



**GUAM SOLID WASTE AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, October 7, 2021
1:05 pm-2:32 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 1:05 p.m.

II. Roll Call

Board Members:

Andrew Gayle	Chairman
Minakshi Hemlani	Vice Chairwoman
Peggy Denney	Secretary
Cora Montellano	Member
Jim Oehlerking	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
Irvin Slike	Guest

III. Approval of Minutes

The Board reviewed the minutes for the Board meeting held on August 19, 2021. Vice Chairwoman Hemlani made a motion to approve the minutes and the motion was seconded by Secretary Denney. The motion passed unanimously.

IV. Reports

a. Management Reports

i. Operational Update

The Board looked over the Operating Budget for GSWA as of August 31, 2021, which did not reflect the ARPA funds because it occurred in September. Comptroller Kakigi reported a net loss of \$1 million mainly due to revenue shortfall; shortfall consisted of \$500,000 and additional expenses incurred. Comptroller Kakigi presented GSWA's Balance Sheet to the Board. She stated the unrestricted cash shows a decrease of \$2.4 million due to paying off GSWA's liabilities of \$1.6 million and \$900,000 to fund the current operational shortfall.



Comptroller Kakigi confirmed that the restricted funds will no longer be GSWA's responsibility when the Receivership is gone from Ordot and the trustee is in place.

Comptroller Kakigi reported on the commercial and residential revenue and tonnage for FY20 and FY21. GSWA's FY21 Commercial chart displayed current revenues increasing monthly beginning May 2021. GSWA's FY21 Residential chart shows an increase in residential tonnage. Comptroller Kakigi discussed the total expenditures from August 2020 to August 2021 were exceeded by 1.8% primarily due to cost of servicing the increased number of residential customers.

ii. GovGuam Budget Bill

Comptroller Kakigi went over GSWA's FY22 Budget Request. She stated the total budget for FY21 was \$19.8 million. GSWA's FY22 budget request was \$20.2 million, but increased to \$20.4 million because of GEPA appropriation. Secretary Denney inquired as to what the GEPA appropriations are utilized for. General Manager Larry Gast stated the Guam Legislature appropriates a portion of GSWA budget to GEPA for monitoring of open and closed landfills. General Manager Gast reported all of the money towards anything for the closed landfill should be coming out of the long-term care funding, not GSWA's operational funding. Secretary Denney inquired with the Board if GEPA should be required to explain how the funds are being used. Chairman Gayle agreed, but mentioned this has been happening for years.

General Manager Gast stated that the funds appropriated to GEPA are being used to fund GEPA's monitoring over GSWA; however, this should be funded through permitting fees. He also stated that this funding is used for GEPA's contractor, Jacobs Engineering for their mandatory trash collection study. GSWA had requested in July at the budget hearing to discontinue withdrawing money from GSWA's account, but request was denied.

Comptroller Kakigi reported that the FY22 Budget Law authorized \$15.6 million to GSWA which is driven by expected revenue. She projects a budget shortfall of approximately -\$2.2 million. She further stated that the Layon Operator contract increase was unforeseeable and added to the budget shortfall of about \$500,000. Comptroller Kakigi is working with the necessary individuals to obtain \$3 million in ARPA Funding which will be used to cover the FY21 and FY22 shortfall. Comptroller Kakigi will present a Board resolution to load the ARPA funds at the next Board meeting. The Board also discussed the allocation of GSWA funds for additional truck purchases. The Board also noted that there is no significant change in the budget from FY21 moving into FY22.

iii. ARPA Update

GSWA was approved for \$3 million in ARPA funds to fund GSWA Operations. Funding will be used to fund FY21 shortfall of \$708,000 and the balance for FY22 shortfall of \$2.3 million.

b. Committee Reports

i. GM Search / Succession Plan

Chairman Gayle reported that an extensive process was done to properly recruit a new General Manager. Vice Chairwoman Hemlani made a motion to confirm Irvin Slike's



appointment as General Manager of GSWA and the motion was seconded by Member Oehlerking. There was no further discussion on the motion and the motion was passed unanimously.

- ii. **Zero Waste Round Table / Revolving Recycling Fund Subsidy**
No update, No meeting.

V. Unfinished Business

a. Island Wide Trash Collection Initiative

Chairman Gayle is working with the Governor's legal counsel. He has yet to receive a copy of the updated proposed bill. He states the trash collection initiative will need an external funding source in order to proceed, so for now GSWA is waiting on how the Governor would like to proceed as a law.

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

Chairman Gayle stated that the Ordot post closure plan update is still looking at the end of the year for the permitting and moving out of receivership. General Manager Gast estimates that everything will be moved over to GSWA and Guam EPA by January. General Manager Gast stated that Bank of Guam will be entrusted by the court to be the trustee as soon as the court is ready to release everything back to GSWA and Guam EPA.

c. Cell 3 Construction Update

General Manager Gast stated that GSWA is still processing change orders in GHD's contract. He also stated the warranty for Cell 3 lasts for one year, up until September 2022. He also stated no retention has been released for Cell 3. He also mentioned that a lien waiver is needed and GSWA needs enough money in retention to cover if legal action is taken. General Manager Gast stated that 99% of Cell 3 is completed.

VI. New Business

a. Independent Accounting System

Tabled

b. Dededo Transfer Station Property

Chairman Gayle stated that there was a bill presented to transfer the property to Guam EPA based on federal grant money, and that he and General Manager Gast had testified at the public hearing and did not object.

c. Letter from PUC

Chairman Gayle reported that the Guam Public Utilities Commission (PUC) had submitted a letter requesting for an update from GSWA concerning the PUC Management Audit issued October 2020. Vice Chairwoman Hemlani made a motion to have Chairman Gayle, General Manager Gast and Irvin Slike collaborate on a response to the PUC letter and represent GSWA at upcoming PUC meeting. Member Oehlerking seconded the motion. Chairman Gayle stated further that the meeting is open to the public. There was no further discussion on the motion and the motion was passed unanimously.

VII. Open Discussion

The Board said their farewells to General Manager Gast.

VIII. Public Forum

None.

IX. Next Meeting

The next Board meeting is scheduled for Thursday, November 04, 2021, at 1pm.

X. Adjournment



Secretary Denney made a motion to adjourn the meeting and Vice Chairwoman Hemlani seconded the motion. The motion was passed unanimously and meeting was adjourned at 2:32pm.