GL# 34-14-523

IN THE DISTRICT COURT OF GUAM

UNITED STATES OF AMERICA, Plaintiff, v. GOVERNMENT OF GUAM, Defendant.	CIVIL CASE NO. 02-00022 RE: STATUS HEARING QUARTERLY REPORT OF THE RECEIVER May 17, 2017





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Presented to

Chief Judge Frances Tydingco-Gatewood
U. S. District Court of Guam

Speaker Benjamin J.F. Cruz

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GBB

SOLID WASTE MANAGEMENT CONSULTANTS

RECEIVER

Presented by

Gershman, Brickner & Bratton, Inc.

0523

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Quarterly Report of the Receiver

Civil Case No. 02-00022
United States of America v. Government of Guam
Guam Solid Waste Authority

Prepared for:

U.S. District Court of Guam

Submitted by:

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Quarterly Report of the Receiver
May 17, 2017

Civil Case No. 02-00022
United States of America v Government of Guam

Guam Solid Waste Authority

Pursuant to the Order of the District Court of Guam (Court), dated March 17, 2008, appointing Gershman, Brickner & Bratton, Inc. (GBB) as Receiver for the Solid Waste Management Division (SWMD) of the Department of Public Works (DPW) of the Government of Guam (now the Guam Solid Waste Authority [GSWA]), we are pleased to submit to the Court this Quarterly Report ("Report"); covering six months: the third and fourth quarters of CY 2016[1]. The purpose of this Report is to describe to the Court the progress made toward compliance with the Consent Decree for the reporting period July 1, 2016, to December 31, 2016, and to outline the Receiver's recommendations for achieving compliance with the Consent Decree. As an integral part of this Report, the Receiver is also submitting the attached presentation entitled "Quarterly Report of the Receivership for the Government of Guam, Guam Solid Waste Authority" (see Tab 2).

Introduction

During the six months covered in this Report, the work to achieve compliance with the Consent Decree has advanced closer to completion. The Receiver has continued post-closure operations, maintenance, and compliance monitoring of the Ordot Dump Closure facility. During this reporting period the facility was in a year-long warranty period. In addition, construction commenced on the GSWA residential transfer stations located in Agat and Malojloj. The Receiver also continued to oversee operations at the state-of-the-art Layon Landfill and continued to operate solid waste and recycling programs and services for GSWA's customers, ensuring they are served in a timely and cost-effective manner.

During the reporting period, post-closure operations at the Ordot Dump included developing operational protocols, conducting warranty service, and equipment maintenance. In addition, environmental monitoring activities have continued. These monitoring activities include:

- Monitoring groundwater, stormwater, and landfill gas at the Layon Landfill;
- Leachate and marine water monitoring; and,
- Gas, leachate, groundwater, stormwater and cover maintenance and monitoring at the Ordot Dump, as well as the associated compliance reporting.

[1] These reporting periods are also the final quarter of Fiscal Year 2016 (July 1, 2016 to September 30, 2016) and the first quarter of Fiscal Year 2017 (October 1, 2016 to December 31, 2016). The financial information in this report for the two fiscal years is separated to reflect these two financial reporting periods.

From an operational perspective, GSWA continued to operate smoothly and in compliance with all applicable environmental laws and regulations. The number of residential customers remained steady and residential trash collection crews continued to achieve outstanding results for customers. GSWA customer service staff also continued to achieve excellent results for customers while maintaining extraordinarily low delinquency rates.

During the reporting period, procurement activities for GSWA included the procurement of the required construction and other services to upgrade the residential transfer stations at Agat and Malojloj along with the environmental closure of the Dededo Residential Transfer Station. We also continued to work with legal counsel to pursue our claim on behalf of GSWA for liquidated damages in connection with Maeda Pacific Corporation's (MPC) failure to adhere to the contractually agreed upon schedule for delivering the Harmon Residential Transfer Station and the Household Hazardous Waste Facility.

Subsequent to the reporting period, the purchasing disputes that have delayed the acquisition of vital equipment critical to GSWA operations and the Consent Decree were resolved. Replacement vehicles have been ordered and are expected to arrive in a few months.

In the financial area, GSWA operating results for the reporting period covered by this report continued to be strong. GSWA's cash position remained stable during the reporting period and the fund balance is estimated by the Receiver to have increased during the reporting period.

Significant progress has also been made on the issues critical to the successful transition of GSWA to control by the GSWA Board of Directors; however, much remains to be done.

In this Report, we present the following updates for July 1, 2016, to December 31, 2016:

1. **Ordot Dump Closure**
2. **Layon Landfill and Other Consent Decree Projects**
3. **Operations of the Guam Solid Waste Authority**
4. **Contract Management and Procurement**
5. **Financial Issues and Capital Funding**
6. **Transition Issues**
7. **Next Steps**

1. Ordot Dump Closure (July 2016 – December 2016)

Operations / Post Closure Care Period

Operations – The Receiver has continued to manage operations of the Ordot Dump Post-Closure Plan using the services of GHD[2] to manage operations in the post closure period, pending selection of a contract operator. A working set of Standard Operating Procedures (SOPs) was created for the gas collection and control system and leachate collection system based on the experience during this period. These will be included in the scope of work of the procurement for the Ordot Post Closure Care Operations, providing the new Operator with a jumpstart on facility operations and added detail to the procurement scope of work will aid in receiving more uniform proposals. Part of the operations continues to be warranty related work items addressed during this reporting period and are described in greater detail in the facility sections below.

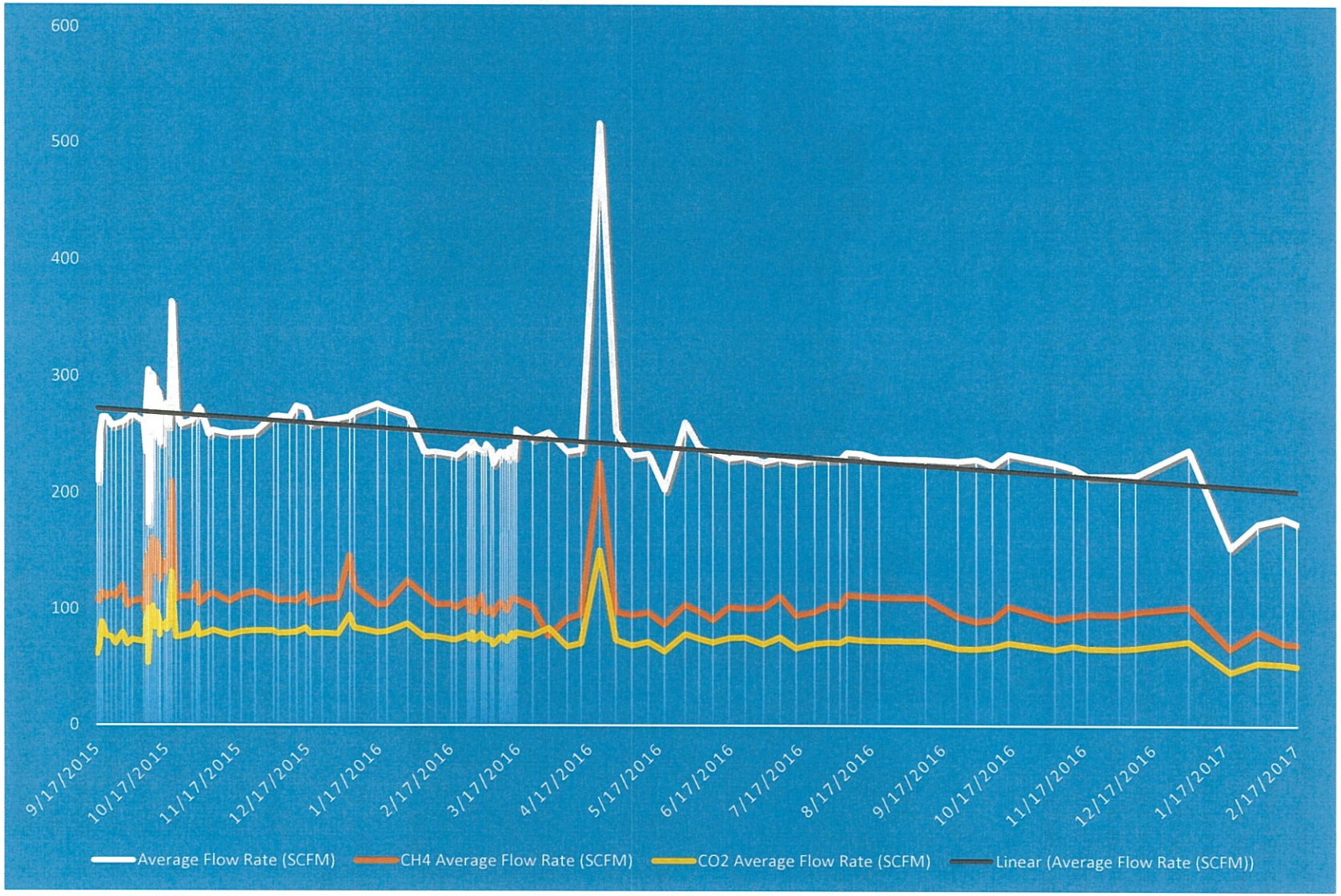
Along with the operations, the compliance monitoring and reporting is an important aspect of the post closure period activities. These activities provide feedback to regulatory and permitting authorities as to the performance of every aspect of the closure system. In the reporting period, the first semi-annual groundwater and surface water monitoring events were performed October 7th through 21st in accordance with the submitted Post Closure Care Plan. In addition, quarterly leachate sampling was performed twice (September 27th and November 16th) and the results reported to GWA, GEPA and USEPA. For the Gas Collection and Control System (GCCS), regular daily and weekly monitoring was performed on gas extraction wells and perimeter gas monitoring wells. Designers from Brown and Caldwell (BC) and operational specialists from Geo-Logic Associates (GLA) remain involved in the GCCS, providing appropriate operational technical support as the system continued to work through some issues. These included resolving a poorly functioning flare station blower and addressing residual soil gas mitigation for the post-closure plan. As with the GCCS, the operation of the leachate collection system has provided the Receiver the opportunity to address several operational issues before it is handed over to the post closure care operator. During this period, these included perimeter leachate collection pipe flushing and cleanout, and pump cleaning and repair. SOPs for the GCCS were developed and are presently being used for operations.

The operations, maintenance and compliance monitoring inspections for all the closure systems in this reporting period are described in the following sections in more detail.

Gas Collection and Control System (GCCS) – The system continues to operate, collecting landfill gas over the entire Ordot Closure system. It has operated since September 2015 and continues to prevent millions of cubic feet of greenhouse gases escaping into the air. The gas composition is primarily a mix of methane and carbon dioxide, both of which are greenhouse gases impacting global warming. Figure 1 (next page) shows the flow rate of landfill gas since collection began.

[2] GHD is the construction management consultant for the Receiver. This work is performed in conjunction with GHD's sub-consultant Geo-Logic Associates (GLA).

Figure 1 – Ordot Dump Gas Flow Rate and Composition Since Startup



As the design had anticipated, the flow rate is relatively low indicating that much of the waste is already in an advanced state of decomposition. The trend in the flow rate is slightly downward; however, it will fluctuate from time to time. Early in the process, there were several flow fluctuations related to the initiation of the gas system and balancing of the wells. The most recent event was in in mid-December 2016, when Blower No. 1 was put back into operation replacing Blower No. 2, which resulted in a shutdown and restart of the flare. Figure 2 shows this activity underway. Blower No. 1 had originally been taken out of service in April 2016 and sent off island to have a number of warranty issues addressed. Re-installation of the blower in December generated a fluctuation in gas flow. The flow rate is monitored as part of the GCCS operations, maintenance and management of the gas system

Figure 2 – Flare Station – Blower Replacement



In addition to the routine operations, maintenance activities performed during this reporting period include:

- Monthly maintenance of the flare pad – which includes draining the blower, checking belt tension, draining the flame arrestor, cleaning the air conditioning filter and checking the various sensors that monitor moisture, pressure and flow;
- Warranty inspections of blower bearing temperatures;
- Flow Meter No. 1 removal for calibration off-island and replaced with backup meter;
- Flare shutdown/performance of leak test on all welds, connections, gauges and flanges;
- Blower Assembly No. 1 removed for warranty refurbishing work, Blower Assembly No. 2 installed; and,
- Pilot Light Solenoid Valve maintenance.

The management of this system is an ongoing and continual process of monitoring the gas generated from the waste. This requires weekly monitoring of gas composition generated at each of the extraction wells and making adjustments to create optimal conditions for gas collection, combustion, and prevent adverse conditions that would cause poor performance.

Perimeter Ordot Dump Landfill Gas Monitoring Network – This is the perimeter landfill gas monitoring wells: a network of 18 wells around the entire perimeter of the closure system. These wells are monitored weekly for the presence of gas in the soil outside the closure system. The maximum allowable percentage of methane in the gas readings in each well for compliance with regulatory standards is to be less than 5 percent. With the closure system in place, all wells are in compliance with this standard, with the exception of two in an area where a significant amount of waste was relocated into the main waste pile. We are working with USEPA and GEPA to continue to monitor and take proactive steps to reduce readings to compliant levels. In the previous reporting period we developed a gas mitigation plan for the immediate area surrounding the wells with readings above 5 percent. The draft mitigation plan has been reviewed by USEPA and GEPA providing comments on the approach and type of investigation. Responses to their comments have been developed and now require review. We will continue to work with USEPA and GEPA to execute a mitigation plan that is acceptable to these regulatory agencies during the post closure care period.

Currently routine maintenance work for the wells included vegetation clearing around all LFGMW to maintain a firebreak at each wellhead.

Leachate Collection System – The leachate collection system has been operating effectively for over a year since it was put into operation in late January 2015. Reporting for this period indicates the leachate quality continues to meet Guam Waterworks Authority (GWA) discharge standards to the public sewer system. Flow volumes continue to be lower than design targets since the closure system has been in place. Over the course of the six-month reporting period, more than 5.4 million gallons of leachate has been captured, with an average daily flow over the six months of approximately 30,000 gallons, and 20,000 gallons daily with over 14.3 million gallons collected since operations commenced. Leachate quality and quantity continues to be reported quarterly to GWA as well as to GEPA and USEPA.

Operation of this system is a 24 hours per day, seven days per week responsibility, and requires periodic maintenance of the leachate tanks, pumps, electrical controls, piping, and a backup power generation system. Other maintenance work in the reporting period consisted of:

- Leachate collection pipe inspections with camera followed by pipe cleaning;
- Pump intake pipe clogging removal of bacterial growths; and,
- Routine pump screen cleanings.

The operational and inspection routine is conducted on a daily basis and consists of the following daily activities:

- Photo documentation;

- Pump total flow rate check;
- Tank level check; and,
- Tank secondary containment draining.

Water Quality Monitoring Network - There is a network of ten[3] groundwater wells and four surface water sampling locations around the entire perimeter of the Ordot Dump closure system. The ten groundwater monitoring wells are required to be sampled on a semi-annual basis, coincident with four surface water locations in the post closure care period. Nearly all of the monitoring wells were installed during the investigatory phase of the closure design effort to understand the existing groundwater conditions and to develop baseline values from which to compare future water quality monitoring. The four surface water quality monitoring locations are the same as those in the investigatory phase. The wells of the water quality monitoring network are included in the routine site inspections and maintenance being performed during this period.

The first semi-annual water quality monitoring event was conducted in October 2016 for the second half of the calendar year (CY) 2016. The sampling was conducted in general accordance with the sampling and analytical procedures included in the Post-Closure Care Maintenance Plan (Brown and Caldwell, 2013) and the Sampling and Analysis Plan – Water Quality Monitoring for the Ordot Dump (GLA, 2016). In accordance with the Code of Federal Regulations, Title 40, Part 258 requirements, data obtained from this sampling event will be statistically analyzed following the collection of seven more groundwater monitoring events. Once eight data sets are available, a suitable statistical method will be selected and employed, accounting for site specific hydrogeological conditions, as well as monitoring well construction, location, and monitoring use.

When sufficient data are available for these analyses, the results will be summarized with statistical summary tables, time-series charts, and trend analysis relative to applicable Guam and Federal Water Quality Standards. At the time of the preparation of this report, the draft Water Quality Monitoring report was under internal review to prepare the report for submission to GEPA and USEPA. Preliminary review of the data results for this sampling event indicate that aside from elevated levels for Total Suspended Solids, the Total Dissolved Solids (particularly aluminum and iron concentrates) found in the results are not uncommon for groundwater samples collected from wells located in volcanic geologic formations like those found at Ordot. Only one constituent, a Poly-Aromatic Hyrdocarbon (PAH), was detected at a quantifiable concentration in one downgradient well.[4] This is a resultant compound typically associated with combustion. Further sampling data gathered over time will provide a more complete and representative picture.

[3] The previous quarterly report erroneously stated that there were seventeen groundwater wells.

[4] PAHs are a group of semi-volatile organic compounds.

The Sampling Analysis Plan used for the first semi-annual water quality monitoring event performed in this reporting period is under review by USEPA and GEPA. We anticipate performing the second post-construction semi-annual event during the second quarter of calendar year 2017.

Cover System – The cover system, now installed, has been designed for long-term stability and low maintenance requirements for the duration of the Ordot Dump post closure care period. In the initial year or two of the post closure period there will be settling and adjustment of the coralline limestone infill of the geocell layer, and there will be some erosion of this material as it stabilizes and vegetation is established. During this reporting period grass mowing of the cover area was performed monthly and weekly when growth required. The mowing requirements are to cut grass to a 6-inch height and to remove any woody plants from establishing on the cover area, to include Trunken Gágu (Ironwood tree), Tángan-Tángan, and Sácate (swordgrass). Figure 3 below, presents an example of that effort. Beyond mowing, very little maintenance is anticipated in the first several years of the post closure period; however, regular compliance inspections, monitoring and reporting is performed as required by the post closure care plan.

Figure 3 – Cover Maintenance, woody vegetation removal



Stormwater Management Systems – Stormwater conveyance channels function as part of the cover system conveying stormwater off the cover system. These have performed adequately over the past six months with no issues. The stormwater is conveyed to the four stormwater detention ponds, which capture sediment and temporarily retain stormwater, allowing it to slowly enter the environment as required by applicable environmental regulations. These systems were put into service as soon as they were completed and regular inspections are performed along with the cover system inspections. In our last report, we were monitoring a few locations on the cover system where there is some localized

settlement of stormwater swales. During this past 6 months we have continued to monitor with no change in settlement and no new areas exhibiting settlement. The channels were made with concrete. As a result, there is expected to be some initial settlement and cracking which will dissipate over time. We will continue to monitor these areas and make repairs as needed.

The stormwater ponds are regularly inspected and maintained with sediment and vegetation removal dictated by prescribed threshold conditions (such as sediment depth and height or thickness of vegetation) when they occur. Standard maintenance procedures and frequency are being refined to assure consistency in the maintenance of these areas. One design aspect of the stormwater ponds is their enhancement of the site as wetland habitat for native flora and fauna, including endangered species. The Marianas Moorhen (Pulattat) has been frequently sighted in the facility ponds as they are ideal open water habitat for such avian water species.

Perimeter Security Fencing – In this most recent reporting period, the fencing systems were maintained through vegetation removal from the fence and on the adjacent ground on either side. No intrusions from feral pigs occurred at any point along the 7,000 foot long enclosure during the reporting period. The fence was constructed with a concrete ground barrier at its base to prevent burrowing from animals. Completed in January 2016 and surrounding the entire closure facility, the security fencing encompasses the Ordot Dump closure cover system, the stormwater ponding basins, the gas collection system, the leachate collection system, and the perimeter groundwater and gas monitoring wells. This eight-foot-high security fence system provides a permanent barrier for the duration of the 30-year post closure care period. Routine inspections occur daily and weekly.

Construction Management and Construction Quality Assurance

Construction Certification Report – The purpose of this report is to document to the USEPA that, in our professional opinion, the closure system has been completed in compliance with the Contract Drawings and Technical Specifications developed by the Brown and Caldwell Ordot Dump closure design. During construction the necessary observations and testing were made to verify that the construction was conducted properly. The Final Construction Management (CM) and Construction Quality Assurance (CQA) Report is a written narrative that includes a description of construction observations, CQA personnel, CQA scope of work, test methods, procedures, CM and CQA test results, CM and CQA acceptance documentation and photo documentation of the construction work.

The combined CM – CQA report was submitted to USEPA in early February 2016. In this reporting period we have responded to comments from USEPA, providing revised documents as needed. Subsequent to this reporting period, on May 12, 2017, USEPA formally accepted the certification of closure construction for the Ordot Dump, marking a major milestone in compliance with the Consent Decree. Tab 3 provides the Court with a copy of this documentation.

Post Closure Care Period - Under Federal law and regulation, the Ordot Dump Facility must be managed and cared for in compliance with an approved Post Closure Care plan (Plan) for thirty years following the completion of closure construction. In order to execute the post closure care requirements with an acceptable degree of certainty, the Receiver, supported by the United States, and approved by this Court,

has developed a financial plan to assure funding to pay the estimated cost of the post-closure plan. USEPA has asked that Standard Operating Procedures (SOPs) be made part of the Plan when they are completed. Completing the SOPs is a two-step process. In this reporting period, the Receiver has completed all of the SOPs needed at this point in time. They are refined and adjusted for flexibility in operations as needed. These SOPs will be incorporated into the Ordot Operator RFP for Post Closure Care Operations. A primary requirement of the procurement is to provide a Statement of Work for prospective operators to know what is expected for management and maintenance. The Ordot Dump Post Closure Care Plan, the associated system management and maintenance plans for the various closure systems, and the SOPs will be primary documents in the procurement package.

Dero Road Renovation /Construction – As we have previously reported, this work was awarded through a competitive process to Hawaiian Rock Products, Inc (HRP), who substantially completed the contracted work on October 26, 2016. We also reported an additional stormwater issue came to our attention that appeared to be related to prior development nearby, but outside the roadway. Although the work already completed as a part of the Receiver's project will address the flooding issues at that intersection during normal rainfall events, it may not address the flooding issues in the intersection that occur when the area experiences the very heavy rainfalls that frequently occur on Guam.

We have now completed an analysis of the options available to further mitigate flooding in this area. Two options were identified:

1. Construct an underground chamber (UGC) on property currently used for parking by the Agueda Johnston Middle School; and
2. Deepen a natural stormwater retention area near the intersection.

Unfortunately, both options offer only small reductions in potential flooding when the area experiences Guam's typical extended heavy rainfalls. In addition, both options create potential problems for the community. Option one will be disruptive to the school during construction and during periodic routine maintenance. Option two conflicts with the "protection area" of a nearby GWA water well. We do not believe this protection area should be disturbed.

The only other course of action appears to be removing the private development causing the problem. We did not evaluate this option since we believe this approach is beyond the scope of the Receiver's authority. Unless otherwise directed by this Court, the Receiver plans no further action be taken and that the Dero Road project be considered complete.

2. Layon Landfill and Other Consent Decree Projects (July 2016 – December 2016)

Construction Management

During the reporting period, the construction management (CM) consultant, GHD, provided ongoing construction support for the remaining areas of the Receiver's construction work. The CM activities consisted of the following:

- Support with the documentation and resolution of the construction claim and dispute with Maeda Pacific Corporation; and
- Assistance to the Receiver in procurement and construction management activity as needed for:
    - GWA Pump Station surge tank procurement and construction management; and
    - Agat, Malojloj and Dededo Transfer station procurement and construction management.

Upgrade of Agat, Malojloj Residential Transfer Stations and Dededo Residential Transfer Station Closure

On November 9, 2016, notice to proceed was issued to Core Tech International Corporation to execute the renovation of the Agat and Malojloj Residential Transfer Stations and the environmental closure of the Dededo Residential Transfer Station within a contract period of 365 calendar days. The work commenced in this reporting period consisted of mobilization to the site with equipment and materials, development and review of material submittals, and the processing of traffic encroachment permit applications to DPW.

At the time of the preparation of this report, the sites have been cleared and the removal of solid waste has commenced at the Agat location. At the Malojloj location, the work has progressed similarly; however, there has been a recent finding of prehistoric use of a corner of the site and it may be necessary to set aside this area for preservation. Appropriate measures were taken by the Archaeological Consultant and Contractor to immediately protect the area and the Guam Historic Preservation Office was informed to provide consultation and direction to ascertain the extent of the area to be preserved. This preservation will impact the design and possibly the construction period. We will continue to comply with this and any other revisions ultimately required to preserve areas deemed to be of historical importance. Changes like this, while necessary, can be both costly and time consuming, and can put the construction timeline at risk should they continue to occur. We will keep the Court informed of developments and the necessary changes to design and the construction schedule.

Work on the environmental closure of the Dededo Residential Transfer Station will begin later this year and is expected to be completed before the end of 2017.

Environmental Monitoring and Compliance

Sound environmental practices and permit conditions require extensive and ongoing monitoring of the GSWA facilities, particularly the Layon Landfill. During the reporting period, the Receiver continued to facilitate environmental compliance with USEPA and GEPA by holding bi-weekly meetings and by regularly reporting data and the results of environmental testing and monitoring. In this section, we will discuss each area of monitoring and our plans to ensure compliance at the Layon Landfill as well as at the transfer stations.

Layon Landfill Municipal Solid Waste Facility and Title V Air Permits – Since GEPA's issuance of both the Facility Operations permit and Title V Air permit on January 28, 2015; environmental reporting is in compliance with permit conditions.

The Layon Landfill Solid Waste Operations Facility and Title V Air permits contain multiple reporting requirements. During operations, the landfill operator, under the oversight of the Receiver, provides permit reporting, supported with information from the third-party environmental compliance consultant, on stormwater, groundwater, landfill gas, surface water and leachate. The Receiver and operator coordinate on the reporting and work diligently with GEPA and USEPA to comply and remain up-to-date with all required permit conditions. During this reporting period, semi-annual reports were submitted as required under the Title V Air Permit in July 2016, and operational year annual reporting was submitted on time to GEPA and USEPA under the Solid Waste Operations permit in September 2016. Annual operations reporting is presented in Section 3 of this report, "Operations of the Guam Solid Waste Authority."

In addition to the forgoing, the Layon Landfill must be in compliance with its Federal Industrial Stormwater NPDES permit. The Layon Landfill has the required Stormwater Pollution Prevention Plan (SWPPP) to carry out the requirements under this permit. Regular inspections are conducted, maintenance performed, best management practices implemented, testing is completed, and the Layon Landfill remains in full compliance. Annual reporting under this permit is required early in the first quarter of 2017.

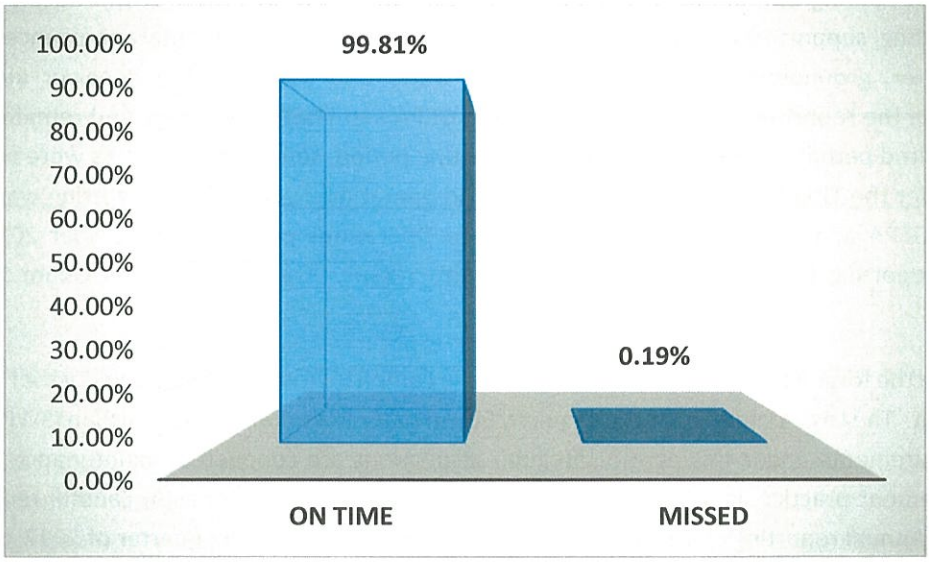
Layon Landfill Groundwater and Site Monitoring – The first semi-annual monitoring event for Operations Year No. 6 (September 2016 to August 2017) was performed in mid-November 2016. The report was submitted on time in the first quarter 2017 to GEPA and US EPA. This is one of the many permit required reporting documents that are reviewed and discussed with the regulatory agencies. Reporting and results continue to be in general compliance with the permit conditions.

Inarajan Wastewater Treatment Plant (WWTP) – During the reporting periods, leachate and marine water sampling continued in accordance with the monitoring work plan under the Layon permit. Leachate characteristics are monitored bi-monthly, and the performance of the Inarajan WWTP is evaluated based on GWA sampling of influent and effluent when available. Marine water monitoring at six sample locations is also being performed on a quarterly basis. GWA has not recently conducted effluent sampling to understand the plant's recent performance; however, marine water results do not differ significantly from the background locations, and leachate quality appears to be following trends consistent with landfill age and maturation. Sampling for leachate and marine water quality will continue in the future quarters at the current frequency and the Receiver will coordinate with GWA to confirm reported volumes treated by the WWTP. Reports are distributed to GEPA, GWA and USEPA regularly.

3. Operations of the Guam Solid Waste Authority (July 2016 – December 2016)

During the current reporting period, GSWA crews performed 467,408 trash collections, of which 99.81 percent were on-time collections. Figure 4 illustrates the on-time collections during the reporting period.

Figure 4 – GSWA On-Time Trash Collections, July 1, 2016 – December 31, 2016



GSWA residential crews collected 9,623.05 tons of trash from their residential customers over the six-month reporting period. Each GSWA customer-household generated an average of 41 pounds of trash each week (5.88 pounds per day), a decrease from the last reporting period when the average was 46 pounds of trash each week.

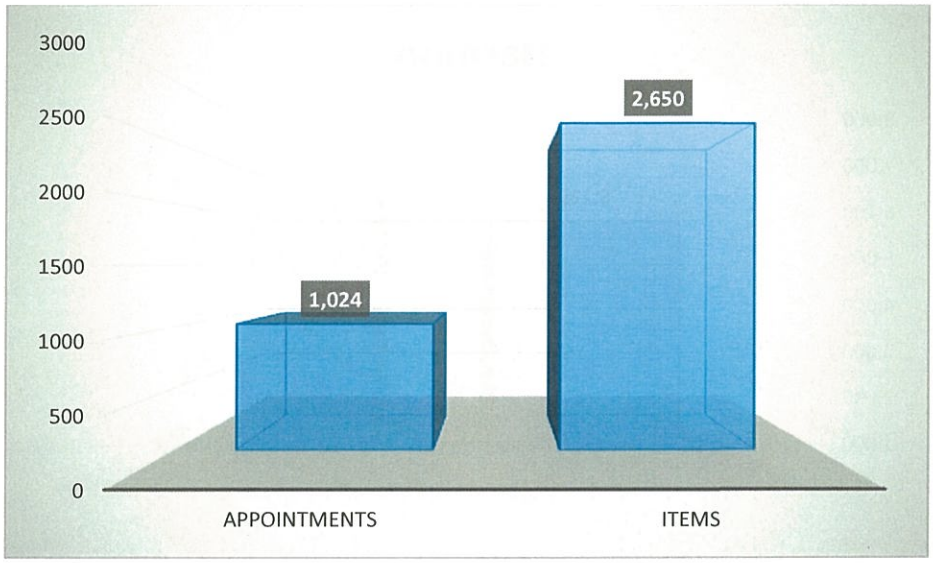
Cart Repairs

During the reporting period, GSWA had 115 damaged or broken carts. This is an average of 19 carts per month that needed to be repaired, which is slightly more than the 13 damaged or broken carts per month as reported in the Receiver's previous Quarterly Report to the Court. The carts are holding up well to the work demands and Guam weather.

Bulky Item Collections

From the beginning of the bulky items program in October 2011 through December 2016, customers have made 6,917 appointments to collect 18,560 bulky items, or an average of 2.68 items per appointment. For the months of this report, as shown in Figure 5, GSWA fulfilled 1,024 appointments collecting 2,650, or an average of 2.59 items per pickup. The Bulky Waste program collects items such as sofas, mattresses and white goods, which include washing machines and hot water heaters. These are mainly large and bulky items that customers have difficulty transporting to a disposal point. GSWA's curbside residential customers are allowed up to two free bulky item collections each calendar year. The fee for each subsequent collection during the same year is $25. Residents who are not curbside residential customers of GSWA and are not a commercial entity may make appointments for bulky item collection for $25 per collection. Metal objects are taken to a local scrap yard to be recycled and non-metal items, such as mattresses and sofas, are disposed of at the Layon Landfill.

Figure 5 – GSWA Bulky Waste Appointments and Items Collected, July 1, 2016, through December 31, 2016



Residential Transfer Stations

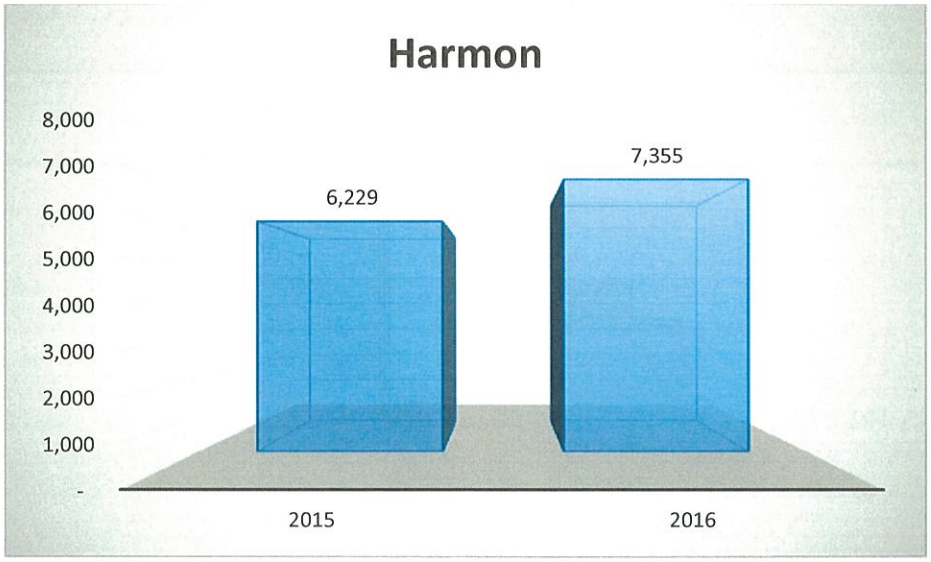
The number of customers using the Residential Transfer Station has increased by slightly over 8 percent during the reporting period when compared to the same months in 2015. Tonnage has increased by essentially the same percentage over that time as shown in Table 1.

Table 1 – Residential Transfer Stations Comparison

	2015	2016	Change	
	July – December 2015	July – December 2016	Numerical Difference	Percentage
Tons	2,318.59	2,504.14	185.55	8.00%
Customers	12,403	13,414	1,011	8.15%

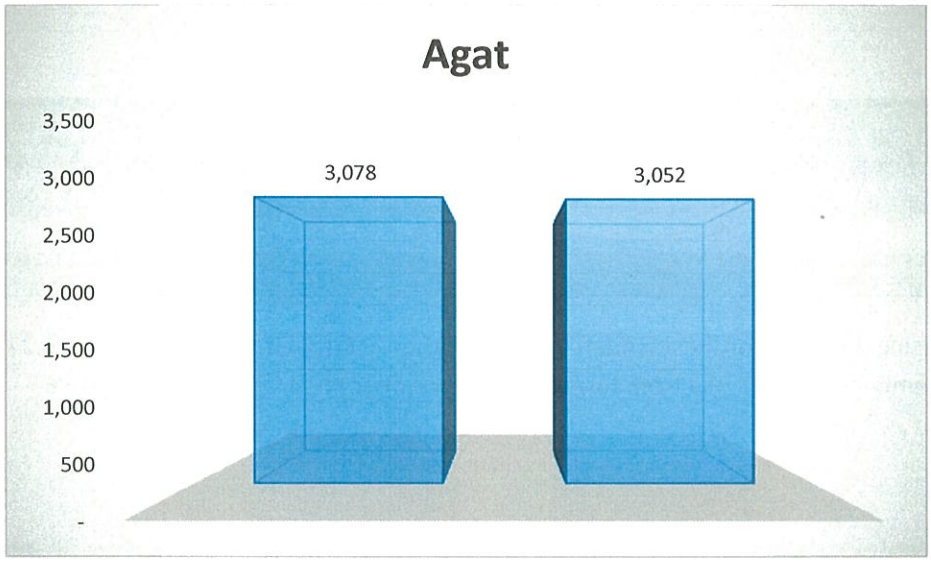
Customers using the Harmon Residential Transfer Station increased in number from 6,229 from July through December 2015 to 7,355 from July through December 2016, as shown in Figure 6.

Figure 6 –Customers Using the Harmon Residential Transfer Station, July – December of 2015 and 2016



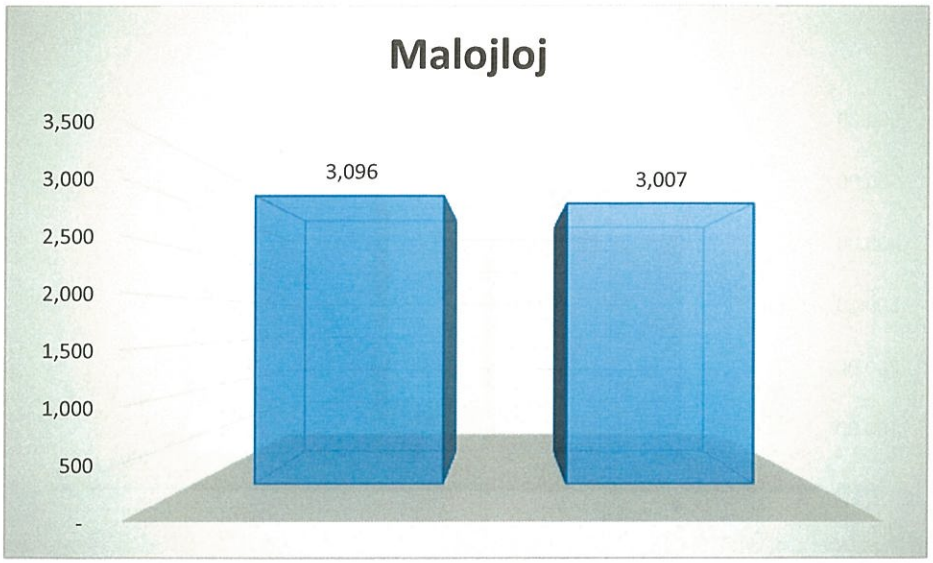
Customers using the Agat Residential Transfer Station decreased in number from 3,078 during July through December 2015, down slightly to 3,052 from July through December 2016, as shown in Figure 7.

Figure 7 – Agat Residential Transfer Station



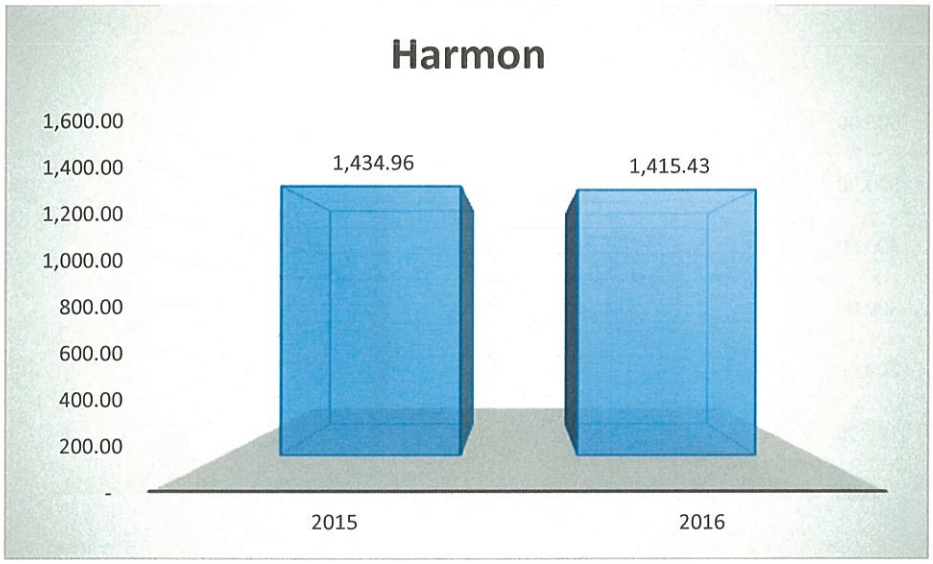
Customers using the Malojloj Residential Transfer Station decreased in number from 3,096 from July through December 2015 to 3,007 from July through December 2016, as shown in Figure 8.

Figure 8 – Malojloj Residential Transfer Station



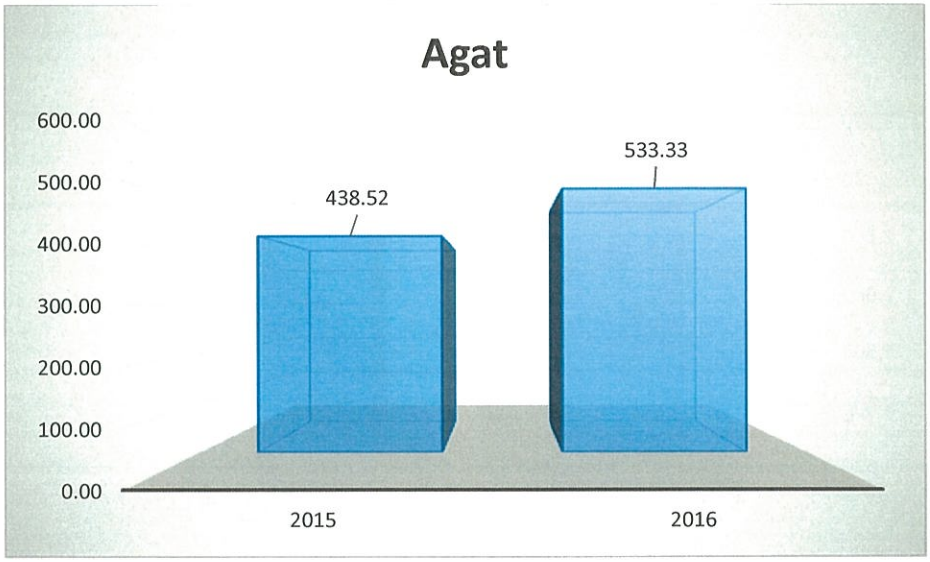
MSW tonnage brought to the Harmon Residential Transfer Station went from 1,434.96 tons in July through December 2015 to 1,415.43 tons in July through December 2016, as shown in Figure 9.

