



Office of the Governor of Guam

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Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

The Honorable Judith T. Won Pat, Ed.D.
Speaker
Mina' Trenta Na Liheslaturan Guahan
155 Hessler Street
Hagåtña, GU 96910

2010 APR 13 AM 9:37
- We

Dear Speaker Won Pat:

Transmitted herewith is Substitute Bill No. 332-30 (COR) "AN ACT TO AMEND §51118 OF CHAPTER 51, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO REMOVING CERTAIN EXEMPTIONS TO GUAM'S SOLID WASTE TIPPING AND USER FEES" which I signed into law on April 2, 2010 as **Public Law 30-131**.

Sinseru yan Magåhet,

FELIX P. CAMACHO
I Maga'låhen Guahan
Governor of Guahan

Attachment: copy of Bill

30-10-0323
4/12/10
4:50

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Substitute Bill No. 332-30 (COR), "AN ACT TO AMEND §51118 OF CHAPTER 51, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO REMOVING CERTAIN EXEMPTIONS TO GUAM'S SOLID WASTE TIPPING AND USER FEES,"** was on the 19th day of March, 2010, duly and regularly passed.



Judith T. Won Pat, Ed. D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 22nd day of March, 2010, at
2:15 o'clock P.M.



Assistant Staff Officer
Maga'laha's Office

APPROVED:



FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: APR 02 2010

Public Law No. P.L.30-131

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

Bill No. 332-30 (COR)

As substituted by the Committee on Utilities,
Transportation, Public Works, and Veterans Affairs,
and amended on the Floor.

Introduced by:

B. J.F. Cruz
T. C. Ada
F. B. Aguon, Jr.
F. F. Blas, Jr.
E. J.B. Calvo
J. V. Espaldon
Judith P. Guthertz, DPA
T. R. Muña Barnes
Adolpho B. Palacios, Sr.
v. c. pangelinan
R. J. Respicio
Telo Taitague
Ray Tenorio
Judith T. Won Pat, Ed.D.

**AN ACT TO *AMEND* §51118 OF CHAPTER 51, TITLE
10, GUAM CODE ANNOTATED, RELATIVE TO
REMOVING CERTAIN EXEMPTIONS TO GUAM'S
SOLID WASTE TIPPING AND USER FEES.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Intent.** The government of Guam expects to
3 receive from the U.S. Department of Agriculture (USDA) an \$88.5 Million loan
4 and \$15 Million in grants for the construction of a new landfill. Certain provisions
5 of Guam law are in conflict with USDA lending requirements; specifically, that *no*
6 free service or use of the facility will be permitted.

1 The USDA loan, used in lieu of the Obligation (Section 30) Bonds, Series
2 2009A, provides an opportunity for the government of Guam to reprogram bond
3 proceeds to such other important capital improvement projects as the construction
4 of a new multi-purpose cultural, convention and performing arts center, a Guam
5 museum facility, a new John F. Kennedy High School, the expansion of the Guam
6 Memorial Hospital, and other much-needed facilities.

7 Since the USDA loan may be used *only* for solid waste management
8 projects, GovGuam must ensure the sound financial standing of the Solid Waste
9 Operations Fund, which is the depository of solid waste tipping and user fees
10 administered by the Department of Public Works Solid Waste Division.

11 It is the intent of *I Liheslaturan Guåhan* to ensure that the terms and
12 requirements of the USDA loan are met by eliminating certain solid waste tipping
13 fee exemptions under §51118 of Chapter 51, Title 10 of the Guam Code
14 Annotated.

15 **Section 2.** §51118 of Chapter 51, Title 10 of the Guam Code Annotated, is
16 hereby *amended* to read:

17 **“§51118. Tipping/User Fees and Solid Waste Operations Fund.**

18 (a) Legislative Intent. Tipping and user fees shall provide a
19 financing source for government of Guam costs and expenses directly
20 related to the closure of the Ordot landfill, the development, design,
21 construction, operation and final closure of a new sanitary landfill and the
22 Ordot landfill, as well as other solid waste management facilities that are
23 contracted or may be established by this Act and in accordance with the plan
24 and annual fiscal year appropriation for the Division of Solid Waste
25 Management of DPW.

1 (1) Tipping/user fees will vary depending on the nature of
2 collection, privatized contract for residential dwellings or hired
3 commercial collectors for other municipal solid waste outlets.

4 (2) For residential or dwelling, the charge is a user fee which
5 includes the collection fee with the disposal tipping fee.

6 (3) For commercial, including multi-family dwellings and
7 government agencies, the charge is a disposal tipping fee and does not
8 include collection fees independently charged by commercial waste
9 haulers.

10 (b) Effective Date of Charging Tipping Fees. The commercial and
11 residential tipping fees established in this § 51118 are charged beginning the
12 first day of the month following the adoption of supporting rules and
13 regulations by DPW under the Administrative Adjudication Law.

