



Office of the Governor of Guahan

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Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

2010 MAY 19 PM 3:42

MAY 19 2010

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

Dear Speaker Won Pat:

Transmitted herewith is Bill No. 368-30 (COR) "AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY (GPA) OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM", which I signed into law on May 17, 2010 as Public Law 30-147.

Sinseru yan Magåhet,

MICHAEL W. CRUZ, M.D.
I Maga'låhen Guahan para pa'go
Acting Governor of Guahan

Attachment: copy of Bill

30-10-0465
5/19/10
JTC

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

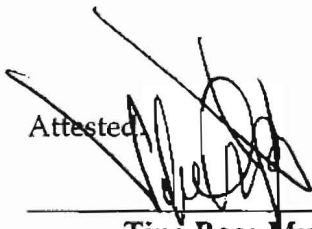
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Bill No. 368-30 (COR), "AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY (GPA) OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM", was on the 3rd day of May, 2010, duly and regularly passed.



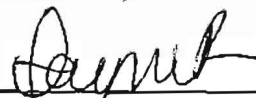
Judith T. Won Pat, Ed. D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 5th day of May, 2010, at 4:00 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



MIKE W. CRUZ, MD
GOVERNOR OF GUAM ACTING

MAY 17 2010

Date: _____
Public Law No. P.L. 30-147

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

Bill No. 368-30 (COR)

As amended in the Committee of the Whole.

Introduced by:

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

AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY (GPA) OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.

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

2 **Section 1. Legislative Findings.** (a) §8203 of Title 12 of the Guam Code

3 Annotated provides that the Guam Power Authority (GPA) is authorized to incur
4 indebtedness by the issuance of revenue bonds with the approval of *I Maga'lahi*
5 (the Governor) to raise funds for the purpose of establishing the electric power
6 system of GPA, or of acquiring lands for the system, or of acquiring, constructing,
7 improving, equipping, maintaining, repairing, renewing, replacing, reconstructing
8 or insuring the system, or any part thereof, or for the purpose of refunding any such
9 bonds, or for any combination of such purposes.

10 (b) §12004 of Title 12 of the Guam Code Annotated provides that the
11 GPA *shall not* enter into any contractual agreements *or* obligations (including
12 bonds) which could increase rates and charges prior to the written approval of the
13 Guam Public Utilities Commission (GPUC).

14 (c) §50103 of Title 12 of the Guam Code Annotated provides that
15 agencies and instrumentalities of the government of Guam, including GPA, *shall*
16 issue bonds and other obligations only by means of, and through the agency of the
17 Guam Economic Development Authority (GEDA), and that GEDA *shall not* sell
18 any bond without the approval by *I Liheslaturan Guåhan* of the terms and
19 conditions of the issuance of the bonds.

20 (d) GPA applied for and has been awarded a grant in the amount of
21 approximately \$16.6 Million Dollars from the Office of Electricity Delivery and
22 Energy Reliability of the United States Department of Energy (DOE) for the
23 modernization of its electric grid infrastructure through automation of the electric
24 distribution system and acquisition and installation of smart electric meters for
25 customers (the "Smart Grid project"). The DOE requires GPA to provide funds to
26 match the grant for the Smart Grid project within one hundred twenty (120) days
27 of GPA's acceptance of the award from the DOE.

1 (e) GPA expects the Smart Grid project to create two hundred twenty
2 (220) jobs during the first thirty-six (36) months, and to result in up to Five Million
3 Dollars (\$5,000,000) of annual cost savings for GPA in each fiscal year for the first
4 fifteen (15) years following completion of the installation of the Smart Grid
5 project.

6 (f) GPA expects the construction of an administration building to
7 stabilize and reduce the costs of providing the necessary space for administration
8 and related services and to provide an opportunity to consolidate the office spaces
9 of GPA and the Guam Waterworks Authority.

10 (g) GPA needs to finance the completion of certain generation,
11 transmission and distribution projects for the purpose of enhancing system
12 reliability, improving system stability, and installing new fire protection equipment
13 in several of its power plants.

14 (h) GPA has outstanding certain revenue bonds, known as the 1993 Series
15 A Bonds and the 1999 Series A Bonds, and certain subordinate obligations relating
16 to its commercial paper program.

17 (i) Based on current market conditions, GPA expects to be able to
18 refinance certain of its outstanding revenue bonds for debt service savings or in
19 order to restructure debt service.

20 (j) On April 6, 2010, the Consolidated Commission on Utilities (CCU)
21 adopted a resolution relative to: (1) approving the issuance of additional revenue
22 bonds; (A) to finance the local matching portion of the costs of the Smart Grid
23 project and the costs of an administration building and certain other generation,
24 transmission and distribution projects; and (B) to refund all or a portion of the
25 outstanding GPA revenue bonds; and (2) approving the issuance of subordinate
26 revenue bonds to provide for reserves and to pay the costs of refinancing GPA's
27 outstanding obligations relating to its commercial paper program.

1 (k) *I Liheslaturan Guåhan* has determined to approve the issuance of
2 revenue bonds by GPA for the purposes described in subparagraph (1) of the
3 preceding paragraph and the issuance of subordinate revenue bonds by GPA for
4 the purpose described in subparagraph (2) of the preceding paragraph, all subject to
5 approval by *I Maga'lahaen Guåhan*, the GPUC and the Board of Directors of
6 GEDA in accordance with law.

7 **Section 2. Approval of the Terms and Conditions of the Issuance by**
8 **GPA of Revenue Bonds to Finance the Local Matching Portion of the Costs of**
9 **the Smart Grid Project, Certain Other Generation, Transmission and**
10 **Distribution Projects, and the costs of an Administration Building.**

11 (a) *I Liheslaturan Guahan*, pursuant to §50103(k) of Title 12 of
12 the Guam Code Annotated, hereby approves the terms and conditions of the
13 issuance by GPA of revenue bonds in a principal amount *not to exceed* One
14 Hundred Fifty-five Million Dollars (\$155,000,000) for the purpose of
15 financing the projects and paying the other costs listed in Subsection (c) of
16 this Section, *provided*, that such bonds have a final maturity *not later than*
17 thirty-two (32) years from their date of issuance, bear interest at such rate *or*
18 rates and are sold for such price or prices as *shall* result in a net interest cost
19 to GPA *not exceeding* the limitation provided by §8214 of Chapter 8 of Title
20 12 of the Guam Code Annotated, as amended, and are issued and sold
21 pursuant to GPA's existing bond indenture and otherwise in compliance
22 with the provisions of Chapter 8 of Title 12 of the Guam Code Annotated,
23 including approval by the CCU and by *I Maga'lahaen Guåhan* as provided
24 therein.

25 (b) The sale of the bonds *shall* be approved by the Board of
26 Directors of GEDA, as provided by Chapter 50 of Title 12 of the Guam
27 Code Annotated, and the terms and conditions of the issuance of the bonds

1 *shall* be approved by the GPUC, as provided by Chapter 12 of Title 12 of the
2 Guam Code Annotated.

3 (c) The proceeds of the bonds may be applied to pay for the costs
4 of issuance of the bonds, for accrued and capitalized interest thereon, for
5 credit enhancement therefore, to provide for reserves and to pay the local
6 matching portion of the costs of the Smart Grid project, the costs of an
7 administration building, and other generation, transmission and distribution
8 projects, including, but *not limited to*, environmental compliance, generation
9 improvements, underground fuel pipeline conversion, fire protection
10 upgrades at GPA facilities, power substation/transmission upgrades and
11 improvements, system protection relaying improvements, and power
12 distribution system improvements, subject in each case to approval by the
13 GPUC of such projects in accordance with Chapter 12 of Title 12 of the
14 Guam Code Annotated.

15 **Section 3. Approval of the Terms and Conditions of the Issuance by**
16 **GPA of Refunding Bonds.**

17 *I Liheslaturan Guåhan*, pursuant to §50103(k) of Title 12 of the Guam
18 Code Annotated, hereby approves the terms and conditions of the issuance
19 of revenue bonds by GPA for the purpose of refunding all or a portion of
20 GPA's outstanding 1993 Series A and 1999 Series A revenue bonds in
21 accordance with the following requirements, limitations, terms and
22 conditions:

23 (a) The aggregate principal amount of the refunding bonds
24 *shall not exceed* the amount determined in accordance with §8229 of
25 Title 12 of the Guam Code Annotated, provided that the refunding
26 results in a positive net present value savings to the Authority. All
27 obligation of GPA to pay debt service on and the redemption price of,

1 the prior bonds *shall* be discharged concurrently with the issuance of
2 the refunding bonds. Thereafter, the prior bonds *shall* be payable
3 solely from and secured solely by an escrow established for such
4 purpose.

5 (b) The final maturity of the refunding bonds *shall not* be
6 greater than fifteen (15) years after the final maturity of the bonds
7 being refunded.

8 (c) Such bonds *shall* be issued and sold pursuant to GPA's
9 existing bond indenture and in compliance with the provisions of
10 Chapter 8 of Title 12 of the Guam Code Annotated, including
11 approval by the Consolidated Commission on Utilities and by *I*
12 *Maga'lahaen Guåhan* as provided therein.

13 (d) The sale of the bonds *shall* be approved by the Board of
14 Directors of GEDA, as provided by Chapter 50 of Title 12 of the
15 Guam Code Annotated, and the bonds *shall* be approved by the
16 GPUC, as provided by Chapter 12 of Title 12 of the Guam Code
17 Annotated.

18 **Section 4. Approval of the Terms and Conditions of the Issuance by**
19 **GPA of Subordinate Revenue Bonds to Refinance Outstanding Commercial**
20 **Paper Notes.**

21 (a) *I Liheslaturan Guåhan*, pursuant to §50103(k) of Title 12 of the
22 Guam Code Annotated, hereby approves the terms and conditions of the
23 issuance by GPA of subordinate revenue bonds in a principal amount *not to*
24 *exceed* Sixty-five Million Dollars (\$65,000,000) for the purposes listed in
25 Subsection (c) of this Section, *provided*, that such bonds have a final
26 maturity *not later than* October 1, 2019, bear interest at such rate *or* rates
27 and are sold for such price *or* prices as *shall* result in a yield to the

1 bondholders *not exceeding* nine percent (9%) per annum, and are issued and
2 sold in accordance with the provisions of Chapter 8 of Title 12 of the Guam
3 Code Annotated, including approval by the CCU and by *I Maga'laha*
4 *Guåhan* as provided therein.

5 (b) The sale of the subordinate bonds *shall* be approved by the
6 Board of Directors of GEDA, as provided by Chapter 50 of Title 12 of the
7 Guam Code Annotated, and the subordinate bonds *shall* be approved by the
8 GPUC, as provided by Chapter 12 of Title 12 of the Guam Code Annotated.

9 (c) The proceeds of the subordinate bonds may be applied to pay
10 for the costs of issuance of the subordinate bonds, for credit enhancement
11 therefore, to provide for reserves and to pay the costs of refinancing GPA's
12 outstanding obligations relating to its commercial paper program, subject in
13 each case to approval by the GPUC of such purpose in accordance with
14 Chapter 12 of Title 12 of the Guam Code Annotated. The funding of the
15 reserves is part of a plan by the Authority to defer a planned surcharge
16 which has been ordered by the Public Utilities Commission, reduce the rate
17 of the surcharge, and provide funding immediately to the reserve fund to
18 ensure GPA is in a better position to respond to any natural disaster that
19 might impact the island's power grid.

20 **Section 5. Amendment of Article 2, Chapter 8 of Title 12 of the Guam**
21 **Code Annotated.** §8214(a) of Article 2, Chapter 8 of Title 12 of the Guam Code
22 Annotated, is hereby *amended* to read as follows:

23 “(a) Bonds *shall* bear interest at a net rate of *not to exceed* nine
24 percent (9%) per annum, after subtracting from bond interest the amount of
25 any direct subsidy payment to be received from the United States in
26 connection with such Bonds. Interest *shall* be payable annually or semi-
27 annually *or* in part annually and in part semi-annually except that the first

1 coupon on any bond may be payable any number of months *less than* twelve
2 (12) after the date of such bond.”

3 **Section 6. Local Sales of Bonds.** GEDA *shall* undertake its best efforts to
4 cause a portion of any bonds approved pursuant to Section 2, 3 or 4 of this Act, to
5 be offered for sale to residents of Guam, as well as to residents of other
6 jurisdictions, *if* and to the extent that such offer and any sales resulting from such
7 offer do *not* increase the costs to GPA of issuing and repaying such bonds.
8 Notwithstanding any other provision of law to the contrary, these bonds may be
9 sold to employees of GPA.



**COMMITTEE ON ECONOMIC DEVELOPMENT,
HEALTH & HUMAN SERVICES, AND JUDICIARY**

I Mina' Trenta na Liheslaturan Guåhan • 30th Guam Legislature

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April 28, 2010

**Honorable Judith T. Won Pat
Speaker**

I Mina' Trenta na Liheslaturan Guåhan
155 Hesler Place
Hagatña, Guam 96910

VIA: The Honorable Rory J. Respicio
Chairperson, Committee on Rules

RE: Committee Report - Bill No. 368-30 (COR)

2010 APR 29 AM 11:24
JWW

Dear Speaker Won Pat:

Transmitted herewith is the Committee Report on Bill No. 368-30 (COR) - "AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM." - sponsored by SENATORS FRANK B. AGUON, JR., THOMAS C. ADA, and ADOLPHO B. PALACIOS, SR., and referred to the Committee on Economic Development, Health & Human Services, and Judiciary. Bill No. 368-30 (COR) was publicly heard on April 27, 2009.

Committee votes are as follows:

- 6 TO PASS
- _____ NOT TO PASS
- _____ ABSTAIN
- 1 TO REPORT OUT ONLY
- _____ TO PLACE IN INACTIVE FILE

Respectfully,


SENATOR FRANK B. AGUON, JR.
Chairman

Attachment

FRANK B. AGUON, JR.
SENATOR, CHAIRMAN

ADOLPHO B. PALACIOS, SR.
SENATOR, VICE CHAIRMAN

JUDITH T. WON PAT
SPEAKER
EX-OFFICIO MEMBER

BENJAMIN J.F. CRUZ
VICE SPEAKER

TINA ROSE MUÑA BARNES
LEGISLATIVE SECRETARY

THOMAS C. ADA
SENATOR

JUDITH P. GUTHERTZ
SENATOR

RORY J. RESPICIO
SENATOR

FRANK F. BLAS, JR.
SENATOR

TELO TAITAGUE
SENATOR

RAY TENORIO
SENATOR



**COMMITTEE ON ECONOMIC DEVELOPMENT,
HEALTH AND HUMAN SERVICES, AND JUDICIARY**
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COMMITTEE REPORT ON

BILL NO. 368-30 (COR); — Introduced by: SENATORS FRANK B. AGUON, JR., THOMAS C. ADA, ADOLPHO B. PALACIOS, SR.

“AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.”



**COMMITTEE ON ECONOMIC DEVELOPMENT,
HEALTH & HUMAN SERVICES, AND JUDICIARY**

I Mina' Trenta na Liheslaturan Guåhan • 30th Guam Legislature

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FRANK B. AGUON, JR.
SENATOR, CHAIRMAN

ADOLPHO B. PALACIOS, SR.
SENATOR, VICE CHAIRMAN

JUDITH T. WON PAT
SPEAKER
EX-OFFICIO MEMBER

BENJAMIN J.F. CRUZ
VICE SPEAKER

TINA ROSE MUÑA BARNES
LEGISLATIVE SECRETARY

THOMAS C. ADA
SENATOR

JUDITH P. GUTHERTZ
SENATOR

RORY J. RESPICIO
SENATOR

FRANK F. BLAS, JR.
SENATOR

TELO TAITAGUE
SENATOR

RAY TENORIO
SENATOR

April 28, 2010

MEMORANDUM

TO: All Members
Committee on Economic Development,
Health & Human Services, and Judiciary

FROM: Senator Frank B. Aguon, Jr.
Committee Chairman

SUBJECT: Committee Report on Bill No. 368-30 (COR).

Transmitted herewith for your consideration is the Committee Report on Bill No. 368-30 (COR) - "AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM." - sponsored by SENATORS FRANK B. AGUON, JR., THOMAS C. ADA, and ADOLPHO B. PALACIOS, SR.

This report includes the following:

- Committee Report Voting Sheet
- Committee Report Digest
- Copy of Bill No. 368-30 (COR)
- Public Hearing Sign-In Sheet
- Submitted Testimonies & Supporting Documents
- Copy of COR Referral of Bill No. 368-30 (COR)
- Notices of Public Hearing
- Copy of Public Hearing Agendas

Please take the appropriate action on the attached voting sheet. Your attention and cooperation on this matter is greatly appreciated. If you have any questions or concerns, please don't hesitate to contact me.

Un dangkulo' na Si Yu'us Ma'ase'.

