



**GUAM SOLID WASTE AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, August 19, 2021
1:03 pm- 2:47pm
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 1:03 p.m.

II. Roll Call

Board Members:

Andrew Gayle	Chairman
Minakshi Hemlani	Vice Chairwoman
Peggy Denney	Secretary
Jim Oehlerking	Member
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:

Ken Orcutt	Office of the Attorney General
Charlene Flores	Office of Senator Perez

III. Approval of Minutes

The Board reviewed the minutes for the Board meeting held on July 15, 2021. Vice Chairwoman Hemlani made a motion to approve the minutes and the motion was seconded by Member Oehlerking. The motion passed unanimously.

IV. Reports

a. Management Reports

i. Operational Update

Management presented the 4th quarter Trash Talk report for FY 21. Comptroller Kakigi reported on the GSWA Budget. Revenues have been tracking flat, and expenses have increased which results in a budget shortfall each year. Ms. Kakigi reported that some of the costs contributing to the shortfall included Receiver fees, EA Engineering costs, excessive vehicle maintenance costs, and billing costs for residential customers such as online fees, postage, and bank fees. General Manager Gast also stated that MSW's Management Audit indicated that GSWA loses revenue for every residential customer. GSWA is also tracking more residential customers than what was



forecasted by MSW's audit.

Total revenue has decreased by 5.6%. Any increase in revenue in other categories have only offset the loss in commercial revenues.

Board member Montellano inquired on the residential customer write-offs. Comptroller Kakigi reported that GSWA had written off a total and allowance of \$1m as per the audit recommendation. Ms. Kakigi will be submitting her recommendation for another write-off for the board's approval.

GSWA's contractual obligations are currently over budget by 2.4% which is contributed by the Ordot Post Closure Care being over budget. Per General Manager Gast, GSWA will be paying for the Ordot Post Closure Care even after the Receivership ends and that the contract will be assigned to GSWA. This contract will include gas collection remediation, leachate remediation, cap maintenance, access maintenance, vegetation maintenance, and an additional list of task orders. Mr. Gast recommended that some things may be taken over by GSWA in the future and that GSWA may have to put in \$2M annually for the next 12 years.

General Manager Gast also stated that GSWA will have to have an internal restricted fund for the Ordot Post Closure Care, funding for the closure of Layon cells 1, 2, and 3, and the construction of cell 4. Board Chairman stated that the Receiver had set up original reserves called Unfunded Consent Decree Projects.

Board Chairman inquired on the status of recycling. General Manager Gast stated that recycling worldwide is an ongoing issue and that GSWA may have to suspend accepting some recycling materials due to the current market. Mr. Gast reported that GSWA customer recycle contamination rate is extremely high and that customers are gaming the trash system by utilizing the recycle bins as trash bins instead of paying for an additional trash bin.

Comptroller Kakigi also reported that Operations has suffered with fewer trucks as three have been inoperable since last fiscal year. GSWA did not procure 3-4 new trucks in FY2020 as planned which would have decreased vehicle maintenance costs. She stated that GSWA trucks currently require constant maintenance and repairs. Board Chairman requested that management begin working on the procurement for new trucks. Board member Denney also inquired on an inoperable compactor at the Harmon Transfer Station. Mr. Gast stated that it has not been repaired because there are no authorized agents of the manufacturer on island. He stated that if island-wide collection were to be implemented, the compactor would not be needed.

Chief of Administration Fejeran reported that incoming calls to customer service have improved since the first quarter report. Phone calls decreased significantly due to



GSWA receiving its shipment of trash carts and deliveries occurring regularly. Ms. Fejeran stated that customer service went from having 800-900 calls per day to now receiving around 300 per day.

ii. ARPA Update

Comptroller Kakigi stated that GSWA is still on track to receive funding by September or October. She stated the first round will be computed up to December 31, 2020. She stated that it is around \$2.6M; however, at the end of the day, the amount given to GSWA will be up to the Governor.

b. Committee Reports

i. GM Search / Succession Plan

Chairman Gayle reported that he has been in negotiations with the candidate selected for the GM position and hopes to have an agreement signed by this week. The candidate is hoping to be on Guam by October 11, 2021. Attorney Orcutt stated there is a statute that restricts the Government of Guam from selecting off-island hires unless they possess a unique skillset or qualification. He stated that it is not clear if the statute applies to GSWA but recommends that GSWA still comply with the statute by certifying that GSWA did not have any on-island applicants. Chairman Gayle requested for approval from the Board to make this certification.