Figure 9 – MSW Tonnage to Harmon Residential Transfer Station



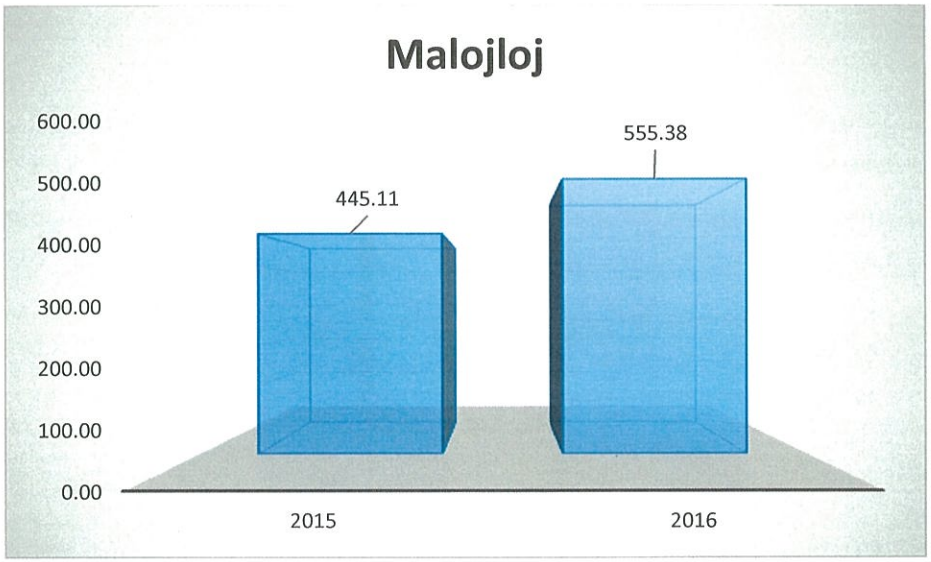
MSW tonnage brought to the Agat Residential Transfer Station went from 438.52 tons in July through December 2015 to 533.33 tons in July through December 2016, as shown in Figure 10.

Figure 10 – MSW Tonnage to Agat Residential Transfer Station



MSW tonnage brought to the Malojloj Residential Transfer Station went from 445.11 tons in July through December 2015 to 555.38 tons in July through December 2016, as shown in Figure 11.

Figure 11 – MSW Tonnage to Malojloj Residential Transfer Station



Hauler-only Transfer Station

The Hauler-only Transfer Station is for commercial haulers and other large generators of trash. Most of the residential trash collected by GSWA crews is also taken to this facility. GSWA personnel staff the scale house and handle the accounts while a private contractor, Guahan Waste Control, operates the tip floor (where the trash is dumped) and the transfer trailers that transport the trash to the Layon Landfill. Once

the material is dumped onto a tip floor, the operator of the facility screens it for excluded waste before loading it into a large transfer trailer for transport to the Layon Landfill. Consolidating the waste into large transfer trailers significantly reduces the amount of truck traffic to the Layon Landfill.

For the reporting months from July through December 2016, there were 10,126 scale crossings bringing in 45,589.29 tons of municipal solid waste to the Hauler-Only Transfer Station. These numbers are a 2.12 percent and 2.32 percent increase respectively above the same months in 2015, when scale crossings were 9,916 and tons were 44,553.76.

Layon Landfill

The day-to-day operations of the Layon Landfill are managed by Green Group Holdings, LLC, (GGH), the Receiver's contract operator, while GSWA staff operates the scale house and GSWA manages all accounts. The facility is open from Monday through Saturday every week and during all holidays except for Christmas Day and New Year's Day.

During these reporting months, the Layon Landfill had 3,681 scale crossings bringing in 51,313.23 tons (a monthly average of 8,552.21 tons) showing a 9.78 percent increase in scale crossings from the same months in 2015 (when there were 3,353 crossings) and a 4.07 percent increase in tonnage for the same period of time (when there were 49,308.57 tons).

The trash that is delivered to the Hauler-only Transfer Station, after removal of excluded waste, is loaded into tractor trailers and transported to the Layon Landfill. The Layon Landfill also accepts direct deliveries from nearby mayors. Materials not appropriate for the Hauler-only Transfer Station (e.g., biosolids,) are also delivered directly to the Layon Landfill by the GWA. During this reporting period, GWA brought 4,941.76 tons of biosolids (an average of 824 tons per month), which is 11.06 percent more than the 4,449.50 tons of biosolids GWA brought to the landfill in the same months of 2015.

Mayors' offices are regular customers to both the Layon Landfill and the Hauler-only Transfer Station. Figures 12 and 13 (next page) show the number of scale crossings and tons delivered by the Mayors' offices to both facilities. Scale crossings at the Layon Landfill increased by 17.74 percent in July through December 2016 over the same months in 2015, while they increased 3.84 percent during the same time at the Hauler-only Transfer Station. With respect to tonnage of trash, the southern Mayors again brought in 29.73 percent more trash to the landfill during these reporting months than they did the same months in 2015. The Haulers' only Transfer Station saw a 2.91 percent increase in MSW tonnage over the same months the year before.[5]

[5] The Mayors Offices which regularly used the Layon Landfill during this reporting period were from the villages of Yona, Talofofo, Merizo, Agat, Santa Rita, Umatac, and Inarajan. The Talofofo Mayor's Office brought in the most tons (205.49 tons) of trash during the reporting period with Yona (153.78 tons) and Umatac (43.35 tons). The Mayors Offices which regularly used the Hauler-only Transfer Station during this same period were Sinajana, Agana Heights, Ordot Chalan Pago, Hagatna, Mangilao, Tamuning, Mongmong-Toto-Maite, Barrigada, Dededo, Piti, Asan, and Yigo. The Mangilao Mayor's Office brought in the most trash (101.82 tons) in during this reporting period with Hagatna

Figure 12 – Mayors' Scale Crossings & MSW Tons at Layon Landfill, July – December 2015 and 2016

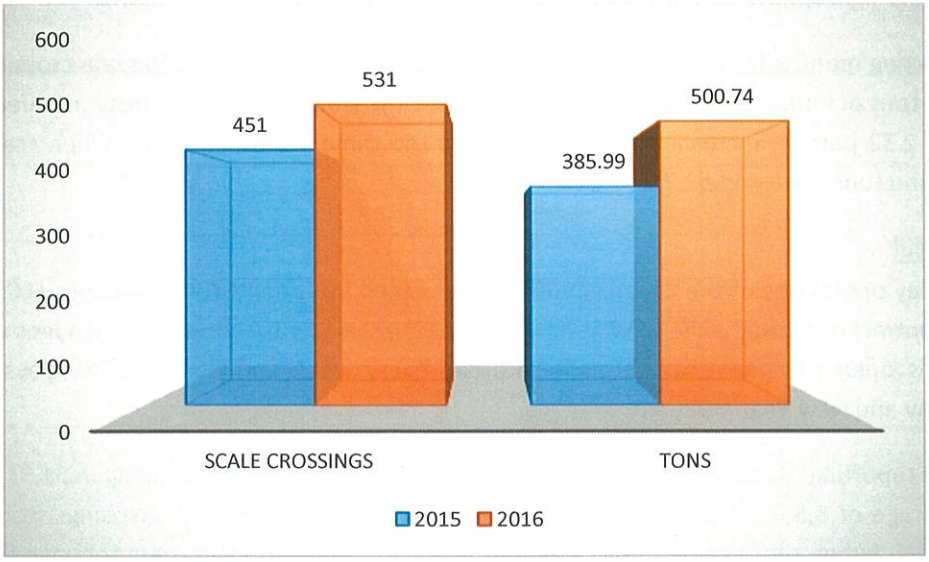
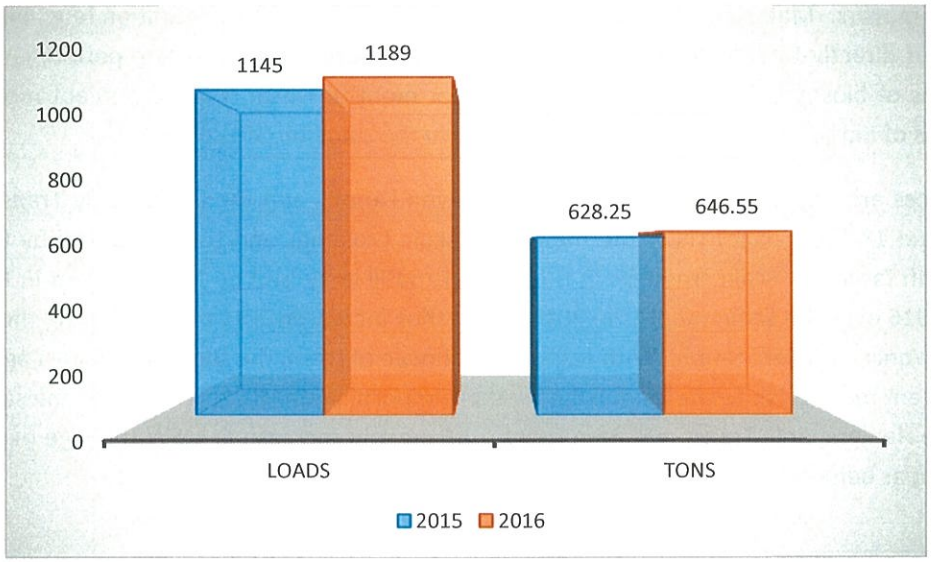


Figure 13 – Mayors' Scale Crossings and MSW Tons at Haulers' Only Transfer Station, July –December 2015 and 2016



(101.82 tons) and Dededo (85.38 tons) bringing in the second and third most tons of trash among the Mayors Offices using this facility.

Household Hazardous Waste

The Household Hazardous Waste Facility (HHWF) is located at the Harmon Street Residential Transfer Station and is open five days a week (Thursday through Monday) from 9:00 a.m. to 5:00 p.m. It is free to residents of Guam. Businesses and institutions cannot use the HHWF because it is designed and permitted for household hazardous waste only and providing such a "free" service to businesses and other large organizations would be cost-prohibitive. The HHWF is operated by Unlimited Services Group whose representatives greet the customers, remove the acceptable material from the vehicle, separate the materials into the proper category, and store the material for disposal, reuse, or recycling.

From the HHWF's opening day on January 23, 2015 through the end of December 2016, 4,834 customers used the facility bringing 389,010 pounds of HHW. Of the total material brought to the facility, 53 percent (207,944 pounds) fell into categories such as paint, household cleaners, motor oil, aerosols, poison, and more. The remaining 47 percent (181,067 pounds) were electronic items recycled through Pyramid Recycling.

The number of customers who used the HHW facility during the current reporting period numbered 1,387. These customers brought in 76,824 pounds of electronics and 33,107 pounds of other HHW products such as poison, paint, motor oil, cleaners, aerosols, batteries, and other assorted HHW items. Figures 14 and 15 show the number of customers and the quantities of HHW brought to the facility since the inception of the program in January 2015 through this reporting period.

Figure 14 – Number of HHW Pounds per July – December 2015 and 2016

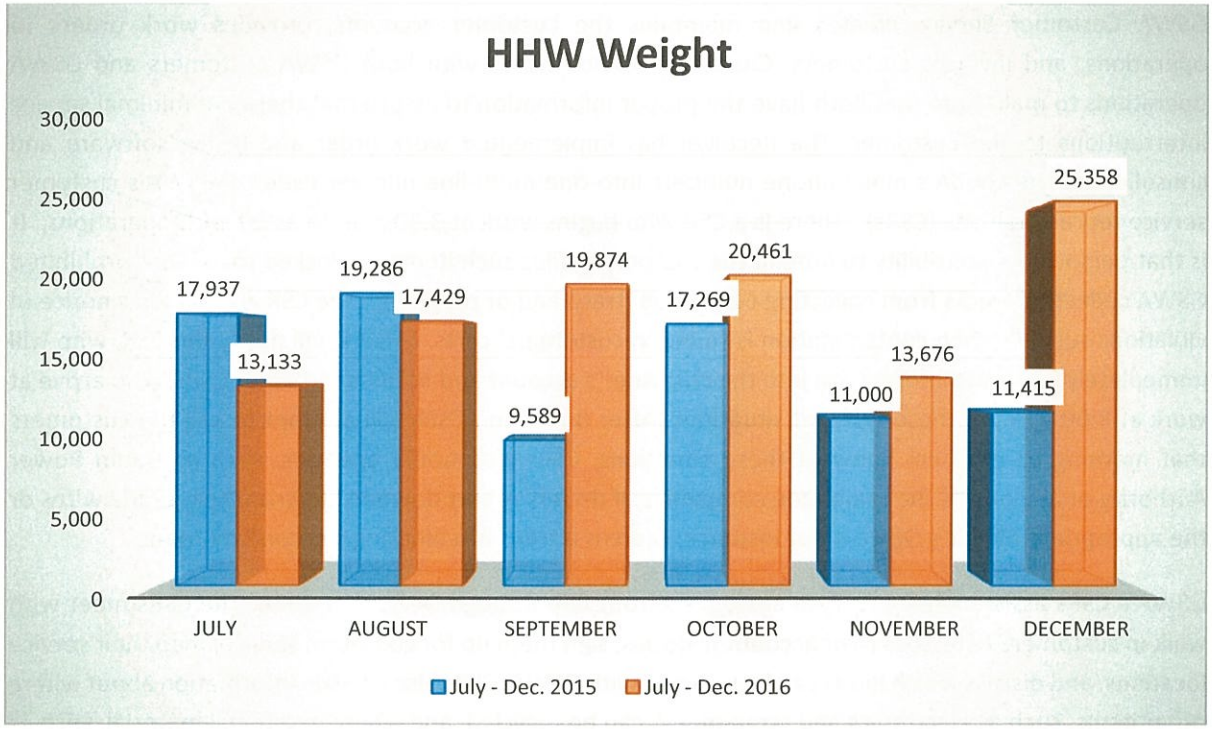
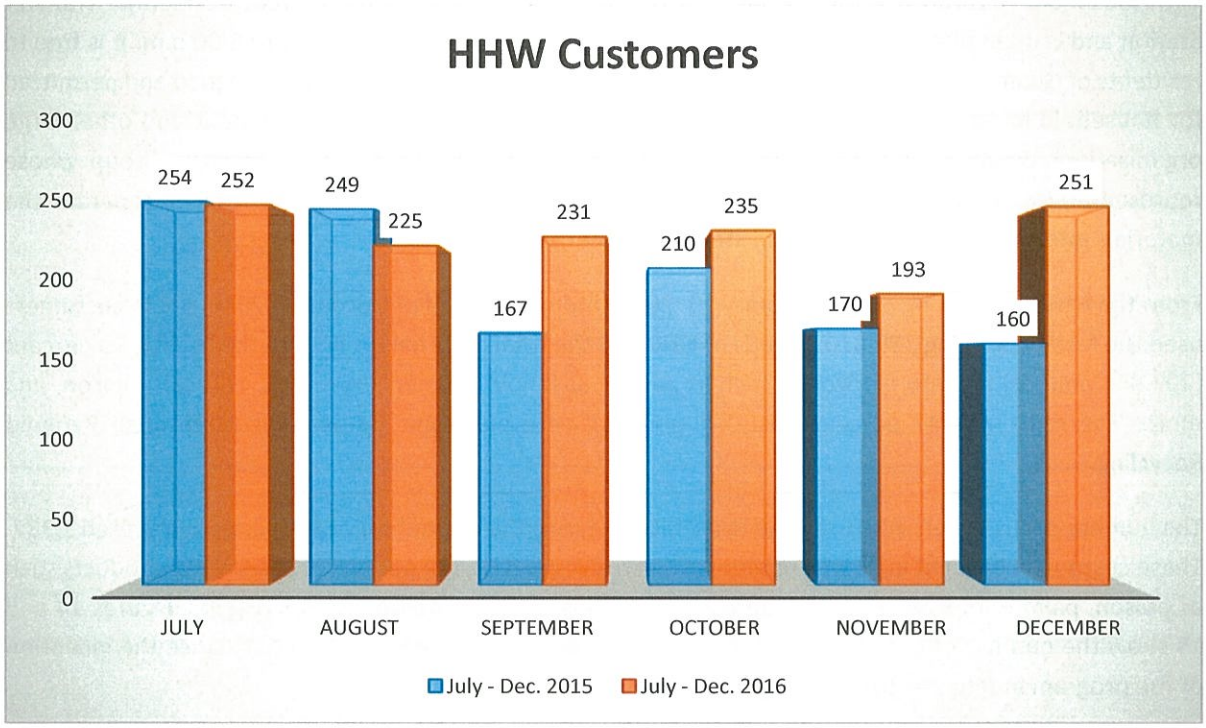


Figure 15 – Number of Monthly Customers at HHWF from July through December 2015 and 2016



Administration

GSWA Customer Service creates and maintains the customer accounts, provides work orders to operations, and invoices customers. Customer Service works with both GSWA customers and GSWA operations to make sure that both have the proper information to assure that there are minimal service interruptions to the customer. The Receiver has implemented work order and billing software and consolidated the GWSA's many phone numbers into one multi-line number used by GSWA's customer service representatives (CSRs). There is a CSR who begins work at 3:30 a.m. to assist with operations. It is that person's responsibility to note in the customers' files such items as blocked roads that prohibited GSWA collection trucks from collecting customers' trash and or recycling. The CSR also handles notice of violations such as when contamination is found in customers' carts. Drivers will notify the CSR, who will immediately place the information into the customer's account and notifies the other CSRs, who arrive at work at 8:00 a.m., of these types of situations. After 8:00 a.m., CSRs will attempt to call the customers that morning to let them know of these situations. CSRs also notify agencies, such as Guam Power Authority or any one of the telephone companies, if drivers report downed electrical/telephone wires or the appropriate Mayor's Office if, for instance, there is a tree limb blocking a secondary road.

GSWA's CSRs assisted 4,074 walk-in customers from July through December 2016. The CSRs meet with walk-in customers to discuss their account histories, sign them up for collection service, map their service locations, and discuss which items can be recycled with GSWA. CSRs also provide information about where other items, such as electronics and scrap metal, can be recycled, and where additional material, such as green waste and construction and demolition debris, can be disposed.

During the reporting period, the CSRs sent 8,491 letters and made 5,674 courtesy calls to customers who were late paying their bills and in jeopardy of having their carts repossessed for lack of payment.[6] When a customer becomes 60 days behind in payment, GSWA Customer Service staff contact the customer by mail and telephone to provide a reminder to the customer, encouraging them to make payment to ensure that their account is restored to good standing. If the customer fails to pay and becomes 90 days or more behind in payment, a work order is placed to repossess the cart and terminate service. GSWA operations staff repossessed 1,590 carts during this reporting period and 1,001, or 63 percent, of those customers paid their balance due plus a $50 reinstatement fee to have GSWA's service restored.

In GSWA's continued effort to cross train employees, CSR's and Scale House Operators are cross trained and rotate to different posts. This allows for greater utilization of personnel and for the personnel to have a better understanding of how GSWA operates. Scale House Operators are now assigned work that normally was only performed in the GSWA main offices as they carry out their Scale House duties.

Personnel

On December 31, 2016, GSWA had the equivalent of 55 full time equivalent (FTE) positions. There were 28 FTE Government of Guam employees and 27 FTE workers employed by the Receiver through a contract with Pacific Human Resources, Inc. (PHRS). Additionally, there was one employee under direct contract with the Receiver. When the Receiver was appointed by the Court in March 2008, the Division of Solid Waste had 99 employees. The number of employees has been reduced by 44 percent.

GSWA Board of Directors

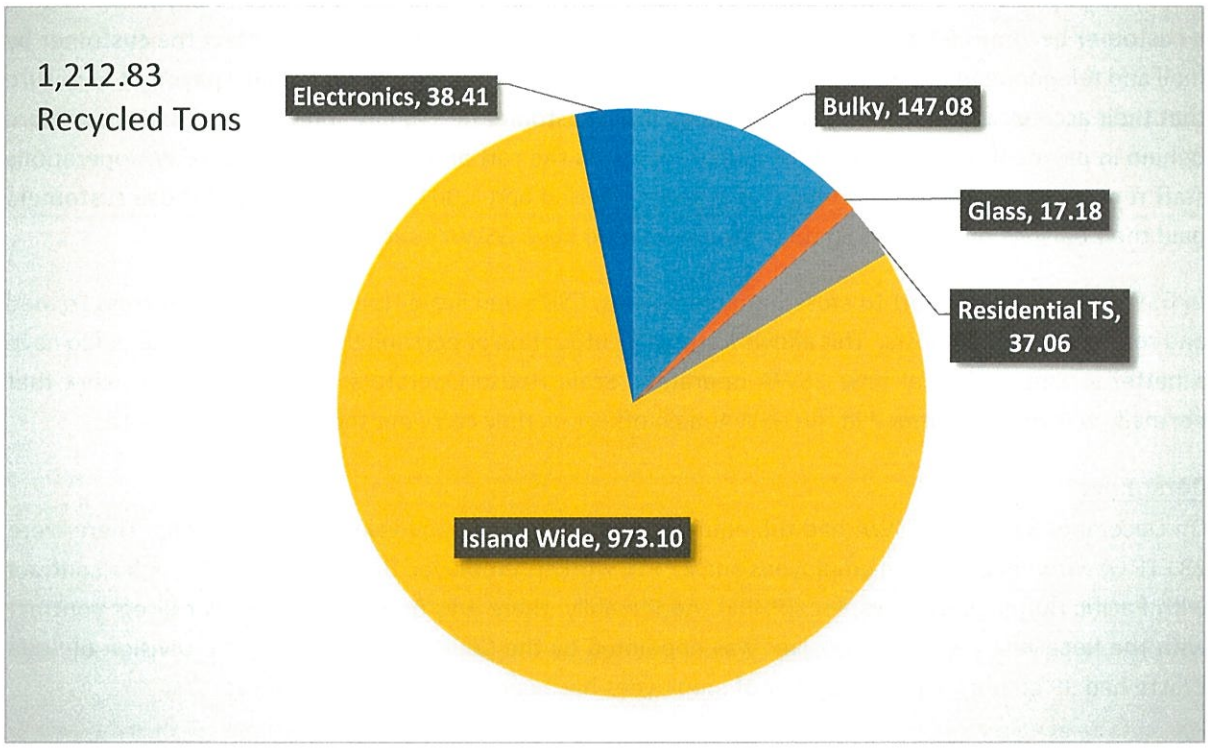
During the reporting period, the GSWA Board of Directors scheduled six Board meetings: one of these was cancelled, and all others were attended by a quorum or more of the Board of Directors. The minutes and agenda for each meeting are posted on the GSWA website (which can be found at http://www.guamsolidwasteauthority.com/bod.html), and the audio of each meeting is also available online through the website of the Office of the Public Auditor. The Receiver provided staffing support for the four board meetings held during this reporting period and briefed the Board on GSWA activities at each meeting.

Recycling Programs

Over this reporting period, GSWA collected for the purposes of recycling or reusing 1,212.83 tons of materials as Figure 16 illustrates.

[6] In the Receivers' Quarterly Reports we normally provide a record of number of calls received and made by the Customer Service Staff. In this and the previous Quarterly Reports we have been unable to provide these numbers because our phone provider, GTA, had difficulty generating the reports for this reporting period. It is expected to have this corrected for 2017 reporting purposes.

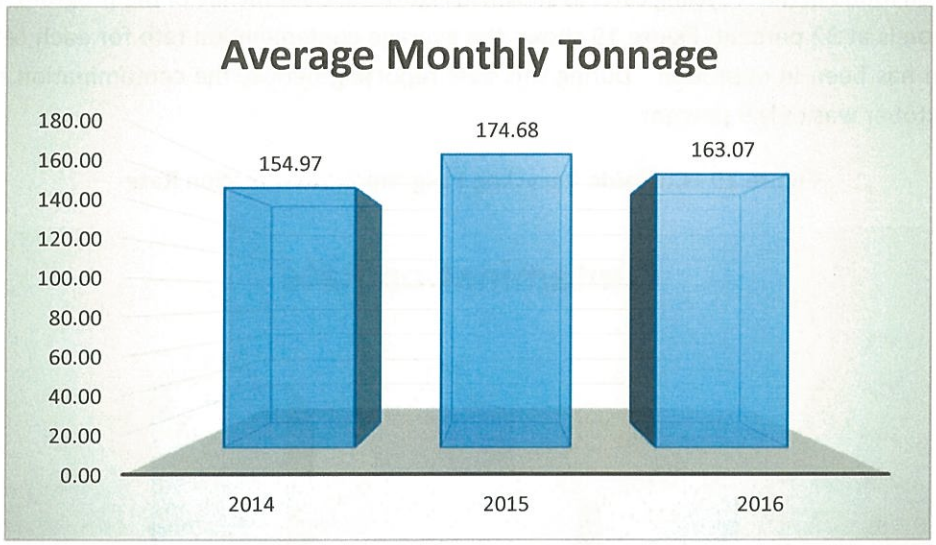
Figure 16 – GSWA Recycling and Reuse Tonnage July - December 2016



GSWA's Island-wide Curbside Recycling program accounts for 973.10 tons, or 80 percent, of the total recycled and reused by GSWA. GSWA received $4,742.13 in revenue for the recyclable material collected at the curb for this reporting period. Approximately ninety percent of GSWA's residential trash customers have recycling carts. Residential customers who live on roads where the large garbage trucks cannot travel because of road conditions, low hanging wires and branches or other reasons resulting in an inability to turn the vehicle around, receive trash collection with what GSWA refers to as Baby Packer trucks, which are pickups with small containers on their beds. The customers on the Baby Packer trash routes were not provided recycling carts because the Baby Packer trucks cannot efficiently serve these customers for recycling. The Authority has recently ordered collection vehicles that will allow the customers on Baby Packer routes to finally have recycling service.

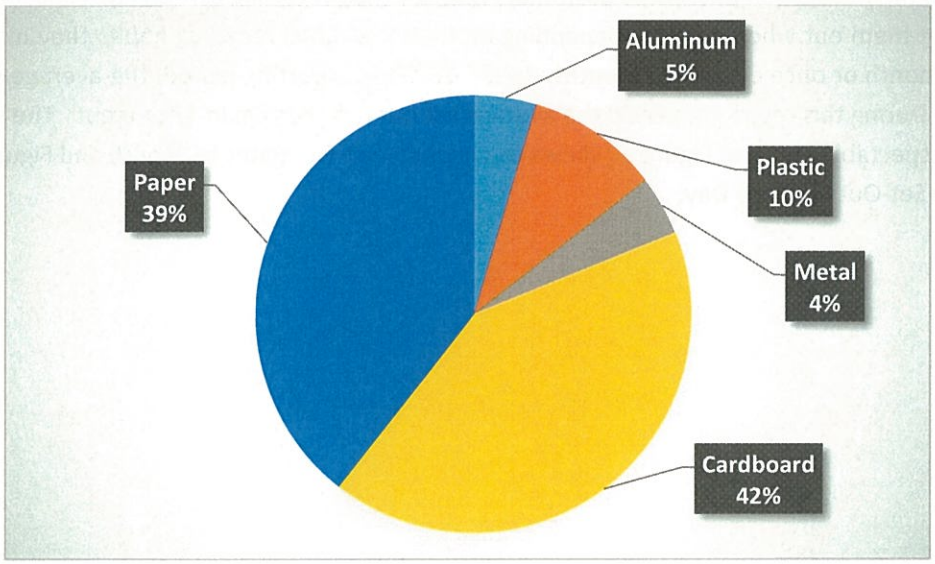
Since it began, the Island Wide Recycling program has collected 5,912.58 tons of material for recycling at the curb averaging 164 tons a month. Figure 17, Island-wide curbside Recycling, Average Monthly Tons by Calendar Year shows the average monthly tonnage collected for each calendar year.

Figure 17 – Island-wide Curbside Recycling, Average Monthly Tons by Calendar Year



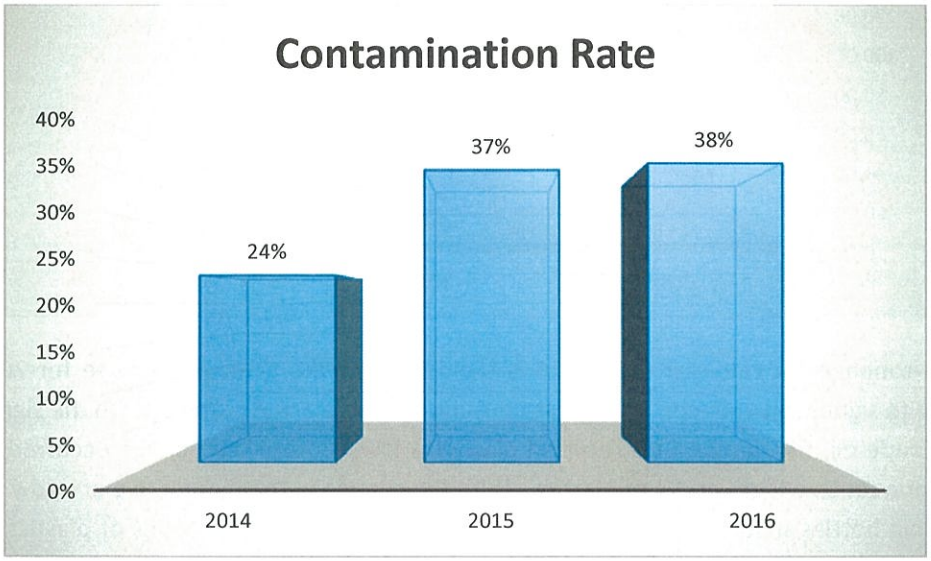
The average tonnage for calendar year 2016 is slightly under the average tonnage for 2015. This is primarily due to significant changes in the post-consumer grade plastics market. With the significant drop in price for crude oil, the demand for recycled plastics is low. Before this change occurred, GSWA was able to accept a much wider variety of plastics. With the change in the market, we are now only able to accept drinking bottles made of numbers 1 and 2 plastics. The normal amount of plastics sent to the market from the monthly GSWA Island-wide recycling was approximately 22 to 26 tons a month. Starting in August 2016, the plastic tonnage dropped to 14.72, in September 1.77, October 5.85, November 4.28 and in December 2.70 tons. Figure 18 shows the percentages of all of the recycled material collected during this reporting period.

Figure 18 – Percentage Breakdown of Curbside Recyclables Collected July through December 2016



Since GSWA began the roll out of the Island-wide Curbside Recycling program, it has tracked the contamination found in the recycling carts as shown in Figure 19. Over the life of the program, the average contamination is at 32 percent. Figure 19 shows the average contamination rate for each calendar year the program has been in operation. During this past reporting period, the contamination rate for the month of October was only 9 percent.

Figure 19 –Curbside Recycling Program Contamination Rate



During the reporting period, residential trash customers who have both trash and recycling services disposed of 9,129.05 tons of trash and 973.10 tons of recycling collected, resulting in 9.63 percent of residential trash diverted to recycling.

The recycling participation rate is defined as the proportion of households that set out a recycling cart for collection on their collection day. Some customers may set their recycling cart on each collection day but many will set them out when it is full. Depending on their individual recycling habits they may set them out once a month or once every two months. In the previous reporting period, the average set out was 47 percent. During this reporting period the average set out rate was again 47 percent. The set-out rate remains a respectable number. Figure 20 shows the Average Set-Out Rates by Month and Figure 21 shows the Average Set-Out Rates by Day.

Figure 20 – Curbside Recycling Monthly Set-Out Rates July – December 2016

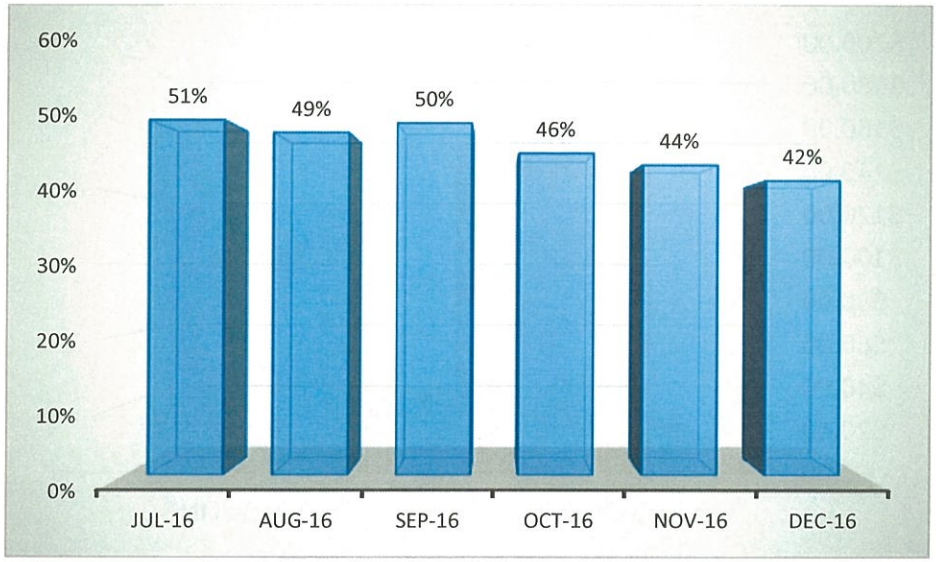
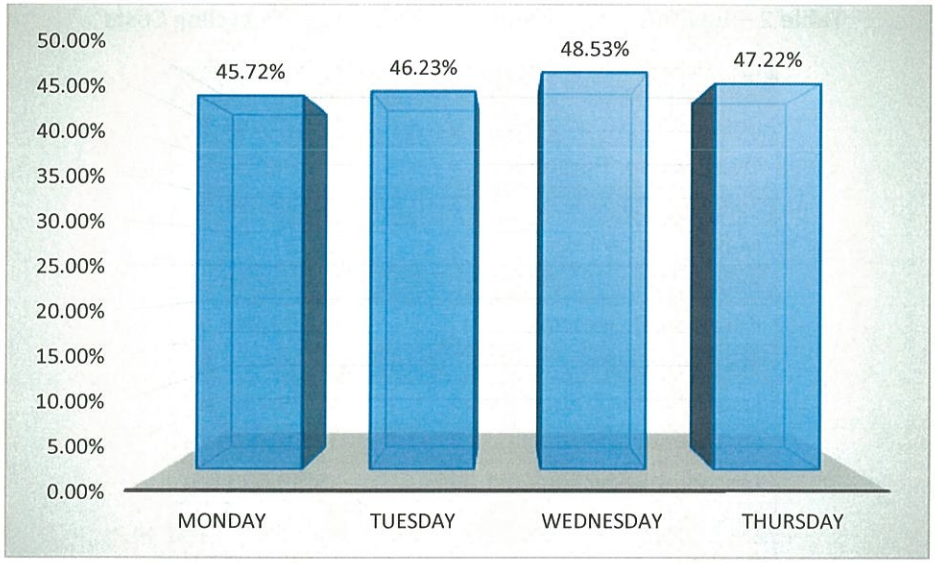


Figure 21 – Curbside Recycling Average Set-Out Rates by Day, July – December 2016



In the Special Report of the Receiver, "Island-wide Curbside Recycling," dated August 13, 2013, we recommended, and the Court subsequently approved, implementation of a curbside recycling program. The assumptions and calculations upon which the program is based are fully described in the above referenced Special Report. In the Special Report, the Receiver recommended using the current rate charged per ton ($171.60) for waste disposal at the Layon Landfill as the benchmark cost against which the new program should be compared. During the reporting period the recycling cost per ton was $125.44, as shown in Figure 22.

Figure 22 – Cost per Ton of Landfilling vs. Curbside Recycling

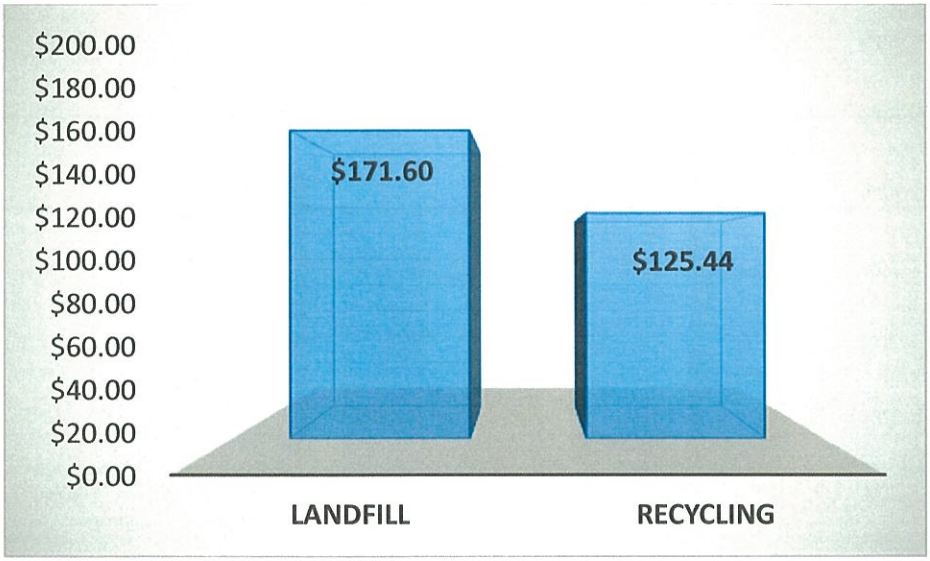


Table 2 summarizes the cost of recycling over the six months that this report covers:

Table 2 – July through December 2016 Curbside Recycling Costs

Cost Factors	July – December 2016
Cost of Carts	$37,740.84
Overtime for Personnel	$8,952.87
Fuel	$16,366.79
Maintenance/Tires	$57,426.02
Education	$589.62
Recycling Processing	$93,946.64
5% Contingency	$0
Less Transfer Station Fees	$(29,251.39)
Less Landfill Fees	$(19,967.04)
Less Pilot Recycling Cost	$(39,000.00)
Expense	$126,804.35
Revenue	($4,742.13)
Net Expense	$122,062.22
Cost Per Ton	$125.44

4. Contract Management and Procurement (July 2016 – December 2016)

Procurement activities during the reporting period continued to be primarily related to protests from Morrico Equipment Company. These protests have stymied the urgent need to update the GSWA fleet. The fleet upgrade is vital to the operation of GSWA and completion of all the requirements of the Consent Decree. Fortunately, thanks to the support of this Court, this problem has now been resolved and the

new trucks have been ordered. After reviewing the issues at our request, this Court found that we acted properly in exercising the authority granted to the Receiver in the Appointment Order when we departed from the Government of Guam's procedures in this matter. Morrico Equipment Company appealed this Court's decision and on April 25, 2017, the United States Court of Appeals for the Ninth Circuit denied Morrico's request for a stay that would have barred the Receiver from purchasing the trucks pending resolution of the appeal. Morrico has subsequently acted to withdraw its appeal and its continued pursuit of an appeal through the Office of the Public Auditor.

While GSWA will continue to struggle with the consequences of the delay resulting in escalating maintenance and repair cost and the daily challenge of keeping a sufficient number of trucks on the road while we await delivery of the new vehicles, a resolution is on the horizon.

We have also continued to pursue the liquidated damages assessed against Maeda Pacific Corporation (MPC) during the reporting period. This matter is currently scheduled to be heard by the Superior Court of Guam on March 12, 2018.

We also continued to prepare for the procurement of an operator for the Ordot Dump during the post-closure period. This is a complex procurement and we hope to issue the procurement by early summer to be followed by a procurement of the trustee services required by the financing plan adopted by the District Court. To ensure that the Ordot Dump is properly managed pending completion of the necessary procurement, we are working with our construction manager, GHD, Inc., to provide the needed post-closure services.

During the reporting periods covered by this Report, we were able to complete the contracts and begin the work to both upgrade the Agat and Malojloj Residential Transfer Stations and environmentally close the Dededo Residential Transfer Station.

The status of the Receiver's primary contracts, including the amounts spent as of September 30, 2016, and December 31, 2016, are summarized in Tabs 4 and 5. Individual payments occurring during the reporting periods for these contracts are included in Tabs 6 and 7. Information on direct employee contracts and payments, contracts in connection with ongoing litigation, payments to the Government of Guam, and one-time expenditures are not included in these tables; however, all payments occurring during the reporting periods for these items are included elsewhere in this Report.

Tabs 8 and 9 provides the Court with a list of approved change orders, as of September 30, 2016 and December 31, 2016, for the open Consent Decree construction contracts referenced above (neither Black Construction nor Hawaiian Rock Products had any new change orders during the reporting period).

5. Financial Issues and Capital Funding (July 2016 – December 2016)

Overview

In this section we will provide an analysis of the operating finances of GSWA during the reporting periods included in this report. We will also provide updates on the status of capital funding for Consent Decree-related capital projects, and the reserves of GSWA, as well as other related issues.

Specifically, in this section, we provide the Court with updates on the following:

- GSWA operating results for the fiscal year ended September 30, 2016 and the period ending December 31, 2016;
- Cash position of GSWA;
- Status of residential customers;
- Status of large commercial accounts;
- Status of GWA and Government accounts;
- Status of the Construction Subaccount;
- Host Community Premium Surcharge Fees;
- Capital funding;
- Compensation to Former Landowners of Ordot Dump Property;
- Compensation to Former Landowners of Layon Landfill Property;
- Reserves of GSWA; and
- Waste disposed at the Layon Landfill.

GSWA Operating Results for FY 2016 from July 1, 2016, to September 30, 2016

Table 3 provides the Court with a summary of expenditures and revenue for the reporting period, compared with the approved budget for FY 2016[7]. A more detailed report of expenditures and revenue compared with the approved FY 2016 budget is provided in Tab 10 of this Report.

[7]The approved budget includes certain expenditures that are classified as operating expenditures by GovGuam while the Receiver classifies them as capital expenditures and does not include them in the operating budget. To facilitate a clear comparison to the audited numbers for FY 2016, we have adjusted the approved budget and included them in the budget. GovGuam also includes Host Community Premium Benefits as an item in the GSWA operating budget while the Receiver considers it to be a pass-thru item and does not include it in the operating budget. Again, to facilitate comparison to the audit, we have adjusted the approved budget to include Host Community Premium Benefits.

Table 3 – GSWA Summary of Operating Budget for the Period Ending September 30, 2016

Guam Solid Waste Authority
Summary of Operating Budget
FY 2016
As of September 30, 2016

Item	Total Annual Budget	Budget to Date	Actual Spending / Revenue to Date	% over (under) Budget
Personnel Expenses	$3,000,000	$3,000,000	$2,757,281	-8.1%
Other Expenses / Reserves	$17,209,597	$17,209,597	$18,392,430	6.9%
Total Expenses / Reserves	**$20,209,597**	**$20,209,597**	**$21,149,711**	**4.7%**
Total Revenue (All Sources)	$17,845,681	$17,845,681	$19,363,204	8.5%
Budgeted From Fund Balance	$2,363,916	$2,363,916	$1,786,507	-24.4%
Total Funding Available	**$20,209,597**	**$20,209,597**	**$21,149,711**	**N/A**

Personnel expenses during the period were below budget but non-personnel expenses were above budget, primarily from maintenance expense directly attributable to the lengthy delay in replacing GSWA's trash collection trucks. Revenue exceeded the approved budget estimate for the budget to date by more than 8 percent.

Cash collections of the amounts billed by GSWA for the fiscal year through September 30, 2016, are shown in Table 4.