Attachments



**COMMITTEE ON ECONOMIC DEVELOPMENT,
HEALTH AND HUMAN SERVICES, AND JUDICIARY**
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COMMITTEE VOTING SHEET

Bill No. 368-30 (COR) - "AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM." - sponsored by SENATORS FRANK B. AGUON, JR., THOMAS C. ADA, and ADOLPHO B. PALACIOS, SR.

	SIGNATURE	TO PASS	NOT TO PASS	REPORT OUT ONLY	ABSTAIN	PLACE IN INACTIVE FILE
FRANK B. AGUON, JR. Chairman	4/28/10	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ADOLPHO B. PALACIOS, SR. Vice Chairman	4/28/10	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BENJAMIN J.F. CRUZ Vice Speaker		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TINA ROSE MUÑA BARNES Legislative Secretary		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
THOMAS C. ADA		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
JUDITH P. GUTHERTZ		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RORY J. RESPICIO		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FRANK F. BLAS, JR.		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TELO TAITAGUE		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RAY TENORIO		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**COMMITTEE ON ECONOMIC DEVELOPMENT,
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COMMITTEE REPORT DIGEST

BILL NO. 368-30 (COR),

I. OVERVIEW

The Committee on Economic Development, Health & Human Services, & Judiciary, convened a public hearing on Tuesday, April 27, 2010 at 6:00 PM in *I Liheslatura's* Public Hearing Room. Among the items on the agenda was the consideration of Bill No. 368-30 (COR) - **“AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.”** - sponsored by SENATORS FRANK B. AGUON, JR., THOMAS C. ADA, and ADOLPHO B. PALACIOS, SR.

Public Notice Requirements

Notices were disseminated via hand-delivery / fax / email to all senators and all main media broadcasting outlets, and was published on April 21, 2010 (5-Day Notice) in the Marianas Variety, and again on April 23, 2010 (48-Hour Notice) in the Marianas Variety. The Public Hearing was called to order at 6:00 P.M.

Senators Present (as of the time of discussion of agenda item: Bill No. 368-30 (COR)):

Senator Frank B. Aguon, Jr., Chairperson
Senator Thomas C. Ada, Committee Member
Senator Telo Taitague, Committee Member
Senator V. Anthony Ada

The public hearing on Agenda Item (2) Bill No. 368-30 (COR) commenced at 12:38 PM.

II. SUMMARY OF TESTIMONY & DISCUSSION

CHAIRMAN FRANK B. AGUON, Jr., convened the public hearing and discussion on Agenda item **Bill No. 368-30 (COR)** at 6:57 P.M.

CHAIRMAN: Called the first panel signed up to testify. Chairman pointed out that the Bill had been prepared by GPA's Bond Counsel. Also, noted that the Guam Economic Development Authority had submitted written testimony, which has been accepted for the record.

Joaquin C. Flores, P.E., General Manager, Guam Power Authority; submitted written testimony (Attached), and provided oral testimony, **IN SUPPORT** of Bill No. 368-30 (COR). Mr. Flores was accompanied by: **Mr. Andy Balajada, G.P.A.; Mr. Randy Wiegand, G.P.A.; and Mr. Graham Botha, G.P.A.** Mr. Flores began by stating that the passage of Bill NO. 368 is important and *time sensitive* in that GPA must take certain actions relative to refinancing the existing bonds in the bond market in New York on May 17, 2010. Further, that the Department of the Interior has set a July 8, 2010 deadline in order to take advantage of tax exempt bonds. Messrs Balajada, Weigand and Graham concurred that *time is of the essence*.

Mr. Flores provided a *PowerPoint* printout to the Committee entitled, "Guam Power Authority Presentation to I Liheslaturan Guahan (April 27, 2010), with which he coordinated his written testimony from which he read and drew information during his presentation. Mr. Flores went section-by-section through his written presentation which discussed the different projects affected by the bonds, and how, if obtained they would impact ratepayers by way of rates and services.

[**Note:** All written submissions are self-explanatory in great detail, and attached to this Committee Report for review].

Mr. Andy Balajada, Guam Power Authority; provided oral testimony, **IN SUPPORT** of Bill No. 368-30 (COR). Attended the hearing to support passage, and provide Mr. Joaquin Flores with technical support and information.

Mr. Randy Wiegand, Guam Power Authority; provided oral testimony, **IN SUPPORT** of Bill No. 368-30 (COR). Attended the hearing to support passage, and provide Mr. Joaquin Flores with technical support and information.

Mr. Graham Botha, GuamPower Authority; provided oral testimony, **IN SUPPORT** of Bill No. 368-30 (COR). Attended the hearing to support passage, and provide Mr. Joaquin Flores with technical support and information.

Simon Sanchez, Chairman, Consolidated Commission on Utilities, provided oral testimony, **IN SUPPORT** of Bill No. 368-30 (COR). Mr. Sanchez concurred with GPA representatives, Flores, Balajada, Weigand, and Graham, that time is of the essence. Further, that the bonds to be sought are authorized are pursuant to existing law, and that as amended Bill 368, would also result in a delay of a GPA base rate increase for approximately 9 months, and thereby help consumers.

Anthony C. Blaz, Administrator, Guam Economic Development Authority, submitted written testimony (Attached) **IN SUPPORT** of Bill No. 368 (COR), though no representative of GEDA was present to personally testify.

CHAIRMAN: Thanked the panel for their presentation, and pointed that it may be necessary that they personally appear before the Committee of the Whole of the Guam Legislature during the current session, should the Bill be accepted for consideration. All panelists affirmed their willingness to participate if needed.

There being no other questions or discussion, the Public Hearing on Bill No. 368-30 (COR) was ADJOURNED at 8:06 P.M.

III. FINDINGS & RECOMMENDATIONS

Six (6) testimonies were received **IN SUPPORT** of Bill No. 368-30 (COR).

No (0) testimony was received **OPPOSED** to Bill No. 368-30 (COR).

This Committee notes that a request for a fiscal note on Bill No. 368-30 (COR) was made by the Committee on Rules to the Bureau of Budget and Management Research. The Fiscal Note was subsequently issued on April 22, 2010, has been received, and is appended to this Committee Report.




The Committee on Economic Development, Health & Human Services, and Judiciary hereby **reports out Bill No. 368-30 (COR)**, for consideration by the Legislature, with the recommendation TO PASS.

MINA' TRENTA NA LIHESLATURAN GUAHAN
THIRTIETH GUAM LEGISLATURE
2010 (SECOND) Regular

7/22/10
11:22 AM
GUM

Bill No. 368-30 (Cor)

Introduced by:

FRANK B. AGUON, JR. 
THOMAS C. ADA 
ADOLPHO B. PALACIOS, SR. 

AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings. (a) Section 8203 of Title 12 of the
3 Guam Code Annotated provides that the Guam Power Authority ("GPA")
4 is authorized to incur indebtedness by the issuance of revenue bonds with
5 the approval of the Governor to raise funds for the purpose of establishing
6 the electric power system of GPA, or of acquiring lands for the system, or

1 of acquiring, constructing, improving, equipping, maintaining, repairing,
2 renewing, replacing, reconstructing or insuring the system, or any part
3 thereof, or for the purpose of refunding any such bonds, or for any
4 combination of such purposes.

5 (b) Section 12004 of Title 12 of the Guam Code Annotated provides
6 that the GPA shall not enter into any contractual agreements or obligations
7 (including bonds) which could increase rates and charges prior to the
8 written approval of the Guam Public Utilities Commission (the "GPUC").

9 (c) Section 50103 of Title 12 of the Guam Code Annotated provides
10 that agencies and instrumentalities of the government of Guam, including
11 GPA, shall issue bonds and other obligations only by means of, and
12 through the agency of the Guam Economic Development Authority
13 ("GEDA"), and that GEDA shall not sell any bond without the approval by
14 *I Liheslaturan Guahan* of the terms and conditions of the issuance of the
15 bonds.

16 (d) GPA applied for and has been awarded a grant in the amount
17 of approximately \$16.6 million from the Office of Electricity Delivery and
18 Energy Reliability of the United States Department of Energy (the "DOE")
19 for the modernization of its electric grid infrastructure through automation
20 of the electric distribution system and acquisition and installation of smart
21 electric meters for customers (the "Smart Grid project"). The DOE requires
22 GPA to provide funds to match the grant for the Smart Grid project within
23 120 days of GPA's acceptance of the award from the DOE.

1 (e) GPA expects the Smart Grid project to create 210 jobs during
2 the first 36 months and to result in up to \$5 million of annual cost savings
3 for GPA in each fiscal year for the first 15 years following completion of the
4 installation of the Smart Grid project.

5 (f) GPA expects the construction of an administration building to
6 stabilize and reduce the costs of providing the necessary space for
7 administration and related services and to provide an opportunity to
8 consolidate the office spaces of GPA and the Guam Waterworks Authority.

9 (g) GPA needs to finance the completion of certain generation,
10 transmission and distribution projects for the purpose of enhancing system
11 reliability, improving system stability, and installing new fire protection
12 equipment in several of its power plants.

13 (h) GPA has outstanding certain revenue bonds, known as the 1993
14 Series A Bonds and the 1999 Series A Bonds, and certain subordinate
15 obligations relating to its commercial paper program.

16 (i) Based on current market conditions, GPA expects to be able to
17 refinance certain of its outstanding revenue bonds for debt service savings
18 or in order to restructure debt service.

19 (j) On April 6, 2010, the Consolidated Commission on Utilities (the
20 "CCU") adopted a resolution relative to (1) approving the issuance of
21 additional revenue bonds (A) to finance the local matching portion of the
22 costs of the Smart Grid project and the costs of an administration building
23 and certain other generation, transmission and distribution projects and (B)

1 to refund all or a portion of the outstanding GPA revenue bonds, and (2)
2 approving the issuance of subordinate revenue bonds to provide for
3 reserves and to pay the costs of refinancing GPA's outstanding obligations
4 relating to its commercial paper program.

5 (k) *I Liheslaturan Guahan* has determined to approve the issuance of
6 revenue bonds by GPA for the purposes described in subparagraph (1) of
7 the preceding paragraph and the issuance of subordinate revenue bonds by
8 GPA for the purpose described in subparagraph (2) of the preceding
9 paragraph, all subject to approval by *I Maga'lahaen Guahan*, the GPUC and
10 the Board of Directors of GEDA in accordance with law.

11 **Section 2. Approval of the Terms and Conditions of the Issuance**
12 **by GPA Revenue Bonds to Finance the Local Matching Portion of the**
13 **Costs of the Smart Grid Project, Certain Other Generation, Transmission**
14 **and Distribution Projects, and the costs of an Administration Building.**

15 (a) *I Liheslaturan Guahan*, pursuant to §50103(k) of Title 12 of the
16 Guam Code Annotated, hereby approves the terms and conditions of the
17 issuance by GPA of revenue bonds in a principal amount not to exceed One
18 Hundred Fifty-Five Million Dollars (\$155,000,000) for the purpose of
19 financing the projects and paying the other costs listed in subsection (c) of
20 this section, *provided*, that such bonds have a final maturity not later than 32
21 years from their date of issuance, bear interest at such rate or rates and are
22 sold for such price or prices as shall result in a net interest cost to GPA not
23 exceeding the limitation provided by Section 8214 of Chapter 8 of Title 12

1 of the Guam Code Annotated, as amended, and are issued and sold
2 pursuant to GPA's existing bond indenture and otherwise in compliance
3 with the provisions of Chapter 8 of Title 12 of the Guam Code Annotated,
4 including approval by the CCU and by *I Maga'lahaen Guahan* as provided
5 therein.

6 (b) The sale of the bonds shall be approved by the Board of
7 Directors of GEDA as provided by Chapter 50 of Title 12 of the Guam Code
8 Annotated and the terms and conditions of the issuance of the bonds shall
9 be approved by the GPUC as provided by Chapter 12 of Title 12 of the
10 Guam Code Annotated.

11 (c) The proceeds of the bonds may be applied to pay for the costs
12 of issuance of the bonds, for accrued and capitalized interest thereon, for
13 credit enhancement therefor, to provide for reserves and to pay the local
14 matching portion of the costs of the Smart Grid project, the costs of an
15 administration building, and other generation, transmission and
16 distribution projects, including but not limited to environmental
17 compliance, generation improvements, underground fuel pipeline
18 conversion, fire protection upgrades at GPA facilities, power
19 substation/transmission upgrades and improvements, system protection
20 relaying improvements, and power distribution system improvements,
21 subject in each case to approval by the GPUC of such projects in
22 accordance with Chapter 12 of Title 12 of the Guam Code Annotated.

1 **Section 3. Approval of the Terms and Conditions of the Issuance**
2 **by GPA of Refunding Bonds.**

3 *I Liheslaturan Guahan*, pursuant to §50103(k) of Title 12 of the Guam
4 Code Annotated, hereby approves the terms and conditions of the issuance
5 of revenue bonds by GPA for the purpose of refunding all or a portion of
6 GPA's outstanding 1993 Series A and 1999 Series A revenue bonds in
7 accordance with the following requirements, limitations, terms and
8 conditions:

9 (a) The aggregate principal amount of the refunding bonds
10 shall not exceed the amount determined in accordance with Section 8229 of
11 Title 12 of the Guam Code Annotated.

12 (b) All obligation of GPA to pay debt service on, and the
13 redemption price of, the prior bonds shall be discharged concurrently with
14 the issuance of the refunding bonds. Thereafter, the prior bonds shall be
15 payable solely from and secured solely by an escrow established for such
16 purpose.

17 (c) The final maturity of the refunding bonds shall not be
18 greater than 15 years after the final maturity of the bonds being refunded.

19 (d) Such bonds shall be issued and sold pursuant to GPA's
20 existing bond indenture and in compliance with the provisions of Chapter
21 8 of Title 12 of the Guam Code Annotated, including approval by the
22 Consolidated Commission on Utilities and by *I Maga'lahaen Guahan* as
23 provided therein.

1 (e) The sale of the bonds shall be approved by the Board of
2 Directors of GEDA as provided by Chapter 50 of Title 12 of the Guam Code
3 Annotated and the bonds shall be approved by the GPUC as provided by
4 Chapter 12 of Title 12 of the Guam Code Annotated.

5 **Section 4. Approval of the Terms and Conditions of the Issuance**
6 **by GPA of Subordinate Revenue Bonds to Refinance Outstanding**
7 **Commercial Paper Notes.**

8 (a) *I Liheslaturan Guahan*, pursuant to §50103(k) of Title 12 of the
9 Guam Code Annotated, hereby approves the terms and conditions of the
10 issuance by GPA of subordinate revenue bonds in a principal amount not
11 to exceed Sixty-Five Million Dollars (\$65,000,000) for the purposes listed in
12 subsection (c) of this section, *provided*, that such bonds have a final maturity
13 not later than October 1, 2019, bear interest at such rate or rates and are
14 sold for such price or prices as shall result in a yield to the bondholders not
15 exceeding nine percent (9%) per annum, and are issued and sold in
16 accordance with the provisions of Chapter 8 of Title 12 of the Guam Code
17 Annotated, including approval by the CCU and by *I Maga'lahaen Guahan* as
18 provided therein.

19 (b) The sale of the subordinate bonds shall be approved by the
20 Board of Directors of GEDA as provided by Chapter 50 of Title 12 of the
21 Guam Code Annotated and the subordinate bonds shall be approved by
22 the GPUC as provided by Chapter 12 of Title 12 of the Guam Code
23 Annotated.

1 (c) The proceeds of the subordinate bonds may be applied to
2 pay for the costs of issuance of the subordinate bonds, for credit
3 enhancement therefor, to provide for reserves and to pay the costs of
4 refinancing GPA's outstanding obligations relating to its commercial paper
5 program, subject in each case to approval by the GPUC of such purpose in
6 accordance with Chapter 12 of Title 12 of the Guam Code Annotated.

7 **Section 5. Amendment of Chapter 8 of Title 12 of the Guam Code**
8 **Annotated.** Subparagraph (a) of Section 8214 of Chapter 8 of Title 12 of the
9 Guam Code Annotated is hereby amended to read, as follows:

10 "(a) Bonds shall bear interest at a net rate of not to exceed
11 nine percent (9%) per annum, after subtracting from bond
12 interest the amount of any direct subsidy payment to be
13 received from the United States in connection with such
14 Bonds. Interest shall be payable annually or semi-annually
15 or in part annually and in part semi-annually except that the
16 first coupon on any bond may be payable any number of
17 months less than twelve (12) after the date of such bond."

18 **Section 6. Local Sales of Bonds.** GEDA shall undertake its best
19 efforts to cause a portion of any bonds approved pursuant to Section 3, 4 or
20 5 of this Act, to be offered for sale to residents of Guam, as well as to
21 residents of other jurisdictions, if and to the extent that such offer and any
22 sales resulting from such offer do not increase the costs to GPA of issuing

- 1 and repaying such bonds. Notwithstanding any other provision of law to
- 2 the contrary, these bonds may be sold to employees of GPA.



