the Fire alarm and Fire Protection system.	

Project Title	PAG Waterline Replacements
Project Number	IFB-PAG-CIP-021-005
Project Amount	$ 4,856,569.00
Work in Progress (WIP)	85% Complete
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
Current Status: Completed installation work of 18 fire hydrants and appurtenances. DPW re-issue encroachment permit for the resume work at route 11. BME will resume work at route 11 on July 19, 2026	

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)	97% Complete
Funding Source	PAG
Contractor	DS Recycling (bonded by Moylan's Insurance)
Designer of Record	PAG In-House
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	September 13, 2021
Project Completion Date	November 15, 2024
Current Status: Phase 2 disposal of Don Yang yard debris is on-going. Phase 3 to restore F4 pavement to original condition is under discussion with Moylan's POC.	

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)	88%
Funding Source	OIA Grant + PAG funds
Contractor	Guam Evergreen Corp.
Designer of Record	N/A
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	12/10/2024
Project Completion Date	06/30/2026
Current Status: ➢ Roll up doors installed and tested – 80% completed ➢ Roof Painting – 100% completed ➢ Roof hatch – 100% completed ➢ Aluminum window Louver – 100% completed ➢ Electrical installation (Amendment – 2) – 80% completed ➢ Tracking ESL plugs for delivery (long lead times) – ETA July 2026	

Project Title	F3 – F6 Bulkhead Repair
Project Number	IFB-PAG-CIP-024-007
Project Amount	$289,600
Work in Progress (WIP)	100% Complete
Funding Source	PAG Funds (FEMA Reimbursable)
Contractor	Guam Evergreen Corp
Designer of Record	Port Authority of Guam
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	02/17/25
Project Completion Date	June 2026
Current Status: Project completed and financial closeout is being processed.	

Pre-Award Project

Project Title	Harbor Master Office + Admin Structural Repairs
Project Number	C25B003 (Job Order Number)
Project Amount	$ 1,800,000 (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
Current Status: Awaiting Award from Procurement.	

Project Title	LC-4
Project Number	C26L007 (Job Order Number)
Project Amount	$ 495,000 (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
Current Status: ➢ Awaiting award from Procurement ➢ Additional funding was approved. Request additional funding due to lowest/most responsive contractor's bid is higher than PAG's estimate (3rd Contractor). The 2 lowest contractors bids were found to be "non-technically acceptable" and non-responsive.	

Project Title	Abandoned Derelict Vessels Removal Grant Program
Project Number	C26F013
Project Amount	$ 860,000
Work in Progress (WIP)	0% Complete
Funding Source	BOATS USA Grant ($645K share) + PAG ($215K)
Contractor	TBD
Designer of Record	TBD
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	TBD
Project Completion Date	TBD
Current Status: Awaiting NEPA approval. SOW and CE complete, in procurement process.	

Project Title	F1 – F6 Wharves Service Life Extension Hardening (RAISE Grant)
Project Number	C22F012
Project Amount	$ 22,427,500
Work in Progress (WIP)	0% Complete
Funding Source	DOT (MARAD) + PAG
Contractor	TBD
Designer of Record	TBD
Construction Manager	PAG Engineering Division
Notice to Proceed Issued	TBD
Project Completion Date	TBD
Current Status: Awaiting NEPA approval. SOW and CE complete, in procurement process.	

UPDATED: June 10, 2026

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	08/07/25 -08/07/28	08/07/35	08/07/28	
2	Allied Human Resources	Temporary Staffing Services	RFP 024-002	HR					Formulating contract
3	AM Insurance	Insurance Coverages	GSA/PAG-015-22	Finance	5 years	10/01/2022 to 09/30/2023	09/30/27	09/30/25	PO issued every new fiscal year
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		Currently on month to month extension
7	Mobil Oil Guam	Management and Operations of Golf Pier	RFP-PAG-021-002	Commercial	Pier inoperable				Mobil Oil Guam Request to Terminate Lease/Legal review
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	05/23/29		
9	Allied Human Resources	Drug Free Workplace Program	RFP-025-002	Human Resources	Initial 1yr term with 4 add'l one year options, not to exceed 5 yrs	April 10, 2026 to April 9, 2027	04/09/31	04/09/27	
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	Agreement Expired			With Legal for Review
13	Ernst & Young	Annual Independent Audit Services	OPA-RFP 25-008						OPA handled RFP/Contract with Finance
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