Table 4 – GSWA Revenue Billed/Collected October 1, 2015, through September 30, 2016

GSWA Revenue Billed / Collected
October 1, 2015 through September 30, 2016

Customer Class	Billed	Collected	%
Commercial	$ 10,492,762	$ 10,671,402	101.7%
Residential	$ 6,666,092	$ 6,936,484	104.1%
Government	$ 1,640,484	$ 1,870,392	114.0%
Total	$ 18,799,339	$ 19,478,278	103.6%

Note: Amount collected is on a cash basis. Transfer Stations are included in the residential category. Interest income excluded.

Cash collections from all accounts for this quarter exceeded billing for these accounts by 3.6 percent. When non-billed revenue (i.e. recycling, residential transfer stations, trash tags, and restoration and

reactivation fees) is excluded, cash collections from all accounts YTD exceeded billing for these accounts by 1.9 percent.

Cash collections from Government of Guam agencies were strong due to payments from GWA. However, when GWA is excluded cash collections from other GovGuam agencies continued to be weak. When GWA is excluded, only 25 percent of the amounts billed GovGuam agencies was paid and the cumulative unpaid balance continued to grow. We have described in past reports how this matter is addressed by the Receiver and we will elaborate further on the growing unpaid balance for GovGuam later in this Report. Tab 11 provides a listing of GovGuam agencies with their outstanding balances at the end of September 2016.

Fund balance analysis for the year ending September 30, 2016, shows an increase for FY 2016 in fund balance of $3.6 million. Table 5 outlines the elements of the estimate.

Table 5 – GSWA Fund Balance as of September 30, 2016[8]

Guam Solid Waste Authority Fund Balance 30-Sep-16		
Elements of Fund Balance		**Amount**
Actual Fund Balance @ 9/30/15	$	19,811,362
Revenue FY 2016	$	19,363,204
Expenses FY 2016	$	15,771,969
Excess (Deficit) FY 2016	$	3,591,235
Actual Fund Balance @ 9/30/16	$	23,402,597
Note: Revenue is on accrual basis.		

GSWA Operating Results for FY 2017 from October 1, 2016 to December 31, 2016

Table 6 provides the Court with a summary of expenditures and revenue for the reporting period, compared with the approved budget for FY 2017[9]. A more detailed report of expenditures and revenue compared with the approved FY 2017 budget is provided in Tab 12 of this Report.

[8] See footnote 3 of the Receiver's Quarterly Report dated August 4, 2016.

[9] See footnote 1 in this report.

Table 6 – GSWA Summary of Operating Budget for the Period Ending December 31, 2016

Guam Solid Waste Authority
Summary of Operating Budget
FY 2017
As of December 31, 2016
(Unaudited)

Item	Total Annual Budget	Budget to Date	Actual Spending / Revenue to Date	% over (under) Budget
Personnel Expenses	$3,000,000	$750,000	$629,210	-16.1%
Other Expenses / Reserves	$17,209,597	$4,302,399	$3,809,625	-11.5%
Total Expenses / Reserves	**$20,209,597**	**$5,052,399**	**$4,438,835**	**-12.1%**
Total Revenue (All Sources)	$17,845,681	$4,461,420	$5,219,052	17.0%
Budgeted From Fund Balance	$2,363,916	$590,979	-$780,217	-232.0%
Total Funding Available	**$20,209,597**	**$5,052,399**	**$4,438,835**	**N/A**

All expenses during the period were below budget but non-personnel expense was above budget, primarily from maintenance expense directly attributable to the lengthy delay in replacing GSWA's trash collection trucks Revenue exceeded the approved budget estimate for the budget to date by more than 5 percent.

Cash collections of the amounts billed by GSWA for FY 2017 through December 31, 2016 are shown in Table 7.

Table 7 – GSWA Revenue Billed/Collected October 1 – December 31, 2016

GSWA Revenue Billed / Collected
October 1, 2016 through December 31, 2016

Customer Class	Billed	Collected	%
Commercial	$ 2,735,202	$ 2,972,973	108.7%
Residential	$ 1,708,477	$ 1,727,339	101.1%
Government	$ 475,707	$ 422,546	88.8%
Total	$ 4,919,387	$ 5,122,858	104.1%

Note: Amount collected is on a cash basis. Transfer Stations are included in the residential category. Interest income excluded.

Cash collections from all accounts for this quarter exceeded billing for these accounts by 4.1 percent. When non-billed revenue (i.e. recycling, residential transfer stations, trash tags, and restoration and

reactivation fees) is excluded, cash collections from all accounts YTD exceeded billing for these accounts by 2.3 percent.

Cash collections from Government of Guam agencies were primarily attributable to payments from GWA. However, when GWA is excluded cash collections from other GovGuam agencies continued to be weak. When GWA is excluded, only 2.7 percent of the amounts billed GovGuam agencies was paid and the cumulative unpaid balance continued to grow. We have described in past reports how this matter is addressed by the Receiver and we will elaborate further on the growing unpaid balance for GovGuam later in this Report. Tab 13 provides a listing of GovGuam agencies with their outstanding balances at the end of December 2016.

Our fund balance analysis for the period ended December 31, 2016, indicates an estimated year-to-date increase in fund balance for FY 2017 of almost $500,000. Table 8 outlines the elements of the estimate.

Table 8 – GSWA Fund Balance as of December 31 2016[10]

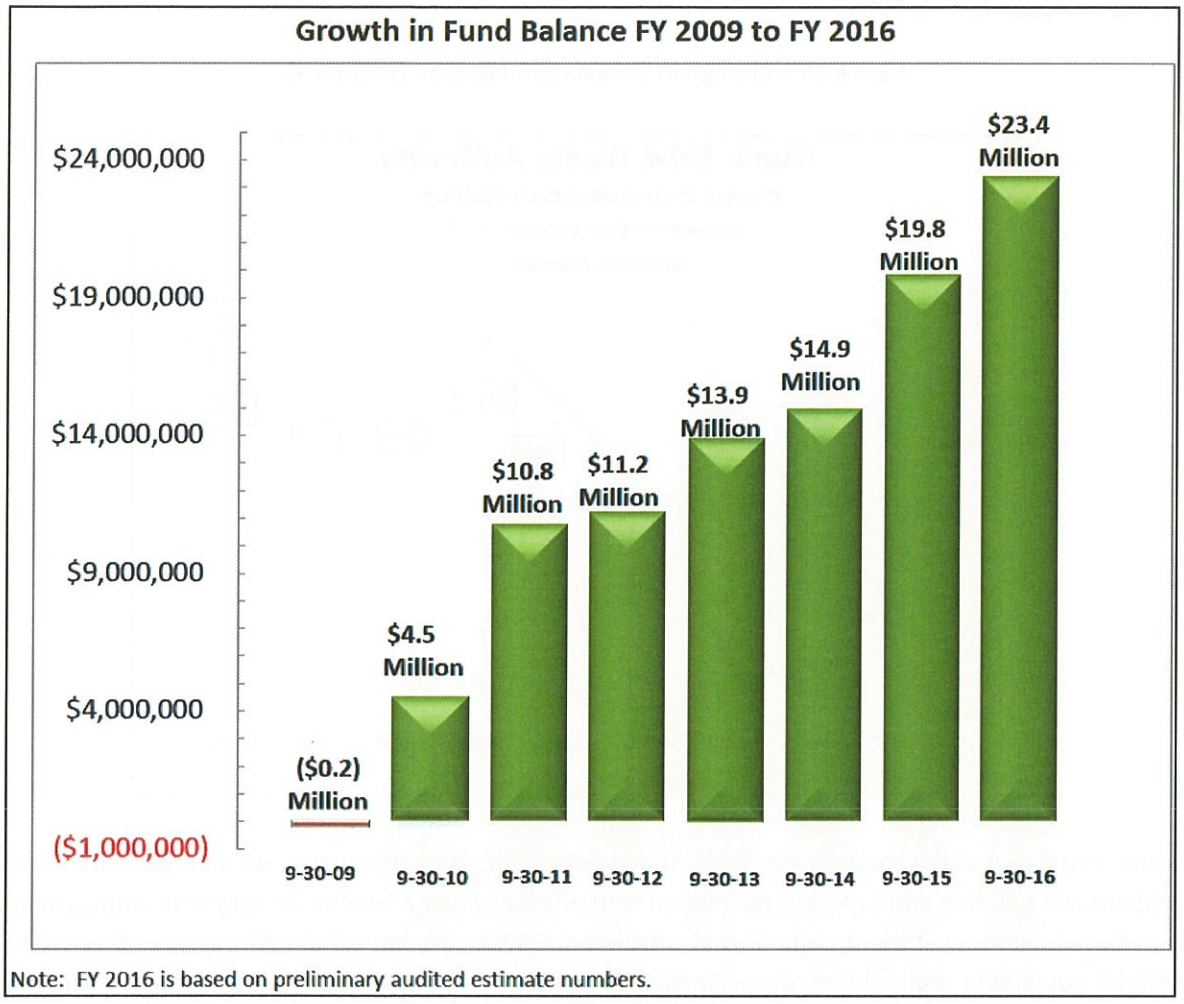
Guam Solid Waste Authority Fund Balance 31-Dec-16 (Unaudited)		
Elements of Fund Balance		**Amount**
Actual Fund Balance @ 9/30/16	$	23,402,597
Revenue YTD FY 2017	$	4,919,387
Expenses YTD FY 2017	$	4,438,835
Excess (Deficit) FY 2017	$	480,552
Estimated Fund Balance @ 12/31/16	$	23,883,149
Note: Revenue is on accrual basis.		

Fund balance continues to grow at a faster rate since we are now accumulating funds, pursuant to the Orders of this Court, to pay for the rehabilitation of Dero Road, upgrades to the residential transfer stations, the environmental closure of the Dededo Residential Transfer Station and the post-closure care of the Ordot Dump. Figure 23 illustrates how the fund balance from operations have changed over the time GSWA has been in receivership.

[10] See footnote 3 of the Receiver's Quarterly Report dated August 4, 2016.

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Figure 23 – Growth in Fund Balance FY2009 to FY2016



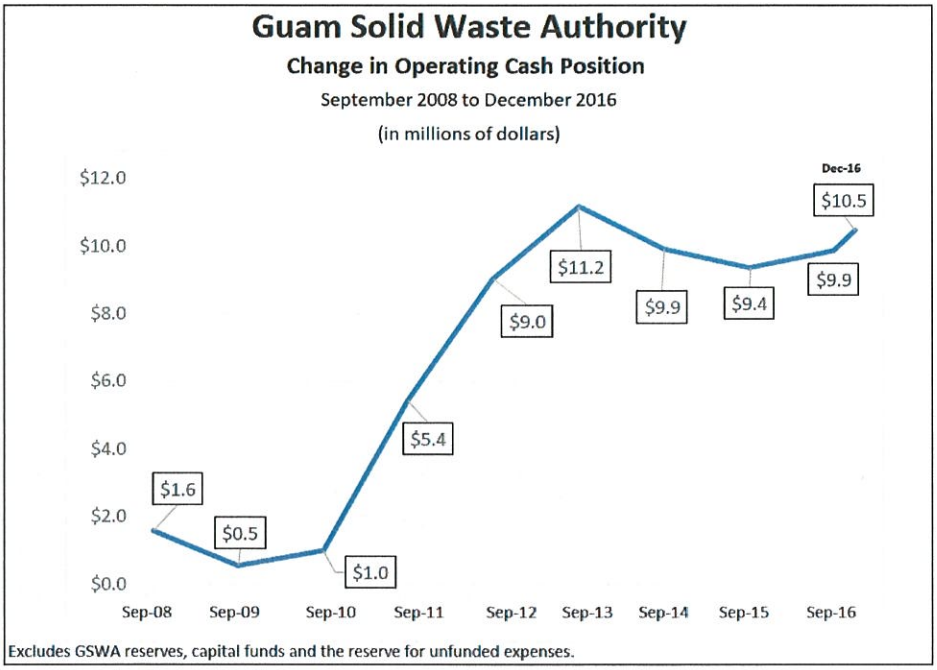
Payments for operating expenses of GSWA are made through the DOA and through the Receiver's trust account known as the Primary Account. Payments made by the Receiver are handled pursuant to the Disbursement Procedures approved by the Court. Tab 14 and Tab 15 provides a detailed list of the transactions affecting the Primary Account that occurred during the reporting periods. Payments are also made from the Construction Subaccount (for capital expenses) and the Reserve for Unfunded Expenses (for capital expenses and certain operating expenses for the Ordot Dump). These payments will be addressed later in this Report.

Cash Position of GSWA

Operating cash position has remained relatively stable during FY 2016 fluctuating near $9.9 million where it is at the end of the 2016 fiscal year. Operating cash increased to $10.5 million at the end of December 2016. GSWA's reserves, including the reserve for unfunded projects, are not included in GSWA's operating cash position since these funds are not available to pay routine operating expenses. Figure 24 shows

GSWA's operating cash position at the end of each fiscal year since the Receivership began and the cash balance at December 31, 2016.

Figure 24 – Change in GSWA Cash Position (Million $)



Cash is a vital part of the results achieved by the Receivership. With adequate cash an organization such as GSWA can function and carry out its mission with efficiency and a level of success that simply cannot be achieved without sufficient cash. It is also true that GSWA now has other cash reserves that are set aside for equipment replacement, properly closing landfill cells when they are full and constructing new cells when they are needed.[11] These special purpose reserves should never be confused with the need for an operating cash reserve. They are not for the same purposes and both are vital to the long-term success of GSWA.

Guam Waterworks Authority and the Guam Power Authority both follow the good business practice to have significant operating cash on hand. Both of these entities require the cash they have and should actually have an even stronger operating cash balance. For the same reasons, GSWA's cash balances are both reasonable and required. GSWA now has about six months of operating cash available. Since

[11] Fully funding cells for closure and constructing new cells in one of the objectives of the Receiver's Financing Plan. Assuring that these reserves remain restricted to the purpose for which they were created and replenishing these reserves as they are properly used for these purposes, is one of the primary fiduciary duties of the Board of Directors in its post-Receivership management of GSWA.

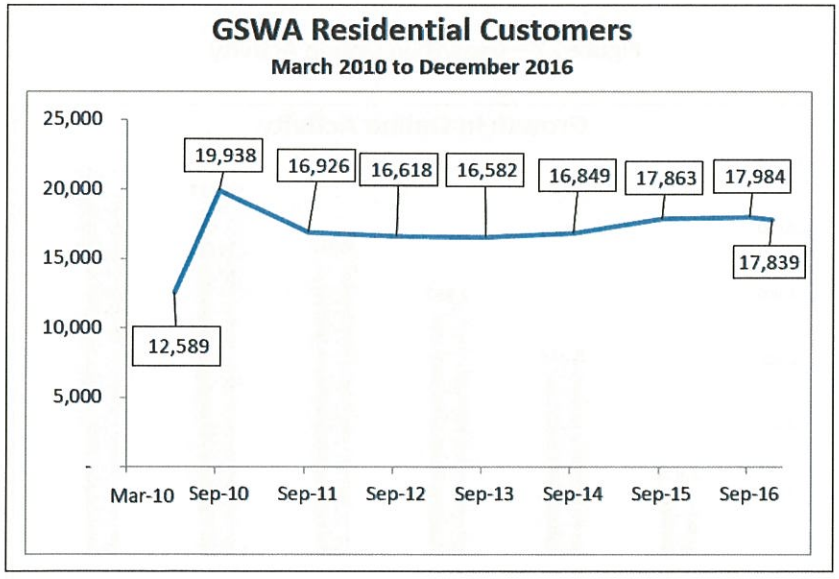
GovGuam is always short of cash and has a limited ability and willingness to assist GSWA with financing issues as they arise, this is a minimum amount of operating cash it should keep on hand.

The Receiver has been accused by the Office of the Governor and other parties of "hoarding cash," as in an article in the see *Pacific Daily News,* on July 5, 2016 "Calvo: Federal receiver 'hoards' cash, partly to blame for GMH financial woes". The Governor has said that GSWA's cash should go to Guam Memorial Hospital. Draining the cash from GSWA to address a shortage at the Hospital may provide a short-term boost for the Hospital but it will send GSWA into a long-term downward spiral. The ultimate result would be a reprisal of the problems that plagued solid waste services in Guam prior to the Receivership. While we do not recommend any increase in rates, if GovGuam wishes to raise the rates for solid waste customers to offset its debt service costs, it may do so. GovGuam could use resulting funds for the Hospital or any other priority it determines to need funds. To drain GSWA of cash without raising rates is unlikely to solve GovGuam's other financial problems, and it will certainly return Guam to the days of a totally dysfunctional solid waste system.

Status of Residential Customers

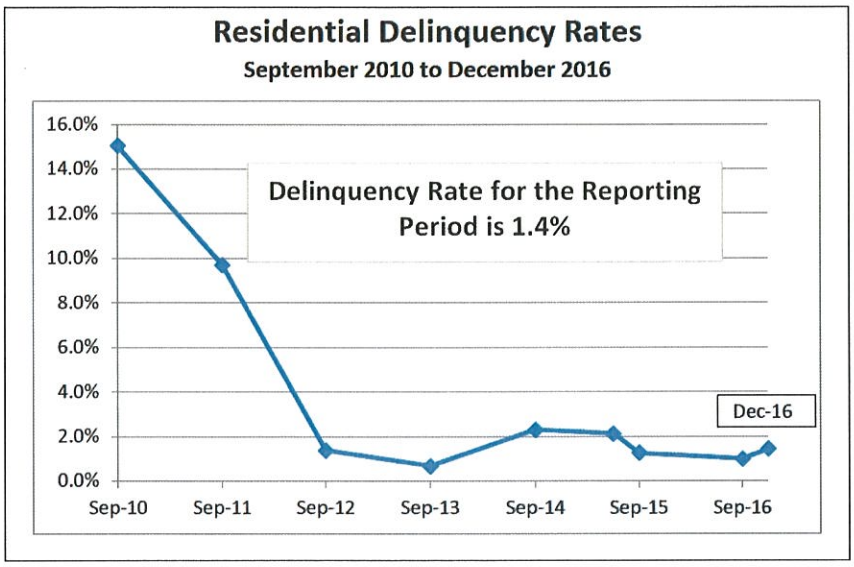
The number of curbside residential customers remained stable during the reporting periods. On September 30, 2016, the number of residential customers was 17,984 and on December 31, 2016 the number declined slightly to 17,839. Figure 25 illustrates the very stable base of GSWA residential customers and its steady growth under the management of the Receiver.

Figure 25 – GSWA Residential Customers



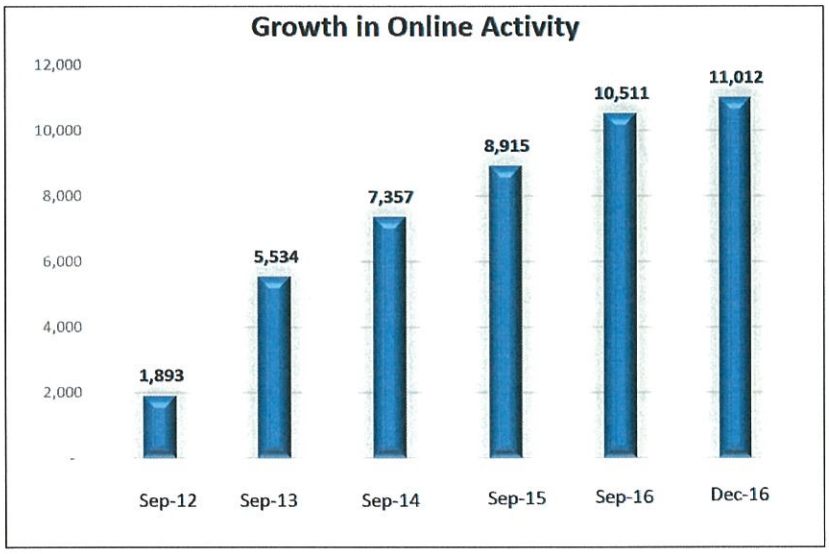
Residential delinquency rates remained very low during the reporting period. Figure 26 shows the trend in residential delinquency rates from September 2010 to December 2016.

Figure 26 – Residential Delinquency Rates



GSWA's customer service staff continues its excellent work to meet the needs of all GSWA customers and in doing so, they also produce very low delinquency rates. Online payments and account management by residential customers continued to grow as illustrated in Figure 27. The number of customers registering for online services increased to 11,012 an increase of 14.5 percent for the current fiscal year as of December 31, 2016. Almost 58 percent of GSWA residential customers access their accounts online.

Figure 27 – Growth in Online Activity

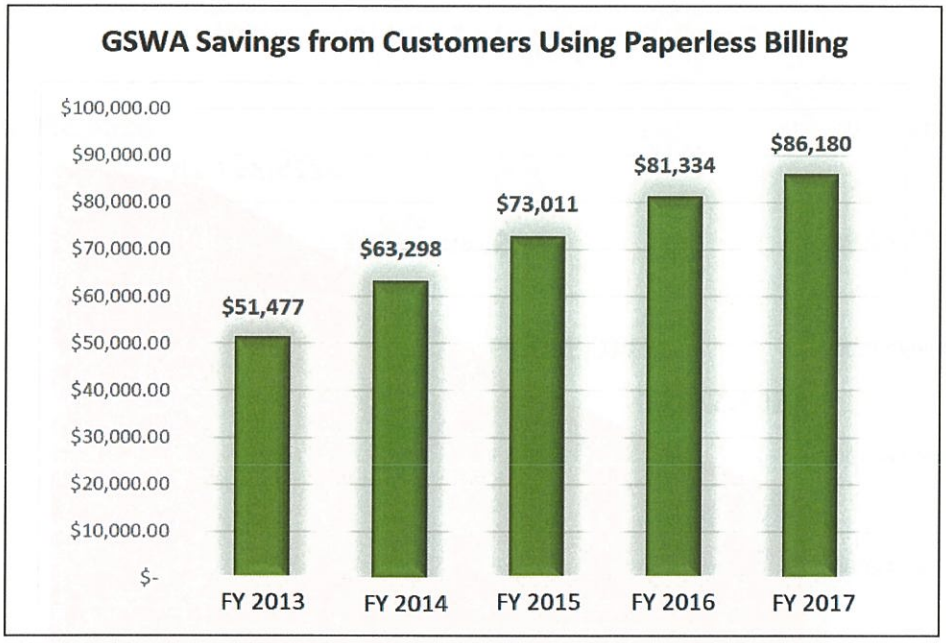


Online access to residential accounts is provided to GSWA customers through the cooperative work of PayPal and BMS Technologies, working in conjunction with Alpine Technology, the provider of GSWA's

customer service technology. Working together, these companies provide a very cost effective means to provide online services.[12]

Online services also include providing GSWA residential customers with the option of electing "paperless billing". As we have reported in prior reports, the use of this billing method is both environmentally friendly and it saves GSWA a substantial amount of money, by avoiding printing and handling costs for a paper bill, bank charges and the postage required for paper bills. Figure 28 illustrates how the savings have grown as more residential customers utilize the convenience of this system.

Figure 28 – Customer Use of Paperless Billing



Status of Large Commercial Accounts

Large commercial haulers are the source of most of the waste managed by GSWA and, consequently, these customers also produce most of the system's revenue. These commercial haulers collect waste from businesses on Guam, schools, churches and other large institutions, some government agencies, the military facilities on Guam, and Guam's multi-family residential housing units (all housing facilities with more than four units are served exclusively by commercial haulers while GSWA may directly serve those

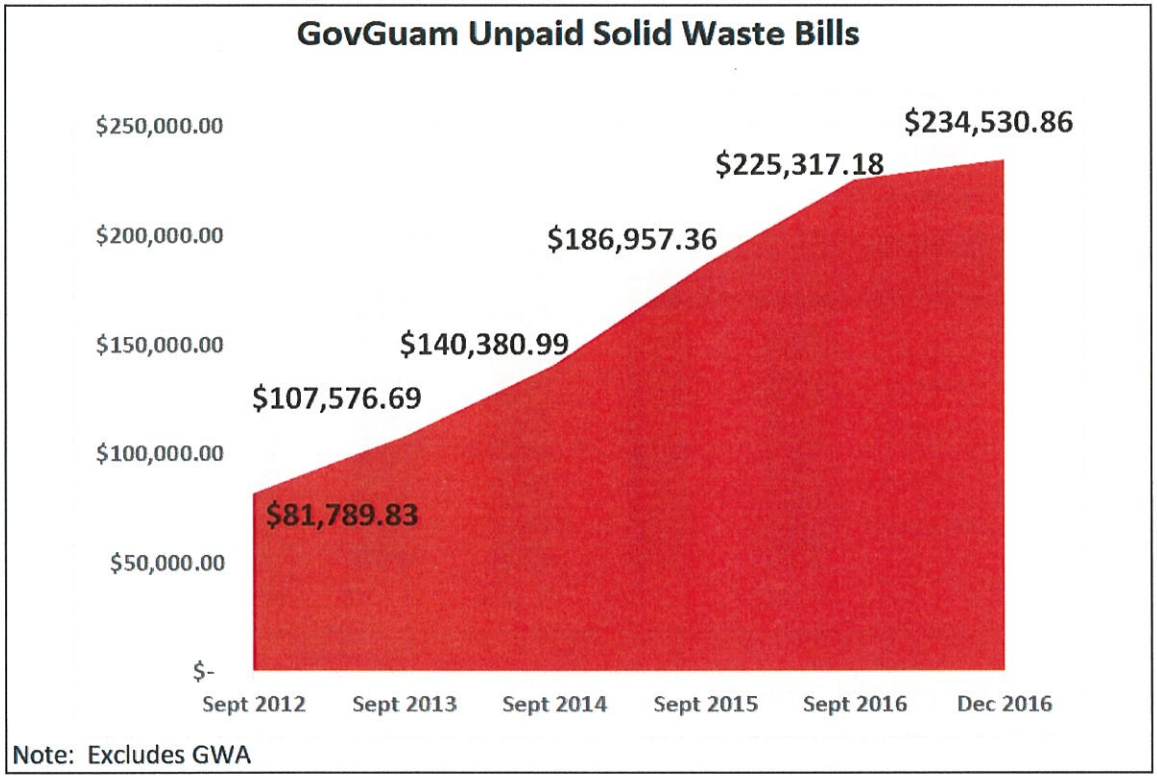
[12] As noted above, PayPal and BMS work in conjunction with GSWA's customer service system which is provided by Alpine Technology. As the Court may recall, the Alpine customer service system was acquired as a part of the Receiver's work to replace a GovGuam system that was old, unreliable and resulted in a complete loss of control over the residential customer's accounts prior to the Receivership. The initial cost of this system was approximately $215,000 and GSWA has a continuing relationship with Alpine to maintain and host the system. The average monthly cost for the Alpine System is about $2,800.

with four or fewer units). All the major commercial accounts were in good standing during the reporting period.

Status of GWA and Government Accounts

GWA continues to remain in good standing. Unfortunately, most other GovGuam accounts remain in arrears. The unpaid balance in these other accounts has grown consistently for years. Figure 29 shows how the growth in the total amount owed by government agencies (excluding GWA) has grown since 2012.

Figure 29 – GovGuam Unpaid Solid Waste Bills



As has been noted in prior reports, the Receiver protects GSWA from these unpaid bills through its annual settlement process between the General Fund and GSWA.

Status of the Construction Subaccount

Payments from the Construction Subaccount were $575,072.60 during the period ending September 30, 2016. Interest earnings were added to the account in the amount of $223.22. In addition, $59,775.00 was transferred to the Construction Subaccount from the Equipment Replacement Account to fund the purchase of capital equipment. The balance in the construction subaccount on September 30, 2016 was $1,667,816.18. Tab 16 provides a detailed listing of all transactions affecting the account during the period ending September 30, 2016.

Payments from the Construction Subaccount were $432,044.07 during the period ending December 31, 2016. Interest earnings were added to the account in the amount of $176.42. In addition, $77,033.88 was transferred to the Construction Subaccount from the Equipment Replacement Account to fund the purchase of capital equipment. The balance in the construction subaccount on December 31, 2016 was $1,313,295.63. Tab 17 provides a detailed listing of all transactions affecting the account during the period ending December 31, 2016.

Table 9 provides the Court with an accounting of the retainage held for contractors that is paid from the Construction Subaccount and in the Dero Road and Residential Transfer Station projects that are paid from the Reserve for Unfunded Expenses Account. Table 9 provides the Court with an accounting of the amounts owed for retainage withheld as of December 31, 2016.

Table 9 – Retainage on Trustee Account Payments

Retainage on Trustee Account Payments
As of 12/31/2016

Company	Description		Amount
Hawaiian Rock Products	Retainage	$	159,013.68
EA Science and Technology	Retainage	$	22,635.19
GHD (formerly Winzler & Kelly)	Retainage	$	43,603.65
Total Retainage Held		**$**	**225,252.52**

Host Community Premium Surcharge Fees

During the reporting period, July 1, 2016, through September 30, 2016, GSWA assessed Host Community Premium Surcharge (HCPS) fees totaling $90,592.33, bringing the total assessed HCPS fees during FY2016 to $345,719.00. Due to the lag time allowed by Guam Law between billing and payment, HCPS fees collected during the period were $72,605.05. These funds were distributed in equal amounts to the Villages of Inarajan and Ordot-Chalan Pago. A copy of the report filed with the Public Utilities Commission (PUC) for this period is attached as Tab 18.

During the reporting period, October 1, 2016, through December 31, 2016, GSWA assessed Host Community Premium Surcharge (HCPS) fees totaling $91,239.19. During this period, fees totaling $24,798.68 were collected for this period and the balance of $130,249.32 due from the previous period was also collected. Total funds in the amount of $155,048.00 were distributed in equal amounts to the Villages of Inarajan and Ordot-Chalan Pago. A copy of the report filed with the Public Utilities Commission (PUC) for this period is attached as Tab 19.

Capital Funding

Figure 30 provides the Court with an update on the Receiver's use of the capital funds available to implement the requirements of the Consent Decree. This figure reflects the use of capital funds as of

December 31, 2016. A much more detailed table is provided as Tab 20 providing the Court with project by project detailed numbers.

Figure 30 – Use of Capital Funds

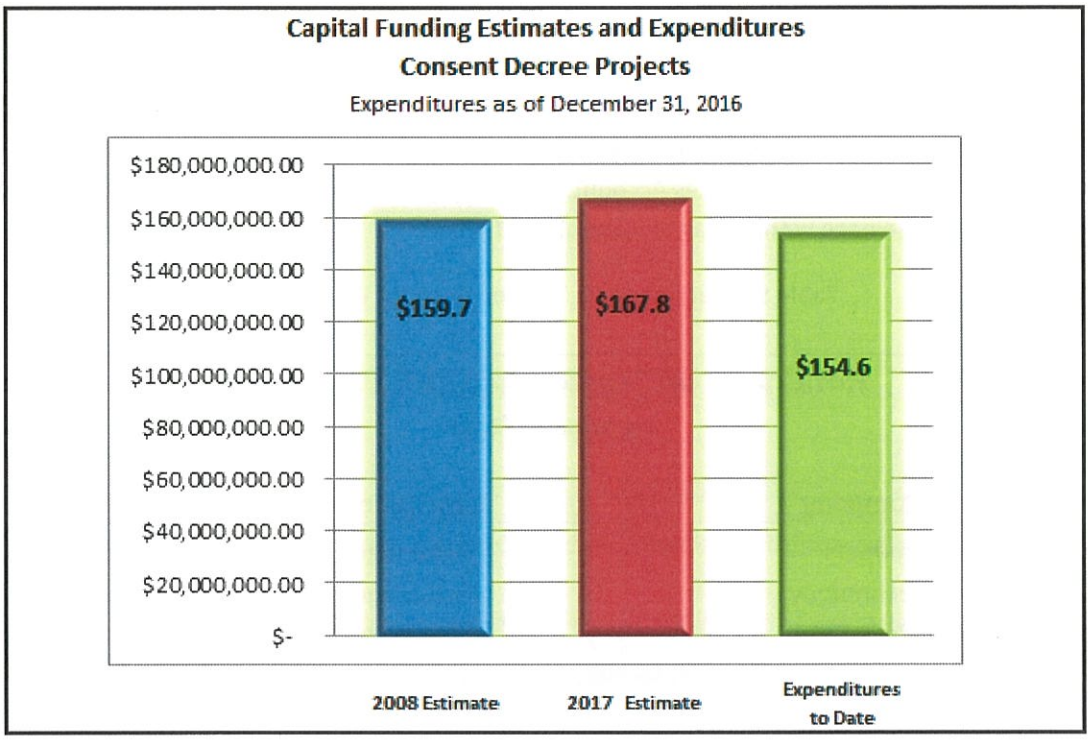


Figure 30 above and Tab 20 include both the capital projects funded by the 2009 Section 30 Bond Issue and the projects funded though the Reserve for Unfunded Expenses[13]. Expenditures from the Reserve for Unfunded Expense during the reporting periods are detailed in Tabs 21 and 22.

Compensation to Former Landowners of Ordot Property

With respect to the issue of the size of Lot 3434, the Superior Court dismissed the eminent domain proceeding regarding Lot 3434 without prejudice, and found that a land registration proceeding was the better forum to determine size and ownership of Lot 3434. Legal counsel is working to resolve the issue in compliance with the Superior Court's direction.

[13] In its Order of May 2, 2016, the Court adopted the financing plan recommended by the Receiver in its Quarterly Report dated October 21, 2015. Under this financing plan the Reserve for Unfunded Expenses receives a monthly amount of $374,758.08 to fund the rehabilitation of Dero Road, upgrades to the residential transfer stations, the environmental closure of the Dededo Residential Transfer Station and the post-closure care of the Ordot Dump. The financing plan also makes provision for the estimated cost of the closure of the cells one and two and the opening of a new cell at the Layon Landfill.

With respect to Lot 450, and as we have previously reported, the former owners have commissioned an appraisal by Captain & Associates. The Captain Appraisal determined the value of the property to be $1.9 million. The previous appraisal submitted by the Receiver to the Superior Court of Guam[14] established its value at $308,000, as of November 13, 2013. This amount was deposited with the Clerk of the Court as required by Guam Law. We have now updated the valuation to account for the time that has passed since the original appraisal and the recovery of the commercial real estate market in Guam. The updated valuation as of July 13, 2015,[15] is $460,800. On December 27, 2016, the Receiver submitted an additional $152,800 to the Superior Court of Guam to compensate the former owners the full valuation as determined by GSWA's appraiser. Trial is scheduled for November 16, 2017.

We are also finalizing a land transaction with the owners of property needed for an easement for stormwater improvements on Dero Road. Until that transaction is finalized, we have another agreement with the owners that has allowed the construction work to be completed pending the final agreement.

Compensation to Former Landowners of Layon Landfill Property

Little has changed in the compensation issue since our last report in which we were able to update the Court on the status of this compensation through September 30, 2016. The Office of the Governor, through the Governor's Legal Counsel has provided an update as of December 31, 2016, showing that the former owners claimed an additional $217,605 in tax credits and, since the Government of Guam pays six percent interest on the unpaid balance, the former owners received an additional $241,055 in interest payments, causing the total liability to increase. Table 10 provides an update of the total amount the land has cost the Government of Guam and the tax credits redeemed by the former owners as of December 31, 2016.[16]

[14] Compass Real Estate Consulting was selected by the Office of the Attorney General of Guam to provide appraisal services to the Receiver.

[15] This is the official date of taking. The delay between the date of the original appraisal and the actual date of taking was caused by the Governor of Guam's decision to remove the Office of the Attorney General of Guam.

[16] See Tab 23 for a copy of the information provided by the Governor's Legal Counsel.

Doc. No. 34GL-17-0523.

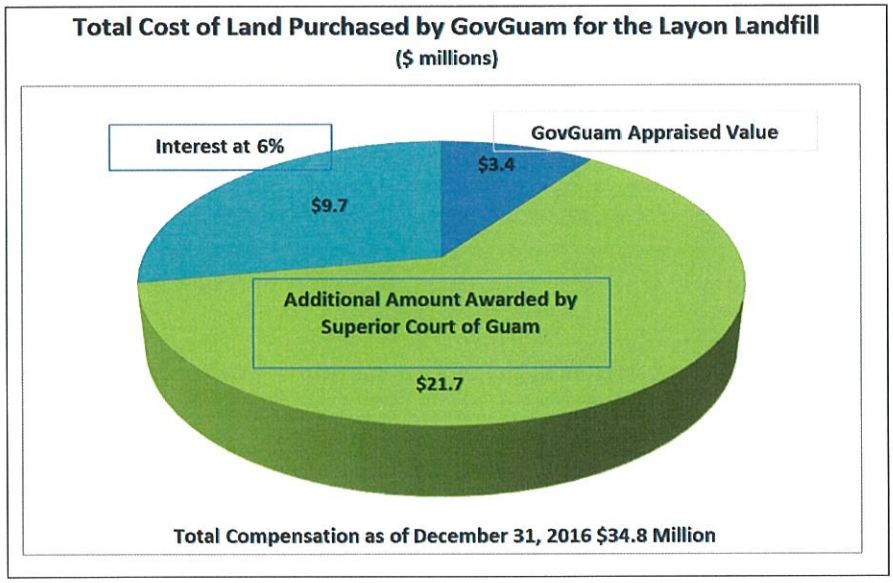
Table 10 – Total Liability and Unpaid Balance

LAYON LANDFILL CONDEMNATION PAYMENTS As of December 31, 2016	
Original GovGuam Appraised Value	$3,410,000
Additional Compensation per Judgment (CV0084-08)	$21,705,683
6% Interest from 01/24/2008	$9,691,606
Total Liability	**$34,807,289**
Tax credits paid	($26,332,191)
Cash paid from Federal Compact/Impact Funds	($3,410,000)
Balance of Unpaid Judgment	**$5,065,098**

Minor differences between this table and the table allocating payments to specific former owners is due to rounding. There is also a $20,000 difference in the appraisal report provided to the Receiver and the amount the Superior Court of Guam indicates the Government of Guam had already deposited with the Court for this land. We accept the Court's determination of the amount deposited since some of this occured before the Receivership.

Figure 30 illustrates the elements of the total cost of the land. As we have noted before, the land's total cost was artificially high by any reasonable method of valuation and it is made even more expensive by the artificially high interest rate paid to the former landowners.

Figure 31 – Total Cost of Land Purchased by GovGuam for the Layon Landfill



As noted in our previous report, based on information from the Office of the Attorney General, the following former owners have been paid in full:

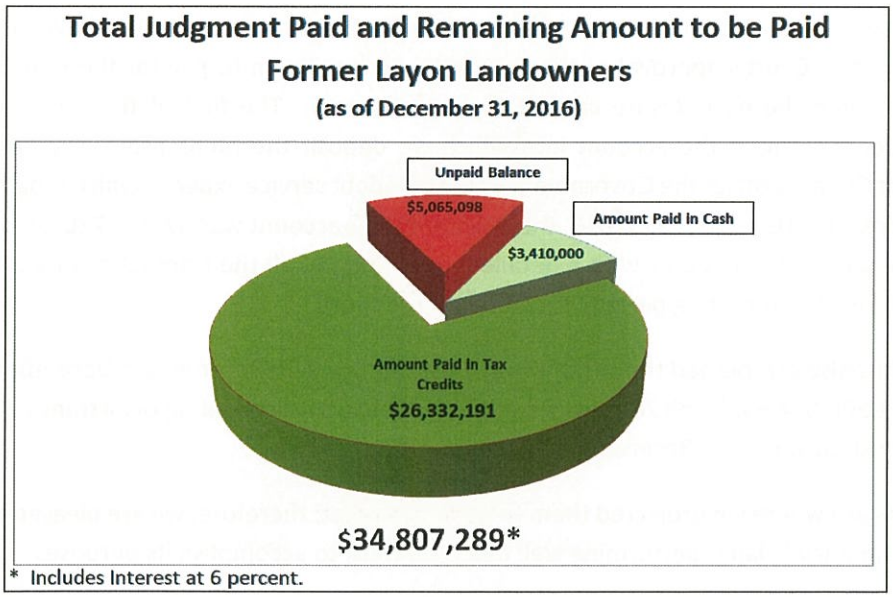
- Calvo's Insurance Underwriters, Inc.;
- Lee and Joan Holmes;
- Douglas F. Cushnie;
- Joaquin C. Arriola; and,
- Young Chull Kim.

Given this information, the remaining balance of $5,065,098 as of December 31, 2016 is owed to:

- Oxford Properties & Finance, Ltd.;
- Valencia Investments Corporation;
- Jones and Guerrero Company, Inc.; and,
- Alfred and Diana Ysrael.

Figure 31 illustrates the total cost of the land, payments that have been made and the total remaining unpaid balance.

Figure 32 – Total Cost and Amounts Paid to Date for Layon Landfill Land



Reserves of the GSWA

Table 11 outlines the status of the reserves of GSWA on December 31, 2016. These reserves are for the purpose of setting funds aside to pay for the future needs of Guam's solid waste system. These reserves are maintained in separate bank accounts at the Bank of Guam. Tabs 24, 25, 26, and 27 provide the Court with all transactions affecting each of these accounts from July 1, 2016 to December 31, 2016.

Table 11 – Reserves of the Guam Solid Waste Authority

Reserves of the Guam Solid Waste Authority As of 12/31/2016		
Reserves		**Total**
Equipment Replacement Reserve	$	3,022,604.77
New Cell Development Reserve	$	255,838.57
Cell Closure Reserve	$	255,838.57
Post-Closure Care Reserve Layon Landfill	$	511,676.69
Total Reserves.....	**$**	**4,045,958.60**

The Receiver has also established two reserves in addition to the reserves reported above. These reserves are pursuant to this Court's approval of the Receiver's financial plan to pay for the remaining Consent Decree projects and the post-closure care of the Ordot Dump. The first of these is the Reserve for Unfunded Expenses. This is the account into which we deposit the funds previously provided to the Government of Guam to offset the Government of Guam's debt service expense which is paid with federal Section 30 funds. On December 31, 2016, the balance in this account was $7,244,720.24[17]. Tabs 21 and 22 of this report provide the Court with a detailed accounting of all the transactions that have affected this account during the reporting periods covered by this report.

The Receiver has also established the Ordot Dump Post Closure Care Reserve. On December 31, 2016, its balance was $2,500,544.69.[18] Tab 28 provides the Court with a full accounting of all transactions affecting Ordot Dump Post Closure Care Reserve during the reporting periods.

These accounts are where we projected them to be at this point; therefore, we are pleased to report that the Receiver's financial plan is performing well and is on track to accomplish its purposes.

Waste Disposed at the Layon Landfill July – September 2016

The waste disposed at the Layon Landfill increased by 3.2 percent during FY 2016. Table 12 shows total waste disposed by customer type during FY 2016, compared to FY 2015.

[17] On the date of this report the balance in the Reserve for Unfunded Expenses is $6,759,417.68

[18] On the date of this report the balance in the Ordot Dump Post Closure Care Reserve is $3,335,062.21.

Table 12 – Total Waste (Tons) Disposed by GSWA, FY15 and FY16

Change in Waste (Tons) Disposed by GSWA
By Customer Group
Comparing October to September FY2015 with October to September FY2016

Customer	FY 2015	FY 2016	% Change
Residential	20,028	20,350	1.6%
Commercial	54,748	56,393	3.0%
Military	8,034	8,143	1.4%
Government	8,070	9,317	15.5%
Mayors	1,733	1,947	12.4%
Transfer Stations	4,954	4,517	-8.8%
Other	132	143	7.9%
Total	97,700	100,811	3.2%

Note: About 3 percent of the waste handled by GSWA is not landfilled due to removal of excluded waste and water loss.