GUAM POWER AUTHORITY
ATURIDAT ILEKTRESEDAT GUAHAN
P O BOX 2977, AGANA, GUAM 96932-2977

April 27, 2010

The Honorable Frank B. Aguon
Senator, Chairman
Committee on Economic Development, Health and Human Services and Judiciary
238 Archbishop F.C. Flores St.
DNA Building
Suite 701A
Hagåtña, GU 96910

RE: Bill No. 368

Dear Chairman Aguon:

Thank you for giving me the opportunity to testify before your committee. My name is Joaquin C. Flores, P.E. I am the General Manager of the Guam Power Authority and I am here in my official capacity to testify in favor of Bill No. 368.

I request the committee's indulgence to allow GPA to walk through a brief power point presentation to explain each facet of the financing being requested.

I am requesting for authorization to issue bonds in an amount of up to \$155 million for project related costs and up to \$65 million for the funding of a Working Capital Reserve Fund and the refinancing of a \$20 million commercial paper loan as well as the authorization to refinance any outstanding bond from the 1993 and 1999 refinancing where there would be a positive net benefit to cash flow as a result of the refinancing.

The projects for which we are seeking financing are as follows:

GPA's Smart Grid Project. GPA's Smart Grid project is funded 50% by a grant from the U.S. Department of Energy. The total cost of the project is \$33.2 million with GPA's share at \$16.6 million. The project includes installing metering equipment and voltage measuring equipment throughout GPA's distribution system. Transmitters on this equipment will electronically send meter flow profiles to the Authority no less frequently than daily. Also included is the purchase of automated metering infrastructure equipment to be attached to the meter of every customer. The data from the meters will feed into a meter data management system where it will be filtered and analyzed. We expect this information will help the Authority identify areas where equipment is failing or functioning inefficiently which should help the Authority reduce the amount of energy loss in its system. GPA's consultant has estimated the net present value savings from this aspect of the project will exceed \$5 million per year on a net present value basis throughout the fifteen year life of the project.

Internal Capital Projects. GPA has been averaging approximately \$8 million in capital expenditures in the last two years. The majority of these costs have been for blanket job order projects required to extend service to new customers and address deficiencies in the power system to ensure customers are adequately served. GPA has become concerned that the utility cannot continue to operate without having a certainty of funds available to perform some of these projects. Additionally, GPA has phased-in some improvements to generation facilities as a result of inadequate funding availability. To ensure funds are available to construct capital improvement projects while GPA is implementing a series of rate increases to bring its financial house in order, GPA is requesting its capital improvement project listings for the next three years (Fiscal Years 2010, 2011, 2012) be financed with the proceeds of this bond issuance. The amount of these projects total \$52.5 million.

Many of these engineering and generation projects will have a direct impact on the stability, reliability, efficiency, and safety of the island wide power system. Prior to project execution, GPA will prepare project justifications and benefit-cost analyses for PUC review and approval in accordance with the established Contract Review Protocol. GPA will continue to work with the PUC to ensure all projects are justified in the best interest of the ratepayers.

Generation Improvements:

- Cabras 1&2 and Cabras 3&4 projects are intended to improve operational efficiencies, significantly reduce outages due to generation failures, and upgrade the generator systems to extend the life of the plants
- Cabras 1&2 improvements include APH cold end basket, AC, generator H2 & CO2 upgrades; heater retubing; service cooler, motor, transformer, and compressor replacement; and transformer protection upgrade
- Cabras 3&4 improvements include fire system upgrades; fuel slide valve, traveling screen, homogenizer, and fuel oil pump upgrades; the upgrade of the governor; as well as upgrades to the smoke stack, cylinder liner, bearing, air cooler, and cylinder heads

Underground Fuel Pipeline Conversion

- This project will convert existing above ground fuel oil pipelines with an underground line
- The project runs from the Barrigada Post Office to Route 10A (approximately 1.60 miles)
- A new underground line to replace the existing above ground line will eliminate the risks of disastrous environmental accidents, protect the aquifer from contamination caused by oil leaks, and secure a critical asset in the supply of power to the island
- Fuel metering will also be installed at GPA facilities to properly manage and account for fuel usage and reduce losses

Fire Protection Upgrades at GPA Facilities

- Upgrades are necessary to meet the latest edition of the National Fire Protection Association (NFPA) codes and standards
- Upgrades of existing fire protection systems will be done at Macheche CT, Dededo Diesel, Yigo CT, Tenjo Diesel, Marbo CT, Cabras 1&2, Manenggon Diesel, and Talofoto Diesel power stations

Power Substation/Transmission Upgrades and Improvements

- Substation/Transmission upgrades involve projects to upgrade and modernize aged equipment at Agana, Dededo, and Tumon substation as well as plan for normal growth in these areas
- The Agana Substation has equipment in operation that is more than 40 years old. These circuit breakers, disconnect switches, and associated electrical equipment will be replaced.
- The Dededo Substation Upgrade will harden the substation serving the Dededo area, and replace the old power transformer to a higher capacity to accommodate future load growth.
- Transmission line reclosing and load profiling will put in place improved protection practices throughout the transmission system and provide a means to obtain accurate and up to date data for modeling and analysis of the transmission system. Outages frequency and duration will be reduced and reliability will improve.
- The Tumon Substation Upgrade will replace the vintage 1969 power transformer with a new, higher capacity transformer. The project is needed to maintain quality service and accommodate future load growth.

System Protection Relaying Improvements

- System protection improvements will be upgraded at all GPA substations to enhance system reliability and improve protection of GPA assets. Installation of solid state relays and POTT (permissive over-reaching transfer tripping) schemes between substations will allow for faster responses and isolation of damaging faults

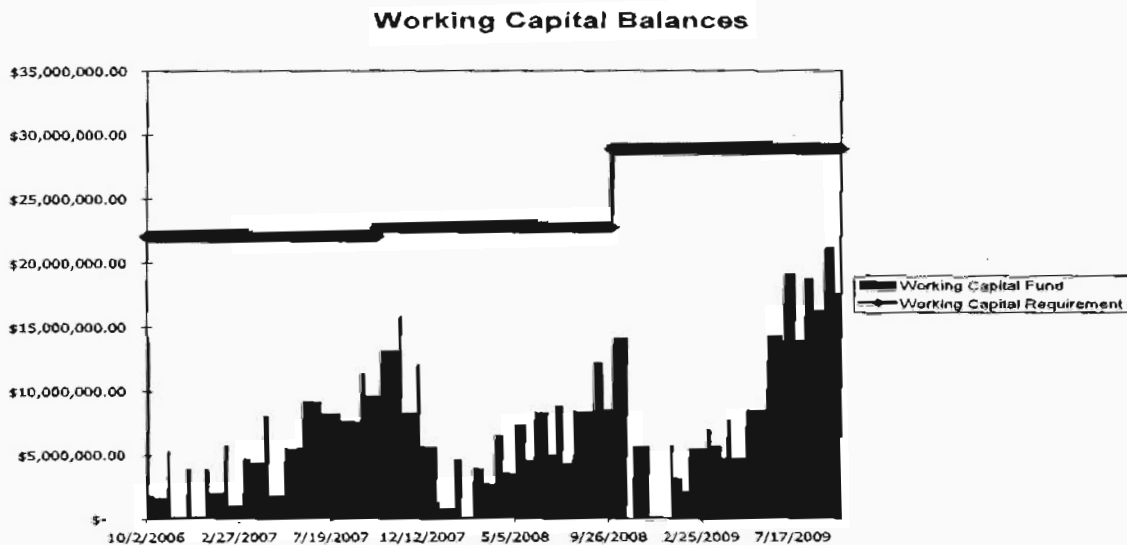
Power Distribution System Improvements

- Distribution system improvements will implement capital improvement projects to improve system reliability as well as the quality of service to customers
- The P003 Piti to Cabras Underground Conversion project will extend an underground primary distribution line to Port Authority and businesses in the surrounding area. The Port is a critical asset and this new underground line will minimize restoration efforts along Route 11 in the event of a typhoon.
- The Tumon Bay Lateral Underground Conversion project will convert existing overhead laterals along San Vitores Road to an underground system and improve power quality and delivery. Residential and commercial customers within the project area will be converted to an underground service through pad-mounted transformers.
- The Agat Village Pole Hardening & Hybrid project will relocate and improve the existing overhead primary system to be more accessible along developed rights-of-way. The secondary system and service lines will be converted to an underground system to minimize restoration efforts in the village of Agat in the event of a typhoon.

Environmental Projects. GPA has recently been contacted by the U.S. Environmental Protection Agency (USEPA) who has indicated that significant air quality monitoring data will be required before any application for re-designation of the Cabras/Piti area will be entertained. GPA believes the next baseload plant could be required as early as 2017. If USEPA requires at least three years

least three years of monitoring data, it is incumbent on the Authority to begin now to acquire the equipment needed to establish monitoring stations throughout the island. GPA's estimated cost for this monitoring equipment is \$1.9 million.

Working Capital Fund Borrowing. GPA is seeking to borrow \$27.6 million for the purpose of meeting the Working Capital Funding Requirement as prescribed in its bond indenture agreement. The graph below depicts actual Working Capital Fund Balances versus the Working Capital Requirement over the last three years.



As the graph reflects, there has been no time in the last three years in which the Working Capital Fund was fully funded. Rather the graph reveals there were several months in which there were little or no funds available in the Working Capital Fund. Part of the rationale for the existence of the Working Capital Fund is to "pay the cost of repair or replacement of loss or damage caused by or resulting from fire or from action of the elements (including loss from typhoons, earthquakes, floods and tidal waves). GPA's inability to fund the Working Capital Fund means it is highly vulnerable to the type of event for which the Fund is supposed to provide additional protection to bond holders. As of March 1, 2010, the Working Capital Fund had been completely depleted. Because the Working Capital Fund fluctuates based on GPA's annual budget, the growth in GPA's operating expenses, especially fuel costs, has placed an additional burden GPA's cash flow. Because GPA has been working with such a narrow cash margin, it has been unable to keep up with the increases in the Working Capital Requirement.

In its Phase II Rate Order dated February 25, 2010 under Docket 07-10, the PUC awarded GPA a 10.6 million base rate increase and also ordered the establishment of a Working Capital Fund Surcharge to ensure the Working Capital Fund is properly filled. GPA anticipates a surcharge of slightly under 5% to be approved in the very near future with an effective date of August 1, 2010. GPA desires to issue bonds to immediately fund the deficiency in the Working Capital Fund. If this plan is approved and the bonds are successfully sold, GPA intends to file a supplemental

petition with the PUC requesting the implementation of the Working Capital Fund surcharge be deferred until April 1, 2011 and the surcharge be re-implemented in such a manner so as to match the bond principal and interest costs incurred in the funding of this reserve account. GPA intends to amortize the repayment over a five year period thereby reducing the surcharge to less than 2% of a customer's bill.

Commercial Paper Loan. GPA has had a \$20 million commercial paper program outstanding since 1998. Nearly all the time since the inception of the program, the program has been fully drawn. In 2007, GPA issued an RFP for a new provider of the letter of credit facility to support the program. GPA received one bid in response and during the banks internal credit review; they pulled out of the deal. In 2008, GPA began having difficulties attracting buyers for the commercial paper program. By July 2008, GPA was unable to sell any of its commercial paper and the line of credit was fully drawn. GPA began receiving requests from the existing line of credit provider to find an alternative bank to hold the line of credit, however, after an extensive search; GPA was unable to find any bank willing to hold the line of credit. GPA's only option was to continue its arrangement with the current bank even though the current provider was pleading with GPA to find an alternative lending institution to refinance the loan.

In November 2008, the insurance provider for the commercial paper program was downgraded and GPA went into default on the credit agreement. GPA again tried unsuccessfully to identify a bank to take over the loan. The bank had made a decision to force GPA to pay off the amount over a three year period as required under the default provisions of the credit agreement. However, at the last minute, they relented and agreed to a three year loan agreement with a five million secured deposit and a four year amortization schedule.

The insurance provider was downgraded again causing a default on the new loan agreement. GPA accepted a workout agreement from the bank to avoid paying the default interest rate on the agreement.

In May 2009, GEDA issued an RFP on GPA's behalf for the takeout of the \$20 million loan. One response was received. GPA has been working towards refinancing this loan with a local bank since then, however, the loan remains outstanding. While that effort continues, GPA has created a contingency plan to take the loan out with bond proceeds if the loan is not obtained by May 2010. GPA reported to the PUC in January 2009 that the bank, who has had rights to immediate payment of the full \$20 million loan due to a series of credit agreement defaults triggered by downgrades in the credit rating of GPA's bond insurer, had assumed control of GPA's self insurance fund which was held on deposit at the bank. The \$5 million self insurance fund is currently tied up as collateral for the loan. The loan has a four year amortization period and a variable interest rate. With the refinancing, GPA desires to free up the self insurance fund, spread the repayment period to five years and fix the interest rate at a prevailing market level.

Fadian Office Complex. The project also includes the construction of a new office facility in Fadian, Mangilao. GPA was provided land from the Guam Legislature in 1994 for the construction of this facility. GPA has broken the project into phases. The first phase is to construct a building where GPA and GWA offices can be consolidated into a single facility and thereby begin to take advantage of areas where there is currently a duplication of effort between the two utilities. This move will also protect GPA from the fluctuations in market rental rates

which are expected to rise in line with the expected increase in economic activity associated with the military buildup scheduled to take place in the near future. GPA does not believe there is any existing building on Guam capable of housing both GPA and GWA and suited to usage by utilities.

- GPA and GWA operations are currently dispersed throughout many facilities because of a lack of space. The current situation leads to many inefficiencies as additional time and costs are needed to effectively operate
- GPA is developing a plan through its architectural consultant for a 125,000 square-foot consolidated central office facility on land in Fadian provided by i Liheslaturan Guåhan through Public Law 22-18
- The new central office will address current and future space needs of GPA and GWA as both agencies have already outgrown their current facilities and parking spaces are inadequate making customer visits inconvenient
- The new central office facility will enable the GPA dispatch control center to relocate from Cabras in to a storm proof environment and allow GWA dispatch to expand and modernize technical capabilities to coexist with GPA into one central dispatch
- GPA has elected to have the new office designed and constructed in accordance with LEED (Leadership in Energy and Environmental Design) standards to lower the adverse impact of GPA and GWA operations on the island by having less electrical demand, less water and sewer demand, and less stress on the landfill while reducing maintenance costs. LEED certification will also improve the quality of the work environment for both employees and customers of GPA and GWA by addressing occupational safety requirements, life safety concerns, and complying with the American Disabilities Act (ADA) codes and standards

GPA has hired an architectural and engineering firm to design the building and develop the business case for the move. The preliminary planning cost for the office complex is \$35 million. The business case analysis is not yet completed. Therefore, GPA is requesting to follow the pattern of the GWA 2005 bond issuance wherein the utility was authorized to proceed with the issuance of bonds and yet expenditure authorizations for certain projects were withheld pending the provision of additional cost justifications.

Bond Refunding. GPA's underwriter has advised that there are certain bonds from the 1993 and 1999 issuances where interest rates are such that GPA could gain by refinancing the bonds at current lower interest rates. GPA wishes to obtain authorization to refund any bond where there is a positive net present value for refinancing as of the date of the sale of the bonds.

Build America Bonds

Build America Bonds were authorized in their present form for capital financing packages completed prior to December 31, 2010. Build America Bonds were authorized as part of the American Recovery and Re-investment Act of 2009 also know as the "stimulus bill." Under this program, GPA would issue taxable bonds and then would receive a check from the federal government every six months through the life of the bond. GPA's underwriter – Morgan Stanley –

– has indicated the use of Build America Bonds could save as much \$5 million on a present value basis for the life of the bonds.

Navy Projects

GPA has a separate list of projects that are necessitated as a result of the military buildup. Discussions with the U.S. Navy have reflected the Navy commitment to bear the burden of the additional cost of the buildup without causing any significant rate impact for civilian customers.

GPA believes this legislation will allow the Authority to increase efficiencies in the island wide power system, make some badly needed upgrades to the system, improve its ability to manage its finances, and will lay the groundwork for additional efficiencies by taking a first step in the consolidation of the Guam Waterworks Authority and the Guam Power Authority.

I am including for your perusal a package that was submitted to the Public Utilities Commission in support of a petition for approval of the same bond issuance.

Finally, I would like to submit an alternative bill that includes some additional language requested by the Consolidated Commission on Utilities as well as the addition of a new section to the bill. I request that the Legislature substitute this revised bill in place of the bill currently on record at the legislature.