A motion to authorize Chairman Gayle to sign off on the statement stating that GSWA did not receive any qualified on-island applicants for the GM position was made by Member Oehlerking. The motion was seconded by Secretary Denney and passed unanimously. Chairman Gayle stated that he will work with General Manager Gast on a transition plan. He stated he may want to have General Manager Gast come to Guam to spend some time with the new candidate. Chairman Gayle stated they will present the transition plan to the Board at the next Board meeting.

ii. Zero Waste Round Table / Revolving Recycling Fund Subsidy

Assistant General Manager Leon Guerrero stated that he called the Office of Senator Perez to see if there was any upcoming round table meetings. He stated that the committee intends to have a meeting soon and will let GSWA know when it is scheduled.

V. Unfinished Business

a. Island Wide Trash Collection Initiative

Chairman Gayle stated that he reached out to the Governor, and she did mention that the bill is nearing finalization. He inquired if GSWA could see the bill and possibly give input. He stated he will follow-up tomorrow regarding the bill.

b. Ordot Post Closure Plan Update – Update from the latest Court Hearing

No discussion.

c. Cell 3 Construction Update

General Manager Gast stated that cell 3 has been completed. He stated there are some punchlist items that still need attending to and it would probably be that way for a year. GHD has used most



of their project management funding, and he has asked them to keep this contract open for the warranty period in case there are any issues. He stated if it exceeds that amount, GSWA may need to increase that contract slightly. Cells 1 and 2 are currently being used for sludge and other large materials that are harder to put in the flooring of the new cell. He stated that an incident occurred last week where extreme winds from the storm ripped the rain cover right down the seams. He reported that Northwest Lining requested for money to be guaranteed before mobilizing to do any work. GSWA contacted CTI and asked if they were able to complete the repair instead. CTI was able to do the work and completed about 50% of the repair and will complete the remaining work once the proper materials are in.

Chairman Gayle mentioned that there was an article in the newspaper that was published about the new cell being utilized. He wanted to clarify that technically GSWA rate payers are the ones paying for the bond.

General Manager Gast stated that GGH will be increasing its contract costs because of the rise in fuel. Chairman Gayle asked if there was language in the assigned contract that allows them to request for this increase. General Manager Gast stated there was indeed language that allows for them to do this. Board members inquired on whether it will decrease once the fuel prices go down. General Manager Gast stated that there is an option in the GGH contract that if GSWA decides not to renew their contract that GSWA will have the opportunity to purchase the equipment and therefore assume the responsibility of the landfill operations.

VI. New Business

Chairman Gayle stated that he and General Manager Gast were discussing that Comptroller Kakigi's contract is up for renewal and that the contract should be handled by the General Manager instead of the Board. General Manager Gast stated he will work with Attorney Orcutt regarding her contract.

Comptroller Kakigi stated that she needs Board approval to tap into the internal reserves accounts for operations. She stated the ending fund balance will be \$5.2M and that GSWA will need to tap around \$700K based on the projections for the remainder of the fiscal year. She stated she will only transfer funds as she needs it and not at one time.

Member Montellano made a motion to authorize Comptroller Kakigi to allocate up to \$700K from the internal reserves. The motion was seconded by Vice Chairwoman Hemlani and the motion was passed unanimously.

VII. Open Discussion

None.

VIII. Public Forum

None.

IX. Next Meeting

The August meeting was scheduled for Thursday, September 16, 2021, at 1pm via Video Conference.

X. Adjournment

A motion to adjourn the meeting was made by Member Oehlerking and seconded by Member Montellano at 2:47pm. The motion was passed unanimously.