



Office of the Governor of Guahan

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Felix P. Camacho  
Governor

Michael W. Cruz, M.D.  
Lieutenant Governor

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

OCT 20 2010

2010 OCT 21 AM 10:22

Wuk

Dear Speaker Won Pat:

Transmitted herewith is Substitute Bill 413-30 (COR) "AN ACT TO ADD A NEW CHAPTER 58b TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE FINANCING AND CONSTRUCTION OF ADDITIONAL FACILITIES FOR THE EXPANSION OF THE EXISTING OKKODO HIGH SCHOOL IN NORTHERN GUAM.," which I signed into law on August 25, 2010 as Public Law 30-182.

Sinseru yan Magåhet,

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

Attachment: copy of Bill

30-10-0845  
Office of the Speaker  
Judith T. Won Pat, Ed.D.  
Date: 10/20/10  
Time: 4:00  
Received: [Signature]

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

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

This is to certify that Substitute Bill No. 413-30 (COR), "AN ACT TO ADD A NEW CHAPTER 58b TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE FINANCING AND CONSTRUCTION OF ADDITIONAL FACILITIES FOR THE EXPANSION OF THE EXISTING OKKODO HIGH SCHOOL IN NORTHERN GUAM", was on the 13<sup>th</sup> day of August, 2010, duly and regularly passed.



Judith T. Won Pat, Ed. D.  
Speaker

Attested:

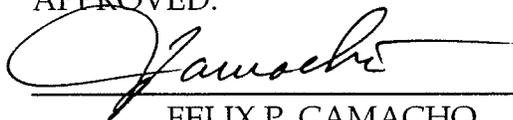
  
Tina Rose Muña Barnes  
Legislative Secretary

-----  
This Act was received by I Maga'lahaen Guåhan this 13 day of Aug, 2010, at  
5:30 o'clock P.M.



Assistant Staff Officer  
Maga'lahaen's Office

APPROVED:



FELIX P. CAMACHO  
I Maga'lahaen Guåhan

Date: Aug 25, 2010

Public Law No. P.L. 30-182

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

**Bill No. 413-30 (COR)**

As substituted by the Committee on Economic Development,  
Health & Human Services, and Judiciary,  
and amended on the Floor.

Introduced by:

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

**AN ACT TO *ADD* A NEW CHAPTER 58B TO TITLE 5  
OF THE GUAM CODE ANNOTATED, RELATIVE TO  
THE FINANCING AND CONSTRUCTION OF  
ADDITIONAL FACILITIES FOR THE EXPANSION OF  
THE EXISTING *OKKODO* HIGH SCHOOL IN  
NORTHERN GUAM.**

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

2        **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3        that pursuant to the Education Construction Initiative Act of 2005, the government  
4        of Guam executed a municipal lease to construct four (4) new schools.

1 Construction of the four (4) new schools is complete and the schools are now being  
2 leased to the Guam Department of Education by the Guam Education Financing  
3 Foundation.

4 *I Liheslaturan Guåhan* further finds that there remains a critical shortage of  
5 classrooms and public school facilities on Guam, and that many facilities are  
6 antiquated, overcrowded, and are not fit for the purpose of public education. In an  
7 effort to overcome these problems facing public education on Guam, *I*  
8 *Liheslaturan Guåhan* desires to authorize the government of Guam to enter into  
9 contracts for the financing, design, construction and long term capital maintenance  
10 of additions and improvements at *Okkodo* High School. This authorization is  
11 intended to substitute, in part, the facility needs of a new northern high school to  
12 existing land under lease to the Guam Department of Education (GDOE). The  
13 expansion and construction of additional educational facilities on the *Okkodo*  
14 school site will allow GDOE to take advantage of existing utilities, infrastructure  
15 and athletic facilities at considerable cost savings to the government of Guam.

16 In order for the government to utilize the *Okkodo* site for the construction of  
17 the additions and improvements, the current legislative authorization has to be  
18 amended to allow the Education Agency, through its Contractor, to undertake the  
19 financing, design, construction, and long term capital maintenance of the school  
20 improvements and to authorize the Education Agency to enter into amendments to  
21 the existing lease of real property at Tract No. 11406 in *Dededo*, Guam.

22 Additionally, pursuant to the American Recovery and Reinvestment Act of  
23 2009 (ARRA) the government of Guam was authorized to issue a total of Twenty-  
24 One Million Eight Hundred Eighteen Thousand Dollars (\$21,818,000) in Qualified  
25 School Construction Bonds (QSCBs) to finance the construction, rehabilitation, or  
26 repair of public school facilities. QSCBs are a new form of bonds authorized  
27 under § 54F(d) of the Internal Revenue Code. Issuers of QSCBs are eligible to

1 receive direct payments from the federal government, which offset a portion of the  
2 bond interest payments. Under current market conditions, the government of  
3 Guam can realize substantial net interest costs savings by issuing QSCBs over  
4 traditional tax exempt bonds. Based on these findings, *I Liheslaturan Guåhan*  
5 desires to designate the government of Guam's QSCB allocation to the Contractor  
6 to finance a portion of the *Okkodo* project costs.

7 To facilitate the financing, design, construction and maintenance of the  
8 facilities envisioned by this Act, the government of Guam will be authorized to  
9 lease for *up to* thirty (30) years from the scheduled date of delivery of the  
10 Education Facility government of Guam property on which the facilities will be  
11 constructed. The lease of the government property will be to the Contractor, who  
12 will design and construct the facilities in accordance with this Act and the  
13 specifications approved by Guam Department of Education, and who will provide  
14 funding for the design and construction through the use of QSCBs, tax exempt  
15 lease certificates and other financing facilities. The facilities and land will be  
16 leased back to the government of Guam for a period *not to exceed* the ground lease  
17 to the Contractor over which time the government of Guam will amortize, as lease  
18 payments to the Contractor, the cost of the financing, design, construction,  
19 equipping and related expenses of the facilities.

20 The Contractor will also be responsible for the capital maintenance of the  
21 public school facilities constructed under this Act, which costs *shall* be paid by the  
22 government of Guam, as provided for under this Act. At the expiration of the  
23 Lease-Back Period, the government of Guam real property and the public facilities  
24 constructed on the government of Guam real property will revert to the  
25 government of Guam with *no* further obligations to the Contractor.

26 **Section 2.** A new Chapter 58B is hereby *added* to Title 5, Guam Code  
27 Annotated, to read as follows:

1                                   **“Chapter 58B**

2                                   **Expansion of *Okkodo* High School**

3                   **§58B100. Definitions.**

4                   **§58B101. Authorization to Enter into Long-Term Leases.**

5                   **§58B102. Responsibilities of Contractor.**

6                   **§58B103. Assignments.**

7                   **§58B104. Use of Qualified School Construction Bonds.**

8                   **§58B105. Pledge of Section 30 Revenues.**

9                   **§58B106. Utilities and Routine Maintenance and Repair.**

10                  **§58B107. Maintenance Fund.**

11                  **§58B108. Severability.**

12                  **§58B100. Definitions.** For purposes of this Chapter and unless  
13 otherwise specified, the following words and phrases are defined to mean:

14                  (a) *Contract shall* mean the design, construction and financing  
15 contract entered into by and between the Education Agency and the  
16 Contractor.

17                  (b) *Contractor shall* mean the contractor to the government of  
18 Guam on *Okkodo* High School, or a separate non-profit affiliated entity of  
19 the Contractor, which *shall* be the signatory on the Contract and *shall* be  
20 fully responsible for carrying out the design, construction, financing and  
21 maintenance of the Education Facility. The Contractor may cooperate with  
22 another entity *or* entities in any manner the Contractor deems appropriate to  
23 provide for the financing, design, construction or maintenance of the public  
24 school facilities envisioned by this Act.

25                  (c) *Education Agency shall* mean the Guam Department of  
26 Education.

1           (d) *Education Facility* as used in this Act *shall* mean the additions  
2 and improvements to be located at *Okkodo* High School on Tract No. 11406  
3 as prescribed in Section 3 of Public Law 30-178, with the total cost of such  
4 project *not to exceed* Twenty-One Million Eight Hundred Eighteen  
5 Thousand Dollars (\$21,818,000).

6           (e) *Lease shall* mean a lease from an Education Agency to the  
7 Contractor entered into at the time of the Contract for the Property.

8           (f) *Lease-Back shall* mean the lease from the Contractor to the  
9 Education Agency.

10          (g) *Lease-Back Period shall* mean the term of the lease from the  
11 Contractor to the Education Agency.

12          (h) *Property shall* mean any property on which an Education  
13 Facility is located.

14          **§58B101. Authorization to Enter into Long-Term Leases.** For  
15 the purpose of facilitating the financing of the design, construction and  
16 maintenance of an Education Facility encompassed by this Act, the  
17 government of Guam *or* an Education Agency, as the case may be, is  
18 authorized to lease, if required, to the Contractor sufficient government of  
19 Guam real property on which to construct, convert *or* rehabilitate an  
20 Education Facility and to extend an existing lease of real estate to the  
21 Contractor.

22          The Education Agency is also authorized to lease back from the  
23 Contractor the property for a period mutually agreed upon between the  
24 Education Agency and the Contractor as may be reasonably necessary to  
25 amortize over the Lease-Back Period the costs associated with the financing,  
26 design and construction of the Education Facility. In no event *shall* the end  
27 of such Lease-Back Period be *later than* the date thirty (30) years from the

1 scheduled date of completion of the Education Facility. The Lease-Back  
2 may be structured as an annually renewable lease with a provision for  
3 automatic renewals to the extent that pledged revenue under §58B105 is  
4 available. The Lease-Back *shall not* be construed as a debt under any  
5 applicable debt limitation under the Guam Organic Act *or* Guam law.

6 The additions and improvements to *Okkodo* High School *shall* include  
7 the expansion of classrooms to accommodate the overcrowding, restroom  
8 facilities at all outdoor sports fields, additional restrooms required by public  
9 health due to the increase in student population, solar panels, the culinary  
10 arts building, signalization, the track and field track with proper turf,  
11 collateral equipment, and other projects needed to facilitate the expansion to  
12 accommodate the increase in student population.

13 **§58B102. Responsibilities of Contractor.** The Contract *shall*  
14 require that the Contractor be responsible for all costs, expenses and fees of  
15 any kind *or* nature, associated with the design, civil improvements, on-site  
16 and off-site infrastructure, construction, permits, and financing associated  
17 with the completion of an Education Facility, including the financing of  
18 furniture and equipment of the Education Facility, as and to the extent  
19 agreed to by the Education Agency. The Contractor *shall* also be  
20 responsible for the capital maintenance of the schools during the Lease-Back  
21 Period, but *shall not* be responsible for the capital maintenance of the  
22 furniture and equipment. The Lease-Back may provide that *if* sufficient  
23 funds are *not* appropriated *or* otherwise available for the payment of  
24 amounts due under the lease and any maintenance agreement, the Education  
25 Agency will have the obligation to vacate the Education Facility, and the  
26 Contractor *shall* have the right of use and occupancy of the Education  
27 Facility for the remainder of the term of the Lease, unless new mutually

1 satisfactory terms are entered into. For this purpose, the Lease may provide  
2 that its term *shall* be extended for a period *not to exceed* the shorter of ten  
3 (10) years beyond the original term of the Lease-Back or such period of time  
4 as is necessary to repay in full any financing arranged pursuant to §58B105.  
5 The capital maintenance costs *shall* be paid by the Education Agency on a  
6 periodic basis as incurred by the Contractor on terms to be agreed to in the  
7 Contract for the Education Facility.

8 **§58B103. Assignments.** To facilitate the purposes of this Act and  
9 to provide security for the holders of any financing instruments issued  
10 pursuant to this Act, the Contractor may assign, without the need of the  
11 consent of the Education Agency, the Contract, the Lease and the Lease-  
12 Back to any underwriter, trustee or other party as appropriate to facilitate the  
13 Contractor financing.

14 **§58B104. Use of Qualified School Construction Bonds.** To  
15 minimize the financing cost to the Education Agency, financing utilized by  
16 the Contractor to fund the design and construction of the Education Facility  
17 *shall* be through the use of Qualified School Construction Bonds in an  
18 amount *not to exceed* Twenty-One Million Eight Hundred Eighteen  
19 Thousand Dollars (\$21,818,000) as authorized under Section 1521 of P.L.  
20 111-5 (The American Recovery and Reinvestment Act of 2009) and the  
21 issuance of tax exempt bonds or lease certificates, *provided* such financing is  
22 available at an interest rate of *no more than* eight and a half percent (8.5%).  
23 Alternatively, the Contractor may use an alternative method of financing,  
24 including, but *not limited to*, a short term debt, mortgage, loan, federally  
25 guaranteed loan or loan by an instrumentality of the United States of  
26 America, *if* such financing will better serve the needs of the people of Guam.  
27 Such alternative financing *shall* be approved by *I Liheslaturan* Guåhan. The

1 purpose for the requirements of this Section is to assure the Education  
2 Agency pays the lowest possible net interest rate so that the cost to the  
3 Education Agency of financing the design and construction of an Education  
4 Facility, amortized through the Lease-Back payments from the Education  
5 Agency to the Contractor, will be lower than regular commercial rates.

6 **§58B105. Pledge of Section 30 Revenues.** Rental payments under  
7 the Lease and the Lease-Back may be secured by a pledge *or* other  
8 reservation of revenues received by *or* on behalf of the government of Guam  
9 from the United States of America pursuant to Section 30 of the Guam  
10 Organic Act (48 U.S.C.A. Section 1421h). Any pledge *or* reservation of  
11 Section 30 revenues authorized by the Act *shall* be subordinate *only* to the  
12 existing lien securing the Government of Guam Limited Obligation (Section  
13 30) Bonds, Series 2001A.

14 Any such pledge or reservation authorized hereunder *shall* be valid  
15 and binding from the time the pledge *or* reservation is made and *shall be*  
16 *limited* to Two Million Nine Hundred Thousand Dollars (\$2,900,000) per  
17 year during the Lease-Back Period, as prescribed in Section 3 of Public Law  
18 30-178. The Section 30 revenues pledged or reserved and thereafter  
19 received by the government of Guam *or* by any trustee, depository *or*  
20 custodian *shall* be deposited in a separate account and *shall* be immediately  
21 subject to such reservation *or* the lien of such pledge without any physical  
22 delivery thereof *or* further act, and such reservation *or* the lien of such  
23 pledge *shall* be valid and binding against all parties having claims of any  
24 kind in tort, contract *or* otherwise against the government of Guam or such  
25 trustee, depository *or* custodian, irrespective of whether the parties have  
26 notice thereof. The instrument by which such pledge *or* reservation is  
27 created need *not* be recorded. The remainder of the funds from the existing

1           lien, *supra*, not utilized for this project *shall* be subject to legislative  
2           appropriation.

3           **§58B106. Utilities and Routine Maintenance and Repair.** The  
4           Education Agency *shall* be responsible for the connection and payment of all  
5           utilities, including without limitation, power, water, sewer, telephone and  
6           cable, and all routine interior maintenance and repair and exterior grounds  
7           keeping and landscaping and upkeep of the Education Facility.

8           **§58B107. Maintenance Fund.** The Contract *or* a separate  
9           maintenance agreement with the Contractor, and the Lease-Back, *shall*  
10          provide that all capital maintenance of the Education Facility be performed  
11          by the Contractor as a separate cost, the terms of which, and the manner for  
12          establishing the amount of payment, *shall* be determined as a part of the  
13          Contract; provided, however, that said documents may, at the discretion of  
14          the Education Agency, provide that capital maintenance with respect to  
15          equipment (including collateral equipment), onsite utilities, offsite utilities,  
16          access roads and other similar improvements need *not* be performed by the  
17          Contractor.

18          **§58B108. Severability.** *If* any provision of this Chapter *or* its  
19          application to any person *or* circumstance is found to be invalid *or* contrary  
20          to law, such invalidity *shall not* affect other provisions *or* applications of this  
21          Chapter which can be given effect without the invalid provisions *or*  
22          application, and to this end the provisions of this Chapter are severable.”

23          **Section 3. School Capacity Level Exception for Okkodo High School.**

24          The expanded Okkodo High School *shall* be exempt from the capacity levels set  
25          forth by Title 17 GCA §7113(c), but *shall not* exceed a total capacity of two-  
26          thousand two hundred (2,200) students.