Yours truly,



Joaquin C. Flores, P.E.
General Manager



Guam Power Authority

Presentation to i Liheslaturan Guåhan

April 27, 2010



Financing Overview

- Amount \$220 Million plus Refunding
- Projects to be Reviewed and Approved by PUC
- Current GPA Bond Ratings
 - S&P BBB-, Stable Outlook
 - Fitch BB+, Positive Outlook
 - Moodys Ba1, Positive Outlook
- GPA believes a second investment grade rating can be achieved before the bond issuance.
- GPA issuances do not count against the debt ceiling and are guaranteed solely from the revenues of GPA

Projects to be Financed



- Smart Grid Financing
- Commercial Paper Loan Takeout
- Working Capital Fund Borrowing
- Internal Project Funding
- Environmental Compliance
- Fadian Office Complex
- Refunding Outstanding Bonds

Smart Grid Project



- GPA was awarded a \$33.2 million Smart Grid grant with a 50% Local Match Requirement
- Estimated Savings of \$5 million per year for 15 years through improving system efficiency
- Includes Automated Metering Infrastructure
- Quantum Leap in Amount of Data Available to Management
- DOE set a deadline of July 8, 2010
- Tax Exempt Bonds

Commercial Paper Loan



- Refinance GPA's \$20 million Commercial Paper program
- Change Loan Term from 3 to 5 years
- Move from Variable to Fixed Rate
- Will Free up \$5 million collateral
- Will Cure Existing Third Party Default
- Taxable Bond Issuance

Working Capital Fund Borrowing



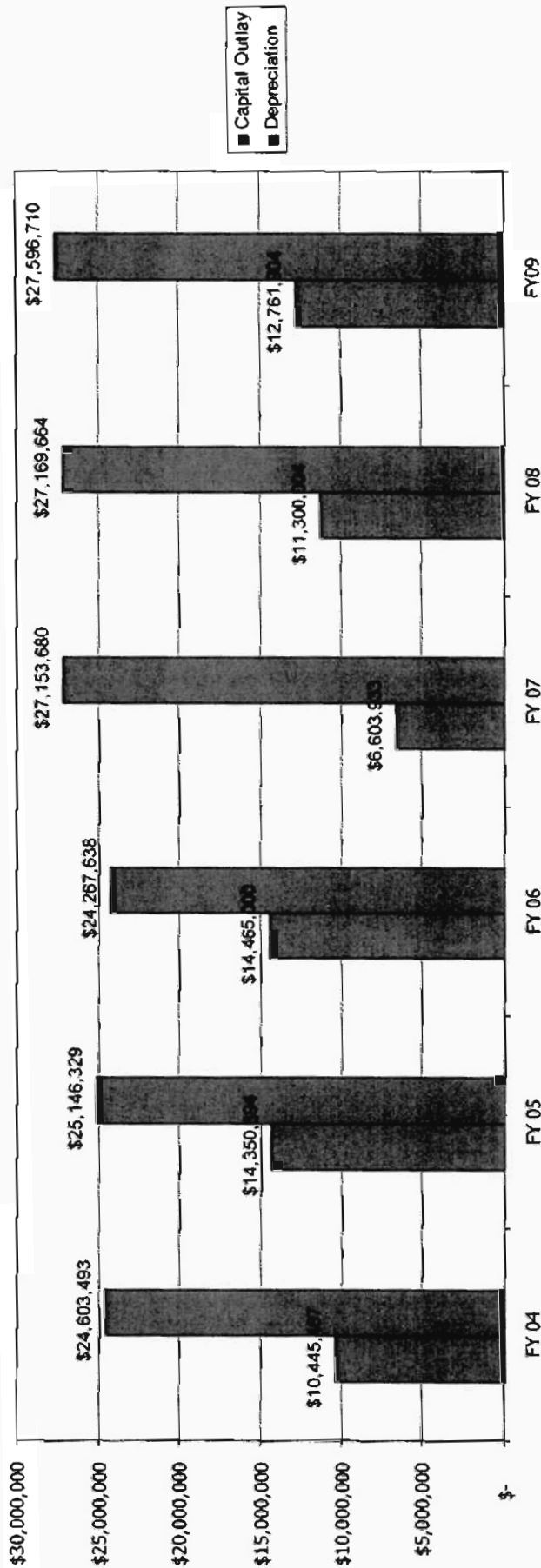
- Bond Indenture Requires GPA to Keep 1 Month of Cash on Hand for Emergencies
- Pressure From Rising Fuel Prices has Made it Impossible to Meet this Requirement
- PUC has Cured this by Establishing a Surcharge with a True-Up Mechanism with the 5% Surcharge Beginning 8/1/10
- GPA Desires to Issue Bonds (\$27 million), Defer surcharge to (4/11) and Reduce Surcharge (2%)
- Will Ensure Future Compliance with Indenture
- Taxable Borrowing



Internal Project Borrowing

The Graph Shows that GPA's System Investments are Depreciating Faster than GPA is able to Make New System Investments

Reduced Capital Spending



Righting the Ship



- In Order to Correct the Lack of Investments, GPA is Planning to Borrowing to Fund a Substantial Portion of its Project Budget for the Next 3 Years.
- This will enable GPA to make needed investments to the system while implementing small incremental rate increases to ensure GPA has the ability to make such investments on an ongoing basis.

Generation Improvements	\$16.9 million
Underground Fuel Pipeline Conversion	\$ 2.1 million
Fire Protection Upgrades	\$ 3.8 million
Substation/Transmission Improvements	\$11.6 million
System Protection Relaying Improvements	\$ 1.9 million
Distribution Improvements	\$16.2 million
Total	\$52.5 million

Build America Bonds



- GPA Plans to Utilize the Build America Bond Program authorized by the American Recovery and Re-Investment Act of 2009 to fund these projects.
- GPA has estimated the NPV savings from using this program could be as high as \$5 million for these projects.

Environmental Compliance



- Next Baseload Unit Could be as soon as 2017
- GPA needs 3 years of ambient air quality monitoring data in order to engage USEPA
- GPA must have a air permit 4-5 years prior to the need for the unit
- AAQM must begin very soon!
- GPA is borrowing \$1.9 million to design and install ambient air quality monitoring systems
- Tax Exempt Bonds

Fadian Office Complex



- Cost Estimate: \$35 million
- Business Case Analysis Underway
- Will Allow for Consolidated Office Space Between GPA and GWA.
- Will Allow for a Back Up Site for Power Systems Control Center
- Fadian Property Granted By Legislature in 1994 to Allow GPA to Have a Permanent Home
- GPA Desires to Take Advantage of Additional Savings Available Through Build America Bonds for this Project – Estimated to be approximately \$1.5 million

Navy Projects



- GPA has a separate list of Projects whose need is either created by the Military Buildup or was moved up by the Military Buildup.
- Estimated Cost - \$110 million
- DOD has agreed to finance and pay for all incremental costs of Buildup

Listing of Projects



Revenue Bond Projects	Estimated Cost
Smart Grid Projects	\$ 17,000,000
Consolidated Main Office & Operation Facility Improvements	35,000,000
Environmental Compliance	1,900,000
Generation Improvements	16,859,000
Underground Fuel Pipeline Conversion	2,150,000
Fire Protection Upgrades at GPA Facilities	3,808,000
Power Substation/Transmission Upgrades and Improvements	11,550,000
System Protection Relaying Improvements	1,893,000
Power Distribution System Improvements	16,159,000
Subtotal	\$ 106,319,000
Bond Issuance Costs	1,891,500
Bond Reserve Fund	9,161,028
Capitalized Interest	17,023,500
Contingency for Interest Rate Fluctuations/ Possible Credit Enhancement Costs	20,604,972
Total	

Taxable Bond Listing



	Estimated Cost
Subordinate Revenue Financing	
Working Capital Fund Loan	\$ 27,400,000
Commercial Paper Loan Refinancing	20,000,000
Subtotal	\$ 47,400,000
Bond Issuance Costs	502,500
Bond Reserve Fund	3,350,000
Capitalized Interest	1,758,750
Contingency for Interest Rate Fluctuations/ Possible Credit Enhancement Costs	11,988,750
Total	\$ 65,000,000

Historical Retail Rate Adjustments

<u>Effective Date</u>	<u>Increase ⁽¹⁾</u>	<u>Principal Reason</u>
October 1, 1995	5.35%	Updated revenue requirements and cost of service study
February 1, 1996	2.21%	Increase in operating expenses and capital projects funding
March 1, 1997	5.64%	Increase in operating expenses and capital projects funding
June 1, 1998	4.83%	Embedding in base rates former temporary surcharge amounts
March 1, 2008 ⁽²⁾	3.38%	Phase I of Updated revenue requirements and transmission level cost of service study done in 2008
March 1, 2010	2.79%	Phase II of Updated revenue requirements and transmission level cost of service study done in 2008

(1) These represent increase on total bill.

(2) The rate order providing the March 1, 2008 rate increase was first applied to the Navy customer class. The rate increase for civilian customer classes was tolled until February 28, 2009 due to the collection of the \$13.8 million streetlight arrears from the Government of Guam.

**Guam Power Authority
Five Year Forecast**

	WCF Surcharge Impact		0.0%		2.0%		2.0%		1.9%		1.8%	
	% Rate Increase on Total Bill		2.8%		0.0%		2.4%		2.3%		5.6%	
	FY10	FY11	FY12	FY13	FY14							
1 Proforma Income Statement												
2 Base Revenues	\$ 141,593	157,332	161,607	175,138	186,870							
3 Fuel Revenues	\$ 236,374	244,267	250,796	255,851	258,168							
4 WCF Surcharge	\$ -	\$ 4,085	\$ 8,170	\$ 8,170	\$ 8,170							
5 Miscellaneous Revenues	\$ 1,477	1,507	1,537	1,567	1,599							
6 Revenue from Allowed Rate Change	\$ 6,149	-	10,000	10,000	25,000							
7												
8 Total Revenues	\$ 385,594	\$ 407,191	\$ 432,110	\$ 450,727	\$ 479,807							
9												
10 Production Fuel	\$ 236,374	\$ 244,267	\$ 250,796	\$ 255,851	\$ 258,168							
11 IPP Costs	\$ 19,658	20,051	20,452	20,861	21,278							
12 Production Non-fuel	\$ 24,350	25,373	26,438	27,549	28,706							
13 Transmission and Distribution	\$ 12,574	13,102	13,652	14,226	14,823							
14 Administrative and General	\$ 31,826	33,163	34,556	36,007	37,519							
15 Customer Accounting	\$ 4,936	5,143	5,359	5,584	5,819							
16 Total O&M Expenses	\$ 73,686	\$ 76,781	\$ 80,006	\$ 83,366	\$ 86,867							
17 Depreciation	\$ 27,761	28,247	28,744	29,251	29,768							
18												
19 Total Operating Expenses	\$ 357,479	\$ 369,345	\$ 379,997	\$ 389,328	\$ 396,081							
20												
21 Earnings From Operations	28,115	37,845	52,113	61,399	83,726							
22												
23 Other Revenues (Expenses):												
24 Investment Income	\$ 2,132	5,551	4,887	3,774	3,229							
25 Interest expense (TCP Debt)	(683)	-	-	-	-							
26 Interest expense (New \$17M Loan)	\$ (574)	\$ (992)	\$ (772)	\$ (536)	\$ (283)							
27 Interest expense (Bonds)	\$ (19,688)	\$ (19,279)	\$ (18,848)	\$ (18,394)	\$ (17,917)							
28 Interest expense (2010 Series A Bond)			(1,088)	(997)	(902)							
29 Interest expense (2010 Series B Bond)					(7,716)							
30 Interest expense (2011 Series A Bond)					(8,565)							
31 Interest expense (WCF)		(1,173)	(2,036)	(1,599)	(1,131)							
32 Interest expense (IPP's)	\$ (15,056)	(14,021)	(12,849)	(11,522)	(10,020)							
33 AFUDC	500	\$ 1,065	746	373	-							
34 Amortization of Issuance Costs	\$ (1,514)	\$ (1,897)	\$ (1,897)	\$ (1,897)	\$ (1,897)							
35												
36 Net Earnings	\$ (6,768)	\$ 7,101	\$ 20,256	\$ 30,601	\$ 38,525							
37												
38 Debt Service Coverage Calculation												
39 Earnings From Operations	\$ 28,115	\$ 37,845	\$ 52,113	\$ 61,399	\$ 83,726							
40 Add Interest Income	\$ 1,348	\$ 1,887	\$ 2,011	\$ 2,333	\$ 2,357							
41 Add: Depreciation	27,761	28,247	28,744	29,251	29,768							
42 Balance Available for Debt Service	\$ 56,124	\$ 67,979	\$ 82,867	\$ 92,982	\$ 115,851							
43 Debt Service												
44 Bond Interest Expense	19,688	20,451	21,971	20,991	36,231							
45 Bond Principal	7,795	11,118	16,557	17,539	22,072							
46 Total Debt Service	27,483	31,569	38,528	38,530	58,303							
47												
48 Debt Service Coverage (Bond Method)	2.04	2.15	2.15	2.41	1.99							
49 Debt Service Coverage (S&P Method)	1.24	1.42	1.55	1.81	1.59							
50 Debt Service Coverage (GPA Method)	1.01	1.16	1.26	1.42	1.36							
51												
52 Internal Cashflow Statement												
53 Total Cash Generated	\$ 22,007	\$ 36,180	\$ 50,151	\$ 61,375	\$ 70,190							
54 CIP's-Internally Funded	(5,844)	(9,701)	(10,553)	(17,616)	(17,916)							
55 Cabras 3 & 4 (CIPS & PIPS)	-	-	-	(3,994)	(4,153)							
56 Cabras 1 & 2 (CIPS & PIPS)	-	-	-	(4,443)	(4,672)							
57 Cabras 1 & 2 (CIPS & PIPS)-Financing	(3,485)	-	-	-	-							
58 Principal Payment (1993 & 1999 Series)	\$ (7,795)	(8,205)	(8,635)	(9,090)	(9,565)							
59 Principal Payment (2010 Series A)			(1,787)	(1,878)	(1,973)							
60 Principal Payment (2010 Series B)					(1,656)							
61 Principal Payment (2011 Series A)					(1,838)							
62 Principal Payment (WCF)		(2,913)	(6,135)	(6,572)	(7,040)							
63 Principal Payment (IPP's)	\$ (8,028)	(9,064)	(10,235)	(11,562)	(13,064)							
64 Principal Payment (\$17M Loan)	\$ (1,446)	\$ (3,047)	\$ (3,267)	\$ (3,504)	\$ (3,757)							
65 Principal Payment (TCP Loan)	\$ (2,500)	-	-	-	-							
66 Decrease (Increase) in WC Requirements:												
67 Note Payment from GPSS	\$ 2,069	2,163	2,262	1,862	-							
68 Note Payment from GWA	\$ 2,084	1,840	-	-	-							
69 Fuel Cost Over(Under) Recovery	\$ 5,514	-	-	-	-							
70 Materials Inventory	\$ (1,500)	(1,000)	(1,000)	(1,000)	(1,000)							
71 Other WC Requirement	\$ (425)	-	-	-	-							
72 Proceeds from 2010 Series A Bonds	\$ 17,072	-	-	-	-							
73 Construction Fund 2010 Series A Bond	\$ (17,072)	-	-	-	-							
74 Proceeds from 2010 Series B Bonds	\$ 89,442	-	-	-	-							
75 Construction Fund 2010 Series B Bond	\$ (89,442)	-	-	-	-							
76 Proceeds from the \$17M loan	\$ 17,000	-	-	-	-							
77 Payoff TCP Loan	\$ (15,000)	-	-	-	-							
78 Proceeds from 2010 Series C Bonds	\$ 27,477	-	-	-	-							
79 WC Fund Funding Requirement	\$ (27,477)	(948)	(846)	(735)	(520)							
80 Construction Fund 2011 Series A Bond		110,028	-	-	-							
81 Proceeds from 2011 Series A Bonds		(110,028)	-	-	-							
82 Surplus Fund Funding	\$ (1,866)	(1,641)	(7,078)	(1,403)	(2,163)							
83 Construction Fund Interest Income	\$ (784)	(3,664)	(2,876)	(1,441)	(873)							
84												
85 Cash (Deficiency)/Surplus	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ 0							
86 No. Of Days in Surplus Fund	2	4	11	12	14							
87 No. Of Days in WC Fund	30	30	30	30	30							
88 Equity Ratio (FY 09 = 22%)	17%	16%	18%	21%	25%							



I MAGA' LAHEN GUAHAN
GOVERNOR OF GUAM
FELIX P. CAMACHO
I SEGUNDO NA MAGA' LAHEN GUAHAN
LT. GOVERNOR OF GUAM
MICHAEL W. CRUZ M.D.
ADMINISTRADOR
ADMINISTRATOR
ANTHONY C. BLAZ

Aturidad Inadilanton Ikunumihan Guahan

**Testimony on Bill 368-30 (COR) of Mr. Anthony C. Blaz,
Administrator, Guam Economic Development Authority
To the Committee on Economic Development, Health & Human Services, and Judiciary,
Mina Trenta Na Liheslaturan Guahan**

Hafa Adai Chairman Aguon and Members of the Committee:

I am writing in support of Bill 368-30, relative to approving the terms and conditions of the issuance by GPA of revenue bonds to finance the local matching portion of the costs of the smart grid project, certain other generation, transmission and distribution projects, to fund the costs of an administration building, to refund specific outstanding GPA bonds and to approve the terms and conditions of the issuance of subordinate revenue bonds to fund certain reserves and refund its outstanding obligations relating to its commercial paper program.

