



**GUAM SOLID WASTE AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, August 06, 2020
1:00 pm-2:00 pm
Guam Solid Waste Authority Teleconference**

I. Call to Order

The Guam Solid Waste Authority (GSWA) Board of Directors' meeting was called to order by Chairman Gayle at 1:03 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
Keilani Mesa	Administrative Assistant
Roman Perez	Operations

Guests:

Charlene Flores	Senator Sabina Perez's Office
Natasha	Senator Therese Terlaje's Office
Rob Weinberg	Office of the Attorney General
Bob Perron	Guahan Waste Control
Fred Horecky	Public Utilities Commission
Gerard Bautista	Member of the Public

III. Approval of Minutes

The Board reviewed the minutes for the meeting held on July 09, 2020. Chairman Gayle requested that the word "enabling" be removed in the fourth paragraph of Section V. Vice Chairwoman Hemlani motioned to approve the minutes subject to the revision. Secretary Denney seconded the motion and was passed unanimously.

IV. Reports

a. Management Report

i. Operational Report

a. COVID Impact

ii. Trash Talk (October – June 2020)

General Manager Gast discussed the Trash Talk Report that was presented to the Board. He reported that the residential customer base stays between 19,000 – 21,000 customers. Chairman Gayle inquired as to how many of the residential customers are also provided with recycling bins



and was informed by the Chief of Administration, Alicia Fejeran, that about 95% of the customers have recycling bins. She also informed the Board that some of the customers who do not have recycling bins have either opted out of recycling or lost their bins due to multiple citations. General Manager Gast stated that all the transfer stations have had an uptick in the number of customers during the COVID 19 shutdown. He stated that he believes that the uptick is due to people having the time to clean out their homes and businesses. General Manager Gast discussed the Revenue Comparison between March – May 2019 versus March – May 2020. He stated there was much less revenue than what was expected. General Manager Gast also stated that commercial revenues during this period have decreased and the residential revenues have increased due to the COVID 19 shutdown. General Manager Gast discussed the Operating Expenditures and reported that almost 79% is contractual obligations. He discussed that most of the expenses are contractually required and the only way to reduce the costs is by reducing services. He explained that just for recycling services alone, it costs GSWA \$800,000. He stated that as GSWA goes along, this is something that GSWA will need to review and discuss if it can keep the recycling program.

Chairman Gayle stated he attended the public hearing for the “Zero Waste” bill and testified. Chairman Gayle stated that he asked the Senators to explicitly fund or subsidize the recycling program at GSWA. Chairman Gayle asked for Comptroller Kakigi to prepare the breakdown of the Recycling costs that GSWA incurs so he could present that along with his testimony to Senator Perez’s office. General Manager Gast reported that COVID has had an impact on disposal at the landfill. He also reported that with collecting and processing residential collection, GSWA is operating at a loss. He stated that an increase in residential customers is basically detrimental to operations and GSWA loses about \$120 a year for every household collected. General Manager Gast reported that in comparison to FY 2019, GSWA reduced the costs at the Hauler Only Station by redirecting GSWA trucks directly to Layon. He reported that from the middle of March 2020 – June 2020, the recycling program was shut down to come up with and implement new operating procedures to be in compliance with the Governor’s Executive Order. He also stated that the free services provided to residential customers were never included in the Receiver’s rate model. General Manager Gast stated that the Household Hazardous Waste Facility program is one of GSWA’s biggest expenses. General Manager Gast stated that in his opinion, the recycling and household hazardous waste disposal will only increase expenses for GSWA. Chairman Gayle asked General Manager Gast if GSWA was to remove these additional services whether it would result in a cost savings. General Manager Gast stated it would result in a cost savings of \$1million.

Secretary Denney inquired on what the “other” category is with regard to customer walk-in numbers. Chief of Administration Fejeran stated that she knows a majority of that was assisting customers with Bulky Waste appointments and that moving forward she will breakdown the “other” category further.

