



**GUAM SOLID WASTE AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
Tuesday, May 4, 2021
1:08 pm-2:30 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
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:

Ken Orcutt	Office of the Attorney General of Guam
Charlene Flores	Office of Senator Perez
Jerry Partido	PNC
Corazon Montellano	Member of the public (proposed new board member)

III. Approval of Minutes

The Board reviewed the minutes for the Board meeting held on April 07, 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

Comptroller Kakigi presented the quarterly Trash Talk Report. She highlighted that the total budget to actuals shortfall in revenue is at \$700k and is primarily due to the decrease in revenues from the commercial haulers. Comptroller Kakigi stated that there is an operational shortfall of \$338k to date. Comptroller Kakigi presented the accounts receivable report and highlighted that back in March 2020, when the pandemic started, GSWA suspended the retrieval of bins for accounts that went delinquent. She stated that moving forward GSWA plans to focus on the accounts that are 120+ days past due and



resume retrieving bins from these accounts. She presented that there is an increase in residential accounts of 2.4% compared to the same period last year. Comptroller Kakigi informed the Board that she had requested to hire an individual who will focus on delinquent accounts and was given the approval from General Manager Gast to do so. She highlighted that the percentage of increase at the residential transfers is Harmon Transfer Station at 13%, Agat Transfer Station at 28% and Malojloj Transfer Station also at 28%. Comptroller Kakigi highlighted that the collection for restoration is at an increase of 61%. Chairman Gayle requested that the report order be switched to show the increase and have the year 2020 first and 2021 second. Comptroller Kakigi stated that the commercial revenues have a smaller share compared to last year due to the pandemic but also stated that it was expected. She highlighted that in March 2021 the revenue goes up primarily due to the change in the PCOR condition from 2 to 3 which meant that businesses opened up and increased the commercial activity. Comptroller Kakigi stated that the Revenues did increase by 7% compared to the same period last year.

Comptroller Kakigi presented the expenditures and the breakdown based on the object class. She stated the bulk of the expenditures is from the contractual services. Comptroller Kakigi went through the Top 9 vendors in the contractual object class. She highlighted that she has been working with SWM Superintendent Roman Perez regarding the diversion of any excess tonnage being brought to the Hauler Only Station to ensure that no additional charges for the excess tonnage is incurred. Comptroller Kakigi stated that the recycling curbside collection costs compared to last year saved GSWA about \$71,000 due to the reduction in recycling plastics. Comptroller Kakigi stated that 55% of the recycle collection is considered contaminated and disposed of as trash. Chairman Gayle stated a public informational announcement might help with this contamination. The Board inquired if there are processes in place for repeated violations. Chief of Administration informed the Board that there are processes in place and repeated violators get the recycle bins removed and have to pay a fee to restore the recycling services. Comptroller Kakigi informed the Board that the Bulky Waste Collection has increased by 27.7% and the electronic waste collection has also increased by 15.3%. General Manager Gast stated that he will work with Assistant General Manager Leon Guerrero Jr. at looking at cost reduction efforts with the activity at the Household Hazardous Waste Facility. Comptroller Kakigi highlighted that based on the stipulation in the law that allows the Mayors to dump one free load per day that the free tonnage is quantified at about \$118,000 based on the current rate per ton. Comptroller Kakigi went briefly over personnel costs and stated that the contractual employees have a slight increase due to replacing the three Government of Guam employees that GSWA lost.

Chief of Administration Fejeran briefly went over the Customer Service Performance measures. She stated that there is a monthly average of 704 walk-in customers. She stated that the paperless billings have increased with about 67% of GSWA customers using the online bill-pay option. Chief of Administration Fejeran pointed out that since January 2021 there has been a decrease in call volume primarily due to the fact that GSWA has issued temporary bins with the recycle bin inventory that was available. She also reported that GSWA should be receiving the shipment of bins by May 21, 2021. Board Member Oehlerking inquired as to what the waitlist for deliveries currently looks like. Chief of Administration Fejeran stated that currently there is no waitlist since we have



been able to issue temporary bins and have resumed retrievals. She pointed out that the only waitlist would be those who would like to start in a new month since GSWA does not prorate its services.

General Manager Gast gave a brief summary about how most of the information reported is based on Residential and he sees that eventually GSWA will have to breakout into two divisions to phase out costs accordingly. He stated by splitting up the two sections it will make it easier to account for their functions including their costs.

ii. ARPA Update

Comptroller Kakigi reported that GSWA should be expecting the 2020 reimbursements by May 11, 2021. She stated that the 2021 reimbursements will not be done until after the year is completed. She stated she has developing news and wants to confirm it before announcing it at the Board level.

b. Committee Reports

i. GM Search / Succession Plan

Chairman Gayle informed the Board that the bill that Senator Perez introduced as Bill 86-36 which adopted language to broaden the education requirements for the GM candidates was passed by the legislature and is now awaiting the signature of the Governor. Chairman Gayle asked that Chief of Administration reach out to the candidates and also update the ad for SWANA to reflect the change in requirement. He also recommended that they move forward with formal interviews.

ii. Zero Waste Round Table / Revolving Recycling Fund Subsidy

Chairman Gayle stated that he received a copy of the draft and he did not see any changes that were specific to GSWA. Assistant General Manager Leon Guerrero Jr. pointed out that on Page 11 of the draft there is a specific reference to GSWA. Chairman Gayle looked at the draft and confirmed there was a section specific to GSWA.

