



NEWSLETTER

PORT AUTHORITY OF GUAM

OCTOBER 2023

Board of Directors

Dorothy P. Harris
Board Member

Conchita S.N. Taitano
Board Member

Port Management

Rory J. Respicio
General Manager

Dominic G. Muna
*Deputy General Manager
Operations*

Pacifico R. Martir
*Deputy General Manager
Administration and Finance*



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Moody's Issues Baa2 Credit Rating for Third Year in a Row



On October 5, 2023, the Port Authority of Guam received positive financial news as Moody's Investors Service issued a Baa2 credit rating for FY 2022.

This rating was based on the Port's credit strengths for the fiscal year. Moody's report highlighted the following:

- **Very Stable Revenue Profile:** The port's credit is supported by a very stable revenue profile, which has proven resilient through the coronavirus pandemic. Despite an effective closure of the island's tourism economy, the port's operating revenue between 2020 and 2022 averaged \$55.8 million, in-line with pre-pandemic figures.
- **Healthy Liquidity:** The port authority's liquidity position is healthy. Fiscal 2022 financials show unrestricted cash and cash equivalents of more than \$33 million, with unrestricted and discretionary reserves of \$57.5 million; days cash on hand for 2022 was 429 days, above the 361 in 2021. The port has held more than 300 days cash on hand since 2016, a trend we expect will continue at least through the outlook period.
- **Solid Debt Service:** The debt

service coverage for the Port is solid and expected to remain around 2.7x on the net revenue basis.

- **Credit Strength:** The port derives credit strength from its role as the sole commercial port in Guam, handling around 90% of the territory's imported cargo and a significant portion of military cargo. The Port of Guam is the only port in the Micronesia region that has the infrastructure and equipment required to service container vessels with a capacity of up to 4,000 TEUs (twenty-foot equivalent units). The port faces limited restrictions to accommodate future growth related to the military build-up. The port's capacity limit is around 200,000 containers; in fiscal 2022, the port handled just over 89,000 containers, in-line with volumes over recent years
- **Quick Mawar Recovery:** We've noted in prior reports that the port is exposed to weather-related events that could affect revenue-generating activities. In late May, Typhoon Mawar shut down port activities for several days, though early and prudent preparations

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limited the extent of damage, with sustained damage quickly remediated by the port.

Moody's release is just more good news for the port on the financial front. On September 29, 2023, S&P Global Ratings released its rating maintaining its outlook for the Port at stable and affirmed its 'A' long-term rating on the agency's outstanding series 2018 Port Revenue Bonds.

"In spite of all of our accomplishments these past four and half years, there is still so much

more that needs to be done to keep the Port 100% operational," said Port General Manager Rory J. Respicio said. "Since day one, we have been cleaning up the sins of the past and still manage to bring financial stability, improved vessel operations, and high employee morale; in short, we are ushering in a higher level of excellence, as affirmed by this report as well as the recent report by S&P."

Port Celebrates 48 Years as an Autonomous Agency



The Jose D. Leon Guerrero Commercial Port of Guam celebrated its 48th Anniversary and held a series of events throughout October 14-20, 2023.

This year's celebration kicked off with the "Adahi i Tano" (*Taking Care of the Land*) Cleanup Project along Route 11 from USO Beach to Family Beach on Saturday, October 14, 2023. The Port Week Opening Ceremony took place on October 15, 2023, at 9:00 a.m. with a flag-raising ceremony followed by a parade of trucks, proclamation signing by Acting Governor Josh Tenorio, and resolution presentation by the Guam Legislature.

"We have accomplished so much this past year toward improving and securing our facilities to better serve our community all the while remaining fiscally prudent and achieving low-risk auditee status for the fourth consecutive year and receiving positive credit ratings from Moody's Investors Service and S&P Global Ratings," said Port General Manager Rory J. Respicio. "Thanks to the hard-working employees of the Port, we have raised the bar and set higher standards because we've proven that we can do it. We are going to make sure that our community continues to see the Port through the eyes of our Port co-workers so everyone can recognize all the hard work and

sacrifices made to keep the Port Authority 100% operational."