1           **Section 4. Severability.** *If* any provision of this Act *or* its application to  
2 any person *or* circumstance is found to be invalid *or* contrary to law, such  
3 invalidity *shall not* affect other provisions *or* applications of this Act which can be  
4 given effect without the invalid provisions *or* application, and to this end the  
5 provisions of this Act are severable.

6

# I MINA' TRENTA NA LIHESLATURAN GUÅHAN

2010 (SECOND) Regular Session

Date: 8/13/10

## VOTING SHEET

S Bill No. 413-30(COR)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
ADA, Thomas C.	✓				
ADA, V. Anthony	✓				
AGUON, Frank B., Jr.	✓				
BLAS, Frank F., Jr.	✓				
CALVO, Edward J.B.	✓				
CRUZ, Benjamin J. F.	✓				
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	✓				
WON PAT, Judith T.	✓				

TOTAL 15 \_\_\_\_\_

CERTIFIED TRUE AND CORRECT:

  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence



**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  
Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

2010 AUG 11 PM 12:15  
*W*

August 2, 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 *[Signature]*

**RE: Committee Report - Bill No. 413-30 (COR), as Substituted by the Committee.**

Dear Speaker Won Pat:

Transmitted herewith is the **Committee Report** on Transmitted herewith for your consideration is the Committee Report on **SUBSTITUTE BILL NO. 413-30 (COR) — “AN ACT TO A NEW CHAPTER 58B TO TITLE 5 GUAM CODE ANNOTATED RELATIVE TO THE FINANCING AND CONSTRUCTION OF ADDITIONAL FACILITIES FOR THE EXPANSION OF THE EXISTING OKKODO HIGH SCHOOL IN NORTHERN GUAM [CONSTRUCTION OF A NEW NORTHERN HIGH SCHOOL],”** sponsored by Judith T. Won Pat, Ed.D., T.R. Muna Barnes, J.V. Espaldon, R.J. Respicio, and B.J.F. Cruz., and referred to the Committee on Economic Development, Health & Human Services, and Judiciary. Bill No. 268-30 (COR) was publicly heard on February 11, 2010.

Committee votes are as follows:

<u>  5  </u>	<b>TO PASS</b>
<u>      </u>	<b>NOT TO PASS</b>
<u>      </u>	<b>ABSTAIN</b>
<u>  1  </u>	<b>TO REPORT OUT ONLY</b>
<u>      </u>	<b>TO PLACE IN INACTIVE FILE</b>

Respectfully,

*[Signature]*  
SENATOR FRANK B. AGUON, JR.  
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**  
*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

---

**COMMITTEE  
REPORT  
ON**

**BILL NO. 413-30 (COR), as Substituted**

Sponsored by Judith T. Won Pat, Ed.D., T.R. Muna Barnes,  
J.V. Espaldon, R.J. Respicio, and B.J.F. Cruz.

**“AN ACT TO A NEW CHAPTER 58B TO TITLE 5 GUAM  
CODE ANNOTATED RELATIVE TO THE FINANCING AND  
CONSTRUCTION OF ADDITIONAL FACILITIES FOR THE  
EXPANSION OF THE EXISTINBG OKKODO HIGH SCHOOL  
IN NORTHERN GUAM [CONSTRUCTION OF A NEW  
NORTHERN HIGH SCHOOL].”**



**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

Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

August 6, 2010

**MEMORANDUM**

**To: ALL MEMBERS**  
Committee on Economic Development, Health & Human Services, and Judiciary

**From: SENATOR FRANK B. AGUON, JR.**  
Committee Chairperson

**Subject: Committee Report on Bill No. 413-30 (COR), as Substituted.**

Transmitted herewith for your consideration is the Committee Report on **SUBSTITUTE BILL NO. 413-30 (COR) — “AN ACT TO A NEW CHAPTER 58B TO TITLE 5 GUAM CODE ANNOTATED RELATIVE TO THE FINANCING AND CONSTRUCTION OF ADDITIONAL FACILITIES FOR THE EXPANSION OF THE EXISTING OKKODO HIGH SCHOOL IN NORTHERN GUAM [~~CONSTRUCTION OF A NEW NORTHERN HIGH SCHOOL~~],”** sponsored by Judith T. Won Pat, Ed.D., T.R. Muna Barnes, J.V. Espaldon, R.J. Respicio, and B.J.F. Cruz.

This report includes the following:

- Committee Voting Sheet
- Committee Report Narrative / Digest
- Substitute Bill No. 413-30 (COR)
- Copy of Bill No.413-30 (COR)
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony & Supporting Documents
- Copy of COR Referral of Bill No. 413-30 (COR)
- Notices of Public Hearing (1<sup>st</sup> and 2<sup>nd</sup>)
- Copy of the Public Hearing Agenda
- Related News Articles (Public hearing publication of public notice)

Please take the appropriate action on the attached voting sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

*Si Yu'os ma'åse'!*

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**  
*I Mina' Trenta na Liheslaturan Guåhan* • 30th Guam Legislature  
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## COMMITTEE VOTING SHEET

**BILL NO. 413-30 (COR), as Substituted**

**"AN ACT TO A NEW CHAPTER 58B TO TITLE 5 GUAM CODE ANNOTATED RELATIVE TO THE FINANCING AND CONSTRUCTION OF ADDITIONAL FACILITIES FOR THE EXPANSION OF THE EXISTINBG OKKODO HIGH SCHOOL IN NORTHERN GUAM [CONSTRUCTION OF A NEW NORTHERN HIGH SCHOOL]."**

Sponsored by Judith T. Won Pat, Ed.D., T.R. Muna Barnes, J.V. Espaldon, R.J. Respicio, and B.J.F. Cruz

	SIGNATURE	TO PASS	NOT TO PASS	REPORT OUT ONLY	ABSTAIN	PLACE IN INACTIVE FILE
FRANK B. AGUON, JR. Chairman	5/10/10	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ADOLPHO B. PALACIOS, SR. Vice Chairman	3/4/10	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BENJAMIN J.F. CRUZ Vice Speaker	8/11/10	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TINA ROSE MUÑA BARNES Legislative Secretary						
THOMAS C. ADA						
JUDITH P. GUTHERTZ	8/11/10	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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.	fb			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TELO TAITAGUE						
RAY TENORIO						



**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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**COMMITTEE REPORT DIGEST**

**Bill No. 413-30 (COR), as Substituted**

**I. OVERVIEW:** The Committee on Economic Development, Health & Human Services, and Judiciary conducted a public hearing on July 14, 2010. The Hearing convened at 09:00 A.M. in *I Liheslatura's* Public Hearing Room. Among the items on the agenda was the consideration of on **BILL NO. 413-30 (COR)** — “AN ACT TO ADD A NEW CHAPTER 58B TO TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE CONSTRUCTION OF A NEW NORTHERN HIGH SCHOOL,” sponsored by J. T. Won Pat, Ed.D., T.R. Muna Barnes, J.V. Espaldon, R.J. Respicio, and B.J.F. Cruz.

**Public Notice Requirements**

Notices were disseminated via hand-delivery/fax and/or e-mail to all senators and all main media broadcasting outlets on July 07, 2010 (5-Day Notice), and again on July 12, 2010 (48-Hour Notice). Notices were published in the Marianas Variety on July 07, 2010, and in the Marianas Variety on July 12, 2010.

**Senators Present**

Senator Frank B. Aguon, Jr.	Chairperson
Senator Adolpho B. Palacios, Sr.	Vice-Chairperson
Speaker Judith T. Won Pat	Ex-Officio Member
Senator Thomas C. Ada	Committee Member
Senator Tina R. Muna-Barnes	Committee Member
Senator Judith P. Guthertz	Committee Member
Senator Telo T. Taitague	Committee Member
Senator Ray Tenorio	Committee Member
Senator Anthony Ada	Senator

The public hearing on agenda item Bill No. 413-30 (COR) was Called-to-Order at 09:55 A.M.

**II. SUMMARY OF TESTIMONY & DISCUSSION.**

**CHAIRMAN FRANK B. AGUON, JR.,** convened the Public Hearing on Bill No. 413-30 (COR). Invited Speaker Judith T. Won Pat, Ed.D, primary sponsor, to explain Bill No. 413-30 (COR).

**Sparker Won Pat:** I would like to try to make this as brief as possible, but I would like to explain and give some more information so that it can alleviate some of the fears in the community. What

this bill actually does is that it would authorize the government to enter into a contract for financing, design, construction, and long-term capital maintenance of a new northern high school. Guam is eligible to receive direct payments from the federal government to offset all or portions of the interest payments on the bonds. That is in the form of what we call a Qualified School Construction Bond which is a tax credit bond, and the QSCB is under the ARRA – the American Recovery Act and it requires a shovel ready project in order to be able to utilized for this fiscal year -\$10.9 million dollars – Guam is eligible to receive tax credits for that. And for the next fiscal year another \$10.9 million dollars, for a total of \$20.8 million dollars.

Five years ago a RFP was issued already to a company, however the funding source that was authorized at that time - we found out - that the one million was never deposited – so it laid in limbo because we were not able to identify a funding source. So what this bill would do then is that; (1) it would authorize the government to try to go out and contract this out, (2) use the Qualified School Construction Bond, and (3) it actually identified a funding source which is a portion of the Section 30 monies pledged that will mature on 2012. So the shovel-ready project is the northern high school. The site that was selected is the property of Parks and Recreation. To give everybody an idea, the site selected is between GPA and elementary school. The site was selected primarily because there are facilities - sports facilities – which the children can use during school hours, and the community can use after school hours. When this came out, the Mayor and several council members had some concerns with the site relative because of the congestion, the traffic, the sports facility, so we agreed to have a town hall meeting which was Monday night – two nights ago – which was a very good meeting – we had a healthy discussion and a lot of ideas and that’s the whole purpose of town meeting was to get input from the community who are going to be impacted by this high school. And the suggestions that were given to us we immediately took to heart and as of yesterday we have actually been meeting and discussing and there are several options were are seriously looking into. But it may mean that further down the line actually amending other laws as well. Because we’ve that public hearing, and I guess the same discussions these individuals are going to provide – already we’ve started to act on them and more than likely make recommendations to you Mr. Chairman for amendments.

**Chairman:** Called the first panel to testify.

**Mayor Melissa Savares, Dededo:** As the Speaker had mentioned, we had a town hall meeting on Monday night, and residents from the Dededo community and students of the John F. Kennedy High School community and the Okkodo High School were present at this town hall meeting. The discussions were healthy and fruitful, however, the decision of the Council after hearing the concerns of our community, is that we agree that a new high school needs to be built in the north, however, just not at that site. There were discussions of other property, perhaps Chamorro Land Trust property, on Wusstig road that could be used as a site which is near but off Marine Drive as well. It’s close enough to Simon Sanchez and F.B. Leon Guerrero should students need the shared gymnasiums or recreational facilities. Another option we are recommending is that increase the classroom space at Okkodo High School. There is enough space around the property – can some of this money – of course there is a concern with the population. I know there is a cap of 1,200 students from Okkodo on that’s built. That was a law from this legislature. Okkodo is overcrowded by a hundred students right now. They have 1,300 students, and growing. Can that law be amended and build – include – the classroom space within that campus? Okkodo has space and has even been used for special activities such as the Special Olympics for two years.

It’s not that we are opposed to building a new high school. It’s that we object to building it on the Harmon Loop site. There are many reasons. There are businesses, residential homes in the area.

There is heavy traffic on the seven lane highway, and there are shared recreational facilities. We do not want to have Parks and Recreation pause community activities because of the Department of Education schedules. Thank you Mr. Chairman.

**Vicente “Pa’et” Garrido:** Provided oral testimony **OPPOSED** to the construction of any new schools. Stated he wants JFK built now, not at a later date. Build JFK and stop lying to the students. Spoke of outside control of Guam setting our agenda. Immigration is the source of the overcrowding and increasing population. Stated he objects to the catastrophic military buildup which will make it worse – it’s going to destroy us. Everything that comes up, we just accept it – we build it for them.

**Mr. Albert San Agustin:** Provided oral testimony **OPPOSED** to building the school. Stated JFK needs to be built first. Further, even if a new high school were to be built, it would not solve the problems with the education system due to continuing mismanagement and deficits. Additionally spoke of infrastructure problems and traffic congestion in the area.

**Mr. Joseph C. San Nicolas:** Provided oral testimony **OPPOSED** to the construction of the school on the proposed Harmon Loop Road site. Stated it would result in adjacent lots situated inland behind the site becoming landlocked. It would also result in the closure of Metgot Street, which is not an official easement, but is nonetheless the only road into the area. Requested the Committee consider a different location. Also recommended that the funds instead be utilized to rebuild, recondition and retrofit existing schools. Additional rooms should be built at the existing schools instead.

**Mr. Martin Benevente:** Provided oral testimony **OPPOSED** to the Harmon Loop Road site, but recognized the need and stated his **SUPPORT** for the construction of the school on another site. Discussed the heavy traffic congestion currently affecting the area. Pointed out the numerous sources of congestion; i.e., recreational activities, large adjoining residential areas, commercial activities, the Flea Market, and usage as a major thoroughfare during morning and evening rush hours. Additionally noted the emissions from the G.P.A. power generation substation.

Proposed consideration of Lot 10119-11-1, Dededo, Lot 10119-11-2, Dededo, and Lot 10119-11-R2, Dededo, owned by the Chamorro Land Trust Commission, be considered as a viable alternate site. The property is along the Dededo / Yigo boundary, and near Simon Sanchez High School. Submitted aerial photo-map overlay (Attached).

**Mr. Jose Ulloa Garrido:** Provided oral testimony **OPPOSED** to the Harmon Loop Road site. Further, an impact study has not been conducted for the proposed site, which is critical in the analysis and final determination as to whether the site is appropriate, or not.

Stated his preference that alternate locations be considered, such as; the Anderson South (Marbo) training center, the G.C.C. property along Route 15 released by U.S. D.O.E., Pagat (where the U.S. Marines want to go), upon another sites currently reserved by D.O.E., or, somewhere in southern Guam. Also recommended that Upi Elementary School be upgraded, and that the adjacent land be considered as a potential location for the new high school. Further stated he does not want Chamorro Land Trust lands used for schools or other activities. CLTC lands must be preserved and utilized for the sole benefit of the Chamorro people.

**Mr. Frank Paulino Mafnas, Member, Dededo Municipal Planning Council:** Provided oral testimony **OPPOSED** to the Harmon Loop Road site. Stated he has met with quite a few people who

have problems over the proposed location. Informed the Committee that a petition is being circulated in opposition to the proposed location.

**Speaker Won Pat:** I hope your opposition is over the location and not the need for a new school.

**Mayor Savares and Mr. Mafnas:** Agreed that the issue in contention is the location. Both agreed as to the need for a new school, or expanding the existing Okkodo High School.

**Written Testimony Received via Office of Mayor Savares, Dededo:**

1. **Angel M. Calugay, Jr, Dededo resident: Opposed.**
2. **Mario Celis, Jr., Dededo resident: Opposed.**

**Chairman:** There being no further testimony, or questions by Senators, Chairman Aguon adjourned the public hearing on Bill No. 413-30 (COR).

**Written Testimony received via email:**

1. **Anthony C. Blaz, Administrator, Guam Economic Development Authority.**  
Received - July 14, 2010.

### **III. FINDINGS & RECOMMENDATIONS**

The Committee on Economic Development, Health and Human Services, and Judiciary, finds there is a pressing need to either construct a new northern high school, or to move forward with the expansion of existing facilities.

The Committee is cognizant that there remains a critical shortage of classrooms and public school facilities on Guam and that many facilities are antiquated, overcrowded, and are not fit for the purpose of public education. In an effort to overcome these problems facing public education on Guam, it is necessary to authorize the government of Guam to enter into contracts for the financing, design, construction and long term capital maintenance of additions and improvements at an existing high school.

However, in consideration of the strong opposition to the proposed site on Harmon Loop Road, Section 3 "Transfer of Property" and Section 4 "Zoning of Lot", of the Bill, relative to Lot 10142 New R-4, Dededo, have been deleted.

Substitute Bill No. 413-30 (COR) designates Okkodo High School as the high school facility best suited for expansion as an interim means of addressing the existing shortfall of classrooms in northern Guam. This authorization is intended to substitute, in part, the facility needs of a new northern high school to existing land under lease to the Guam Department of Education ("GDOE"). The expansion and construction of additional educational facilities on the Okkodo school site will allow GDOE to take advantage of existing utilities, infrastructure and athletic facilities at considerable cost savings to the government of Guam.

