



**GUAM SOLID WASTE AUTHORITY**  
**BOARD OF DIRECTORS' MEETING MINUTES**  
**Wednesday, July 24, 2019**  
**11:00am-12:00pm**  
**Guam Solid Waste Authority Conference Room**

**I. Call to Order**

The Guam Solid Waste Authority Board of Directors' meeting was called to order by Board Chairman, Andrew Gayle, at 11:08 a.m.

**II. Roll Call**

**Board Members:**

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

**Management & Staff:**

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

**III. Approval of Minutes**

The Board reviewed draft minutes for the June 19, 2019 meeting. Vice Chairwoman Hemlani moved to approve the minutes. The motion was seconded by Secretary Gutierrez and passed unanimously subject to the correction of the date the meeting was recessed and the attachment of the Resolution that was approved by the Board on June 25, 2019.

**IV. Reports**

**a. Committee Reports**

**i. Legal Counsel**

Secretary Gutierrez stated that the Attorney General's Office has reviewed the Legal Counsel RFP draft and requested that GSWA include a deadline. Chief of Administration Fejeran informed the Board that the RFP includes a schedule of events. Secretary Gutierrez stated she did not get a chance to review the scope of work and informed the Board that she will review over the next couple of days. Ms. Fejeran provided an overview of the in-house procurement process. She informed the Board that GSWA staff will be responsible for the intake of proposals, review for responsiveness, and will forward the documents to the Selection Committee for their evaluation. The Selection Committee for the Legal Counsel RFP will be Secretary Gutierrez, Chairman Gayle and General Manager Gast. Chairman Gayle asked for a timeline and Secretary Gutierrez stated that the timeline will be adjusted by a couple of days and they are aiming for mid-September. Chairman Gayle requested that the Legal Counsel RFP be issued as expeditiously as possible.

**V. Unfinished Business**

**a. Cell 3 Financing**

Chairman Gayle informed the Board that the Bond was successfully sold, and ratings were favorable. He announced that there will be an event held at the Latte of Freedom for the closing dinner on July 25, 2019. Vice Chairwoman Hemlani inquired why the bond issue read 27 million instead of 31 million. Comptroller Kakikigi stated because the investors were willing to pay a higher price than the par value in exchange for a



coupon rate that is slightly higher than the prevailing market interest rate, Government of Guam, benefits from the increased cash flow receiving \$31 million against a bond par amount of \$27 million. The premium price of the bonds resulted in Government of Guam receiving \$31 million, however, it only has to repay \$27 million. She also stated that because of the demand for Guam premium bonds, the final interest rate came in better than the market demand resulting in a final All in True Interest Cost of 3.25%.

**b. Public Utilities Commission Audit – Mandated by Statute**

**i. Management Audit**

General Manager Gast presented to the Board that the final proposal rate for the Management Audit is \$278,400.00 which is inclusive of an audit of operations, disposal, financing, staffing, etc. He explained to the Board that GSWA will be compared to other Solid Waste Organizations with the same size operations. Chairman Gayle asked if the cost impact will be reflected in the FY2020 funding and Comptroller Kakigi stated that \$400,000.00 was budgeted for this mandate. A motion to approve the Management Audit proposal was made by Vice Chairwoman Hemlani and was seconded by Secretary Gutierrez. Motion was passed.

**ii. Contract Review Protocol**

The PUC proposed a contract review protocol for contracts in excess of \$500,000.00 for GSWA based on the size of the organization. Board members were concerned about the threshold amount and discussed requesting for a higher threshold because of the need to have numerous contracts reviewed by the PUC. General Manager Gast and the Board members all agreed that a higher amount, such as \$750,000.00, would be a better threshold.

A motion was made by Vice Chairwoman Hemlani to authorize General Manager Gast to provide the Board's feedback at the PUC meeting about the potential impact the \$500,000.00 amount would have on GSWA and to request for a contract threshold higher than \$500,000.00. Motion was seconded by Board member Peggy Denney. The motion was unanimously passed.

The Board and Management discussed the invoices sent from the PUC from previous years. The Board discussed that the matter must be raised with the PUC and that GSWA's contribution rate should be lowered because of the size of its operations. Chairman Gayle stated that he and General Manager Gast will have a discussion with Attorney Fred Horecky from the PUC.

**c. Reserved Powers for the Board**

Tabled.

**VI. New Business**

**a. Cell 3 Construction**

**i. Contract Update**

General Manager Gast informed the Board that the contract with Core Tech has been negotiated down to \$27 million dollars pending a pre-construction survey. General Manager Gast stated that he instructed the contractor at Layon to start digging his cover material out of the area where the new cell would be located so that it would reduce the price. He stated that the collection line for the gas mitigation was removed since it would be just sitting and not used. General Manager Gast will communicate with Receiver Representative Mr. Manning about the contract. He stated that once the contract is finalized, the Mr. Manning will provide it to General Manager Gast.

**ii. Construction Management Contract**

General Manager Gast stated that in about seven years the money that GSWA has been putting towards the Ordot Fund will be fully funded so there will be more money available to use. The Board also discussed accepting and charging for Asbestos disposal. General Manager Gast explained to the Board the process for accepting Asbestos and stated he will be talking to Guam EPA about it. He informed the Board that the current permit at Layon would just need to be modified.

**b. Next Court Hearing**

Chairman Gayle requested for Administrative Assistant Mesa to find out when the next court hearing date and time is and circulate the information to the Board.



c. **FY 2020 Budget Digest**

Comptroller Kakigi went over the FY 2020 Budget with the Board for their approval. She provided details and went through a brief presentation on the highlights for the budget and informed them that the Bureau of Budget Management Research is requesting for it to be approved by the Board and submitted to the Legislature no later than August. General Manager Gast informed the Board of several of his cost savings ideas that he has been working on. He discussed several options including cutting out the escort services to Layon, utilizing the facilities down at Layon for truck maintenance and repair, and how he has already directed the residential collection to dump directly at Layon instead of at the Hauler Transfer Station. Chairman Gayle asked Comptroller Kakigi why GSWA needs to submit the budget to the legislature and that it does not necessarily need the legislature's approval pursuant to the enabling legislation. Comptroller Kakigi stated that because BBMR loads the allotments and Department of Administration, Division of Accounts, still manages our books we will still need to submit the budget.

General Manager Gast stated that the vacant positions that are budgeted for are for people who are currently performing the duties but not properly classified. He informed the Board that the positions will not be filled until after the management audit is completed.

A motion was made by Vice Chairwoman Hemlani to approve the presented budget for FY 2020 and seconded by Board member Peggy Denney. The motion was passed unanimously.

VII. **Open Discussion**

Vice Chairwoman Hemlani asked Board member Peggy Denney about the recycling revolving fund and if she had gotten the chance to get the fund back to GSWA. Ms. Denney stated that Mr. Glen San Nicolas from Guam EPA is in favor of transferring the purview back to GSWA as long as some of Guam EPA's programs are funded. She stated she also communicated with Sabina Perez who had asked her if she has communicated with Walter Leon Guerrero and Conchita Taitano and she stated she will do so.

VIII. **Public Forum**

None.

IX. **Next Meeting**

The next Board meeting was scheduled for Friday, August 16, 2019 at the GSWA Conference room at 11:00 a.m.

X. **Adjournment**

Vice Chairwoman Hemlani moved to adjourn meeting at 12:45 p.m. The motion was seconded by Peggy Denney and passed unanimously.