Events for the 2023 Port Week included retiree resolutions, a series of sports competitions, and an employee awards presentation. The entire opening ceremony was broadcast live on the Port's Facebook page.

Background on the Jose D. Leon Guerrero Commercial Port

On October 31, 1975, the Commercial Port of Guam was established as a public corporation and autonomous instrumentality, naming it the Port Authority of Guam. This year marks the 48th anniversary, with a total of 382 employees committed to ensuring the uninterrupted flow of commodities through its wharves. The Port operates the largest U.S. deep water port in the region and currently handles approximately two million tons of cargo a year. More than 90 percent of the island's goods and supplies pass over the port's docks and approximately 30 percent of the total cargo is military related and forecasted to increase due to the buildup. These sustained activities account for the millions of dollars in commodities flowing into Guam's economy and connecting the island and regional residents with global products.

Port Submits the FY 2022 CCR

The Port Authority of Guam has submitted its Fiscal Year (FY) 2022 Citizen-Centric Report (CCR), in line with Public Law 30-127, An Act Relative to Adopting the Association of Government Accountants' "Citizen-Centric Report" Initiative.

"This report gives the public a glimpse into the Port's FY 2022 progress in comparison to previous years and provides an overall performance review to include our current challenges and future outlook," said Port General Manager Rory J. Respicio. "Through this report we continue to provide the highest level of transparency to the Port's stakeholders, including our local and regional communities we serve."

According to the report, operating revenues increased 4.79% in FY2022 by \$2.6M from \$55.06M in FY 2021 to \$57.7M in FY 2022. This is largely due to the increase in handling container cargo and non-containerized cargo at 2.5% and 29%, respectively. Other steady improvements reflected in the report include a reduction of time spent by a vessel at the port's waterfront and higher crane productivity since FY 2019.

In FY 2022, the Port received a low-risk auditee designation for the fourth consecutive year. Moody's Investors Service issued a Baa2 credit rating for the Port, pointing to a very stable

revenue profile, healthy liquidity, solid debt service, credit strength, and the Port's ability to quickly recover from super typhoon Mawar. Meanwhile, S&P maintained its outlook for the Port at stable and affirmed its 'A' long-term rating on the agency's outstanding series 2018 Port Revenue Bonds.

Future initiatives outlined in the report include acquisition of STS gantry cranes, fuel pier replacement, wharf replacement, area A fuel storage facility rehabilitation/upgrade, IT improvements, equipment acquisition program, and port buildings demolition and replacement.

The Port has won national transparency awards from the National Association of Government Accountants and the Association of Government Accounts, Guam Chapter for the publication of the FY 2019 and FY 2021 Citizen-Centric Reports.

"These awards are a testament to the leadership and the Port's efforts to remain transparent with the people of Guam and set new standards of transparency and accountability for the agency," said Respicio.

CCRs are mandated by law to be completed by each government of Guam entity no later than sixty (60) calendar days after the independent audit report for a government entity has been released by the Guam Office of Public Accountability.



