



March 9, 2009

The Honorable Frances Tydingco-Gatewood  
Chief Judge  
District Court of Guam  
520 West Soledad Avenue  
Hagatna, Guam 96910

Re: Approval of Disbursement Procedures for the Citibank Trust Account

Dear Judge Tydingco-Gatewood:

Pursuant to your Order of January 2, 2009 approving our request that Citibank of Guam be designated as Trustee, we are submitting the attached disbursement procedures for your approval.

In developing these procedures we have consulted widely with the relevant parties including:

1. The Bureau of Budget and Management Research;
2. The Department of Administration;
3. The Office of the Public Auditor;
4. The Office of the Attorney General;
5. The U.S. Department of Justice; and
6. Citibank.

The attached procedures addressed all of the suggestions we received with the exception of the request from the Department of Administration that they be given approval authority and become a signatory to the Trust Account.

As you will recall, this issue also came up in the hearing held on February 18, 2009. We expressed concern at that time about this request from the Department of Administration due to our concern about actual payment delays and the perception of current and future contractors that approval authority for the Government of Guam could put timely payment for their work at risk. Since that time, we have developed additional concerns based on the Guam Legislature's recent enactment of Public Law 30-01 which includes a provision (Section 6) directing officials of the Government, including the Director of Administration, not to transfer funds in compliance with the Orders of the court in this case. This action by the Guam Legislature appears to be a further indication that an approval authority for the Government of Guam could detrimentally affect timely compliance with the Consent Decree.

Government of Guam  
Department of Public Works, Solid Waste Management Division  
542 North Marine Corps Drive, Tamuning, Guam 96913  
Phone: (671) 646-4379, Ext. 201 or 212  
[www.GuamSolidWasteReceiver.org](http://www.GuamSolidWasteReceiver.org)  
[www.gbbinc.com](http://www.gbbinc.com)

The Honorable Frances Tydingco-Gatewood

March 9, 2009

Page 2

We have provided a method to assure that Government officials have a full opportunity to review all disbursements authorized by the Receiver pursuant to these procedures, register any objections, and have those objections addressed by the Receiver. If the Receiver is unsuccessful in resolving the objection to the Government's satisfaction, the objection will be submitted to the court for resolution. We believe this process effectively addresses the legitimate concerns of the Government of Guam.

The Department of Administration also requested that their own engineer be allowed to review the documents as a part of the payment process. This would be in addition to the review to be routinely conducted by Mr. Chris Lund, GBB's Project Engineer. We have no objection to their request but we do, however, object to their request that Danilo R. Galizo, an engineer for DPW, be assigned to undertake this review for the Government of Guam. Mr. Galizo is the engineer assigned to work full time for the Receiver at Ordot Dump. He does not have the time to do this and perform his important duties at the Ordot Dump. It would also appear that having a second engineer working for the Receiver review the documents would be redundant.

We respectfully request the approval of the court for the attached procedures.

Thank you.

Sincerely,



David L. Manning  
Receiver Representative

c.c. Mr. Harvey Gershman, President  
Gershman, Brickner and Bratton, Inc.