UPDATED: June 10, 2026

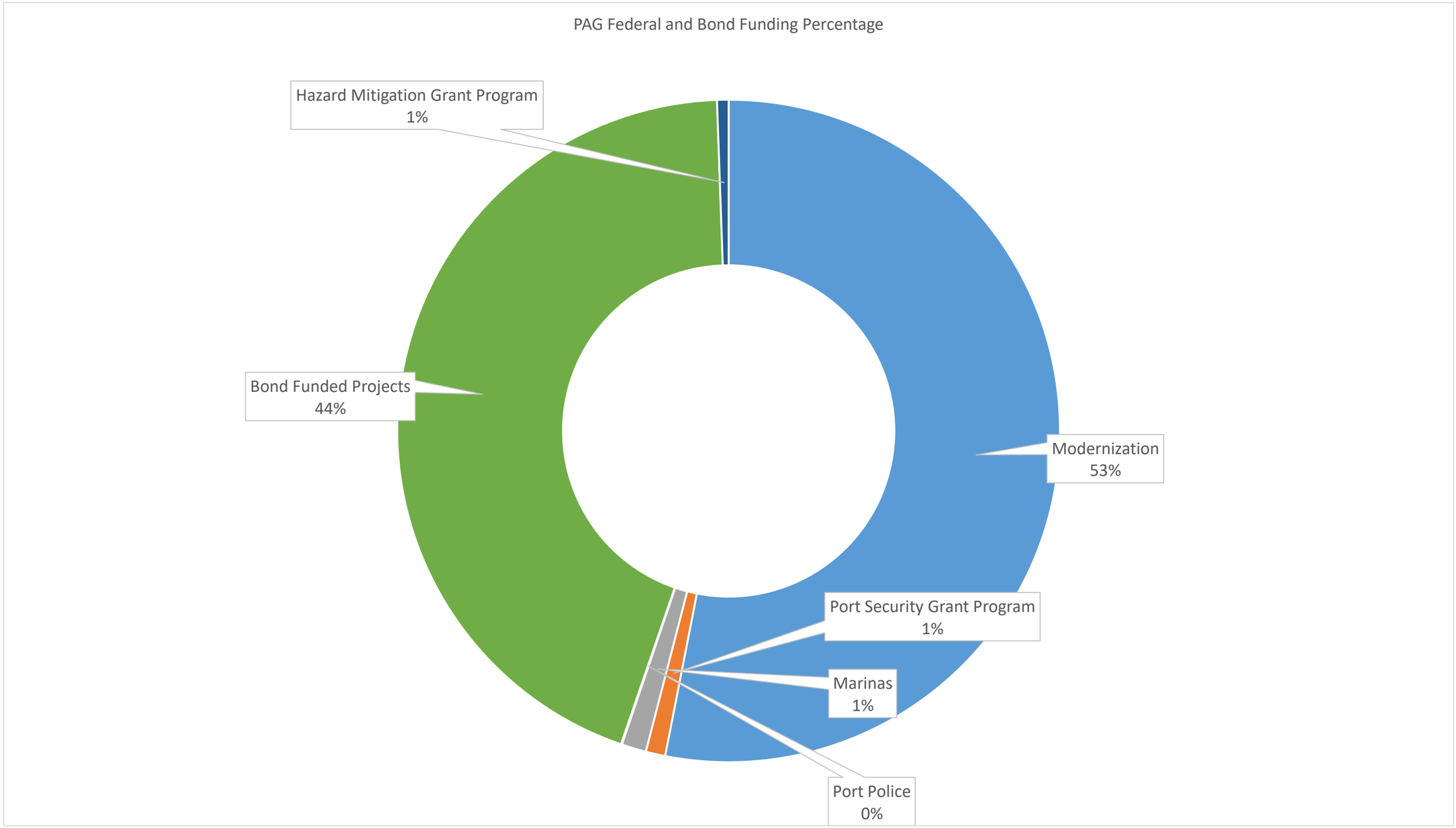
PORT AUTHORITY OF GUAM
CONTRACT SUMMARY UPDATE

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 Reclocation	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	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	PAG filing claim against performance bond	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	Guam Evergreen Construction Corp	Welding Shop Repairs & Upgrades	IFB-024-002	CIP/Planning	365 calendar days from NTP	Pending 100% Bonding			
5	Guam Evergreen Construction Corp	F3-F6 Bulkhead Repairs	IFB-024-007	CIP	270 Calebdar Days from NTP				$289,600.00
6	BME and Sons	WH1 Maintenance Project	IFB 024-004	CIP	540 Calendar days from NTP	PUC Approved, formulating Contract			$4,838,000.00

FY 2026 Port Grant/Bond - Monthly Update
As of June 15, 2026



FY 2026 Port Grant/Bond - Monthly Update
As of June 15, 2026

Grant Funded Projects	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
Modernization	**$93,583,005.00**	**$5,496,076.54**	**$88,086,928.46**		
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. 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. Planning submitted a grant application for the construction phase of the Fuel Connectivity Project to U.S. DOT's BUILD Grant Program on February 24, 2026. **UPDATE:** EDA approved the PAG's request to include the design of additional components (LPG, Mogas Bypass, and Area A Stub-Out) and a biological assessment of Golf Pier. PAG staff from the Planning, Engineering & CIP, Legal, and Procurement Divisions are working to complete the procurement for services. Status Quo.
