



**GUAM SOLID WASTE AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, December 10, 2020
1:00 pm-2:52 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 1:05 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
Pedro A. Leon Guerrero Jr.	Assistant General Manager
Katherine Kakigi	Comptroller
Alicia Fejeran	Chief of Administration
Roman Perez	Operations
Chelsea Cruz	Customer Service

Guests:

Ken Orcutt	Office of the Attorney General of Guam
Charlene Flores	Office of Senator Sabina Perez

III. Approval of Minutes

The Board reviewed the minutes for the Board meeting held on November 12, 2020. Vice Chairwoman Hemlani made a motion to approve the minutes and the motion was seconded by Secretary Denney. The motion was passed unanimously.

IV. Reports

a. Management Reports

i. Operational Update

Comptroller Kathy Kakigi reported that the FY 2022 budget request is due Friday, December 18, 2020. Chairman Gayle requested that Attorney Ken Orcutt look into the legality of the Legislature appropriating GSWA funds to another agency.

The Board and management discussed FY 2022 projected revenues and do not expect an increase in commercial revenues. Ms. Kakigi stated that she took into account that there will no longer be a commercial hauler discount for prompt payment. She also informed the Board that the prior year fund balance must be tapped on in order to balance the budget and ensure GSWA is not overspending.



Ms. Kakigi also requested that the Board defer the reserves to cover the budget shortfall, specifically the contract for contractual employees and vehicle maintenance. Chairman Gayle requested that Ms. Kakigi present the budget allocation at the next board meeting.

Vice Chairwoman Hemlani made a motion to approve the submittal of the preliminary budget as per the BBMR Circular subject to the changes requested. Board member Jim Oehlerking seconded the motion and it was passed unanimously.

Comptroller Kakigi also presented GSWA operating results as of October 2020. She reported that commercial revenues are showing a decrease of 24.9% while Government revenues are showing an increase of 29.2% due to GWA biosolids. The total net variance for budgeted revenues to actual revenues to date is -9.7%.

Ms. Kakigi also reported on expenditures. She stated that the budget for contractual employees and vehicle maintenance are significantly below budget. She reiterated that with board approval, the reserves must be deferred in order to address this shortfall and properly fund these contracts.

ii. Assistant GM update

General Manager Larry Gast introduced the new Assistant General Manager, Pedro Leon Guerrero Jr. The Board members welcomed Mr. Leon Guerrero.

b. Committee Reports

i. GM Search / Succession Plan

Vice Chairwoman Hemlani reported that there were two candidates who applied for the GM position. She stated that one candidate does not meet the minimum statutory education requirement, and that she would need to verify with legal counsel if the second candidate meets this requirement. She stated that the statute specifically indicates what area the Bachelor's Degree must be in. She also mentioned that the candidates were both Canadian citizens and that it is uncertain what the process and timeline would be to obtain work permits through immigration. General Manager Gast stated that he is also looking for possible candidates.

ii. Zero Waste

Board Secretary Denney reported that she contacted Senator Sabina Perez to follow up on a round table meeting. She stated that there is a meeting tentatively scheduled for December 18, 2020 at 8:00am.

V. Unfinished Business

a. Status of Receivership

i. Ordot Post Closure Update

Attorney Orcutt reported that he received a response from US Attorney Valarie Mann. He stated that the deadlines have not been met and must be revised. A status report is being prepared to be filed with the Guam District Court.

General Manager Gast reported that he spoke with Chris Lund of GBB and was informed that GBB has fulfilled the requirements set by US EPA. He stated that they are waiting for US EPA to submit the outline for the permit so Guam EPA can proceed with the permitting process which includes the 45-day comment period.



b. CIP Grant Request Update

Comptroller Kakigi reported that the Governor's Office has requested a list of reports. General Manager Gast is currently reviewing the request.

c. Mandatory Trash Collection

General Manager Gast reported that Jacobs Engineering, who is contracted with Guam EPA, is currently doing a study on mandatory trash collection. Mr. Gast has been working with Jacobs on a weekly basis and providing them with information needed to do the study and develop a mandatory trash collection plan.

Chairman Gayle stated that GSWA and GEPA should work cooperatively to achieve this plan. He asked Assistant GM Pedro Leon Guerrero to reach out to local agencies such as Guam EPA, Island wide Beautification Task Force, and Mayors Council to ensure GSWA is working in coordination with these agencies with respect to mandatory trash collection.

d. Rate Update

Chairman Gayle reported that MSW Consultants had recommended two different models for a rate increase in their management audit which was accepted by the Public Utilities Commission. He stated that they provided recommended timelines for the rate increase which was for a large rate increase and for two small rate increases. This recommendation did not consider COVID-19 impacts. The Chairman requested for Mr. Gast to obtain an estimate from GHD on preparing a rate increase proposal.

e. Policy and Procedures Update

i. Charges for bill printing

Tabled.

ii. Prompt pay discount for commercial haulers

Tabled.

iii. Deposit requirement for new residential subscribers

Tabled.

f. Cell 3 Construction Update

General Manager Gast reported that Northwest lining will begin working on January 13, 2021 after they complete the 14-day quarantine. They anticipate the liners to be in place after 3-4 months. Completion date is expected to be June 2021.

VI. New Business

a. K. Kakigi employment contract amendment

Chairman Gayle reported that Kathy Kakigi had an issue with her verification of employment due to her current employment contract. The current contract indicates that it is a three-year contract with two (2) one (1) year options to renew. Mrs. Kakigi has requested for an amendment to indicate a five-year renewal option. Attorney Orcutt has prepared a draft of the amendment for Chairman Gayle to review and finalize with Mrs. Kakigi.

Vice Chairwoman Hemlani made a motion to authorize Chairman Gayle to sign the amendment to Kathy Kakigi's employment contract which will allow for a five-year renewal option. All other terms will remain the same. Board Secretary Denney seconded the motion. Motion was passed unanimously.



- b. Board member Jim Oehlerking requested for management to provide operational key performance indicators with regard to impacts affecting operations. General Manager Gast mentioned that vehicle issues have affected the operations significantly. He stated that GSWA may consider changing the operations from a four-day work week to six days. He also stated that COVID-19 had also created personnel issues. Mr. Oehlerking will review the latest Trash Talk report and MSW audit report. Chairman Gayle also requested for a report on the number of calls received and missed.
- c. Chairman Gayle reported that he received a call from a customer, Eleanor Borja, who made a complaint about her cart delivery being scheduled weeks after it was removed due to non-payment. Chief of Administration Alicia Fejeran stated that trash cart inventory had depleted when repossessions were stopped to allow leniency to customers experiencing financial hardships due to COVID-19. Customers were placed on a wait list and being delivered a cart when carts were removed due to cancellations. Although repossessions had begun again, only minimal carts were removed due to operational issues. Chairman Gayle asked if there were any short-term solutions. General Manager Gast reported that GSWA had put out an invitation for bid for carts and that an order for more carts will be placed.

VII. Open Discussion

None.

VIII. Public Forum

None.

IX. Next Meeting

The next Board meeting is scheduled for Thursday, January 14, 2021 via video conference at 1 p.m.

X. Adjournment

Vice Chairwoman Hemlani moved to adjourn meeting at 2:52 p.m. The motion was seconded by Secretary Denney and passed unanimously.