



FISCAL YEAR 2020

# CITIZEN CENTRIC REPORT

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## ABOUT GSWA

The Guam Solid Waste Authority (GSWA) was created through P.L. 31-20 as an autonomous, public corporation on April 4, 2011. The Legislation established an agency to handle the operations of what was formerly the Solid Waste Management Division under the Department of Public Works. The legislation's stated objective is to achieve GovGuam's eventual resumption of all functions, responsibilities, and authority for solid waste management and operations, and the governance thereof.

After 11 years of being under the management of a Federal Receiver, the District Court of Guam handed the day-to-day operations of GSWA to the GSWA Board and new Management Team on April 30, 2019.

## MISSION

The mission of GSWA is to provide a safe and healthy environment for the people of Guam through proper, timely, and efficient collections of refuse materials throughout the villages and urban areas and to assure their proper disposal in legally permitted facilities.

## BOARD OF DIRECTORS

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

## MANAGEMENT TEAM

Larry J. Gast, General Manager  
 Kathy B. Kakigi, Comptroller  
 Alicia Fejeran, Chief of Administration



## CUSTOMER DEMOGRAPHICS

**20,106** RESIDENTIAL CUSTOMERS  
**45** COMMERCIAL CUSTOMERS  
**49** GOVERNMENT CUSTOMERS

## SERVICES

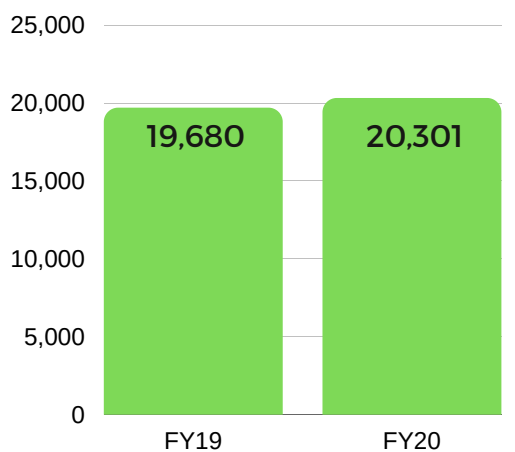
- Curbside Trash Collection
- Curbside Recycle Collection
- Bulky Waste Collection
- Residential Transfer Stations
- Household Hazardous Waste Facility
- Hauler Only Transfer Station
- Layon Landfill



# PERFORMANCE

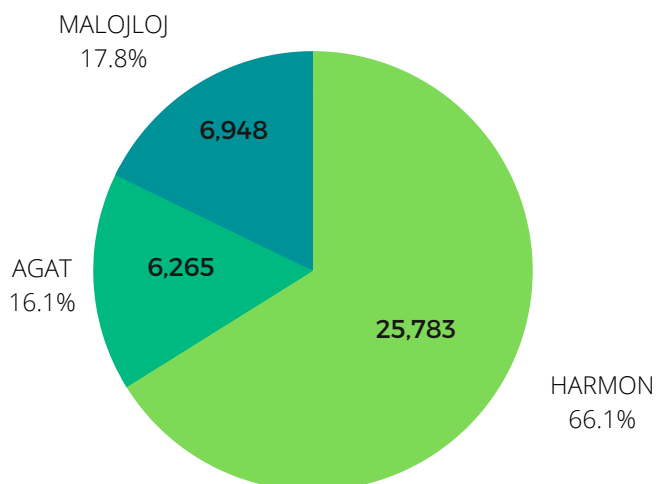
|                                     | <b>FY2019</b> | <b>FY2020</b> |
|-------------------------------------|---------------|---------------|
| Layon Landfill Tonnage              | 95,971        | 92,142        |
| Hauler Transfer Station Tonnage     | 80,728        | 74,815        |
| Household Hazardous Waste Customers | 3,944         | 4,152         |
| No. of Walk-Ins (Customer Service)  | 9,228         | 7,117         |
| New Customer Registrations          | 2,223         | 1,517         |
| Paperless Invoices sent             | 68,210        | 79,239        |

