

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

FILE 337

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

This is to certify that **Substitute Bill No. 365-30 (COR), "AN ACT TO AMEND SECTION 4 OF PUBLIC LAW 28-71, RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS"**, was on the 3<sup>rd</sup> day of May, 2010, duly and regularly passed.

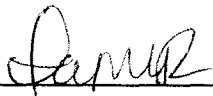


Judith T. Won Pat, Ed. D.  
Speaker

Attested:

  
Tina Rose Muña Barnes  
Legislative Secretary

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

  
Assistant Staff Officer  
*Maga'lahaen's Office*

APPROVED:

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FELIX P. CAMACHO  
*I Maga'lahaen Guåhan*

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_

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

**Bill No. 365-30 (COR)**

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

Introduced by:

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

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

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

2        **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that in order for Guam Waterworks Authority (GWA) to finance the projects  
4 necessary to continue to make progress in implementing the projects described in  
5 the Stipulated Order with the United States Environmental Protection Agency,

1 which outlines the corrective actions that GWA shall undertake, it may be  
2 advantageous for GWA to issue “Build America Bonds”, under which GWA  
3 would pay taxable interest and receive interest subsidy payments from the federal  
4 government, rather than paying tax-exempt interest. In addition, whether or not the  
5 GWA bonds are Build America Bonds, the net interest rates available to GWA in  
6 the financial markets may exceed the interest rate limit established in GWA’s 2005  
7 bond approval.

8 **Section 2.** Section 4 of Public Law 28-71 is hereby *amended* to read as  
9 follows:

10 **“Section 4. Approval of Guam Waterworks Authority Revenue**  
11 **Bonds.** The Guam Legislature, *I Liheslaturan Guåhan*, pursuant to §50103  
12 of Title 12 of the Guam Code Annotated, hereby approves the issuance and  
13 sale by the Authority of revenue bonds pursuant to Article 2, Chapter 14,  
14 Title 12, Guam Code Annotated (the ‘Act’) in one or more series or issues;  
15 provided that the issuance, terms and conditions of the bonds *shall* have  
16 been approved by the Guam Public Utilities Commission, and further  
17 provided that such bonds *shall* have a principal amount *not to exceed* Two  
18 Hundred Twenty Million Dollars (\$240,000,000), *shall* have a final maturity  
19 not later than 2055, *shall* bear interest at such rate or rates and *shall* be sold  
20 for such price or prices as *shall* result in a net yield to the bondholders *not*  
21 *exceeding* seven and one-half percent (7.5%) per annum, *shall* be issued and  
22 sold in the manner, for the purposes and subject to the requirements and  
23 limitations provided in Article 2, Chapter 14, Title 12, Guam Code  
24 Annotated, and *shall* be issued pursuant to an Indenture in substantially the  
25 form as attached to this Act as Exhibit A. Twenty Million Dollars  
26 (\$20,000,000) principal amount *shall* be used to pay the balance of the  
27 government of Guam Limited Obligation (Section 30) Series 2001A bond

1 and any other portions of Bonds or Loans paid for by General Fund revenues  
2 for which the Guam Waterworks Authority has received proceeds. In order  
3 to be able to take advantage of Build America Bonds, or other federally  
4 subsidized bond program, net yield to the bondholders *shall* be calculated by  
5 subtracting any interest subsidy amounts to be received from the United  
6 States in connection with such bonds from the amount of interest to be paid  
7 to bondholders.”

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