GPA (the "Authority") has approached GEDA to assist the Authority in issuing long-term bonds to fund certain capital projects and reserves, as well as refund outstanding obligations. The most immediate need of the Authority is to provide matching funds for a Smart Grid grant provided by the U.S. Department of Energy. The Authority must have these matching funds on hand by early July 2010 or the grant will expire. We have consulted with GPA and, given current favorable market conditions, we have recommended that the Authority issue additional senior lien bonds to fund other long-term projects that have been held off for years. It has been 11 years since GPA last accessed the municipal market for long-term capital funding. In addition, there are certain municipal debt issuance programs created by the American Recovery and Reinvestment Act ("ARRA") of which GPA can take advantage. Bill 368-30 provides for this opportunity.

From a credit perspective, GPA is at the cusp of obtaining additional investment grade ratings. GPA has made operational improvements over the last 10 years, specifically after the Consolidated Commission on Utilities was implemented. The Authority is also taking certain steps to improve its financial condition. GEDA believes that the funding of the reserves is critical toward the Authority's overall credit picture as well as the refunding of its outstanding Commercial Paper term loan obligation. GEDA has assisted GPA in the workout of this obligation for over 2 years but due to the credit crunch and the fall out of the monocline bond insurers, GPA has not found a solution that would meet the timeline of this bond issuance. If GPA does not refinance this obligation, their entire debt issuance opportunity could be in jeopardy. GEDA also believes that any refunding and/or restructuring of existing GPA bonds will help alleviate the need for immediate major rate increases and could potentially result in GPA mitigating rate increases for the near future. GPA will also need to access the taxable market for its subordinate bond issuance related to funding reserves and refinancing its Commercial Paper loan obligation. The market for the subordinate bonds is a bit less predictable and will require higher yields in order for the bonds to be sold. Attached are a few pages outlining the preliminary structure, terms and cost of the entire bond issue, as well as a breakout of each component.

The municipal market has been steady in recent months, with tax-exempt interest rates remaining low compared to historical levels. 30-year Treasury rates have remained fairly stable in 2010, ranging from 4.50% - 4.85%. Currently, the 30-year US Treasury rate is at 4.66%. Since June 2009, tax-exempt rates have declined dramatically, particularly on the long end of the yield curve. During this time, the taxable municipal market has been very active with the issuance of Build America Bonds ("BABs"), which are taxable bonds with an interest rate subsidy that goes directly to the issuer, as authorized under ARRA. The introduction of BABs has significantly decreased the supply of tax-exempt bonds in the long end of the yield curve (20-30 years). 30-year AAA MMD is currently at 4.11%, nearly 52 basis points lower than where it was in June 2009.

Year to date municipal issuance volume (including taxable and tax-exempt bonds) has totaled \$125 billion, an 8% increase over issuance over the same period in 2009. During this same period, over \$32 billion of BABs have been issued, comprising nearly 27% of total municipal issuance. BABs continue to dominate the market, with over \$96 billion in BABs issued since the program was first initiated in April 2009. To the extent it makes sense from an economic perspective, we expect at least a portion of the GPA bond issuance to utilize BABs.

Credit spreads are also becoming increasingly tighter, as demand for "yield" has increased, which is helping low to non-investment grade issues in the market. The recent rating recalibrations from Moodys and Fitch have also helped tighten credit spreads. Although the recalibration reflects a shift to a different scale and does not necessarily reflect outright upgrades, the higher ratings may have had psychological effect on retail investors and may have also allowed certain investors to hold bonds they previously could not. In June 2009, the 30-year credits spread for 'BBB' rated bonds was 209 basis points. Today, 30-year credit spreads for BBB bonds are approximately 143 basis points, a decline of 66 basis points.

In summary, GEDA believes that this financing achieves not only GPA's short-term goal of obtaining funding for the Smart Grid project, which will allow for more efficiencies in the Authority's operations, but also its long-term goals by provide funding for projects that are long overdue. In improving the Authority's overall financial picture and mitigating imminent rate increases, this financing will put GPA on a better foundation to serve the people of Guam.

Si Yu'os Ma'ase'.


ANTHONY C. BLAZ
Administrator



Guam Power Authority

Preliminary Financing Summary

April 20, 2010

Morgan Stanley



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Section 1

Sources and Uses



SOURCES AND USES

Senior Lien New Money Financings (Level D/S)

Summary of Smart Grid and Capital Improvements Financings

Term	Smart Grid Projects		Capital Improvements		Total
	10 Years	30 Years	10 Years	30 Years	
Structure	Tax-Exempt and BABs	Tax-Exempt and BABs	Tax-Exempt and BABs	Tax-Exempt and BABs	Tax-Exempt and BABs
Par Amount	\$21,785,000	\$119,115,000	\$119,115,000	\$119,115,000	\$140,900,000
Tax-Exempt Maturities	2013-2015	2014-2015	2014-2015	2013-2015	2013-2015
Tax-Exempt Par Amount	\$7,195,000	\$4,195,000	\$4,195,000	\$4,195,000	\$11,390,000
BABs Maturities	2016-2020	2016-2040	2016-2040	2016-2040	2016-2040
BABs Par Amount	\$14,590,000	\$114,920,000	\$114,920,000	\$114,920,000	\$129,510,000
Project Fund	\$17,000,000	\$89,319,000	\$89,319,000	\$89,319,000	\$106,319,000
Debt Service Reserve Fund	\$1,983,269	\$10,844,023	\$10,844,023	\$10,844,023	\$12,827,292
Capitalized Interest Fund	\$2,988,790	\$17,720,660	\$17,720,660	\$17,720,660	\$20,709,450
All-in TIC	4.71%	5.66%	5.66%	5.66%	5.58%

Notes

1. Market Conditions as of April 14, 2010, Rates are Subject to Change



SOURCES AND USES

Preliminary Senior Lien Refunding (Uniform D/S)

Refunding	
Summary of Refunded Bonds	Series 1993A: Maturities 2011-2015 Series 1999A: Maturities 2011-2015
Series and Maturities	
Solution	Uniform Savings
Maturities	2011-2015
Refunding Par	\$48,405,000
Refunded Par	\$45,565,000
Average Coupon of Refunded Bonds	5.25%
Debt Service Reserve Fund	\$4,406,707
Escrow Yield	0.14%
All-In TIC	3.36%

Notes

1. Market Conditions as of April 14, 2010, Rates are Subject to Change



SOURCES AND USES

Subordinate Lien Financing (Level D/S)

Summary of CP Takeout and Taxable Working Capital Borrowing

Term	CP Takeout		Taxable Working Capital Borrowing		Total Financing
	5 Years	5 Years	5 Years	5 Years	
Par Amount	\$22,545,000	\$32,665,000	\$32,665,000	\$55,210,000	
Project Fund	\$20,000,000	\$27,476,501	\$27,476,501	\$47,476,501	
Debt Service Reserve Fund	\$2,254,500	\$3,266,500	\$3,266,500	\$5,521,000	
Capitalized Interest Fund	-	\$1,499,540	\$1,499,540	\$1,499,540	
All-in TIC	7.10%	7.05%	7.05%	7.07%	

Notes

1. Market Conditions as of April 14, 2010, Rates are Subject to Change



SOURCES AND USES

Preliminary Summary of 2010 Financing

Summary of Senior Lien Refunding, Senior Lien New Money, and Subordinate Lien Financings

Term	Smart Grid Projects		Capital Improvements		CP Takeout (Subordinate)		Working Capital (Subordinate)		Refunding		Total
	10 Years	30 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	30 Years	
Structure	Tax-Exempt and BABs	Tax-Exempt and BABs	Taxable	Taxable	Tax-Exempt	Tax-Exempt	Taxable	Taxable	Tax-Exempt	Tax-Exempt, BABs, and Taxable	
Par Amount	\$21,785,000	\$119,115,000	\$22,545,000	\$32,665,000	\$48,405,000	\$244,515,000					
Tax-Exempt Maturities	2013-2015	2014-2015	-	-	2011-2015	2011-2015					
Tax-Exempt Par Amount	\$7,195,000	\$4,195,000	-	-	\$48,405,000	\$59,795,000					
BABs Maturities	2016-2020	2016-2040	-	-	-	2016-2040					
BABs Par Amount	\$14,590,000	\$114,920,000	-	-	-	\$129,510,000					
Taxable Par Amount	-	-	\$22,545,000	\$32,665,000	-	\$55,210,000					
Taxable Maturities	-	-	2011-2015	2012-2015	-	2011-2015					
Par Amount of Refunded Bonds	-	-	-	-	\$45,565,000	\$45,565,000					
Project Fund	\$17,000,000	\$89,319,000	\$20,000,000	\$27,476,501	-	\$153,795,501					
Debt Service Reserve Fund	\$1,983,269	\$10,844,023	\$2,254,500	\$3,266,500	\$4,406,707	\$22,754,999					
Capitalized Interest Fund	\$2,988,790	\$17,720,660	-	\$1,499,540	-	\$22,208,990					
All-in TIC	4.71%	5.66%	7.10%	7.05%	3.36%	5.53%					

Notes

1. Market Conditions as of April 14, 2010, Rates are Subject to Change



Appendix A

Disclaimer



DISCLAIMER

Disclaimer

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**Bureau of Budget & Management Research
Fiscal Note of Bill No. 368-30(COR)**

AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Power Authority	Dept./Agency Head: Joaquin C. Flores, General Manager
Department's General Fund (GF) appropriation(s) to date:	\$0
Department's Other Fund (Specify) appropriation(s) to date:	\$0
Total Department/Agency Appropriation(s) to date:	\$0

Fund Source Information of Proposed Appropriation			
	General Fund:	Other:	Total:
FY 2010 Adopted Revenues	\$540,218,638	\$112,566,011	\$652,784,649
FY 2010 Appra. (P.L. 30-55 through 30-112)	(\$540,228,724)	(\$120,120,186)	(\$660,348,910)
Sub-total:	(\$10,086)	(\$7,554,175)	(\$7,564,261)
Less appropriation in Bill	\$0	\$0	\$0
Total:	(\$10,086)	(\$7,554,175)	(\$7,564,261)

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2010 (if applicable)	FY 2011	FY 2012	FY 2013	FY 2014
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Tourist Attraction Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? // Yes /x/ No
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? /x/ N/A // Yes // No
If no, what is the additional amount required? \$ _____
/x/ N/A
- Does the Bill establish a new program/agency? // Yes /x/ No
If yes, will the program duplicate existing programs/agencies? // N/A // Yes /x/ No
Is there a federal mandate to establish the program/agency? // Yes /x/ No
- Will the enactment of this Bill require new physical facilities? // Yes /x/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /x/ Yes /x/ No
// Requested agency comments not received by due date // Other: _____

Analyst: Matt Quinata Date: 4/21/10 Director: Bertha M. Ducenas Date: APR 22 2010
Director, BBMR

Footnotes: The Bill has a potential for additional funding impact, however in its present form that impact cannot be determined at this time. The impact to the government of Guam and GPA's ratepayers may be an increase to the base rates to cover the debt service.



COMMITTEE ON RULES

I Mina' Trenta na Liheslaturan Guåhan • 30th Guam Legislature

155 Hesler Place, Hagatña, Guam 96910 • tel: (671)472-7679 • fax: (671)472-3547 • roryforguam@gmail.com

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RORY J.
RESPICIO
CHAIRPERSON**

**SENATOR
Judith P. Guthertz
VICE
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SENATOR**

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**Vicente C. Pangelinan
SENATOR**

**MINORITY
MEMBERS:**

**Frank F. Blas, Jr.
SENATOR**

**James V. Espaldon
SENATOR**

April 8, 2010

MEMORANDUM

To: Pat Santos
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: Senator Rory J. Respicio
Chairperson, Committee on Rules

Subject: Referral of Bill No. 368-30(COR)

As Chairperson of the Committee on Rules, I am forwarding my referral of Bill No. 368-30(COR).

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all Senators of *I Mina' Trenta Na Liheslaturan Guåhan*.

Should you have any questions, please contact Stephanie Mendiola or Elaine Tajalle at 472-7679.

Si Yu'os Ma'åse'!

(1) Attachment

APR 14 2010 11:14:32 AM
WUW

I Mina'Trenta Na Liheslaturan Guåhan
Bill Log Sheet
 Page 1 of 1

Bill No.	Sponsor(s)	Title	Date Introduced	Date Referred	Committee Referred	Public Hearing Date	Date Committee Report Filed	Status (Date)
B368-30 (COR)	Frank B. Aguon, Jr., Thomas C. Ada, Adolpho B. Palacios, Sr.	An act relative to approving the terms and conditions of the issuance by GPA of revenue bonds to finance the local matching portion of the costs of the Smart Grid Project; to fund certain other generation, transmission and distribution projects; to fund the costs of an administration building; to refund specific outstanding GPA bonds; and to approve the terms and conditions of the issuance by Guam Power Authority of subordinate revenue bonds to fund certain reserves and refund its outstanding obligations relating to its commercial paper program.	4/07/10 12:22 p.m.	4/7/10	Committee on Economic Development, Health and Human Services, and Judiciary			



**COMMITTEE ON ECONOMIC DEVELOPMENT,
HEALTH AND HUMAN SERVICES, AND JUDICIARY**
I Mina'Trenta Na Liheslaturan Guåhan • 30th Guam Legislature
238 Archbishop F.C. Flores St., DNA Bldg., Suite 701A, Hagatña, Guam 96910
Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

April 19, 2010

MEMORANDUM

TO: Honorable Senators/Committee Members
*Committee on Economic Development,
Health & Human Services, and Judiciary*

FROM: SENATOR FRANK B. AGUON, JR. 
Chairman

SUBJECT: FIRST NOTICE – Notice of Public Hearing
Tuesday, April 27, 2010 – 6:00 pm

Buenas yan Hafa Adai!

Please be advised that the Committee on Economic Development, Health & Human Services, and Judiciary will be conducting a public hearing on **Tuesday, April 27, 2010**, beginning at **6:00 pm** in the Guam Legislature's Public Hearing Room.

The items for discussion are as follows:

- **BILL NO. 365-30 (COR)** – AN ACT TO AMEND SECTION 4 OF PUBLIC LAW 28-71 RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS.
- **BILL NO. 368-30 (COR)** – AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.

Should you have any questions, please contact Mr. Ron Teehan from my office.

Un dangkulo' na Si Yu'us Ma'ase'.

Cc: Sergeant-at-Arms/Protocol/AV
Stephanie Mendiola, COR
Clerk of the Legislature
MIS

FRANK B. AGUON, JR.
SENATOR, CHAIRMAN

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RORY J. RESPICIO
SENATOR

FRANK F. BLAS, JR.
SENATOR

TELO TAITAGUE
SENATOR

RAY TENORIO
SENATOR

1st NOTICE - PUBLIC HEARING 04.27.2010, 6PM

from Frances Lizama <lizama.frances@gmail.com>
 to "SEN. ADA, Thomas C." <tom@senatorada.org>,
 "SEN. ADA, Tony" <senatorTonyada@guamlegislature.org>,
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 "SANTOS, Pat" <psantos@guamlegislature.org>
 date Mon, Apr 19, 2010 at 5:30 PM
 subject 1st NOTICE - PUBLIC HEARING 04.27.2010, 6PM
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- Hide quoted text -
 HAFA ADAI TO ALL:

Please see attached Notice of Public Hearing scheduled for Tuesday, April 27, 2010, 6pm in the Legislature's Public Hearing Room.

Un dangkulo' na Si Yu'us Ma'ase'.

FRANCES S. LIZAMA
 Office of Senator Frank B. Aguon, Jr.
 30th Guam Legislature
 Committee on Economic Development,
 Health & Human Services, and Judiciary
 238 Archbishop F.C. Flores St.
 DNA Bldg (old PDN), Suite 701A
 Hagatna, Guam 96910
 Tel: 671.969.1495/6
 Fax: 671.969.1497



SENATOR FRANK B. AGUON, JR.

Chairman, Committee on Economic Development,
Health & Human Services, and Judiciary
I Mina' Trenta Na Liheslaturan Guåhan
(Thirtieth Guam Legislature)



PRESS RELEASE FOR IMMEDIATE RELEASE April 19, 2010

NOTICE OF PUBLIC HEARING

In accordance with the Open Government Law 24-109, relative to notice for public meetings, please let this serve as 5 days notice for a Public Hearing by the Committee on Economic Development, Health & Human Services, and Judiciary, scheduled for

DATE: Tuesday, April 27, 2010
TIME: 6:00 pm
PLACE: Guam Legislature's Public Hearing Room

On the agenda for discussion are the following bills:

- **BILL NO. 365-30 (COR)** – AN ACT TO AMEND SECTION 4 OF PUBLIC LAW 28-71 RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS.
- **BILL NO. 368-30 (COR)** – AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.

Persons with disabilities needing special accommodations/services, or for more information, please contact Mr. Ron Teehan, Committee Director at 969-1495/6.

