

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:) GSWA Docket 19-01
)
PUC Management Audit of GSWA (Scope)
of Work for Management Audit prepared) **ORDER**
by MSW Consultants))
_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [“PUC”] upon the mandate of the Guam Legislature that the PUC perform a management audit of the existing operations of the Guam Solid Waste Authority [“GSWA”].
2. In Public Law 34-058: 3, enacted on November 1, 2017, the Guam Legislature added 10 GCA § 51A119, which provides as follows:

“Management Audit by Public Utilities Commission. The Public Utilities Commission (PUC) shall perform a management audit of the existing operations of the Guam Solid Waste Authority. Said audit shall be initiated within sixty (60) days from the date of enactment of this Act and, to the maximum extent possible, completed by December 30, 2017. The PUC *shall* have the full authority and powers conferred upon it by its enabling legislation in Chapter 12 of Title 12 GCA.”

BACKGROUND

3. In September of 2018, MSW Consultants was selected by the Commission to advise it on matters involving the Guam Solid Waste Authority. Starting in October of 2018, the ALJ began discussions with MSW Consultants concerning whether it could undertake the Management Audit of GSWA.
4. The ALJ filed his report herein on July 20, 2019. Therein he details efforts he undertook with MSW Consultants to define the scope of the audit and its cost.
5. From the ALJ’s statement of the qualifications of MSW Consultants, MSW appears to be capable of performing the audit. It possesses an extensive data base of municipal solid waste operations in the United States; it also would be assisted in this undertaking by an engineering firm, Golder Associates, that has extensive experience in municipal solid waste operations. MSW Consultants maintains a

proprietary municipal solid waste and recycling collection model for use in validating productivity and efficiency metrics of operating systems.

6. The ALJ and MSW Consultants undertook a deliberative process to refine the scope of the Audit and to set an appropriate cost.
7. GSWA has been involved in the process of establishing the scope for the audit and has evidenced a "buy-in" to that process.
8. The PUC adopts the findings and recommendations of the ALJ in his Report.

DETERMINATIONS

9. The Legislature has mandated that a management audit of GSWA be undertaken. 10 GCA § 51A119 also mandates that Public Utilities Commission perform the management audit of the existing operations of GSWA.
10. The PUC may undertake the audit through the auspices of its consultant, MSW Consultants.
11. The "FINAL PROPOSAL" of MSW for the Management Audit is attached as Exhibit "1" to the ALJ Report.
12. The PUC finds that the proposed tasks set forth in the Scope of the Management Audit should be undertaken, and that the results of the audit should assist GSWA in undertaking its management functions.
13. The tentative Management Audit Schedule should be approved, and the authorized Management Audit Budget total should be \$278,400.

ORDERING PROVISIONS


Upon consideration of the record herein, 10 GCA § 51A119, and the ALJ Report, and for good cause shown, upon motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby **ORDERS** that:

1. The PUC hereby approves the FINAL PROPOSAL of MSW Consultants for the Management Audit of GSWA.
2. The tentative Management Audit Schedule is approved, and the authorized Management Audit Budget total shall be \$278,400.

Dated this 25th day of July, 2019.



Jeffrey C. Johnson
Chairman



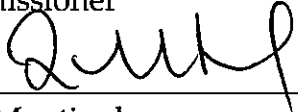
Rowena E. Perez
Commissioner



Joseph M. McDonald
Commissioner



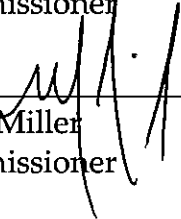
Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner



Filomena M. Cantoria
Commissioner



Mark Miller
Commissioner