Accordingly, the Title of Substitute Bill No. 413-30 (COR), has been amended to read:

**“AN ACT TO A NEW CHAPTER 58B TO TITLE 5 GUAM  
CODE ANNOTATED RELATIVE TO THE FINANCING  
AND CONSTRUCTION OF ADDITIONAL FACILITIES  
FOR THE EXPANSION OF THE EXISTING OKKODO  
HIGH SCHOOL IN NORTHERN GUAM  
[CONSTRUCTION OF A NEW NORTHERN HIGH  
SCHOOL].”**

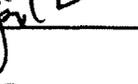
The Committee on Economic Development, Health & Human Services, and Judiciary, hereby reports out Bill No. 413-30 (COR), as Substituted, with the recommendation to  
TO PASS

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

2010 JUN -9 AM 8:50  
Muna

**Bill No. 413-30(CEY)**

Introduced by:

J. T. Won Pat, Ed.D.   
T.R. Muna-Barnes   
J.V. Espaldon   
R.J. Respicio   
B.J. F. Cruz 

**AN ACT TO ADD A NEW CHAPTER 58B TO TITLE 5  
GUAM CODE ANNOTATED RELATIVE TO THE  
CONSTRUCTION OF A NEW NORTHERN HIGH  
SCHOOL**

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

2 **Section 1. A new Chapter 58B is hereby added to Title 5 Guam Code**  
3 **Annotated to read as follows:**

4 "Chapter 58B. Construction of Northern High School

5 § 58B100. Legislative Findings and Intent.

6 § 58B101. Definitions.

7 § 58B102. Authorization to Enter into Long-Term Leases.

8 § 58B103. Responsibilities of Contractor.

9 § 58B104. Assignments.

10 § 58B105. Use of Qualified School Construction Bonds.

11 § 58B106. Pledge of Section 30 Revenue.

12 § 58B107. Utilities and Routine Maintenance and Repair.

13 § 58B108. Maintenance Fund.

14 § 58B109. Rules, Regulations and Restrictions.

15 § 58B110. Severability.

1           **§ 58B100. Legislative Findings and Intent.** *I Liheslaturan Guåhan*  
2 finds that there is a critical shortage of public school facilities on Guam. Many  
3 existing facilities are antiquated, overcrowded, and are *not* fit for the purpose of  
4 public education. In an effort to overcome these problems facing public  
5 education on Guam, *I Liheslaturan Guåhan* desires to authorize the government  
6 of Guam to enter into contracts for the financing, design, construction and long-  
7 term capital maintenance of a new northern high school facility with private  
8 sector contractors who can provide long-term financing obtained through the  
9 use of Qualified School Construction Bonds (QSCB), a tax credit bond.

10           QSCBs are authorized by the federal government through the American  
11 Recovery and Reinvestment Act (ARRA) of 2009. Issuers of QSCBs are  
12 eligible to receive direct payments from the federal government which offset all  
13 or a portion of the interest payments on the bonds. Because the federal  
14 government will reimburse Guam for all or a portion of the “interest” payment,  
15 the government of Guam will realize significant debt service savings over  
16 traditional financing. The use of QSCBs will enable Guam to construct and  
17 finance a new Northern High School with potential savings of more than  
18 \$11,000,000. As an alternate, QSCBs may be issued as tax credit bonds under  
19 which bond holders receive federal tax credits in lieu of interest as a means to  
20 significantly reduce the issuer’s interest cost.

21           Under this new category of tax-credit bonds, the Treasury Department  
22 authorized \$11 billion of QSCB bond allocation in both 2009 and 2010 among  
23 the States and certain large local education agencies (LEAs). For Fiscal Year  
24 2009, Guam was allocated a total of Ten Million Nine Hundred Eighty  
25 Thousand (\$10,980,000). For Fiscal Year 2010 the allocation to Guam was Ten  
26 Million Eight Hundred Thirty Eight Thousand (\$10,838,000). If an allocation to

1 a State is unused for calendar year 2009, the State may carry it forward to the  
2 next calendar year. In other words, States have up until the end of calendar year  
3 2010 to use their 2009 and 2010 allocation of QSCB bonds.

4 The tax credit on QSCBs or interest rate subsidy is calculated by  
5 multiplying the face amount of the bonds by the Treasury Department Rate. The  
6 "Treasury Department Rate" is a rate set by the Department of Treasury that  
7 would permit issuance of the QSCBs without discount and interest cost to the  
8 issuer. The Treasury Department Rate is determined as of the first day on which  
9 there is a binding, written contract for the sale or exchange of the QSCB. The  
10 tax credit accrues quarterly, is includible in the bond holder's gross income (as  
11 if it were an interest payment on the bond), and can be offset against the bond  
12 holder's regular income tax and alternative minimum tax.

13 *I Liheslaturan Guåhan* further finds that the use of QSCBs under ARRA  
14 requires the identification of a shovel ready project in order to utilize the  
15 twenty-one million eight hundred and eighteen dollars (\$21,818,000) that has  
16 been allocated to Guam by the Federal Government for FY2009 and FY2010.  
17 Because of the extremely short timeline before the December 31, 2010  
18 expiration of Guam's FY 2009 and FY 2010 allocation of school construction  
19 bonds, it is the intention of *I Liheslaturan Guåhan* to proceed with Project  
20 Number 700-5-1019-L-YIGO, an RFP for the construction of the Marbo High  
21 School. This legislation would simply transfer the site identified in the RFP to  
22 Lot 10142 New R-4, located in Harmon Guam.

23 To facilitate the financing, design, construction and maintenance of the  
24 facilities envisioned by this Act, the government of Guam will be authorized to  
25 lease for up to thirty (30) years government of Guam property on which the  
26 facilities will be constructed. The lease of the government property will be to

1 the contractor, who will design and construct the facilities in accordance with  
2 specifications approved by Guam Public School System, and provide funding  
3 for the design and construction through the use of QSCBs and other financing  
4 facilities. The facilities and land will be leased back to the government of Guam  
5 for a period *not to exceed* the initial ground lease to the contractor over which  
6 time the government of Guam will amortize, as lease payments to the  
7 contractor, the cost of the financing, design, construction and related expenses  
8 of the facilities. The annual commitment of Section 30 Revenues authorized in  
9 the Act is based on the sum of Section 30 Revenue available after the final  
10 payment on the Government of Guam Limited Obligation (Section 30) Bonds,  
11 Series 2001A.

12 The contractor will also be responsible for the capital maintenance of the  
13 public school facilities constructed under this Act, which costs *shall* be paid by  
14 the government of Guam as provided for under this Act. At the expiration of  
15 the Lease-Back Period, the government of Guam real property and the public  
16 facilities constructed on the government of Guam real property will revert to the  
17 government of Guam with *no* further obligations to the Contractor.

18 **§58B101. Definitions.** For purposes of this Chapter and *unless*  
19 otherwise specified, the following words and phrases are defined to mean:

20 (a) “Contract” *shall* mean the design, construction and financing  
21 contract entered into by and between the Education Agency and the  
22 Contractor following negotiations on the response to the Request for  
23 Proposal for Project Number 700-5-1019-L-YIGO.

24 (b) “Contractor” *shall* mean the authorized entity which *shall* be the  
25 signatory on the Contract and *shall* be fully responsible for carrying out  
26 the design, construction, financing and maintenance of the Education

1 Facility. The Contractor may cooperate with another entity *or* entities in  
2 any manner the Contractor deems appropriate to provide for the  
3 financing, design, construction *or* maintenance of the public school  
4 facilities envisioned by this Act.

5 (c) “Education Agency” *shall* mean the Guam Public School System.

6 (d) “Education Facility” as used in this Act *shall* mean a new high  
7 school to be located in Harmon on Lot 10142 New R-4.

8 (e) “Lease” *shall* mean a lease from an Education Agency to the  
9 Contractor entered into at the time of the Contract for the Property.

10 (f) “Lease-Back” *shall* mean the lease from the Contractor to the  
11 Education Agency.

12 (g) “Lease-Back Period” *shall* mean the term of the lease from the  
13 Contractor to the Education Agency.

14 (h) “Property” *shall* mean any property on which an Education  
15 Facility is located.

16 **§58A102. Authorization to Enter into Long-term Leases.** For the  
17 purpose of facilitating the financing of the design, construction and  
18 maintenance of an Education Facility encompassed by this Act, the government  
19 of Guam *or* an Education Agency, as the case may be, is authorized to lease, if  
20 required, to the Contractor sufficient government of Guam real property on  
21 which to construct, convert *or* rehabilitate an Education Facility; provided, such  
22 property is in the inventory of the Education Agency *or* the government of  
23 Guam. The property may be the site of an existing Education Facility under the  
24 control of an Education Agency, which existing facility may be converted,  
25 rehabilitated *or* demolished and rebuilt under the provisions of this Act.

1           The Education Agency is also authorized to lease back from the  
2 Contractor the property for a period mutually agreed upon between the  
3 Education Agency and the Contractor as may be reasonably necessary to  
4 amortize over the Lease-Back Period the costs associated with the financing,  
5 design and construction of the Education Facility. In no event *shall* the end of  
6 such Lease-Back Period be *later than* the date thirty (30) years from the  
7 scheduled date of completion of the Education Facility. The Lease-Back may  
8 be structured as an annually renewable lease with provision for automatic  
9 renewals to the extent that pledged revenue under Section 58B106 is available.  
10 The Lease-Back *shall not* be construed as a debt under any applicable debt  
11 limitation under the Guam Organic Act *or* Guam law.

12           **§58B103 Responsibilities of Contractor.** The Contract *shall* require  
13 that the Contractor be responsible for all costs, expenses and fees of any kind *or*  
14 nature, associated with the design, civil improvements, on-site and off-site  
15 infrastructure, construction, permits, and financing associated with the  
16 completion of an Education Facility, including the financing of furniture and  
17 equipment for the Education Facility, as and to the extent provided by the  
18 Education Agency in the Request for Proposals. The Contractor *shall* also be  
19 responsible for the capital maintenance of the schools during the Lease-Back  
20 Period, but *shall not* be responsible for the capital maintenance of the furniture  
21 and equipment. The Lease-Back may provide that *if* sufficient funds are *not*  
22 appropriated *or* otherwise available for the payment of amounts due under the  
23 lease and any maintenance agreement, the Education Agency will have the  
24 obligation to vacate the Education Facility, and the Contractor *shall* have the  
25 right of use and occupancy of the Education Facility for the remainder of the  
26 term of the Lease, unless new mutually satisfactory terms are entered into. For

1 this purpose, the Lease may provide that its term *shall* be extended for a period  
2 *not to exceed* the shorter of ten (10) years beyond the original term of the  
3 Lease-Back *or* such period of time as is necessary to repay in full any financing  
4 arranged pursuant to Section 58B105. The capital maintenance costs *shall* be  
5 paid by the Education Agency on a periodic basis as incurred by the Contractor  
6 on terms to be agreed to in the Contract for each Education Facility.

7 **§58B104. Assignments.** To facilitate the purposes of this Act and to  
8 provide security for the holders of any financing instruments issued pursuant to  
9 this Act, the Contractor may assign, without the need of the consent of the  
10 Education Agency, the Contract, the Lease and the Lease-Back to any  
11 underwriter, trustee *or* other party as appropriate to facilitate the issuance of the  
12 Qualified School Construction Bond.

13 **§58B105. Use of Qualified School Construction Bonds.** To minimize  
14 the financing cost to the Education Agency, financing utilized by the Contractor  
15 to fund the design and construction of an Education Facility *shall* be through  
16 the use of Qualified School Construction Bonds in an amount not to exceed  
17 \$21,818,000 as authorized under Section 1521 of P.L. 111-5 (The American  
18 Recovery and Reinvestment Act of 2009). Alternatively, the Contractor may  
19 use an alternative method of financing, including, but *not limited to*, a short  
20 term debt, mortgage, loan, federally guaranteed loan *or* loan by an  
21 instrumentality of the United States of America *if* such financing will better  
22 serve the needs of the people of Guam. Such alternative financing *shall* be  
23 approved by *I Liheslaturan Guåhan*. The purpose for the requirements of this  
24 Section is to assure the Education Agency pays the lowest possible interest rate  
25 so that the cost to the Education Agency of financing the design and  
26 construction of an Education Facility, amortized through the Lease-Back

1 payments from the Education Agency to the Contractor, will be lower than  
2 regular commercial rates.

3 **§58B106. Pledge of Section 30 Revenues.** Rental payments under the  
4 Lease and the Lease-Back may be secured by a pledge *or* other reservation of  
5 revenues received by *or* on behalf of the government of Guam from the United  
6 States of America pursuant to Section 30 of the Guam *Organic Act* (48  
7 U.S.C.A. Section 1421h). Any pledge *or* reservation of Section 30 revenues  
8 authorized by the Act *shall* be subordinate *only* to the existing lien securing the  
9 Government of Guam Limited Obligation (Section 30) Bonds, Series 2001A.

10 Any such pledge *or* reservation authorized hereunder *shall* be valid and  
11 binding from the time the pledge *or* reservation is made and *shall be limited to*  
12 Three Million Five Hundred Thousand Dollars (\$3,500,000) per year during the  
13 Lease-Back Period. The Section 30 revenues pledged *or* reserved and thereafter  
14 received by the government of Guam *or* by any trustee, depository *or* custodian  
15 *shall* be deposited in a separate account and *shall* be immediately subject to  
16 such reservation *or* the lien of such pledge without any physical delivery  
17 thereof *or* further act, and such reservation *or* the lien of such pledge *shall* be  
18 valid and binding against all parties having claims of any kind in tort, contract  
19 *or* otherwise against the government of Guam *or* such trustee, depository *or*  
20 custodian, irrespective of whether the parties have notice thereof. The  
21 instrument by which such pledge *or* reservation is created need *not* be recorded.

22 **§58B107. Utilities and Routine Maintenance and Repair.** The  
23 Education Agency *shall* be responsible for the connection and payment of all  
24 utilities, including without limitation, power, water, sewer, telephone and cable,  
25 and all routine interior maintenance and repair and exterior grounds keeping  
26 and landscaping and upkeep of the Education Facility.

1           **§58B108. Maintenance Fund.** The Contract *or* a separate  
2 maintenance agreement with the Contractor, and the Lease-Back, *shall* provide  
3 that all capital maintenance of the Education Facility be performed by the  
4 Contractor as a separate cost, the terms of which, and the manner for  
5 establishing the amount of payment, *shall* be determined as a part of the request  
6 for proposal process; provided, however, that said documents may, at the  
7 discretion of the Education Agency, provide that capital maintenance with  
8 respect to equipment (including collateral equipment), onsite utilities, offsite  
9 utilities, access roads and other similar improvements need *not* be performed by  
10 the Contractor. The Contract *or* agreement and the Lease-Back may provide for  
11 a separate maintenance reserve fund for this purpose with sufficient funds to  
12 pay the costs of capital maintenance for a reasonable period *not exceeding* five  
13 (5) years. The maintenance reserve fund *shall* be used exclusively for the  
14 purpose of capital maintenance and *shall* be an interest bearing account  
15 segregated from other funds of the Education Agency.

16           **§58B109. Rules, Regulations and Restrictions.** The Department of  
17 Public Works may promulgate rules and regulations pursuant to Guam law  
18 necessary to implement the provisions of this Act.