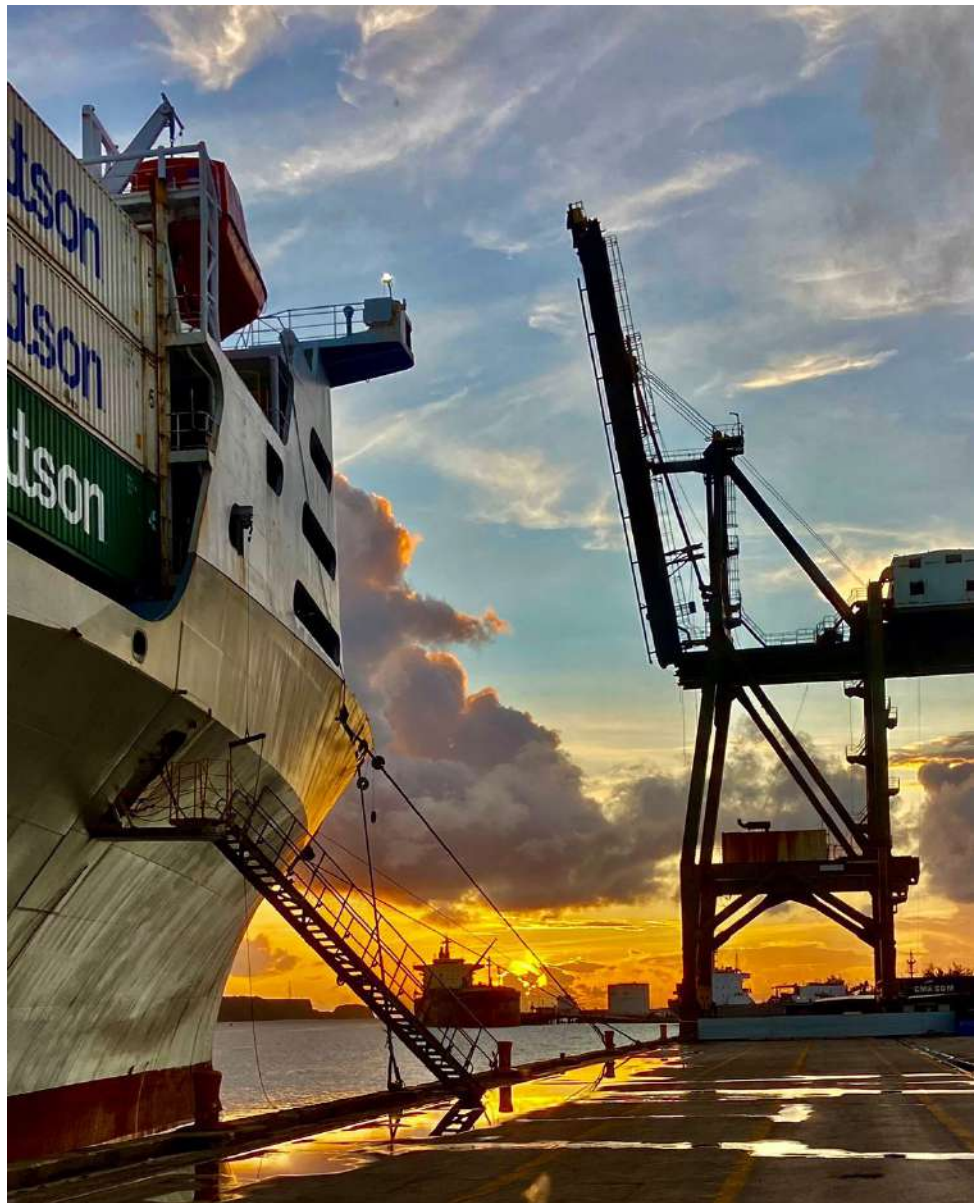
Bolaven Passes with Minimal Damage

With news of another storm heading Guam's way, the Port Authority of Guam employees did what they do best in times of a storm or typhoon - preparing the port facilities for the passage of Tropical Storm Bolaven.

Port Operations employees worked to prepare the terminal yard and secured the facilities, while Equipment Maintenance employees tied down the gantry cranes and used tarp to wrap the engines, generators and electrical components of the cranes to protect them from water damage. The Port's Engineering Division worked with contractors to secure their respective areas of responsibility including all loose debris and materials. The Commercial Division worked with all marina tenants as well in preparing for the storm. Additionally, Port management worked closely with industry partners during this storm preparation phase to include fuel companies to ensure they have uninterrupted access to the fuel tanks.

"In coordination with Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio, we continue to work diligently to ensure the Port Authority of Guam is prepared for any storm," said Port General Manager Rory J. Respicio. "We know the drill. This is what we are good at doing, so we plan for the worst and hope for the best."

The U.S. Coast Guard Captain of the Port (COTP) established Port Heavy Weather Condition (PHWC) YANKEE for the Port of Guam on the morning of October 9, 2024 indicating strong winds, faster than 39 miles per hour to be expected within the next 24 hours. With PHWC YANKEE declared, all commercial ships still present needed to finish loading and unloading their cargo and leave the Port of Guam. All big



commercial ships, those equal to or bigger than 200 tons, were notified to leave, and no more ships were allowed to enter the port. In the event of worst conditions, the COTP will declare PHWC Zulu which means the port and marinas will be completely closed to any incoming traffic, and all cargo and bunker operations will stop.