Residential and commercial customers and the military increased at moderate rates in FY 2016. Government customers, driven by GWA and Guam's mayors, increased significantly during the period. Residential transfer stations, however, declined nearly 9 percent during this time; a change that is directly attributable to the decision by Governor Calvo to close the Dededo Residential Transfer Station.

Overall the tonnage disposed during this period increased 3.2 percent. As we noted in our Report dated August 4, 2016, the assumed growth upon which it is projected that Cells 1 and 2 would reach capacity in late August 2021, is 2.3 percent. Should the growth rate continue to exceed 2.3 percent, as has been the case in recent months, the capacity of Cells 1 and 2 will be reached sooner[19]. It is imperative that this continue to be monitored carefully to ensure that additional landfill capacity is available when Cells 1 and 2 are exhausted.

Waste Disposed at the Layon Landfill – October – December 2016

The waste disposed at the Layon Landfill increased by 4.7 percent during the three months of FY 2017. Table 13 shows total waste disposed by customer type during the first quarter, compared to the same period one year earlier.

[19]See pages 50-53 of the Receiver's Quarterly Report dated August 4, 2016.

Table 13 – Total Waste (Tons) Disposed by GSWA, FY16 and FY17

Change in Waste (Tons) Disposed by GSWA By Customer Group Comparing October to December FY2016 with October to December FY2017			
Customer	**FY 2016**	**FY 2017**	**% Change**
Residential	5,138	5,388	4.9%
Commercial	14,633	14,809	1.2%
Military	1,929	2,134	10.6%
Government	2,248	2,737	21.8%
Mayors	480	483	0.6%
Transfer Stations	1,160	1,219	5.1%
Other	28	41	49.5%
Total	25,614	26,810	4.7%
Note: About 3 percent of the waste handled by GSWA is not landfilled due to removal of excluded waste and water loss.			

Residential customers increased at almost five percent rate during the period and government customers, driven by GWA, increased by almost 22 percent during the period. The Military increased almost 11 percent and residential transfer stations more than 5 percent during this time.

As we have said before, the assumed growth upon which it is projected that Cells 1 and 2 would reach capacity in late August 2021, is 2.3 percent. Should the growth rate continue to exceed 2.3 percent, as has been the case in recent months, the capacity of Cells 1 and 2 will be reached sooner[20]. It is imperative that this continue to be monitored carefully to ensure that additional landfill capacity is available when Cells 1 and 2 are exhausted.

Transition Progress

In the Quarterly Report of the Receiver dated October 21, 2015, the Receiver recommended and the Court subsequently approved a timeline for transition and certain tasks that need to be completed to assure a successful transition. The timeline calls for transition to occur on January 1, 2018.

The following tasks were also outlined in the Receiver's recommendations and we would like to take this opportunity to report to the court the status of these tasks based on the Receiver's progress and our understanding of the Board's progress. The current status is as of the date of this report.

1. Implementation and monitoring of the financial plan to complete Consent Decree Projects and fund Post-Closure Care of the Ordot Dump.
    - **Current Status** – The plan has been implemented and, as reported elsewhere in this document, it is performing as expected.
2. Approval by USEPA of Ordot Closure Construction.
    - **Current Status –** Complete (see letter dated May 12, 2017 submitted as Tab 3)

[20]See pages 50-53 of the Receiver's Quarterly Report dated August 4, 2016.

3. Approval by USEPA and GEPA of the post-closure plan for the Ordot Dump.
    - **Current Status**: The plan is still pending with both agencies, however, discussions have been initiated by USEPA and we are hopeful it will be acted upon in the near future.
4. Planning for the work to be done and completing the environmental clean-up and construction of the upgrades to the Residential Transfer Stations and the Dero Road project.
    - **Current Status** - This work is complete for Dero Road except for the pending issue of the remaining stormwater issue discussed earlier in this report. Work is underway to complete the upgrades to the Agat and Malojloj Residential Transfer Stations and work will begin in the near future on the environmental closure of the Dededo Residential Transfer Station. All of this work is expected to be completed before the end of 2017.
5. Obtaining operating permits for the Agat and Malojloj Residential Transfer Stations.
    - **Current Status** – Work is underway and should be completed by the end of 2017.
6. Procurement
    - **Current Status** – Procurement for all construction has been successfully completed. Work is underway to issue procurements for the post-closure operator of the Ordot Dump facility, the trustee and the independent engineer. We expect to issue the procurement for the post closure operator of the Ordot Dump facility by late spring or early summer with the trustee and independent engineer by late summer or early fall 2017.
7. The Board's determination of how it will manage the closure of cells one and two at the Layon Landfill and the construction of a new cell.
    - **Current Status** – We assume that the Board is awaiting the hiring of a General Manager to address this matter. The Receiver is beginning the preliminary steps outlined in the Quarterly Report of the Receiver dated October 21, 2015.
8. Recruitment of a General Manager and Chief Financial Officer.
    - **Current Status** – In early January 2017 the Receiver began working with the Board to begin the recruitment of the General Manager and Chief Financial Officer. In each step of this process the Receiver has worked cooperatively with the Board following the Board's lead with respect to this process. The job announcements were widely advertised on behalf of the Board both on Guam and in industry circles where persons qualified for such a position would pursue such an opportunity. The Receiver has also assisted the Board further by evaluating the qualifications of the applicants and working with the Board to schedule interviews which will advance the process further.
9. Transitioning the Receiver's temporary staffing to full-time GovGuam employees.
    - **Current Status** – The Board has been working with their attorney to seek a law from the Guam Legislature to allow the Board to continue all Receiver Contracts for a limited time. To the Receiver's knowledge this has not yet been agreed to in the Legislature. It is further our understanding based upon legal advice that the Receiver was given by former Deputy Attorney General Pat Mason[21] that, while the Receiver has the authority to contract for employees, it would violate the Guam Organic Act for GovGuam to contract for employees. We are unaware of any subsequent opinion of the Guam Attorney General or Court that would conflict with Mr. Mason's opinion. The Receiver is therefore concerned that the approach being taken by the Board may not resolve this critical transition issue.

[21] See Tab 29 for a copy of Mr. Mason's advice.

10. As we have noted on several occasions, current GSWA rates are based upon this Court's authorization allowing the Receiver to establish interim rates pending adoption of permanent rates by the Public Utilities Commission (PUC). While the Receiver has presented rates to the PUC in 2012, no permanent rates have been adopted. Upon the Board's request, the Receiver presented a new rate study to the Board on December 31, 2016, for the purpose of allowing the Board to begin a rate making process.
    - **Current Status** – No action has been taken to date.
11. Updates to GSWA's operating rules and regulations.
    - **Current Status** – The Board has adopted and implemented rules governing its own deliberations and actions. Additional rules and regulations also exist that predate the Receivership and the creation of GSWA as an autonomous agency. Many of these rules appear to be inconsistent with the current practices of GSWA and its rate structure. The board has yet to review these rules for the purpose of bringing them up to date.

6. Next Steps

Ordot Dump Closure

- Continue operations, maintenance and monitoring until Post Closure Operator is on board.
- Obtain acceptance by USEPA of the Construction Certification Report.
- Continue to facilitate GEPA and USEPA regarding Post Closure Care Plan review.
- Continue development of the Ordot Dump Post Closure Care procurement documents.

Design and Construction Management

- Project construction management for renovation activities at Agat, Malojloj, and Dededo Transfer Stations
- Complete evaluation of the additional stormwater issues identified on Dero Road.

Layon Operational Support

- Provide construction management for the Surge Tank project on the GWA Inarajan sewer system serving Layon.
- Begin field investigations in support of design services for the development of new landfill cells.

Environmental Compliance and Monitoring

- Continue to conduct GEPA and USEPA bi-weekly meetings to guide and manage environmental permitting and compliance.
- Continue the environmental monitoring and compliance reporting for the Ordot Closure Facility.
- Continue to report and manage environmental compliance monitoring of the Layon Landfill operations.
- Continue to manage, monitor, and report the results of the quarterly Inarajan WWTP monitoring program.

Procurement and Contract Management

- Begin the procurement for the Ordot Post Closure Care Operator and transition the work to the successful proposer.
- Continue to monitor the purchase of new equipment and expedite if possible.
- Develop the procurement for the Ordot Trustee.
- Work with legal counsel to address remaining land issues and procurement issues.

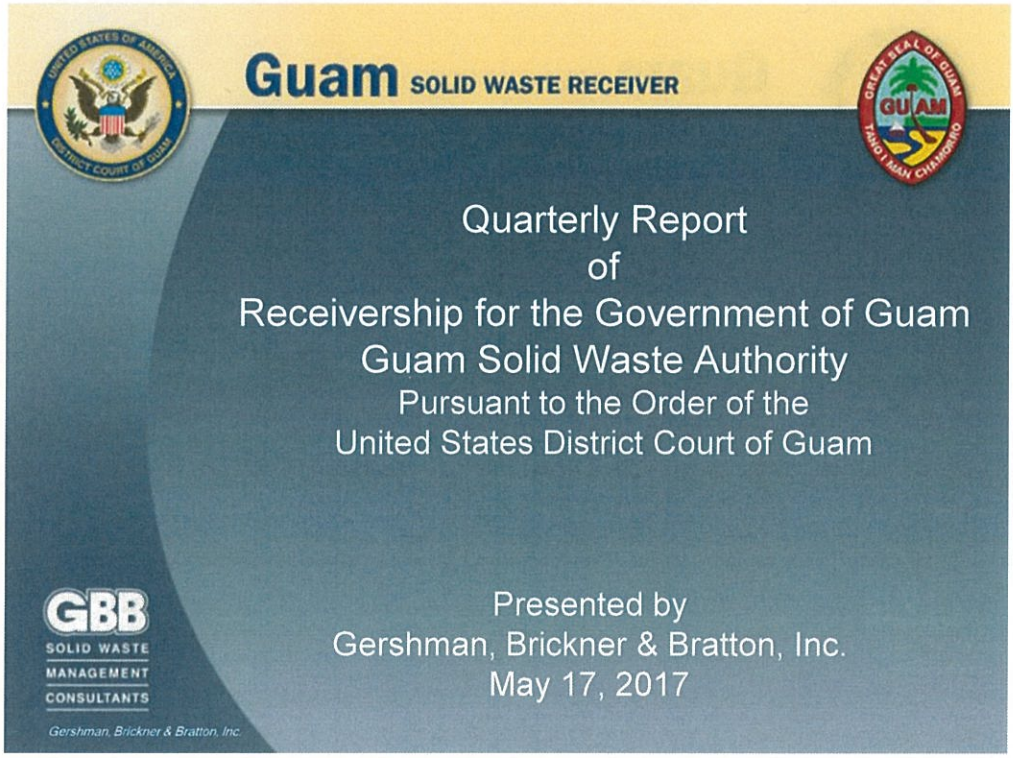
Financial

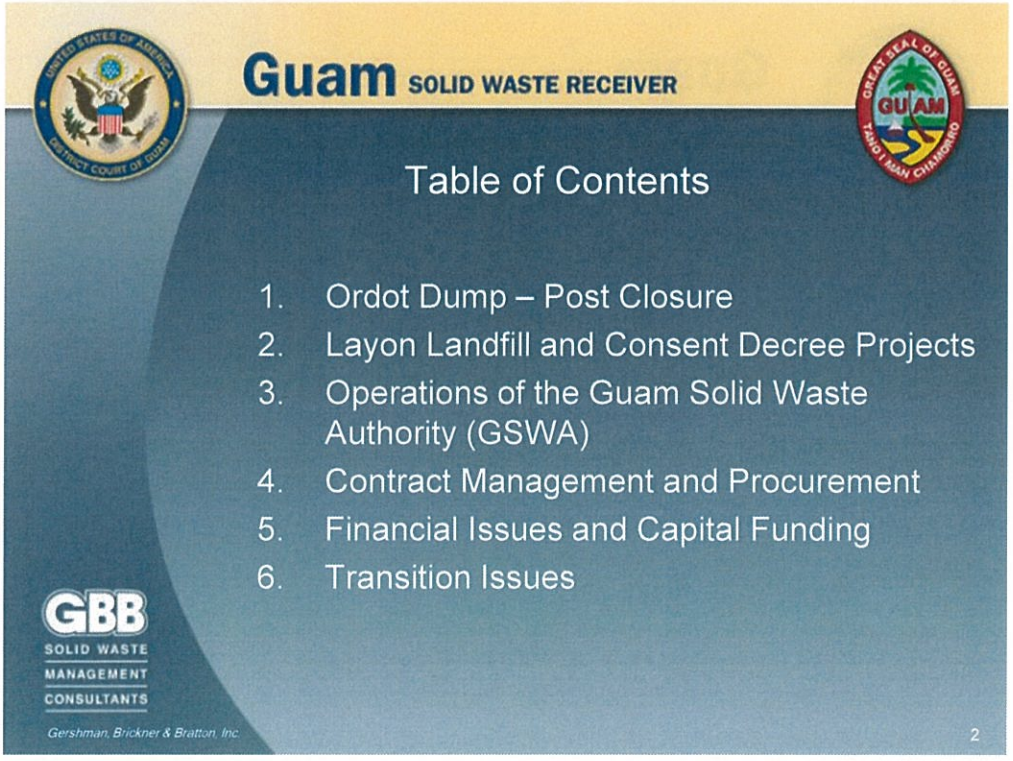
- Carefully manage the Trustee Accounts and other bank accounts of GSWA and keep all parties informed.
- Continuously monitor the system's cash flow to ensure that sufficient cash is on hand at all times.
- Continue to carefully monitor expenditures and revenue collections.
- Monitor the volume of waste and update rate information accordingly.
- Continue to enforce the policies to ensure that delinquent residential and commercial accounts are paid in full or service is terminated.
- Monitor government accounts and work with GovGuam to address deficiencies.
- Manage and fund the capital needs of GSWA and the Consent Decree in compliance with the Orders of the District Court.
- Continue to monitor the status of the Government of Guam's payments to the former Layon Landowners.

Transition

- Continue work with the Board of Directors to achieve a successful transition.

Doc. No. 34GL-17-0523.


Guam SOLID WASTE RECEIVER
Quarterly Report
of
Receivership for the Government of Guam
Guam Solid Waste Authority
Pursuant to the Order of the
United States District Court of Guam
Presented by
Gershman, Brickner & Bratton, Inc.
May 17, 2017
GBB
SOLID WASTE
MANAGEMENT
CONSULTANTS
Gershman, Brickner & Bratton, Inc.


Guam SOLID WASTE RECEIVER
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6. Transition Issues
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1. ORDOT DUMP – POST CLOSURE MANAGEMENT

July 1, 2016 – December 31, 2016



Flare Station Blower Replacement – December 2016

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Ordot Dump – Post Closure

- Post Closure Activities
  - Three Primary Activities:
    - Ensure Operations are continuous and successful
    - Maintenance – both preventive and routine
    - Compliance Monitoring and reporting
  - Covering Seven Closure Systems/Networks
    - Leachate Collection and Removal System
    - Gas Collection and Control System
    - Cover System/Stormwater Management System
    - Perimeter Landfill Gas Monitoring Well Network
    - Perimeter Groundwater Monitoring Well Network
    - Perimeter Security Fence
    - Standby Power Generation

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Ordot Dump – Post Closure

- July 1, 2016 December 31, 2016
  - Leachate total volume captured: 14.3 million gallons
  - Leachate average daily volume:
    - 20,000 gallons since commencing January 2016
    - Average daily volume consistently below anticipated maximum volume
  - Landfill Gas Total Flow volume collected: 171 millions of cubic feet of greenhouse gases
  - Landfill Gas Flow: average daily volume trending downward and is below 200 cubic feet per minute near the end of the reporting period.

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Ordot Dump – Post Closure

Operations, Maintenance, and Compliance Monitoring



Landfill Gas Monitoring Well

- Perimeter Landfill Gas Monitoring
  - Network of monitoring wells detect landfill gas, if any, in the perimeter outside the gas collection system
  - Two perimeter gas monitoring wells consistently have readings above compliance levels
  - Cause was identified as trash found outside the main waste pile
  - This waste was relocated to the main waste pile but residual readings remain above compliance levels
  - A gas mitigation plan has been developed to address this matter
  - Expected to be condition of Closure certification by USEPA and GEPA
  - Field work to begin 3rd or 4th quarter 2017

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Ordot Dump Post Closure Plan

Approval of Post Closure Care Plan Still Pending with USEPA

- Plan developed by Receiver with experts and in consultation the regulatory agencies
- Plan remains under review by USEPA and GEPA
- All requested documentation has been provided by Receiver
- We are hopeful USEPA will formally approve in late 2017

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2. LAYON LANDFILL AND CONSENT DECREE PROJECTS July 1, 2016 – December 31, 2016



November 2016 Waste and Alternative Daily Cover Placement



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Layon Landfill
Environmental Monitoring and Compliance

- Ongoing Landfill Facility Permit compliance
  - Performed quarterly stormwater monitoring
  - Performed semi-annual groundwater monitoring
  - Performed quarterly landfill gas monitoring
  - Performed semi-annual well inspections
  - Conducted subdrain tank monitoring
  - Continued monitoring Inarajan WWTP – no adverse effects
  - Installing surge tank to assist GWA in proper management of leachate (Equipment installed and ready for testing)
  - Initiated Well Operating Permits for all wells
- Continued regular GEPA/USEPA/Receiver coordination meetings for all regulatory and permit aspects of work

Conclusion: The Layon Landfill meets all applicable environmental standards and regulations.

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Consent Decree Projects: Residential Transfer Stations



Agat RTS
Planned Upgrades

Agat RTS March 2017



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Consent Decree Projects: Residential Transfer Stations



Malojloj RTS
Planned Upgrades

Malojloj RTS March 2017



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Consent Decree Projects:
Residential Transfer Stations

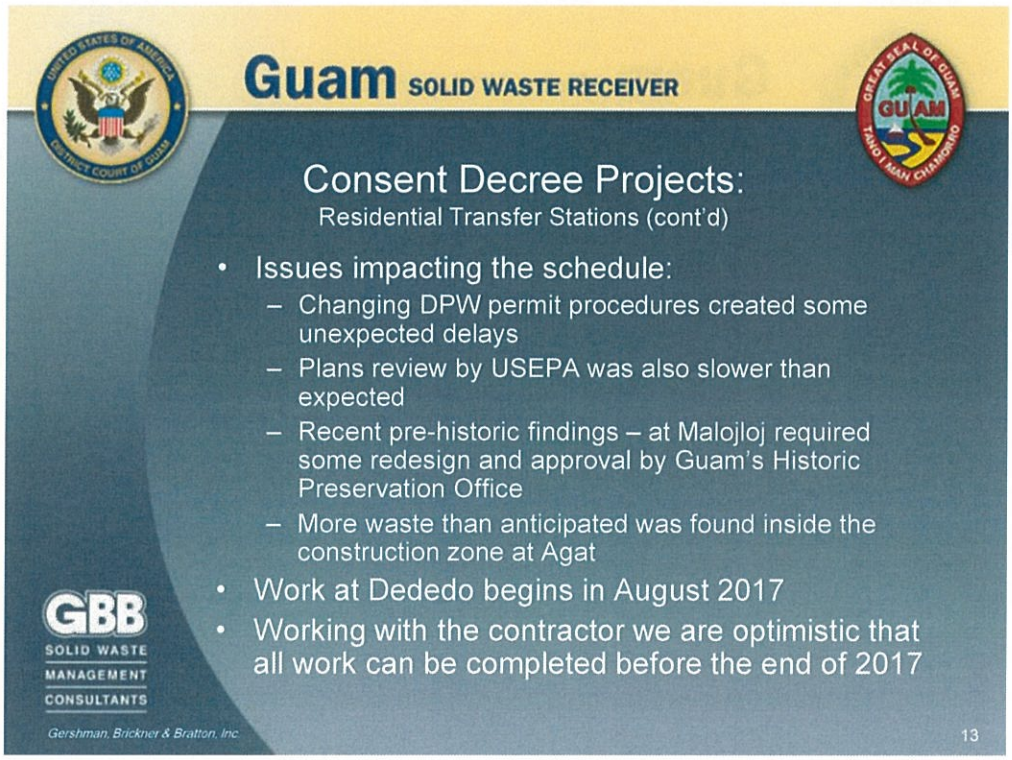
Upgrading Agat and Malojloj - Dededo Environmental Closure

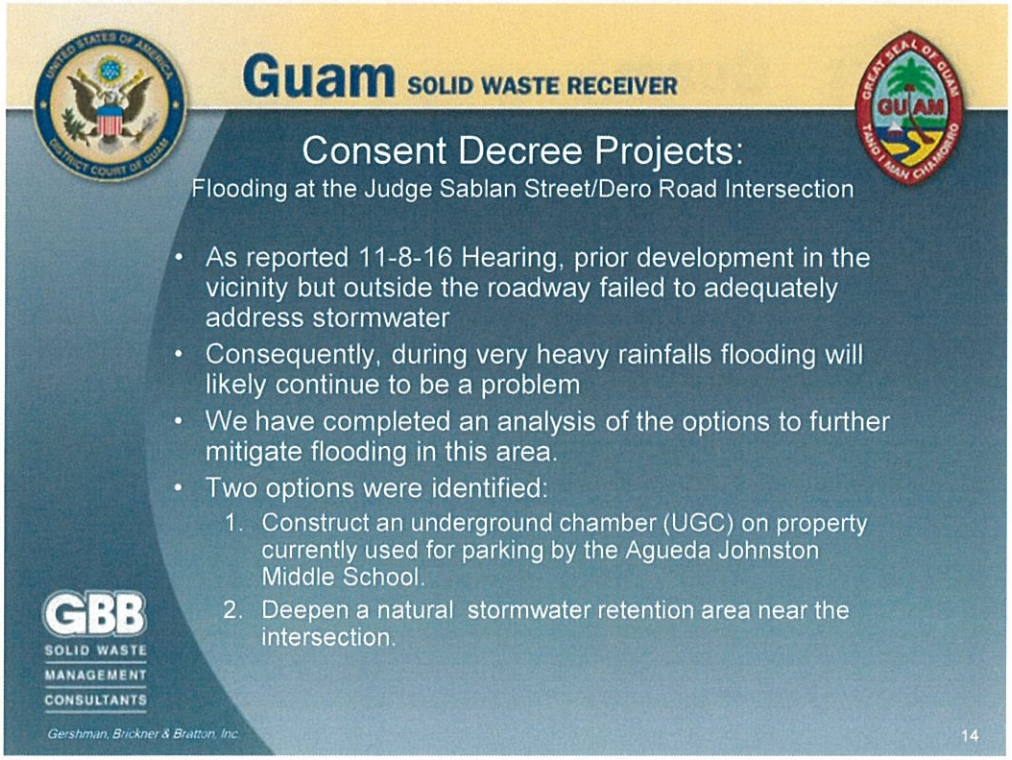
- CoreTech International is the contractor
- Notice to Proceed issued November 9, 2016
- Project construction period is set for 365 consecutive calendar days
- Completion on or before November 9, 2017
- Work is being is executed in phases to allow the facilities to remain open during the construction

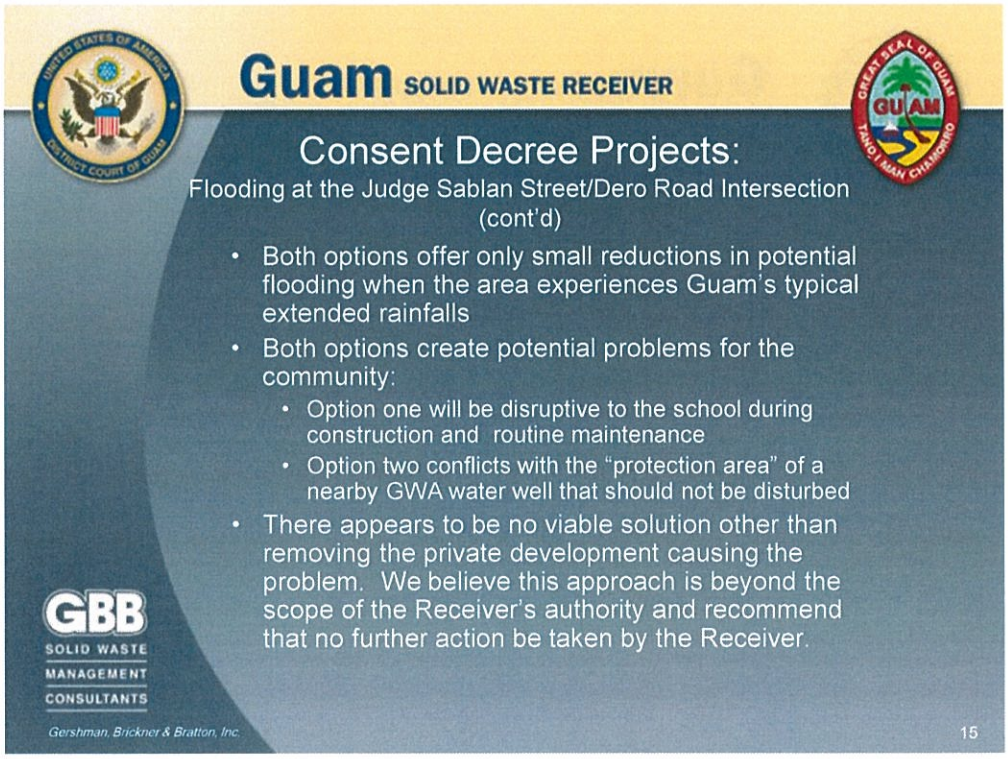
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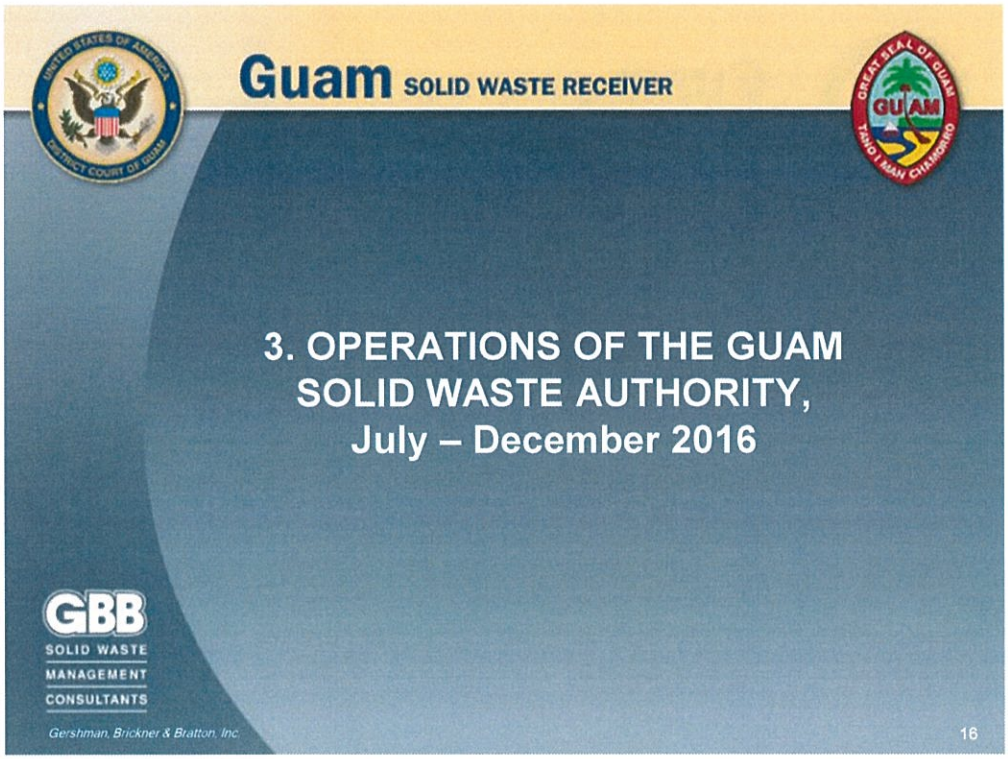
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Consent Decree Projects:
Residential Transfer Stations (cont'd)
• Issues impacting the schedule:
– Changing DPW permit procedures created some unexpected delays
– Plans review by USEPA was also slower than expected
– Recent pre-historic findings – at Malojloj required some redesign and approval by Guam's Historic Preservation Office
– More waste than anticipated was found inside the construction zone at Agat
• Work at Dededo begins in August 2017
• Working with the contractor we are optimistic that all work can be completed before the end of 2017
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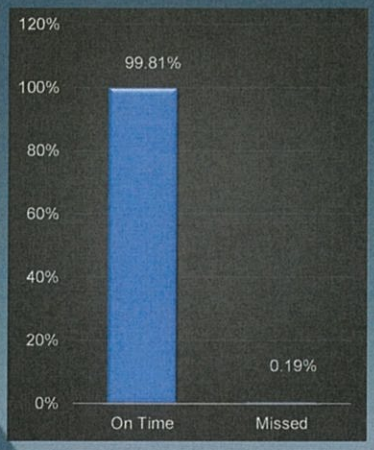

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Consent Decree Projects:
Flooding at the Judge Sablan Street/Dero Road Intersection
• As reported 11-8-16 Hearing, prior development in the vicinity but outside the roadway failed to adequately address stormwater
• Consequently, during very heavy rainfalls flooding will likely continue to be a problem
• We have completed an analysis of the options to further mitigate flooding in this area.
• Two options were identified:
1. Construct an underground chamber (UGC) on property currently used for parking by the Agueda Johnston Middle School.
2. Deepen a natural stormwater retention area near the intersection.
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Consent Decree Projects:
Flooding at the Judge Sablan Street/Dero Road Intersection (cont'd)
• Both options offer only small reductions in potential flooding when the area experiences Guam's typical extended rainfalls
• Both options create potential problems for the community:
  • Option one will be disruptive to the school during construction and routine maintenance
  • Option two conflicts with the "protection area" of a nearby GWA water well that should not be disturbed
• There appears to be no viable solution other than removing the private development causing the problem. We believe this approach is beyond the scope of the Receiver's authority and recommend that no further action be taken by the Receiver.
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3. OPERATIONS OF THE GUAM SOLID WASTE AUTHORITY, July – December 2016
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Residential Trash Collection: Collection is 99.81% On-Time

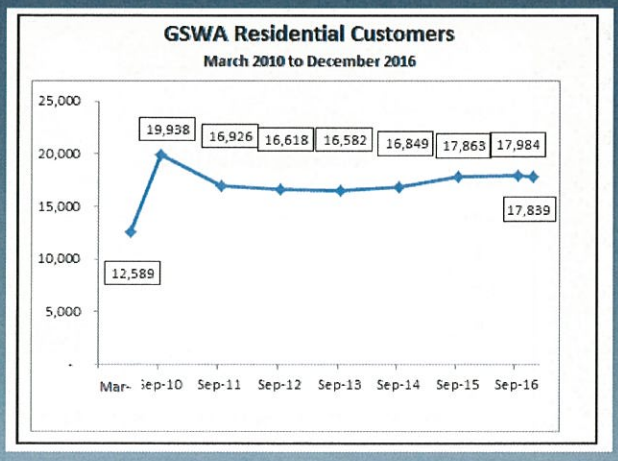


- 467,408 residential trash collections
- Average pounds per house per week is 41
- 115 carts were repaired

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Residential Trash Customer Base Remains Steady



Customer base is 17,839 as of December 2016

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Administration

- Customer Service:
  - Assisted 4,074 walk-in customers
  - Made 5,674 courtesy phone calls to customers who were late paying their bills and in jeopardy of having their carts repossessed for lack of payment
  - Sent 8,491 courtesy letters to customers who were 60 and over 90 days behind on their payments
- Total staffing
  - There were 55 Full-time employees, a reduction of 44% from the 99 FTE the SWMD had in 2008

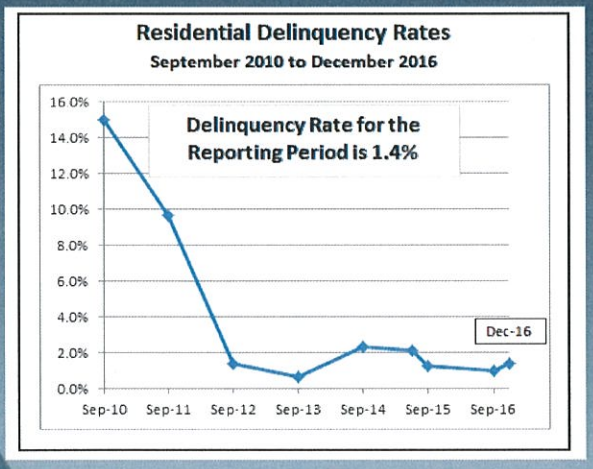
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Residential Delinquency:
Rate Remains Very Low



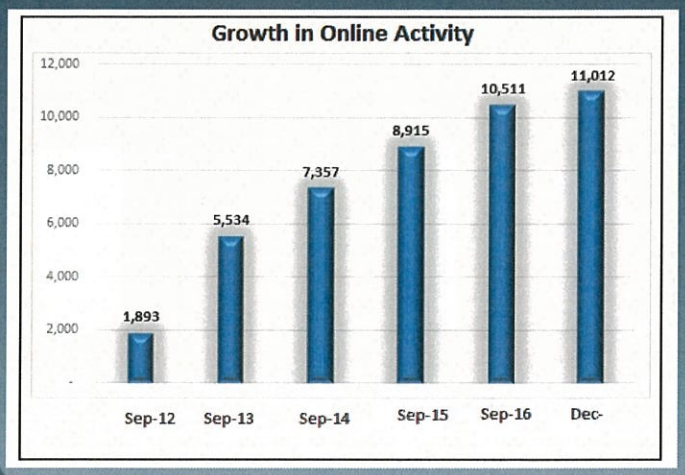
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Online Billing and Payment



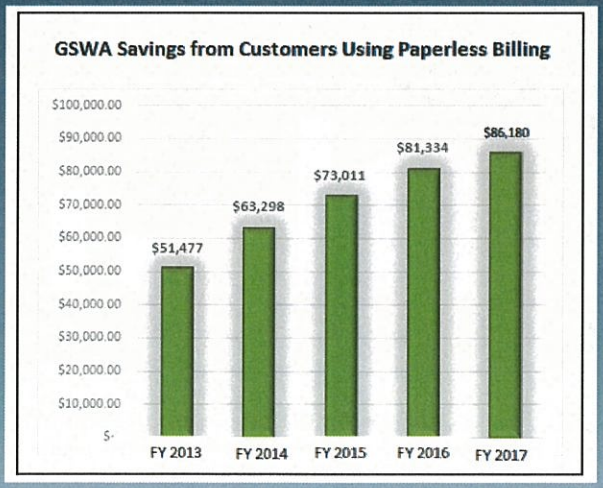
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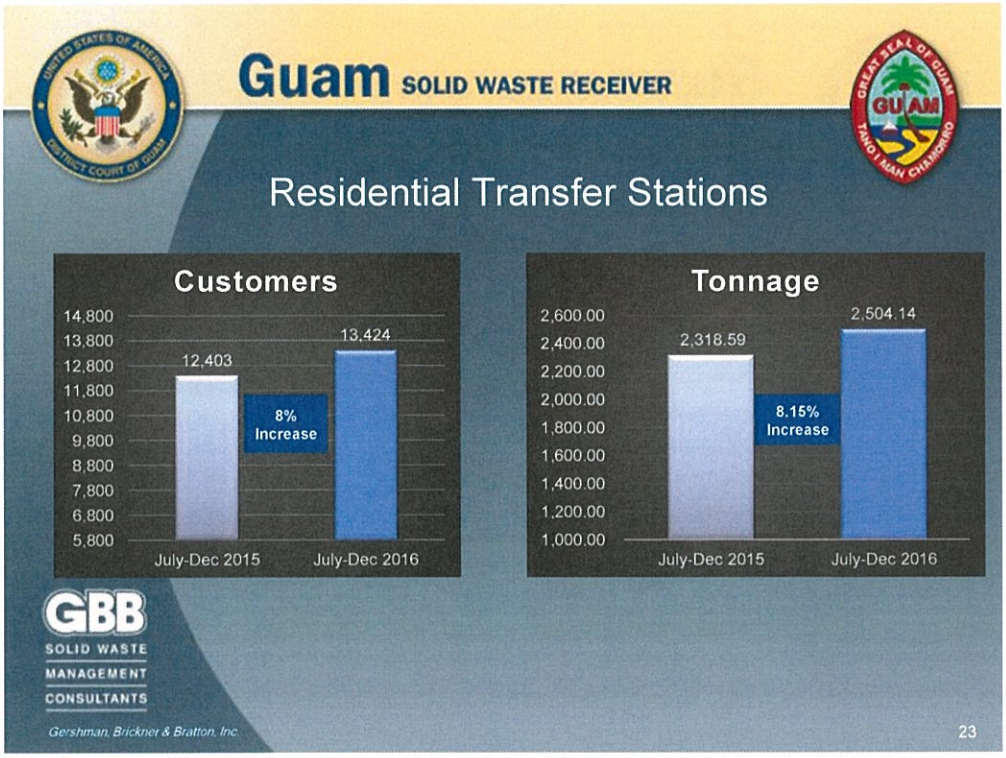
Online Billing and Payment