#####

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Marianas Variety	648-2007	Harvest Radio	477-7136
Marianas Media / Guam News Factor	477-2240	Joy 92FM	477-4678
Hit Radio 100	472-7663		

1st NOTICE - PUBLIC HEARING 04.27.2010, 6PM[hide details](#) 5:33 PM

from **Frances Lizama** <lizama.frances@gmail.com>
 to gerry@mvguam.com,
 john@marianasmedia.com,
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 "WATANABE, Masako - Guam Gannett" <mwatanabe@guam.gannett.com>


date Mon, Apr 19, 2010 at 5:33 PM
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HAFA ADAI TO ALL:

Please see attached Notice of Public Hearing scheduled for Tuesday, April 27, 2010, 6pm in the Legislature's Public Hearing Room.

Un dangkulo' na Si Yu'us Ma'ase'.

FRANCES S. LIZAMA
 Office of Senator Frank B. Aguon, Jr.
 30th Guam Legislature
 Committee on Economic Development,
 Health & Human Services, and Judiciary
 238 Archbishop F.C. Flores St.
 DNA Bldg (old PDN), Suite 701A
 Hagatna, Guam 96910
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Last 30 Transactions

Date	Time	Type	Station ID Caller ID	Duration	Pages	Result
Apr 12	12:54PM	Fax Sent	4774678	0:52	2	OK
Apr 12	3:58PM	Received	671 4722825 6714722825	0:47	2	OK
Apr 13	7:20AM	Received	6490145 6716490145	0:34	1	OK
Apr 13	11:19AM	Received	7341988 6717341988	0:44	1	OK
Apr 13	3:08PM	Received	6716499118	0:45	0	No fax
Apr 14	9:59AM	Received	671-477-6796 6714776796	0:24	1	OK
Apr 14	5:05PM	Fax Sent	6498668	0:35	1	OK
Apr 15	11:18AM	Fax Sent	4773321	0:32	0	Error 344
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Apr 16	2:52PM	Fax Sent	6332643	0:49	1	OK
Apr 17	2:04PM	Received	6717348584	0:45	0	No fax
Apr 17	2:06PM	Received	6717348584	0:44	0	No fax
Apr 19	12:19PM	Received	6716377175 6716377175	0:42	3	OK
Apr 19	1:57PM	Received	671-477-6796 6714776796	0:33	1	OK
Apr 19	5:16PM	Received	6716472000	0:39	1	OK
Apr 19	5:35PM	Fax Sent	6379870 - KUAM TV/RADIO	0:42	1	OK
Apr 19	5:37PM	Fax Sent	4773982 - K57 / POWER 98	0:29	1	OK
Apr 19	5:38PM	Fax Sent	4773079 - PDN	0:52	1	OK
Apr 19	5:39PM	Fax Sent	4770793 - PNC NEWS	0:34	1	OK
Apr 19	5:41PM	Fax Sent	6482007 - MARIANAS VARIETY	0:39	1	OK
Apr 19	5:42PM	Fax Sent	4772240 - MAR MEDIA/ GNF	2:40	1	OK
Apr 19	5:45PM	Fax Sent	4727663 - HIT RADIO 100	0:30	1	OK
Apr 19	5:47PM	Fax Sent	4776411 - K-STEREO / KISH	0:50	1	OK
Apr 19	5:48PM	Fax Sent	7342958 - KPRG NEWS	0:31	1	OK
Apr 19	5:49PM	Fax Sent	7343476 - KGTF	0:00	0	No answer
Apr 19	5:51PM	Fax Sent	5652983 - ADVENTIST RADIO	0:32	1	OK
Apr 19	5:52PM	Fax Sent	4777136 - HARVEST RADIO	0:43	1	OK
Apr 19	5:53PM	Fax Sent	4774678 - JOY 92FM	0:30	1	OK
Apr 19	5:54PM	Fax Sent	7343476 - KGTF	0:00	0	No answer



**COMMITTEE ON ECONOMIC DEVELOPMENT,
HEALTH AND HUMAN SERVICES, AND JUDICIARY**
I Mina'Trenta Na Liheslaturan Guåhan • 30th Guam Legislature
238 Archbishop F.C. Flores St., DNA Bldg., Suite 701A, Hagatña, Guam 96910
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FRANK B. AGUON, JR.
SENATOR, CHAIRMAN

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RORY J. RESPICIO
SENATOR

FRANK F. BLAS, JR.
SENATOR

TELO TAITAGUE
SENATOR

RAY TENORIO
SENATOR

April 22, 2010

MR. JOHN BENAVENTE, GM
Guam Power Authority
P.O. Box 21868
Barrigada, Guam 96921-1868

SUBJECT: NOTICE OF PUBLIC HEARING – Tuesday, April 27, 2010, 6pm

Dear Mr. Benavente,

Buenas yan Hafa Adai!

Please be advised the Committee on Economic Development, Health & Human Services, and Judiciary will be conducting a Public Hearing on **Tuesday, April 27, 2010 at 6pm** in the Legislature's Public Hearing Room.

On the agenda is the following:

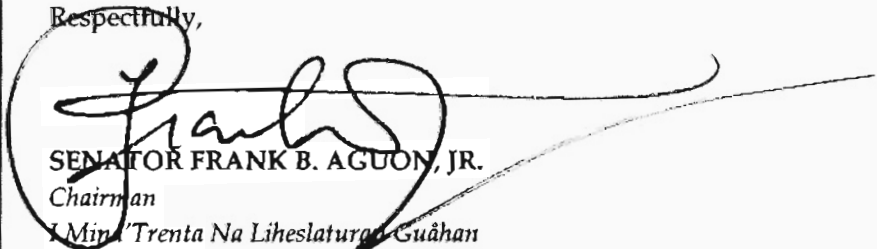
- **BILL NO. 368-30 (COR)** – An Act relative to approving the terms and conditions of the issuance by GPA of Revenue Bonds to finance the Local Matching portion of the costs of the Smart Grid Project; to fund certain other Generation, Transmission and Distribution projects; to fund the costs of an Administration Building; to refund specific outstanding GPA Bonds; and to approve the terms and conditions of the issuance by GPA of subordinate Revenue Bonds to fund certain reserves and refund its outstanding obligations relating to its Commercial Paper Program.

For a copy of the bill for your purview, please visit the Guam Legislature's website at www.guamlegislature.com; go to "BILLS"; "INTRODUCED"; and "30TH".

I invite the participation of you and/or your staff at this public hearing as you deem necessary, and also to provide testimony on the measure. Written testimony may be delivered to my office, faxed to 969-1497, or emailed to aguon4guam@gmail.com. Should you have any questions or comments, you may contact Mr. Ron Teehan from my office.

Un dangkulo' na Si Yu'us Ma'ase'.

Respectfully,


SENATOR FRANK B. AGUON, JR.
Chairman
I Mina'Trenta Na Liheslaturan Guåhan
(30th Guam Legislature)

NOTICE OF PUBLIC HEARING - 04.27.2010, 6PM Inbox X

from **Frances Lizama** <lizama.frances@gmail.com>
to **"BENALETE, John - GPA GM"** <gpagm@ite.net>
date Fri, Apr 23, 2010 at 11:06 AM
subject NOTICE OF PUBLIC HEARING - 04.27.2010, 6PM
mailed-by gmail.com

[hide details](#) Apr 23 (3 days ago)

[Reply](#)

Hafa Adai Mr. Benavente,

Please see attached Notice of Public Hearing scheduled for Tuesday, April 27, 2010, 6pm in the Public Hearing Room. Please confirm receipt of this notice via email to lizama.frances@gmail.com.

Un dangkulo' na Si Yu'us Ma'ase'.

FRANCES S. LIZAMA
Office of Senator Frank B. Aguon, Jr.
30th Guam Legislature
Committee on Economic Development,
Health & Human Services, and Judiciary
238 Archbishop F.C. Flores St.
DNA Bldg (old PDN), Suite 701A
Hagatna, Guam 96910
Tel: 671.969.1495/6
Fax: 671.969.1497

 **GPA - P.H. NOTICE 04.27.2010.pdf**
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from **John Benavente** <gpagm@ite.net>
to Frances Lizama <lizama.frances@gmail.com>
cc Simon Sanchez <gdcmgr@ite.net>,
"Joaquin C. Flores" <jflores@gpagwa.com>,
"Randall V. Wiegand" <rwiegand@gpagwa.com>,
Graham Botha <gbotha@guampowerauthority.com>,
Christina Garcia <cgarcia@guameda.net>
date Fri, Apr 23, 2010 at 11:19 AM
subject RE: NOTICE OF PUBLIC HEARING - 04.27.2010, 6PM

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Thanks Frances! We will be there! Johnb



**COMMITTEE ON ECONOMIC DEVELOPMENT,
HEALTH AND HUMAN SERVICES, AND JUDICIARY**
I Mina'Trenta Na Liheslaturan Guåhan • 30th Guam Legislature
238 Archbishop F.C. Flores St., DNA Bldg., Suite 701A, Hagatña, Guam 96910
Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

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SENATOR, VICE CHAIRMAN

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LEGISLATIVE SECRETARY

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SENATOR

RORY J. RESPICIO
SENATOR

FRANK F. BLAS, JR.
SENATOR

TELO TAITAGUE
SENATOR

RAY TENORIO
SENATOR

April 22, 2010

Mr. Anthony C. Blaz
Administrator
Guam Economic Development Authority
GITC Building, Ste 511
Tamuning, Guam 96913

Subject: Notice of Public Hearing – Tuesday, April 27, 2010, 6pm

Dear Mr. Blaz,

Buenas yan Hafa Adai! The Committee on Economic Development, Health & Human Services, and Judiciary will be conducting a public hearing on **Tuesday, April 27, 2010 at 6pm** in the Guam Legislature Public Hearing Room.

On the agenda are the following bills:

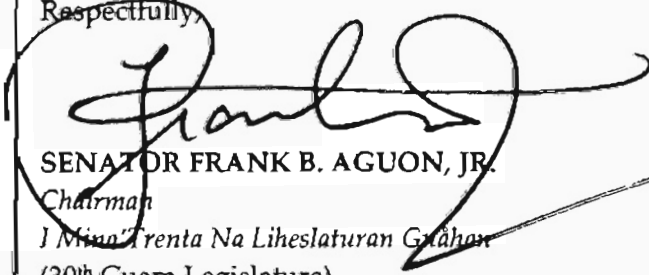
- **BILL NO. 365-30 (COR)** - An Act to amend Section 4 of P.L. 28-71 relative to approving the terms and conditions of the issuance of GWA Revenue Bonds.
- **BILL NO. 368-30 (COR)** – An Act relative to approving the terms and conditions of the issuance by GPA of Revenue Bonds to finance the Local Matching portion of the costs of the Smart Grid Project; to fund certain other Generation, Transmission and Distribution projects; to fund the costs of an Administration Building; to refund specific outstanding GPA Bonds; and to approve the terms and conditions of the issuance by GPA of subordinate Revenue Bonds to fund certain reserves and refund its outstanding obligations relating to its Commercial Paper Program.

I invite your participation and your administration's representatives as you deem appropriate at this public hearing and to also provide testimony on these measures. Written testimony may be emailed, faxed or hand-delivered to my office.

Should you have any question, please contact Mr. Ron Teehan from my office.

Un Dangkulo' Na Si Yu'us Ma'ase'.

Respectfully,


SENATOR FRANK B. AGUON, JR.
Chairman
I Mina'Trenta Na Liheslaturan Guåhan
(30th Guam Legislature)

NOTICE OF P.H. - 04.27.2010, 6PM Inbox X

from **Frances Lizama** <lizama.frances@gmail.com>
 to **"BLAZ, Tony C. - GEDA Dir."** <tblaz@guameda.net>
 cc **"GARCIA, Christina - GEDA Deputy Dir."** <cgarcia@investguam.com>,
"LUJAN, Ellie - GEDA" <eumagat@guameda.net>
 date Fri, Apr 23, 2010 at 10:54 AM
 subject NOTICE OF P.H. - 04.27.2010, 6PM
 mailed-by gmail.com


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Hafa Adai Tony,

Please see attached Notice of Public Hearing scheduled for Tuesday, April 27, 2010, 6pm in the Public Hearing Room. Please confirm receipt of this notice via email to lizama.frances@gmail.com.

Un dangkulo' na Si Yu'us Ma'ase'.

FRANCES S. LIZAMA
 Office of Senator Frank B. Aguon, Jr.
 30th Guam Legislature
 Committee on Economic Development,
 Health & Human Services, and Judiciary
 238 Archbishop F.C. Flores St.
 DNA Bldg (old PDN), Suite 701A
 Hagatna, Guam 96910
 Tel: 671.969.1495/6
 Fax: 671.969.1497

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from **Ellie Lujan** <elujan@guameda.net>
 reply-to **Ellie Lujan** <elujan@guameda.net>
 to **Frances Lizama** <lizama.frances@gmail.com>
 cc **Tony Blaz** <tblaz@guameda.net>
 date Fri, Apr 23, 2010 at 8:31 PM
 subject Re: NOTICE OF P.H. - 04.27.2010, 6PM

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Confirming receipt.

Thank you,
 Ellie Lujan

Sent from my MPULSE BlackBerry powered by GTA!



**COMMITTEE ON ECONOMIC DEVELOPMENT,
HEALTH AND HUMAN SERVICES, AND JUDICIARY**
I Mina'Trenta Na Liheslaturan Guåhan • 30th Guam Legislature
238 Archbishop F.C. Flores St., DNA Bldg., Suite 701A, Hagatña, Guam 96910
Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

FRANK B. AGUON, JR.
SENATOR, CHAIRMAN

ADOLPHO B. PALACIOS, SR.
SENATOR, VICE CHAIRMAN

JUDITH T. WON PAT
SPEAKER
EX-OFFICIO MEMBER

BENJAMIN J.F. CRUZ
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TINA ROSE MUÑA BARNES
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THOMAS C. ADA
SENATOR

JUDITH P. GUTHERTZ
SENATOR

RORY J. RESPICIO
SENATOR

FRANK F. BLAS, JR.
SENATOR

TELO TAITAGUE
SENATOR

RAY TENORJO
SENATOR

April 22, 2010

Mr. Simon A. Sanchez II, Chairman
Commission on Consolidated Utilities
P.O. Box 2977
Hagatna, Guam 96910

Subject: Notice of Public Hearing – Tuesday, April 27, 2010, 6pm

Dear Mr. Sanchez,

Buenas yan Hafa Adai! The Committee on Economic Development, Health & Human Services, and Judiciary will be conducting a public hearing on **Tuesday, April 27, 2010 at 6pm** in the Guam Legislature Public Hearing Room.

On the agenda are the following bills:

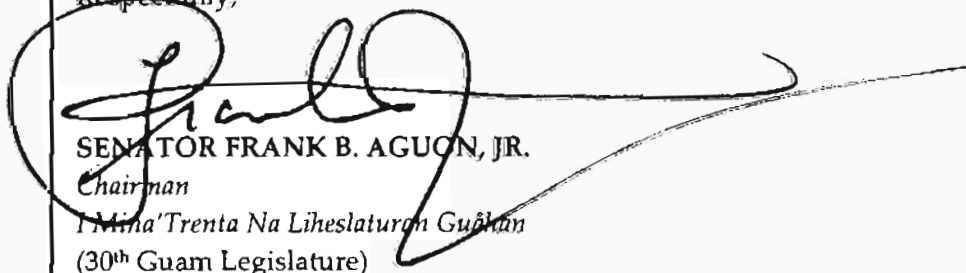
- **BILL NO. 365-30 (COR)** - An Act to amend Section 4 of P.L. 28-71 relative to approving the terms and conditions of the issuance of GWA Revenue Bonds.
- **BILL NO. 368-30 (COR)** – An Act relative to approving the terms and conditions of the issuance by GPA of Revenue Bonds to finance the Local Matching portion of the costs of the Smart Grid Project; to fund certain other Generation, Transmission and Distribution projects; to fund the costs of an Administration Building; to refund specific outstanding GPA Bonds; and to approve the terms and conditions of the issuance by GPA of subordinate Revenue Bonds to fund certain reserves and refund its outstanding obligations relating to its Commercial Paper Program.

I invite your participation and your administration's representatives as you deem appropriate at this public hearing and to also provide testimony on these measures. Written testimony may be emailed, faxed or hand-delivered to my office.

Should you have any question, please contact Mr. Ron Teehan from my office.

Un Dangkulo' Na Si Yu'us Ma'ase'.

Respectfully,


SENATOR FRANK B. AGUON, JR.
Chairman
I Mina'Trenta Na Liheslaturan Guåhan
(30th Guam Legislature)

NOTICE OF PUBLIC HEARING - 04.27.2010, 6PM

from **Frances Lizama** <lizama.frances@gmail.com>
to **"SABLAN, B. LOU"** <lsablan@gpagwa.com>
date **Fri, Apr 23, 2010 at 11:03 AM**
subject **NOTICE OF PUBLIC HEARING - 04.27.2010, 6PM**
mailed-by **gmail.com**

[hide details](#) Apr 23 (3 days ago)

[Reply](#)

Hafa Adai Ms. Sablan,

Please see attached Notice of Public Hearing scheduled for Tuesday, April 27, 2010, 6pm in the Legislature's Public Hearing Room. Please ensure notice is forwarded to Mr. Sanchez. Also, please confirm receipt of this notice via email to lizama.frances@gmail.com.