19           **§58A110. Severability.** *If any provision of this Act or its application*  
20 *to any person or circumstance is found to be invalid or contrary to law, such*  
21 *invalidity shall not affect other provisions or applications of this Act which can*  
22 *be given effect without the invalid provisions or application, and to this end the*  
23 *provisions of this Act are severable.”*

24           **Section 2. Section 58A109 of Chapter 58A of Title 5 Guam Code Annotated**  
25 **is hereby amended to read as follows:**

1           **“§ 58A109. Pledge of Section 30 Revenue.** Rental payments under the  
2 Lease and the Lease-Back may be secured by a pledge or other reservation of  
3 revenues received by or on behalf of the government of Guam from the United  
4 States of America pursuant to Section 30 of the Guam Organic Act (48  
5 U.S.C.A. Section 1421h). Any pledge or reservation of Section 30 revenues  
6 authorized by the Act shall be subordinate only to the existing lien securing the  
7 Government of Guam Limited Obligation (Section 30) Bonds, Series 2001A.  
8 Any such pledge or reservation authorized hereunder shall be valid and binding  
9 from the time the pledge or reservation is made and shall be limited to ~~Nine~~  
10 ~~Million Eight Hundred Twenty five Dollars (\$9,825,000)~~ Four Million Eight  
11 Hundred Twenty-Five Thousand Dollars (\$4,825,000) per year during the  
12 Lease-Back Period. The Section 30 revenues pledged or reserved and thereafter  
13 received by the government of Guam or by any trustee, depository or custodian  
14 shall be deposited in a separate account and shall be immediately subject to  
15 such reservation or the lien of such pledge without any physical delivery thereof  
16 or further act, and such reservation or the lien of such pledge shall be valid and  
17 binding against all parties having claims of any kind in tort, contract or  
18 otherwise against the government of Guam or such trustee, depository or  
19 custodian, irrespective of whether the parties have notice thereof. The  
20 instrument by which such pledge or reservation is created need not be  
21 recorded.”

22           **Section 3. Transfer of Property.** Lot 10142 New R-4 shall be transferred  
23 from the land inventory of the Department of Parks and Recreation to the Guam  
24 Department of Education.

25           **Section 4. Zoning of Lot.** Lot 10142 New R-4, located in Harmon, Guam is  
26 hereby zoned as S-1 (School Zone).

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

**Bill No. 413-30 (COR)** as Substituted  
by the Committee on Economic Development,  
Health & Human Services, and Judiciary

Introduced by:

J. T. Won Pat, Ed.D.  
T.R. Muna-Barnes  
J.V. Espaldon  

---

R.J. Respicio  
B.J. F. Cruz

**AN ACT TO ADD A NEW CHAPTER 58B OF TITLE 5 OF  
THE GUAM CODE ANNOTATED, RELATIVE TO THE  
FINANCING AND CONSTRUCTION OF ADDITIONAL  
FACILITIES FOR THE EXPANSION OF THE EXISTING  
OKKODO HIGH SCHOOL IN NORTHERN GUAM**

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

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that pursuant to the Education Construction Initiative Act of 2005, the government of Guam executed a municipal lease to construct four (4) new schools. Construction of the four (4) new schools is complete and the schools are now being leased to the Guam Department of Education by Guam Education Financing Foundation.

*I Liheslaturan Guåhan* further finds that there remains a critical shortage of classrooms and public school facilities on Guam and that many facilities are antiquated, overcrowded, and are not fit for the purpose of public education. In an effort to overcome these problems facing public education on Guam, *I Liheslaturan Guåhan* desires to authorize the government of Guam to enter into contracts for the financing, design, construction and long term capital maintenance of additions and

1 improvements at Okkodo High School. This authorization is intended to substitute, in  
2 part, the facility needs of a new northern high school to existing land under lease to  
3 the Guam Department of Education (“GDOE”). The expansion and construction of  
4 additional educational facilities on the Okkodo school site will allow GDOE to take  
5 advantage of existing utilities, infrastructure and athletic facilities at considerable cost  
6 savings to the government of Guam.

7 In order for the government to utilize the Okkodo site for the construction of the  
8 additions and improvements, the current legislative authorization has to be amended to  
9 allow the Educational Agency, through its Contractor, to undertake the financing,  
10 design, construction, and long term capital maintenance of the school improvements  
11 and to authorize the Educational Agency to enter into amendments to the existing  
12 lease of real property at Track No. 11406 in Dededo, Guam.

13 Additionally, pursuant to The American Recovery and Reinvestment Act of  
14 2009 (“ARRA”) the government of Guam was authorized to issue a total of  
15 \$21,818,000 in Qualified School Construction Bonds (“QSCBs”) to finance the  
16 construction, rehabilitation, or repair of public school facilities. QSCBs are a new  
17 form of bond authorized under § 54F(d) of the Internal Revenue Code. Issuers of  
18 QSCBs are eligible to receive direct payments from the federal government which  
19 offset a portion of the bond interest payments. Under current market conditions, the  
20 government of Guam can realize substantial net interest costs savings by issuing  
21 QSCBs over traditional tax exempt bonds. Based on these findings, *I Liheslaturan*  
22 *Guåhan* desires to designate the government of Guam’s QSCB allocation to the  
23 Contractor to finance a portion of the Okkodo project costs.

24 To facilitate the financing, design, construction and maintenance of the  
25 facilities envisioned by this Act, the government of Guam will be authorized to lease  
26 for up to thirty (30) years from the scheduled date of delivery of the Educational

1 Facility government of Guam property on which the facilities will be constructed.  
2 The lease of the government property will be to the Contractor, who will design and  
3 construct the facilities in accordance with this Act and the specifications approved by  
4 Guam Public School System, and who will provide funding for the design and  
5 construction through the use of QSCBs, tax exempt lease certificates and other  
6 financing facilities. The facilities and land will be leased back to the government of  
7 Guam for a period not to exceed the ground lease to the Contractor over which time  
8 the government of Guam will amortize, as lease payments to the Contractor, the cost  
9 of the financing, design, construction, equipping and related expenses of the facilities.

10 The Contractor will also be responsible for the capital maintenance of the  
11 public school facilities constructed under this Act, which costs *shall* be paid by the  
12 government of Guam as provided for under this Act. At the expiration of the Lease-  
13 Back Period, the government of Guam real property and the public facilities  
14 constructed on the government of Guam real property will revert to the government of  
15 Guam with *no* further obligations to the Contractor.

16 **Section 2. A new Chapter 58B is hereby added to Title 5 Guam Code**  
17 **Annotated to read as follows:**

18 “Chapter 58B. Expansion of Okkodo High School

19 § 58B100. Definitions.

20 § 58B101. Authorization to Enter into Long-Term Leases.

21 § 58B102. Responsibilities of Contractor.

22 § 58B103. Assignments.

23 § 58B104. Use of Qualified School Construction Bonds.

24 § 58B105. Pledge of Section 30 Revenue.

25 § 58B106. Utilities and Routine Maintenance and Repair.

1 § 58B107. Maintenance Fund.

2 § 58B109. Severability.

3 **§58B100. Definitions.** For purposes of this Chapter and unless  
4 otherwise specified, the following words and phrases are defined to mean:

5 (a) “Contract” *shall* mean the design, construction and financing contract  
6 entered into by and between the Education Agency and the Contractor.

7 (b) “Contractor” *shall* mean the contractor to the government of Guam on  
8 Okkodo High School or a separate non for profit affiliated entity of the  
9 Contractor which *shall* be the signatory on the Contract and *shall* be fully  
10 responsible for carrying out the design, construction, financing and maintenance  
11 of the Education Facility. The Contractor may cooperate with another entity *or*  
12 entities in any manner the Contractor deems appropriate to provide for the  
13 financing, design, construction or maintenance of the public school facilities  
14 envisioned by this Act.

15 (c) “Education Agency” *shall* mean the Guam Public School System.

16 (d) “Education Facility” as used in this Act *shall* mean the additions and  
17 improvements to be located at Okkodo High School on Track No. 11406 as  
18 prescribed in Section 3 of Public Law 30-178.

19 (e) “Lease” *shall* mean a lease from an Education Agency to the  
20 Contractor entered into at the time of the Contract for the Property.

21 (f) “Lease-Back” *shall* mean the lease from the Contractor to the  
22 Education Agency.

23 (g) “Lease-Back Period” *shall* mean the term of the lease from the  
24 Contractor to the Education Agency.

1 (h) "Property" shall mean any property on which an Education Facility  
2 is located.

3 **§58B101. Authorization to Enter into Long-term Leases.** For the  
4 purpose of facilitating the financing of the design, construction and  
5 maintenance of an Education Facility encompassed by this Act, the government  
6 of Guam *or* an Education Agency, as the case may be, is authorized to lease, if  
7 required, to the Contractor sufficient government of Guam real property on  
8 which to construct, convert *or* rehabilitate an Education Facility and to extend  
9 an existing lease of real estate to the Contractor.

10 The Education Agency is also authorized to lease back from the  
11 Contractor the property for a period mutually agreed upon between the  
12 Education Agency and the Contractor as may be reasonable necessary to  
13 amortize over the Lease-Back Period the costs associated with financing, design  
14 and construction of the Education Facility. In no event shall the end of such  
15 Lease-Back Period be *later than* the date thirty (30) years from the scheduled  
16 date of completion of the Education Facility. The Lease-Back may be  
17 structured as an annually renewable lease with provision for automatic renewals  
18 to the extent that pledged revenue under Section 58B105 is available. The  
19 Lease-Back shall not be construed as a debt under any applicable debt  
20 limitation under the Guam Organic Act *or* Guam law.

21 The additions and improvements to Okkodo High School shall include  
22 the expansion of classrooms to accommodate the overcrowding, restroom  
23 facilities at all outdoor sports fields, additional restrooms required by public  
24 health due to the increase in student population, solar panels, the culinary arts  
25 building, signalization, the track and field track with proper turf, collateral

1 equipment, and other projects needed to facilitate the expansion to  
2 accommodate the increase in student population.

3 **§58B102. Responsibilities of Contractor.** The Contract *shall* require  
4 that the Contractor be responsible for all costs, expenses and fees of any kind *or*  
5 nature, associated with the design, civil improvements, on-site and off-site  
6 infrastructure, construction, permits, and financing associated with the  
7 completion of an Education Facility, including the financing of furniture and  
8 equipment of the Education Facility, as and to the extent agreed to by the  
9 Education Agency. The Contractor *shall* also be responsible for the capital  
10 maintenance of the schools during the Lease-Back Period, but *shall not* be  
11 responsible for the capital maintenance of the furniture and equipment. The  
12 Lease-Back may provide that *if* sufficient funds are *not* appropriated *or*  
13 otherwise available for the payment of amounts due under the lease and any  
14 maintenance agreement, the Education Agency will have the obligation to  
15 vacate the Education Facility, and the Contractor *shall* have the right of use and  
16 occupancy of the Education Facility for the remainder of the term of the Lease,  
17 unless new mutually satisfactory terms are entered into. For this purpose, the  
18 Lease may provide that its term *shall* be extended for a period *not to exceed* the  
19 shorter of ten (10) years beyond the original term of the Lease-Back or such  
20 period of time as is necessary to repay in full any financing arranged pursuant  
21 to Section 58B105. The capital maintenance costs *shall* be paid by the  
22 Education Agency on a periodic basis as incurred by the Contractor on terms to  
23 be agreed to in the Contract for the Education Facility.

24 **§58B103. Assignments.** To facilitate the purposes of this Act and to  
25 provide security for the holders of any financing instruments issued pursuant to

1 this Act, the Contractor may assign, without the need of the consent of the  
2 Education Agency, the Contract, the Lease and the Lease-Back to any  
3 underwriter, trustee or other party as appropriate to facilitate the Contractor  
4 financing.

5 **§58B104. Use of Qualified School Construction Bonds.** To minimize  
6 the financing cost to the Education Agency, financing utilized by the Contractor  
7 to fund the design and construction of the Education Facility *shall* be through  
8 the use of Qualified School Construction Bonds in an amount not to exceed  
9 \$21,818,000 as authorized under Section 1521 of P.L. 111-5 (The American  
10 Recovery and Reinvestment Act of 2009) and the issuance of tax exempt bonds  
11 or lease certificates *provided* such financing is available at an interest rate of *no*  
12 *more than* eight and a half percent (8.5%). Alternatively, the Contractor may  
13 use an alternative method of financing, including, but *not limited to*, a short  
14 term debt, mortgage, loan, federally guaranteed loan or loan by an  
15 instrumentality of the United States of America if such financing will better  
16 serve the needs of the people of Guam. Such alternative financing shall be  
17 approved by *I Liheslaturan Guåhan*. The purpose for the requirements of this  
18 Section is to assure the Education Agency pays the lowest possible net interest  
19 rate so that the cost to the Education Agency of financing the design and  
20 construction of an Education Facility, amortized through the Lease-Back  
21 payments from the Education Agency to the Contractor, will be lower than  
22 regular commercial rates.

23 **§58B105. Pledge of Section 30 Revenues.** Rental payments under the  
24 Lease and the Lease-Back may be secured by a pledge *or* other reservation of  
25 revenues received by *or* on behalf of the government of Guam from the United

1 States of America pursuant to Section 30 of the Guam Organic Act (48  
2 U.S.C.A. Section 1421h). Any pledge *or* reservation of Section 30 revenues  
3 authorized by the Act *shall* be subordinate *only* to the existing lien securing the  
4 Government of Guam Limited Obligation (Section 30) Bonds, Series 2001A.

5 Any such pledge or reservation authorized hereunder *shall* be valid and  
6 binding from the time the pledge *or* reservation is made and *shall be limited* to  
7 Two Million Nine Hundred Thousand Dollars (\$2,900,000) per year during the  
8 Lease-Back Period, as prescribed in Section 3 of P.L. 30-178. The Section 30  
9 revenues pledged or reserved and thereafter received by the government of  
10 Guam *or* by any trustee, depository *or* custodian *shall* be deposited in a separate  
11 account and *shall* be immediately subject to such reservation *or* the lien of such  
12 pledge without any physical delivery thereof *or* further act, and such reservation  
13 *or* the lien of such pledge *shall* be valid and binding against all parties having  
14 claims of any kind in tort, contract *or* otherwise against the government of  
15 Guam or such trustee, depository *or* custodian, irrespective of whether the  
16 parties have notice thereof. The instrument by which such pledge *or*  
17 reservation is created need *not* be recorded.

18 **§58B106. Utilities and Routine Maintenance and Repair.** The  
19 Education Agency *shall* be responsible for the connection and payment of all  
20 utilities, including without limitation, power, water, sewer, telephone and cable,  
21 and all routine interior maintenance and repair and exterior grounds keeping  
22 and landscaping and upkeep of the Education Facility.

23 **§58B107. Maintenance Fund.** The Contract *or* a separate maintenance  
24 agreement with the Contractor, and the Lease-Back, *shall* provide that all  
25 capital maintenance of the Education Facility be performed by the Contractor as

1 a separate cost, the terms of which, and the manner for establishing the amount  
2 of payment, *shall* be determined as a part of the Contract; provided, however,  
3 that said documents may, at the discretion of the Education Agency, provide  
4 that capital maintenance with respect to equipment (including collateral  
5 equipment), onsite utilities, offsite utilities, access roads and other similar  
6 improvements need *not* be performed by the Contractor.

7 **§58B108. Severability.** (a) *If* any provision of this Chapter *or* its  
8 application to any person *or* circumstance is found to be invalid *or* contrary to  
9 law, such invalidity *shall not* affect other provisions *or* applications of this  
10 Chapter which can be given effect without the invalid provisions *or* application,  
11 and to this end the provisions of this Chapter are severable.

12 **Section 3. School Capacity Level Exception for Okkodo High School.** The  
13 expanded Okkodo High School shall be exempt from the capacity levels set forth by  
14 17 GCA §7113(c), but shall not exceed a total capacity of two-thousand two hundred  
15 (2,200) students.

16 **Section 4. Severability.** *If* any provision of this Act *or* its application to any  
17 person *or* circumstance is found to be invalid *or* contrary to law, such invalidity *shall*  
18 *not* affect other provisions *or* applications of this Act which can be given effect  
19 without the invalid provisions *or* application, and to this end the provisions of this Act  
20 are severable.

**PUBLIC HEARING SIGN-IN SHEET**

**Wednesday, July 14, 2010 • 09:00 A.M. • Guam Legislature, Public Hearing Room**

**BILL NO. 413-30 (COR)**

An act to add a new Chapter 58B to Title 5 Guam Code Annotated relative to the construction of a new Northern High School.

NAME	AGENCY OR ORGANIZATION (IF ANY)	SUPPORT? OPPOSE?	WRITTEN TESTIMONY	ORAL TESTIMONY	CONTACT NUMBER	EMAIL ADDRESS
✓ Vicente Fajet Garrido	Self	oppose		✓		
✓ <del>ALAN LIBBY</del>						
✓ Joseph C. San Nicolas	"	oppose		✓		
✓ Martin Benavente	"	oppose		✓		
✓ AL SAN AGUSTIN	" "	oppose				



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

**Aturidâd Inadilânton Ikunumihan Guahan**

**FACSIMILE**

Date: July 14, 2010  
 To: Guam Legislature/ Senator Frank Aguon's Office  
 From: Tony Blaz  
 Re: Testimony for Bill 413-30 (COR)  
 No. of Pages: 3 including cover

Attached is the Testimony for Mr. Tony Blaz on Bill 413-30 (COR).

