



**GUAM SOLID WASTE AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, June 3, 2021
1:08 pm-2:35 pm
Guam Solid Waste Authority Via Video Conference**

I. Call to Order

The Guam Solid Waste Authority (GSWA) Board of Directors' meeting was called to order by Chairman Gayle at 1:08 p.m.

II. Roll Call

Board Members:

Andrew Gayle	Chairman
Minakshi Hemlani	Vice Chairwoman
Peggy Denney	Secretary
Cora Montellano	Member

Management & Staff:

Larry J. Gast	General Manager
Pedro A. Leon Guerrero Jr.	Assistant General Manager
Katherine Kakigi	Comptroller
Alicia Fejeran	Chief of Administration
Roman Perez	SWM Superintendent
Keilani Mesa	Administrative Assistant

Guests:

Charlene Flores	Office of Senator Perez
Jerry Partido	Pacific News Center

III. Approval of Minutes

The Board reviewed the minutes for the Board meeting held on May 04, 2021. Board Chairman Gayle requested that Comptroller Kakigi's statement regarding revenue loss in the second paragraph on page two of the minutes be specified. Chairman Gayle also requested to clarify the section regarding the resolution for the status of the receivership under the Unfinished Business. Vice Chairwoman Hemlani made a motion to approve the minutes' subject to the clarifications and the motion was seconded by Secretary Denney. The motion passed unanimously.

IV. Reports

a. Management Reports

i. Operational Update

Comptroller Kakigi presented the monthly report for April 2021 versus April 2020. She stated that it's important for the Board to remember that April 2020 was the beginning of the pandemic and because of COVID restrictions, operations were different. Comptroller Kakigi presented the actual numbers for the total revenue. She stated that the revenue increase for the current year is 15.5%. Comptroller Kakigi reported that there was an increase in the



commercial revenues of 21.4%, and an increase in government revenues of 32.8% which was primarily due to the disposal of sludge. Lastly the residential revenue increased by 5.8%. Comptroller Kakigi highlighted that compared to the budget, the revenue is just shy of .3%. Comptroller Kakigi presented the prior year comparison figures and highlighted that there was an increase of 18.6% in expenditures. Comptroller Kakigi stated that one of the major expenses that was paid out was the one-time cost incurred by GEPA for the consulting firm for the island wide collection in the amount of \$108,000.00.

Member Denney inquired as to the contractual expenditures for personnel and whether they will be brought in as classified employees. General Manager Gast stated that GSWA hopes for most of the employees to be brought in as classified; however, he explained the benefits of having the contractual employees especially in this field of work. He stated this is a standard practice across the board to hire through temporary contractual agencies.

Comptroller Kakigi stated that there has been an increase of 62% in the household hazardous waste facility disposal and this is a contributing factor to the increase in the contractual expenditures. She highlighted that based on the budget variance, the expenditures this year have exceeded by 2.8%. She also stated that a contributing factor to this increase is also due to the fact that GSWA vehicles need to be replaced and cannot withstand the travel distance from northern and central villages to dispose of the residential trash directly to Layon.

Comptroller Kakigi went over the year-to-date schedule and stated that right now GSWA revenue is tracking behind 3.3% compared to last year and it is primarily due to the COVID restrictions. She did highlight that all the other categories show an increase including the other revenues which is primarily due to the transfer station collections and the restoration of delinquent accounts. Comptroller stated GSWA is tracking 6.3% under budget primarily due to the reduction of the commercial fees.

Comptroller Kakigi went over the expenditures compared to last year and stated that there was a small increase of .1% primarily due to the increase of service to residential customers. She stated it was offset by the one-time management cost for the management audit and the legal fees. Comptroller Kakigi stated she will reach out to BBMR and work with them regarding the transfer of funding from accounts with surpluses to the accounts in the red. Comptroller Kakigi reiterated on the vehicle maintenance issues and stated until GSWA purchases new trucks this will always been a high cost expenditure. Comptroller Kakigi highlighted that there has been an increase in the miscellaneous object class due to the payments for the collection fees at the Bank of Guam and the postage for the residential billing. She also highlighted that there is an unexpected expenditure from the task order in the amount of \$75,000.00 and this was not covered in the budget. General Manager Gast elaborated on the task order and stated that GSWA has to pay for the gas monitoring at Layon done by EA Engineering and that this is a requirement of GEPA. He stated that this slipped through the budgeting process last year because GSWA did not realize that this year would be the 5th year requirement to maintain compliance with the permit. GEPA and USEPA have a 5-year requirement of gas monitoring.

Comptroller Kakigi presented the tonnage report and stated she combined the compacted and non-compacted tonnage. She stated that the commercial tonnage was decreased by 15%, the



residential tonnage was increased by 20%, the transfer station tonnage increased by 38%, the military which includes both navy and air-force increased by 5%, and the bulky waste increased by 136%.

ii. ARPA Update

Comptroller Kakigi touched base with the Governor's Chief Fiscal Advisor Bertha Duenas and told Ms. Duenas about the recent guidance provided by the treasury with a standard methodology that is used to compute revenue loss. Comptroller Kakigi told her that GSWA is requesting \$2.6M. Chief Fiscal Advisor Duenas stated that although GSWA is requesting this amount, at the end of the day the final decision is in the hands of the Governor who will decide how much will be allocated to each requesting entity. Comptroller Kakigi stated that the Governor will not be disbursing funding until 60-days after the July 15th commenting period.

