



**GUAM SOLID WASTE AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
Friday, May 22, 2020
1:00 pm-2:00 pm
Guam Solid Waste Authority Teleconference**

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
Dana Gutierrez	Secretary
Peggy Denney	Member

Management & Staff:

Larry J. Gast	General Manager
Katherine Kakigi	Comptroller
Alicia Fejeran	Chief of Administration
Roman Perez	Operations
Chelsea Cruz	Customer Service

Guests:

Natasha Charfauros	Office of Senator Therese Terlaje
Charlene Flores	Office of Senator Sabina Perez

III. Approval of Minutes

The Board reviewed the draft minutes for the May 8, 2020 Board meeting. Member Denney noted that the word "billed" under Section IV should be corrected to "baled." Secretary Gutierrez moved to approve the minutes subject to the requested correction. The motion was seconded by Member Denney and passed unanimously.

IV. Reports

a. Management Report

i. Operational Report

a. COVID Impact

Comptroller Kakigi reported updates on the expenditure report as of April 30, 2020. She stated that the negative effects on revenues is reflected in this report. She stated so far expenditures are running below projections but reminded the Board to keep in mind that there are still pending invoices that have yet to be recorded. Comptroller Kakigi also informed the Board that GSWA has received some relief from the CARES Act reimbursements. Chairman Gayle inquired on whether management has been paying the differential pay to the employees. Comptroller Kakigi replied that GSWA is paying differential pay and is reflecting about \$8,000 to-date and is budgeted under the CARES



Act. Chairman Gayle inquired if GSWA will be impacted if the current pending legislation for double pay is passed. Comptroller Kakigi stated she will find out and will inform the Board. Secretary Gutierrez inquired if the personnel rules and regulations has language regarding double pay. Comptroller Kakigi stated that the Board adopted the Department of Administration personnel rules and regulations.

Comptroller Kakigi stated that since restrictions have been lifted she is hopeful for an increase in tonnage. Comptroller Kakigi presented the Tonnage Report that compared April of this year versus last year. She reported that both years reflect a consistency up until March where a 20% drop in tonnage is visible. Member Denney inquired if the drop was primarily in commercial. Comptroller Kakigi stated that the drop is primarily in commercial and that residential tonnage has gone up due to residents having to stay home.

Comptroller Kakigi presented the Revenue Report and stated the net billing reflects a month to month comparison from this year versus last year and that there is a drop. Chairman Gayle pointed out that there is just about a 20% drop in revenue. General Manager Gast reported that he spoke with the manager at Mr. Rubbishman and was informed that some of Mr. Rubbishman's customers have decreased their weekly pick-up or have stopped services altogether. Member Denney inquired if management knew if hotels are still hosting military guests. General Manager Gast stated that the quarantine period is done for the military guests.

b. HHW & Curbside Recycling

General Manager Gast stated that later on today he will meet with Mr. Rubbishman and see how the recycle sorting testing is coming along. He stated that GSWA took recycle material that was stored and dumped it over at Mr. Rubbishman for a trial run. He stated if everything goes as planned then the first recycle pick-up will resume on June 1, 2020. Member Denney inquired about what is happening to paper and inquired if it is still going to the landfill. General Manager Gast stated that paper still goes to the landfill although it is being collected as recyclables. Member Denney also inquired about plastics going into the landfill and General Manager Gast stated that the plastics also go into the landfill and will continue until he is able to speak with Guam Environmental Protection Agency about the issue. Member Denney stated there is a means to recycle plastics 2 and 5 and would like to discuss the issue with General Manager Gast. General Manager Gast stated he would have to speak with current contractor, Mr. Rubbishman, to see if separating plastics 2 from plastics 1 will change the current contract. General Manager Gast stated with the financial situation right now he might have to announce that we will no longer accept plastics 1 and 2. Member Denney inquired on whether GSWA can assist the Association of Micronesia with separating plastics 2. Board Chairman stated that GSWA would have to review the impact and the Board has to remember its responsibility to run an efficient municipal solid waste disposal. Board Member Denney inquired if there are any changes in the Household Hazardous Waste Facility. General Manager Gast stated that they are still operating; however, he may have to consider reducing the hours or eliminating the program completely. Board Chairman reminded Board members that the primary function is municipal solid waste disposal and there are additional costs for all the additional services being provided. Chairman Gayle stated that he is looking forward to



Senator Perez's working group and that these will be some of the issues GSWA will take up with them.