After the passage of Typhoon Bolaven, the Port's crane mechanics, welders and preventative maintenance mechanics were able to get the first two cranes assessed and operational on October 11, 2023 once the Condition of Readiness 4 was declared. The last Port STS gantry crane went back online shortly before 5 p.m. on October 11, 2023 following troubleshooting by the Equipment Maintenance and Repair Division.

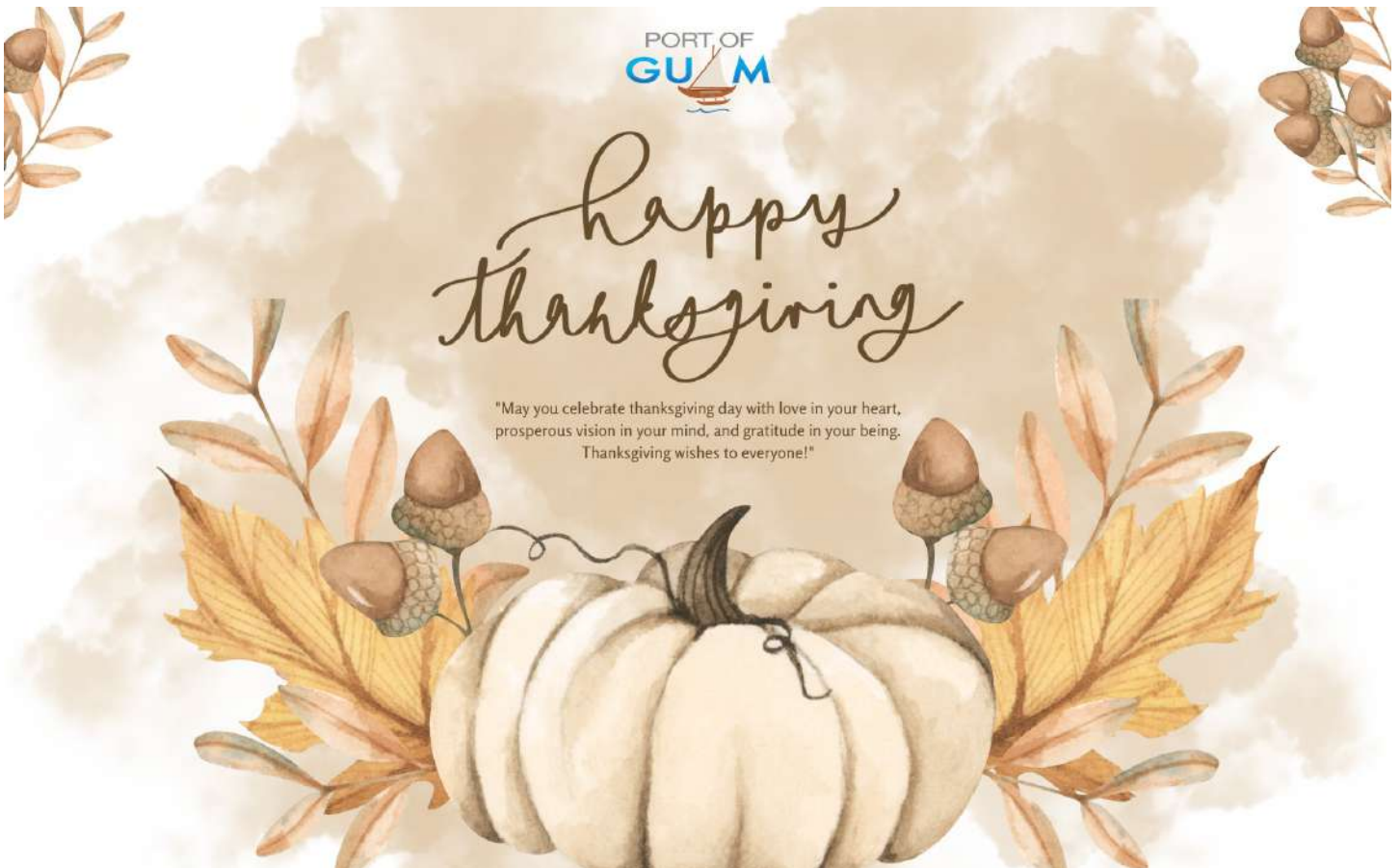
Port General Manager Speaks at SAME Monthly Conference