D20AP00136 - Phase 1: Port Authority of Guam - Welding Shop	$240,325.00	$240,325.00	$0.00	PO No 20385OS for $386,379.00 to Guam Evergreen Corp. Change Order #1 (PO# 20997OS) for $38,000.00 for additional concrete spall and crack repairs Amendment #1 (PO# 21312OS) for $209,000.00 for electrical upgrades	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. An amendment is being developed to account for the additional spalling that has been discovered over the course of the project. **UPDATE:** New louvers have been installed in the window near the rear admin parking lot and are pending installation of an exhaust fan. Work has begun on the electrical upgrades.
D21AP10142 - Phase 2: Port Authority of Guam - Welding Shop	$151,850.00	$39,203.52	$112,646.48	PO No 21374OS for $23,300.00 for a 2000W Laser Corrosion Remover PO No 21652OS for $42,240.00 for an 8 pack welding rack	The OIA approved the PAG's request to purchase one 8-pack multi-operator welding rack instead of a 4-pack multi-operator welding rack and stud welder. See above for construction status. **UPDATE:** PO No 21652OS was awarded to Reaction Supply Company for the purchase of an 8-pack welding rack. The equipment is now pending delivery.
D22AP00124- Generator Maintenance & Sustainment Program	$165,375.00	$36,739.58	$128,635.42	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. PO#20793OS- 3rd 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 PO#24108OS American Best Electricmart Inc. PO#24109OS Washland PO#21410OS JMI Edision	Grant award notification was received on June 29, 2022. POP: May 19, 2022 - September 30, 2026. **UPDATE:** PAG Facilities Division along with the Procurement Division issued out the third contract year service PO to Hawthorne Pacific Corp on June 24, 2025. Hawthorne completed genset inspections and continue to work along Facility Maintenance for these assets. PAG Facilities/EQMR Division established three BPAs, each valued at $24,000.00, for generator stator rewind services.