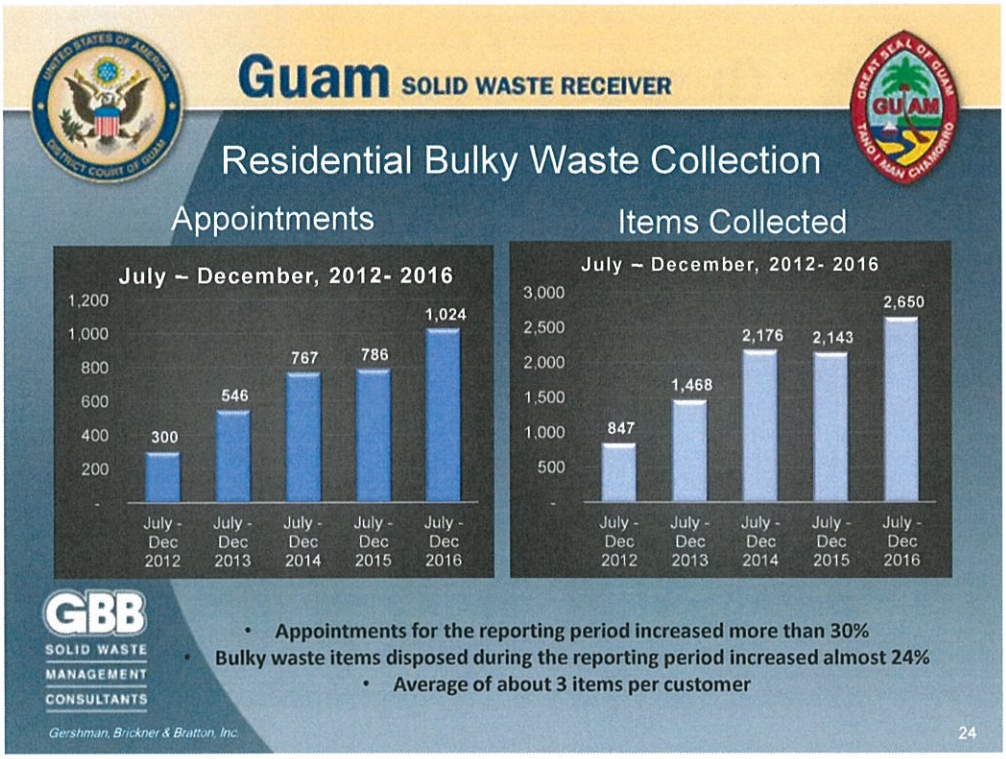


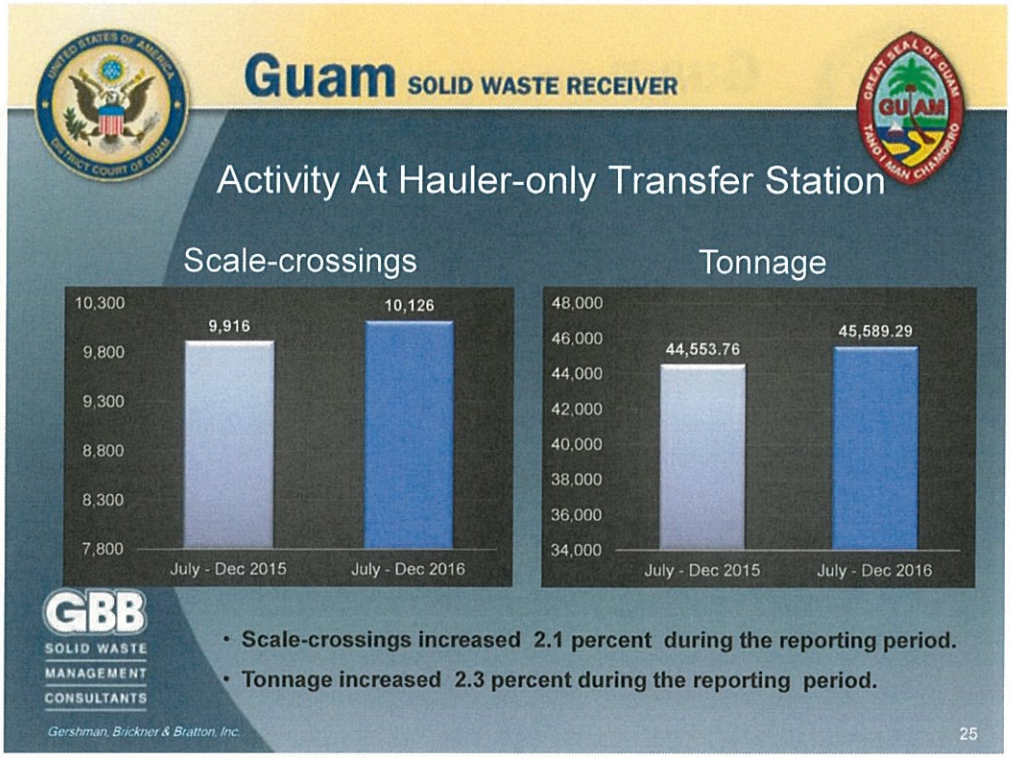
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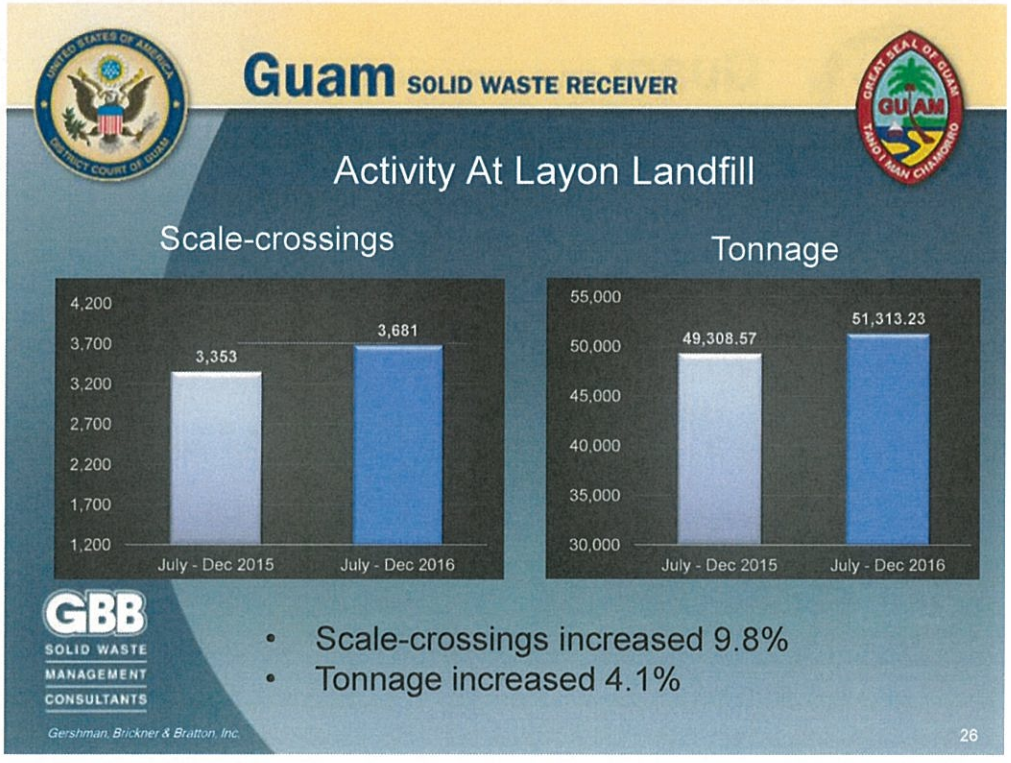
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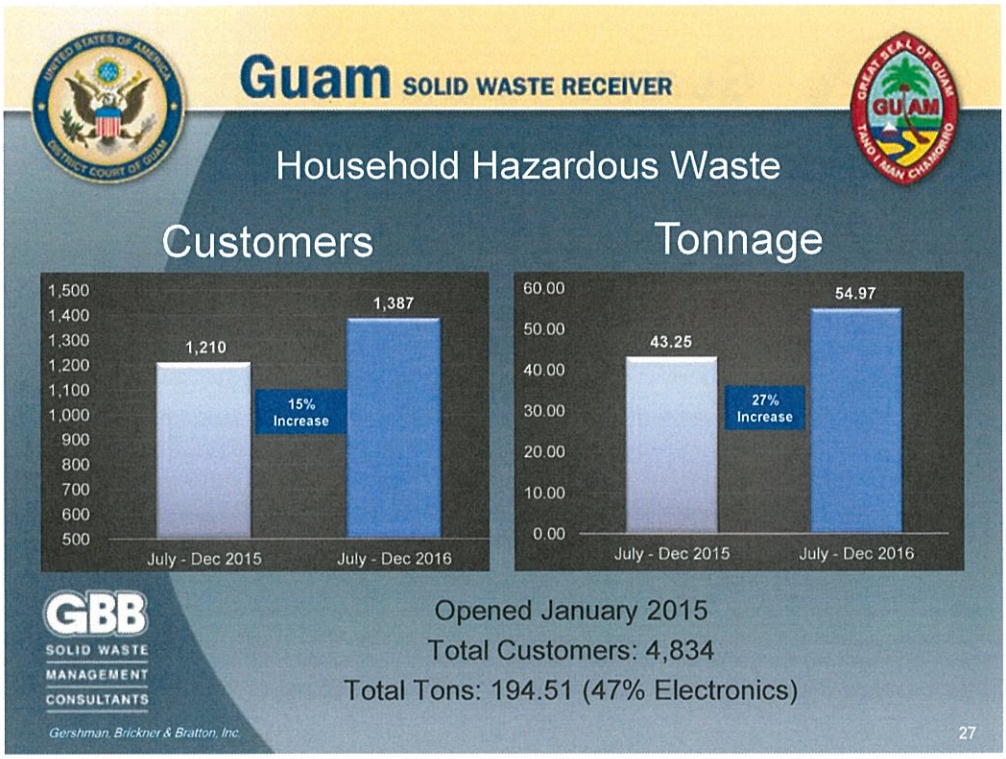
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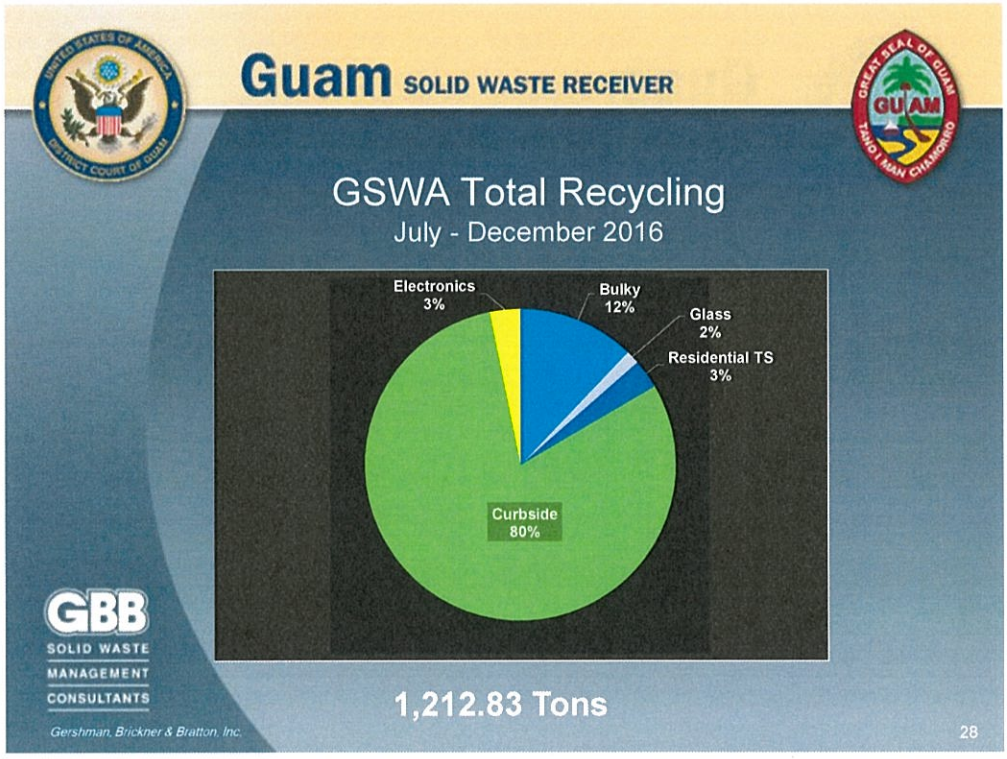

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Residential Transfer Stations
Customers
14,800
13,800
12,800
11,800
10,800
9,800
8,800
7,800
6,800
5,800
12,403
13,424
8% Increase
July-Dec 2015
July-Dec 2016
Tonnage
2,600.00
2,400.00
2,200.00
2,000.00
1,800.00
1,600.00
1,400.00
1,200.00
1,000.00
2,318.59
2,504.14
8.15% Increase
July-Dec 2015
July-Dec 2016
GBB
SOLID WASTE MANAGEMENT CONSULTANTS
Gershman, Brickner & Bratton, Inc.
23

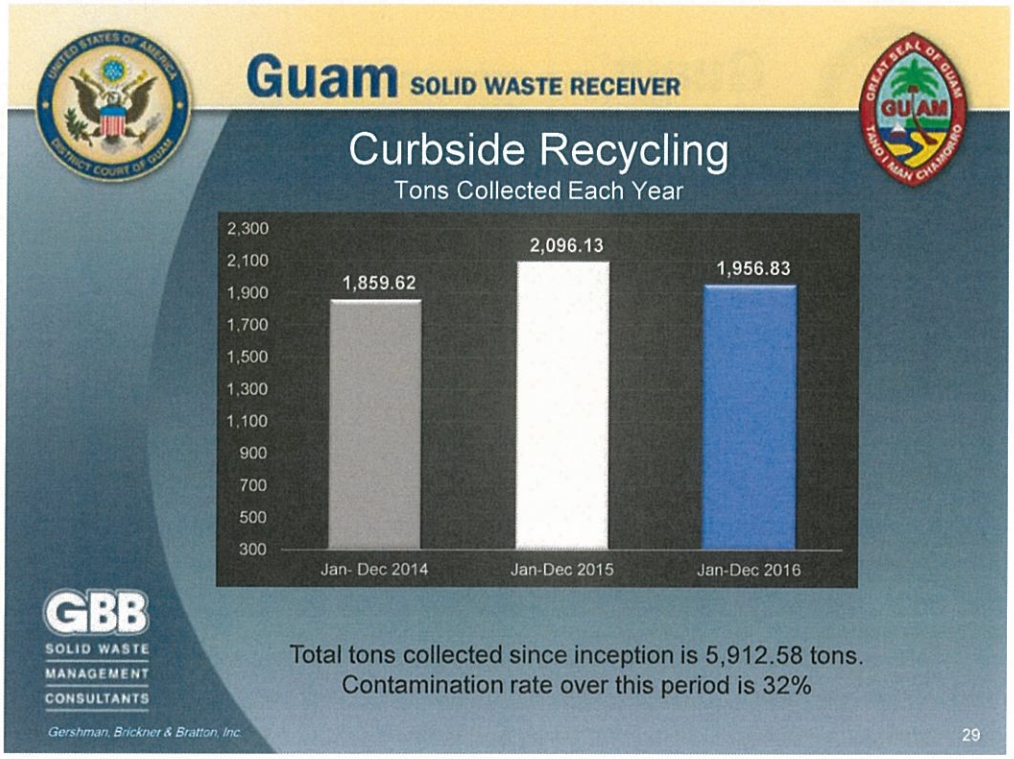

Guam SOLID WASTE RECEIVER
Residential Bulky Waste Collection
Appointments
July – December, 2012- 2016
1,200
1,000
800
600
400
200
300
546
767
786
1,024
July - Dec 2012
July - Dec 2013
July - Dec 2014
July - Dec 2015
July - Dec 2016
Items Collected
July – December, 2012- 2016
3,000
2,500
2,000
1,500
1,000
500
847
1,468
2,176
2,143
2,650
July - Dec 2012
July - Dec 2013
July - Dec 2014
July - Dec 2015
July - Dec 2016
GBB
SOLID WASTE MANAGEMENT CONSULTANTS
• Appointments for the reporting period increased more than 30%
• Bulky waste items disposed during the reporting period increased almost 24%
• Average of about 3 items per customer
Gershman, Brickner & Bratton, Inc.
24

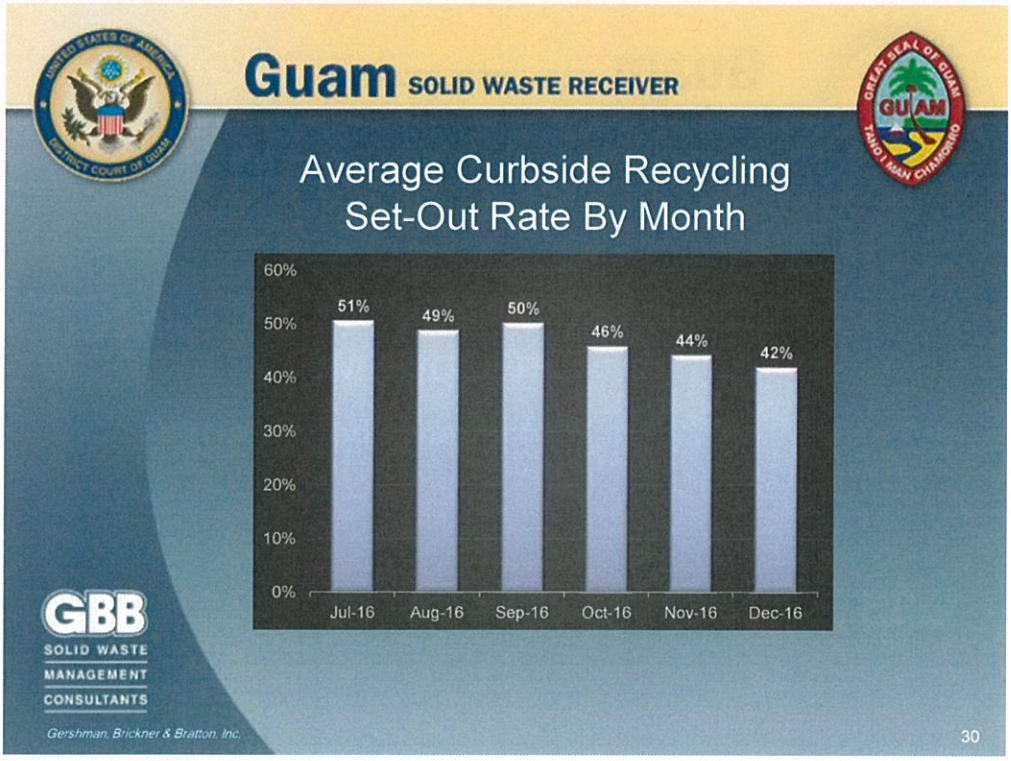

Guam SOLID WASTE RECEIVER
Activity At Hauler-only Transfer Station
Scale-crossings
10,300
9,800
9,300
8,800
8,300
7,800
9,916
10,126
July - Dec 2015
July - Dec 2016
Tonnage
48,000
46,000
44,000
42,000
40,000
38,000
36,000
34,000
44,553.76
45,589.29
July - Dec 2015
July - Dec 2016
GBB
SOLID WASTE
MANAGEMENT
CONSULTANTS
• Scale-crossings increased 2.1 percent during the reporting period.
• Tonnage increased 2.3 percent during the reporting period.
Gershman, Brickner & Bratton, Inc.
25

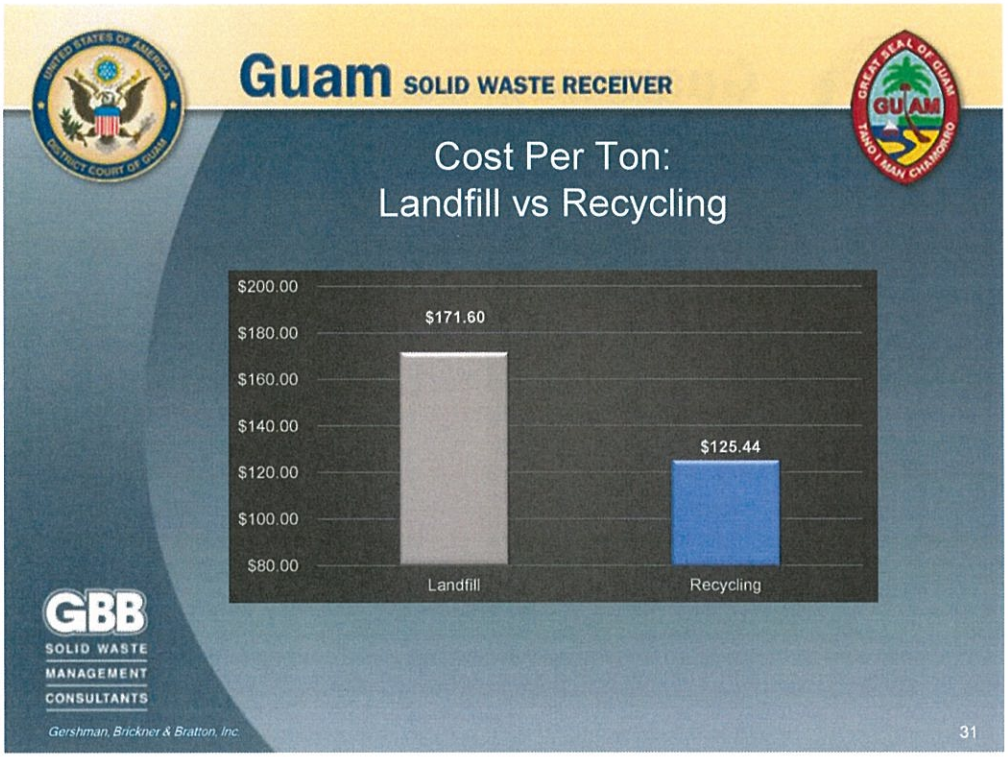

Guam SOLID WASTE RECEIVER
Activity At Layon Landfill
Scale-crossings
4,200
3,700
3,200
2,700
2,200
1,700
1,200
3,353
3,681
July - Dec 2015
July - Dec 2016
Tonnage
55,000
50,000
45,000
40,000
35,000
30,000
49,308.57
51,313.23
July - Dec 2015
July - Dec 2016
GBB
SOLID WASTE
MANAGEMENT
CONSULTANTS
• Scale-crossings increased 9.8%
• Tonnage increased 4.1%
Gershman, Brickner & Bratton, Inc.
26


Guam SOLID WASTE RECEIVER
Household Hazardous Waste
Customers
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
1,210
1,387
15% Increase
July - Dec 2015
July - Dec 2016
Tonnage
60.00
50.00
40.00
30.00
20.00
10.00
0.00
43.25
54.97
27% Increase
July - Dec 2015
July - Dec 2016
GBB
SOLID WASTE MANAGEMENT CONSULTANTS
Opened January 2015
Total Customers: 4,834
Total Tons: 194.51 (47% Electronics)
Gershman, Brickner & Bratton, Inc.
27

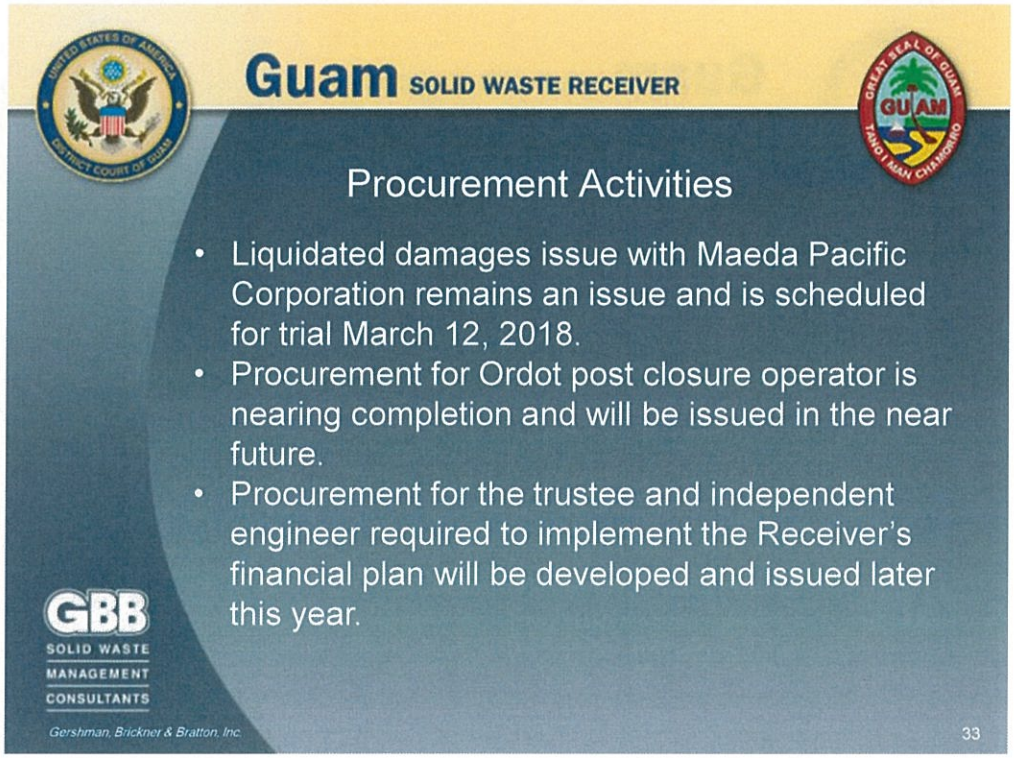

Guam SOLID WASTE RECEIVER
GSWA Total Recycling
July - December 2016
Electronics 3%
Bulky 12%
Glass 2%
Residential TS 3%
Curbside 80%
GBB
SOLID WASTE MANAGEMENT CONSULTANTS
1,212.83 Tons
Gershman, Brickner & Bratton, Inc.
28

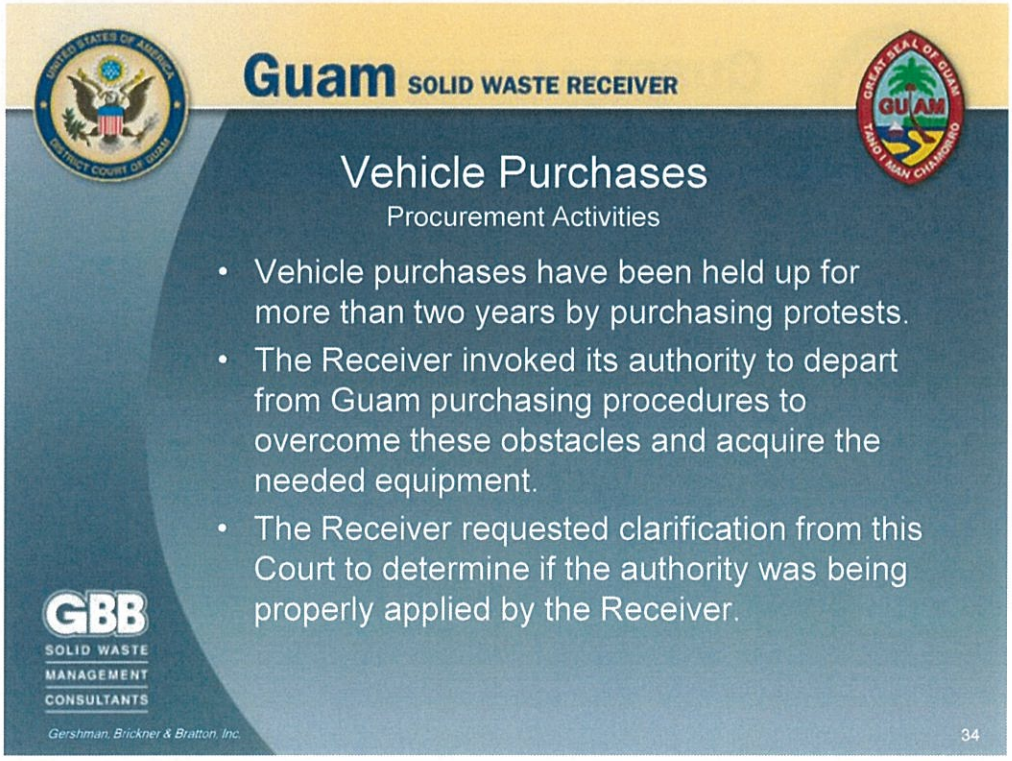

Guam SOLID WASTE RECEIVER
Curbside Recycling
Tons Collected Each Year
2,300
2,100
1,900
1,700
1,500
1,300
1,100
900
700
500
300
1,859.62
2,096.13
1,956.83
Jan- Dec 2014
Jan-Dec 2015
Jan-Dec 2016
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MANAGEMENT
CONSULTANTS
Gershman, Brickner & Bratton, Inc.
Total tons collected since inception is 5,912.58 tons.
Contamination rate over this period is 32%
29

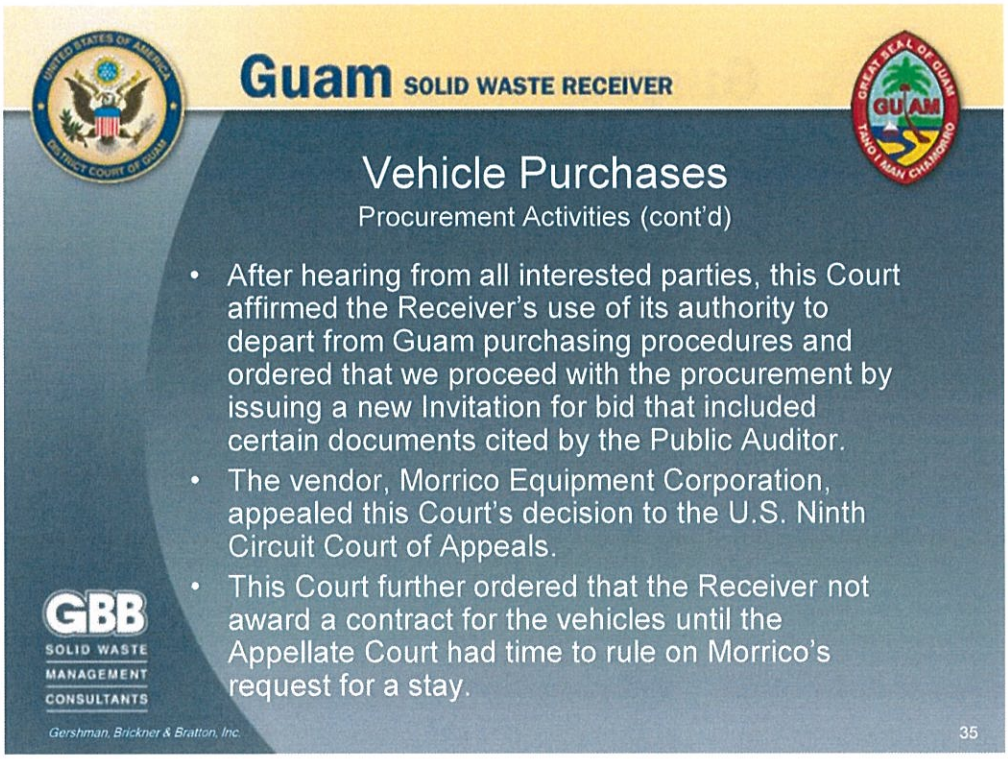

Guam SOLID WASTE RECEIVER
Average Curbside Recycling
Set-Out Rate By Month
60%
50%
40%
30%
20%
10%
0%
51%
49%
50%
46%
44%
42%
Jul-16
Aug-16
Sep-16
Oct-16
Nov-16
Dec-16
GBB
SOLID WASTE
MANAGEMENT
CONSULTANTS
Gershman, Brickner & Bratton, Inc.
30

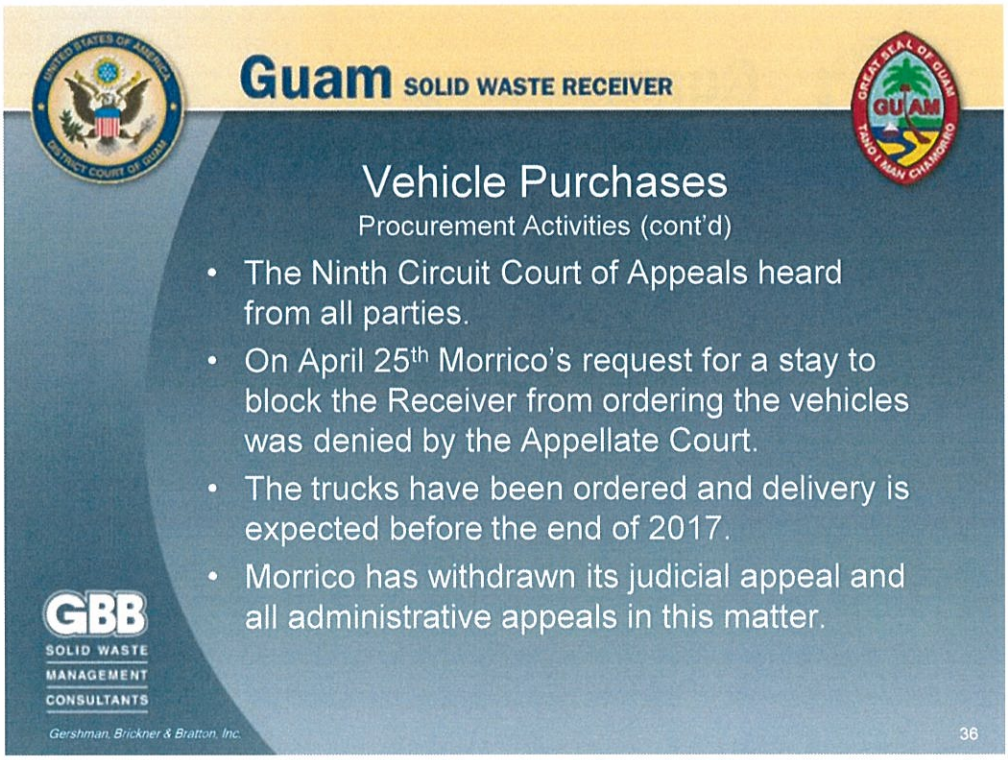

Guam SOLID WASTE RECEIVER
Cost Per Ton:
Landfill vs Recycling
$200.00
$180.00
$160.00
$140.00
$120.00
$100.00
$80.00
$171.60
$125.44
Landfill
Recycling
GBB
SOLID WASTE
MANAGEMENT
CONSULTANTS
Gershman, Brickner & Bratton, Inc.
31

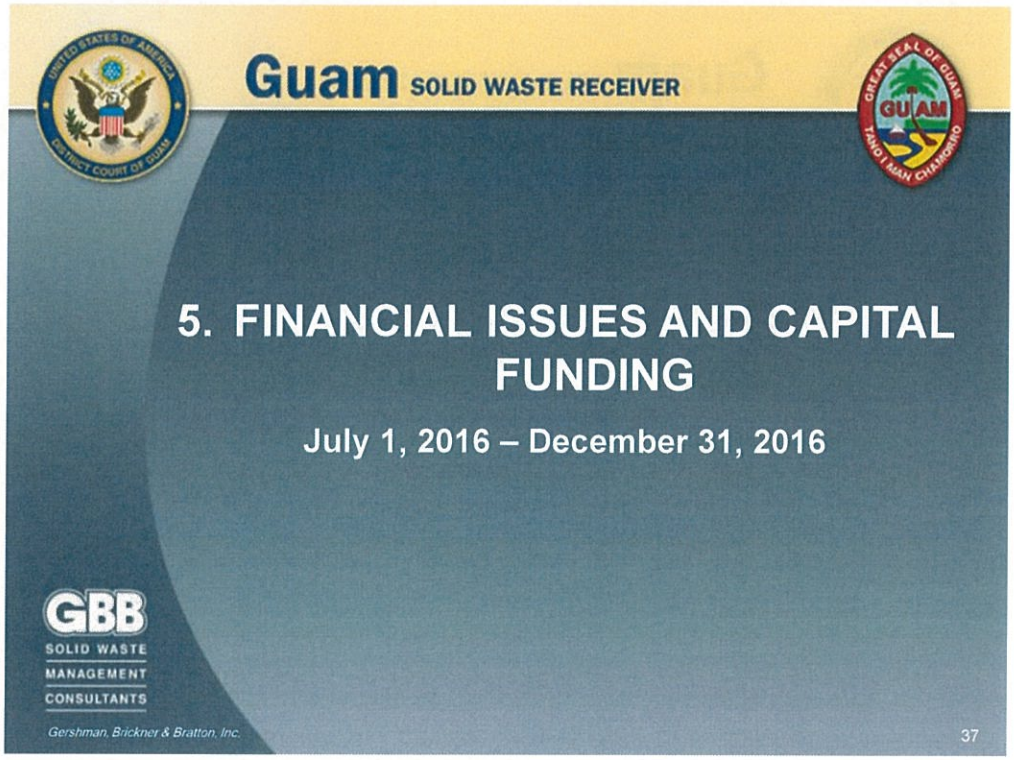

Guam SOLID WASTE RECEIVER
4. CONTRACT MANAGEMENT AND PROCUREMENT
July 1, 2016 – December 30, 2016
GBB
SOLID WASTE
MANAGEMENT
CONSULTANTS
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32

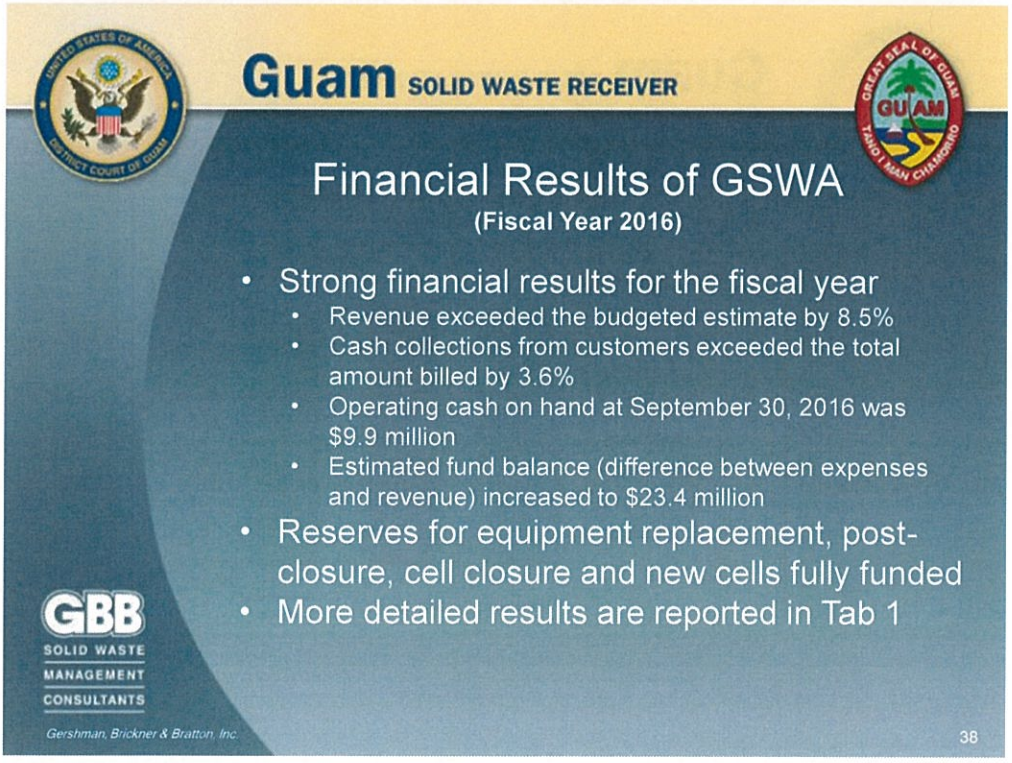

Guam SOLID WASTE RECEIVER
Procurement Activities
• Liquidated damages issue with Maeda Pacific Corporation remains an issue and is scheduled for trial March 12, 2018.
• Procurement for Ordot post closure operator is nearing completion and will be issued in the near future.
• Procurement for the trustee and independent engineer required to implement the Receiver's financial plan will be developed and issued later this year.
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Guam SOLID WASTE RECEIVER
Vehicle Purchases
Procurement Activities
• Vehicle purchases have been held up for more than two years by purchasing protests.
• The Receiver invoked its authority to depart from Guam purchasing procedures to overcome these obstacles and acquire the needed equipment.
• The Receiver requested clarification from this Court to determine if the authority was being properly applied by the Receiver.
GBB
SOLID WASTE
MANAGEMENT
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34


Guam SOLID WASTE RECEIVER
Vehicle Purchases
Procurement Activities (cont'd)
• After hearing from all interested parties, this Court affirmed the Receiver's use of its authority to depart from Guam purchasing procedures and ordered that we proceed with the procurement by issuing a new Invitation for bid that included certain documents cited by the Public Auditor.
• The vendor, Morrico Equipment Corporation, appealed this Court's decision to the U.S. Ninth Circuit Court of Appeals.
• This Court further ordered that the Receiver not award a contract for the vehicles until the Appellate Court had time to rule on Morrico's request for a stay.
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35


Guam SOLID WASTE RECEIVER
Vehicle Purchases
Procurement Activities (cont'd)
• The Ninth Circuit Court of Appeals heard from all parties.
• On April 25th Morrico's request for a stay to block the Receiver from ordering the vehicles was denied by the Appellate Court.
• The trucks have been ordered and delivery is expected before the end of 2017.
• Morrico has withdrawn its judicial appeal and all administrative appeals in this matter.
GBB SOLID WASTE MANAGEMENT CONSULTANTS
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36


Guam SOLID WASTE RECEIVER
5. FINANCIAL ISSUES AND CAPITAL FUNDING
July 1, 2016 – December 31, 2016
GBB
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MANAGEMENT
CONSULTANTS
Gershman, Brickner & Bratton, Inc.
37


Guam SOLID WASTE RECEIVER
Financial Results of GSWA
(Fiscal Year 2016)
• Strong financial results for the fiscal year
• Revenue exceeded the budgeted estimate by 8.5%
• Cash collections from customers exceeded the total amount billed by 3.6%
• Operating cash on hand at September 30, 2016 was $9.9 million
• Estimated fund balance (difference between expenses and revenue) increased to $23.4 million
• Reserves for equipment replacement, post-closure, cell closure and new cells fully funded
• More detailed results are reported in Tab 1
GBB
SOLID WASTE
MANAGEMENT
CONSULTANTS
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38

Guam SOLID WASTE RECEIVER

Financial Results of GSWA
(October 1, 2016 – December 31, 2016)

- Strong financial results continue
  - Revenue exceeded the budgeted estimate by 17%
  - Cash collections from customers exceeded the total amount billed by 4.1%
  - Operating cash on hand at September 30, 2016 was $10.5 million
  - Estimated fund balance (difference between expenses and revenue) increased to $23.9 million
- Reserves for equipment replacement, post-closure, cell closure and new cells fully funded
- Timing issues will affect these numbers
- More detailed results are reported in Tab 1

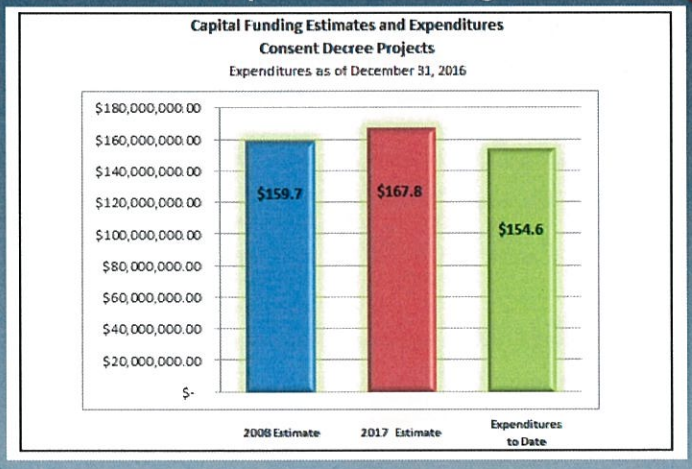
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Capital Funding

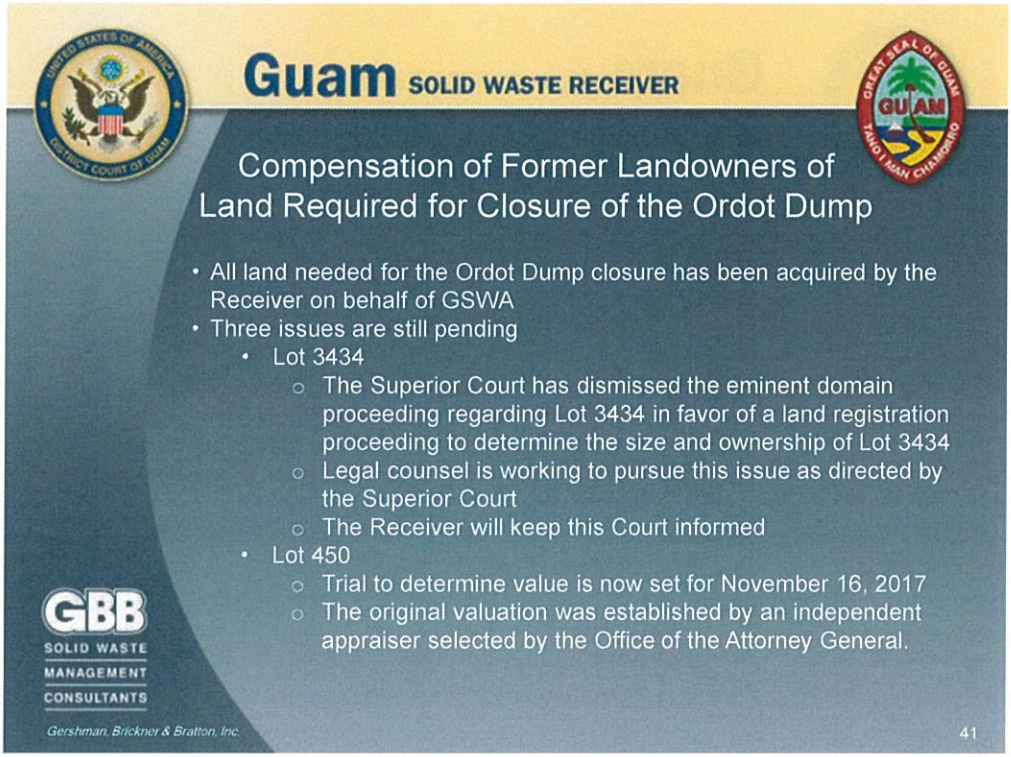


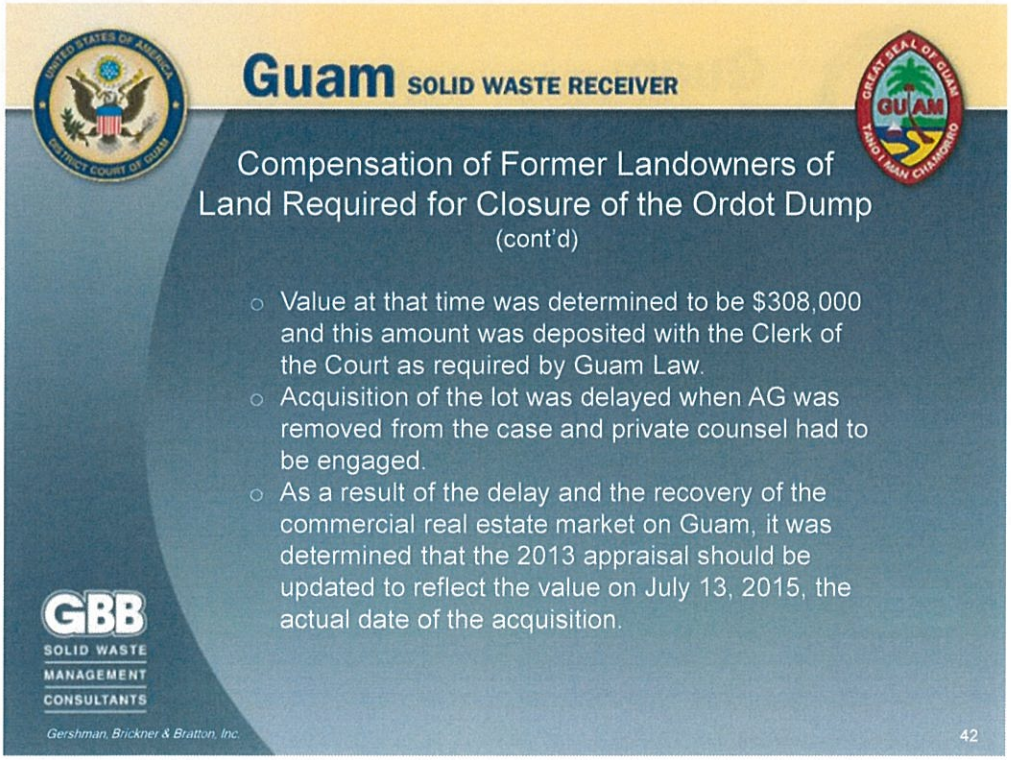
See Tab 20 for details. Includes Dero Road and Residential Transfer Station Projects. Post-closure for Ordot Dump is not included.