## ACTIVE RESIDENTIAL CUSTOMERS

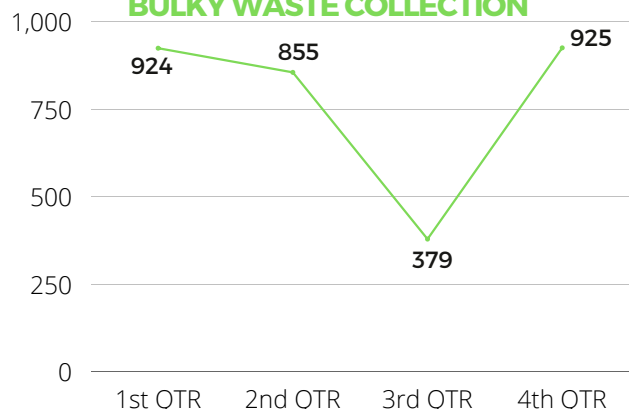


20,301 customers as of Sep 30, 2020

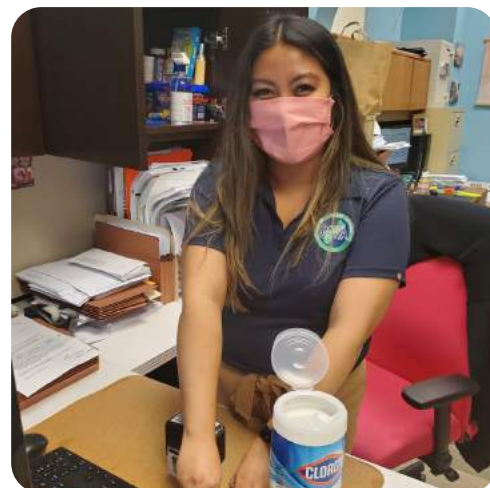
## NO. OF CUSTOMERS SERVED RESIDENTIAL TRANSFER STATIONS



## NO. OF CUSTOMERS SERVED BULKY WASTE COLLECTION



No bulky waste collection from March 15, 2020 through May 31, 2020 due to COVID-19

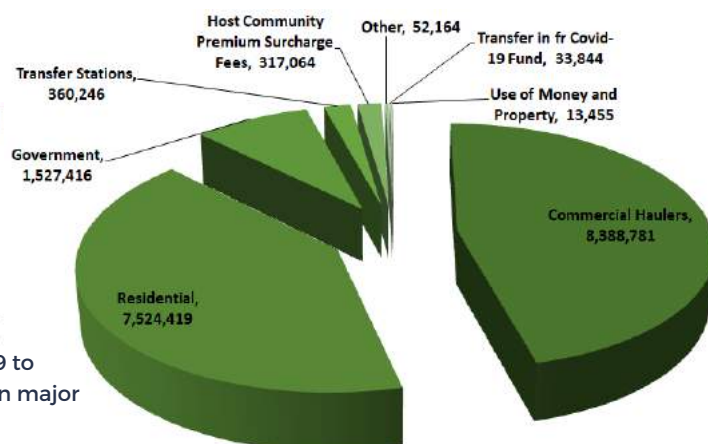


# FINANCES

## OPERATING REVENUES

| REVENUE                              | FY2020            | FY2019            | Inc(Dec)           | % Change   |
|--------------------------------------|-------------------|-------------------|--------------------|------------|
| Commercial Haulers                   | 8,388,781         | 9,735,322         | (1,346,541)        | -14%       |
| Residential                          | 7,524,419         | 7,310,480         | 213,939            | 3%         |
| Government                           | 1,527,416         | 1,521,152         | 6,264              | 0%         |
| Transfer Stations                    | 360,246           | 339,067           | 21,179             | 6%         |
| Host Community Premium Surcharge Fee | 317,064           | 342,921           | (25,857)           | -8%        |
| Other                                | 52,164            | 73,452            | (21,288)           | -29%       |
| Transfer in fr Covid-19 Fund         | 33,844            | -                 | 33,844             | N/A        |
| Use of Money and Property            | 13,455            | 17,360            | (3,905)            | -22%       |
| <b>Total Revenues :</b>              | <b>18,217,389</b> | <b>19,339,754</b> | <b>(1,122,365)</b> | <b>-6%</b> |

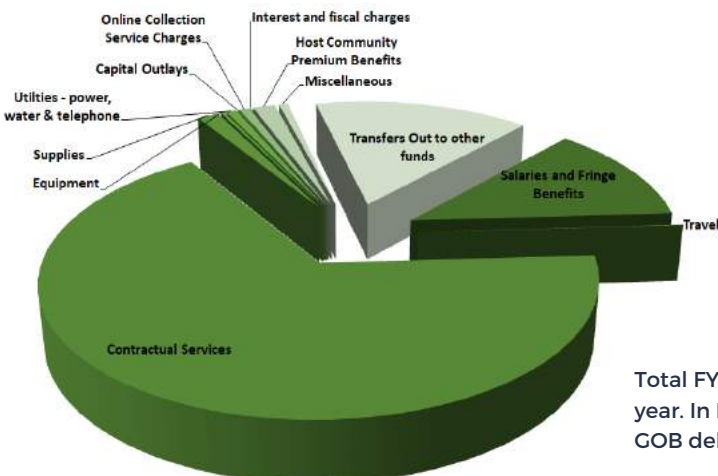
Total operating revenues decreased by \$1,122,365 from \$19,339,754 in FY2019 to \$18,217,389 in FY2020. Decrease in Revenue was primarily due to decrease in major commercial hauler revenues by \$1,346,541.