Port General Manager Rory J. Respicio was the guest speaker for the Society of American Military Engineers' (SAME) monthly general membership meeting that was held on October 19, 2023 at the Hilton Guam Resort & Spa.

Respicio's speech centered on the Port's projects that support the military's mission, as well as our efforts to acquire 3 new gantry cranes and restore our fuel piers. His presentation also focused on the ongoing construction projects at the Port Authority of Guam including the demolition of gantry cranes 2 and 3, service life extension projects for piers, fender repair and replacement project and marina upgrade and construction projects. The General Manager also spoke about the many port milestones realized in the last four years to include Phase I and Phase II of the Port Modernization Program and the 2023 Master Plan.

SAME is an organization uniting public and private sector organizations across the architecture, engineering, construction, environmental and facility management, cyber security, project planning, contracting and acquisition, and related disciplines in support of national security.



Adahi I Tano (Taking Care of the Land)



Port Authority of Guam employees kicked off the Port's 2023 Port Week Festivities by participating in the "Adahi I Tano" (Taking Care of the Land) clean-up coordinated by the Port Authority of Guam's Goodwill and Morale Association (PAGGMA) and sponsored by Matson Navigation.

Employees met at the Port Administration Building at 5:30 a.m. for a safety briefing prior to setting out to collect trash and debris along Highway 11 from the Port traffic light to Family

Beach.

"It was a great idea to begin our Port week festivities with an event that allows us to give back to the island, by focusing our beautification efforts on recreational areas that are used by the entire community," said Port General Manager Rory J. Respicio.

Sponsored by Matson Navigation, PAGGMA received a donation of \$500.00 for their positive contribution and coordination.



Port Week 2023 Awards

2023 Retirees

Retirees	Position	Years of Service
Frankie R.J. Cruz	Transportation Supervisor	35
Jerry S. Sanchez	Port Police II	30
George C. Pecina	Accounting Technician III	25
Simon S. Pinaula	Stevedoring Superintendent	29
Wilfredo B. Adonay	Heavy Equipment Mechanic II	26
Antonio Q. Untalan	Equipment Operator II	27
Luis R. Baza	Deputy General Manager	2

Years of Service Awardees

Years	Position
45 Years	
Vivian C. Leon	Corporate Services Manager
35 Years	
Doris G. Blas	Computer Operator Specialist
25 Years	
Alan I. Calip	Mobile Equipment Dispatcher
Pete M. Castro	Supply Supervisor
Ted R. Cruz	Equipment Operator III
Ionatana Faasuamalie	Heavy Equipment Mechanic II
Joaquin T. Manglona	Stevedore Leader
Melchor B.D. Perez	Plumber II
Paul R. Salas	Safety Inspector III
David F. Naputi	Rigger Leader
Walter M. Santos	Stevedore Supervisor I
20 Years	
Vincent J. Asanoma	Stevedore Leader
Richard P. Flores	Preventative Maintenance Mechanic Supervisor
George E. Piolo	Preventative Maintenance Mechanic Leader
Frank J. San Nicolas	Port Police II
Reed K. Topasna	Stevedore Supervisor I