Thank you  
 Ellie Lujan



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

**Aturidád Inadilánton Ikunumihan Guahan**

July 12, 2010

Speaker Judi Won Pat, Ed.D  
 30<sup>th</sup> Guam Legislature  
 155 Hesler Place  
 Hagåtña, Guam 96910

Re: GEDA Testimony re: Bill 413-30 (COR)

Dear Speaker Won Pat:

*Si Yu'us Ma'ase* for the opportunity to provide comment regarding Bill 413-30 (COR), an "Act to Add a New Chapter 58B to Title 5 Guam Code Annotated Relative to the Construction of a New Northern High School." GEDA commends your efforts to provide adequate facilities for Guam's school children and does not argue with the need to build more space to alleviate Guam's overcrowded schools and growing population.

GEDA has some technical issues with respect to Bill 413 that we believe we can work through in conjunction with the Legislature to build the Northern High School. Outlined below are some of the issues we see with the legislation. As you know, we are working with bond counsel to recommend changes to Bill 413 to clarify contemplated financing options. We look forward to providing new language to you in the coming days for your consideration.

- 1) *Use of Qualified School Construction Bond Allocation.* GEDA certainly advocates the use of Guam's 2009 and 2010 Qualified School Construction Bond ("QSCB") allocation to help finance the school. We would like to make you aware of several recent changes to the QSCB program, as well as apprise you of certain concerns we have related to the marketing and sale of potential QSCB's. First, the QSCB has become primarily an interest subsidy program rather than a tax-credit program. Instead of providing tax credits to investors, the IRS will now provide a subsidy to the bond issuer on the taxable interest paid on the bonds so as to "write down" the interest rate to or below a tax-exempt rate to the issuer. QSCB's also have some restrictions such as the maturity of the bonds, costs of issuance percentages, and spend-down periods, that we will need to fund outside of QSCB bond proceeds. Our biggest concern with respect to QSCB's, however, is that the market for these taxable bonds are not as liquid as the market for bonds in the tax-exempt market. In addition, the market for these bonds is currently not as large and liquid as the taxable Build America Bond program, also authorized under ARRA. Out of \$22 billion in QSCB allocation between 2009 and 2010, only \$5.4 billion of issuance has been recorded to date. In Guam's non-investment grade rating category (B level), it is especially challenging to sell these bonds, as there is little to no investor demand. For example, in June of this year, GEDA assisted in the sale of \$206 million of GPA bonds. The original structure included approximately \$70 million of taxable Build America Bonds, but there was only demand for about 14%

of the bonds, which were rated investment grade by two rating agencies. As the QSCB market continues to evolve, we do not want to rule out the option completely, but we should provide for flexibility in the legislation to obtain the financing through other means. This flexibility will give us a "Plan B" that can be used in the event the QSCB market is not available at the time the bonds are being sold, or in the event the QSCB allocation is not sufficient to cover the full cost of financing the Northern High School.

- 2) *Pledge of Section 30 Revenues.* In several places throughout the legislation, the pledge of Section 30 revenue language refers to the financing being subordinate only to the 2001 Section 30 bonds. We now have a 2009 Section 30 senior lien in place as well as several other subordinate liens that fall under it. In addition, there is a technical consideration when pledging Section 30 revenues. Under existing Guam Supreme Court precedent, a pledge of Section 30 revenues is inconsistent with a requirement that the financing not count against the Organic Act debt limit. It is our understanding that the Northern High School financing is intended to be structured somewhat similar to the prior school lease transactions and the JFK transaction, in that it does not apply to the debt limit. Pledging Section 30 revenues would require the financing to apply to the debt limit. If the intent is to treat it outside of the debt limit, then it would need to be subject to annual appropriation of the legislature or else be secured with a revenue stream that would not otherwise be available for any General Fund use.
- 3) *Amendment to Section 58A109 of Chapter 58A of Title 5 GCA.* It is our understanding that the Bill intends to take a portion of the annual revenues allocated for the JFK rebuild and allocate it towards repayment of the Northern High School. As we have apprised your office, any major changes to the scope of the JFK project may result in the need to revisit procurement of that project. Thus, we recommend keeping the allocation for JFK above a \$6.3 million *minimum*, and perhaps allow for some additional cushion for market fluctuations (up to \$6.9 million). Since the Northern High School financing will have more flexibility since it is not yet structured, we believe this should still allow you to build it within the parameters originally contemplated.

As we mentioned, we are working with bond counsel on other technical language necessary to provide the Northern High School with various funding options, should market conditions permit. In the meantime, please do not hesitate to contact me with any questions.



Anthony C. Blaz  
Administrator

July 12, 2010

Mayor Melissa Savares  
Vice-Mayor Andrew Peter Benavente  
Municipality of Dededo

Dear Mayor Savares and Vice-Mayor Benavente,

I am opposed to the proposed site for the New Northern High School for the following reasons-

I. Sports Complex

This area was reserved back in the 70's to build a multi-sports complex that meet the standards for international/regional competition. Although it has taken sometime and with the initiative of a few non-profit organizations, this area is beginning to take shape. The Guam Football Association was the first to enter into a lease with the government and develop soccer facilities. Now, under Gov. Camacho's administration, a swimming complex and a 4-diamond baseball complex are soon to be completed. There still are other sports that need facilities in this area and we must continue to work towards this goal of making this long-time dream become a reality. The concern I have always had was the lack of a master plan that included common areas such as parking, restrooms, traffic flow, etc... With these concerns, the sports of football, tennis, girls softball, and track still need facilities, not to mention an exercise/walkers path for Dededo/Tumon/Harmon/Yigo residents and practice facilities for each sport.

II. Public Law for Guam Little League

As a boardmember for Guam Little League, it is my understanding that the proposed land has already been given to the Guam Little League via the public law sponsored by the late Sen. Tony Unpingco. The Guam Little League's land includes the area surrounding the Harmon Gym.

III. Public/Community based activities area

This area is for public/community based activities that will be used for local and international competition. It should not be shared with school activities because it will affect scheduling for both community and school programs which are entirely separate. The primary example which has been affected is the Astumbo Gym where the community is limited in its use of the gym and the school is limited of its use for instructional PE and Interscholastic Sports.

IV. Area is too small for a high school

This area is too small for a high school. It would be discriminatory to the intended student enrollment if a facility was not comparable and equal to the total area of the new Okkodo High School. The school environment is a closed and protected environment. Having to share facilities with community and non-profit based activities will place the safety and welfare of students in jeopardy. The situation at Astumbo is a prime example of this. The intended enrollment deserve a dedicated and closed/protected area for school functions and extra-curricular activities. It looks like we will be 'craming-in' the new high school in this small area.

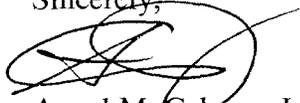
There has to be land somewhere in the vicinity of Y-Sengsong road or the MogFog area, an area that is between the two existing schools Simon Sanchez and Okkodo that will properly address districting issues.

V. Conjestion and safety

Building a school in the proximity of an elementary school and sports complex, will increase conjestion in this area, which we already experience with JM Guerrero Elementary School and the school buses. Increased conjestion will compromise the safety of all students, particularly the elementary students.

Thank you for this opportunity to comment on the proposed site for the New Northern High School.

Sincerely,



Angel M. Calugay Jr.  
211C Hegao Loop

July 12, 2010

Mayor Melissa Savares  
Office of the Mayor  
Municipality of Dededo

Subject: Proposed New Northern High School

Dear Mayor Savares,

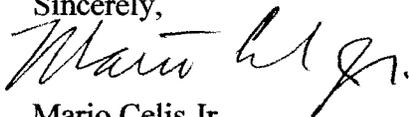
Please allow me to voice out my opinion through this letter regarding the proposed project for a new northern high school to be built next to the Dededo Sports Complex.

My name is Mario Celis Jr. and I'm a resident of 139 Kayun Tun Francisco St. which is very close to the area of the proposed northern high school. I totally disagree with that proposal not because I don't want a new high school but for the following reasons:

1. Placing a high school in that area will create a lot of traffic congestion involving school buses and private cars. Even only with the Juan Guerrero Elementary School there, we already are experiencing traffic problems especially during rush hours. I see school buses driving recklessly and using the Cost U Less parking just to make a quick u turn trying to go back to the bus parking lot next to the school. It will make matters worse if there is a another school there which will naturally require additional buses.
2. There will be a lot of high school students who will be walking and crossing the Harmon Loop Road which could be dangerous. My neighbor died several years ago after being hit by a car when he tried to cross the road going into Harmon Court Subdivision.
3. The noise and problems that will be created by unruly teenagers driving their cars in that area will bother the residents.
4. Building a High School next to the Sports Complex will eventually create problems for the general public to use such facilities. The school will for sure use those facilities like their own and that will limit the public use of those facilities. I'm sure there is not enough land space for the school to build their own running tracks and swimming full thus they try and occupy the facilities next door.

Because of the above reasons, I strongly disagree with such a project on that area. Have the new northern high school some place else but not here.

Sincerely,



Mario Celis Jr.

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 413-30 (COR)**

**AN ACT TO ADD A NEW CHAPTER 58B TO TITE 5 GUAM CODE ANNOTATED RELATIVE TO THE CONSTRUCTION OF A NEW NORTHERN HIGH SCHOOL**

**Department/Agency Appropriation Information**

<b>Dept./Agency Affected: Guam Public School System</b>		<b>Dept./Agency Head: Narrissa Bretania-Shaffer</b>	
<b>Department's General Fund (GF) appropriation(s) to date: General Fund to Department of Education Operational Fund (DOEOF)</b>			<b>\$177,092,677</b>
<b>Department's Other Fund (Specify) appropriation(s) to date: Healthy Futures Fund, Territorial Education Facilities Fund (TEFF) to GPSSOF, School Lunch /SAE/Child Nutritional Reimbursement Fund</b>			<b>\$19,257,710</b>
<b>Total Department/Agency Appropriation(s) to date:</b>			<b>\$196,350,387</b>

**Fund Source Information of Proposed Appropriation**

	<b>General Fund:</b>	<b>Other:</b>	<b>Total:</b>
<b>FY 2010 Adopted Revenues</b>	\$0	\$0	\$0
<b>FY 2010 Appro. (P.L. 30-55 thru 30-131)</b>	\$0	\$0	\$0
<b>Sub-total:</b>	\$0	\$0	\$0
<b>Less appropriation in Bill</b>	\$0	\$0	\$0
<b>Total:</b>	\$0	\$0	\$0

**Estimated Fiscal Impact of Bill**

	<b>One Full Fiscal Year</b>	<b>For Remainder of FY 2010 (if applicable)</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>General Fund</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Tourist Attraction Fund</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$0	\$0	\$0	\$0	\$0	\$0

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

Analyst (s): Joe Cortez      Date: 06/11/2010      Director: Bertha M. Duenas      Date: 6/15/10

Footnotes: The Bill has a potential for additional funding impact, however in its present form that impact cannot be determined at this time.



**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

**SENATOR  
RORY J.  
RESPICIO  
CHAIRPERSON**

**SENATOR  
Judith P. Guthertz  
VICE  
CHAIRPERSON**

**MAJORITY  
MEMBERS:**

**Judith T. Won Pat  
SPEAKER**

**Benjamin J. F. Cruz  
VICE SPEAKER**

**Tina Rose Muña Barnes  
LEGISLATIVE SECRETARY**

**Thomas C. Ada  
SENATOR**

**Frank B. Aguon, Jr.  
SENATOR**

**Adolpho B. Palacios, Sr.  
SENATOR**

**Vicente C. Pangelinan  
SENATOR**

**MINORITY  
MEMBERS:**

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

**James V. Espaldon  
SENATOR**

June 11, 2010

**VIA FACSIMILE**  
(671) 472-2825

**Ms. Bertha Duenas**  
Director  
Bureau of Budget & Management Research  
P.O. Box 2950  
Hagatña, Guam 96910

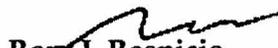
**RE: Request for Fiscal Notes – Bill No. 413-30 (COR)**

*Hafa Adai* Ms. Duenas:

Transmitted herewith is a listing of *I Mina' Trenta na Liheslaturan Guåhan's* most recently introduced bills. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal note for the referenced bill.

*Si Yu'os ma'åse'* for your attention to this matter.

Very Truly Yours,

  
**Rory J. Respicio**

*Attachment (1 page)*

2010 JUN 11 AM 10:46  
J

*I Mina'Trenta Na Liheslaturan Guåhan*

**Bill Log Sheet**

**June 9, 2010**

Page 1 of 1

<b>Bill No.</b>	<b>Sponsor(s)</b>	<b>Title</b>	<b>Date Introduced</b>	<b>Date Referred</b>	<b>120 Day Deadline</b>	<b>Committee Referred</b>	<b>Public Hearing Date</b>	<b>Date Committee Report Filed</b>	<b>Status (Date)</b> Passed? Failed? Vetoed? Overridden? Public Law?
B413-30 (COR)	J. T. Won Pat, Ed.D, T. R. Muna- Barnes, J. V. Espaldon, B. J.F Cruz	An act to add a new Chapter 58B to Title 5 Guam Code Annotated relative to the construction of a new Northern High School.	6/09/10 8:50 a.m.						

MESSAGE CONFIRMATION

JUN-11-2010 10:15 AM FRI

FAX NUMBER : 4772240  
NAME : GNF

NAME/NUMBER : 4722825  
PAGE : 2  
START TIME : JUN-11-2010 10:15AM FRI  
ELAPSED TIME : 00'14"  
MODE : STD ECM  
RESULTS : [ O.K ]



COMMITTEE ON RULES

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

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

SENATOR  
RORY J.  
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Frank F. Blas, Jr.  
SENATOR

James V. Espaldon  
SENATOR

June 11, 2010

VIA FACSIMILE  
(671) 472-2825

Ms. Bertha Duenas  
Director  
Bureau of Budget & Management Research  
P.O. Box 2950  
Hagåtña, Guam 96910

RE: Request for Fiscal Notes - Bill No. 413-30 (COR)

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*Si Yu'os ma'åse'* for your attention to this matter.

Very Truly Yours,

Rory J. Respicio

Attachment (1 page)

6/11/10  
Fax rec'd by Toluen  
10:41 AM



**COMMITTEE ON RULES**

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**MINORITY  
MEMBERS:**

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

**James V. Espaldon  
SENATOR**

June 9, 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. 413-30(COR)**

As Chairperson of the Committee on Rules, I am forwarding my referral of Bill No. 413-30(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

2010 JUN -9 PM 3: 57  
EOM

*I Mina'Trenta Na Liheslaturan Guåhan*

**Bill Log Sheet**

Page 1 of 1

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**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

Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

July 13, 2010

**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

**MEMORANDUM**

**To: Dr. Nerissa Underwood, PhD**  
**Superintendent**  
**Guam Department of Education**

**From: SENATOR FRANK B. AGUON, JR.**  
Committee Chairperson

**Subject: Notice of Public Hearing; 09:00 A.M., Wednesday, July 14, 2010, Guam Legislature Public Hearing Room.**

*Buenas yan Hafa Adai.* Please be reminded that the Committee on Economic Development, Health & Human Services, and Judiciary, will be conducting a public hearing on:

Date: Wednesday, July 14, 2010.

Time: 09:00 A.M.

Location: Guam Legislature Public Hearing Room

Notifications were published on Wednesday, July 7, 2010 (First Notice), and Monday, July 12, 2010 (Second Notice). A copy of the Agenda is attached for your information.

Should you have any questions or concerns, please do not hesitate to contact me.

*Si Yu'os ma'åse'!*

Attachment



**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  
Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

---

**AGENDA**

WEDNESDAY, JULY 14, 2010, 9:00 AM  
GUAM LEGISLATURE PUBLIC HEARING ROOM

**BILL NO. 398-30 (COR)**

An act adding a new Chapter 10 to Title 6 of the Guam Code Annotated relative to protecting journalists and the Freedom of the Press, and to add a new Chapter 91 to Title 9 of the Guam Code Annotated relative to providing penalties for violating the Freedom of the Press.

