



**GUAM SOLID WASTE AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, September 03, 2020
1:00 pm-2:00 pm
Guam Solid Waste Authority Video Conference**

I. Call to Order

The Guam Solid Waste Authority (GSWA) Board of Directors' meeting was called to order by Chairman Gayle at 1:00 p.m.

II. Roll Call

Board Members:

Andrew Gayle	Chairman
Minakshi Hemlani	Vice Chairwoman
Margaret Denney	Secretary
Jim Oehlerking	Member

Management & Staff:

Larry J. Gast	General Manager
Kathrine Kakigi	Comptroller
Alicia Fejeran	Chief of Administration
Roman Perez	Operations
Julene Hunt	Customer Service
Lance Sablan	Customer Service

Guests:

Senator Sabina Perez	Senator Sabina Perez's Office
Charlene Flores	Senator Sabina Perez's Office
Ken Orcutt	Office of the Attorney General
Bob Perron	Guahan Waste Control/Guam EPA
Fred Horecky	Public Utilities Commission

III. Approval of Minutes

The Board reviewed the minutes for the meeting held on August 6, 2020. Vice Chairwoman Hemlani requested that the minutes indicate that the meeting was via Video Conference instead of Teleconference. Vice Chairwoman Hemlani motioned to approve the minutes. Secretary Denney seconded the motion and was passed unanimously.

IV. Reports

a. Management Report

i. Operational Report

General Manager Larry Gast reported that the Layon Landfill Operator, Green Group Holdings, informed him that their contracted mechanic had tested positive for COVID-19. Green Group Holdings Operations Manager Norm Kivett, who had been in contact with the individual, was immediately tested and self-quarantined until he received his results which came back negative.



Green Group has also implemented a new procedure to keep staff separated to avoid the possibility of the everyone needing to quarantine all at once in the event someone should test positive.

ii. 2020 Budget Update

Comptroller Kathy Kakigi reported that commercial tonnage for June through August is averaging 3,500 tons, and revenues are averaging around \$1.5M per month. She also reported that there is a slight increase in residential and transfer stations tonnage. She projects revenues to be around \$18.3M by year-end.

Board member Jim Oehlerking inquired on the budget shortfall. GM Larry Gast stated that the Household Hazardous Waste (HHW) Facility has been high in costs which is out of GSWA control, unless the service is stopped. He also stated that GSWA has encountered vehicle breakdowns which has caused employees to work overtime. He reported that new vehicle purchases were held off due to COVID-19 and funds were instead saved to cover the shortfall. Comptroller Kakigi stated that GSWA has made several cost-saving measures. However, these cost reductions have made only a small impact.

Board members and Management discussed Host Community Benefit Fees. GM Larry Gast reported that the Inarajan and Chalan Pago Mayors had requested the Public Utilities Commission (PUC) to increase these fees. Mr. Gast stated that the PUC is still reviewing the expenditures being made.

Board member Jim Oehlerking also inquired on the payments made to the PUC and what the payments are for. Fred Horecky from the PUC elaborated more about these fees which he said are Administrative Fees. He stated that PUC has not charged GSWA any Regulated Fees at this time.

Comptroller Kakigi reported that GSWA projects a shortfall of \$1.5M, but stated that the amount may change depending on any invoices that may be submitted by the Receiver, for Ordot Dump costs, and vehicle maintenance. She also mentioned that GSWA designated fund balances are restricted internally and GSWA has not been adding to these reserves in order to meet operational requirements. Fund balance is currently \$4.9M and GSWA is expecting an operating loss for FY2020 which will be deducted from this designated internal fund balance.

Ms. Kakigi will provide a report for FY2021 at the next board meeting. Chairman Gayle stated that if the negative impacts of COVID-19 continue into next fiscal year, GSWA could see another shortfall. He also stated that GSWA must find a way to fund its reserves for future projects. GSWA should have a rate case once the Management Audit is completed which will account for the required reserves and existing expenses. GSWA Board will have to decide if GSWA will move forward with the rate recommendation or decide if GSWA should cut other expenses and programs.