Sick Leave Hours Awardees

Hours	Position
3500 Hours	
Antoinette Mafnas	Administrative Services Officer
3000 Hours	
Frankie S. Peredo	Winch Operator
Joann B. Conway	General Accounting Supervisor
2500 Hours	
Theresa Reyes-Manibusan	Port Police II
Raymond B. Santos	Transportation Superintendent
1500 Hours	
Jacqueline Cruz	Program Coordinator II
Vincent J. Asanoma	Stevedore Leader
1000 Hours	
Jessi J. Santos-Torres	Program Coordinator III
Jesse N. Quinata	Stevedore Supervisor I
Derrick Balajadia	Crane Operator Leader
Pete P. Salas	Equipment Operator II
Alexander J. Aflague	Facilities Maintenance Superintendent

Port Week Opening Ceremony



2023 Annual Award Winners



Guessieannmarie Diaz
Employee of the Year Category I



Mark A. Cabrera
Supervisor of the Year Category I



Johnathon J. Blas
Employee of the Year Category II



Bryan A.L. Santos
Supervisor of the Year Category II



Earl T. Aquai
Employee of the Year Category II



Ray J.D. Aromin
Supervisor of the Year Category II



Procurement and Supply
Outstanding Work Center Category I



Transportation
Outstanding Work Center Category II



General Manager's Office
Good Housekeeping Work Center Category I



Corrosion Control
Good Housekeeping Work Center Category II

PORT WEEK

BIG Shoutout to game coordinators:
John Leon Guerrero (Commercial)
Jared Perez
Chris Flores
Ronnie Sablan
Antony Leon Guerrero



Sporting Event Standings

Billiards

1st Place
Edwin San Nicolas

2nd Place
Jim Quichocho

1st Out
Jacob Paunte



Bowling

1st Place Team
Stevedores S-3s
Amos Taijeron
Aiden McDonald
Frank Peredo

2nd Place Team
Bowlers
Ronnie Sablan
Antony Leon Guerrero
Johathon Blas

1st Turkey
Frank Peredo
Highest Bowler
Dale Alvarez
Lowest Bowler
Tamara Flores



Basketball

3-Pt. Shootout
Joe Javellana

3-on-3: 1st Place
Manamkos
Joe Javellana
Clarence Lagutang
Jacob Paunte
Ira Palero

3-on-3: 2nd Place
Mixed Plate
Matthew Sanchez
Brandon Carbullido
AJ Manibusan
Jarrett Lynch
Jess Borja



Tractor Pull

1st Place
Transportation
Estefanie Cordero
Ronnie Sablan
Dean Naputi
Pete Salas
Mark Tolenoa
Brandon Naputi

2nd Place
EQMR
Maria Llanes
Gus Aromin
Robert Quinata
James Cruz
Ernest Castro
Chris Taitano

