



**GUAM SOLID WASTE AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, July 15, 2021
1:05 pm-2:35 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:

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
Chelsea Cruz	Customer Service

Guests:

Ken Orcutt	Office of the Attorney General
Charlene Flores	Office of Senator Perez
Bob Perron	Guahan Waste Control
Jerry Partido	PNC

III. Approval of Minutes

The Board reviewed the minutes for the Board meeting held on June 03, 2021. Vice Chairwoman Hemlani made a motion to approve the minutes and the motion was seconded by Secretary Denney. The motion passed unanimously.

IV. Reports

a. Management Reports

i. Operational Update

Comptroller Kakigi presented the comparative report for May 2020 and May 2021. She stated she wanted to remind the Board that last year the Island was observing COVID restrictions and were limited on social gatherings. Ms. Kakigi stated there was \$120K increase in revenues which was primarily due to Commercial fees of \$82K, Residential fees of \$32K, and Transfer Station and other revenues of \$6K. Board Member Cora Montellano inquired about



whether the increase in the residential revenue was due to an increase of customers. Comptroller Kakigi informed her there was an increase of about 1,000 customers.

Comptroller Kakigi also reported that this year's total expenditures compared to last year is about \$32K more. She highlighted that there was an increase in expenses in the Guahan Hauler-only contract primarily due to the natural increase in the contract and excess tonnage. She indicated that the recycling programs also have an increase compared to last year because recycling services were suspended in April and May 2020 due to COVID. Comptroller Kakigi also reported that there was an increase in personnel with the Pacific Human Resources (PHR) contract due to having to replace Government of Guam employees. She also reported an increase in the vehicle maintenance expense which was due to two major repairs that needed to be completed to include approximately \$9K dollars in parts. She also stated the PUC and legal service fees had also increased. Comptroller Kakigi stated that the miscellaneous expenses included SWANA fees, Government's claims, and the increase in Bank of Guam fees. She also indicated that \$119K was paid to GEPA.

Board members inquired on the status of the MOA with GWA to accept residential cash payments. Comptroller Kakigi stated that she received notice from GWA stating that they are waiting for their attorneys to review the MOA. Attorney Orcutt reported that the MOA has already been reviewed and sent back to them. He informed the Board that he will follow up on the status.

Comptroller Kakigi reported that the increase in Residential customers does not actually increase the bottom line but instead increases costs in contractual personnel and vehicle maintenance. She also reminded the Board that the GSWA fleet needs to be replaced and maintenance costs will be an ongoing problem until that is done.

Member Montellano inquired about the bottom line for the YTD and whether it is an operating loss of \$700K. Comptroller Kakigi confirmed that was correct. She explained that most of the revenues are constant month-to-month. She highlighted that there is a timing difference in recognition of expenses.

Comptroller Kakigi stated she anticipates the revenue loss to be between \$1.2M – \$1.5M but that it is a variable number. Comptroller Kakigi stated that the cash is at about \$3M and anticipates that if GSWA continues in this fashion, that we may have to tap into the unrestricted funding. She stated that there are so many variables at this time; however, she will request from the Board if it comes to that.

Chairman Gayle stated that the Board had decided earlier to divert money that is supposed to go into reserves and that it is not a healthy financial situation. He also stated that GSWA is trying to work with the Governor and her fiscal team with the CARES Act and ARPA funding. He indicated that receiving this funding will hopefully divert a rate increase. Chairman Gayle suggested that Member Montellano spend some time with Comptroller Kakigi and her team and have a facilities tour to familiarize herself. Member Montellano inquired about the income statement or balance sheet. Comptroller Kakigi stated that she can provide those on a side-bar. Chairman Gayle stated that these reports are what was generated for the Board since the Receivership and that the Receiver provided much more detailed reports



whenever they submitted them to the court. Chairman Gayle stated that those reports have been replaced with what management calls the Trash Talk quarterly reports; however, he welcomes her to provide input on what the Board needs to be looking at and to work with Comptroller Kakigi on what type of reports should be provided to the Board.