14 (c) Business and Governmental Tipping Fees. A tipping fee of
15 Four Dollars (\$4.00) per cubic yard, uncompacted, is hereby established for
16 business and government generators. For compacted trash, a tipping fee of
17 Four Dollars (\$4.00) per cubic yard multiplied by the compaction ratio of
18 any vehicle or container with compaction equipment, is hereby established
19 for business and government generators. Commercial and government
20 collectors shall provide the Department of Public Works the compaction
21 ratios of all equipment used to haul solid waste to the landfill to insure the
22 accurate assessment of tipping fees for compacted trash. This fee does *not*
23 include collection charges that are independently set by licensed commercial
24 collectors.

25 (d) Residential Tipping Fees. A residential tipping fee, which
26 includes collection charges, is hereby established for residential generators
27 in the amount of Eight Dollars (\$8.00) per dwelling per month.

1 (e) PUC Rate-making. The Public Utilities Commission of Guam
2 ['PUC'] is hereby authorized to establish, amend and approve, in accordance
3 with Chapter 12 of Title 12, Guam Code Annotated, all commercial,
4 government and residential tipping and user fees [including without
5 limitation a self-drop fee, a variable residential tipping fee and a targeted
6 lifeline rate for residential tipping fee, *collectively referred to as 'tipping*
7 *fees*], which when established shall replace those previously created by law
8 or by the Department of Public Works ['DPW']. Tipping fees established by
9 PUC shall be based on volume and on an actuarial analysis of costs of
10 service. Rate-making authority, which was previously given to the DPW
11 under this Section, is hereby *revoked*; provided, however, that DPW may
12 propose or recommend rates and charges to be approved by the PUC. PUC
13 is empowered to undertake a focused management audit of the existing
14 operations of the DPW Division of Solid Waste Management. In performing
15 its duties under this Section, PUC shall have the full authority and powers
16 conferred upon it by its enabling legislation, 12 GCA 12000 *et. sec.*,
17 including the audit power conferred upon it by Public Laws 25-05:12 and
18 26-78:2.

19 (f) Solid Waste Operations Fund. All tipping, user and other fees
20 authorized under this Section and collected based on duly established rules
21 and regulations or on a PUC rate order shall be deposited in a special fund
22 designated and hereby established as the Solid Waste Operations Fund. All
23 tipping/user fees in the Fund shall be used *solely* for solid waste
24 management practices and, pursuant to PUC order, for the payment of
25 regulatory costs and expenses as may be incurred by PUC in performing its
26 regulatory duties under Subsection (e).

1 (g) Notification to Department of Interior. Within thirty (30) days of
2 the enactment of this Act, the Governor shall notify the Department of
3 Interior of the establishment of tipping fees, for the purpose of releasing
4 Federal funds available to resolve environmental issues relative to the Ordot
5 Landfill. Unless otherwise restricted by any conditions, Federal funding will
6 be allocated between the Ordot Landfill compliance mitigation work and
7 closure.

8 (h) DPW to Develop Variable Residential Tipping Fees. In
9 recognition of the fact that the initial residential tipping fee established by
10 Public Law Number 24-272 is a flat fee, which discourages trash reduction,
11 penalizes smaller families and subsidizes large residential generators of
12 waste, the Department of Public Works shall develop a plan to institute a
13 sliding scale of residential tipping fees. The sliding scale shall, at a
14 minimum, charge residential generators based on the amount of waste
15 produced and picked up by the department. The plan shall also address the
16 methodology for billing individual residential customers based on the
17 revised variable tipping fee. The plan shall be submitted to *I Liheslaturan*
18 *Guåhan* within four (4) months of enactment of this Act.

19 (h) (1) Lifeline Rates for Tipping Fees. Notwithstanding any other
20 provision of law, the Department of Public Works shall, through the
21 development of rules and regulations pursuant to the Administrative
22 Adjudication Law, establish and modify from time to time, Targeted Lifeline
23 Rates for Residential Tipping Fees covering pick-up and delivery of
24 residential trash *only* that are consistent with and meeting the low income
25 eligibility criteria, requirement, policies or procedures established by the
26 Guam Housing and Urban Renewal Authority ('GHURA') applicable to their
27 Low Income Public Housing Program.

1 (i) Self-Drop Fee Established. Any person or entity that is *not* a
2 business or government generator shall be billed Two Dollars (\$2.00) per
3 vehicle load of solid waste delivered to a landfill operated by the
4 Department or its contractor; provided, that the vehicle load capacity is one
5 (1) ton or less. Vehicles in excess of said load capacity shall be billed a rate
6 that is based on an established formula developed by the Department.”

7 **Section 3. Effective Date.** This Act shall be effective upon final approval
8 by the United States Department of Agriculture of the loan and grant described in
9 Section 1 of this Act.

10 **Section 4. Severability.** *If* any provision of this Act, or its application to
11 any person or circumstances is held invalid, the invalidity shall *not* affect other
12 provisions or applications of this Act which can be given effect without the invalid
13 provision or application, and to this end the provisions of this Act are severable.