



January 20, 2014

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 2014, pursuant to the order of the Public Utilities Commission (PUC) issued July 30, 2013 relative to Host Community Premium Surcharge (HCPS) fees. This report will cover the period from October 1, 2013 through December 31, 2013.

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, 2013, total fees assessed in FY 2013 were \$313,561.96, while fees actually collected in during the fiscal year was \$257,236.62, leaving a balance of \$56,325.34 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 of the fees assessed in FY 2013 have now been collected.

The following table outlines the fees assessed in 2013, the amount now collected, the funds previously transferred to the Host Communities of Inarajan and Ordot-Chalan Pago as noted in past reports and the amount to be transferred per this report in order to achieve the

<b>FY 2013 HCPS Fees</b>	
<b>HCPS Fees</b>	<b>Amount</b>
Total HCPS Fees Assessed FY2013	\$ 313,561.96
Total HCPS Fees Collected FY2013	\$ 313,561.96
Funds Transferred Prior Reports	\$ 257,236.62
Funds to be Transferred per this Report	\$ 42,763.38
Funds held in Reserve	\$ 13,561.96

full \$300,000 (\$150,000 to each community) as provided in the law, with the remaining funds held in reserve.

With respect to the amount shown above as a reserve, we would respectfully request the Commission's guidance on the disposition of these funds. The law and order of the Commission clearly sets the annual amount to each community at \$150,000. The fee

assessed produced a somewhat greater amount. If the Commission so directs, we will disburse these funds equally to the respective communities or continue to hold the funds in the separate account established by GSWA pursuant to the PUC's Order as a reserve against any future shortfalls in the fund. We will await the Commission's guidance on the disposition of these funds.

With respect to the 2014 Fiscal Year, the following table outlines the HCPS fees charged and actually collected during the quarter ended December 31, 2013:

<b>Host Community Premium Surcharge Fees</b>									
First Quarter FY 2014									
Account	October 2013		November 2013		December 2013		Total Fees Collected		
	Units	HCPS Fee	Units	HCPS Fee	Units	HCPS Fee	HCPS Fee	% Paid	Amount
MR RUBBISHMAN	2,626.60	\$ 9,376.96	2,388.01	\$ 8,525.20	2,500.71	\$ 8,861.31	\$ 26,763.47	30.15%	\$ 8,070.16
TRASHCO	181.36	\$ 647.46	136.46	\$ 487.16	145.68	\$ 577.79	\$ 1,712.41	59.08%	\$ 1,011.70
LAGU SANITATION COMPANY	745.82	\$ 2,662.58	630.10	\$ 2,249.46	638.35	\$ 2,381.55	\$ 7,293.58	19.66%	\$ 1,433.65
PACIFIC WASTE SYSTEMS, LLC	1,013.70	\$ 3,618.91	851.22	\$ 3,038.86	923.08	\$ 3,278.96	\$ 9,936.72	85.74%	\$ 8,519.95
ISLAND WASTE MANAGEMENT	107.34	\$ 383.20	69.73	\$ 248.94	95.80	\$ 300.93	\$ 933.07	61.24%	\$ 571.40
NAVFACMAR GUAM	661.98	\$ 2,363.27	576.35	\$ 2,057.57	612.43	\$ 2,336.48	\$ 6,757.32	24.05%	\$ 1,625.02
ALL OTHER COMMERCIAL ACCOUNTS	24.26	\$ 86.61	23.10	\$ 82.47	28.64	\$ 84.43	\$ 253.51	0.00%	\$ -
GUAM WATERWORKS AUTHORITY	588.72	\$ 2,101.73	522.71	\$ 1,866.09	529.56	\$ 1,840.78	\$ 5,808.60	74.74%	\$ 4,341.60
ALL OTHER GOVERNMENT ACCOUNTS	33.13	\$ 118.28	21.86	\$ 78.03	28.84	\$ 86.29	\$ 282.59	0.00%	\$ -
RESIDENTIAL ACCOUNTS	16,764.00	\$ 6,370.32	16,764.00	\$ 6,370.32	16,853.00	\$ 6,404.14	\$ 19,144.78	18.58%	\$ 3,556.76
<b>Total</b>		<b>\$ 27,729.31</b>		<b>\$ 25,004.08</b>		<b>\$ 26,152.66</b>	<b>\$ 78,886.05</b>	<b>36.93%</b>	<b>\$ 29,130.25</b>

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 \$78,886.05 in HCPS fees during the quarter ending December 31, 2013. 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, 2013 will not be collected until the next reporting period. The following table outlines the fees assessed since October 1, 2013, the fees actually collected and the funds available for transfer from the period ending December 31, 2013:

<b>FY 2014 HCPS Fees</b>	
<b>HCPS Fees</b>	<b>Amount</b>
Total HCPS Fees Assessed YTD FY2014	\$ 78,886.05
Total HCPS Fees Collected YTD FY2014	\$ 29,130.25
Funds Transferred Prior Report	\$ -
Funds to be Transferred this Report	\$ 29,130.25

As directed by your most recent order in this matter, GSWA will transfer the available funds in equal amounts, to the Host Community Municipal Planning Council Accounts established by the Host Communities of Inarajan and Ordot-Chalan Pago.

The total transfer to the Host Communities for this reporting period will be \$71,893.63 (FY 2013 funds of \$42,763.38 plus FY 2014 funds of \$29,130.25) in equal amounts of \$35,946.81. The remaining balance in GSWA's Host Community Benefit Account is \$13,660.20.

Interest earnings on the HCPS fees held by GSWA during the reporting period were \$98.24.

Finally, as noted in our last report, there were discussions between the Mayors of Inarajan and Ordot-Chalan Pago and the Department of Administration (DOA) concerning the funds GSWA transferred to DOA prior to the revisions in the process addressed in the Commission's order dated June 30, 2013. Pursuant to these discussions, DOA transferred the funds GSWA had previously transferred to DOA, back to GSWA for distribution to their respective communities. This transfer occurred on November 7, 2013 in the amount of \$90,620.16. On December 10, 2013, these funds were transferred in equal amounts of \$45,310.08 each to the respective accounts of Inarajan and Ordot.

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

Thank you.

Sincerely,

A handwritten signature in brown ink that reads "David L. Manning". The signature is written in a cursive style with a large, looping initial "D".

David L. Manning  
Receiver Representative

Attachment

c.c. Benita A. Manglona, Director  
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