



GUAM SOLID WASTE AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
October 09, 2019
11:00 am-12:00 pm
Guam Solid Waste Authority Conference Room

I. Call to Order

The Guam Solid Waste Authority Board of Directors' meeting was called to order by Chairman Gayle at 11:02 a.m.

II. Roll Call

Board Members:

Andrew Gayle	Chairman
Minakshi Hemlani	Vice Chairwoman
Dana Gutierrez	Secretary
Peggy Denney	Member
James Oehlerking	Member

Management & Staff:

Larry J. Gast	General Manager
Katherine Kakigi	Comptroller
Alicia Fejeran	Chief of Administration
Keilani Mesa	Administrative Assistant
Roman Perez	Operations

Guests:

Charlene Flores	Senator Perez's Office
Norm Kivett	GGH Guam LLC
Nestor Licanto	KUAM
Joe Sir	KUAM
Bob Perron	Guahan Waste Control
Chace Anderson	GBB Receiver

III. Approval of Minutes

The Board reviewed draft minutes for the September 12, 2019 Board meeting. Secretary Gutierrez moved to approve the minutes. The motion was seconded by Vice Chairwoman Hemlani and passed unanimously.

IV. Reports

a. Management Report

i. Cyber Fraud Incident

General Manager Gast explained that a criminal had intercepted email correspondences between Green Group Holdings ("GGH"), the Layon Landfill Contractor, and GSWA staff. Chairman Gayle added that this type of attack is called the "man-in-the-middle attack". General Manager Gast informed the Board that the payment intercepted by the criminal was \$267,000.00, and it was about two months after the payment that GSWA staff realized the payment was not received by GGH. He stated that the management team contacted all the recommended departments and agencies to report the incident. He informed the Board that Homeland Security and the Federal Bureau of Investigation (FBI) had both conducted separate investigations. GSWA has accepted the FBI's offer for cyber training for GSWA staff. Vice Chairwoman Hemlani inquired how the money was routed to the criminals and General Manager Gast informed her that an email was received by GSWA staff requesting that GSWA update the account number where payments are to be made to the vendor. Secretary Gutierrez asked what immediate actions are taking place to ensure this does not occur again. General Manager Gast explained that updated processes have been implemented including requiring face-to-face requirements and communication channels with GGH's on-island representatives. General Manager Gast also informed the Board that GSWA is also transitioning to a



Government of Guam email domain that will provide more secure email usage. Secretary Gutierrez asked if there were any recommended best practices from the FBI that GSWA can adopt. General Manager Gast explained that the FBI's training will cover the best practices. Chairman Gayle inquired on the status of payments with GGH and General Manager Gast stated that GSWA is up-to-date with payments besides the payment amount that was intercepted by the criminals. Board members were concerned about customer payments and General Manager Gast explained that the host service for all credit card transactions is contracted through a third party. Member Denney inquired on whether or not there was a practice in place where GGH would acknowledge payment being received. Comptroller Kakigi stated that Norm Kivett from GGH has to now pick up a paper check at the Department of Administration-Division of Accounts. Chairman Gayle stated that a letter of concern was received from the Governor of Guam and he will work with General Manager Gast on drafting a response. Secretary Gutierrez inquired if GSWA will still work with the FBI to try to recover the funds and General Manager Gast stated that GSWA will continue to work on recovery of funds. Chairman Gayle suggested that GSWA and the vendor both explore fraud protection insurance.

General Manager Gast informed the Board that the trash collection service was set behind one day due to the typhoon. He also informed the Board that there was minimal damage. The Board members want GSWA to look into public service announcements for GSWA customers during storms or other emergencies. The Board recommended that GSWA management team send updates to the media for distribution to the public.

