

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
GUAM ECONOMIC DEVELOPMENT AUTHORITY

December 30, 2013

*Call to Order*

§1. The regular meeting of the Board of Directors of the **Guam Economic Development Authority** (referred to as “GEDA” or the “Authority”) was held on December 30, 2013 at the hour of 3:50 p.m. at the Guam Economic Development Authority Conference Room, Fifth Floor, Suite 511, ITC Building, Tamuning, Guam. The meeting was called to order to consider several items on the agenda.

*Attendance and Quorum*

§2. Roll Call. As determined by the roll call, the following directors were present:

***Directors:***

Edward J. Calvo  
David J. John  
Arlene P. Bordallo  
Vera Wu

***Offices or Positions:***

Chairman  
Vice Chairman  
Secretary  
Director

***Not Present:***

George Chiu  
Monte Mesa  
Henry Taitano

Director  
Director  
Administrator

***Also present were:***

***GEDA Officials:***

Mana Silva Taijeron  
Janalynn C. Damian  
Tom Fisher  
Diego Mendiola  
Anisia Terlaje  
Henry Cruz  
Claire Cruz  
Christina D. Garcia  
Lester Carlson  
Carl Quinata

Deputy Administrator  
GEDA Legal Counsel (Calvo Fisher & Jacob LLP)  
GEDA Conflicts Counsel (Fisher & Associates)  
Real Property Assistant Manager  
Special Assistant Inter-Agency Support  
Economist  
Loans & Compliance Manager  
Business Development Manager  
Public Finance Manager  
Industry Development Specialist

Nico Fujikawa	Public Finance Officer
Gloria Molo	Administrative Services Officer
Greg Sablan	Public Finance Assistant Manager
Therese Santos	Executive Assistant
Calvin Kelly	GEDA PMO
Steven Dierking	Chief Information/Marketing Manager

### *Approval of Agenda*

§3. The first item considered was approval of the agenda. Chairman Calvo requested changes to the order of items in Old Business. The reorder was to be: Real Property, Programs & Compliance, Public Finance, and Business Development. On motion to approve the changes requested by Chairman Calvo, duly made by Director John and seconded by Director Bordallo, the revised agenda was unanimously approved.

### *Approval of Minutes*

§4. The next item on the agenda was approval of the minutes of the September 24, 2013 and October 24, 2013 regular board meetings, and the November 6, 2013 special board meeting. On motion duly made by Director John and seconded by Director Bordallo to approve the minutes of the September 24 and October 24 regular meetings and the November 6 special meeting, said minutes were unanimously approved.

### *Communications*

§5. The next item on the agenda was Communications. There were none.

### *Old Business*

§6. The next item on the agenda was Old Business.

Chairman Calvo announced that the first item under Old Business will be a presentation given by Guam Resource Recovery Partners (“GRRP”). Mr. David Sablan, Project Coordinator, introduced himself along with Wagdy Guirguis, the President of GRRP from Hawaii, Mr. Joe Benavente, who will be handling the Power Point presentation, and Anita Arriola, Legal Counsel for GRRP.

GEDA Legal Counsel, Janalynn Cruz Damian, stated that her firm was conflicted from this matter and it was being handled by Tom Fisher, conflicts counsel, who was present.

Mr. Sablan informed the Board that the purpose of the presentation was to explain GRRP’s waste-to-energy (“WTE”) project. GEDA is the chief administrator for the Governor in this regard. Mr. Sablan continued to explain that the courts determined that there were some issues that needed to be cleaned up and those issues have been addressed. This presentation will be on the technology that will be used by GRRP and the economics of the project and will provide an overview of the project, which is environmentally good for the island.

Chairman Calvo informed the Board, for the record, that they were there to learn about the technology and economics and to keep in mind that there are ongoing negotiations and mediation topics that will not be discussed.

Mr. Sablan began his Power Point presentation and explained that there are 142 WTE facilities in operation in the United States, and another 49 either planned or under construction. WTE facilities and waste incinerators now handle approximately 16% of the nation's waste with more than 100,000 tons per day of combustion capacity. The primary considerations for selecting WTE options: Proven and reliable technology able to manage a major portion of the waste stream for the long term; in addition to reducing the volume of waste to be landfilled, a secondary benefit is the production of energy; when burned, waste volume is reduced by 90%, while producing about 350 – 550 kilowatt hours of electricity for each ton of refuse combusted. A photo of the WTE plant module was shown with how the solid waste is converted to renewable electrical power. The air emission quality concerns, in looking at the WTE facility versus the Piti power plant was explained and the pollutants were lower with the WTE facility. In 1991, two state-of-the-art plants opened with three primary functions: provide environmentally safe and cost-effective solid waste disposal solution; recover energy and recyclable ferrous metals; and reduce the quantity of waste subject to landfilling. Mr. Sablan explained that the plants generated enough electricity to service about 75,000 households in their community at an energy savings of 2.8 million barrels of oil. The WTE plants are part of an integrated system of waste management which includes recycling, waste-to-energy, and landfilling.

A summary of revised tipping fees for WTE versus Layon was presented showing how the fees will decrease throughout the years. The GRRP proposed disposal options would give the solid waste customers lower rates. The Solid Waste Authority maintains funds for operation and maintenance, and bondholders continue to be paid with section 30 money (\$14.5M of section 30 money will revert to the Government of Guam).

After the presentation, Attorney Anita Arriola explained that this is an opportunity for the Government of Guam to decide on what they want to do. Many countries and jurisdictions in the United States have WTE facilities so it's not just Guam that will be doing it. We need to recognize that we can't just use dumps for landfills, or recycle, or waste to energy by themselves, it has to be part of a bigger project. This is the first time that we actually have a private project coming to Guam that offers us, the people of Guam and the Government of Guam, the ability to decide for ourselves what we want to do with our waste disposal.

Mr. Sablan informed the Board that the facilities located in the United States are operated by GRRP's partner. This technology is not new; it's tried and proven throughout the country and Asia.

§7. The next item under New Business is Business Development: Marketing Budget Funding. Chairman Calvo informed the Board Members that this item will be tabled.

§8. The next item under New Business is Public Finance: State Small Business Credit Initiative ("SSBCI") Progress Report. Mr. Greg Sablan, Public Finance Assistant Manager,

presented to the Board that the program was launched about two years ago. Summary sheets were provided to the Board as an overview of the program. A week prior to the meeting, a press release was issued about the achievements of the program.

Mr. Sablan explained that on the first page of the summary it shows that over the two year span GEDA has created one hundred eighty-two (182) jobs, lent out a total of twenty-five (25) loans in the amount of four million seven hundred dollars (\$4,700,000) and a guaranteed amount of three million five hundred dollars (\$3,500,000). By doing that, GEDA has met its eighty percent (80%) threshold and is now able to apply for the second tranche of funds. GEDA has submitted an application for four million three hundred dollars (\$4,300,000).

Mr. Sablan referred the Board to the second page of the summary which shows the information in detail. There are twenty-five different loans that were given out; some of the clients have two sets of loans. There is a column showing the guaranteed percentages which are paid by the customers. GEDA is in the top twenty-five percent (25%) of lending throughout the States.

### *Reports*

§9. The next item on the agenda was Reports. There were none.

### *Public Comments*


§10. The next item on the agenda was Public comments. There was none.

§11. Having no further items to discuss, on motion to adjourn duly made Director Bordallo and seconded by Director John, at 4:27 p.m., the meeting was adjourned.

Dated this 20<sup>th</sup> day of February, 2014

  
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Edward J. Calvo  
Chairman

ATTEST:

  
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Arlene P. Bordallo  
Secretary