Secretary Denney inquired as to the status of the ethics training. Chief of Administration Fejeran stated that she will send the certifications out via email as they were received electronically.

b. Committee Reports

i. GM Search / Succession Plan

Vice Chairwoman Hemlani reported that interviews with candidates have begun and that they should be completed by next week. She noted that since the recent legislation passed for the new education requirements, the candidates are looking promising. Chairman Gayle followed-up regarding the SWANA announcement and Chief of Administration reported that GSWA is still working with SWANA about getting the announcement updated and re-announced.

ii. Zero Waste Round Table / Revolving Recycling Fund Subsidy

Assistant General Manager Leon Guerrero stated that the last meeting was April 5th and there are no meetings scheduled due to the ongoing budget hearings. He stated that Senator Perez's staff will update him once there is a scheduled meeting so that GSWA can participate.

V. Unfinished Business

a. Island Wide Trash Collection Initiative

Chairman Gayle stated that the management team has been working with the Governor's office regarding the IWC initiative. He stated that there is some concern about the billing mechanism and how it will be billed. Chairman Gayle reported that there is supposed to be some draft legislation. He also reported that the Governor's staff is going to reach out to GEDA to ensure there are no issues with bonds.

Secretary Denney asked if the confusion about the payment or billing with GPWA has been resolved. Chairman Gayle stated that he did talk to members of the CCU to inform them that all GSWA is asking for is that GPWA assist GSWA by becoming another payment option facility for GSWA customers. There will be a notice period to inform customers that Bank of Guam will no longer be able to accept payments and to advise them of the new payment locations at GPWA. Comptroller Kakigi stated BOG offered to help announce when the changes are going to be in effect; however, until such time that GPWA signs the MOU she cannot make any plans to transition.

b. Government of Guam vs US Department of the Navy in the Supreme Court



Chairman Gayle stated that the Supreme Court ruled in GovGuam's favor and that it does not mean that they won the case but that it can now be pursued in the lower courts. General Manager Gast stated that he was talking with some of the attorneys in Florida and it is their opinion that with that ruling, Guam has a good chance of collecting from the US military. Secretary Denney asked how the extent of the waste deposition by the military is determined. Chairman Gayle stated that it never got to the point of discovery. Vice Chairwoman Hemlani stated that she thinks it's great that the decision was unanimous at the Supreme Court and it seems promising. She also agreed that it depends on the attorneys involved and their strategy and if they want to settle or move forward with discovery. Chairman Gayle stated that based on discussions with the Governor, she believes that the funding should be used for its intended purpose, which is to offset the costs of Ordot.

c. Rate Change Update

Chief of Administration Fejeran informed the Board that the RFP for Consulting Services was released on May 21, 2021. She informed the Board that the deadline is for Monday, June 7, 2021 and GSWA has only had one potential proposer register for the RFP.

d. Ordot Post Closure Plan Update

General Manager Gast stated everything is going as expected. He did mention that there is only one issue currently with the ground water sampling due to the slow system of transporting the samples which may or may not affect the testing results. He stated that the contractor has also reached out to UOG and bought some equipment to use their chemistry lab; however, it will take a while before that lab gets certified. He stated that GBB has had discussions with Guam Waste Water about entering into an MOU to test the samples for them; however, he is unsure if they are certified to test samples for other entities.

e. Cell 3 Construction Update

General Manager Gast stated that cell 3 should be completed this month. He stated that they are set at 16 days for substantial completion, but there could be an extended period due to the rainy days. General Manager Gast stated that based on this, the completion date should be by June 16th; however, he is not sure if the contractor will meet the deadline.

Assistant General Manager Leon Guerrero stated that there was a town hall meeting at the Inalahan Mayor's office regarding Layon Landfill. He reported that there were roughly 20 attendees. He stated that it was about two hours long and everyone who was there had a chance to speak and voice their concerns. He also stated that the biggest issue was the smell from the landfill when there is a shift in the wind direction.

Chairman Gayle inquired as to whether the Mayor of Inalahan had a spending plan for the Host Community Fees that have been collected. General Manager Gast stated that the Mayor had a presented a list of items that they had spent their HCF on at the PUC rate case hearing and the PUC had concerns about the way they were spending the money.

General Manager Gast stated that right now the biggest concern with the cell 3 construction is just the electrical and they will be able to have a better idea once everything is up and running.

Secretary Denney asked General Manager Gast if cells 1 and 2 will still be used after GSWA starts utilizing cell 3. General Manager Gast stated that it will just be intermediate cover and will stay inactive until the sides are built up.



VI. New Business

Secretary Denney asked if GSWA would pay for her SWANA membership fee so she can then take the certification exams. She also stated that training and certification in Management of Landfill Operations is available. Vice Chairwoman Hemlani made a motion to allocate monies from the GSWA's travel account to allow GSWA to pay for Secretary Denney's SWANA membership so that she can attend training and take certification exams pertinent to GSWA. The motion was seconded by Member Montellano and passed unanimously.

Chairman Gayle inquired as to the shipment of bins that GSWA received. Chief of Administration Fejeran stated that SW Superintendent Perez and his team have already assembled the bins and have started issuing them out.

Chairman Gayle inquired about whether the procurement has begun for the purchasing of new trucks. General Manager Gast stated that if GSWA has the funding, then they will begin the procurement. Chairman Gayle inquired if management is looking to use some of the ARPA funding for the purchase of the new vehicles and General Manager Gast stated yes. General Manager Gast stated that GSWA has spent more money on repairs than the actual costs of the vehicles.

Vice Chairwoman Hemlani stated her confirmation hearing for her new term is tentatively scheduled for June 23rd.

VII. Open Discussion

None.

VIII. Public Forum

None.

IX. Next Meeting

The next Board meeting is scheduled for Thursday, July 15, 2021 via video conference at 1 p.m.

X. Adjournment

Vice Chairwoman made a motion to adjourn the meeting at 2:35pm. The motion was seconded by Secretary Denney and passed unanimously.