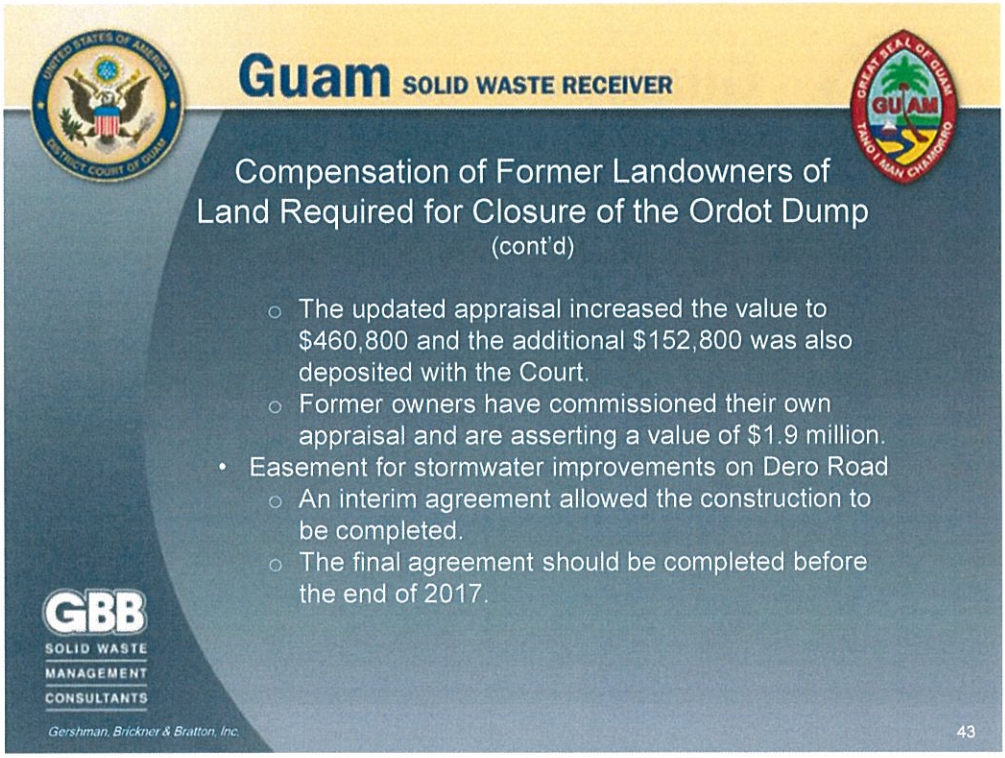
GBB SOLID WASTE MANAGEMENT CONSULTANTS

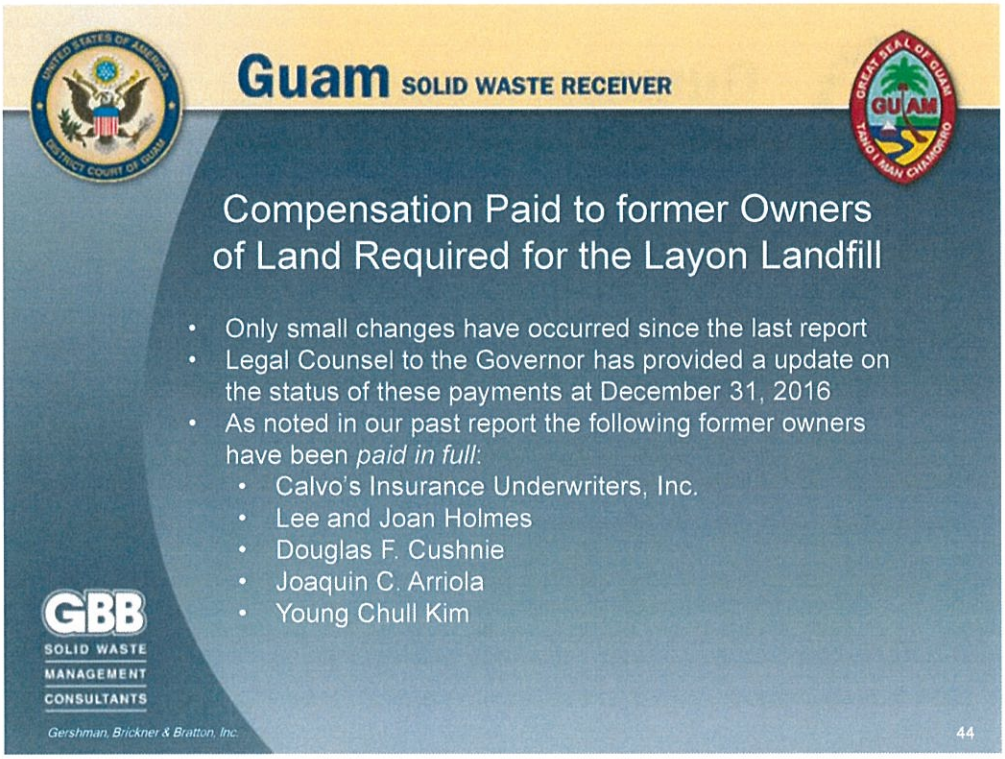
Gershman, Brickner & Bratton, Inc.

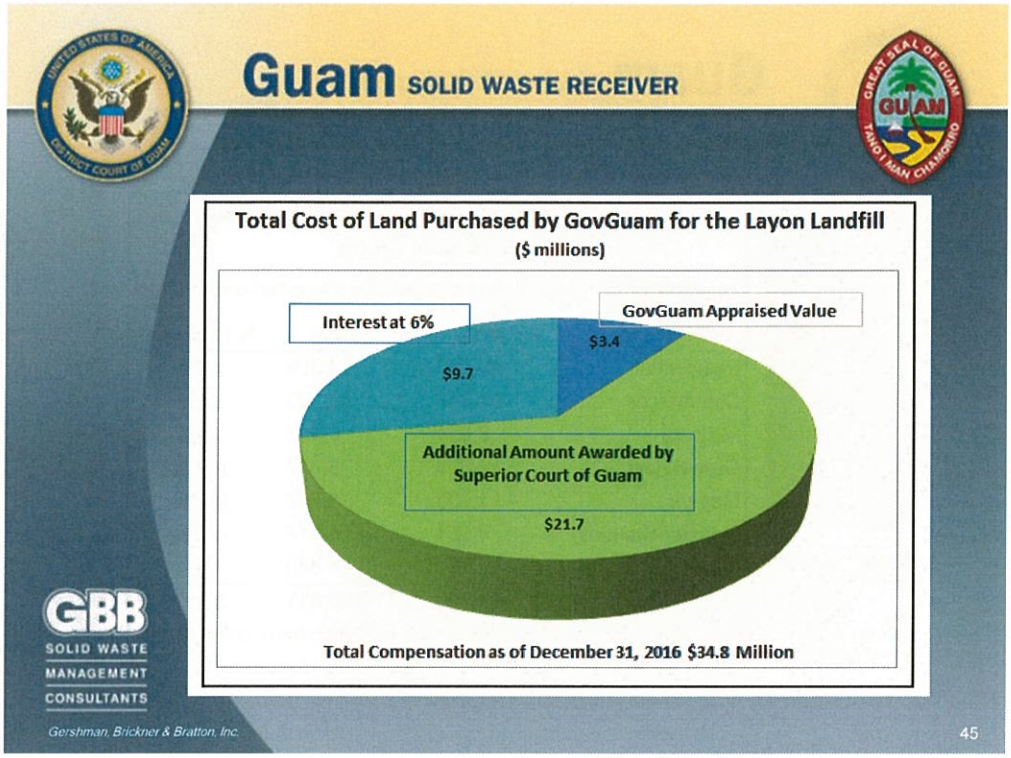
40

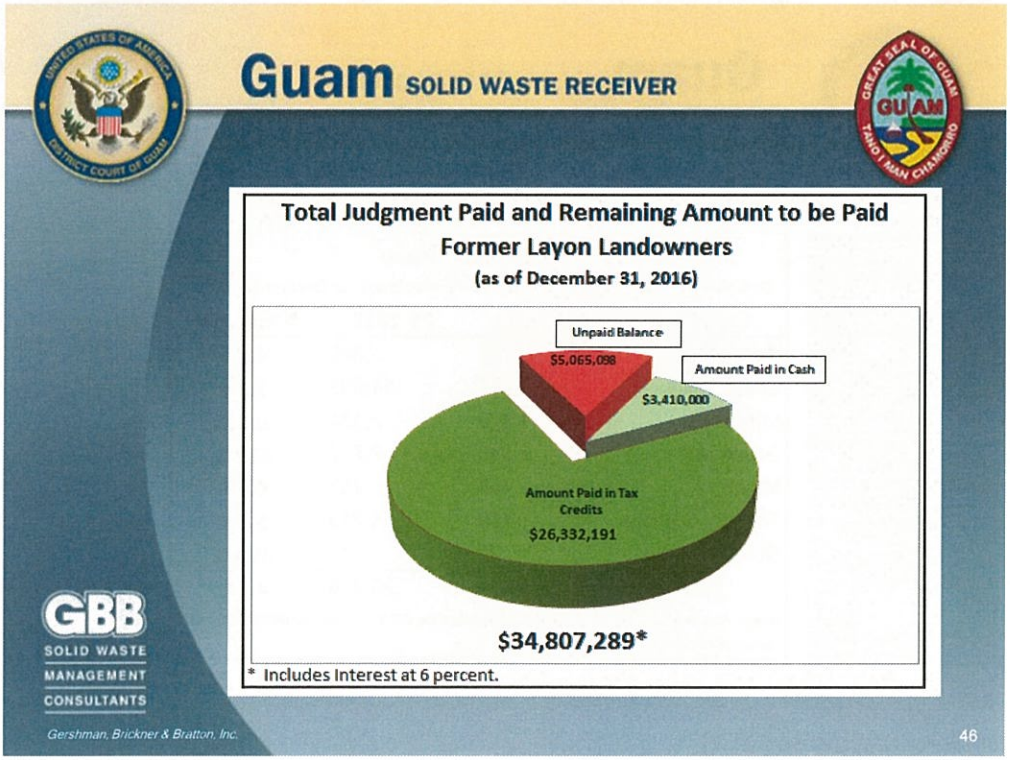

Guam SOLID WASTE RECEIVER
Compensation of Former Landowners of Land Required for Closure of the Ordot Dump
• All land needed for the Ordot Dump closure has been acquired by the Receiver on behalf of GSWA
• Three issues are still pending
• Lot 3434
○ The Superior Court has dismissed the eminent domain proceeding regarding Lot 3434 in favor of a land registration proceeding to determine the size and ownership of Lot 3434
○ Legal counsel is working to pursue this issue as directed by the Superior Court
○ The Receiver will keep this Court informed
• Lot 450
○ Trial to determine value is now set for November 16, 2017
○ The original valuation was established by an independent appraiser selected by the Office of the Attorney General.
GBB
SOLID WASTE MANAGEMENT CONSULTANTS
Gershman, Brickner & Bratton, Inc.
41

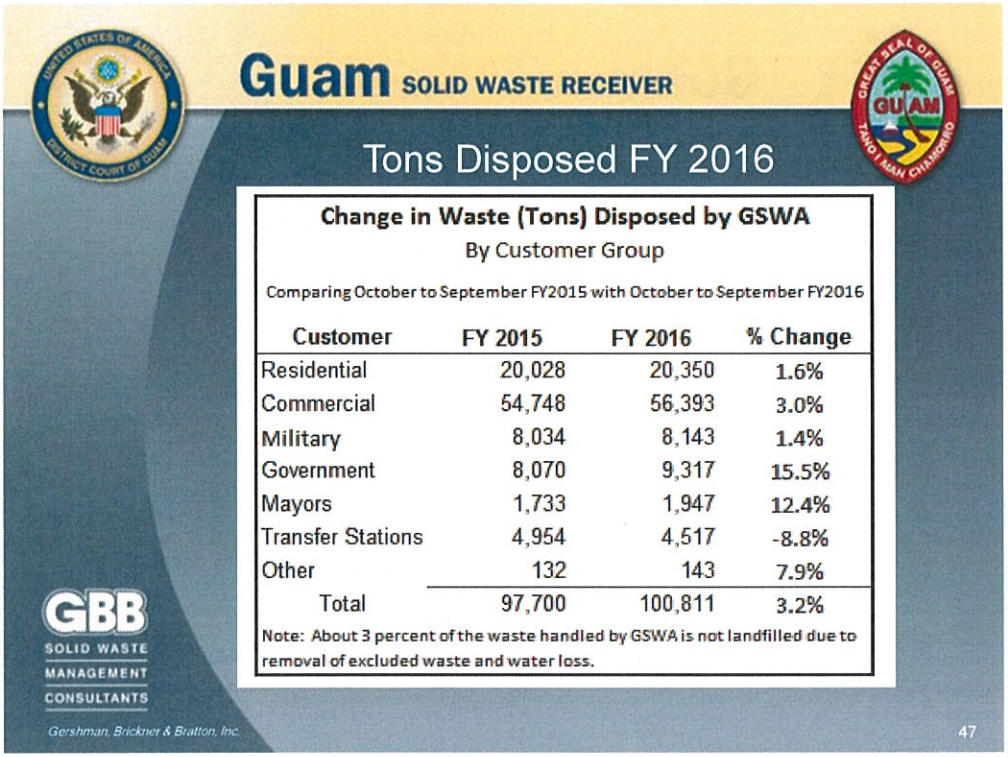

Guam SOLID WASTE RECEIVER
Compensation of Former Landowners of Land Required for Closure of the Ordot Dump
(cont'd)
○ Value at that time was determined to be $308,000 and this amount was deposited with the Clerk of the Court as required by Guam Law.
○ Acquisition of the lot was delayed when AG was removed from the case and private counsel had to be engaged.
○ As a result of the delay and the recovery of the commercial real estate market on Guam, it was determined that the 2013 appraisal should be updated to reflect the value on July 13, 2015, the actual date of the acquisition.
GBB
SOLID WASTE MANAGEMENT CONSULTANTS
Gershman, Brickner & Bratton, Inc.
42

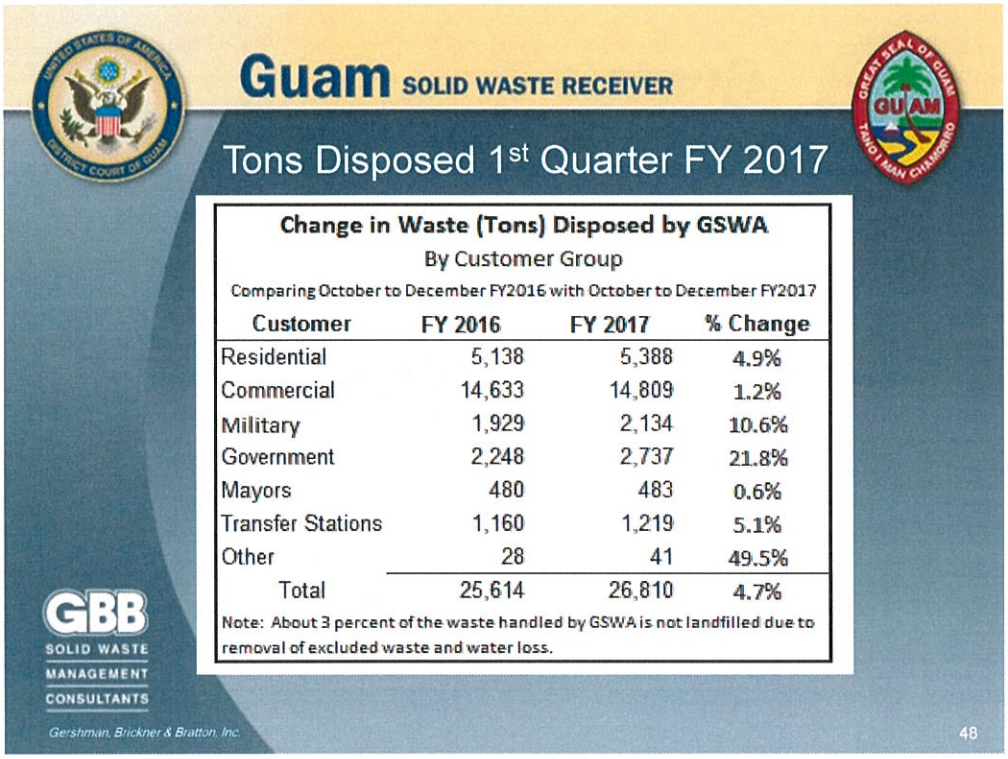

Guam SOLID WASTE RECEIVER
Compensation of Former Landowners of Land Required for Closure of the Ordot Dump
(cont'd)
o The updated appraisal increased the value to $460,800 and the additional $152,800 was also deposited with the Court.
o Former owners have commissioned their own appraisal and are asserting a value of $1.9 million.
• Easement for stormwater improvements on Dero Road
o An interim agreement allowed the construction to be completed.
o The final agreement should be completed before the end of 2017.
GBB SOLID WASTE MANAGEMENT CONSULTANTS
Gershman, Brickner & Bratton, Inc.
43

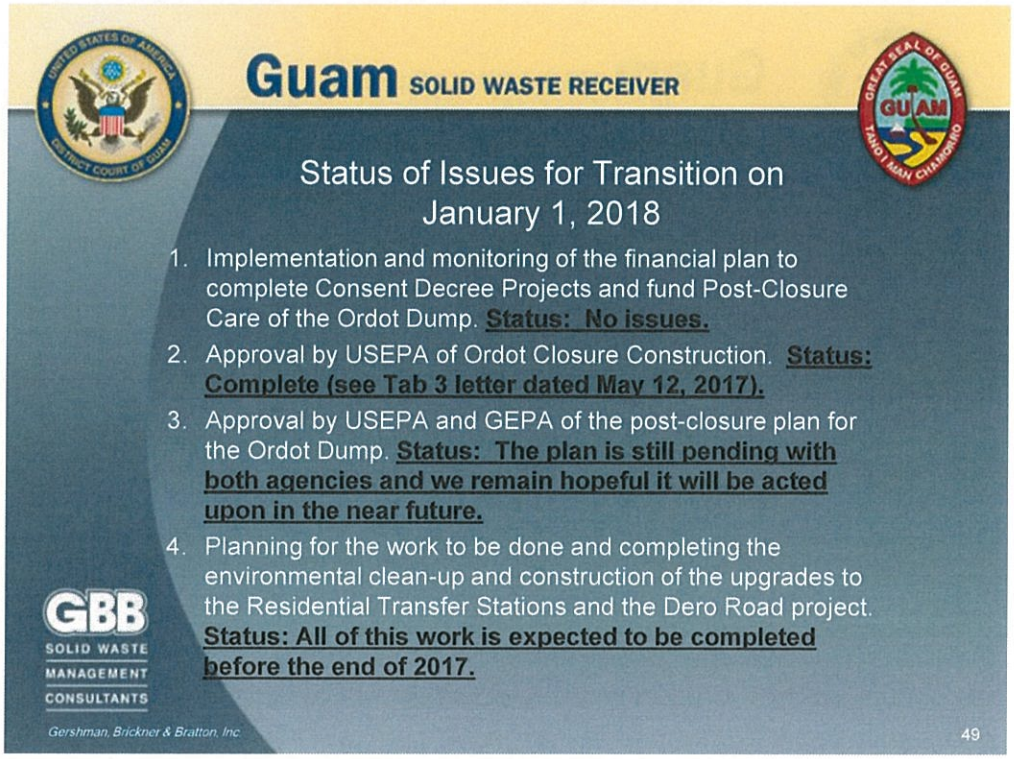

Guam SOLID WASTE RECEIVER
Compensation Paid to former Owners of Land Required for the Layon Landfill
• Only small changes have occurred since the last report
• Legal Counsel to the Governor has provided a update on the status of these payments at December 31, 2016
• As noted in our past report the following former owners have been *paid in full*:
• Calvo's Insurance Underwriters, Inc.
• Lee and Joan Holmes
• Douglas F. Cushnie
• Joaquin C. Arriola
• Young Chull Kim
GBB SOLID WASTE MANAGEMENT CONSULTANTS
Gershman, Brickner & Bratton, Inc.
44

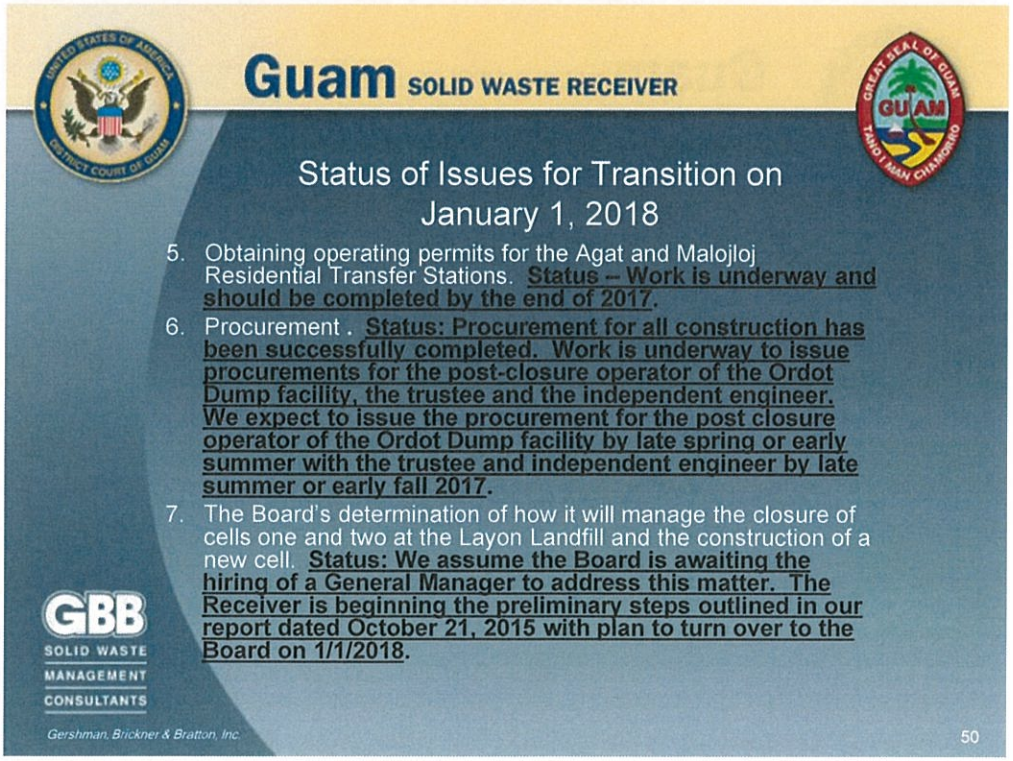

Guam SOLID WASTE RECEIVER
Total Cost of Land Purchased by GovGuam for the Layon Landfill
($ millions)
Interest at 6%
$9.7
GovGuam Appraised Value
$3.4
Additional Amount Awarded by Superior Court of Guam
$21.7
Total Compensation as of December 31, 2016 $34.8 Million
GBB
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45

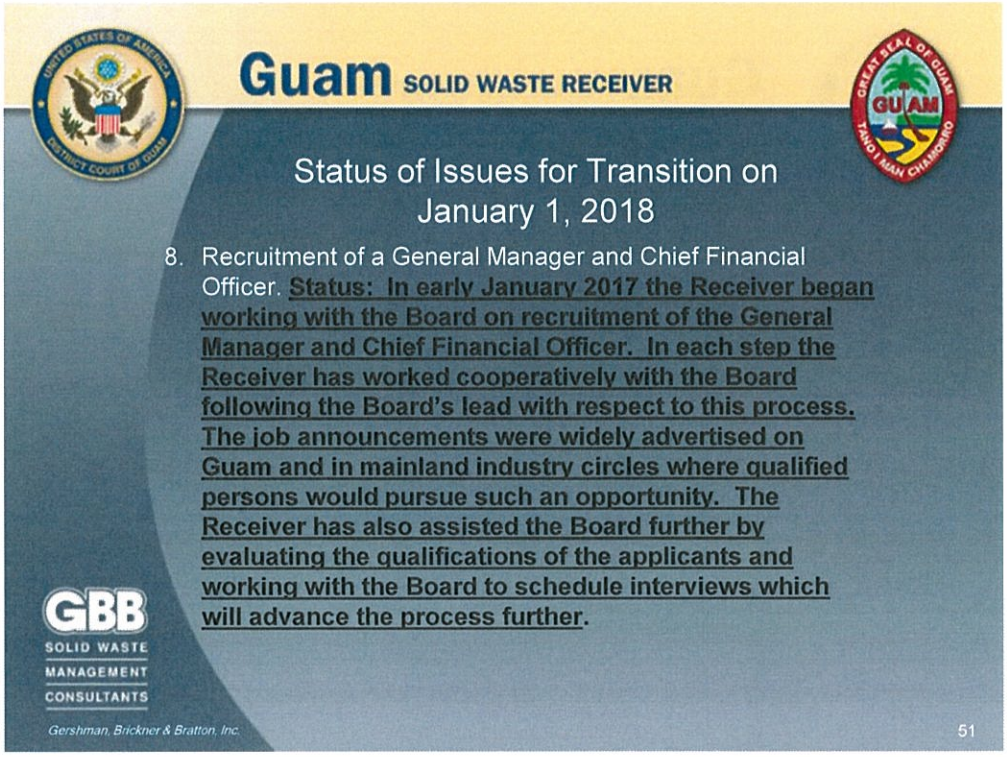

Guam SOLID WASTE RECEIVER
Total Judgment Paid and Remaining Amount to be Paid
Former Layon Landowners
(as of December 31, 2016)
Unpaid Balance
$5,065,098
Amount Paid in Cash
$3,410,000
Amount Paid in Tax Credits
$26,332,191
$34,807,289*
* Includes Interest at 6 percent.
GBB
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Gershman, Brickner & Bratton, Inc.
46

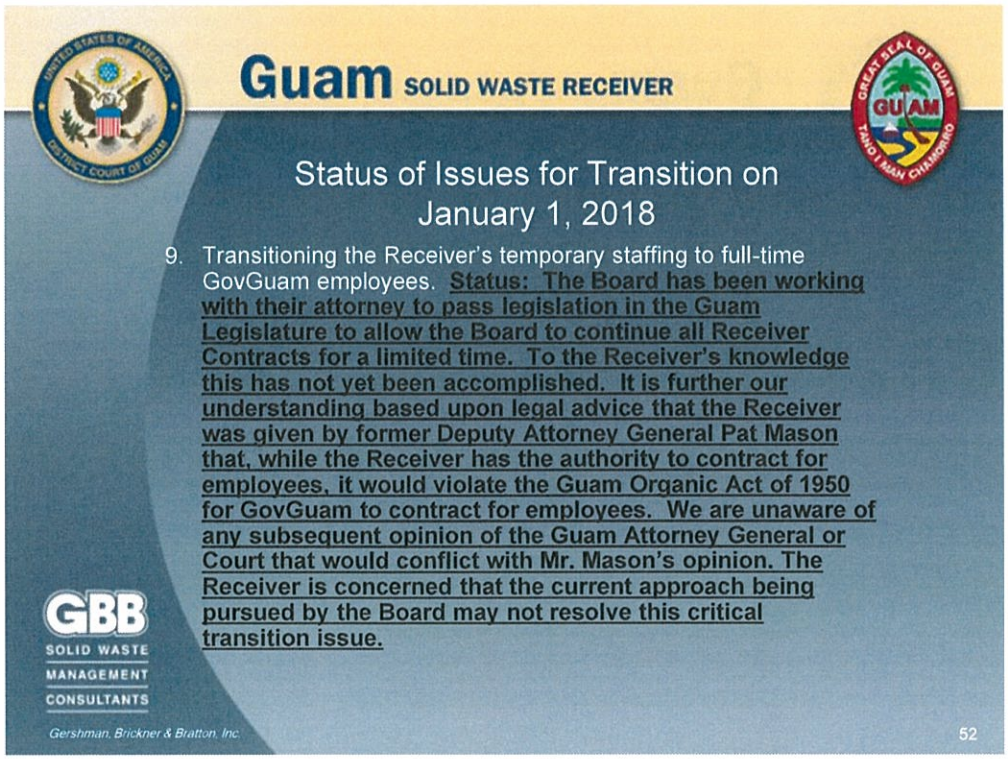

Guam SOLID WASTE RECEIVER
Tons Disposed FY 2016
Change in Waste (Tons) Disposed by GSWA
By Customer Group
Comparing October to September FY2015 with October to September FY2016
Customer | FY 2015 | FY 2016 | % Change
Residential | 20,028 | 20,350 | 1.6%
Commercial | 54,748 | 56,393 | 3.0%
Military | 8,034 | 8,143 | 1.4%
Government | 8,070 | 9,317 | 15.5%
Mayors | 1,733 | 1,947 | 12.4%
Transfer Stations | 4,954 | 4,517 | -8.8%
Other | 132 | 143 | 7.9%
Total | 97,700 | 100,811 | 3.2%
Note: About 3 percent of the waste handled by GSWA is not landfilled due to removal of excluded waste and water loss.
GBB
SOLID WASTE MANAGEMENT CONSULTANTS
Gershman, Brickner & Bratton, Inc.
47

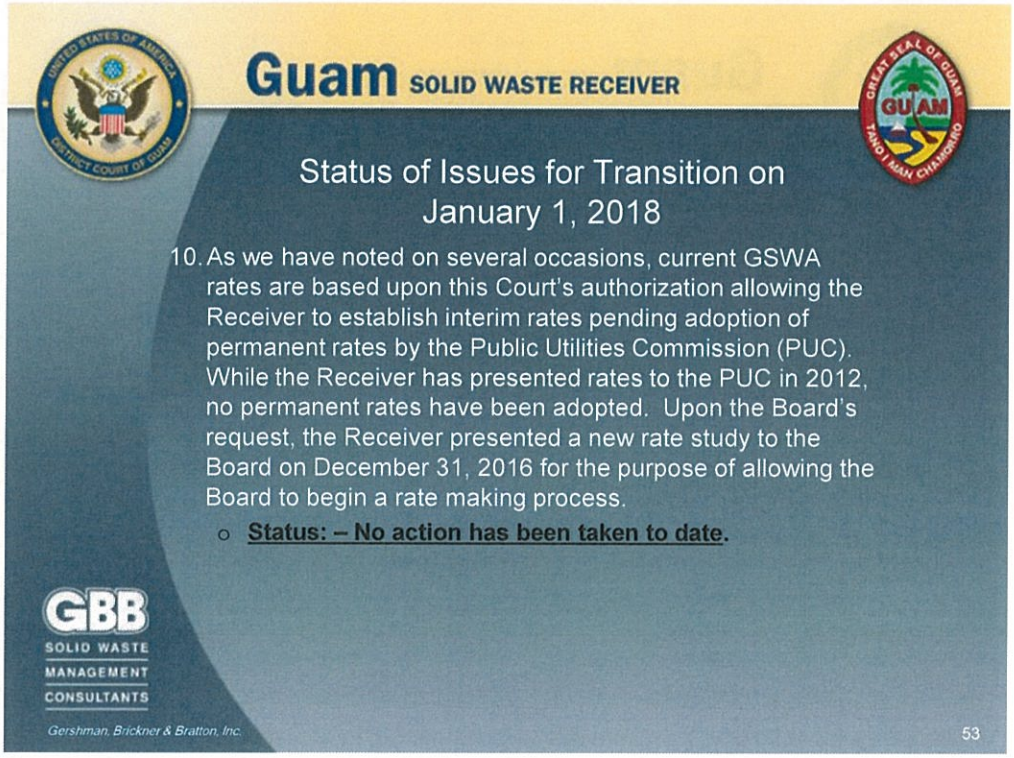

Guam SOLID WASTE RECEIVER
Tons Disposed 1st Quarter FY 2017
Change in Waste (Tons) Disposed by GSWA
By Customer Group
Comparing October to December FY2016 with October to December FY2017
Customer | FY 2016 | FY 2017 | % Change
Residential | 5,138 | 5,388 | 4.9%
Commercial | 14,633 | 14,809 | 1.2%
Military | 1,929 | 2,134 | 10.6%
Government | 2,248 | 2,737 | 21.8%
Mayors | 480 | 483 | 0.6%
Transfer Stations | 1,160 | 1,219 | 5.1%
Other | 28 | 41 | 49.5%
Total | 25,614 | 26,810 | 4.7%
Note: About 3 percent of the waste handled by GSWA is not landfilled due to removal of excluded waste and water loss.
GBB
SOLID WASTE MANAGEMENT CONSULTANTS
Gershman, Brickner & Bratton, Inc.
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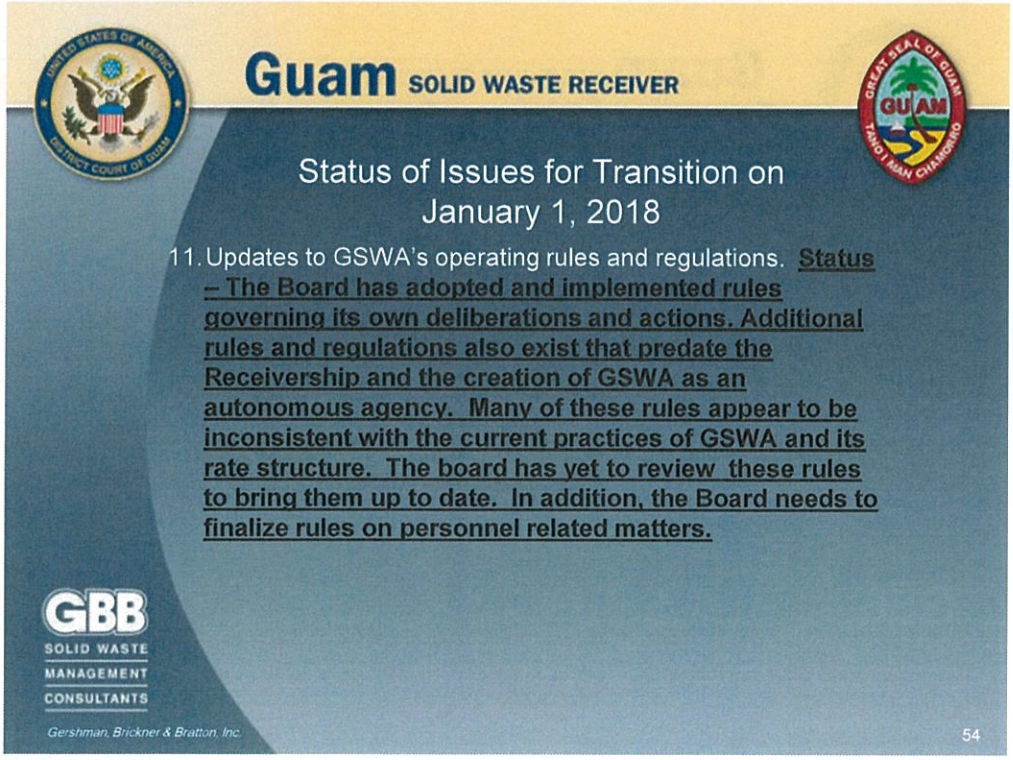

Guam SOLID WASTE RECEIVER
Status of Issues for Transition on January 1, 2018
1. Implementation and monitoring of the financial plan to complete Consent Decree Projects and fund Post-Closure Care of the Ordot Dump. Status: No issues.
2. Approval by USEPA of Ordot Closure Construction. Status: Complete (see Tab 3 letter dated May 12, 2017).
3. Approval by USEPA and GEPA of the post-closure plan for the Ordot Dump. Status: The plan is still pending with both agencies and we remain hopeful it will be acted upon in the near future.
4. Planning for the work to be done and completing the environmental clean-up and construction of the upgrades to the Residential Transfer Stations and the Dero Road project. Status: All of this work is expected to be completed before the end of 2017.
GBB SOLID WASTE MANAGEMENT CONSULTANTS
Gershman, Brickner & Bratton, Inc.
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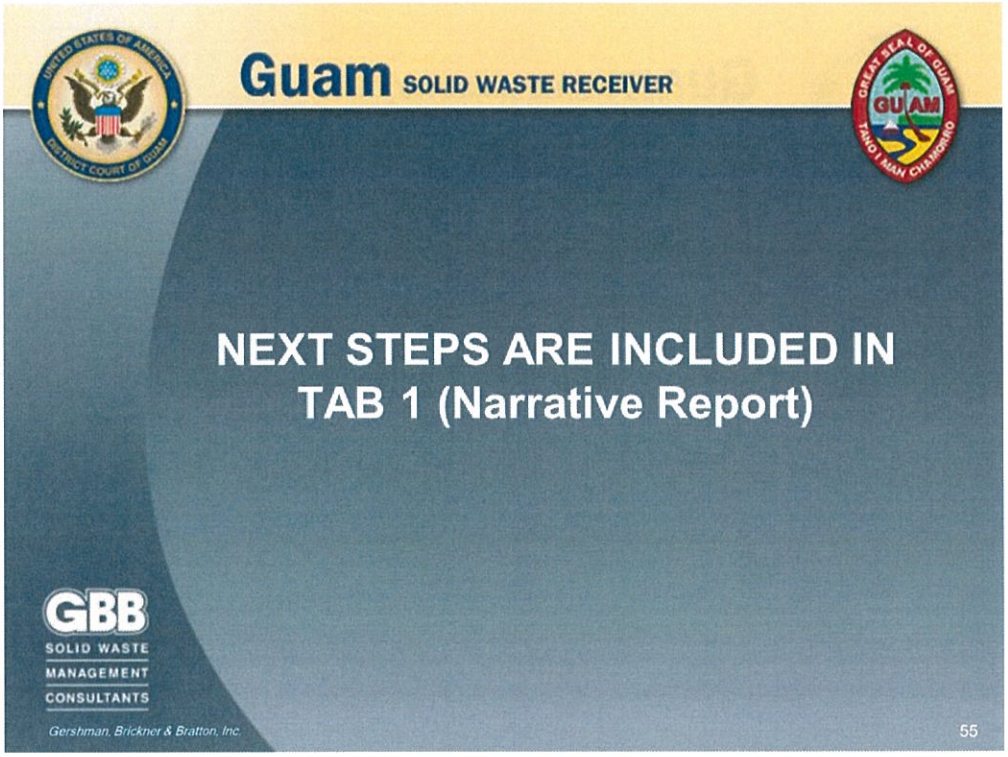

Guam SOLID WASTE RECEIVER
Status of Issues for Transition on January 1, 2018
5. Obtaining operating permits for the Agat and Malojloj Residential Transfer Stations. Status – Work is underway and should be completed by the end of 2017.
6. Procurement . Status: Procurement for all construction has been successfully completed. Work is underway to issue procurements for the post-closure operator of the Ordot Dump facility, the trustee and the independent engineer. We expect to issue the procurement for the post closure operator of the Ordot Dump facility by late spring or early summer with the trustee and independent engineer by late summer or early fall 2017.
7. The Board's determination of how it will manage the closure of cells one and two at the Layon Landfill and the construction of a new cell. Status: We assume the Board is awaiting the hiring of a General Manager to address this matter. The Receiver is beginning the preliminary steps outlined in our report dated October 21, 2015 with plan to turn over to the Board on 1/1/2018.
GBB SOLID WASTE MANAGEMENT CONSULTANTS
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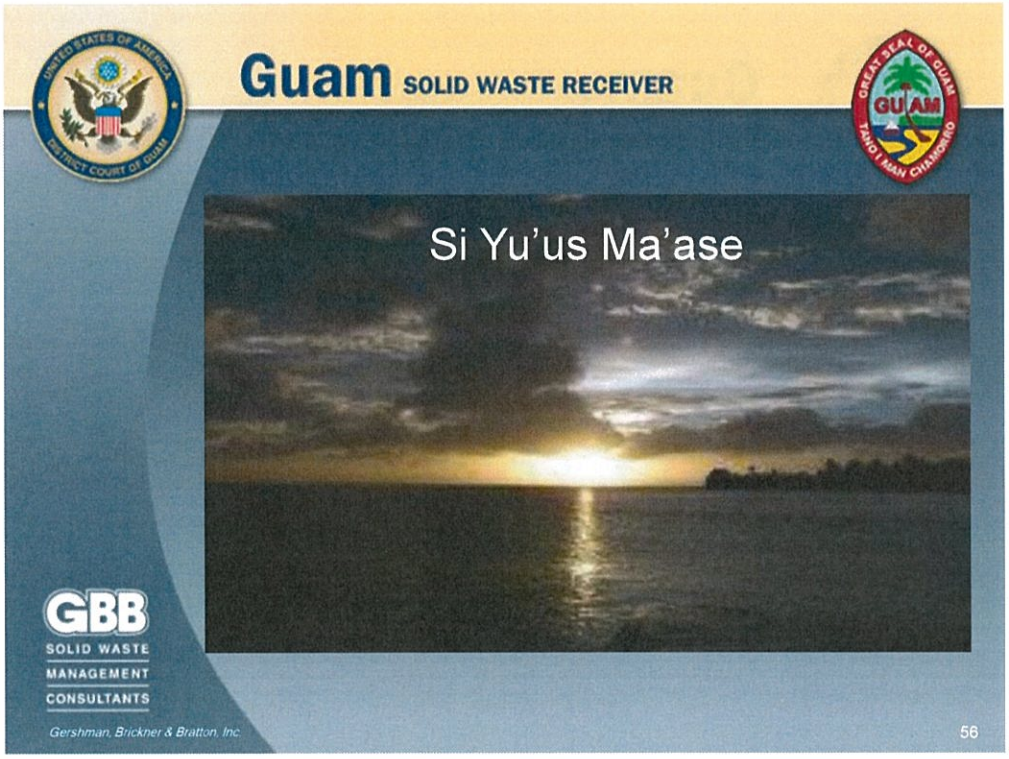

Guam SOLID WASTE RECEIVER
Status of Issues for Transition on January 1, 2018
8. Recruitment of a General Manager and Chief Financial Officer. Status: In early January 2017 the Receiver began working with the Board on recruitment of the General Manager and Chief Financial Officer. In each step the Receiver has worked cooperatively with the Board following the Board's lead with respect to this process. The job announcements were widely advertised on Guam and in mainland industry circles where qualified persons would pursue such an opportunity. The Receiver has also assisted the Board further by evaluating the qualifications of the applicants and working with the Board to schedule interviews which will advance the process further.
GBB SOLID WASTE MANAGEMENT CONSULTANTS
Gershman, Brickner & Bratton, Inc.
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Guam SOLID WASTE RECEIVER
Status of Issues for Transition on January 1, 2018
9. Transitioning the Receiver's temporary staffing to full-time GovGuam employees. Status: The Board has been working with their attorney to pass legislation in the Guam Legislature to allow the Board to continue all Receiver Contracts for a limited time. To the Receiver's knowledge this has not yet been accomplished. It is further our understanding based upon legal advice that the Receiver was given by former Deputy Attorney General Pat Mason that, while the Receiver has the authority to contract for employees, it would violate the Guam Organic Act of 1950 for GovGuam to contract for employees. We are unaware of any subsequent opinion of the Guam Attorney General or Court that would conflict with Mr. Mason's opinion. The Receiver is concerned that the current approach being pursued by the Board may not resolve this critical transition issue.
GBB SOLID WASTE MANAGEMENT CONSULTANTS
Gershman, Brickner & Bratton, Inc.
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Guam SOLID WASTE RECEIVER
Status of Issues for Transition on January 1, 2018
10. As we have noted on several occasions, current GSWA rates are based upon this Court's authorization allowing the Receiver to establish interim rates pending adoption of permanent rates by the Public Utilities Commission (PUC). While the Receiver has presented rates to the PUC in 2012, no permanent rates have been adopted. Upon the Board's request, the Receiver presented a new rate study to the Board on December 31, 2016 for the purpose of allowing the Board to begin a rate making process.
o Status: – No action has been taken to date.
GBB SOLID WASTE MANAGEMENT CONSULTANTS
Gershman, Brickner & Bratton, Inc.
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Guam SOLID WASTE RECEIVER
Status of Issues for Transition on January 1, 2018
11. Updates to GSWA's operating rules and regulations. Status – The Board has adopted and implemented rules governing its own deliberations and actions. Additional rules and regulations also exist that predate the Receivership and the creation of GSWA as an autonomous agency. Many of these rules appear to be inconsistent with the current practices of GSWA and its rate structure. The board has yet to review these rules to bring them up to date. In addition, the Board needs to finalize rules on personnel related matters.
GBB SOLID WASTE MANAGEMENT CONSULTANTS
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Guam SOLID WASTE RECEIVER
NEXT STEPS ARE INCLUDED IN
TAB 1 (Narrative Report)
GBB
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CONSULTANTS
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Guam SOLID WASTE RECEIVER
Si Yu'us Ma'ase
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MANAGEMENT
CONSULTANTS
Gershman, Brickner & Bratton, Inc.
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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

May 12, 2017

Mr. Christopher Lund
GBB
2010 Corporate Ridge, Suite 510
McLean, VA 22102

Electronic copy – Hard copy to follow to above address only

RE: U.S. EPA Acceptance of Certification of Closure Construction Complete at Ordot Landfill Superfund Site, Guam

Dear Chris,

U.S. EPA accepts the certification by Geo-Logic Associates (GLA) that the construction of the final closure system for the Ordot Landfill Superfund Site was completed on March 1, 2016, and was performed in accordance with Guam regulations and with the construction drawings and technical specification developed by the Brown & Caldwell design team. GLA certifies that, as documented in the Final Construction Quality Assurance Report (CQA Report), it conducted the necessary observations and testing to verify that construction was completed in accordance with the CQA Plan that was accepted by U.S. EPA and approved by Guam EPA. U.S. EPA also accepts and appreciates the certification by GHD, Inc. (GHD) who provided the construction management services during closure construction, and who also certifies that the closure system construction has been completed in compliance with the contract drawings and technical specifications developed by the Brown & Caldwell design team. GHD's certification verifies that, as documented in the Final Construction Management Report (CM Report), the closure construction was performed in accordance with the approved design documents.