ii. 2020 Budget Update

None.

iii. PUC Management Audit Update

General Manager Gast reported that the auditors will be coming in July if COVID-19 restrictions are lifted for the audit report. If not, the auditors will explore how they can meet with the Public Utilities Commission.

b. Committee Reports

i. Legal Counsel Procurement Update

Chairman Gayle stated that a draft of a Memorandum of Agreement has been prepared and it reflects a rate of \$90.00 an hour. Chairman Gayle wanted formal Board approval. Secretary Gutierrez inquired about the status of the procurement that was issued for legal counsel services. General Manager Gast informed the Board that he sent out a letter cancelling the procurement last week. Vice Chairwoman Hemlani motioned to allow Chairman Gayle to accept and execute the Memorandum of Agreement with the Attorney General's Office subject to seeing the MOA with a written clause included that states GSWA will not be billed for any services regarding the case between Government of Guam and the Receiver. Secretary Gutierrez seconded the motion and the motion passed unanimously.

ii. Revolving Recycling Fund / Recycle Response Group Update

Board member Denney said she has not received any updates.

V. Unfinished Business

a. Cell 3 Construction Update

General Manager Gast reported that the Cell 3 construction is progressing; however, it is not progressing as quickly as they hoped. He stated he has issues with CTI and some of the plans that they have; however, he has no control over their means and methods. General Manager Gast stated that the contractor is afraid of not meeting the timeline and is choosing to proceed with building from the bottom up. General Manager Gast stated that he is also working with the construction management team GHD and is also going to get some experts to speak with CTI management about their plans.

b. Court Hearing Update

i. Post Closure Plan update and timeline

Chairman Gayle stated that last Friday he received a notification from the Receiver's Attorney, Joyce Tang, requesting a meeting regarding the finalization of the Ordot Post Closure. He stated that there was a delay in meeting due to the COVID pandemic and they are anticipating a delay to the end of the Receivership to now be around mid-October. He also informed the Board that Attorney Tang will be sending out a notice regarding the update.

ii. Trustee Agreement review and approval

Tabled

VI. New Business

Chairman Gayle stated that management and the Board need to discuss the \$2,000,000 shortfall. He also stated that he and General Manager Gast will be meeting with the Governor's Office. Comptroller Kakigi stated that she called the Bureau of Budget and Management Research and was educated about two



possible funding sources that could help GSWA. She stated she was informed about two grants; Compact Impact and the Capital Improvement Project. Comptroller Kakigi stated she will coordinate the meeting and see if it will be held virtually or in person. Member Denney inquired if Solid Waste stateside are similarly impacted and if they receive Federal relief. General Manager Gast stated right now there is nothing that offsets Government Revenue loss.

General Manager Gast inquired if the Board will consider a proposal to charge a deposit on all new accounts moving forward. He stated there is no incentive for people to properly cancel their accounts before leaving. He stated that GSWA receives so much returned mail and have no way of contacting the people who have relocated. Chairman Gayle asked for clarification on whether this would be only for new accounts moving forward or for all existing accounts as well. General Manager Gast stated it would only be for new customers moving forward. Secretary Gutierrez asked that management inquire whether GSWA is able to implement a deposit and to determine the procedure for such implementation. General Manager Gast stated that if the Board agrees with the proposal, he will approach Fred Horecky at the Public Utilities Commission to see if it needs to go through the AAA process and then present the details to the Board at the next meeting. Member Denney inquired on paperless billing because it was brought to the Board's attention that GSWA is receiving a large amount of returned mail. Chairman Gayle inquired on how many customers are actually sent paper billing. Chief of Administration, Alicia Fejeran, reported that about 15,000 paper invoices are sent out monthly. Chairman Gayle wants management to look into charging for printed billing and explore the options. He also wants management to look into late fee charges being applied to accounts.

General Manager Gast stated that GSWA opened a cash collection office for customers to pay their bill and he reported collections range from \$3,000.00 a day to \$10,000.00 a day. He stated this is a result of Bank of Guam cancelling acceptance of cash payments for utilities.

VII. Open Discussion

Tabled

VIII. Public Forum

None.

IX. Next Meeting

The next Board meeting is scheduled for Thursday, June 4, 2020 via teleconference.

X. Adjournment

Member Denney moved to adjourn meeting at 2:33 p.m. The motion was seconded by Vice Chairwoman and passed unanimously.