

I Mina'trentai Siette Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
165-37 (COR)	Sabino Flores Perez Chris Barnett Therese M. Terlaje Dwayne T.D. San Nicolas Joe S. San Agustin	AN ACT TO ADD A NEW ARTICLE 10 TO CHAPTER 51A OF TITLE 10 GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE GUAM SOLID WASTE AUTHORITY'S UNIVERSAL GARBAGE COLLECTION PLAN.	9/12/23 9:09 a.m.	9/14/23	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 9/14/23 9/25/23			



COMMITTEE ON RULES

Senator Chris Barnett, Chairperson
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature

September 25, 2023

To: **Joaquin P. Taitague**
Substitute Clerk of the Legislature

From: **Senator Chris Barnett** 
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 165-37 (COR)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 165-37 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 165-37 (COR)**

AN ACT TO ADD A NEW ARTICLE 10 TO CHAPTER 51A OF TITLE 10 GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE GUAM SOLID WASTE AUTHORITY'S UNIVERSAL GARBAGE COLLECTION PLAN.

Department/Agency Appropriation Information

Dept./Agency Affected: Guam Solid Waste Authority		Dept./Agency Head: Irvin L. Slike, General Manager	
Department's General Fund (GF) appropriation(s) to date:			\$0
Department's Other Fund (Specify) appropriation(s) to date: Solid Waste Operations Fund			\$15,250,243
Total Department/Agency Appropriation(s) to date:			\$15,250,243

Fund Source Information of Proposed Appropriation

	General Fund:	Special Fund:	Total:
FY 2022 Unreserved Fund Balance	\$0	\$0	\$0
FY 2023 Adopted Revenues	\$0	0	0
FY 2023 Appro. (P.L. 36-107)	\$0	0	0
Sub-total:	\$0	0	0
Less appropriation in Bill	\$0	0	0
Total:	\$0	0	0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2023 (if applicable)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Solid Waste Operations Fund 1/	\$0	\$0	\$653,436	\$1,061,322	\$1,076,372	\$1,086,467
Total	\$0	\$0	\$653,436	\$1,061,322	\$1,076,372	\$1,086,467

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|---|-----------|---------|----------|
| 1. Does the bill contain "revenue generating" provisions?
If Yes, see attachment | // N/A | /X/ Yes | // No |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? | /X/ N/A | // Yes | // No |
| 3. Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies?
Is there a federal mandate to establish the program/agency? | // N/A | // Yes | // X/ No |
| 4. Will the enactment of this Bill require new physical facilities? | /X/ N/A | // Yes | // X/ No |
| 5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason:
// Requested agency comments not received by due date | // N/A | // Yes | // No |
| | // Other: | | |

Analyst: <u>Jasmine C. Tereas, BMA I</u>	Date: <u>09/21/23</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>SEP 22 2023</u>
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Notes:
1/ See attachment for revenue generating provisions. Additionally, also attached are the comments, recommendations and the projected Islandwide Collection Revenues and Costs from the GSWA concerning the proposed legislation.

Bureau of Budget & Management Research
Attachment to Fiscal Note No. 165-37 (COR)
(for revenue generating provisions)

Projected Multi-Year Revenues					
	Year 1 (FY2023)	Year 2 (FY2024)	Year 3 (FY2025)	Year 4 (FY2026)	Year 5 (FY2027)
General Fund	\$0	\$0	\$0	\$0	\$0
Guam Solid Waste Fund:	\$0	\$1,947,758	\$3,921,145	\$3,946,890	\$3,972,751
Total	\$0	\$1,947,758	\$3,921,145	\$3,946,890	\$3,972,751

Comments: 1/

The Guam Solid Waste Authority (GSWA) provides the estimated revenues in the table above should the proposed legislation become law. The estimates are based off the projected Island Wide Collections less the estimated accounts of about 5,000 non paying customers. Year 2024 considered a deduction of these customers over 6 months, but considered the full year for the subsequent years (2025-2027) as the implementation of the provisions of this Act is effective six months from the date of adjudication of the Administrative Rules and Regulations.

According to comments received, the GSWA notes the following questions and concerns with Bill No. 165-37 (COR) relative to implementing the Universal Garbage Collection Plan, such as:

1. GSWA can only support a program that does not require GSWA ratepayer support or involvement in setting eligibility requirements. Can existing GovGuam assistance programs for other utility expenses be amended to include garbage collection?
2. The terms and conditions of tipping fees:
 - a. The square footage of a residential dwelling does not materially affect the generation of collected curbside solid waste. Rather, the number of people in the dwelling drive the per unit generation rate.
 - b. Home businesses do not appear by themselves to generate more refuse. GSWA would not have information available to make the determination of the existence of a home business.
 - c. GSWA does not collect from commercial or industrial properties.
3. GSWA recommends that the fees and fines collected shall be used for the capital, maintenance and operational needs of the Authority.

Comments on Bill 165-37:

51A1004 Customer Assistance Program

GSWA is authorized to establish a Customer Assistance Program to provide financial assistance to eligible ratepayers. GSWA shall establish income eligibility standards for the residential class ratepayer to receive financial assistance, which shall include a reduction or waiver of fees.