**BILL NO. 410-30 (COR)**

An act to restore the Community Health Center Council's authorization to access and expend funds from the Community Health Center Revolving Fund; by repealing Subsection (g) of §3811, Art. 8, Ch. 3, 10 GCA; and to ensure accountability by requiring monthly financial reports and an annual audit.

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An act relative to provisions applicable to the Board of Medical Examiners and the Guam Board of Allied Health examiners; by respectively amending Subsections (a) and (b) of §12203 of Article 2, and Subsections (a) and (b) of §12803 of Article 8 of Part 1, Chapter 12, Title 10, Guam Code Annotated.

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An act to authorize and regulate the recommending and certifying of the use of medicinal *cannabis* by licensed physicians to patients with debilitating medical conditions, and to create cannabis dispensaries, to be known as "Compassionate Care Centers," to make medicinal *cannabis* available for such patients. This act shall be known as "The Compassionate Health Care Act of 2010."

**BILL NO. 431-30 (COR)**

An act to amend §4302 (b) Chapter 4, Article 3, Title 4 Guam Code Annotated relative to providing utilization and cost information to current and prospective health insurance companies who provide health care coverage to government of Guam employees and retirees.

#####



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

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

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July 13, 2010

**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

**MEMORANDUM**

**To: Mr. Anthony C. Blaz**  
**Administrator**  
**Guam Economic Development Authority**

**From: SENATOR FRANK B. AGUON, JR.**  
Committee Chairperson

**Subject: Notice of Public Hearing; 09:00 A.M., Wednesday, July 14, 2010, Guam Legislature Public Hearing Room.**

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*Si Yu'os ma'åse'!*

Attachment



**SENATOR FRANK B. AGUON, JR., *Chairman***  
**COMMITTEE ON ECONOMIC DEVELOPMENT,  
HEALTH & HUMAN SERVICES, AND JUDICIARY**  
*I Mina'Trenta Na Liheslaturan Guåhan* • 30th Guam Legislature  
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An act to amend §4302 (b) Chapter 4, Article 3, Title 4 Guam Code Annotated relative to providing utilization and cost information to current and prospective health insurance companies who provide health care coverage to government of Guam employees and retirees.

**NOTICE OF PUBLIC HEARING**

from **Frances Lizama** <lizama.frances@gmail.com>  
to "BLAZ, Tony C. - GEDA Dir." <tblaz@guameda.net>  
cc "LUJAN, Ellie - GEDA" <eumagat@guameda.net>  
date Tue, Jul 13, 2010 at 12:20 PM  
subject NOTICE OF PUBLIC HEARING  
mailed-by gmail.com

[hide details](#) 12:20 PM (5 hours ago)

Hafa Adai Tony:

Please see attached Notice of Public Hearing from Sen. Frank B. Aguon, Jr. Please confirm receipt of this notice via email to [lizama.frances@gmail.com](mailto:lizama.frances@gmail.com).

***Un dangkulo' na Si Yu'os Ma'ase' and have a great day.***

--  
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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**COMMITTEE ON ECONOMIC DEVELOPMENT,  
HEALTH AND HUMAN SERVICES, AND JUDICIARY**  
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**FRANK B. AGUON, JR.**  
SENATOR, CHAIRMAN

July 6, 2010

**ADOLPHO B. PALACIOS, SR.**  
SENATOR, VICE CHAIRMAN

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

**JUDITH T. WON PAT**  
SPEAKER  
EX-OFFICIO MEMBER

**FROM:** Senator Frank B. Aguon Jr.   
Chairman

**BENJAMIN J.F. CRUZ**  
VICE SPEAKER

**SUBJECT:** NOTICE OF PUBLIC HEARING – FIRST NOTICE  
Wednesday, July 14, 2010 – 9:00 am

**TINA ROSE MUÑA BARNES**  
LEGISLATIVE SECRETARY

**THOMAS C. ADA**  
SENATOR

*Buenas yan Hafa Adai!*

**JUDITH P. GUTHERTZ**  
SENATOR

Please be advised that the Committee on Economic Development, Health & Human Services, and Judiciary will be conducting a public hearing on **WEDNESDAY, JULY 14, 2010, 9:00 AM** in the **LEGISLATURE'S PUBLIC HEARING ROOM**.

**RORY J. RESPICIO**  
SENATOR

**FRANK F. BLAS, JR.**  
SENATOR

Please see the attached agenda for the public hearing. Should you have any questions, please contact Mr. Ron Teehan from my office.

**TELO TAITAGUE**  
SENATOR

*Un dangkulo' na Si Yu'os Ma'ase'.*

**RAY TENORIO**  
SENATOR

Attachment (1)

Cc: Sergeant-at-Arms/Protocol/AV  
MIS  
Stephanie Mendiola, COR  
Clerk's Office



**SENATOR FRANK B. AGUON, JR., *Chairman***  
**COMMITTEE ON ECONOMIC DEVELOPMENT,  
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#####

## PUBLIC HEARING - 1ST NOTICE P.H. NOTICES X

from Frances Lizama <lizama.frances@gmail.com>  
 to "SPKR WON PAT, Judi" <spesker@judwonpat.com>,  
 "VICE SPKR CRUZ, Benjamin J.F." <senadotbjcruz@gmail.com>,  
 "SEN. ADA, Thomas C." <tom@senatorada.org>,  
 "SEN. ADA, Tony" <senatoronyada@guamlegislature.org>,  
 "SEN. BLAS, Frank F., Jr." <frank.blejr@gmail.com>,  
 "SEN. CALVO, Eddie J.B." <senalvo@gmail.com>,  
 "SEN. ESPALDON, James V." <senator@espaldon.com>,  
 "SEN. GUTHERTZ, Judith P." <judguthertz@pticom.com>,  
 "SEN. MUNA BARNES, Tina Rose" <tinamunabarnes@gmail.com>,  
 "SEN. PALACIOS, Adolpho B., Sr." <abpeleacios@gmail.com>,  
 "SEN. PANGELINAN, Ben" <senbenp@guam.net>,  
 "SEN. RESPICIO, Rory J." <roryforguam@gmail.com>,  
 "SEN. TAITAGUE, Telo" <senatorleko@gmail.com>,  
 "SEN. TENORIO, Ray" <ray@raytenorio.com>  
 cc "BLAS, Roland" <roland@judwonpat.com>,  
 "DEFENSOR, Sehara" <sehara@judwonpat.com>,  
 "DUARTE, Mark" <mark@judwonpat.com>,  
 "TORRES, Frank B." <fbtorres@judwonpat.com>,  
 "ALONSO, Mays" <mays@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>,  
 "CAMACHO, Jimmy" <jcamacho@senatorada.org>,  
 "GILLHAM, Juliette" <soffice@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." <maryfejera@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>,  
 "MUNA, Rose" <rsmuna@yahoo.com>,  
 "TUPAZ, Robert" <rob.tupaz@gmail.com>,  
 "WYTTENBACH-SANTOS, Richard" <doc.wyppenbachsantos@gmail.com>,  
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 "McDONALD, Elaine" <andrasgrandma@yahoo.com>,  
 "OKADA, Tina" <tinaokada@gmail.com>,  
 "TAITAGUE, Ron" <ez2plez57@yahoo.com>,  
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 "CRUZ, Priscilla" <pjrcruz@yahoo.com>,  
 "DIAZ, Jonathan" <jonbdiaz@gmail.com>,  
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 "LEE, Edward G." <teddylee222@yahoo.com>,  
 "PEREZ, Mike" <mjperez48@yahoo.com>,  
 "CEPEDA, Mermae" <mmermae@raytenorio.com>,  
 "EVARISTO, Jessica" <jessica@raytenorio.com>,  
 "LG, Philip" <phil@raytenorio.com>,  
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 "PAK, Yong - MIS" <yong@guamlegislature.org>,  
 "QUITUGUA, Tony - Protocol/Reproduction" <tq@guamlegislature.org>,  
 "UNSIQ, Tom - Protocol/AV" <tunsiq@guamlegislature.org>,  
 "MEW, Elvy" <emew@guamlegislature.org>,  
 "PEREZ, Daniel" <dperez@guamlegislature.org>,  
 "PEREZ, Rennee" <rennee@guamlegislature.org>,  
 "SANTOS, Pat" <psantos@guamlegislature.org>,  
 "TERLAJE, Flo" <fterlaje@guamlegislature.org>,  
 "TERLAJE, Therese" <tterlaje@guam.net>  
 date Wed, Jul 7, 2010 at 11:08 AM  
 subject PUBLIC HEARING - 1ST NOTICE  
 mailed-by gmail.com

Hafa Adai Senatore:

Please find attached First Notice of Public Hearing and Agenda from Sen. Frank B. Aguon, Jr. Please see memo for details.

*Un dangkulo' ne Si Yu'os Ma'ase' and have a great day.*

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

July 6, 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:** Wednesday, July 14, 2010  
**TIME:** 9:00 am  
**PLACE:** Guam Legislature Public Hearing Room

Please see attached Agenda for listing of Bills that will be heard on this day. 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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KPRG News	734-2958
KGTF	734-3476
Adventist Radio	565-2983
Harvest Radio	477-7136
Joy 92FM	477-4678



**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  
Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

---

**AGENDA**

WEDNESDAY, JULY 14, 2010, 9:00 AM  
GUAM LEGISLATURE PUBLIC HEARING ROOM

**BILL NO. 398-30 (COR)**

An act adding a new Chapter 10 to Title 6 of the Guam Code Annotated relative to protecting journalists and the Freedom of the Press, and to add a new Chapter 91 to Title 9 of the Guam Code Annotated relative to providing penalties for violating the Freedom of the Press.

**BILL NO. 410-30 (COR)**

An act to restore the Community Health Center Council's authorization to access and expend funds from the Community Health Center Revolving Fund; by repealing Subsection (g) of §3811, Art. 8, Ch. 3, 10 GCA; and to ensure accountability by requiring monthly financial reports and an annual audit.

**BILL NO. 413-30 (COR)**

An act to add a new Chapter 58B to Title 5 Guam Code Annotated relative to the construction of a new Northern High School.

**BILL NO. 415-30 (COR)**

An act to promote the efficiency of the Guam Board of Allied Health Examiners and to clarify portions of the Board's enabling legislation, by amending Article 8 of Chapter 12, Title 10, Guam Code Annotated.

**BILL NO. 416-30 (COR)**

An act relative to provisions applicable to the Board of Medical Examiners and the Guam Board of Allied Health examiners; by respectively amending Subsections (a) and (b) of §12203 of Article 2, and Subsections (a) and (b) of §12803 of Article 8 of Part 1, Chapter 12, Title 10, Guam Code Annotated.

**BILL NO. 423-30 (COR)**

An act to authorize and regulate the recommending and certifying of the use of medicinal *cannabis* by licensed physicians to patients with debilitating medical conditions, and to create cannabis dispensaries, to be known as "Compassionate Care Centers," to make medicinal *cannabis* available for such patients. This act shall be known as "The Compassionate Health Care Act of 2010."

**BILL NO. 431-30 (COR)**

An act to amend §4302 (b) Chapter 4, Article 3, Title 4 Guam Code Annotated relative to providing utilization and cost information to current and prospective health insurance companies who provide health care coverage to government of Guam employees and retirees.

#####

**PUBLIC HEARING - 1ST NOTICE**

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>,  
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"DALENO, Gaynor Dumat-ol" <gdumat-ol@guam.gannett.com>,  
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"KERRIGAN, Kevin - SPB" <kevin@spbguam.com>,  
KPRG <kprg@guam.net>,  
KSTO-KISH <kstokish@gmail.com>,  
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"MATANANE, Sabrina - KUAM" <sabrina@kuam.com>,  
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PACIFIC NEWS CENTER <news@spbguam.com>,  
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"RUDOLPH, Michael - Marianas Media" <michael@marianasmedia.com>,  
"SALAS, Jason - KUAM" <jason@kuam.com>,  
"TAITANO, Zita - MarVariety" <zytaitano@gmail.com>,  
"TYQUIENGCO, Josh - SPB" <jtyquiengco@spbguam.com>,  
"WATANABE, Masako - Guam Gannett" <mwatanabe@guam.gannett.com>

date Tue, Jul 6, 2010 at 7:54 AM  
subject PUBLIC HEARING - 1ST NOTICE  
mailed-by gmail.com

Hafa Adai to All:

Please see attached Notice of Public Hearing and Agenda from Sen. Frank B. Aguon, Jr. Please see press release for details.

***Un dangkulo' na Si Yu'os Ma'ase' and have a great day.***

--

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

 **MEDIA - 1ST NOTICE.pdf**  
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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

July 6, 2010

*Handwritten signature and date: 7/6/10*

## 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:** Wednesday, July 14, 2010  
**TIME:** 9:00 am  
**PLACE:** Guam Legislature Public Hearing Room

Please see attached Agenda for listing of Bills that will be heard on this day. 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	<del>477-2240</del>
Hit Radio 100	472-7663
K-Stereo / KISH	477-6411
KPRG News	734-2958
KGTF	734-3476
Adventist Radio	565-2983
Harvest Radio	477-7136
Joy 92FM	477-4678

*Handwritten number: 478-6402*

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
Jun 24	4:27PM	Received		0:55	0	No fax
			6716334372			
Jun 24	5:14PM	Received		0:45	0	No fax
			6716334372			
Jun 25	9:07AM	Fax Sent	6716474044	0:30	1	OK
Jun 25	4:07PM	Fax Sent	4724036	0:29	1	OK
Jun 28	8:50AM	Received		0:19	1	OK
			6714752000			
Jun 28	9:01AM	Received	+6716494146	0:24	1	OK
			6716494146			
Jun 28	9:59PM	Received		0:30	2	OK
			6715655065			
Jul 2	12:43PM	Fax Sent	4723459	1:10	1	Error 350
Jul 2	5:09PM	Fax Sent	9691497	0:59	0	Cancel
Jul 2	5:10PM	Fax Sent	6469048	0:30	1	OK
Jul 6	8:50AM	Fax Sent	6379870 - KUAM	1:06	2	OK
Jul 6	8:54AM	Fax Sent	4773982 - K57 / Power98	0:55	2	OK
Jul 6	8:57AM	Fax Sent	4773079 - PDN	1:25	2	OK
Jul 6	8:59AM	Fax Sent	4770793 - PNC News	0:58	2	OK
Jul 6	9:02AM	Fax Sent	6482007	1:04	1	Error 403
Jul 6	9:04AM	Fax Sent	4727663 - Hit Radio 100	0:53	2	OK
Jul 6	9:06AM	Fax Sent	4776411 - K-Stereo / KISH	1:29	2	OK
Jul 6	9:09AM	Fax Sent	7342958 - KPRG News	0:53	2	OK
Jul 6	9:12AM	Fax Sent	7343476 - KGTF	0:54	2	OK
Jul 6	9:14AM	Fax Sent	5652983 - Adventist Radio	1:04	2	OK
Jul 6	9:16AM	Fax Sent	4777136 - Harvest Radio	0:55	2	OK
Jul 6	9:18AM	Fax Sent	4774678 - Joy 92FM	0:57	2	OK
Jul 6	9:20AM	Fax Sent	6482007	0:46	1	Error 350
Jul 6	9:22AM	Fax Sent	4772240	3:14	1	Error 326
Jul 6	9:25AM	Received		0:46	0	No fax
			6714725022			
Jul 6	10:12AM	Fax Sent	4773321	3:24	2	OK
Jul 6	10:32AM	Fax Sent	6482007	0:46	1	Error 403
Jul 6	10:45AM	Fax Sent	6482007	1:53	2	Error 405
Jul 7	10:02AM	Received	7345738	0:59	3	OK
			6717345738			
Jul 7	10:20AM	Fax Sent	7345738	0:54	2	OK



**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

July 12, 2010

**ADOLPHO B. PALACIOS, SR.**  
SENATOR, VICE CHAIRMAN

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

**JUDITH T. WON PAT**  
SPEAKER  
EX-OFFICIO MEMBER

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

**BENJAMIN J.F. CRUZ**  
VICE SPEAKER

**SUBJECT:** NOTICE OF PUBLIC HEARING – SECOND NOTICE  
Wednesday, July 14, 2010 – 9:00 am

**TINA ROSE MUÑA BARNES**  
LEGISLATIVE SECRETARY

**THOMAS C. ADA**  
SENATOR

*Buenas yan Hafa Adai!*

**JUDITH P. GUTHERTZ**  
SENATOR

Please be advised that the Committee on Economic Development, Health & Human Services, and Judiciary will be conducting a public hearing on **WEDNESDAY, JULY 14, 2010, 9:00 AM** in the **LEGISLATURE'S PUBLIC HEARING ROOM**.

