



**GUAM SOLID WASTE AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, December 2, 2021
1:08 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 1:08 p.m.

II. Roll Call

Board Members:

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

Management & Staff:

Irvin Slike	General Manager
Pedro A. Leon Guerrero Jr.	Assistant General Manager
Katherine Kakigi	Comptroller
Alicia Fejeran	Chief of Administration
Roman Perez	SWM Superintendent
Joanne Flores	Management Analyst

Guests:

Charlene Flores	Office of Senator Perez
Gerry Partido	Pacific News Center
Mike Gawel	Guest
Walter Leon Guerrero	EPA Administrator

III. Approval of Minutes

The Board reviewed the minutes for the Board meeting held on November 4, 2021. No comments were made on the minutes. Member Montellano made a motion to approve the minutes and Secretary Denney seconded the motion. The motion passed unanimously.

IV. Reports

a. Management Reports

I. Operational Update

Comptroller Kakigi presented the Operating Budget to the Board. She stated she separated the two budgets between what was passed for GSWA's annual budget and the ARPA budget that was received from the Governor. She explained that \$2.5 million was remaining from the \$3 million that was allocated to GSWA to cover FY21 budget. Comptroller Kakigi stated that GSWA allotted the full amount to cover operational needs. She stated there was an unanticipated increase with the Layon Operator of \$500,000. She also stated it was not originally budgeted with what was submitted to the Legislature. She stated that the Layon Operator was going to be funded by the ARPA funds, as well as other contractual



obligations. Comptroller Kakigi stated GSWA's total budget was \$21.4 million. She stated that GSWA was reporting financials for the month of October. She also stated GSWA experienced a small loss of -\$3,356. Comptroller Kakigi specified that GSWA had a slight decrease in revenues. General Manager Slike explained the reason for the decrease in revenues was because the water authority had two centrifuges down. He stated that the centrifuges should be up and running in early December. He also reminded the Board that GSWA is still going to get back that revenue, but it will be delayed.

Comptroller Kakigi stated that GSWA had increases in residential and commercial fees. General Manager Slike explained that the 5% increase in the Layon Operations was due to insurance timing and CPI adjustment. He stated the -16% drop for GSWA's vehicle maintenance was due to not being billed by Fleet Services, but he was able to save money from disputed repairs. He is expecting GSWA to see better maintenance and lower costs throughout this year.

Member Montellano inquired if GSWA is accruing the vehicle charges for the month. Comptroller Kakigi stated that GSWA's truck vehicles are currently under work orders, so amounts will be provided as they are completed. Chairman Gayle stated that GSWA did not have dedicated expenditures for reserves and Comptroller Kakigi confirmed that reserves were not set aside and that those funds would be used to purchase trucks. Comptroller Kakigi also stated that the remaining reserves from Layon Landfill, the Cell 3 set-aside and the post-closure set-aside, an annual amount of \$200,000, will be diverted to purchase GSWA trucks as discussed in the prior board meeting. Chairman Gayle said that GSWA has diverted reserves and will have to eventually go back to setting aside reserves. General Manager Slike stated that he has a meeting set with the Department of Administration (DOA) Director Birn for December 10, 2021. General Manager Slike continued that upon approval of the reimbursement from bond funds from the Cell 3 construction in the amount of \$850,000, GSWA will be able to allocate that amount to the reserves fund.

Chairman Gayle suggested that as GSWA finalizes the structure of the island wide trash collection, GSWA will become granular on the allocation of reserves. General Manager Slike stated that the miscellaneous fund for GSWA was due to postage and PayPal. Comptroller Kakigi stated GSWA does not buy postage every month, but purchased \$20,000 for the month of October.

Comptroller Kakigi presented GSWA's Commercial Fees on Rolling Revenue and Tonnage Trend. She stated that there was a 15% increase between the average of August 2020 to October 2021. Comptroller Kakigi presented GSWA's Residential Tonnage, which was 2.7% higher than the average of last year's monthly revenues. Comptroller Kakigi stated GSWA's key indicators for days in cash consisted of internal restricted reserves (e.g., equipment replacement, cash account, reserves for Layon). She stated that GSWA has eighteen (18) days total in operational cash that covers the unrestricted reserves.

Comptroller Kakigi stated that she previously was approved by the Board to utilize the Equipment Replacement Fund in the amount of \$700,000, which was to be replaced with ARPA funds. Comptroller Kakigi also stated that there would be a dilemma reimbursing the \$700,000 because ARPA funds are not provided in advance and GSWA will only get reimbursed based on actual expenditures. Member Montellano inquired if the task could be completed slowly. Chairman Gayle restated his understanding of how Comptroller Kakigi, given the restrictions, has allocated the ARPA funding of the \$2.4 million for the year amongst GSWA's operational fees. He further stated that GSWA would use the remainder of the Cell 3 bond proceeds in the amount of \$800,000 to go into unrestricted reserves. General Manager Slike



stated that GSWA will advocate for that when they meet with Mr. Birn on December 10, 2021. Chairman Gayle also stated that GSWA almost broke even for the month of October.