V. Unfinished Business

a. Status of Receivership

Attorney Orcutt stated that he does not have a lot of information to report except that there is a proposal that is being circulated to see if the Receivership can end. General Manager Gast stated he spoke with Receiver Representative Chris Lund and was informed that Mr. Lund was supposed to meet with the Judge; however, something had come up and the meeting was cancelled. General Manager Gast stated that Mr. Lund wanted to have some information for the Judge regarding the completion of Cell 3. General Manager Gast stated that he recommended that the Judge be given access to the camera feeds to see the progression of Cell 3 and how it is almost completed. He strongly feels that this may assist with the end of the Receivership.

b. Government of Guam vs US Department of the Navy in the Supreme Court

Attorney Orcutt highlighted that the argument comes down to how much of the waste material was put in by the Navy and all the argument in lower court is that the Navy did not put any waste at all.

c. Rate Change Update

Chief of Administration Fejeran reported that the scope of work for the consultants has been completed and GSWA received confirmation from the Department of Administration's Director Edward Birn to proceed with the RFP. Comptroller Kakigi will continue to work with the Governor's Office with regard to the plan for Island Wide Trash Collection. Chairman Gayle stated that



management and himself have been in contact with the media and tried to clear up the confusion with GPWA accepting the MOU to receive payments at their location and the billing for Island Wide Collection. Chairman Gayle pointed out that several members of the CCU think that billing for Island Wide Collection on the power or water bill would not be feasible and could possibly impact their bonds. He stated he wanted to make it clear that the assistance being requested by GSWA to GPWA has nothing to do with the Island Wide Collection Initiative.

d. Ordot Post Closure Plan Update

Chairman Gayle stated that all updates are tied in with the status of the Receivership. No further discussion.

e. Cell 3 Construction Update

General Manager Gast reported that the Cell 3 construction is almost complete. He also stated that CTI has come to him with \$2M in change orders, a good portion of it due to their mandatory COVID19 shut-down. He stated they are requesting compensation for the quarantine and loss of activity while they were shut down. General Manager Gast stated that so far he has told them he disagreed with their requests and told them no payment will be remitted for those items. Chairman Gayle requested that Attorney Orcutt look at the contract and the claims and work with General Manager Gast. General Manager Gast stated that he is going over the change orders with GHD on Friday, May 7, 2021, and will forward them to Attorney Orcutt for his review and opinion.

VI. New Business

a. Board Requirements

i. Education Program for New Board Members

Chairman Gayle stated that there is a new Board member coming aboard and he has asked Chief of Administration Fejeran and Attorney Orcutt to prepare references for the new and existing Board members to have.

ii. Quadrennial Ethics Training

Chairman Gayle stated all Board members must undergo this training.

iii. Annual Conflict Disclosures

Chairman Gayle stated this applies to all Board members.

iv. Management Review

Chairman Gayle stated that a subcommittee needs to be formed to conduct a management review which is required of the Board. Vice Chairwoman Hemplani nominated Member Oehlerking and he accepted the nomination to Chair the subcommittee.

VII. Open Discussion

Assistant General Manager Leon Guerrero Jr. stated that he reached out to Mayor Chargualaf of Inalahan and they will be having a public hearing on Thursday, May 6, 2021 at 6:30 p.m. at the Mayor's Office. He also stated that it was a recommendation from GEPA as GSWA is trying to get the operations permit in time for the substantial completion of Cell 3. Assistant General Manager Leon Guerrero Jr. stated that this will be to hear any concerns from the citizens regarding Layon Landfill. He also mentioned that he is continuing the SWANA Zero Waste training on Wednesdays and Fridays.

VIII. Public Forum

Mr. Jerry Partido of PNC inquired on the status of the ARPA funding. Chairman Gayle said, as stated earlier in the meeting, that GSWA is in line to receive reimbursement; however, GSWA will know more in a few days. Mr. Partido also inquired about the rate increase for GSWA. Chairman Gayle stated that GSWA is currently working to procure a firm to present the rate case and any future rate cases. He stated it is still in the process and GSWA doesn't foresee any rate increases until maybe as early as 2024. Chairman Gayle



wanted to make it clear that the CCU for GPWA approved the collection of payments at their facilities; however, they will not be adding GSWA billing to their billing system. He informed Mr. Partido that if he has any other questions he can reach out to the Chairman directly.

IX. Next Meeting

The next Board meeting is scheduled for Thursday, June 3, 2021 via video conference at 1 p.m.

X. Adjournment

Member Oehlerking moved to adjourn meeting at 2:30 p.m. The motion was seconded by Vice Chairwoman Hemlani and passed unanimously.