**RORY J. RESPICIO**  
SENATOR

**FRANK F. BLAS, JR.**  
SENATOR

Please see the attached agenda for the public hearing. Should you have any questions, please contact Mr. Ron Teehan from my office.

**TELO TAITAGUE**  
SENATOR

*Un dangkulo' na Si Yu'os Ma'ase'.*

**RAY TENORIO**  
SENATOR

Attachment (1)

Cc: Sergeant-at-Arms/Protocol/AV  
MIS  
Stephanie Mendiola, COR  
Clerk's Office



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

---

**AGENDA**

WEDNESDAY, JULY 14, 2010, 9:00 AM  
GUAM LEGISLATURE PUBLIC HEARING ROOM

**BILL NO. 398-30 (COR)**

An act adding a new Chapter 10 to Title 6 of the Guam Code Annotated relative to protecting journalists and the Freedom of the Press, and to add a new Chapter 91 to Title 9 of the Guam Code Annotated relative to providing penalties for violating the Freedom of the Press.

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An act to amend §4302 (b) Chapter 4, Article 3, Title 4 Guam Code Annotated relative to providing utilization and cost information to current and prospective health insurance companies who provide health care coverage to government of Guam employees and retirees.

**PUBLIC HEARING - 2nd NOTICE** P.H. NOTICES 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>,  
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"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." <senadotbjacruz@gmail.com>  
cc "BLAS, Roland" <roland@judiwonpat.com>,  
"DEFENSOR, Sahara" <sahara@judiwonpat.com>,  
"DUARTE, Mark" <mark@judiwonpat.com>,  
"TORRES, Frank B." <fbtorres@judiwonpat.com>,  
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"LUHR, Cyrus" <cyrus@senatorada.org>,  
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"GOGUE, Elaine" <epgogue@hotmail.com>,  
"UNPINGCO, Joy" <joyunpingco@gmail.com>,  
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"CRUZ, Jose Jr." <josecruzjr17@yahoo.com>,  
"LG, Peter" <peterlg@gmail.com>,  
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 "CRUZ, Priscilla" <pjtcruz@yahoo.com>,  
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 "OKADA, Tina" <tinaokada@gmail.com>,  
 "PHILLIPS, Bill R." <phillipsguam@gmail.com>,  
 "TAJALLE, Elaine V." <elainevtll@gmail.com>,  
 "LEE, Edward G." <teddytaz\_222@yahoo.com>,  
 "PEREZ, Mike" <mjperez48@yahoo.com>,  
 "CEPEDA, Mermae" <mermae@raytenorio.com>,  
 "EVARISTO, Jessica" <jessica@raytenorio.com>,  
 "LG, Phillip" <phill@raytenorio.com>

date Mon, Jul 12, 2010 at 10:20 AM  
 subject PUBLIC HEARING - 2nd NOTICE  
 mailed-by gmail.com

Hafa Adai Senators:

Please find attached 2nd Notice of Public Hearing and Agenda. Please see notice for details.

--  
 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

July 12, 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:** Wednesday, July 14, 2010  
**TIME:** 9:00 am  
**PLACE:** Guam Legislature Public Hearing Room

Please see attached Agenda for listing of Bills that will be heard on this day. 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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KGTF	734-3476
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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* • 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

---

**AGENDA**

WEDNESDAY, JULY 14, 2010, 9:00 AM  
GUAM LEGISLATURE PUBLIC HEARING ROOM

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#####

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
Jul 6	9:22AM	Fax Sent	4772240	3:14	1	Error 326
Jul 6	9:25AM	Received		0:46	0	No fax
			6714725022			
Jul 6	10:12AM	Fax Sent	4773321	3:24	2	OK
Jul 6	10:32AM	Fax Sent	6482007	0:46	1	Error 403
Jul 6	10:45AM	Fax Sent	6482007	1:53	2	Error 405
Jul 7	10:02AM	Received	7345738	0:59	3	OK
			6717345738			
Jul 7	10:20AM	Fax Sent	7345738	0:54	2	OK
Jul 7	1:29PM	Received		0:45	0	No fax
			6714758509			
Jul 7	2:07PM	Received	6714723400	0:37	2	OK
			6714723400			
Jul 7	2:09PM	Received	6714723400	0:37	2	OK
			6714723400			
Jul 7	4:51PM	Fax Sent	4722422	0:27	1	OK
Jul 7	4:59PM	Fax Sent	4775297	0:42	1	OK
Jul 7	5:12PM	Fax Sent	6533434	0:55	2	OK
Jul 8	8:06AM	Received	671 649 0145	0:25	1	OK
			6716490145			
Jul 9	2:37PM	Fax Sent	4773321	0:52	1	OK
Jul 9	4:00PM	Received		0:45	0	No fax
			6714732300			
Jul 9	4:06PM	Received	671 339 5716	0:34	2	OK
			6714732300			
Jul 12	10:02AM	Fax Sent	6379870 - KUAM TV/ Radio	1:02	2	OK
Jul 12	10:04AM	Fax Sent	4773982 - K-57 / Power 98	0:51	2	OK
Jul 12	10:06AM	Fax Sent	4773079 - PDN	1:18	2	OK
Jul 12	10:08AM	Fax Sent	4770793 - PNC NEWS	1:24	2	OK
Jul 12	10:11AM	Fax Sent	4786402 - Mar Media / GNF	1:21	2	OK
Jul 12	10:13AM	Fax Sent	4727663 - Hit Radio 100	0:52	2	OK
Jul 12	10:14AM	Fax Sent	4776411 - K-Stereo / KISH	1:23	2	OK
Jul 12	10:16AM	Fax Sent	7342958 - KPRG News	0:51	2	OK
Jul 12	10:20AM	Fax Sent	7343476 - KGTF	0:57	2	OK
Jul 12	10:21AM	Fax Sent	5652983 - Adventist Radio	1:10	2	OK
Jul 12	10:23AM	Fax Sent	4777136 - Harvest Radio	0:58	2	OK
Jul 12	10:25AM	Fax Sent	4774678 - Joy 92FM	0:52	2	OK
Jul 12	10:26AM	Fax Sent	6482007	0:47	1	Error 350

**PUBLIC HEARING - 2ND NOTICE** P.H. NOTICES X

from **Frances Lizama** <lizama.frances@gmail.com> [hide del](#)  
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>,  
"COFFMAN, Travis - K57" <thebigshow@k57.com>,  
"DALENO, Gaynor - PDN" <gdumat-ol@guampdn.com>,  
"DALENO, Gaynor Dumat-ol" <gdumat-ol@guam.gannett.com>,  
"GEORGE, Duane M" <dmgeorge@guam.gannett.com>,  
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"GIBSON, William - K57" <breakfastshowk57@gmail.com>,  
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"KERRIGAN, Kevin - SPB" <kevin@spbguam.com>,  
KPRG <kprg@guam.net>,  
KSTO-KISH <kstokish@gmail.com>,  
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"MUNA, Audrey" <audreymuna@yahoo.com>,  
PACIFIC NEWS CENTER <news@spbguam.com>,  
"PEREZ, Alicia - KSTO/KISH" <kstonews@ite.net>,  
"RUDOLPH, Michael - Marianas Media" <michael@marianasmedia.com>,  
"SALAS, Jason - KUAM" <jason@kuam.com>,  
"TAITANO, Zita - MarVariety" <zytaitano@gmail.com>,  
"TYQUIENGCO, Josh - SPB" <jtyquiengco@spbguam.com>,  
"WATANABE, Masako - Guam Gannett" <mwatanabe@guam.gannett.com>  
date Mon, Jul 12, 2010 at 10:23 AM  
subject PUBLIC HEARING - 2ND NOTICE  
mailed-by gmail.com

Hafa Adai All:

Please find attached 2nd Notice of Public Hearing and Agenda. Please see notice for details.

--

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

 **MEDIA - 2ND NOTICE.pdf**  
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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* • 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

---

**AGENDA**

WEDNESDAY, JULY 14, 2010, 9:00 AM  
GUAM LEGISLATURE PUBLIC HEARING ROOM

**BILL NO. 398-30 (COR)**

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## World Briefs

### Three headless bodies found in car in Mexico

CULIACAN (AP)—Police have found the decapitated bodies of three men inside a burned-out car in the drug gang-plagued Mexican state of Sinaloa. The heads had been put on the vehicle's hood.

The Sinaloa state attorney general's office says one of the burned bodies was in the driver's seat, another in the back seat and the third was in the trunk.

Investigators found the car Monday in the city of Angostura, near the Pacific coast.

### Clinton criticizes Russia on Georgia

TBILISI (AP)—U.S. Secretary of State Hillary Rodham Clinton rebuked Russia on Monday for failing to live up to the cease-fire agreement it signed nearly two years ago to end the fighting in this small former Soviet state.

She asserted that Russia is occupying parts of Georgia and building permanent military bases in contravention of the truce.

# Israel eases blockade of Hamas-ruled Gaza



◀ Israeli workers examine goods bound for Gaza at Kerem Shalom terminal, on the Israel-Gaza border. Israel pledged Sunday it will immediately allow all goods into Gaza except weapons and items deemed to have a military use. AP

The new blockade rules come in response to an outcry following a deadly Israeli raid on a blockade-busting flotilla at the end of May.

Gaza business leaders and rights activists said the measures are far short of what Gaza needs, and that the only active cargo crossing, Kerem Shalom, may not be enough to bring in all the goods now permitted.

Israeli officials said the remaining restrictions, including on exports, are essential for maintaining security.

On Monday, goods dropped off at Kerem Shalom included washing machines, which were previously banned from import.

**KEREM SHALOM (AP)** — Israel is easing its blockade of Hamas-ruled Gaza to allow in virtually all consumer goods, items from household cleaners to timber that had been barred from import for years.

But because Israel will continue to ban most travel and exports and restrict the import of desperately needed construction materials, the new rules are unlikely to restore the territory's devastated economy or allow rebuilding of all that was destroyed in last year's war.

The White House welcomed the changes that were announced

Monday as Prime Minister Netanyahu flew to Washington for a meeting with President Barack Obama. International

Mideast envoy Tony Blair said Israel's measures "should have a dramatic influence on the daily lives of the people of Gaza and on the private sector."



SENATOR FRANK B. AGUON, JR., Chairman  
Legislative Steering COMMITTEE ON ECONOMIC DEVELOPMENT,  
HEALTH & HUMAN SERVICES, AND JUDICIARY  
1. Mina-Trenta Na Liheslaturan Guåhan - 30th Guam Legislature  
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Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

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The Local & Regional Newspaper

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Photo courtesy of Sanctuary Inc.

Youth clients of Sanctuary, Inc. paint on a canvas with guidance from Robert Miley.

## Robert Miley's exhibit opens today

(SANCTUARY Inc.) – An exhibit by Arizona artist Robert Miley, featuring pieces created from the Release the Fear workshops, will debut today from 2 p.m. to 5 p.m. on the second floor of the Bank of Guam Headquarters in Hagatna.

Tickets are available for \$10 each at the Sanctuary offices in Chalan Pago. All proceeds from the event will benefit Sanctuary, Incorporated to continue promoting positive youth development on our island.

Sanctuary, Incorporated of Guam, through a grant from the Guam Council of Arts and Humanities, is honored to host

Miley and his Release the Fear Program on Guam.

Through the experimental creative process, Release the Fear workshops empower youth with the tools to overcome the paralyzing effects of fear and violence, allowing them to discover their true potential and purpose in life.

Guam inspired Miley over 20 years ago to begin these projects with at-risk youth and Miley is back on Guam to return the inspiration to our island youth.

This project is made possible through sponsorships from Delta Airlines, Pacific Islands

Club, Proa Restaurant, Graphic Center, Guam Community College and the Bank of Guam.

Sanctuary, Incorporated of Guam is a local non-profit organization that has been assisting Guam's youth and families for almost 39 years. Hundreds of teens take refuge in Sanctuary's Co-Ed Emergency and Transitional Living Program shelters every year and over 2,000 youth and 1,000 adults are helped through our outreach and prevention programs. In 2004, Sanctuary opened the region's only residential treatment center for youth with drug and alcohol dependency.

## Calvo-Tenorio leads cleanup drive

(CALVO-Tenorio campaign) – The Calvo-Tenorio youth group cleaned the area between the Pago Bay bridge and the intersections of Routes 10 and 4. This is the second clean-up the volunteers held.

They were joined by gubernatorial candidate Eddie Baza Calvo in picking up plastic bottles, aluminum cans, cigarette butts, and other trash strewn throughout the route.

"This is a labor of love for us," Calvo said. "We're helping out the many other volunteers and groups who truly make a difference by cleaning up our island. I really have to hand it to our youth group. They are action-oriented, because their ultimate goal is to inspire other young adults to have their voices heard, do more, and make their vote their voice. Cleaning up Guam is one of those ways they inspire others. Hopefully, this effort inspires more people to



Gubernatorial candidate Eddie B. Calvo, left, poses with youth supporters after the cleanup in Pago Bay.

register to vote and voice their opinions at the ballot."

If elected, Calvo will appoint his running mate, Ray Tenorio, to lead islandwide beautification. Tenorio's legislative

program, LegWork, is responsible for several cleanups in the past and the reclamation of the large retaining wall on the northbound lane of Marine Corps Drive, East Hagatna

# Community Calendar

**The Guam Board of Registration for Professional Engineers, Architects and Land Surveyors** will hold a regular meeting on Thursday, July 29, at 4 p.m. in the boards' conference room, located in the East-West Business Center, Unit D-Suite 208, Upper Tumon. Call 646-3113.

**The Guam Veterans Commission** will hold its quarterly meeting on Thursday, July 15, at 9:30 a.m. in the large conference room located in the Governors Complex, Adelup. For info, call 475-8388.

**The Council of Post Secondary Institution Certification** will hold a meeting on Friday, July 23, at 3 p.m. in the UOG School of Education faculty lounge. For info, call 735-2557.

**The Lettie Treatment Center** will undergo a JCAHO Accreditation visit from July 13 to 15. For info, call 777-1144.

**The Government of Guam**

**Retirement Fund Board of Trustees** regular board meeting is scheduled for noon on Friday, July 30, in the Retirement Fund conference room located at 424 Route 8, Maite. Call 475-8900.

**The Civil Service Commission Board** will hold a meeting on Tuesday, July 13, at 5:30 p.m. in the CSCB conference room located on the seventh floor, suite 709, of the ITC Building in Tamuning. For info, call 647-1855.

**The National Society Daughters of the American Revolution** will hold an open meeting on Wednesday, July 14, from noon to 1:30 p.m. at the Vet Center, Reflection Center, Suite 201, 222 Chalan Santa Papa, Hagatna. Current and former DAR members and any women over 18 who wish to inquire about eligibility are invited to attend the informational and discuss forming a Guam Chapter of the organization. For more info, call Joyce O. Segoloff at 647-6767.



## PUBLIC NOTICE

The Guam Council on the Arts and Humanities Agency will hold a Special Board Meeting on Monday, July 19, 2010 at 2:00 pm at the CAHA Office, Suite 405, DNA Building (formerly PNB Bldg) in Hagatna.

Persons requiring special accommodations should contact the CAHA Office at 475-2781/2/3661 or fax at 477-2786.

"Paid with government funds by Guam CAHA"



SENATOR FRANK B. AGUON, JR., Chairman  
Legislative Special Committee ON ECONOMIC DEVELOPMENT,  
HEALTH & HUMAN SERVICES, AND JUDICIARY  
1. Mina-Trenta Na Liheslaturan Guahan - 30th Guam Legislature  
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THIS AD WAS PAID FOR BY GOVERNMENT FUNDS

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

2010 JUN -9 AM 8:50  
MUN

**Bill No. 413-30(COR)**

Introduced by:

J. T. Won Pat, Ed. D.  
T.R. Muna-Barnes  
J.V. Espaldon  
R.J. Respicio  
B.J. F. Cruz

**AN ACT TO ADD A NEW CHAPTER 58B TO TITLE 5  
GUAM CODE ANNOTATED RELATIVE TO THE  
CONSTRUCTION OF A NEW NORTHERN HIGH  
SCHOOL**

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

**Section 1. A new Chapter 58B is hereby added to Title 5 Guam Code  
Annotated to read as follows:**

“Chapter 58B. Construction of Northern High School

§ 58B100. Legislative Findings and Intent.