FY 2026 Port Grant/Bond - Monthly Update
As of June 15, 2026

Grant Funded Projects	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
MARAD AMHP - Acquisition of Specialized Container Yard Equipment	$5,703,560.00	$4,709,274.61	$994,285.39	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. PO 20412-OS - Finance submitted reimbursement draw down request to MARAD on January 13, 2026 for $274,571.70. The Restated Grant Agreement was received from MARAD on April 10, 2026, adding the purchase of two 20-ton forklifts and two utility trucks to the approved project scope. PAG staff from the Transportation, Maintenance, Procurement, and Planning Divisions met to discuss next steps for the procurement process. UPDATE: Requisitions have been entered for the purchase of two 20-ton forklifts and two utility trucks. Procurement is ongoing for the equipment.
693JF72240023 MARAD 2021 RAISE Grant - Wharves Service Life Extension - Hardening of Wharves F2-F6	$17,941,997.00	$0.00	$17,941,997.00	Task Order 15 MOD- P.O. 19948-OS was issued to WSP to conduct an Environmental Assessment and Permits. Amendment approved to change period of performance from December 31, 2025 to July 31, 2026. Total billed to date $280,456.26 Task Order 19 has been approved, and Purchase Order No. 21179-OS, in the amount of $527,315, has been issued to the Port's Owner's Authorized Engineer (OAE) and subconsultant to carry out the required services. Total billed to date $93,539.75	The Environmental Assessment and related regulatory consultations remain ongoing under MARAD oversight, including coordination for the USACE permitting process, CZM consistency review, Section 401 Water Quality Certification, DOAg Coral Relocation Permit, and NOAA Fisheries consultation. Biweekly coordination meetings continue, and execution of the final Grant Agreement remains contingent upon MARAD's completion of the NEPA review and issuance of the appropriate environmental determination, such as a FONSI or CATEX, as applicable. **UPDATE:** On May 11, 2026, PAG submitted permit applications to the U.S. Army Corps of Engineers (USACE) for Nationwide Permit (NWP) review, Guam EPA for Section 401 Water Quality Certification (WQC), and the Bureau of Statistics and Plans (BSP) for Coastal Zone Management compliance. Fish and Wildlife Coordination Act consultation with USFWS has been completed, with concurrence received on February 24, 2026. On April 21, 2026, PAG issued a clarification letter to USFWS regarding the coral relocation count, distinguishing the broader survey-area count from the direct-impact-area relocation count. USFWS responded on April 22, 2026, with no additional comments and recommended adding the clarification to the administrative record. WSP/DCA continue to address EA comments and related permit coordination. WSP/CSA completed the coral relocation site selection survey and dive assessment, with approximately 20 coral colonies identified for translocation and a relocation site confirmed. Coral translocation remains pending MARAD's NEPA determination and is anticipated in Q3–Q4 2026, ahead of wharf repair activities.
U.S. EPA Clean Ports Program - Net Zero Emissions Strategy Update and Implementation Plan	$2,410,415.00	$470,533.83	$1,939,881.17		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:** Project activities under Subtask 16.2: Greenhouse Gas Emission Inventory are progressing as scheduled; current efforts include compiling the GHG emissions inventory and developing the Scenario Analysis Tool. On June 10, 2025, the Port launched Subtask 16.4, focused on Workforce Development.