Un dangkulo' na Si Yu'us Ma'ase'.

—
FRANCES S. LIZAMA
Office of Senator Frank B. Aguon, Jr.
30th Guam Legislature
Committee on Economic Development,
Health & Human Services, and Judiciary
238 Archbishop F.C. Flores St.
DNA Bldg (old PDN), Suite 701A
Hagatna, Guam 96910
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continued from page 1

firefighting, ambulance and rescue services." GFD spokesman Joey San Nicolas said. San Nicolas said GFT's allegation was merely based on one

potentially hold all of our lives in their hands. Don't they deserve a little dignity and respect?" the union vice president added.


Gearing up for

Local industry learns more

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 28 Archbishop F.C. Flores St., DNA Bldg., Ste. 701A, Hagatna, Guam 96910
 *Tel: (671) 969-1495 • Fax: (671) 969-1497 | email: faguon@guam.gov | faguon@gmail.com


NOTICE OF PUBLIC HEARING
 TUESDAY, APRIL 27, 2010, 6 pm
 GUAM LEGISLATURE PUBLIC HEARING ROOM

BILL NO. 365-30 (COR) - AN ACT TO AMEND SECTION 4 OF PUBLIC LAW 28-71 RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATER WORKS REVENUE BONDS.

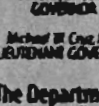
BILL NO. 368-30 (COR) - AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.

To view full text of Bills, visit www.guamlegislature.com. If written testimonies are to be presented, the Committee requests copies be submitted 1 day prior to hearing date to OFFICE OF SEN. FRANK B. AGUON, JR., 238 ARCHBISHOP F.C. FLORES ST., DNA BLDG., STE. 701A, HAGATNA, GU 96910. email: faguon@guam.gov or fax to 969-1497. Individuals requiring special accommodations/services, or for more information, please contact Ron Teehan at 969-1495/6.

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Felix P. Camacho
GOVERNOR



Michael W. Cruz, M.D.
LIEUTENANT GOVERNOR

The Department of Public Health
 Bureau of Family and Nursing
 Early Childhood Mental Health
 following Professional Services

1. Professional Services
2. Professional Services

Request for Proposal packets for
 Social Services, Central Region
 Family Health & Nursing Services
 from 9:00am-4:00pm, Monday

Deadline for submission of RFP

For more information, please contact
 Family Health & Nursing Services
 Administrative Aide, Project Ka...

/s/ Director, Department

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**COMMITTEE ON ECONOMIC DEVELOPMENT,
HEALTH AND HUMAN SERVICES, AND JUDICIARY**
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Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

April 26, 2010

MEMORANDUM

TO: Honorable Senators/Committee Members
*Committee on Economic Development,
Health & Human Services, and Judiciary*

FROM: SENATOR FRANK B. AGUON, JR.
Chairman

SUBJECT: SECOND NOTICE - Notice of Public Hearing
Tuesday, April 27, 2010 - 6:00 pm

Buenas yan Hafa Adai!

Please be advised that the Committee on Economic Development, Health & Human Services, and Judiciary will be conducting a public hearing on **Tuesday, April 27, 2010**, beginning at **6:00 pm** in the Guam Legislature's Public Hearing Room.

The items for discussion are as follows:

- **BILL NO. 365-30 (COR)** - AN ACT TO AMEND SECTION 4 OF PUBLIC LAW 28-71 RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS.
- **BILL NO. 368-30 (COR)** - AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.

Should you have any questions, please contact Mr. Ron Teehan from my office.

Un dangkulo' na Si Yu'us Ma'ase'.

Cc: Sergeant-at-Arms/Protocol/AV
Stephanie Mendiola, COR
Clerk of the Legislature
MIS

FRANK B. AGUON, JR.
SENATOR, CHAIRMAN

ADOLPHO B. PALACIOS, SR.
SENATOR, VICE CHAIRMAN

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SPEAKER
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SENATOR

TELO TAITAGUE
SENATOR

RAY TENORIO
SENATOR

2ND NOTICE OF PUBLIC HEARING - 04.27.2010, 6PM Inbox X

from **Frances Lizama** <lizama.frances@gmail.com>
 to "SEN. ADA, Thomas C." <tom@senatorada.org>,
 "SEN. ADA, Tony" <senatorTonyada@guamlegislature.org>,
 "SEN. BLAS, Frank F., Jr." <frank.blasjr@gmail.com>,
 "SEN. CALVO, Eddie J.B." <sencalvo@gmail.com>,
 "SEN. ESPALDON, James V." <senator@espaldon.com>,
 "SEN. GUTHERTZ, Judith P." <judiguthertz@pticom.com>,
 "SEN. MUNA BARNES, Tina Rose" <tinamunabarnes@gmail.com>,
 "SEN. PALACIOS, Adolpho B., Sr." <abpalacios@gmail.com>,
 "SEN. PANGELINAN, Ben" <senbenp@guam.net>,
 "SEN. RESPICIO, Rory J." <roryforguam@gmail.com>,
 "SEN. TAITAGUE, Telo" <senatortelo@gmail.com>,
 "SEN. TENORIO, Ray" <ray@raytenorio.com>,
 "SPKR WON PAT, Judi" <speaker@judiwonpat.com>,
 "VICE SPKR CRUZ, Benjamin J.F." <senadotbjcruz@gmail.com>
 cc "BLAS, Roland" <roland@judiwonpat.com>,
 "DEFENSOR, Sahara" <sahara@judiwonpat.com>,
 "DUARTE, Mark" <mark@judiwonpat.com>,
 "TORRES, Frank B." <fbtorres@judiwonpat.com>,
 "ALONSO, Maya" <maya@guamlegislature.org>,
 "BLAS, Jon" <jonatwork2010@gmail.com>,
 "CRUZ, Jose Jr." <josecruzjr17@yahoo.com>,
 "LG, Peter" <peterlg@gmail.com>,
 "LIDIA, Mike" <mike.lidia9@gmail.com>,
 "MATANANE, Tammy" <tpmatanane@yahoo.com>,
 "ODOCA, Chris" <codoca@gmail.com>,
 "GILLHAM, Julliette" <office@senatorada.org>,
 "LUHR, Cyrus" <cyrus@senatorada.org>,
 "SANTOS, Nicole" <nsantos@senatorada.org>,
 "SUNGA, Jay" <ajsunga@senatorada.org>,
 "ATALIG, Louise A." <louise_atalig@yahoo.com>,
 "CASTRO, James P." <jamespcastro@gmail.com>,
 "FEJERAN, Mary C." <maryfejeran@gmail.com>,
 "SAYAMA, Mark" <sayama01@yahoo.com>,
 "GOGUE, Elaine" <epgogue@hotmail.com>,
 "UNPINGCO, Joy" <joyunpingco@gmail.com>,
 "DUENAS, Mona" <mona.duenas@gmail.com>,
 "ROBERTO, Phil" <roberto.phil@gmail.com>,
 "LG, Ed" <elg@guamlegislature.org>,
 "MUNA, Rose" <rsmuna@yahoo.com>,
 "TUPAZ, Robert" <rob.tupaz@gmail.com>,
 "WYTTENBACH-SANTOS, Richard" <doc.wytenbachsantos@gmail.com>,
 "KOMIYAMA, Velma" <vel.komiyama@yahoo.com>,
 "OKADA, Tina" <tinaokada@gmail.com>,
 "TAITAGUE, Ron" <ez2plez57@yahoo.com>,
 "BURGOS, Fred" <feaburgos@gmail.com>,
 "CEPEDA, Patrick" <patrickcepeda@hotmail.com>,
 "CRUZ, Priscilla" <pjtcruz@yahoo.com>,
 "DIAZ, Jonathan" <jonbdiaz@gmail.com>,
 "CIPOLLONE, Lisa" <cipo@guamlegislature.org>,
 "HILLS, Derick" <derickhills@live.com>,
 "OKADA, Anjelica" <aokada@guamlegislature.org>,
 "MENDIOLA, Stephanie - Sen. Respicio's Ofc." <sem@guamlegislature.org>,
 "PHILLIPS, Bill R. - Sen. Respicio CP" <phillipsguam@gmail.com>,
 "TAJALLE, Elaine - Sen. Respicio" <elainevtll@gmail.com>,
 "LEE, Edward G." <teddylaz_222@yahoo.com>,
 "PEREZ, Mike" <mjperez48@yahoo.com>,
 "CEPEDA, Mermae" <mermae@raytenorio.com>,
 "EVARISTO, Jessica" <jessica@raytenorio.com>,
 "LG, Phillip" <phill@raytenorio.com>,
 "LG, Joe - Sgt-at-Arms" <sgtarms@guamlegislature.org>,
 "UNSIOG, Tom - Protocol/AV" <tunsiog@guamlegislature.org>,

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"QUITUGUA, Tony - Protocol/Reproduction" <tq@guamlegislature.org>,
"PAK, Yong - MIS" <yong@guamlegislature.org>,
"GUMATAOTAO, Susan S." <deputyclerk@guamlegislature.org>,
"MEW, Elvy" <emew@guamlegislature.org>,
"PEREZ, Daniel" <dperez@guamlegislature.org>,
"PEREZ, Rennae" <rennae@guamlegislature.org>,
"SANTOS, Pat" <psantos@guamlegislature.org>,
"TERLAJE, Flo" <fterlaje@guamlegislature.org>

date Mon, Apr 26, 2010 at 2:35 PM
subject 2ND NOTICE OF PUBLIC HEARING - 04.27.2010, 6PM
mailed-by gmail.com

Hafa Adai to All:

Please find attached Second Notice of Public Hearing from Sen. Aguon. Public Hearing is scheduled for Tuesday, April 27, 2010, 6pm in the Legislature's Public Hearing Room.
Un dangkulo' na Si Yu'us Ma'ase'

--

FRANCES S. LIZAMA
Office of Senator Frank B. Aguon, Jr.
30th Guam Legislature
Committee on Economic Development,
Health & Human Services, and Judiciary
238 Archbishop F.C. Flores St.
DNA Bldg (old PDN), Suite 701A
Hagatna, Guam 96910
Tel: 671.969.1495/6
Fax: 671.969.1497

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SENATOR FRANK B. AGUON, JR.

Chairman, Committee on Economic Development,
Health & Human Services, and Judiciary
I Mina' Trenta Na Liheslaturan Guåhan
(Thirtieth Guam Legislature)



PRESS RELEASE FOR IMMEDIATE RELEASE April 26, 2010

NOTICE OF PUBLIC HEARING

In accordance with the Open Government Law 24-109, relative to notice for public meetings, please let this serve as 48-Hours notice for a Public Hearing by the Committee on Economic Development, Health & Human Services, and Judiciary, scheduled for

DATE: Tuesday, April 27, 2010
TIME: 6:00 pm
PLACE: Guam Legislature's Public Hearing Room

On the agenda for discussion are the following bills:

- **BILL NO. 365-30 (COR)** – AN ACT TO AMEND SECTION 4 OF PUBLIC LAW 28-71 RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS.
- **BILL NO. 368-30 (COR)** – AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.

Persons with disabilities needing special accommodations/services, or for more information, please contact Mr. Ron Teehan, Committee Director at 969-1495/6.

#####

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Marianas Media / Guam News Factor	477-2240	Joy 92FM	477-4678
Hit Radio 100	472-7663		

2ND NOTICE OF PUBLIC HEARING - 04.27.2010, 6pm Inbox X[hide details](#) 2:37 PM (

from **Frances Lizama** <lizama.frances@gmail.com>
 to gerry@mvguam.com,
 john@marianasmedia.com,
 "AGUON, Mindy - KUAM" <671mindy@gmail.com>,
 "ARROYO, Patti - K57" <parroyo@k57.com>,
 "ARTERO, Sonya - KUAM" <sonya@kuam.com>,
 "CAGURANGAN, MarVic - MarVariety" <marvic@mvguam.com>,
 "CATAHAY, Michelle - KUAM" <michele@kuam.com>,
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date Mon, Apr 26, 2010 at 2:37 PM

subject 2ND NOTICE OF PUBLIC HEARING - 04.27.2010, 6pm

mailed-by gmail.com

Hafa Adai to All:

Please find attached Notice of Public Hearing scheduled for Tuesday, April 27, 2010, 6pm in the Legislature's Public Hearing Room.

Un dangkulo' na Si Yu'us Ma'ase.

—
 FRANCES S. LIZAMA
 Office of Senator Frank B. Aguon, Jr.
 30th Guam Legislature
 Committee on Economic Development,
 Health & Human Services, and Judiciary
 238 Archbishop F.C. Flores St.
 DNA Bldg (old PDN), Suite 701A
 Hagatna, Guam 96910
 Tel: 671.969.1495/6
 Fax: 671.969.1497

 PH - 2nd Notice.docx

NOTE: Blocked calls are not displayed on this report.
 For more information, see Junk Fax Report and the Caller ID History report.

Last 30 Transactions

Date	Time	Type	Station ID Caller ID	Duration	Pages	Result
Apr 23	10:21AM	Fax Sent	4775589	0:53	2	OK
Apr 24	10:35AM	Received	4723510	0:20	1	OK
			6714723589			
Apr 24	12:44PM	Received	6718281527	0:45	0	No fax
Apr 24	12:45PM	Received	6718281527	0:54	0	No fax
Apr 25	10:31AM	Received	6718281527	0:45	0	No fax
Apr 25	10:31AM	Received	6718281527	0:45	0	No fax
Apr 26	8:33AM	Received	6714752000	0:18	1	OK
Apr 26	10:05AM	Received	6716466381	0:27	1	OK
			6716466381			
Apr 26	10:28AM	Received	6716464275	1:36	4	OK
Apr 26	10:50AM	Received	6716469306	0:30	1	OK
			6716469306			
Apr 26	10:57AM	Received	6716464275	0:23	1	OK
Apr 26	10:58AM	Received	6716466381	0:50	1	OK
			6716466381			
Apr 26	1:18PM	Fax Sent	4772007	2:11	5	OK
Apr 26	3:04PM	Fax Sent	6379870	0:14	1	Cancel
Apr 26	4:06PM	Fax Sent	6379870 - KUAM	0:33	1	OK
Apr 26	4:07PM	Fax Sent	4773982 - K57 / POWER98	0:30	1	OK
Apr 26	4:08PM	Fax Sent	4773079 - PDN	1:02	1	OK
Apr 26	4:10PM	Fax Sent	4770793 - PNC NEWS	0:34	1	OK
Apr 26	4:11PM	Fax Sent	6482007 - MARIANAS VARIETY	0:32	1	OK
Apr 26	4:12PM	Fax Sent	4772240 - MAR MEDIA/ GNF	1:24	1	OK
Apr 26	4:14PM	Fax Sent	4727663 - HIT RADIO 100	0:30	1	OK
Apr 26	4:15PM	Fax Sent	4776411 - K-STEREO / KISH	0:45	1	OK
Apr 26	4:17PM	Fax Sent	7343476 - KGTF	0:50	1	OK
Apr 26	4:18PM	Fax Sent	7342958	0:38	0	Error 387
Apr 26	4:19PM	Received	4723510	0:22	1	OK
Apr 26	4:23PM	Fax Sent	7342958 - KPRG NEWS	0:34	1	OK
Apr 26	4:25PM	Fax Sent	5652983 - ADVENTIST RADIO	0:31	1	OK
Apr 26	4:26PM	Fax Sent	4777136 - HARVEST RADIO	0:34	1	OK
Apr 26	4:27PM	Fax Sent	4774678 - JOY 92FM	1:15	1	OK

formation regarding Fr. Randolph "Randy" Nowak and Fr. Andrew "Andy" Manna. Fr. Randolph Nowak's faculties to engage in public ministry were permanently revoked in 2004 for reasons relating to allegations that arose elsewhere and not in Guam. Nowak has not engaged in public ministry since that time and is in retirement and residing in the village of Agat. He is 84 years old, according to the letter. Fr. Andrew Manna's faculties to engage in public ministry were permanently revoked in 2002 because of abuse allegations brought by an individual who was not a minor at the time of the alleged abuse. Manna, who once served in the Archdiocese of Agaña, was assigned to the Archdiocese of Honolulu. He subsequently left the priesthood in 2007. Manna came to Guam in 1980 as a seminarian. Guam was his first assignment after he was ordained into the priesthood in May, 1983.

Headhunters meet jobseekers

By Tiffany Sukola
tiffany@mvguam.com
Variety News Staff

RECOGNIZING the need to get university graduates into the island's workforce, the University of Guam will host a job fair today for university students and alumni.

According to data from the Bureau of Labor Statistics, nearly 6,150 people were unemployed, giving the island a 9.3 percent unemployment rate as of last September.