## OPERATING EXPENDITURES

| EXPENDITURE                          | FY2020            | FY2019            | Inc(Dec)       | % Change  |
|--------------------------------------|-------------------|-------------------|----------------|-----------|
| Salaries and Fringe Benefits         | 2,498,510         | 2,153,189         | 345,321        | 16%       |
| Travel                               | 16,405            | 14,527            | 1,878          | 13%       |
| Contractual Services                 | 13,510,881        | 14,678,600        | (1,167,719)    | -8%       |
| Supplies                             | 303,712           | 388,472           | (84,760)       | -22%      |
| Equipment                            | 53,761            | 17,786            | 35,975         | 202%      |
| Utilities - power, water & telephone | 149,204           | 159,962           | (10,758)       | -7%       |
| Capital Outlays                      | 8,350             | 56,488            | (48,138)       | -85%      |
| Online Collection Service Charges    | 142,428           | 103,685           | 38,743         | 37%       |
| Interest and fiscal charges          | -                 | 79,273            | (79,273)       | 0%        |
| Host Community Premium Benefits      | 317,064           | 342,921           | (25,857)       | -8%       |
| Miscellaneous                        | 129,758           | 364,125           | (234,367)      | -64%      |
| Transfers Out to other funds         | 3,059,332         | 1,086,633         | 1,972,699      | 182%      |
| <b>Total Expenditures :</b>          | <b>20,189,405</b> | <b>19,445,661</b> | <b>743,744</b> | <b>4%</b> |

Total FY2020 operating expenditures increased by \$743,744 compared to prior fiscal year. In FY2020, GSWA transferred \$3,059,332 to GovGuam to pay for 2019 Series A GOB debt for the construction of Cell 3 in Layon Landfill and cost of issuance.



In July 2019, GovGuam issued \$27.6 million in 2019 Series A General Obligation Bonds to pay for the construction of Cell 3 for the Layon Landfill and pay bond related costs. GSWA will be transferring funds to the General Fund based on a continuing covenant agreement with GovGuam to fund the debt service payments of approximately \$3 million annually. The construction of Cell 3 is expected to be completed by July 2021.

### CAPITAL PROJECTS FUND

| Revenue                                  | 2020              | 2019              |
|--|-------------------|-------------------|
| Use of money and property                | 228,253           | 57,142            |
| <b>Expenditure</b>                       | <b>2020</b>       | <b>2019</b>       |
| <b>Contractual Services</b>              |                   |                   |
| Capital Projects                         | 19,031,448        | 127,216           |
| Bond issuance costs                      | -                 | 481,613           |
|  | <b>19,031,448</b> | <b>608,829</b>    |
| <b>Other financing sources (uses)</b>    |                   |                   |
| Proceeds from issuance of long-term debt | -                 | 27,610,000        |
| Premium on bond issued                   | -                 | 4,027,747         |
| Transfers out to other fund              | -                 | (160,142)         |
|  | -                 | <b>31,477,605</b> |

### DEBT SERVICE FUND

| Revenue                               | 2020              | 2019              |
|---------------------------------------|-------------------|-------------------|
| Use of money and property             | 92,490            | 113,631           |
| Transfer in from General Fund         | 20,972,750        | 21,011,544        |
|                                       | <b>21,065,240</b> | <b>21,125,175</b> |
| <b>Expenditure</b>                    | <b>2020</b>       | <b>2019</b>       |
| Principal                             | 10,425,000        | 5,410,000         |
| Interest                              | 12,215,694        | 11,494,500        |
| Bond issuance costs                   | -                 | 528,655           |
|                                       | <b>22,640,694</b> | <b>17,433,155</b> |
| <b>Other financing sources (uses)</b> | <b>2020</b>       | <b>2019</b>       |
| Transfers in from other funds         | 3,059,332         | 1,246,775         |

# OUTLOOK & CHALLENGES

## FEDERAL RECEIVERSHIP



GSWA had a timeline, from USEPA, for the end of the Receivership in July 2020. Covid - 19 has moved these dates forward due to worldwide shutdowns and difficulty in shipping Ordot samples. The latest timeline is looking at the last quarter of 2021, if not later, for the turnover of Ordot to GSWA and the end of the Receivership.

## CELL 3 CONSTRUCTION

The Layon Landfill construction project for Cell-3 has continued with some minor delays due to Covid - 19. Substantial Completion is expected in June 2021 and Final Completion is expected in July 2021.



## MANAGEMENT AUDIT

PUC contractor MSW completed the required Management Audit of GSWA. This third-party evaluation found that GSWA was operating within expected standards when compared to similar sized operations within the US. This audit also found that GSWA was underfunded for its future obligations which may require a future rate increase. GSWA has been reviewing options and strategies for providing Island Wide Household Garbage Collection for single family homes. This program should help reduce illegal dumping and increase Guam's aesthetic appeal and improve environmental quality.