FY 2026 Port Grant/Bond - Monthly Update
As of June 15, 2026

Grant Funded Projects	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
OLDCC Defense Community Infrastructure Program - F1 Pier Infrastructure Restoration - Structural and Safety Repairs Project	$4,886,958.00	$0.00	$4,886,958.00		The PAG project scope for near-term repairs of the F1 fuel pier includes a local share of $2,094,411.00. **UPDATE:** JRM completed an initial site assessment and requires a site-specific biological survey prior to NEPA determination. PAG is progressing survey coordination; JRM will expedite NEPA review upon receipt of survey results.
USDOT Maritime Administration Port Infrastructure Development Program (PIDP) 2025 - Strengthening Supply Chain with New Port Cranes Project	$59,669,434.00	$0.00	$59,669,434.00		PAG continues to coordinate with MARAD on the grant agreement, NEPA, and federal review requirements. The RAISE21 NEPA EA is expected to supplement the environmental review record for the New Port Cranes Project and support MARAD's NEPA determination, where applicable. MARAD confirmed that Section 106 consultation is not necessary and may be considered complete upon submittal to Guam SHPO. PAG submitted the hard copy to SHPO on May 20, 2026, and is awaiting any SHPO feedback or comments.
Marinas	**$2,116,790.00**	**$0.00**	**$2,116,790.00**		
2024 NOAA Marine Debris Program - BoatUS Foundation Abandoned and Derelict Vessel (ADV) Removal Grant Program	$644,790.00	$0.00	$644,790.00		The project scope is to remove thirteen (13) abandoned and/or sunken vessels between. **UPDATE:** The procurement packet is being developed.
C260600410 - DOAg Sport Fish Restoration - Demolition and Replacement of A-Dock at the Agana Marina	$500,000.00	$0.00	$500,000.00		PAG submitted a proposed phased, priority-based scope to DOAG-DAWR on May 28, 2026, to prioritize immediate life-safety and critical dock repair needs within the available $500,000 subaward funding. PAG is awaiting DOAG-DAWR authorization to proceed. Additional work may be considered if subsequent funding becomes available. Scope refinement and procurement package development remain targeted for Q3/Q4 FY2026.
C260600200 - DOAg Sport Fish Restoration - Repair of the Merizo Boat Ramp	$52,000.00	$0.00	$52,000.00		Refinement of the project scope remains active, with ongoing coordination between DOAG and PAG CIP/Engineering. USACE provided initial guidance that a Corps permit will be required for the Malesso Boat Ramp work. The scope will include preparation of the permit application materials prior to market research. **Next steps** include continued scope coordination, permit application preparation, and advancement to market research once the scope is finalized.
C260600480 - DOAg Sport Fish Restoration - Maintenance and Structural Assessment of Malesso' Pier	$150,000.00	$0.00	$150,000.00		Refinement of the project scope remains active, with ongoing coordination between DOAG and PAG CIP/Engineering. USACE provided initial guidance that a Corps permit is not likely required if the work is limited to structural assessment, engineering review, and report preparation; however, a permit may be required for any work below mean high water or future physical repairs. **Next steps** include continued scope coordination and confirmation of applicable permit requirements.
C260600190 - DOAg Sportfishing and Boating Safety - Pre-construction for a Gangway and Courtesy Dock for the Guam Harbor of Refuge	$275,000.00	$0.00	$275,000.00		Project scope development is pending with PAG CIP/Engineering. Scope of Services finalization and procurement advancement remain anticipated in Q3/Q4 FY2026.
F23AF03463-02 - DOAg Sport Fish Restoration Fund - Agat Marina Southern Walkway Repairs	$120,000.00	$0.00	$120,000.00		MOA remains pending review and approval; no change since the previous reporting period.
C260600137 - DOAg Clean Vessel Act - Assessing Guam's Agat Small Boat Marina, the Harbor of Refuge, and the Gregorio D. Perez Marina for Pumpout Service to Recreational Boats	$375,000.00	$0.00	$375,000.00		Refinement of the project scope is underway for internal review and feedback prior to submission of the procurement package. Finalization of the Scope of Services and procurement advancement are anticipated in Q3/Q4 FY2026.