Comptroller Kakigi stated that GSWA is requesting to write-off 178 bad debt accounts that have been outstanding as of September 30, 2019, which adds up to around \$200,000 (2.7% of revenues). Comptroller Kakigi stated that GSWA had around \$113,000 that was missed from the first write-off last year, so as of September 30, GSWA is looking at \$88,000 (1.1% of current revenues). Secretary Denney inquired what is the status with the bad debt accounts. Comptroller Kakigi stated that 78 accounts were from 10 years passed. Vice Chairwoman Hemlani inquired if the accounts from this year are by continuing customers. Comptroller Kakigi stated that the accounts have been inactive and outstanding since 2016 and 2017, there was no stop date, and they were continuing to be billed. Vice Chairwoman Hemlani inquired about what GSWA does in terms of collection. Chairman Gayle inquired if GSWA has reached out to a collection agency. Comptroller Kakigi stated that GSWA lacks the manpower, but when funds are available, someone will be hired to complete this and past debts would still be collected although they are being written off the A/R books for accounting purposes. Chairman Gayle stated that the proposed mechanism for subscribers is if you sign up for water service, you sign up for trash service, and if you do not pay your bill, GSWA will go after your taxes. Chief of Administration Fejeran stated customers that do come in to restore their service must pay off the remaining balance before restoring their services.

Vice Chairwoman Hemlani made a motion to approve the Board Resolution to Write Off Bad Debt/Accounts Receivables. Member Montellano seconded the motion. All were in favor with the resolution and it was passed unanimously.

General Manager Slike stated he planned to suspend the scheduling of bulky waste during the holiday season. He stated the truck specifications have been finalized and GSWA is looking at before Christmas to close the project out for cell three (3). Chairman Gayle inquired when is the estimated time the new trucks will be on island. General Manager Slike stated the estimated time of arrival is 12-18 months. He also stated that the position for the Mechanic has been advertised on Guam, but there are no applicants.

At next meeting, General Manager Slike will propose to the Board a three- to four-year project to start closing out Cells 1 and 2. General Manager Slike stated that GSWA continues to address missed pickups, customer complaints, and acquiring a new phone system.

II. ARPA Update

Comptroller Kakigi reported that there were no other updates.

b. Committee Reports

I. Zero Waste Round Table / Revolving Recycling Fund Subsidy

Assistant General Manager Leon Guerrero Jr. reported that he followed up with Senator Perez's Office Staff Member Evan San Nicolas. He is awaiting confirmation when a meeting will be scheduled.

Secretary Denney said she spoke with Sabina Perez and they are looking to schedule a meeting once current session is done.

V. Unfinished Business

a. Island Wide Trash Collection Initiative

Chairman Gayle stated a meeting will be arranged by the Governor's legal team later this month to meet with



stakeholders for GSWA, Guam Waterworks Authority (GWA), and Chairman of the (CCU) to discuss the framework. He stated the concept, that a database comparison must be completed; if customers sign up for water service they will also be signed up for trash service; logistics will be worked out; and GSWA's working on entering an agreement with the Legislature to work with Department of Revenue and Taxation to go after tax refunds.

Chairman Gayle explained how a lifeline program for Guam Solid Waste Authority will be funded. The Board discussed similar comparisons of a lifeline program.

b. Ordot Post Closure Plan Update

General Manager Slike and Assistant General Manager Leon Guerrero Jr. attended the public meeting. General Manager Slike reported the final closure date and when the permit will be issued is January 14, 2022.

c. Independent Accounting System

Comptroller Kakigi is still working with the Attorney General's Office and hopes to get feedback next month. Secretary Denney inquired if the independent accounting system will save GSWA money. Chairman Gayle stated the cost of ownership is the give and take.

d. Legal Counsel Services

The Board discussed costs of the legal fees that were negotiated for GSWA. The Board further discussed that there is no dedicated AG representative assigned to the GSWA, so a request must be submitted and whoever is available will respond back to GSWA's request.

VI. New Business

Comptroller Kakigi requested the Board approve the cost for her to acquire membership with the Association of Government Accounting. Secretary Denney made a motion to approve and Vice Chairwoman Hemlani seconded the motion. All were in favor and the motion passed unanimously.

VII. Open Discussion

None.

VIII. Public Forum

Guam Environmental Protection Agency Administrator Walter Leon Guerrero answered questions from the Board about the Revolving Recycling Fund process, the January target date for the permit to be issued, and staying up to date with specific contracts to ensure a smooth transition with no hindrance to the operations of the Guam Solid Waste Authority.

IX. Next meeting

The next meeting will be held via video call on January 13, 2022 at 1:00 pm

X. Adjourn

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