Chairman Gayle stated that he tried to obtain funds from the Revolving Recycling Fund and Zero Waste fund to subsidize GSWA recycling programs. He stated that recycling was started by the Receiver during a different economic time and GSWA must decide if it can continue to fund these programs moving forward.

Board member Peggy Denney inquired with Bob Perron, Guam EPA Board Chairman, for more information regarding University of Guam's (UOG) proposed budget for the funding they will be



receiving from the Revolving Recycling Fund. He stated that Guam EPA will be reviewing this proposal, and if the use of these funds falls within the approved rules and regulations, then UOG may receive up to \$500,000.00 from the Revolving Recycling Fund.

Senator Sabina Perez informed the board that the Zero Waste Bill has not yet been voted on, and that she would like to convene a roundtable to discuss GSWA's needs while amendments can still be made.

iii. PUC Management Audit Update

General Manager Larry Gast reported that the Consultants conducting the management audit have a group who will be providing the report to the PUC. It is currently unknown as to when they will be providing the report, but possibly in the next couple months as there are some additions and revisions being made. Fred Horecky from the PUC stated that it should be done by November.

b. Committee Reports

i. GM Search

Vice Chairwoman Hemlani reported that the Request for Personnel Action for the position had been prepared, signed and submitted for approval. Chief of Administration Alicia Fejeran reported that the job announcement had been posted on the GSWA website. The job announcement is also being announced on the Solid Waste Association of North America (SWANA) website, but was pending approval for invoicing. The announcement should be posted on SWANA within a couple of days.

ii. Zero Waste

Zero waste was discussed earlier in the agenda.

II. Unfinished Business

a. Cell 3 Construction Update

Change orders have been made to the construction contract and were approved by all parties. The change orders have reduced GSWA's liability by over \$12,000.00. General Manager Gast anticipates four more changes. He said there were necessary changes to the design of the roadway. He also reported that the contractors did not wish to meet with him to negotiate what they are considering to be rock. He said that he will be informing the Office of the Attorney General (OAG) of the situation because this may come up as a claim at the end of the contract. Ken Orcutt from the OAG stated that he will contact Mr. Gast regarding this situation.

Mr. Gast also reported that the contractor's Vice President who had previously resigned has returned to the project. The construction must be completed by June 2021.

b. Court Hearing Update

i. Post Closure Plan update and timeline

Ken Orcutt from OAG stated that there are no updates regarding the court hearing. The joint court filing was completed on June 23, 2020.

General Manager Gast reported that he spoke with Chris Lund from the Receiver and was informed that all major issues that US EPA was concerned about have been addressed.

The Receiver is in the process of getting the final closure permits to Guam EPA.

ii. Trustee Agreement review and approval

None.

III. New Business



Board Chairman Gayle reported that the Board had some follow-up items that needed legal opinion which were submitted to the OAG regarding implementing customer deposits, commercial haulers, and charging for printed customer statements. Ken Orcutt of OAG stated that there is a draft opinion being circulated and should be provided to GSWA shortly.

Board Secretary Peggy Denney inquired on the possibility of accepting asbestos at the Layon Landfill. General Manager Larry Gast stated that the current GSWA permit does not allow for the Landfill to accept asbestos and would require a permit modification. He stated that there may be push back from the Inarajan Mayor's Office due to residents previously voicing concern that asbestos would be harmful to the environment which caused it to be taken out from the existing permit. Chairman Gayle stated that a business plan would have to be developed before moving forward.

Chairman Gayle inquired on the repossessing and delivering of carts to residential customers. General Manager Gast stated that GSWA will begin repossessing carts. He explained that repossessing or removing carts from customers is how we support providing carts to new customers. He stated about 1,400 carts are up for repossession which can be going to new customers.

IV. Open Discussion

None.

V. Public Forum

Senator Sabina Perez thanked General Manager Larry Gast for his contribution to GSWA during his time as General Manager and asked for a status on hiring a new GM.

VI. Next Meeting

The next Board meeting is scheduled for Thursday, September 24, 2020 via video conference at 1 p.m.

VII. Adjournment

Vice Chairman Hemlani moved to adjourn meeting at 2:23 p.m. The motion was seconded by Jim Oehlerking and passed unanimously.