FY 2026 Port Grant/Bond - Monthly Update
As of June 15, 2026

Grant Funded Projects	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
Port Security Grant Program	**$1,676,273.00**	**$608,107.26**	**$1,068,165.74**		
EMW-2022-PU-00149 - Acquisition of Unmanned Aerial Vehicles (UAV)	$74,290.00	$0.00	$74,290.00	Purchase Order # 21476-OS Aviation Concepts, LLC	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. **UPDATE:** PAG received the 2 drone units on May 8, 2026. Procurement packet for trainng and accessories is being developed.
EMW-2022-PU-00149 - Primary Communications Replacement of Motorola Radio Units	$405,478.00	$405,478.00	$0.00		Grant was awarded on September 1, 2022. On July 12, 2023 Procurement issued purchase order #19023OS 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	$84,450.00	$0.00	PO No. 18297-OS IT&E $35,013.36 PO No. 19528-OS IT&E $47,058.00 PO No. 20161OS 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:** Grant-funded services completed. Pending close out.
EMW-2023-PU-00298 - Acquisition of Two (2) Port Police Boat Trai	$42,003.00	$35,751.26	$6,251.74		Guam Home Center was awarded Purchase Order #19742OS on March 19, 2024. **UPDATE:** Trailers delivered. An amendment request was submitted to FEMA to use the remaining grant funds to purchase accessories for the trailers. However, because of the ongoing partial federal hiatus, FEMA POC is unable to work on Port Security Grant Program.
EMW-2023-PU-00298 - Acquisition of Port Police Durabooks and A	$43,378.00	$43,125.00	$253.00		MD Wholesale was awarded Purchase Order #19777OS on April 1, 2024. Laptops delivered to PAG IT and are currently being configured and distributed to Port Police. **UPDATE:** Project complete. Pending closeout.
EMW-2023-PU-00298 - Port Police Division Acquisition of Personal	$39,398.00	$39,303.00	$95.00	PO NO. 20211OS Code 1 Law Enforcement Equip. & Supply $39,303.00	Notice of award - August 25, 2023. **UPDATE:** Project Complete. PPEs delivered Jan. 5, 2025. Pending closeout.
EMW-2025-PU-05369 -FY2025 PSGP AWARD	$987,276.00	$0.00	$987,276.00		On Sept. 29, 2025, the PAG received an email notification that its grant application submitted for the FY25 PSGP has been approved. Awarded IJs include: Implementation of an Active Directory; Replacement of the aging SonicWall 4600 firewall and 3-year subscription of Intrusion Detection System monitoring; A security barrier system; and, Modular Floating Dock System. **UPDATE**: FEMA points of contact have been impacted by the partial federal funding hiatus for the DHS. Planning has received automatic replies acknowledging emails and advising that because DHS is in a funding lapse, federal staff will only be available to support the following grant programs: •Operation Stonegarden Grant Program •FIFA World Cup Grant Program •Countering-Unmanned Aircraft Systems Grant Program Any requests that require federal staff action will not be processed during the lapse except for the programs outlined above. Before the funding lapse, Planning was still awaiting guidance on requirements to lift the funding hold on the 2025 award.

FY 2026 Port Grant/Bond - Monthly Update
As of June 15, 2026

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**	**$746,854.29**	**$242,709.71**		
Fendering System Hardening Project	$603,689.00	$360,979.29	$242,709.71		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. Project completed November 3, 2025. A final reimbursement request was submitted on 01/29/26 for a total of $209,029.91. **UPDATE:** Pending reimbursement from OCD-GHS.
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	**$77,533.49**	**$0.00**	**$77,533.49**		
Pending Formal Agreement - Operation A'dai He'Hao	$77,533.49	$0.00	$77,533.49		Enforcement activities took place on the week of April 6 and May 18, 2026 as well as a joint operation with GPD on May 7, 2026. **UPDATE:** Enforcement activities continued the week of June 1, 2026.
Bond Funded Projects	**$77,886,440.00**	**$15,340,456.91**	**$62,545,983.09**		
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	$4,704,482.60	$1,295,517.40	PO No. 17790OS 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:** The contract extension has been approved through January 2027 and work is continuing with 10 new fire hydrants installed. Prep work for additional fire hydrants is ongoing.
EQMR Building Repairs and Upgrades	$3,628,800.00	$3,628,800.00	$0.00	PO No. 18007OS for $3,980,000.00 awarded to JJ Global Service	The repair & paint work as well as lead based paint abatement has been completed. **UPDATE:** This project is complete.