GSWA can only support a program that does not require GSWA rate payer support or involvement in setting eligibility requirements. There are Gov Guam assistance programs for other utility expenses that should be modified to cover this utility expense.

Annotated § 51A301. Tipping fees shall be subject to the following terms and conditions:

(a) All single-family residential units shall be assessed at the same rate,

(b) Single-family residential units in excess of six thousand square feet (6,000 sq. ft.) of living area may be assessed at a higher rate based on the average monthly volume of garbage collected,

(c) Single-family residential units used as a home business may be assessed at a higher rate based on the average monthly volume of garbage collected,

(d) Multifamily residential units shall be assessed at a rate not to exceed the rate established under item (a) of this Section, supra, times the number of residential units in the multifamily complex,

(e) Commercial and industrial buildings and complexes may be assessed at rate based on anticipated or actual volume of garbage generated,

(f) Fees for any other services not established, supra; and

(g) Any residential, commercial, or industrial buildings or complexes are exempt from tipping fees if the building or complex has contracted with a private garbage collection service.

GSWA recommends striking (b) The square footage of a residential dwelling does not materially affect the generation of curbside collected solid waste. The number of people in the dwelling drive the per unit generation rate.

GSWA recommends striking (c) Home businesses do not appear by themselves, to generate more refuse. In addition GSWA would not have information available to make the determination of the existence of home business. GSWA recovers excess waste generation through additional bin or bag tag charges.

GSWA recommends striking (e) GSWA does not collect from commercial or industrial properties, This is not applicable

Penalties for failure to subscribe, failure to pay tipping fees and late payment

fees and any other fees shall be established by the Guam Solid Waste Authority Board of Directors pursuant to Chapter 9, Title 5 Guam Code Annotated and in conjunction with the tipping fees established by § 51A1006 of this Article.”

GSWA recommends that the fees and fines collected shall be used for the capital, maintenance and operational needs of the Authority.

Guam Solid Waste Authority Comments: Universal Garbage Collection Plan

Island Wide Collection Revenues and Costs

Description	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Operating Revenues:					
Collection Sales					
Residential	\$ 8,197,575	\$ 8,234,464	\$ 8,271,519	\$ 8,308,741	\$ 8,346,130
Island Wide Collection	2,847,758	5,721,145	5,746,890	5,772,751	5,798,728
Residential Transfer Station	415,819	417,690	417,690	417,690	417,690
Residential Uncollectable Accounts	(343,835)	(345,382)	(433,083)	(434,975)	(436,876)
Government Agencies and Small Commercial	1,019,610	1,024,199	1,027,783	1,031,381	1,034,990
Major Commercial Haulers (with discount)	9,421,042	9,463,436	9,496,558	9,529,796	9,563,151
Interest and Other Income (DSF)	25,452	25,567	77,625	108,273	139,157
Trash Tag Fees	2,947	2,960	2,973	2,987	3,000
Reactivation / Restoration	35,682	35,843	35,843	35,843	35,843
Miscellaneous - Reimbursement	400,000	400,000	400,000	400,000	400,000
Host Community Premium Surcharge	327,003	328,475	328,475	328,475	328,475
Total Operating Revenues	\$ 22,349,053	\$ 25,308,396	\$ 25,372,274	\$ 25,500,960	\$ 25,630,287
Cash Outflows					
Mandatory Expenditures					
Personnel Expense	\$ 4,002,581	\$ 4,115,626	\$ 4,239,095	\$ 4,366,268	\$ 4,497,256
Contractual Services	10,895,208	11,392,148	11,527,715	11,664,894	11,803,707
Travel	24,286	24,575	24,867	25,163	25,462
Supplies	591,655	598,696	605,820	613,029	620,324
Equipment	5,242	5,305	5,368	5,432	5,496
Utilities - power and water	180,015	182,157	184,325	186,518	188,738
Post Closure Care					
Ordot Post Closure	2,000,000	2,000,000	2,000,000	2,000,000	-
Cell new and closure expenses - Ordot	1,700,000	2,550,000	2,550,000	2,550,000	2,550,000
New Cell Adjustments	(1,500,000)				750,000
Other Expenditures					
Capital Outlays	680,635	680,635	680,635	680,635	680,635
Debt Service Payment	3,047,833	3,049,833	3,051,604	3,057,479	3,058,229
Host Community Premium Benefits	300,000	300,000	300,000	300,000	307,655
Miscellaneous	243,708	246,608	249,543	252,512	255,517
Drug Testing	1,000	1,000	1,000	1,000	1,000
New Costs for Island Wide Program	653,436	1,061,322	1,076,372	1,086,467	1,099,192
Total Other Operating Expenses	\$ 22,825,598	\$ 26,207,905	\$ 26,496,343	\$ 26,789,398	\$ 25,843,212
Total Cash Outflows	\$ 23,479,034	\$ 27,269,227	\$ 27,572,715	\$ 27,875,865	\$ 26,942,404
Net Change in Cash	\$ (1,129,981)	\$ (1,960,831)	\$ (2,200,441)	\$ (2,374,905)	\$ (1,312,117)