In accepting the Receiver's certifications of closure construction complete, U.S. EPA accompanied the Receiver on a closure "walk through" at the Site on March 11, 2016, and reviewed the Final CM Report (14 appendices) and the Final CQA Report (22 appendices), dated February 2016, as supplemented and updated between April 2016 and March 2017, below:

- April 5, 2016 - Appendix K, As-builts for the Final CM Report
- July 12, 2016 – Revised Appendix N, Geomembrane Data for the Final CQA Report
- July 12, 2016 – Addition to Appendix V, Final Panel Layout As-build Phase 1 & 2 Drawing
- July 19, 2016 – Appendix V, Final Record Drawings for the Final CQA Report
- July 20, 2016 – Draft Technical Memorandum, Ordot Dump – Landfill Gas Collection and Control System Performance Update and Remedial Plan for Methane Gas Control

- October 19, 2016 - Landfill Gas Data
- October 26, 2016 – Revised Certification and Signature Pages for the Final CM and Final CQA Reports
- December 19, 2016 – Response to US EPA Comments and Revised Pages for Final Construction Completion Report, Dated December 19, 2017 (Hard Copy Only)
- March 7, 2017 – Response to US EPA Comments of October 18, 2016

With respect to the concerns U.S. EPA raised about remediating the methane exceedances at the site boundary, sampling the periodic groundwater seep in the rocky point above the leachate tanks, and the need for a near-term (early 2017) settlement monitoring and evaluation, and a new survey of the entire cover system, U.S. EPA accepts the Receiver's responses and will integrate these activities into the post-closure monitoring program. U.S. EPA is in receipt of and will review the "Additional Landfill Gas Investigation and Pilot Test Workplan," transmitted on May 8, 2017. We also understand that the settlement monitoring and survey have been completed, and we will receive this information soon.

For purposes of ensuring a complete and easily searchable closure administrative record for U.S. EPA, U.S. EPA requests three (3) copies of the complete Final CQA Report and Final CM Report, incorporating all supplemental and updated appendices, on DVD. In the interim, it would also be helpful if a complete copy of these Final Reports could be uploaded to a GBB sharefile site, as you have done in the past.

The Receiver has done a tremendous job in ensuring the proper design and construction of the closure of the Ordot Landfill Superfund Site. The Receiver, on behalf of the Government of Guam, has set a compliant and thorough precedent and model for other landfill closures on Guam, including for the two military landfills at AAFB and the Navy Base. The residents of Ordot Chalan-Pago and Guam have waited decades for the closure of the Ordot Landfill Superfund Site, and deserve decisions and actions that are taken in the best interest of their island community, and that ensure the protection of their health and environment. We commend the Receiver on its results.

Sincerely,

Karen Ueno
U.S. EPA
Region 9

cc: John Tinger, U.S.EPA
Christopher Lichens, U.S. EPA
Conchita Taitano, Guam EPA
Mayor Gogue, Ordot-Chalan Pago

Doc. No. 34GL-17-0523.

Consent Decree Contracts as of September 30, 2016

Contractor	Purpose of Contract	Total Purchase Order/Contract Amount	Cumulative Expenditures as of September 30, 2016	Remaining Amount	Work Status
Alpine Technology Corporation	Customer Service Software	$ 500,000	$ 412,786	$ 87,214	On-going
Asia Tiger Construction	Emergency Repairs at Transfer Stations	$ 33,378	$ 33,378	$ (0)	Closed
Bend Mailing Service	Provider of Online and Paperless Residential Account Services	Indefinite	$ 39,092	$ -	On-going
Black Construction Corporation	Layon Landfill - Construction of Entrance Facilities and Cells 1 and 2	$ 25,277,787	$ 25,277,787	$0	Closed
Black Construction Corporation	Environmental Closure of the Ordot Dump	$ 42,569,001	$ 42,569,001	$ (0)	Closed
Brown And Caldwell	Planning Environmental Monitoring for Final Closure of Ordot Dump	$ 8,575,563	$ 8,302,021	$ 273,542	On-going
Core Tech International	Layon Landfill - Construction of Access Road and Utility Improvements for Community	$ 28,369,411	$ 28,360,499	$ 8,912	Closed
EA Science and Technology	Groundwater Quality Monitoring Services	$ 3,874,507.20	$ 3,739,113	$ 135,394	On-going
Ella Builders	Improvements to GSWA Building	$ 129,801	$ 129,801	$ 0	Closed
Far East Equipment Co.	New Trucks, Roll-off Containers and Trash Carts	Gov Guam Purchase Orders	$ 5,510,339	$ -	On-going
Fleet Services	Crane Qualification and Rigging Course	Gov Guam Purchase Orders	$ 24,983	$ -	Closed
G4 Security Services (Guam), Inc	Security Services for the Solid Waste Compound	Indefinite	$ 16,904	$ -	Closed
GHD (formerly Winzler & Kelly)	Construction Management Services for Layon Landfill and related projects	$ 8,446,084	$ 7,590,058	$ 856,026	On-going
GHD, Inc.	Construction Management Services for Ordot Dump Closure and Other Consent Decree Projects	$ 9,083,370.72	$ 8,632,953	$ 450,418	On-going
Guahan Waste Control	Hauler-only Transfer Station	Minimum Monthly Charge Plus Per Ton Excess Charge	$ 13,797,417	Minimum Monthly Charge Plus Per Ton Excess Charge	On-going
Hawthorne Pacific Corp	New Trucks	Gov Guam Purchase Orders	$ 191,916	$ -	Closed
GGH Guam, LLC (formerly Herzog Environmental, Inc)	Operation of the Layon Landfill	Minimum Monthly Charge Plus Per Ton Excess Charge	$ 16,501,002	Minimum Monthly Charge Plus Per Ton Excess Charge	On-going
Kevin And Steve Corporation	GSWA Power Sevice Separation	$ 113,256	$ 113,256	$ (0)	Closed
Maeda Pacific Corporation	Layon Landfill - Construction of Landfill Operations Road and Mass Grading for Cells 1 and 2	$ 10,045,245	$ 10,045,245	$ -	Closed
Maeda Pacific Corporation	Construction of Harmon Residential Transfer Station and Household Hazardous Waste Facility	$ 2,410,000	$ 2,015,901	$ 394,099	Liquidated Damages Assessed
Morrico Equipment Co.	Roll-off Containers and Equipment Rental	Gov Guam Purchase Orders	$ 194,137	$ -	Closed
Nippo Corporation	Safety Improvements for Dero Road	$ 19,134	$ 19,134	$ 0	Closed
Pacific Data Systems	New Computers and Software for GSWA Administration	Gov Guam Purchase Orders	$ 39,583	$ -	Closed
Pacific Human Resource Services, Inc.	Temporary Staffing Services for the Solid Waste Management Division	Indefinite	$ 5,445,354	Indefinite	On-going
Pacific Island Security Agency	Security Services for the Solid Waste Compound (replaced G4 Security Services of Guam)	Indefinite	$ 1,016,405	Indefinite	On-going
Pacific Trucking Co.	Water Truck Rental for Fire Suppression	Gov Guam Purchase Orders	$ 14,900	$ -	Closed
Shaw Environmental, Inc	Technical Assistance	$ 305,347	$ 26,275	$ -	Closed
TG Engineers, PC	Layon Landfill - Design and Engineering Services	$ 10,124,332	$ 3,337,558	See Note Below	Closed
Triple J Enterprises, Inc.	New Trucks	Gov Guam Purchase Orders	$ 151,475	$ -	Closed
Unlimited Service Group	Operation of Household Hazardous Waste Facility	Minimum Monthly Charge Plus Disposal Cost	$ 874,346	Minimum Monthly Charge Plus Disposal Cost	On-going

Note: The contract with TG Engineers is a contract that pre-existed the Receivership. The cumulative expenditures shown are the expenses the Receiver paid dirtectly through the construction sub-account. The difference between the contract amount and the expenditures as of September 30, 2016 represent our understanding of the amounts spent directly by the Government of Guam , almost all of which occurred befor the Receiver was appointed.

Consent Decree Contracts as of December 31, 2016

Contractor	Purpose of Contract	Total Purchase Order/Contract Amount	Cumulative Expenditures as of September 30, 2016	Expenses 10-1-16 to 12-31-16	Cumulative Expenditures as of December 31, 2016	Remaining Amount	Work Status
Alpine Technology Corporation	Customer Service Software	$ 500,000	$ 412,786	$ 8,970	$ 421,756	$ 78,244	On-going
Asia Tiger Construction	Emergency Repairs at Transfer Stations	$ 33,378	$ 33,378		$ 33,378	$ (0)	Closed
Bend Mailing Service	Provider of Online and Paperless Residential Account Services	Indefinite	$ 39,092	$ 2,181	$ 41,273	$ -	On-going
Black Construction Corporation	Layon Landfill - Construction of Entrance Facilities and Cells 1 and 2	$ 25,277,787	$ 25,277,787		$ 25,277,787	$0	Closed
Black Construction Corporation	Environmental Closure of the Ordot Dump	$ 42,569,001	$ 42,569,001		$ 42,569,001	$ (0)	Closed
Brown And Caldwell	Planning Environmental Monitoring for Final Closure of Ordot Dump	$ 8,575,563	$ 8,302,021		$ 8,302,021	$ 273,542	On-going
Core Tech International	Layon Landfill - Construction of Access Road and Utility Improvements for Community	$ 28,369,411	$ 28,360,499		$ 28,360,499	$ 8,912	Closed
EA Science and Technology	Groundwater Quality Monitoring Services	$ 4,200,547.23	$ 3,739,113	$ 5,301	$ 3,744,414	$ 456,134	On-going
Ella Builders	Improvements to GSWA Building	$ 129,801	$ 129,801		$ 129,801	$ 0	Closed
Far East Equipment Co.	New Trucks, Roll-off Containers and Trash Carts	Gov Guam Purchase Orders	$ 5,510,339	$ 77,034	$ 5,587,373	$ -	On-going
Fleet Services	Crane Qualification and Rigging Course	Gov Guam Purchase Orders	$ 24,983		$ 24,983	$ -	Closed
G4 Security Services (Guam), Inc	Security Services for the Solid Waste Compound	Indefinite	$ 16,904		$ 16,904	$ -	Closed
GHD (formerly Winzler & Kelly)	Construction Management Services for Layon Landfill and related projects	$ 8,446,084	$ 7,590,058		$ 7,590,058	$ 856,026	On-going
GHD, Inc.	Construction Management Services for Ordot Dump Closure and Other Consent Decree Projects	$ 9,083,370.72	$ 8,632,953	$ 11,977	$ 8,644,930	$ 438,441	On-going
Guahan Waste Control	Hauler-only Transfer Station	Minimum Monthly Charge Plus Per Ton Excess Charge	$ 13,797,417	$ 772,285	$ 14,569,703	Minimum Monthly Charge Plus Per Ton Excess Charge	On-going
Hawthorne Pacific Corp	New Trucks	Gov Guam Purchase Orders	$ 191,916		$ 191,916	$ -	Closed
GGH Guam, LLC (formerly Herzog Environmental, Inc)	Operation of the Layon Landfill	Minimum Monthly Charge Plus Per Ton Excess Charge	$ 16,501,002	$ 981,895	$ 17,482,897	Minimum Monthly Charge Plus Per Ton Excess Charge	On-going
Kevin And Steve Corporation	GSWA Power Sevice Separation	$ 113,256	$ 113,256		$ 113,256	$ (0)	Closed
Maeda Pacific Corporation	Layon Landfill - Construction of Landfill Operations Road and Mass Grading for Cells 1 and 2	$ 10,045,245	$ 10,045,245		$ 10,045,245	$ -	Closed
Maeda Pacific Corporation	Construction of Harmon Residential Transfer Station and Household Hazardous Waste Facility	$ 2,410,000	$ 2,015,901		$ 2,015,901	$ 394,099	Liquidated Damages Assessed
Morrico Equipment Co.	Roll-off Containers and Equipment Rental	Gov Guam Purchase Orders	$ 194,137		$ 194,137	$ -	Closed
Nippo Corporation	Safety Improvements for Dero Road	$ 19,134	$ 19,134		$ 19,134	$ 0	Closed
Pacific Data Systems	New Computers and Software for GSWA Administration	Gov Guam Purchase Orders	$ 39,583		$ 39,583	$ -	Closed
Pacific Human Resource Services, Inc.	Temporary Staffing Services for the Solid Waste Management Division	Indefinite	$ 5,445,354	$ 321,948	$ 5,767,301	Indefinite	On-going
Pacific Island Security Agency	Security Services for the Solid Waste Compound (replaced G4 Security Services of Guam)	Indefinite	$ 1,016,405	$ 16,328	$ 1,032,733	Indefinite	On-going
Pacific Trucking Co.	Water Truck Rental for Fire Suppression	Gov Guam Purchase Orders	$ 14,900		$ 14,900	$ -	Closed
Shaw Environmental, Inc	Technical Assistance	$ 305,347	$ 26,275		$ 26,275	$ -	Closed
TG Engineers, PC	Layon Landfill - Design and Engineering Services	$ 10,124,332	$ 3,337,558		$ 3,337,558	See Note Below	Closed
Triple J Enterprises, Inc.	New Trucks	Gov Guam Purchase Orders	$ 151,475		$ 151,475	$ -	Closed
Unlimited Service Group	Operation of Household Hazardous Waste Facility	Minimum Monthly Charge Plus Disposal Cost	$ 874,346	$ 125,746	$ 1,000,091	Minimum Monthly Charge Plus Disposal Cost	On-going

Note: The contract with TG Engineers is a contract that pre-existed the Receivership. The cumulative expenditures shown are the expenses the Receiver paid dirtectly through the construction sub-account. The difference between the contract amount and the expenditures as of September 30, 2016 represent our understanding of the amounts spent directly by the Government of Guam , almost all of which occurred befor the Receiver was appointed.

Contract Payments by Payee

7/1/2016 through 9/30/2016

Date	Account	Category	Memo	Amount
Alpine Technology Corporation				**$ (4,520.00)**
7/7/2016	Primary Account	Contractual Services:Other		$ (4,520.00)
Bend Mailing Service				**$ (3,191.26)**
7/25/2016	Primary Account	Contractual Services:Other		$ (1,057.32)
8/25/2016	Primary Account	Contractual Services:Other		$ (1,070.80)
9/28/2016	Primary Account	Contractual Services:Other		$ (1,063.14)
Brown And Caldwell				**$ (96,052.98)**
9/30/2016	Construction Subaccount	Environ Invest & Ordot Closure Design		$ (96,052.98)
EA Science and Technology				**$ (168,423.00)**
9/6/2016	Primary Account	Contractual Services:Other		$ (168,423.00)
GHD - Winzler & Kelly				**$ (92,724.39)**
8/9/2016	Construction Subaccount	Construction Mgt Layon & Assoc Projects		$ (1,221.37)
9/19/2016	Construction Subaccount	Const Mgt - Ordot Closure & Add Project		$ (86,998.36)
9/20/2016	Construction Subaccount	Const Mgt - Ordot Closure & Add Project		$ (4,504.66)
Green Group Holdings				**$ (873,067.37)**
7/7/2016	Primary Account	Contractual Services:a Layon Landfill Operation		$ (242,124.90)
8/9/2016	Primary Account	Contractual Services:a Layon Landfill Operation		$ (242,636.81)
9/9/2016	Primary Account	Contractual Services:a Layon Landfill Operation		$ (388,305.66)
Guahan Waste Control				**$ (694,679.48)**
7/7/2016	Primary Account	Contractual Services:Hauler-Only Transfer Station		$ (234,499.87)
8/9/2016	Primary Account	Contractual Services:Hauler-Only Transfer Station		$ (230,129.32)
9/9/2016	Primary Account	Hauler-only Transfer Station		$ (230,050.29)
Pacific Human Resource Services, Inc.				**$ (259,422.59)**
7/15/2016	Primary Account	Contract Employees		$ (46,135.55)
8/9/2016	Primary Account	Contract Employees		$ (74,435.02)
8/25/2016	Primary Account	Contract Employees		$ (43,947.58)
8/30/2016	Primary Account	Contract Employees		$ (26,077.83)
9/8/2016	Primary Account	Contract Employees		$ (47,504.00)
9/19/2016	Primary Account	Contract Employees		$ (21,322.61)
Pacific Island Security Agency				**$ (16,246.31)**
7/15/2016	Primary Account	Contractual Services:Other		$ (5,266.74)

Date	Account	Category	Memo	Amount
8/25/2016	Primary Account	Contractual Services:Other		$ (5,554.54)
9/19/2016	Primary Account	Contractual Services:Other		$ (5,425.03)
Triple J Enterprises, Inc.				**$ (59,775.00)**
9/19/2016	Construction Subaccount	Operating Equipment	Invoices # 3J16F017	$ (59,775.00)
Unlimited Service Group				**$ (137,543.50)**
7/7/2016	Primary Account	Contractual Services:Other:Household Hazardous Waste		$ (44,377.08)
8/9/2016	Primary Account	Contractual Services:Other:Household Hazardous Waste		$ (52,934.92)
9/8/2016	Primary Account	Contractual Services:Other:Household Hazardous Waste		$ (40,231.50)
OVERALL TOTAL				**$(2,405,645.88)**

Contract Payments by Payee

10/1/2016 through 12/31/2016

Date	Account	Category	Memo	Amount
Alpine Technology Corporation				**-8,970.00**
11/15/2016	Primary Account	Contractual Services:Other		-4,485.00
12/23/2016	Primary Account	Contractual Services:Other		-4,485.00
Bend Mailing Service				**-2,180.87**
10/25/2016	Primary Account	Contractual Services:Other		-1,076.25
11/28/2016	Primary Account	Contractual Services:Other		-1,104.62
EA Science and Technology				**-5,300.66**
10/11/2016	Primary Account	Contractual Services:Other		-5,300.66
Far East Equipment Co.				**-77,033.88**
10/25/2016	Construction Subaccount	Operating Equipment		-77,033.88
GHD - Winzler & Kelly				**-11,976.54**
10/11/2016	Construction Subaccount	Const Mgt - Ordot Closure & Add Project		-8,869.28
12/15/2016	Construction Subaccount	Const Mgt - Ordot Closure & Add Project		-3,107.26
Green Group Holdings				**-981,895.03**
10/11/2016	Primary Account	Contractual Services:a Layon Landfill Operation		-434,494.49
11/8/2016	Primary Account	Layon Landfill:Operator		-306,940.27
12/7/2016	Primary Account	Layon Landfill:Operator		-240,460.27
Guahan Waste Control				**-772,285.43**
10/11/2016	Primary Account	Contractual Services:Hauler-Only Transfer Station		-269,694.27
11/8/2016	Primary Account	Contractual Services:Hauler-Only Transfer Station		-250,300.89
12/15/2016	Primary Account	Contractual Services:Hauler-Only Transfer Station		-252,290.27
Pacific Human Resource Services, Inc.				**-321,947.55**
10/11/2016	Primary Account	Contract Employees		-49,175.38
10/19/2016	Primary Account	Contract Employees		-64,099.46
11/8/2016	Primary Account	Contract Employees		-48,159.76
11/15/2016	Primary Account	Contract Employees		-22,530.94
11/28/2016	Primary Account	Contract Employees		-49,253.79
12/15/2016	Primary Account	Contract Employees		-68,336.83
12/27/2016	Primary Account	Contract Employees		-20,391.39
Pacific Island Security Agency				**-16,327.87**
10/19/2016	Primary Account	Contractual Services:Other		-5,266.74
11/15/2016	Primary Account	Contractual Services:Other		-5,437.03

Date	Account	Category	Memo	Amount
12/23/2016	Primary Account	Contractual Services:Other		-5,624.10
Unlimited Service Group				**-125,745.58**
10/11/2016	Primary Account	Contractual Services:Other:Household Hazardous Waste		-41,586.80
11/8/2016	Primary Account	Contractual Services:Other:Household Hazardous Waste		-41,785.94
12/7/2016	Primary Account	Contractual Services:Other:Household Hazardous Waste		-42,372.84
OVERALL TOTAL				**-2,323,663.41**

No Change Orders This Reporting Period

No Change Orders This Reporting Period

GuamSolid Waste Authority
Operating Budget
FY 2016
As of September 30, 2016

Item	Total Annual Budget	Actual Budget to Date	Actual Spending to Date	% over (under) Budget
Personnel Expenses:				
Regular Salaries	$1,200,000	$1,200,000	$980,037	-18.3%
Overtime/Special Pay	$200,000	$200,000	$52,951	-73.5%
Contract Employees	$1,200,000	$1,200,000	$1,356,553	13.0%
Benefits	$400,000	$400,000	$367,740	-8.1%
Sub-total	**$3,000,000**	**$3,000,000**	**$2,757,281**	**-8.1%**
Non-Personnel Expenses:				
Travel	$5,000	$5,000	$0	-100.0%
Contractual Services:				
Layon Landfill Operation	$3,600,000	$3,600,000	$3,411,950	-5.2%
Hauler-Only Transfer Station	$2,800,000	$2,800,000	$2,981,847	6.5%
Other	$2,750,400	$2,750,400	$4,216,866	53.3%
Debt Service*	$0	$0	$0	N/A
Supplies and Materials	$550,000	$550,000	$377,683	-31.3%
Equipment	$10,000	$10,000	$11,393	13.9%
Utilities - Power and Water	$120,000	$120,000	$73,355	-38.9%
Host Community Benefits	$302,000	$302,000	$301,193	-0.3%
Capital Outlay*	$1,554,000	$1,554,000	$1,553,551	0.0%
Miscellaneous	$120,000	$120,000	$86,850	-27.6%
Required Reserve Contributions:				
Equipment Replacement	$701,100	$701,100	$680,645	-2.9%
Cell Closure	$50,000	$50,000	$50,000	0.0%
Post Closure Care	$100,000	$100,000	$100,000	0.0%
Future Cell Development	$50,000	$50,000	$50,000	0.0%
Reserve for Unfunded Expenses*	$4,497,097	$4,497,097	$4,497,097	0.0%
Sub-total	**$ 17,209,597**	**$ 17,209,597**	**$ 18,392,430**	**6.9%**
Grand-total Expenditures / Reserves	**$20,209,597**	**$20,209,597**	**$21,149,711**	**4.7%**
Revenue:				
Commercial & Gov't Tipping Fees	$11,341,545	$11,341,545	$12,133,246	7.0%
Residential Collection Fees	$6,182,246	$6,182,246	$6,666,092	7.8%
Transfer Stations	$293,090	$293,090	$249,223	-15.0%
Other Revenue	$28,800	$28,800	$314,643	992.5%
Total Revenue	**$17,845,681**	**$17,845,681**	**$19,363,204**	**8.5%**
Budgeted from Fund Balance	**$2,363,916**	**$2,363,916**	**$1,786,507**	**-24.4%**
Surplus / (Deficit)**	**$0**	**$0**	**$0**	**N/A**

*These items are classified within the operating budget by GovGuam while the Receiver classifies them as a capital expenditure that is not included in the operating budget. To facilitate comparison to the audited numbers for FY16 we have included them here and adjusted the budget accordingly. GovGuam also includes Host Community Premium Benefits as a item in the GSWA operating budget while the Receiver considers it to be a pass-thru. Again, to facilitate comparison to the audit, we have added them to the budget. ** Surplus goes to reserve for future years (i.e. fund balance) and deficits are covered by the same reserve. Spending from the Bank of Guam Trustee accounts is on a cash basis until year end adjustments are included after the close of the fiscal year. Differences in revenue shown in this schedule and elsewhere in this report are the result of year end adjustments.

GOVERNMENT AGENCIES

SERVICE PERIOD: 9/01/2016 - 9/30/2016

NAME	TOTAL DUE	BILLED	INTEREST	PAYMENTS	CREDITS	ADJUSTMENT	TOTAL DUE
GUAM CUSTOMS & QUARANTINE	$ (0.00)						$ (0.00)
DEPT. OF ADMINISTRATION	$ (1,211.22)						$ (1,211.22)
DEPT. OF AGRICULTURE	$ 7,769.16	$ 891.61		$ 449.59			$ 8,211.18
DEPT. OF PARKS & REC	$ 26,952.32	$ 1,159.64		$ 1,340.08			$ 26,771.88
MENTAL HEALTH COTTAGE HOMES	$ 883.14	$ 181.90		$ 90.76			$ 974.28
DEPT. OF MENTAL HEALTH	$ (426.30)						$ (426.30)
DEPT. OF PH&SS	$ 3,040.95						$ 3,040.95
DEPT OF YOUTH AFFAIRS	$ 664.49						$ 664.49
DPW - ADMIN	$ 2,892.86						$ 2,892.86
DPW - BUS	$ 158.05						$ 158.05
GUAM DEPT OF EDUCATION	$ -						$ -
GUAM EPA	$ 579.95						$ 579.95
GHURA	$ 4,664.02	$ 253.99					$ 4,918.01
GUAM HOMELAND SECURITY	$ -						$ -
GUAM HOUSING CORPORATION	$ 112.10			$ 112.10			$ (0.00)
GUAM LEGISLATURE	$ (0.00)						$ (0.00)
[illegible]							
GUAM POLICE DEPT	$ 2,080.20	$ 105.10					$ 2,185.30
GUAM POWER AUTHORITY	$ -						$ -
GUAM PUBLIC LIBRARY	$ (19.80)						$ (19.80)
LIBERATION FESTIVAL COM	$ (0.00)						$ (0.00)
MAYORS COUNCIL	$ 8,475.44					$ 2,068.76	$ 10,544.20
MAYOR-AGANA HEIGHTS	$ 6,851.99	$ 33.28					$ 6,885.27
MAYOR-AGAT	$ 6,567.13						$ 6,567.13
MAYOR-ASAN/MAINA	$ -						$ -
MAYOR-BARRIGADA	$ 4,424.23						$ 4,424.23
MAYOR-DEDEDO	$ 3,274.19	$ 259.25					$ 3,533.44
MAYOR-HAGATNA	$ 4,729.28	$ 129.62					$ 4,858.90
MAYOR-INARAJAN	$ -						$ -
MAYOR-MANGILAO	$ 83,090.50	$ 2,504.96					$ 85,595.46
MAYOR-MERIZO	$ 558.63						$ 558.63
MAYOR-MTM	$ 14,118.60	$ 78.83					$ 14,197.43
MAYOR-ORDOT/CHALAN PAGO	$ -						$ -
MAYOR-PITI	$ -						$ -
MAYOR-SANTA RITA	$ 169.91						$ 169.91
MAYOR-SINAJANA	$ 3,747.55	$ 392.38					$ 4,139.93
MAYOR-TALOFOFO	$ 20,881.97	$ 1,862.08					$ 22,744.05
MAYOR-TAMUNING/TUMON	$ -						$ -
MAYOR-UMATAC	$ 994.97						$ 994.97
MAYOR-YIGO	$ 991.44	$ 31.53					$ 1,022.97
MAYOR-YONA	$ 2,805.62						$ 2,805.62
OFFICE OF ATTORNEY GENERAL	$ (0.00)						$ (0.00)
OFFICE OF GOVERNOR	$ 486.72						$ 486.72
OFFICE OF VETERAN AFFAIRS	$ 6,958.54	$ 68.31					$ 7,026.85
PORT AUTHORITY OF GUAM	$ 21.84						$ 21.84
TOTALS	$ 217,288.47	$ 7,952.48	$ -	$ 1,992.53	$ -	$ 2,068.76	$ 225,317.18

GuamSolid Waste Authority
Operating Budget
FY 2017
As of December 31, 2016

(Unaudited)

Item	Total Annual Budget	Actual Budget to Date	Actual Spending to Date	% over (under) Budget
Personnel Expenses:				
Regular Salaries	$1,200,000	$300,000	$236,873	-21.0%
Overtime/Special Pay	$200,000	$50,000	$15,440	-69.1%
Contract Employees	$1,200,000	$300,000	$286,648	-4.5%
Benefits	$400,000	$100,000	$90,249	-9.8%
Sub-total	**$3,000,000**	**$750,000**	**$629,210**	**-16.1%**
Non-Personnel Expenses:				
Travel	$5,000	$1,250	$0	-100.0%
Contractual Services:				
Layon Landfill Operation	$3,600,000	$900,000	$981,895	9.1%
Hauler-Only Transfer Station	$2,800,000	$700,000	$772,285	10.3%
Other	$2,750,400	$687,600	$625,796	-9.0%
Debt Service*	$0	$0	$0	N/A
Supplies and Materials	$550,000	$137,500	$37,697	-72.6%
Equipment	$10,000	$2,500	$8,823	252.9%
Utilities - Power and Water	$120,000	$30,000	$16,281	-45.7%
Host Community Benefits	$302,000	$75,500	$0	-100.0%
Capital Outlay*	$1,554,000	$388,500	$17,259	-95.6%
Miscellaneous	$120,000	$30,000	$40	-99.9%
Required Reserve Contributions:				
Equipment Replacement	$701,100	$175,275	$175,275	0.0%
Cell Closure	$50,000	$12,500	$12,500	0.0%
Post Closure Care	$100,000	$25,000	$25,000	0.0%
Future Cell Development	$50,000	$12,500	$12,500	0.0%
Reserve for Unfunded Expenses*	$4,497,097	$1,124,274	$1,124,274	0.0%
Sub-total	**$ 17,209,597**	**$ 4,302,399**	**$ 3,809,625**	**-11.5%**
Grand-total Expenditures / Reserves	**$20,209,597**	**$5,052,399**	**$4,438,835**	**-12.1%**
Revenue:				
Commercial & Gov't Tipping Fees	$11,341,545	$2,835,386	$3,395,519	19.8%
Residential Collection Fees	$6,182,246	$1,545,562	$1,727,339	11.8%
Transfer Stations	$293,090	$73,273	$75,207	2.6%
Other Revenue	$28,800	$7,200	$20,987	191.5%
Total Revenue	**$17,845,681**	**$4,461,420**	**$5,219,052**	**17.0%**
Budgeted from Fund Balance	**$2,363,916**	**$590,979**	**-$780,217**	**-232.0%**
Surplus / (Deficit)**	**$0**	**$0**	**$0**	**N/A**

*These items are classified within the operating budget by GovGuam while the Receiver classifies them as a capital expenditure that is not included in the operating budget. To facilitate comparison to the audited numbers for FY16 we have included them here and adjusted the budget accordingly. GovGuam also includes Host Community Premium Benefits as a item in the GSWA operating budget while the Receiver considers it to be a pass-thru. Again, to facilitate comparison to the audit, we have added them to the budget. ** Surplus goes to reserve for future years (i.e. fund balance) and deficits are covered by the same reserve. Spending from the Bank of Guam Trustee accounts is on a cash basis until year end adjustments are included after the close of the fiscal year.

GOVERNMENT AGENCIES

SERVICE PERIOD: 12/01/2016 - 12/31/2016

NAME	TOTAL DUE	BILLED	PAYMENTS	CREDITS	#REF!	TOTAL DUE
GUAM CUSTOMS & QUARANTINE	$ (0.00)					$ (0.00)
DEPT. OF ADMINISTRATION	(1,211.22)					(1,211.22)
DEPT. OF AGRICULTURE	7,512.26	$ 425.67	891.61			7,046.32
DEPT. OF PARKS & REC	25,759.96	740.97				26,500.93
MENTAL HEALTH COTTAGE HOMES	1,065.04	181.90	545.70			701.24
DEPT. OF MENTAL HEALTH	(426.30)					(426.30)
DEPT. OF PH&SS	3,040.95					3,040.95
DEPT OF YOUTH AFFAIRS	685.51	22.77	57.81			650.47
DPW - ADMIN	2,892.86					2,892.86
DPW - BUS	158.05					158.05
GUAM DEPT OF EDUCATION	-					-
GUAM EPA	579.95					579.95
GHURA	3,665.51	268.02	$ 423.92			3,509.61
GUAM HOMELAND SECURITY	-					-
GUAM HOUSING CORPORATION	325.82		325.82			(0.00)
GUAM LEGISLATURE	(0.00)					(0.00)
[illegible]						
GUAM POLICE DEPT	1,824.45	68.31				1,892.76
GUAM POWER AUTHORITY	-					-
GUAM PUBLIC LIBRARY	(19.80)					(19.80)
LIBERATION FESTIVAL COM	(0.00)					(0.00)
MAYORS COUNCIL	10,544.20					10,544.20
MAYOR-AGANA HEIGHTS	6,885.27					6,885.27
MAYOR-AGAT	6,567.13					6,567.13
MAYOR-ASAN/MAINA	-					-
MAYOR-BARRIGADA	4,424.23					4,424.23
MAYOR-DEDEDO	4,115.26	1,168.40				5,283.66
MAYOR-HAGATNA	5,004.29		129.62			4,874.67
MAYOR-INARAJAN	-					-
MAYOR-MANGILAO	89,725.99	2,031.98				91,757.97
MAYOR-MERIZO	558.63					558.63
MAYOR-MTM	14,197.43	59.55				14,256.98
MAYOR-ORDOT/CHALAN PAGO	-					-
MAYOR-PITI	-					-
MAYOR-SANTA RITA	169.91					169.91
MAYOR-SINAJANA	4,028.23	28.03	150.63			3,905.63
MAYOR-TALOFOFO	25,576.53	1,466.18				27,042.71
MAYOR-TAMUNING/TUMON	-					-
MAYOR-UMATAC	994.97					994.97
MAYOR-YIGO	1,022.97					1,022.97
MAYOR-YONA	2,805.62	115.62				2,921.24
OFFICE OF ATTORNEY GENERAL	(0.00)					(0.00)
OFFICE OF GOVERNOR	486.72					486.72
OFFICE OF VETERAN AFFAIRS	7,310.63	185.68				7,496.31
PORT AUTHORITY OF GUAM	21.84					21.84
TOTALS	$ 230,292.89	$ 6,763.08	$ 2,525.11	$ -	$ -	$ 234,530.86

Contract Payments by Payee

7/1/2016 through 9/30/2016

Date	Account	Category	Memo	Amount
BALANCE 6/30/2016				**$ 1,486,786.84**
7/7/2016	Primary Account	Alpine Technology Corporation		$ (4,520.00)
7/7/2016	Primary Account	Unlimited Service Group		$ (44,377.08)
7/7/2016	Primary Account	Guahan Waste Control		$ (234,499.87)
7/7/2016	Primary Account	Green Group Holdings		$ (242,124.90)
7/15/2016	Primary Account	Pacific Island Security Agency		$ (5,266.74)
7/15/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (46,135.55)
7/15/2016	Primary Account	District Court Account At The Bank Of Hawaii	Funds transfer to Bank of Hawaii per Court Order of 3-3-2011	$ (149,185.59)
7/15/2016	Primary Account	Government Of Guam	Funding for Operating Expense	$ (350,000.00)
7/25/2016	Primary Account	Bend Mailing Service		$ (1,057.32)
7/25/2016	Primary Account	Alicia V. Fejeran		$ (4,651.46)
7/29/2016	Primary Account	Interest Earned		$ 80.66
8/9/2016	Primary Account	System Surplus Account	Transfer from surplus account	$ 1,440,000.00
8/9/2016	Primary Account	Unlimited Service Group		$ (52,934.92)
8/9/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (74,435.02)
8/9/2016	Primary Account	Green Group Holdings		$ (242,636.81)
8/9/2016	Primary Account	Guahan Waste Control		$ (230,129.32)
8/9/2016	Primary Account	Government Of Guam	Funding for Operating Expense	$ (350,000.00)
8/12/2016	Primary Account	Government Of Guam	Funding for Operating Expense	$ (358,237.48)
8/25/2016	Primary Account	Bank Of Guam	Bank charge for check for M-2016-914	$ (12.50)
8/25/2016	Primary Account	Bank Of Guam	Bank charge for check for M-2016-915	$ (12.50)
8/25/2016	Primary Account	Bend Mailing Service		$ (1,070.80)
8/25/2016	Primary Account	Pacific Island Security Agency		$ (5,554.54)
8/25/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (43,947.58)
8/25/2016	Primary Account	Depo Resources	GSWA Board Meetings (Court Order)	$ (3,031.50)
8/25/2016	Primary Account	Guam Waterworks Authority		$ (3,065.25)
8/30/2016	Primary Account	Alicia V. Fejeran		$ (4,651.46)
8/30/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (26,077.83)
8/31/2016	Primary Account	Interest Earned		$ 55.48
9/6/2016	Primary Account	EA Science and Technology		$ (168,423.00)
9/8/2016	Primary Account	Unlimited Service Group		$ (40,231.50)
9/8/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (47,504.00)
9/9/2016	Primary Account	System Surplus Account	Transfer from surplus account	$ 1,440,000.00

Date	Account	Category	Memo	Amount
9/9/2016	Primary Account	Green Group Holdings		$ (388,305.66)
9/9/2016	Primary Account	Guahan Waste Control		$ (230,050.29)
9/12/2016	Primary Account	District Court Account At The Bank Of Hawaii	Funds transfer to Bank of Hawaii per Court Order of 3-3-2011	$ (120,033.21)
9/19/2016	Primary Account	Bank Of Guam	Bank charge for check for M-2016-920	$ (12.50)
9/19/2016	Primary Account	Pacific Island Security Agency		$ (5,425.03)
9/19/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (21,322.61)
9/19/2016	Primary Account	Guam Waterworks Authority		$ (10,780.54)
9/28/2016	Primary Account	Bend Mailing Service		$ (1,063.14)
9/28/2016	Primary Account	Alicia V. Fejeran		$ (4,651.46)
9/30/2016	Primary Account	Guam Waterworks Authority	Leachate invoices	$ (19,304.27)
9/30/2016	Primary Account	Interest Earned		$ 77.26
7/1/2016 - 9/30/2016				$ (654,509.83)
BALANCE 9/30/2016				$ 832,277.01
TOTAL INFLOWS				$ 2,880,213.40
TOTAL OUTFLOWS				$(3,534,723.23)
NET TOTAL				$ (654,509.83)

Bank of Guam Primary Account

10/1/2016 through 12/31/2016

Date	Account	Category	Memo	Amount
BALANCE 9/30/2016				$ 832,277.01
10/3/2016	Primary Account	Bank Of Guam	Bank charge for check for M-2016-925(a)	$ (12.50)
10/11/2016	Primary Account	System Surplus Account	Transfer from surplus account	$ 1,440,000.00
10/11/2016	Primary Account	EA Science and Technology		$ (5,300.66)
10/11/2016	Primary Account	Unlimited Service Group		$ (41,586.80)
10/11/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (49,175.38)
10/11/2016	Primary Account	Guahan Waste Control		$ (269,694.27)
10/11/2016	Primary Account	Green Group Holdings		$ (434,494.49)
10/19/2016	Primary Account	Pacific Island Security Agency		$ (5,266.74)
10/19/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (64,099.46)
10/25/2016	Primary Account	Bend Mailing Service		$ (1,076.25)
10/25/2016	Primary Account	Alicia V. Fejeran		$ (4,651.76)
10/31/2016	Primary Account	Interest Earned		$ 131.14
11/8/2016	Primary Account	Unlimited Service Group		$ (41,785.94)
11/8/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (48,159.76)
11/8/2016	Primary Account	District Court Account At The Bank Of Hawaii	Funds transfer to Bank of Hawaii per Court Order of 3-3-2011	$ (149,519.00)
11/8/2016	Primary Account	Green Group Holdings		$ (306,940.27)
11/8/2016	Primary Account	Guahan Waste Control		$ (250,300.89)
11/15/2016	Primary Account	Alpine Technology Corporation		$ (4,485.00)
11/15/2016	Primary Account	Pacific Island Security Agency		$ (5,437.03)
11/15/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (22,530.94)
11/28/2016	Primary Account	Bend Mailing Service		$ (1,104.62)
11/28/2016	Primary Account	Alicia V. Fejeran		$ (4,651.46)
11/28/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (49,253.79)
11/30/2016	Primary Account	Interest Earned		$ 78.43
12/7/2016	Primary Account	System Surplus Account	Transfer from surplus account	$ 1,440,000.00
12/7/2016	Primary Account	Unlimited Service Group		$ (42,372.84)
12/7/2016	Primary Account	Green Group Holdings		$ (240,460.27)
12/7/2016	Primary Account	Government Of Guam	Funding for Operating Expense	$ (601,916.74)
12/15/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (68,336.83)
12/15/2016	Primary Account	Guahan Waste Control		$ (252,290.27)
12/23/2016	Primary Account	Alpine Technology Corporation		$ (4,485.00)
12/23/2016	Primary Account	Pacific Island Security Agency		$ (5,624.10)

Date	Account	Category	Memo	Amount
12/23/2016	Primary Account	Government Of Guam	Funding for Operating Expense	$ (305,647.33)
12/27/2016	Primary Account	Alicia V. Fejeran		$ (4,651.46)
12/27/2016	Primary Account	Pacific Human Resource Services, Inc.		$ (20,391.39)
12/30/2016	Primary Account	Interest Earned		$ 73.17
10/1/2016 - 12/31/2016				$ (425,420.50)
BALANCE 12/31/2016				**$ 406,856.51**
TOTAL INFLOWS				**$ 2,880,282.74**
TOTAL OUTFLOWS				**$(3,305,703.24)**
NET TOTAL				**$ (425,420.50)**

Bank of Guam Construction Subaccount

7/1/2016 through 9/30/2016

Date	Account	Category	Memo	Amount
BALANCE 6/30/2016				2,182,476.39
7/15/2016	Construction Sub	District Court Account At The Bank Of Hawaii	Funds transfer to Bank of Hawaii per Court Order of 3-3-2011	-145,674.80
7/29/2016	Construction Sub	Interest Earned		223.22
8/9/2016	Construction Sub	GHD - Winzler & Kelly		-1,221.37
8/31/2016	Construction Sub	Interest Earned		216.16
9/6/2016	Construction Sub	Compass Real Estate Consulting, Inc		-3,981.25
9/9/2016	Construction Sub	Equipment Replacement Account	To fund purchase of replacement truck	59,775.00
9/12/2016	Construction Sub	District Court Account At The Bank Of Hawaii	Funds transfer to Bank of Hawaii per Court Order of 3-3-2011	-132,929.46
9/19/2016	Construction Sub	Bank Of Guam	Bank charge for check for C-2016-517	-12.5
9/19/2016	Construction Sub	GHD - Winzler & Kelly		-86,998.36
9/19/2016	Construction Sub	Triple J Enterprises, Inc.	Invoices # 3J16F017	-59,775.00
9/20/2016	Construction Sub	GHD - Winzler & Kelly		-4,504.66
9/30/2016	Construction Sub	Compass Real Estate Consulting, Inc		-43,922.22
9/30/2016	Construction Sub	Brown And Caldwell		-96,052.98
9/30/2016	Construction Sub	Interest Earned		198.01
7/1/2016 - 9/30/2016				**-514,660.21**
BALANCE 9/30/2016				**1,667,816.18**
TOTAL INFLOWS				**60,412.39**
TOTAL OUTFLOWS				**-575,072.60**
NET TOTAL				**-514,660.21**

Bank of Guam Construction Subaccount

10/1/2016 through 12/31/2016

Date	Account	Category	Memo	Amount
BALANCE 9/30/2016				$ 1,667,816.18
10/11/2016	Construction Subaccount	GHD - Winzler & Kelly		$ (8,869.28)
10/25/2016	Construction Subaccount	Equipment Replacement Account		$ 77,033.88
10/25/2016	Construction Subaccount	Far East Equipment Co.		$ (77,033.88)
10/31/2016	Construction Subaccount	Interest Earned		$ 176.42
11/8/2016	Construction Subaccount	District Court Account At The Bank Of Hawaii	Funds transfer to Bank of Hawaii per Court Order of 3-3-2011	$ (143,983.65)
11/30/2016	Construction Subaccount	Interest Earned		$ 159.11
12/7/2016	Construction Subaccount	Young Engineering & Manufacturing, Inc	Initial payment for surge tank	$ (46,250.00)
12/15/2016	Construction Subaccount	GHD - Winzler & Kelly		$ (3,107.26)
12/27/2016	Construction Subaccount	Superior Court Of Guam	Ordot Lot 450	$ (152,800.00)
12/30/2016	Construction Subaccount	Interest Earned		$ 154.11
10/1/2016 - 12/31/2016				**$ (354,520.55)**
BALANCE 12/31/2016				**$ 1,313,295.63**
TOTAL INFLOWS				**$ 77,523.52**
TOTAL OUTFLOWS				**$ (432,044.07)**
NET TOTAL				**$ (354,520.55)**

GBB

SOLID WASTE
MANAGEMENT
CONSULTANTS
RECEIVER

October 24, 2016

Members of the Public Utilities Commission
Suite 207 GCIC Building
414 West Soledad Avenue
Hagatna, Guam 96910

Dear Members of the Public Utilities Commission:

This letter will provide the quarterly report for the fourth quarter of FY 2016, relative to Host Community Premium Surcharge (HCPS) fees. This report will cover the period from July 1, 2016 through September 30, 2016.