Leah Beth Naholowaa, career development officer, said today's job fair will help connect students and graduates with dozens of local and federal employers.

A total of 35 employers will be on hand today at the UOG field house from 9 a.m. to 5 p.m., representing various trades on Guam. According to Naholowaa, private companies,

military and federal employers and government of Guam agencies are participating in the event.

Naholowaa said since the university's job fairs typically see about 1,500 to 2,000 job seekers, people should get there as early as possible. She also advised applicants to dress appropriately since many employers remember first impressions.

In an effort to reduce the current unemployment rate, the Department of Labor will also be hosting a career fair to help connect the island's unemployed with potential employers.

The agency's job fair will be held next Monday at the Agaña Shopping Center from 9 a.m. to 4 p.m., according to a release from the department.

DOL said next week's job fair will provide opportunities for qualified individuals with a

disability or special challenge to meet with employers.

Monday's job fair is the first ever "special challenges job fair" to be held on Guam. The historic job fair is being held in conjunction with the federal job fair for people with disabilities scheduled for the same day in Washington D.C.

More than a dozen employers will be on hand to conduct scheduled interviews alongside representatives from over 30 public and private sector organizations who will be promoting their programs and services that address barriers to employment such as transportation, according to DOL.

Individuals with disabilities are often unable to obtain employment because of barriers like a lack of assistive technology at a work site, not enough reasonable accommodation by employers or housing issues.

GHURA

Engineering and Urban Renewal Authority
Inimá' Yan Rinuaban Siudad Guahan
Venida Avenue - Sinajana, Guam 96910
969-9851 • Fax: (671) 300-7535 • TTY: (671) 472-3701



Michael W. Cruz, M.D.
Lieutenant Governor

NOTICE TO THE PUBLIC

WEATHERIZATION ASSISTANCE PROGRAM

(Funded by ARRA-WAP Grant Funds)

The Guam Energy Office (GEO) in partnership with the Engineering and Urban Renewal Authority (GHURA) will be providing weatherization

services. To be eligible, you must be a resident of Guam, be 62 years of age or older, be a homeowner, be a low-income household, and be a resident of a single-family home. To schedule an appointment, please call the GEO at 969-9851. For more information, please visit www.guamenergyoffice.com.

received for the past 12 months;
Medicaid, Social Security, etc.) received for the past 12 months;
energy usage) for the past 12 months;
home;
all occupants;
ID



SENATOR FRANK B. AGUON, JR. (Chairman)
COMMITTEE ON ECONOMIC DEVELOPMENT,
HEALTH & HUMAN SERVICES AND JUDICIARY
I Mian' Treana Na Libersaturan Guahan 30th Guam Legislature
238 Archbishop F.C. Flores St., DNA Bldg., Ste. 701A, Hagatna, Guam 96910
Tel: (671) 969-1495 • Fax: (671) 969-1497 Email: aguon@guam.senate.guam.gov

NOTICE OF PUBLIC HEARING

TUESDAY, APRIL 27, 2010, 6 pm

GUAM LEGISLATURE PUBLIC HEARING ROOM

BILL NO. 365-30 (CDR) - AN ACT TO AMEND SECTION 4 OF PUBLIC LAW 28-71 RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATER WORKS REVENUE BONDS.

BILL NO. 368-30 (CDR) - AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.

To view full text of Bills, visit www.guamlegislature.com. If written testimonies are to be presented, the Committee requests copies be submitted 1 day prior to hearing date to OFFICE OF SEN. FRANK B. AGUON, JR., 238 ARCHBISHOP F.C. FLORES ST., DNA BLDG., STE 701A, HAGATNA, GU 96910, email aguon-frank@gmail.com, or fax to 969-1497. Individuals requiring special accommodations/services, or for more information, please contact Ron Teehan at 969-1495/6.

THIS AD FUNDING BY GOVERNMENT FUNDS



SENATOR FRANK B. AGUON, JR., *Chairman*
**COMMITTEE ON ECONOMIC DEVELOPMENT,
HEALTH & HUMAN SERVICES, AND JUDICIARY**
I Mina'Trenta Na Liheslaturan Guåhan • 30th Guam Legislature
238 Archbishop F.C. Flores St., DNA Bldg., Suite 701A, Hagatña, Guam 96910
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AGENDA

TUESDAY, APRIL 27, 2010

6:00 PM

GUAM LEGISLATURE PUBLIC HEARING ROOM

BILL NO. 365-30 (COR)

AN ACT TO AMEND SECTION 4 OF PUBLIC LAW 28-71 RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS.

BILL NO. 368-30 (COR)

AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.

6

I MINA' TRENTA NA LIHESLATURAN GUÅHAN

2010 (SECOND) Regular Session

Date: 5/3/2010

VOTING SHEET

Bill No. 368-30(COR)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Thomas C.	✓				
ADA, V. Anthony	✓				
AGUON, Frank B., Jr.	✓				
BLAS, Frank F., Jr.	✓				
CALVO, Edward J.B.	✓				
CRUZ, Benjamin J. F.					EA
ESPALDON, James V.	✓				
GUTHERTZ, Judith Paulette	✓				
MUNA-BARNES, Tina Rose	✓				
PALACIOS, Adolpho Borja, Sr.	✓				
PANGELINAN, vicente (ben) cabrera	✓				
RESPICIO, Rory J.	✓				
TAITAGUE, Telo	✓				
TENORIO, Ray					EA
WON PAT, Judith T.	✓				

TOTAL

13

2

CERTIFIED TRUE AND CORRECT:


Clerk of the Legislature


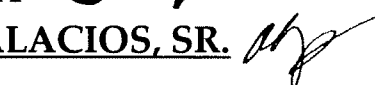

* 3 Passes = No vote
EA = Excused Absence

MINA' TRENTA NA LIHESLATURAN GUAHAN
THIRTIETH GUAM LEGISLATURE
2010 (SECOND) Regular

7:10 PM - 7 PM 12:22
MM

Bill No. 368-30 (Cor)

Introduced by:

FRANK B. AGUON, JR. 
THOMAS C. ADA 
ADOLPHO B. PALACIOS, SR. 

AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE BY GPA OF REVENUE BONDS TO FINANCE THE LOCAL MATCHING PORTION OF THE COSTS OF THE SMART GRID PROJECT; TO FUND CERTAIN OTHER GENERATION, TRANSMISSION AND DISTRIBUTION PROJECTS; TO FUND THE COSTS OF AN ADMINISTRATION BUILDING; TO REFUND SPECIFIC OUTSTANDING GPA BONDS; AND TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF SUBORDINATE REVENUE BONDS TO FUND CERTAIN RESERVES AND REFUND ITS OUTSTANDING OBLIGATIONS RELATING TO ITS COMMERCIAL PAPER PROGRAM.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings. (a) Section 8203 of Title 12 of the
3 Guam Code Annotated provides that the Guam Power Authority ("GPA")
4 is authorized to incur indebtedness by the issuance of revenue bonds with
5 the approval of the Governor to raise funds for the purpose of establishing
6 the electric power system of GPA, or of acquiring lands for the system, or

1 of acquiring, constructing, improving, equipping, maintaining, repairing,
2 renewing, replacing, reconstructing or insuring the system, or any part
3 thereof, or for the purpose of refunding any such bonds, or for any
4 combination of such purposes.

5 (b) Section 12004 of Title 12 of the Guam Code Annotated provides
6 that the GPA shall not enter into any contractual agreements or obligations
7 (including bonds) which could increase rates and charges prior to the
8 written approval of the Guam Public Utilities Commission (the "GPUC").

9 (c) Section 50103 of Title 12 of the Guam Code Annotated provides
10 that agencies and instrumentalities of the government of Guam, including
11 GPA, shall issue bonds and other obligations only by means of, and
12 through the agency of the Guam Economic Development Authority
13 ("GEDA"), and that GEDA shall not sell any bond without the approval by
14 *I Liheslaturan Guahan* of the terms and conditions of the issuance of the
15 bonds.

16 (d) GPA applied for and has been awarded a grant in the amount
17 of approximately \$16.6 million from the Office of Electricity Delivery and
18 Energy Reliability of the United States Department of Energy (the "DOE")
19 for the modernization of its electric grid infrastructure through automation
20 of the electric distribution system and acquisition and installation of smart
21 electric meters for customers (the "Smart Grid project"). The DOE requires
22 GPA to provide funds to match the grant for the Smart Grid project within
23 120 days of GPA's acceptance of the award from the DOE.

1 (e) GPA expects the Smart Grid project to create 210 jobs during
2 the first 36 months and to result in up to \$5 million of annual cost savings
3 for GPA in each fiscal year for the first 15 years following completion of the
4 installation of the Smart Grid project.

5 (f) GPA expects the construction of an administration building to
6 stabilize and reduce the costs of providing the necessary space for
7 administration and related services and to provide an opportunity to
8 consolidate the office spaces of GPA and the Guam Waterworks Authority.

9 (g) GPA needs to finance the completion of certain generation,
10 transmission and distribution projects for the purpose of enhancing system
11 reliability, improving system stability, and installing new fire protection
12 equipment in several of its power plants.

13 (h) GPA has outstanding certain revenue bonds, known as the 1993
14 Series A Bonds and the 1999 Series A Bonds, and certain subordinate
15 obligations relating to its commercial paper program.

16 (i) Based on current market conditions, GPA expects to be able to
17 refinance certain of its outstanding revenue bonds for debt service savings
18 or in order to restructure debt service.

19 (j) On April 6, 2010, the Consolidated Commission on Utilities (the
20 "CCU") adopted a resolution relative to (1) approving the issuance of
21 additional revenue bonds (A) to finance the local matching portion of the
22 costs of the Smart Grid project and the costs of an administration building
23 and certain other generation, transmission and distribution projects and (B)

1 to refund all or a portion of the outstanding GPA revenue bonds, and (2)
2 approving the issuance of subordinate revenue bonds to provide for
3 reserves and to pay the costs of refinancing GPA's outstanding obligations
4 relating to its commercial paper program.

5 (k) *I Liheslaturan Guahan* has determined to approve the issuance of
6 revenue bonds by GPA for the purposes described in subparagraph (1) of
7 the preceding paragraph and the issuance of subordinate revenue bonds by
8 GPA for the purpose described in subparagraph (2) of the preceding
9 paragraph, all subject to approval by *I Maga'lahaen Guahan*, the GPUC and
10 the Board of Directors of GEDA in accordance with law.

11 **Section 2. Approval of the Terms and Conditions of the Issuance**
12 **by GPA Revenue Bonds to Finance the Local Matching Portion of the**
13 **Costs of the Smart Grid Project, Certain Other Generation, Transmission**
14 **and Distribution Projects, and the costs of an Administration Building.**

15 (a) *I Liheslaturan Guahan*, pursuant to §50103(k) of Title 12 of the
16 Guam Code Annotated, hereby approves the terms and conditions of the
17 issuance by GPA of revenue bonds in a principal amount not to exceed One
18 Hundred Fifty-Five Million Dollars (\$155,000,000) for the purpose of
19 financing the projects and paying the other costs listed in subsection (c) of
20 this section, *provided*, that such bonds have a final maturity not later than 32
21 years from their date of issuance, bear interest at such rate or rates and are
22 sold for such price or prices as shall result in a net interest cost to GPA not
23 exceeding the limitation provided by Section 8214 of Chapter 8 of Title 12

1 of the Guam Code Annotated, as amended, and are issued and sold
2 pursuant to GPA's existing bond indenture and otherwise in compliance
3 with the provisions of Chapter 8 of Title 12 of the Guam Code Annotated,
4 including approval by the CCU and by *I Maga'lahaen Guahan* as provided
5 therein.

6 (b) The sale of the bonds shall be approved by the Board of
7 Directors of GEDA as provided by Chapter 50 of Title 12 of the Guam Code
8 Annotated and the terms and conditions of the issuance of the bonds shall
9 be approved by the GPUC as provided by Chapter 12 of Title 12 of the
10 Guam Code Annotated.

11 (c) The proceeds of the bonds may be applied to pay for the costs
12 of issuance of the bonds, for accrued and capitalized interest thereon, for
13 credit enhancement therefor, to provide for reserves and to pay the local
14 matching portion of the costs of the Smart Grid project, the costs of an
15 administration building, and other generation, transmission and
16 distribution projects, including but not limited to environmental
17 compliance, generation improvements, underground fuel pipeline
18 conversion, fire protection upgrades at GPA facilities, power
19 substation/transmission upgrades and improvements, system protection
20 relaying improvements, and power distribution system improvements,
21 subject in each case to approval by the GPUC of such projects in
22 accordance with Chapter 12 of Title 12 of the Guam Code Annotated.

1 **Section 3. Approval of the Terms and Conditions of the Issuance**
2 **by GPA of Refunding Bonds.**

3 *I Liheslaturan Guahan*, pursuant to §50103(k) of Title 12 of the Guam
4 Code Annotated, hereby approves the terms and conditions of the issuance
5 of revenue bonds by GPA for the purpose of refunding all or a portion of
6 GPA's outstanding 1993 Series A and 1999 Series A revenue bonds in
7 accordance with the following requirements, limitations, terms and
8 conditions:

9 (a) The aggregate principal amount of the refunding bonds
10 shall not exceed the amount determined in accordance with Section 8229 of
11 Title 12 of the Guam Code Annotated.

12 (b) All obligation of GPA to pay debt service on, and the
13 redemption price of, the prior bonds shall be discharged concurrently with
14 the issuance of the refunding bonds. Thereafter, the prior bonds shall be
15 payable solely from and secured solely by an escrow established for such
16 purpose.

17 (c) The final maturity of the refunding bonds shall not be
18 greater than 15 years after the final maturity of the bonds being refunded.

19 (d) Such bonds shall be issued and sold pursuant to GPA's
20 existing bond indenture and in compliance with the provisions of Chapter
21 8 of Title 12 of the Guam Code Annotated, including approval by the
22 Consolidated Commission on Utilities and by *I Maga'lahaen Guahan* as
23 provided therein.

1 (e) The sale of the bonds shall be approved by the Board of
2 Directors of GEDA as provided by Chapter 50 of Title 12 of the Guam Code
3 Annotated and the bonds shall be approved by the GPUC as provided by
4 Chapter 12 of Title 12 of the Guam Code Annotated.

5 **Section 4. Approval of the Terms and Conditions of the Issuance**
6 **by GPA of Subordinate Revenue Bonds to Refinance Outstanding**
7 **Commercial Paper Notes.**

8 (a) *I Liheslaturan Guahan*, pursuant to §50103(k) of Title 12 of the
9 Guam Code Annotated, hereby approves the terms and conditions of the
10 issuance by GPA of subordinate revenue bonds in a principal amount not
11 to exceed Sixty-Five Million Dollars (\$65,000,000) for the purposes listed in
12 subsection (c) of this section, *provided*, that such bonds have a final maturity
13 not later than October 1, 2019, bear interest at such rate or rates and are
14 sold for such price or prices as shall result in a yield to the bondholders not
15 exceeding nine percent (9%) per annum, and are issued and sold in
16 accordance with the provisions of Chapter 8 of Title 12 of the Guam Code
17 Annotated, including approval by the CCU and by *I Maga'lahaen Guahan* as
18 provided therein.

19 (b) The sale of the subordinate bonds shall be approved by the
20 Board of Directors of GEDA as provided by Chapter 50 of Title 12 of the
21 Guam Code Annotated and the subordinate bonds shall be approved by
22 the GPUC as provided by Chapter 12 of Title 12 of the Guam Code
23 Annotated.

1 (c) The proceeds of the subordinate bonds may be applied to
2 pay for the costs of issuance of the subordinate bonds, for credit
3 enhancement therefor, to provide for reserves and to pay the costs of
4 refinancing GPA's outstanding obligations relating to its commercial paper
5 program, subject in each case to approval by the GPUC of such purpose in
6 accordance with Chapter 12 of Title 12 of the Guam Code Annotated.

7 **Section 5. Amendment of Chapter 8 of Title 12 of the Guam Code**
8 **Annotated.** Subparagraph (a) of Section 8214 of Chapter 8 of Title 12 of the
9 Guam Code Annotated is hereby amended to read, as follows:

10 "(a) Bonds shall bear interest at a net rate of not to exceed
11 nine percent (9%) per annum, after subtracting from bond
12 interest the amount of any direct subsidy payment to be
13 received from the United States in connection with such
14 Bonds. Interest shall be payable annually or semi-annually
15 or in part annually and in part semi-annually except that the
16 first coupon on any bond may be payable any number of
17 months less than twelve (12) after the date of such bond."

18 **Section 6. Local Sales of Bonds.** GEDA shall undertake its best
19 efforts to cause a portion of any bonds approved pursuant to Section 3, 4 or
20 5 of this Act, to be offered for sale to residents of Guam, as well as to
21 residents of other jurisdictions, if and to the extent that such offer and any
22 sales resulting from such offer do not increase the costs to GPA of issuing

1 and repaying such bonds. Notwithstanding any other provision of law to
2 the contrary, these bonds may be sold to employees of GPA.