General Manager Gast also informed the Board that the renewal permit for Layon has been submitted to Guam Environmental Protection Agency and the current permit will expire by January 2020.

b. Committee Reports

i. Legal Counsel Procurement

Chairman Gayle stated that Attorney Ken Orcutt retired as of September 30, 2019, and GSWA will be represented by Attorney Shannon Taitano, Attorney Serge Quenga, and Attorney Karl Espaldon. Chief of Administration, Alicia Fejeran, informed the Board that two proposals were received and is requesting Board approval to proceed with contract negotiations. Secretary Gutierrez motioned to authorize GSWA management to begin negotiations with the highest ranked offeror and if negotiations fail, to move on with negotiations with the next ranked offeror. The motion was seconded by Vice Chairwoman Hemlani and passed unanimously. Secretary Gutierrez stated that if management is able to negotiate a contract with an offeror, management will sign the contract with the offeror and route the contract for signature.

ii. Recycling Revolving Fund Update

Member Denney informed the Board that she spoke to the Governor and is trying to schedule a meeting to discuss the funding being moved to GSWA's purview. The legislature passed the rules and the Governor signed the bill for the operating procedures for the fund. Member Denney stated she will push for a meeting once she returns from her trip in October.

V. Unfinished Business

a. Cell 3 Construction Update

General Manager Gast stated that a kickoff meeting occurred with the construction management firm, Core Tech International; however, the construction management contract will not be assigned to GSWA until Friday, October 11, 2019. He stated that he should be able to sign the assignment after the court hearing.

b. Next Court Hearing, Report Submission

Chairman Gayle stated that the report was submitted at 8:30 a.m. to the Court and a copy was distributed to the Board members. He stated that the AG's Office recommended that the report be submitted in a narrative format and that the PowerPoint be prepared for the actual presentation to the court. The Trustee Agreement was explained to the Board, what process was to take place, and that a draft has been submitted. Chairman Gayle stated that the Trustee Agreement is fairly straightforward and is working with the AG's Office to finalize it. Vice Chairwoman Hemlani inquired about the commingling and investment part of the Trustee Agreement and both Chairman Gayle and Receiver Representative, Chace Anderson, informed her that a lot of the language came from the statute. Chairman Gayle noted that he took down the Board members' concerns, including concerns about how compensation will be paid to the Trustee, and will speak to the AG's office before Friday to address them.



c. PUC Management Audit Update

General Manager Gast informed the Board that MSW Consultants requested for a 10-year Capital Plan and he has been working on their request. He stated that some of the information requested needs clarification for formatting and how they want the information received due to some of the services being contracted out. He stated that hopefully most of the information can be prepared before MSW Consultants come for the audit.

d. Reserved Powers for the Board

The Board discussed that this matter may be covered by the PUC Management Audit or that the incoming legal counsel could assist with this matter. The Board agreed to remove this matter pending the PUC Management Audit and/or discussion with incoming legal counsel.

VI. New Business

General Manager Gast requested Board approval for Comptroller Kakigi and a staff member travel to attend the AIPCA accounting conference which includes Government Accounting standards that have been updated to maintain a clean audit. Comptroller Kakigi stated that it will also include Federal Grant training and she has a grant for GSWA that she is working on that will require her to go to the training. She stated that there will be cyber fraud training offered as well. Board members stated that attending the conference and travel do not need Board approval if both were already budgeted for and approved with the budget.

Board members inquired on whether or not the Union negotiations have begun and were informed they have not. Board stated that they do not need any presentation from the Union Representatives and that management and the negotiation team should be in place with legal counsel to begin the negotiations.

VII. Open Discussion

Member Denney stated that a resident of Yona reported to her that GSWA personnel dump recyclables into the trash truck. She suggested that training and more educational avenues be explored for both personnel and the public. She also brought up the acceptance of glass disposal and has concerns about the limitations.

VIII. Public Forum

None.

IX. Next Meeting

The next Board meeting was scheduled for Wednesday, November 13, 2019 at the GSWA Conference room at 11:00 a.m.

X. Adjournment

Member Denney moved to adjourn meeting at 12:25p.m. The motion was seconded by Vice Chairwoman Hemlani and passed unanimously.