The following table outlines the HCPS fees charged and actually collected during the quarter ended September 30, 2016:

Host Community Premium Surcharge Fees
Fourth Quarter FY 2016

	July 2016		August 2016		September 2016		Total Fees Collected		
Account	Units	HCPS Fee	Units	HCPS Fee	Units	HCPS Fee	HCPS Fee	% Paid	Amount
ISLAND WASTE MANAGEMENT	64.90	$ 231.68	71.49	$ 255.22	57.32	$ 204.65	$ 691.55	72.27%	$ 499.78
LAGU SANITATION COMPANY	675.78	$ 2,412.51	810.52	2,893.56	737.43	2,632.59	$ 7,938.66	80.74%	$ 6,409.53
MR RUBBISHMAN	2,666.81	$ 9,520.46	3,126.15	11,160.31	2,923.00	10,435.13	$ 31,115.90	80.78%	$ 25,133.88
PACIFIC WASTE SYSTEMS, LLC	935.15	$ 3,338.43	1,155.87	4,126.38	1,114.13	3,977.38	$ 11,442.19	72.01%	$ 8,240.04
TRASHCO	136.27	$ 486.43	153.90	549.44	161.82	577.71	$ 1,613.58	91.25%	$ 1,472.35
NAVFACMAR GUAM	671.85	$ 2,398.51	745.19	2,660.30	870.37	3,107.28	$ 8,166.09	94.39%	$ 7,707.66
ALL OTHER COMMERCIAL ACCOUNTS	30.20	$ 107.83	38.40	$ 137.08	32.57	$ 116.30	$ 361.21	50.92%	$ 183.93
GUAM WATERWORKS AUTHORITY	699.90	$ 2,498.64	824.20	$ 2,942.39	785.80	$ 2,805.31	$ 8,246.34	91.38%	$ 7,535.71
ALL OTHER GOVERNMENT ACCOUNTS	26.74	$ 95.47	18.95	$ 67.69	28.31	$ 101.09	$ 264.25	0.00%	$ -
RESIDENTIAL ACCOUNTS	18,114	$ 6,883.32	18,243	$ 6,932.34	18,255	$ 6,936.90	$ 20,752.56	74.31%	$ 15,422.17
Total		$ 27,973.28		$ 31,724.71		$ 30,894.34	$ 90,592.33	79.01%	$ 72,605.05

Note: Units are Tons for all except residential accounts. For residential accounts, the units are the number of residential accounts billed that month.

GSWA billed $90,592.33 in HCPS fees during the quarter ending September 30, 2016. Under Guam Law customers of GSWA are allowed sixty days to pay their solid waste bill. As a result, most of the fee billed in the quarter ending September 30, 2016 will not be collected until the next reporting period. The following table outlines the fees assessed since October 1, 2015, the fees actually collected and the funds available for transfer from the period ending September 30, 2016:

FY 2016 HCPS Fees	
HCPS Fees	**Amount**
Total HCPS Fees Assessed YTD FY2016	$ 345,719.00
Total HCPS Fees Collected YTD FY2016	$ 215,469.68
Funds Transferred Prior Report	$ 142,864.63
Funds to be Transfered this Report	$ 72,605.05

The total transfer to the Host Communities for this reporting period will be $72,605.05 in equal amounts of $36,302.53.

Please contact us if you have questions or need additional information.

Thank you.

Sincerely,

David L. Manning
Receiver Representative

c.c.
Jessy "Jess" C. Gogue, Mayor of Ordot
Doris F. Lujan, Mayor of Inarajan
Frederick J. Horecky, PUC Legal Counsel
Members of the GSWA Board of Directors

GBB

SOLID WASTE
MANAGEMENT
CONSULTANTS
RECEIVER

January 13, 2017

Members of the Public Utilities Commission
Suite 207 GCIC Building
414 West Soledad Avenue
Hagatna, Guam 96910

Dear Members of the Public Utilities Commission:

This letter will provide the quarterly report for the first quarter of FY 2017, relative to Host Community Premium Surcharge (HCPS) fees. This report will cover the period from October 1, 2016 through December 31, 2016.

During the reporting period, cash collections were also received from billing that occurred during the preceding fiscal year. As noted in the report for the period ending September 30, 2016, total fees assessed in FY 2016 were $345,719.00, while fees collected in during the 2016 fiscal year were $215,469.68; leaving a balance of $130,249.32 to be collected later. This is the result of the provision in Guam Law that allows customers of GSWA up to 60 days to pay their bill for solid waste services. While there may be some small amounts of these fees that remain unpaid after the close of this reporting period, the time it would take to perform the analysis to identify these small amounts would require more time than can be justified, so for the purposes of this report, we will assume that all the fees assessed in FY 2016 have now been collected.

The following table outlines the fees assessed in FY 2016, the amount now collected, the funds previously transferred to the Host Communities of Inarajan and Ordot-Chalan Pago, and the balance of FY 2016 funds to be transferred per this report:

FY 2016 HCPS Fees	
HCPS Fees	**Amount**
Total HCPS Fees Assessed FY2016	$345,719.00
Total HCPS Fees Collected for FY2016	$345,719.00
Funds Transferred Prior Reports	$215,469.68
Funds to be Transfered per this Report	$130,249.32

Pursuant to the guidance provided by the Commission, we will disperse the full amount collected in FY 2016 in equal amounts to the Host Community Municipal Planning Council Accounts established by the Host Communities of Inarajan and Ordot-Chalan Pago.

With respect to the 2017 fiscal year, the following table outlines the HCPS fees charged and collected during the quarter ended December 31, 2016:

Host Community Premium Surcharge Fees
First Quarter FY 2017

Account	October 2016 Units	October 2016 HCPS Fee	November 2016 Units	November 2016 HCPS Fee	December 2016 Units	December 2016 HCPS Fee	Total Fees Collected HCPS Fee	% Paid	Amount
ISLAND WASTE MANAGEMENT	65.64	$ 234.36	74.33	$ 265.36	60.61	$ 216.39	$ 716.11	31.56%	$ 226.00
LAGU SANITATION COMPANY	767.58	$ 2,740.30	744.11	2,656.49	746.08	2,663.50	$ 8,060.29	29.81%	$ 2,402.62
MR RUBBISHMAN	2,980.65	$ 10,640.91	2,765.01	9,871.03	2,785.24	9,943.43	$ 30,455.37	30.82%	$ 9,386.35
PACIFIC WASTE SYSTEMS, LLC	1,090.35	$ 3,892.55	1,071.66	3,825.77	1,091.14	3,895.35	$ 11,613.67	31.47%	$ 3,654.97
TRASHCO	146.36	$ 522.52	148.59	530.46	169.15	603.88	$ 1,656.86	97.77%	$ 1,619.89
NAVFACMAR GUAM	683.29	$ 2,439.36	759.18	$ 2,710.30	691.47	$ 2,468.58	$ 7,618.24	25.06%	$ 1,909.45
ALL OTHER COMMERCIAL ACCOUNTS	29.36	$ 104.84	32.02	$ 114.32	40.85	$ 145.84	$ 365.00	0.00%	$ -
GUAM WATERWORKS AUTHORITY	842.48	$ 3,007.65	725.98	$ 2,591.75	1,045.00	$ 3,730.65	$ 9,330.05	60.01%	$ 5,599.40
ALL OTHER GOVERNMENT ACCOUNTS	43.80	$ 156.39	42.11	$ 150.27	37.57	$ 134.10	$ 440.76	0.00%	$ -
RESIDENTIAL ACCOUNTS	18,347	$ 6,971.86	18,430	$ 7,003.40	18,441	$ 7,007.58	$ 20,982.84	0.00%	$ -
Total		$ 30,710.74		$ 29,719.15		$ 30,809.30	$ 91,239.19		$ 24,798.68

Note: Units are Tons for all except residential accounts. For residential accounts, the units are the number of residential accounts billed that month.

GSWA billed $91,239.19 in HCPS fees during the quarter ending December 31, 2016. As noted above, under Guam Law customers of GSWA are allowed sixty days to pay their solid waste bill. As a result, most of the fee billed in the quarter ending December 31, 2016 will not be collected until the next reporting period. The following table outlines the fees assessed since October 1, 2016, the fees collected and the funds available for transfer from the period ending December 31, 2016:

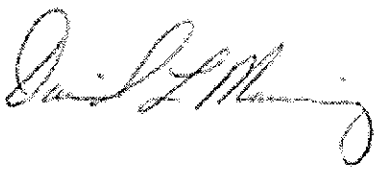
FY 2017 HCPS Fees	
HCPS Fees	**Amount**
Total HCPS Fees Assessed YTD FY2017	$ 91,239.19
Total HCPS Fees Collected YTD FY2017	$ 24,798.68
Funds Transferred Prior Report	$ -
Funds to be Transfered this Report	$ 24,798.68

The total transfer to the Host Communities for this reporting period will be $155,048.00 (FY 2016 funds of $130,249.32 plus FY 2017 funds of $24,798.68) in equal amounts of $77,524.00.

Please contact us if you have questions or need additional information.

Thank you.

Sincerely,



David L. Manning
Receiver Representative

Attachment

c.c.
Jessy "Jess" C. Gogue, Mayor of Ordot
Doris F. Lujan, Mayor of Inarajan
Frederick J. Horecky, PUC Legal Counsel
Members of the GSWA Board of Directors

Allocation of Capital Available to the Receiver

Consent Decree Projects

As of December 31, 2016

Capital Budget Item	Original Estimate	Revised Estimate	Surplus / (Shortfall) Original vs Revised Estimate	Expenditures to Date	Balance Remaining (vs Revised Estimate)
Layon Landfill	$ 57,040,900.00	$ 42,000,000	$ 15,040,900.00	$ 41,796,692.74	$ 203,307.26
Landfill Access Road and Sewer System	$ 23,981,400.00	$ 28,462,507	$ (4,481,106.90)	$ 28,462,506.90	$ -
Construction Management - Layon and Associated Projects[1]	$ 7,316,400.00	$ 10,560,000	$ (3,243,600.00)	$ 9,855,662.94	$ 704,337.06
Landfill Equipment[2]	$ 6,380,000.00	$ -	$ 6,380,000.00	$ -	$ -
WWTP Expansion & Leachate Pre-Treatment - Layon	$ 11,025,000.00	$ 4,926,935	$ 6,098,065.00	$ -	$ 4,926,935.00
Transfer Station/HHWF	$ 5,505,000.00	$ 2,410,000	$ 3,095,000.00	$ 2,015,900.75	$ 394,099.25
Transfer Station Equipment[2]	$ 2,440,000.00	$ -	$ 2,440,000.00	$ -	$ -
Operating Equipment	$ 5,941,400.00	$ 4,500,000	$ 1,441,400.00	$ 4,450,067.32	$ 49,932.68
Environmental Investigation and Ordot Dump Closure Design	$ 6,800,000.00	$ 8,329,055	$ (1,529,055.00)	$ 8,302,020.87	$ 27,034.13
Ordot Dump Closure	$ 30,590,300.00	$ 43,231,147	$ (12,640,846.68)	$ 43,231,146.68	$ -
Ordot Dump Closure - Land Acquisition	$ -	$ 1,800,000	$ (1,800,000.00)	$ 1,750,755.97	$ 49,244.03
Construction Management - Ordot Dump and Subsequent Projects[3]	$ 2,721,800.00	$ 12,500,000	$ (9,778,200.00)	$ 11,697,942.74	$ 802,057.26
Ordot Contingency[4]	$ -	$ 9,180	$ (9,180.15)	$ -	$ 9,180.15
Litigation Assistance	$ -	$ 283,250	$ (283,249.61)	$ 283,249.61	$ -
Emergency Repairs of Residential Transfer Stations and GSWA Building	$ -	$ 295,569	$ (295,569.13)	$ 295,569.13	$ -
USDA Expense	$ -	$ 186,311	$ (186,311.07)	$ 186,311.07	$ -
Route 4 Safety Enhancements (project terminated)[5]	$ -	$ 218,974	$ (218,973.65)	$ 218,973.65	$ -
Dero Road Rehabilitation (funded pursuant to Order of 5-2-2016)[5]	$ 8,200,000.00	$ 2,400,000	$ 5,800,000.00	$ 1,576,029.35	$ 823,970.65
Residential Transfer Station Upgrades & Dededo Closure (funded pursuant to Order of 5-2-2016)[5]	$ 5,032,900	$ 5,700,000	$ (667,100.00)	$ 460,056.44	$ 5,239,943.56
Total	**$ 172,975,100.00**	**$ 167,812,927.19**	**$ 5,162,172.81**	**$ 154,582,886.16**	**$ 13,230,041.03**

[1] Includes the access road and utilities, the new residential transfer station and the HHW facility, the emergency repairs at the residential transfer stations and the GSWA Building repairs and the design and environmental assessment of the residential transfer stations.

[2] Landfill equipment and equipment for the Hauler-only Transfer Station was provided under the respective contracts for the operation of these facilities and therefore no capital purchase was needed.

[3] Subsequent projects will require additional capital funding. See note 5 below.

[4] Ordot contingency is the difference between the total construction budget of $49,052,804.40 (Special Report dated 9/20/2013) and the original contract for the closure of $40,536,977.

[5] These projects and the construction management expense for them will be funded from the Reserve for Unfunded Expenses pursuant to the Court's Orders of 9/12/14, 4/20/15, 5/1/15 and 5/2/16.

Bank of Guam Reserve for Unfunded Expense Account

7/1/2016 through 9/30/2016

Date	Account	Description	Memo	Amount
BALANCE 6/30/2016				$ 9,576,985.15
7/7/2016	Reserve for Unfunded Expenses	Reserve For Unfunded Expense		$ 374,758.08
7/7/2016	Reserve for Unfunded Expenses	Hawaiian Rock Products	Invoice HRP-01	$ (362,549.18)
7/29/2016	Reserve for Unfunded Expenses	Interest Earned	Bank of Guam Interest	$ 1,017.76
8/9/2016	Reserve for Unfunded Expenses	Reserve For Unfunded Expense	Monthly Department	$ 374,758.08
8/12/2016	Reserve for Unfunded Expenses	Hawaiian Rock Products	Invoice HRP-02	$ (335,320.32)
8/25/2016	Reserve for Unfunded Expenses	Guam Waterworks Authority	Leachate treatment for Ordot Dump	$ (7,493.67)
8/25/2016	Reserve for Unfunded Expenses	Bank Of Guam	Fee for cashier's check R-2016-007	$ (12.50)
8/31/2016	Reserve for Unfunded Expenses	Interest Earned	Bank of Guam Interest	$ 1,024.49
9/6/2016	Reserve for Unfunded Expenses	EA Science And Engineering		$ (25,692.96)
9/6/2016	Reserve for Unfunded Expenses	GHD, Inc		$ (37,138.09)
9/9/2016	Reserve for Unfunded Expenses	Reserve For Unfunded Expense		$ 374,758.08
9/9/2016	Reserve for Unfunded Expenses	Treasurer Of Guam	Fee for GFD review of Malojloj plans	$ (1,047.24)
9/9/2016	Reserve for Unfunded Expenses	Treasurer Of Guam	Fee for GFD review of Agat plans	$ (1,048.36)
9/19/2016	Reserve for Unfunded Expenses	GHD, Inc	Design services	$ (48,570.33)
9/19/2016	Reserve for Unfunded Expenses	Hawaiian Rock Products	HRP-03	$ (103,874.13)
9/19/2016	Reserve for Unfunded Expenses	GHD, Inc.	Construction Management services	$ (217,988.42)
9/19/2016	Reserve for Unfunded Expenses	Guam Waterworks Authority	Leachate Treatment	$ (13,618.26)
9/20/2016	Reserve for Unfunded Expenses	Bank Of Guam		$ (12.50)
9/30/2016	Reserve for Unfunded Expenses	Interest Earned	Bank of Guam Interest	$ 995.58
7/1/2016 - 9/30/2016				**$ (27,053.89)**
BALANCE 9/30/2016				**$ 9,549,931.26**
TOTAL INFLOWS				**$ 1,127,312.07**
TOTAL OUTFLOWS				**$(1,154,365.96)**
NET TOTAL				**$ (27,053.89)**

Bank of Guam Reserve for Unfunded Expense Account

10/1/2016 through 12/31/2016

Date	Account	Description	Memo	Amount
BALANCE 9/30/2016				$ 9,549,931.26
10/11/2016	Reserve for Unfunded Expenses	Reserve For Unfunded Expense		$ 374,758.08
10/11/2016	Reserve for Unfunded Expenses	EA Science & Engineering		$ (532.86)
10/11/2016	Reserve for Unfunded Expenses	GHD, Inc	Construction Management services	$ (73,065.90)
10/11/2016	Reserve for Unfunded Expenses	GHD, Inc	Design Services	$ (11,548.55)
10/11/2016	Reserve for Unfunded Expenses	Guam Waterworks Authority	Leachate Treatment	$ (17,605.36)
10/11/2016	Reserve for Unfunded Expenses	Bank Of Guam		$ (12.50)
10/25/2016	Reserve for Unfunded Expenses	Hawaiian Rock Products	HRP-04	$ (211,996.72)
10/25/2016	Reserve for Unfunded Expenses	Ordot Dump Post Closure Care Reserve	Opening transfer to establish account	$ (2,166,666.67)
10/31/2016	Reserve for Unfunded Expenses	Interest Earned	Bank of Guam Interest	$ 976.38
11/8/2016	Reserve for Unfunded Expenses	Reserve For Unfunded Expense		$ 374,758.08
11/8/2016	Reserve for Unfunded Expenses	Ordot Dump Post Closure Care Reserve		$ (166,666.67)
11/21/2016	Reserve for Unfunded Expenses	Treasurer Of Guam	Building Permit for Dededo RTS Environmental Closure	$ (2,343.00)
11/21/2016	Reserve for Unfunded Expenses	Treasurer Of Guam	Building Permit for Maloloj RTS	$ (13,551.04)
11/21/2016	Reserve for Unfunded Expenses	Treasurer Of Guam	Building Permit for Agat RTS	$ (18,782.78)
11/21/2016	Reserve for Unfunded Expenses	Bank Of Guam		$ (12.50)
11/21/2016	Reserve for Unfunded Expenses	Bank Of Guam		$ (12.50)
11/21/2016	Reserve for Unfunded Expenses	Bank Of Guam		$ (12.50)
11/28/2016	Reserve for Unfunded Expenses	GHD, Inc	Construction Management services	$ (8,057.19)
11/30/2016	Reserve for Unfunded Expenses	Interest Earned	Bank of Guam Interest	$ 779.92
12/7/2016	Reserve for Unfunded Expenses	Reserve For Unfunded Expense		$ 374,758.08
12/7/2016	Reserve for Unfunded Expenses	Ordot Dump Post Closure Care Reserve	Monthly Contribution	$ (166,666.67)
12/14/2016	Reserve for Unfunded Expenses	Hawaiian Rock Products	HRP-05 and HRP-06	$ (562,289.00)
12/15/2016	Reserve for Unfunded Expenses	GHD, Inc	Design Services	$ (12,211.45)
12/30/2016	Reserve for Unfunded Expenses	Interest Earned	Bank of Guam Interest	$ 792.30
10/1/2016 - 12/31/2016				**$(2,305,211.02)**
BALANCE 12/31/2016				**$ 7,244,720.24**
TOTAL INFLOWS				**$ 1,126,822.84**
TOTAL OUTFLOWS				**$(3,432,033.86)**
NET TOTAL				**$(2,305,211.02)**

Doc. No. 34GL-17-0523.

LAYON LANDFILL CONDEMNATION PAYMENTS
As of December 31, 2016

Judgment (CV0084-08)	**$ 21,705,683**
6% Interest from 01/24/2008	$ 9,691,606
Total	**$ 31,397,289**
Tax credits claimed	$ (26,332,191)
Cash or other forms of payment made, including non-monetary assets or things of value	$ 0
Balance of Unpaid Judgment	**$ 5,065,098**

Tax Credits Authorized for Layon Property
Guam Pub. L. 14-69; 11 G.C.A. § 38101
As of 12/31/2016

	% Ownership	Judgment	6% Interest from 1/24/2008	Total Credits Available
Taxpayer A	50.00%	10,852,841.50	4,772,353.68	15,625,195.18
Taxpayer B	25.00%	5,426,420.75	2,072,900.47	7,499,321.22
Taxpayer C	8.00%	1,736,454.64	993,558.89	2,730,013.53
Taxpayer D	8.00%	1,736,454.64	961,656.05	2,698,110.69
Taxpayer E	5.00%	1,085,284.15	582,306.98	1,667,591.13
Taxpayer F	1.50%	325,585.25	114,802.33	440,387.58
Taxpayer G	1.24%	269,801.64	95,132.86	364,934.50
Taxpayer H	0.83%	180,699.81	63,715.29	244,415.10
Taxpayer I	0.42%	92,140.62	35,179.00	127,319.62
Totals	***100.00%***	***21,705,683.00***	***9,691,605.55***	***31,397,288.55***

Transactions Affecting the GSWA Reserves - July to December 2016

Equipment Replacement Account

7/1/2016 through 12/31/2016

Date	Account	Description	Memo	Amount
BALANCE 6/30/2016				**$2,817,240.78**
7/7/2016	Equipment Replace Acct	Equipment Replacement Account	Monthly Deposit	56,720.38
7/29/2016	Equipment Replace Acct	Interest Earned	Bank of Guam Interest	303.94
8/9/2016	Equipment Replace Acct	Equipment Replacement Account	Monthly Deposit	56,720.38
8/31/2016	Equipment Replace Acct	Interest Earned	Bank of Guam Interest	309.61
9/9/2016	Equipment Replace Acct	Construction Subaccount	Transfer to fund equipment purchase	-59,775.00
9/9/2016	Equipment Replace Acct	Equipment Replacement Account	Monthly Deposit	56,720.38
9/30/2016	Equipment Replace Acct	Interest Earned	Bank of Guam Interest	300.93
10/11/2016	Equipment Replace Acct	Equipment Replacement Account	Monthly Deposit	56,720.38
10/25/2016	Equipment Replace Acct	Bank of Guam Construction Subaccount	Transfer to pay for replacement roll-off cont	-77,033.88
10/31/2016	Equipment Replace Acct	Interest Earned	Bank of Guam Interest	313.13
11/8/2016	Equipment Replace Acct	Equipment Replacement Account	Monthly Deposit	56,720.38
11/30/2016	Equipment Replace Acct	Interest Earned	Bank of Guam Interest	303.29
12/7/2016	Equipment Replace Acct	Equipment Replacement Account	Monthly Deposit	56,720.38
12/30/2016	Equipment Replace Acct	Interest Earned	Bank of Guam Interest	319.69
BALANCE 12/31/2016				**$3,022,604.77**

Transactions Affecting the GSWA Reserves - July to December 2016

7/1/2016 through 12/31/2016

Date	Account	Description	Memo	Amount
BALANCE 6/30/2016				**$ 230,684.62**
7/7/2016	New Cell Devlopment Acct	New Cell Development Account	Monthly Deposit	4,166.67
7/29/2016	New Cell Devlopment Acct	Interest Earned	Bank of Guam Interest	24.85
8/9/2016	New Cell Devlopment Acct	New Cell Development Account	Monthly Deposit	4,166.67
8/31/2016	New Cell Devlopment Acct	Interest Earned	Bank of Guam Interest	25.26
9/9/2016	New Cell Devlopment Acct	Interest Earned	Bank of Guam Interest	24.88
9/9/2016	New Cell Devlopment Acct	New Cell Development Account	Monthly Deposit	4,166.67
10/11/2016	New Cell Devlopment Acct	Interest Earned	Bank of Guam Interest	26.12
10/11/2016	New Cell Devlopment Acct	New Cell Development Account	Monthly Deposit	4,166.67
11/8/2016	New Cell Devlopment Acct	New Cell Development Account	Monthly Deposit	4,166.67
11/30/2016	New Cell Devlopment Acct	Interest Earned	Bank of Guam Interest	25.75
12/7/2016	New Cell Devlopment Acct	New Cell Development Account	Monthly Deposit	4,166.67
12/30/2016	New Cell Devlopment Acct	Interest Earned	Bank of Guam Interest	27.07
BALANCE 12/31/2016				**$ 255,838.57**

Transactions Affecting the GSWA Reserves - July to December 2016

Cell Closure Account

7/1/2016 through 12/31/2016

Date	Account	Description	Memo	Amount
BALANCE 6/30/2016				**$ 230,684.62**
7/7/2016	Cell Closure Account	Cell Closure Account	Monthly Deposit	4,166.67
7/29/2016	Cell Closure Account	Interest Earned	Bank of Guam Interest	24.85
8/9/2016	Cell Closure Account	Cell Closure Account	Monthly Deposit	4,166.67
8/31/2016	Cell Closure Account	Interest Earned	Bank of Guam Interest	25.26
9/9/2016	Cell Closure Account	Cell Closure Account	Monthly Deposit	4,166.67
9/30/2016	Cell Closure Account	Interest Earned	Bank of Guam Interest	24.88
10/11/2016	Cell Closure Account	Cell Closure Account	Monthly Deposit	4,166.67
10/31/2016	Cell Closure Account	Interest Earned	Bank of Guam Interest	26.12
11/8/2016	Cell Closure Account	Cell Closure Account	Monthly Deposit	4,166.67
11/30/2016	Cell Closure Account	Interest Earned	Bank of Guam Interest	25.75
12/7/2016	Cell Closure Account	Cell Closure Account	Monthly Deposit	4,166.67
12/30/2016	Cell Closure Account	Interest Earned	Bank of Guam Interest	27.07
BALANCE 12/31/2016				**$ 255,838.57**

Transactions Affecting the GSWA Reserves - July to December 2016

Layon Post Closure Account

7/1/2016 through 12/31/2016

Date	Account	Description	Memo	Amount
BALANCE 6/30/2016				**$ 461,368.85**
7/7/2016	Post-Closure Care Acct	Post-Closure Account	Monthly Deposit	8,333.33
7/29/2016	Post-Closure Care Acct	Interest Earned	Bank of Guam Interest	49.69
8/9/2016	Post-Closure Care Acct	Post-Closure Account	Monthly Deposit	8,333.33
8/31/2016	Post-Closure Care Acct	Interest Earned	Bank of Guam Interest	50.53
9/9/2016	Post-Closure Care Acct	Post-Closure Account	Monthly Deposit	8,333.33
9/30/2016	Post-Closure Care Acct	Interest Earned	Bank of Guam Interest	49.75
10/11/2016	Post-Closure Care Acct	Post-Closure Account	Monthly Deposit	8,333.33
10/31/2016	Post-Closure Care Acct	Interest Earned	Bank of Guam Interest	52.25
11/8/2016	Post-Closure Care Acct	Post-Closure Account	Monthly Deposit	8,333.33
11/30/2016	Post-Closure Care Acct	Interest Earned		51.5
12/7/2016	Post-Closure Care Acct	Post-Closure Account	Monthly Deposit	8,333.33
12/30/2016	Post-Closure Care Acct	Interest Earned	Bank of Guam Interest	54.14
BALANCE 6/30/2016				**$ 511,676.69**

Bank of Guam Ordot Dump Post-Closure CareReserve Account

7/1/2016 through 12/31/2016

Date	Account	Description	Memo	Amount
BALANCE 6/30/2016				$ -
10/25/2016	Ordot Dump Post Closure Care Reserve	Ordot Dump Post Closure Care Reserve	Opening transfer to establish account	$ 2,166,666.67
10/31/2016	Ordot Dump Post Closure Care Reserve	Bank Of Guam		$ (5.00)
10/31/2016	Ordot Dump Post Closure Care Reserve	Interest Earned	Bank of Guam Interest	$ 51.94
11/8/2016	Ordot Dump Post Closure Care Reserve	Ordot Dump Post Closure Care Reserve		$ 166,666.67
11/30/2016	Ordot Dump Post Closure Care Reserve	Interest Earned	Bank of Guam Interest	$ 235.73
12/7/2016	Ordot Dump Post Closure Care Reserve	Ordot Dump Post Closure Care Reserve	Monthly Contribution	$ 166,666.67
12/30/2016	Ordot Dump Post Closure Care Reserve	Interest Earned	Bank of Guam Interest	$ 262.01
7/1/2016 - 12/31/2016				$ 2,500,544.69
BALANCE 12/31/2016				**$ 2,500,544.69**
TOTAL INFLOWS				**$ 2,500,549.69**
TOTAL OUTFLOWS				**$ (5.00)**
NET TOTAL				**$ 2,500,544.69**

Alicia G. Limtiaco
Attorney

Alberto Tolentino
Chief Deputy Attorney General

OFFICE OF THE ATTORNEY GENERAL

May 28, 2009

David Manning
Special Principle Associate
GBB's Receiver Representative
GBB Solid Waste Management Consultants
Government of Guam
Department of Public Works
Solid Waste Management Division
542 North Marine Dr. Corps
Tamuning, Guam 96913

Ref: GOV 09-0442

Re: Salary Increases for DPW Employees

Dear Mr. Manning:

You forwarded a letter dated May 20, 2009 to Attorney Thomas P. Keeler indicating that you intend to supplement (or increase) the salaries of two classified employees who work at the Solid Waste Management Division (SWMD) of the Department of Public Works (DPW) and increase the salary of one vacant position at SWMD. You indicate that you will ask the Court to approve payment of the increased amounts from the Trustee Account. You indicate that the SWMD employees have responsibilities and duties comparable to certain positions at Guam Water Works Authority (GWA) and therefore, the salaries of the SWMD employees will be increased to the amount now paid for the GWA positions. You have asked if the Office of the Attorney General has any concerns or suggestions regarding this action.

The Government of Guam, through the Office of the Attorney General, objects to the taking of such action because it is in violation of federal law and local law. The Organic Act of Guam requires that the Guam Legislature establish a merit system and, as far as practicable, appointments and promotions must be made in accordance with such merit system. 28 USC § 1422c(a). In response to this Organic Act mandate, the Legislature has established a merit system through duly enacted laws and rules and regulations. See generally 4 GCA, Chapters 1 through 6. Your plan for the three SWMD positions would create three new positions at SWMD without following the required procedures and would then fill the positions created without going through the merit system as required by the Organic Act.

In order to avoid clear violations of law, new positions can be created pursuant to the established procedures and the positions then can be filled according to the merit system. Also, there is an existing procedure to reclassified existing positions to fit the duties and responsibilities being performed by the persons filling the positions. We have been advised by officials at the Department of Administration (DOA) that no one representing the Receiver or DPW has made a request to DOA for the creation of new positions or the reclassification of existing positions. The

following is a brief description of the requirements for creating new positions and for filling classified positions under the merit system.

I. Creating New Positions

DOA has been tasked with the responsibility to create new positions within the Government of Guam. "All Guam statutes and regulations … which refer to the non-adjudicatory authority of the Civil Service Commission … are hereby amended to reflect the transfer of said authority to the Director of Administration, who shall henceforth perform all functions regarding … the creation of new positions…" P.L. 28-68: IV: §45.

The process for creating new positions in the Government of Guam is not complicated, nor time consuming. However, in order to reduce unnecessary duplication and to confirm that the requirements and qualifications for the person who is to fulfill that particular responsibility are understood, there is a process established by law. The process, to include the development of qualifications for a particular job, and the amount to be compensated for that job is important in order to assure merit-based employment based upon competitive selection. Such is required by the Organic Act and due process of law. The following is a brief discussion.

The process for job creation and establishment is:

1) The department, in this case, Public Works (or the Receiver) determines that a new position is necessary and petitions the Director of DOA in writing.
2) The petition is accompanied by the justification for the new position; the essential details concerning the position; an analysis of the position with similarities to already established positions; the position description; the proposed pay range for the position; and a best estimate of the fiscal impact of the position created. This information is required by law and necessary for DOA in order to determine the proper evaluation of the job for purposes of determining pay and qualifications. Note that it is appropriate to attach a job description from another department or agency, or from any other source to include the federal government or private sector.
3) The intent to create a new position is posted on both the DOA website, the website of the initiating agency, and published in print and broadcast media, thereby formally informing the community of the intention to create the position and inviting comments from the public concerning the intention. The website announcement is posted for 10 days.
4) The Director of DOA and the director of the initiating agency review comments received concerning the new position.
5) The Director of DOA forwards the request for the new position with a recommendation to the Governor.
6) The Governor may approve the creation of the position and, if so, forwards that approval to DOA and the Legislative Secretary.

The position may formally be filled thirty days after forwarding the formal approval of the Legislative Secretary. 4 GCA § 6303(c).

The Government of Guam has, by law, a unified and uniform system of position classification and compensation for the Executive and Judicial branches of government. See the

Uniform Position Classification and Salary Administration Act of 1991, 4 GCA §6102. This unified system works to assure that employment in the Government of Guam is based upon merit and competitive selection. The policy requires that compensation is based upon internal equity and external competitiveness, is targeted to U.S. averages and labor markets, and that compensation policies reward individual employees commensurate with performance. 4 GCA §6301. In order to implement these policies and accomplish these goals, the Director of Administration and the Governor provide oversight to the process of creating new positions and establishing compensation for those positions.

II. Filling New Positions

The Organic Act of Guam is the federal statute establishing the Government of Guam, and serves as Guam's constitution. *Bordallo v. Baldwin*, 624 F.2d 932 (CA 9, 1980). The Organic Act provides that the Guam legislature establish a system of government employment based upon merit. "The legislature shall establish a merit system and, as far as practicable, appointments and promotions shall be made in accordance with such merit system." 28 USC §1422c (a). This charge to establish a merit system of employment is specific and binds the Government of Guam. *Haeuser v. Department of Law*, 97 F. 3d 1152 (9th Cir. 1996).

Employees hired by the Government of Guam pursuant to competitive merit-based selection are classified employees. *Carleson v. Perez*, 2007 Guam 6, ¶32. Classified employees within the Government of Guam have a property interest in their employment. *Limtiaco v. Guam Fire Department*, 2006 Guam 10; *Carlson v. Perez*, 2007 Guam 6. Procedural due process imposes constraints on action taken by the government that deprives an individual of liberty or property interests within the meaning of the Due Process Clause of the Fourteenth Amendment. *Matthews v. Eldridge*, 424 U.S. 319, 96 S.Ct. 893, 47 L.Ed. 2d 18 (1976); Board *of Regents v. Roth*, 408 U.S. 564, 92 S. Ct. 2701 (1972). The hallmark of property is an individual entitlement grounded in state law, which cannot be removed except "for cause." *Logan v. Zimmerman Brush Co.*, 455 U.S. 422, 102 S.Ct. 1148 (1982).

As required by federal law, the Legislature did establish a merit system. It provides that "[e]mployment in the service of the Government of Guam *shall* be based upon merit, and selection and promotion of employees *shall* be free of personal *or* political consideration. … All personnel actions, including appointments and promotions, *shall* be based, insofar as practicable, on competitive practical tests and evaluations…" 4 GCA §4101(a) (emphasis contained within the statute). All employees of the Government of Guam have an interest in the proper application of the merit-based system of employment because promotion and upward mobility is determined by this same merit-based system. The system provides, as follows:

- "All offices and employment in the Government of Guam, except for employment as academic personnel of the Guam Community College (GCC) and the University of Guam (UOG), …, shall be divided into classified and unclassified services …" 4 GCA §4102.
- "No preferences shall be given in the government service, except that residents of Guam who are physically or mentally impaired, but are physically and mentally able to perform

> ..., who are veterans of the Armed Services of the United States, or who are former members of the Guam Police Combat Patrol, ... shall receive a preferential credit of five (5) points, which shall be added to their competitive examination score ..." 4 GCA § 4104.

- "Rules subject to criteria established by this Chapter governing the selection, promotion, performance, evaluation, demotion, suspension and other disciplinary action of classified employees shall be adopted ... by the Director of Administration as to all other Executive Branch employment." 4 GCA §4105(a).
- "The personnel rules provided for in §4105 of the Chapter shall provide procedures for the employment of persons on the basis of merit, and shall include an orderly and systematic method of recruitment and the establishment of qualified lists for employment purposes. ... Specific policies shall be included, governing ... (1) The announcement of vacancies and acceptance of applications for employment; (2) Preparation and conduct of examinations; (3) Establishment and use of employment lists containing names of persons eligible for employment; (4) Establishment of promotional policies; (5) Certification of employment of persons from employment lists to fill vacancies and the making of temporary and emergency appointments; ... (7) Transfer, promotion and reinstatement of employees in the competitive service; ... (10) Development of employee morale, welfare and training; ..." 4 GCA §4106.

The system is not cumbersome or difficult to comply with. DOA, Human Resources Division, has qualified personnel who administer this merit-based system effectively for thousands of employees and many departments and agencies. It necessarily takes some time to assure that the appointment of individuals to classified positions within the government is fair and equitable. However, the Organic Act requires that the process be followed in all instances when it is not impracticable to do so. 28 USC 1422c(a) and *Haeuser, supra.*

In addition to creating and filling new positions, DOA may reclassify existing positions if the duties and responsibilities of a position do not comport with the position being filled.

We do not believe that the Court's Order appointing the Receiver allows the Receiver to by-pass the requirements of the Organic Act and the merit system as these laws relate to the pay classifications for government employees. The Court ordered that the Receiver was to "assume all the responsibilities, functions, duties, powers and authority of the Solid Waste Management Division of the Department of Public Works and any and all departments, or other divisions of the Department of Public Works insofar as they affect the Government of Guam's compliance with the Consent Decree." See March 17, 2008 Order Re: Appointment of Receiver, pp. 15-16. DPW is subject to the requirements of the Organic Act and the merit system. In appointing a Receiver to assume the duties of DPW, the Court has not authorized the Receiver to ignore the requirements of the Organic Act and the merit system as they relate to government personnel. The Court has also ordered that the Government of Guam "shall be responsible for compensation and expenses of the Receiver and of any and all persons or entities employed or contracted by the Receiver in carrying out the provisions of this Order." *Id.* at 18. This allows the Receiver to hire its own employees and to enter into contracts for services. It does not allow the Receiver to violate the Organic Act mandate requiring the Government of Guam to establish a merit system and to make appointments

and promotions according to such system. And it does not allow the Receiver to avoid the requirements of the merit system established by the Guam Legislature. Classified employees employed by DPW are subject to the requirements of the merit system. It is our position that the Receiver, in assuming the duties of the SWMD of DPW, must follow the requirements of the merit system when dealing with DPW employees. If the Receiver deems it necessary to hire its own employees to handle Consent Decree matters or contract with other entities to handle Consent Decree matters, it can do so pursuant to and in compliance with Guam and federal laws.

PATRICK MASON
Deputy Attorney General