§ 58B101. Definitions.

§ 58B102. Authorization to Enter into Long-Term Leases.

§ 58B103. Responsibilities of Contractor.

§ 58B104. Assignments.

§ 58B105. Use of Qualified School Construction Bonds.

§ 58B106. Pledge of Section 30 Revenue.

§ 58B107. Utilities and Routine Maintenance and Repair.

§ 58B108. Maintenance Fund.

§ 58B109. Rules, Regulations and Restrictions.

§ 58B110. Severability.

1           **§ 58B100. Legislative Findings and Intent.** *I Liheslaturan Guåhan*  
2 finds that there is a critical shortage of public school facilities on Guam. Many  
3 existing facilities are antiquated, overcrowded, and are *not* fit for the purpose of  
4 public education. In an effort to overcome these problems facing public  
5 education on Guam, *I Liheslaturan Guåhan* desires to authorize the government  
6 of Guam to enter into contracts for the financing, design, construction and long-  
7 term capital maintenance of a new northern high school facility with private  
8 sector contractors who can provide long-term financing obtained through the  
9 use of Qualified School Construction Bonds (QSCB), a tax credit bond.

10           QSCBs are authorized by the federal government through the American  
11 Recovery and Reinvestment Act (ARRA) of 2009. Issuers of QSCBs are  
12 eligible to receive direct payments from the federal government which offset all  
13 or a portion of the interest payments on the bonds. Because the federal  
14 government will reimburse Guam for all or a portion of the “interest” payment,  
15 the government of Guam will realize significant debt service savings over  
16 traditional financing. The use of QSCBs will enable Guam to construct and  
17 finance a new Northern High School with potential savings of more than  
18 \$11,000,000. As an alternate, QSCBs may be issued as tax credit bonds under  
19 which bond holders receive federal tax credits in lieu of interest as a means to  
20 significantly reduce the issuer’s interest cost.

21           Under this new category of tax-credit bonds, the Treasury Department  
22 authorized \$11 billion of QSCB bond allocation in both 2009 and 2010 among  
23 the States and certain large local education agencies (LEAs). For Fiscal Year  
24 2009, Guam was allocated a total of Ten Million Nine Hundred Eighty  
25 Thousand (\$10,980,000). For Fiscal Year 2010 the allocation to Guam was Ten  
26 Million Eight Hundred Thirty Eight Thousand (\$10,838,000). If an allocation to

1 a State is unused for calendar year 2009, the State may carry it forward to the  
2 next calendar year. In other words, States have up until the end of calendar year  
3 2010 to use their 2009 and 2010 allocation of QSCB bonds.

4 The tax credit on QSCBs or interest rate subsidy is calculated by  
5 multiplying the face amount of the bonds by the Treasury Department Rate. The  
6 "Treasury Department Rate" is a rate set by the Department of Treasury that  
7 would permit issuance of the QSCBs without discount and interest cost to the  
8 issuer. The Treasury Department Rate is determined as of the first day on which  
9 there is a binding, written contract for the sale or exchange of the QSCB. The  
10 tax credit accrues quarterly, is includible in the bond holder's gross income (as  
11 if it were an interest payment on the bond), and can be offset against the bond  
12 holder's regular income tax and alternative minimum tax.

13 *I Liheslaturan Guåhan* further finds that the use of QSCBs under ARRA  
14 requires the identification of a shovel ready project in order to utilize the  
15 twenty-one million eight hundred and eighteen dollars (\$21,818,000) that has  
16 been allocated to Guam by the Federal Government for FY2009 and FY2010.  
17 Because of the extremely short timeline before the December 31, 2010  
18 expiration of Guam's FY 2009 and FY 2010 allocation of school construction  
19 bonds, it is the intention of *I Liheslaturan Guåhan* to proceed with Project  
20 Number 700-5-1019-L-YIGO, an RFP for the construction of the Marbo High  
21 School. This legislation would simply transfer the site identified in the RFP to  
22 Lot 10142 New R-4, located in Harmon Guam.

23 To facilitate the financing, design, construction and maintenance of the  
24 facilities envisioned by this Act, the government of Guam will be authorized to  
25 lease for up to thirty (30) years government of Guam property on which the  
26 facilities will be constructed. The lease of the government property will be to

1 the contractor, who will design and construct the facilities in accordance with  
2 specifications approved by Guam Public School System, and provide funding  
3 for the design and construction through the use of QSCBs and other financing  
4 facilities. The facilities and land will be leased back to the government of Guam  
5 for a period *not to exceed* the initial ground lease to the contractor over which  
6 time the government of Guam will amortize, as lease payments to the  
7 contractor, the cost of the financing, design, construction and related expenses  
8 of the facilities. The annual commitment of Section 30 Revenues authorized in  
9 the Act is based on the sum of Section 30 Revenue available after the final  
10 payment on the Government of Guam Limited Obligation (Section 30) Bonds,  
11 Series 2001A.

12 The contractor will also be responsible for the capital maintenance of the  
13 public school facilities constructed under this Act, which costs *shall* be paid by  
14 the government of Guam as provided for under this Act. At the expiration of  
15 the Lease-Back Period, the government of Guam real property and the public  
16 facilities constructed on the government of Guam real property will revert to the  
17 government of Guam with *no* further obligations to the Contractor.

18 **§58B101. Definitions.** For purposes of this Chapter and *unless*  
19 otherwise specified, the following words and phrases are defined to mean:

20 (a) “Contract” *shall* mean the design, construction and financing  
21 contract entered into by and between the Education Agency and the  
22 Contractor following negotiations on the response to the Request for  
23 Proposal for Project Number 700-5-1019-L-YIGO.

24 (b) “Contractor” *shall* mean the authorized entity which *shall* be the  
25 signatory on the Contract and *shall* be fully responsible for carrying out  
26 the design, construction, financing and maintenance of the Education

1 Facility. The Contractor may cooperate with another entity *or* entities in  
2 any manner the Contractor deems appropriate to provide for the  
3 financing, design, construction *or* maintenance of the public school  
4 facilities envisioned by this Act.

5 (c) “Education Agency” *shall* mean the Guam Public School System.

6 (d) “Education Facility” as used in this Act *shall* mean a new high  
7 school to be located in Harmon on Lot 10142 New R-4.

8 (e) “Lease” *shall* mean a lease from an Education Agency to the  
9 Contractor entered into at the time of the Contract for the Property.

10 (f) “Lease-Back” *shall* mean the lease from the Contractor to the  
11 Education Agency.

12 (g) “Lease-Back Period” *shall* mean the term of the lease from the  
13 Contractor to the Education Agency.

14 (h) “Property” *shall* mean any property on which an Education  
15 Facility is located.

16 **§58A102. Authorization to Enter into Long-term Leases.** For the  
17 purpose of facilitating the financing of the design, construction and  
18 maintenance of an Education Facility encompassed by this Act, the government  
19 of Guam *or* an Education Agency, as the case may be, is authorized to lease, if  
20 required, to the Contractor sufficient government of Guam real property on  
21 which to construct, convert *or* rehabilitate an Education Facility; provided, such  
22 property is in the inventory of the Education Agency *or* the government of  
23 Guam. The property may be the site of an existing Education Facility under the  
24 control of an Education Agency, which existing facility may be converted,  
25 rehabilitated *or* demolished and rebuilt under the provisions of this Act.

1           The Education Agency is also authorized to lease back from the  
2 Contractor the property for a period mutually agreed upon between the  
3 Education Agency and the Contractor as may be reasonably necessary to  
4 amortize over the Lease-Back Period the costs associated with the financing,  
5 design and construction of the Education Facility. In no event *shall* the end of  
6 such Lease-Back Period be *later than* the date thirty (30) years from the  
7 scheduled date of completion of the Education Facility. The Lease-Back may  
8 be structured as an annually renewable lease with provision for automatic  
9 renewals to the extent that pledged revenue under Section 58B106 is available.  
10 The Lease-Back *shall not* be construed as a debt under any applicable debt  
11 limitation under the Guam Organic Act *or* Guam law.

12           **§58B103 Responsibilities of Contractor.** The Contract *shall* require  
13 that the Contractor be responsible for all costs, expenses and fees of any kind *or*  
14 nature, associated with the design, civil improvements, on-site and off-site  
15 infrastructure, construction, permits, and financing associated with the  
16 completion of an Education Facility, including the financing of furniture and  
17 equipment for the Education Facility, as and to the extent provided by the  
18 Education Agency in the Request for Proposals. The Contractor *shall* also be  
19 responsible for the capital maintenance of the schools during the Lease-Back  
20 Period, but *shall not* be responsible for the capital maintenance of the furniture  
21 and equipment. The Lease-Back may provide that *if* sufficient funds are *not*  
22 appropriated *or* otherwise available for the payment of amounts due under the  
23 lease and any maintenance agreement, the Education Agency will have the  
24 obligation to vacate the Education Facility, and the Contractor *shall* have the  
25 right of use and occupancy of the Education Facility for the remainder of the  
26 term of the Lease, unless new mutually satisfactory terms are entered into. For

1 this purpose, the Lease may provide that its term *shall* be extended for a period  
2 *not to exceed* the shorter of ten (10) years beyond the original term of the  
3 Lease-Back *or* such period of time as is necessary to repay in full any financing  
4 arranged pursuant to Section 58B105. The capital maintenance costs *shall* be  
5 paid by the Education Agency on a periodic basis as incurred by the Contractor  
6 on terms to be agreed to in the Contract for each Education Facility.

7 **§58B104. Assignments.** To facilitate the purposes of this Act and to  
8 provide security for the holders of any financing instruments issued pursuant to  
9 this Act, the Contractor may assign, without the need of the consent of the  
10 Education Agency, the Contract, the Lease and the Lease-Back to any  
11 underwriter, trustee *or* other party as appropriate to facilitate the issuance of the  
12 Qualified School Construction Bond.

13 **§58B105. Use of Qualified School Construction Bonds.** To minimize  
14 the financing cost to the Education Agency, financing utilized by the Contractor  
15 to fund the design and construction of an Education Facility *shall* be through  
16 the use of Qualified School Construction Bonds in an amount not to exceed  
17 \$21,818,000 as authorized under Section 1521 of P.L. 111-5 (The American  
18 Recovery and Reinvestment Act of 2009). Alternatively, the Contractor may  
19 use an alternative method of financing, including, but *not limited to*, a short  
20 term debt, mortgage, loan, federally guaranteed loan *or* loan by an  
21 instrumentality of the United States of America *if* such financing will better  
22 serve the needs of the people of Guam. Such alternative financing *shall* be  
23 approved by *I Liheslaturan Guåhan*. The purpose for the requirements of this  
24 Section is to assure the Education Agency pays the lowest possible interest rate  
25 so that the cost to the Education Agency of financing the design and  
26 construction of an Education Facility, amortized through the Lease-Back

1 payments from the Education Agency to the Contractor, will be lower than  
2 regular commercial rates.

3 **§58B106. Pledge of Section 30 Revenues.** Rental payments under the  
4 Lease and the Lease-Back may be secured by a pledge *or* other reservation of  
5 revenues received by *or* on behalf of the government of Guam from the United  
6 States of America pursuant to Section 30 of the Guam *Organic Act* (48  
7 U.S.C.A. Section 1421h). Any pledge *or* reservation of Section 30 revenues  
8 authorized by the Act *shall* be subordinate *only* to the existing lien securing the  
9 Government of Guam Limited Obligation (Section 30) Bonds, Series 2001A.

10 Any such pledge *or* reservation authorized hereunder *shall* be valid and  
11 binding from the time the pledge *or* reservation is made and *shall be limited to*  
12 Three Million Five Hundred Thousand Dollars (\$3,500,000) per year during the  
13 Lease-Back Period. The Section 30 revenues pledged *or* reserved and thereafter  
14 received by the government of Guam *or* by any trustee, depository *or* custodian  
15 *shall* be deposited in a separate account and *shall* be immediately subject to  
16 such reservation *or* the lien of such pledge without any physical delivery  
17 thereof *or* further act, and such reservation *or* the lien of such pledge *shall* be  
18 valid and binding against all parties having claims of any kind in tort, contract  
19 *or* otherwise against the government of Guam *or* such trustee, depository *or*  
20 custodian, irrespective of whether the parties have notice thereof. The  
21 instrument by which such pledge *or* reservation is created need *not* be recorded.

22 **§58B107. Utilities and Routine Maintenance and Repair.** The  
23 Education Agency *shall* be responsible for the connection and payment of all  
24 utilities, including without limitation, power, water, sewer, telephone and cable,  
25 and all routine interior maintenance and repair and exterior grounds keeping  
26 and landscaping and upkeep of the Education Facility.

1           **§58B108. Maintenance Fund.** The Contract *or* a separate  
2 maintenance agreement with the Contractor, and the Lease-Back, *shall* provide  
3 that all capital maintenance of the Education Facility be performed by the  
4 Contractor as a separate cost, the terms of which, and the manner for  
5 establishing the amount of payment, *shall* be determined as a part of the request  
6 for proposal process; provided, however, that said documents may, at the  
7 discretion of the Education Agency, provide that capital maintenance with  
8 respect to equipment (including collateral equipment), onsite utilities, offsite  
9 utilities, access roads and other similar improvements need *not* be performed by  
10 the Contractor. The Contract *or* agreement and the Lease-Back may provide for  
11 a separate maintenance reserve fund for this purpose with sufficient funds to  
12 pay the costs of capital maintenance for a reasonable period *not exceeding* five  
13 (5) years. The maintenance reserve fund *shall* be used exclusively for the  
14 purpose of capital maintenance and *shall* be an interest bearing account  
15 segregated from other funds of the Education Agency.

16           **§58B109. Rules, Regulations and Restrictions.** The Department of  
17 Public Works may promulgate rules and regulations pursuant to Guam law  
18 necessary to implement the provisions of this Act.

19           **§58A110. Severability.** *If any provision of this Act or its application*  
20 *to any person or circumstance is found to be invalid or contrary to law, such*  
21 *invalidity shall not affect other provisions or applications of this Act which can*  
22 *be given effect without the invalid provisions or application, and to this end the*  
23 *provisions of this Act are severable.”*

24           **Section 2. Section 58A109 of Chapter 58A of Title 5 Guam Code Annotated**  
25 **is hereby amended to read as follows:**

1           “§ 58A109. Pledge of Section 30 Revenue. Rental payments under the  
2 Lease and the Lease-Back may be secured by a pledge or other reservation of  
3 revenues received by or on behalf of the government of Guam from the United  
4 States of America pursuant to Section 30 of the Guam Organic Act (48  
5 U.S.C.A. Section 1421h). Any pledge or reservation of Section 30 revenues  
6 authorized by the Act shall be subordinate only to the existing lien securing the  
7 Government of Guam Limited Obligation (Section 30) Bonds, Series 2001A.  
8 Any such pledge or reservation authorized hereunder shall be valid and binding  
9 from the time the pledge or reservation is made and shall be limited to ~~Nine~~  
10 ~~Million Eight Hundred Twenty five Dollars (\$9,825,000)~~ Four Million Eight  
11 Hundred Twenty-Five Thousand Dollars (\$4,825,000) per year during the  
12 Lease-Back Period. The Section 30 revenues pledged or reserved and thereafter  
13 received by the government of Guam or by any trustee, depository or custodian  
14 shall be deposited in a separate account and shall be immediately subject to  
15 such reservation or the lien of such pledge without any physical delivery thereof  
16 or further act, and such reservation or the lien of such pledge shall be valid and  
17 binding against all parties having claims of any kind in tort, contract or  
18 otherwise against the government of Guam or such trustee, depository or  
19 custodian, irrespective of whether the parties have notice thereof. The  
20 instrument by which such pledge or reservation is created need not be  
21 recorded.”

22           **Section 3. Transfer of Property.** Lot 10142 New R-4 shall be transferred  
23 from the land inventory of the Department of Parks and Recreation to the Guam  
24 Department of Education.

25           **Section 4. Zoning of Lot.** Lot 10142 New R-4, located in Harmon, Guam is  
26 hereby zoned as S-1 (School Zone).