FY 2026 Port Grant/Bond - Monthly Update
As of June 15, 2026

Grant Funded Projects	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
Warehouse 1 Repairs and Upgrades	$2,000,000.00	$1,924,670.35	$75,329.65	RFP No. 2019-03 - A&E Design awarded to NC Macario PO No. 20723-OS for $4,837,223.18 BME & Sons Inc. (Outstanding balance to be drawn down from the New Administration Building)	The Construction IFB was published on November 25, 2024. The bid opening was held on February 5, 2025. Chipping and saw cutting exterior concrete spalling is complete and spall repair is at 40%. Electrical demolition is 80% complete, construction joint removal and cleaning is 70% complete, and joint repair is 65% complete. **UPDATE:** Installation of electrical components and fire alarms is at 5%. Finally, roof crack repair has also begun. 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 awarded to NC Macario	Golf Pier was rendered inoperable after Typhoon Mawar. The PAG along with its OAE have developed cost estimates. The PAG had received a FEMA determination for Golf Pier. On August 9, 2025, PAG submitted an appeal letter requesting reinstatement of eligibility for Permanent Work assistance related to damages sustained during Typhoon Mawar. **UPDATE**: The Guam Recovery Office submitted appeal letter to FEMA. Pending FEMA response/decision.
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
Other Priority Projects	$4,980,745.00	$473,162.52	$4,507,582.48		1. Please refer to MARAD RAISE - Wharves Service Life Extension Hardening of Wharves F2-F6 for more information. 2. **UPDATE:** The TOS Upgrade procurement process is ongoing.
Other Priority Projects - EnterpriseOne Financial Management System	$2,500,000.00	$2,497,129.65	$2,870.35		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 has moved from Oracle to DXE for customer support via a MOA with GWA. The PAG's RFP for DXE is still ongoing. Status Quo.
Grand Total	**$176,329,605.49**	**$22,191,495.00**	**$154,138,110.49**		

Port Authority of Guam
Operations Division Report
MAY 2026

I. OVERVIEW

Vessel Calls	29
Cans Handled	7,589
Special Service(s)	134

a. Productivity

Vessel Op	Avg NMPH	TOP GANG	M/Hr
Matson			
Domestics	31.7	1	28.9
Feeders	12.0	5	26.0
MSA			
Barges/Merdian	0.0	0	0.0
Mariana	0.0	0	32.5
Triton/Galaide	20.6	3	23.2
Kyowa	17.1	3	24.4
MELL			
Kotas	29.8	6	22.7
APL			
OCEANIA/ISLANDER/PRES	29.9	4	25.6
NORTON LILLY (Ninilchik)	3.6	0	4.3

b. Equipment Status

As of : 5/31/2026	ON HAND	UP	RM	Repair
GANTRYS	3	3		1
TOP LIFTERS	11	4		7
SIDELOADERS	3	2		1
20T FORKLIFT	2	1		1
10T FORKLIFT	4	1		3
5T FORKLIFT	12	7		5
TRACTORS	31	13		18

II. YEAR TO DATE

a.

Vessels_YTD	203

b. Can_Cnt YTD

MAY	FY25		FY26		Variance	
	I	E	I	E	I	E
Local	21358	21193	23753	21552	11%	2%
TS	4639	4593	4352	4215	-6%	-8%
TSMT	1671	1754	2330	2118	39%	21%
Others (OS/Sh/Reh)	322	328	457	446	42%	36%
TTL	27990	27868	30892	28331	10%	2%

FY-26 WORK INJURY REPORT

(01/01/26 to 12/31/26)

Divisions	*Lost-time	**Recordable	*** Refused Treatment
Stevedoring	0	0	0
Transportation	0	1	0
Terminal	0	0	0
EQMR	0	3	0
Port Police	0	0	0
Admin	2	0	0
Total:	0	0	0

Work Injury Summary for this reporting period: 6/03/2026

Total Injuries for FY-26 to date: 6–Injury

6-- Lost-time
0– Recordable
0– Refused Medical Attention

Last disabling work injury was on: 4/28/26

Number of days since last work injury: 36-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.