Pingpong

1st Place
Joe Javellana

2nd Place
Amos Taijeron



Darts

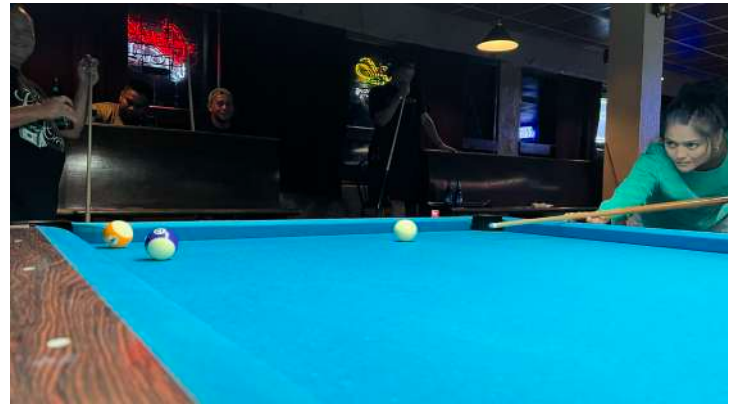
1st Place
Ronnie Cruz

2nd Place
Kyle Alvarez

1st Out
Niko Duenas



Port Week Photo Highlights



Port Week Photo Highlights Continued



Port Week Photo Highlights Continued



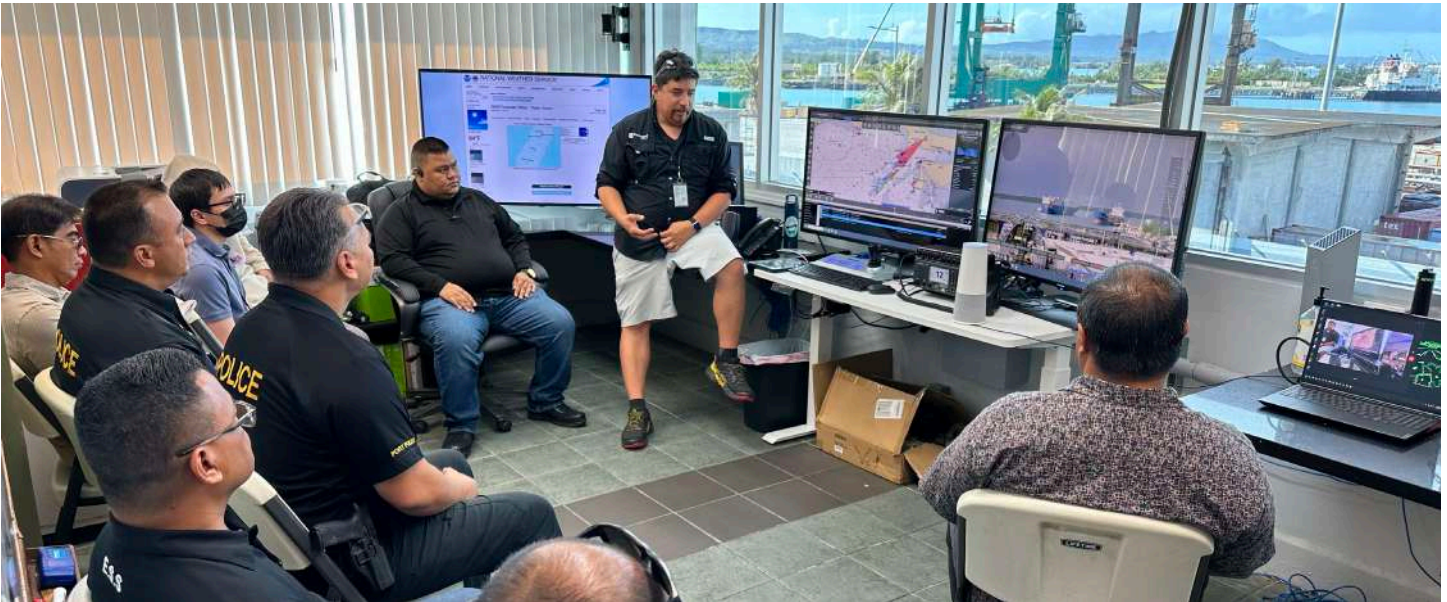
Port Week Photo Highlights Continued



Port Week Closing Ceremony Highlights



October Photo Highlight



HAPPY
Birthday
TO YOU

LUIS M. DIAZ
MICHAEL J. BARCINAS
KEITH W. HATTIG, JR.
ERIC J. BALAJADIA
MALAINA-JASHAE BLAS
JULIETO A. SONTILLANOSA
MARK L. BLAS
SHAWN D. FLORES
JOSHUA M. MANGLONA
GEORGE S. DUENAS
MARIA T. LLANES
FRANKIE A. CRUZ II

TED R. CRUZ
FRANK V.A. CEPEDA, JR.
KYLE J. GASPAY-PAULINO
CRAIG-THOMAS D. PALOMO
JOSHUA V. CANDOLETA
ERNIE J.A. LOBATON
ROY P.C. FLORES
ROY C. MENDIOLA
ANTHONY P.D. MANIBUSAN
KENNETH J. QUINTANILLA
RAYMOND B. SANTOS
JOSEPH K. MESA

ERNEST D. MADAHAN
PETER J. BABAUTA
THERESA ROSE T. REYES-MANIBUSAN
CASSANDRA ALDAN ROSAL
JONATHAN L. AGUON
FRANCES A. CANDOLETA
BRANDON M. NAPUTI
ERNEST C. CASTRO, JR.
NORBERTO D. DATUIN
PAUL M. TEDTAOTAO
JOSE J. TAJALLE