Comptroller Kakigi presented the tonnage report and stated that the commercial and military tonnage had decreased by 3,688 tons or 9.7% compared to last year. She stated that Residential tonnage had increased by almost 3K tons, and the transfer stations are increasing steadily.

General Manager Gast informed the Board that GSWA does not have operational reserves but needs to have it. He stated that GSWA is not a line agency but is somewhat treated like a line agency when it comes to the budget and funding.

ii. ARPA Update

Comptroller Kakigi stated that there was no update at this time and that the Governor's team will let us know when there is an update. General Manager Gast stated there may be a delay since the Legislature got involved and that GSWA may have to get the details sorted from both sides.

General Manager Gast gave a brief overview of the budget hearing that was held before the Guam Legislature. He stated that he informed the Legislature that GSWA is losing money and has increased expenditures. He reported that he informed them that GSWA is rapidly moving towards a really negative financial circumstance. He requested that the Legislature not appropriate any money from GSWA revenues to other agencies. He stated that he explained the impacts of all the programs and all the cost-saving efforts that GSWA has implemented. He stated that the Legislature seemed sympathetic to GSWA's situation. He also explained how difficult it is to have budget adjustments go through BBMR. General Manager Gast stated that there is a meeting scheduled with Senator San Agustin and Chairman Gayle requested that Attorney Orcutt join in with management for this meeting.

b. Committee Reports

i. GM Search / Succession Plan

Chairman Gayle stated that the search committee had successful interviews with five applicants for the General Manager positions. He also stated that General Manager Gast had extensive interviews with each of them as well. Chairman Gayle stated he is going to table the rest of the discussion for the Executive Session.

ii. Zero Waste Round Table / Revolving Recycling Fund Subsidy

No updates.

V. Unfinished Business

a. Island Wide Trash Collection Initiative

GSWA had submitted some suggestions on the draft bill and Chairman Gayle stated he will follow up with the Governor's office on the status.

b. Ordot Post Closure Plan Update – Update from the latest Court Hearing



Chairman Gayle provided an update on the latest court hearing. He reported that the Ordot Post Closure Care Plan was approved and that the permit should be issued by January 2022. He also stated that it sounded like there would be another court hearing around this time to end the Receivership. He also stated that the Trustee would be in place. Board Member Denney inquired what the permit is for. General Manager Gast stated that the permit is for the long-term care, closure, and maintenance. He explained that the long-term care and maintenance is about a 30-year time table. He also stated that Receiver Representative Chris Lund is confident that the long-term began when they closed the Ordot Dump which was about 8 years ago. General Manager Gast stated that if the stabilization period occurs sooner than the 30 years, then the long-term care may end sooner than that.

c. Cell 3 Construction Update

General Manager Gast stated that the completion ended on June 30th due to three days of rain. He stated that final completion is tentatively scheduled for 10 days from today. He also reported that as of today, GGH has begun placing waste in cell 3. He stated they are putting the minimum amount that they can in cells 1 & 2 and mixing it with the sludge. Chairman Gayle inquired about how long before there is a good layer and General Manager Gast stated probably a year in total before they can begin the compaction process.

VI. New Business

Member Montellano requested for the FY22 budget. Chairman Gayle stated that it was previously submitted to the board at the beginning of the year and that Comptroller Kakigi can provide that to her.

VII. Open Discussion

None.

VIII. Public Forum

None.

IX. Executive Session

Vice Chairwoman Hemlani made a motion to move into Executive Session to discuss the candidates for the General Manager to include the Board members, General Manager Gast, and Legal Counsel and was seconded by Secretary Denney. The motion was passed unanimously.

X. Next Meeting –

The August meeting was scheduled for Thursday, August 19, 2021, at 1pm via Microsoft Teams.

XI. Adjournment

The meeting adjourned following the Executive Session at 2:35pm.