Secretary Denney inquired on the increase of paper billing versus electronic billing and how this increases waste that is generated. Vice Chairwoman Hemlani inquired as to whether GSWA has to wait for the Public Utilities Commission to implement a deposit for services. General Manager Gast stated that the rate study should be done soon and once everything is completed, GSWA can put together these suggestions and present it to the PUC. Chairman Gayle stated he will request for an official opinion from the Attorney General’s office about what would also have to go through the AAA process.



iii. **2020 Budget Update**

Comptroller Kakigi stated that based on the tracking of June and July tonnage, there is an increase. She stated that GSWA is projecting revenues to increase and the number she provided was \$18.2 million to end as of September 2020. She stated that the total number of expenditures is still tracking the same projections. Comptroller Kakigi stated that GSWA is projecting an operating loss of \$1.6 million at the end of the fiscal year. She stated that the expenses include the \$100,000 being utilized by GEPA. She also stated that the Unlimited Services Group contract for the household hazardous waste facility was over expended in the amount of \$118,000 as of June 30, 2020. Secretary Denney inquired as to whether GSWA is seeing any cost reduction with the plastic bottles being brought directly to Layon. Comptroller Kakigi informed her that GSWA is indeed seeing a cost reduction; however, it is not significant enough to cover any shortfall.

iv. **PUC Management Audit Update**

Chairman Gayle stated that he was discussing some suggestions for the next steps with Mr. Fred Horecky from PUC and generating a plan for GSWA. Chairman Gayle stated that a small group would come together and review the existing draft then finalize the report and submit it to the PUC. The final would be submitted to the commission and at that point would become a public record. GSWA would need to use the report as a basis for changes to the existing rates. He also stated that GSWA is obligated to have this done post Receivership. Secretary Denney asked Chairman Gayle if she would be allowed to be a part of the subcommittee that is reviewing the draft. Chairman Gayle stated he will work with General Manager Gast and Mr. Fred Horecky about what the details would be.

General Manager Gast reported that he spoke with the MSW contractors and they had some things that they misunderstood that GSWA Management communicated to them and that he will speak with Mr. Fred Horecky on how to proceed.

b. **Committee Reports**

i. **Zero Waste**

Chairman Gayle requested that Comptroller Kakigi provide the costs of the Recycling Program so he may present it with his testimony to Senator Perez's office.

II. **Unfinished Business**

a. **Cell 3 Construction Update**

General Manager Gast stated that there was an issue with Core Tech International and the Vice President of the company walked out and quit on August 5, 2020. General Manager Gast stated that CTI gave him deadlines that he reported to the court and has been informed that the deadlines will be missed. He stated there should not be a major impact; however, the project will move a little slower. Chairman Gayle requested that the management of the construction project attend a future GSWA Board meeting. General Manager Gast stated that the contractor is about 41% complete and will brought up to 51% complete.

b. **Court Hearing Update**

i. **Post Closure Plan update and timeline**

None.

ii. **Trustee Agreement review and approval**

None.



III. New Business

General Manager Gast informed the Board of his resignation effective September 30, 2020. He stated he will be available for transition discussion. Chairman Gayle followed with establishing a committee to lead the job search and fulfill the General Manager role. Vice Chairwoman Hemlani stated that she will lead the committee.

IV. Open Discussion

None.

V. Public Forum

A member of the public, Gerard Bautista, inquired about the schedule of recycling collection and stated it is not consistent. Chairman Gayle stated that recycling is serviced twice a month and there is not a set scheduled date monthly; however, the collection is set for different areas. Mr. Bautista also reported that his brother's bin disappeared and he was informed that it would cost \$74.75 to replace the bin. He stated he reviewed the rules and regulations and did not see any of this in writing. He also inquired about the GPS on the carts. Chief of Administration Fejeran stated she would assist him after the Board meeting. She also explained that the replacement fee is also on the GSWA website and in the customer brochures. Mr. Bautista stated that he will contact Chief of Administration Fejeran regarding his issues.

Mr. Bob Perron from Guahan Waste Control stated that he will try to attend as many Board meetings to answer any questions regarding the Zero Waste or any questions in general for him. Chairman Gayle inquired if Guahan had purchased their glass crusher. Mr. Perron stated yes and they should receive it in November or December. Secretary Denney inquired as to whether Guahan would be able to accept the glass from the Residential Transfer Station. He stated that they should be able to; however, they are still trying to figure out the economics regarding the new service. He stated that this will also allow Guam to allow glass bottles and jars into the bottle bill. Chairman Gayle asked Mr. Perron to share the Waste Characterization study with him and he will pass it along to the Board members.

VI. Next Meeting

The next Board meeting is scheduled for Thursday, September 3, 2020 via teleconference at 1 p.m.

VII. Adjournment

Vice Chairwoman Hemlani moved to adjourn meeting at 2:33 p.m. The motion was seconded by Secretary Denney and passed unanimously.