

*I Mina'Trentai Dos Na Liheslaturan Received*  
**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
<b>227-32 (COR)</b>	T.C. Ada R.J. Respicio	AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF NEW LED STREETLIGHTS.	11/22/13 5:04 p.m.	11/25/13	Committee on General Governmental Operations and Cultural Affairs	12/13/13 2:00 p.m.	4/4/14 2:46 P.M.	<b>Fiscal Note Requested 11/25/13 Fiscal Notes Received 12/17/13</b>



April 2, 2014

The Honorable Judith T. Won Pat  
Speaker  
*I Mina' Trentai Dos Na Liheslaturan Guahan*  
32<sup>nd</sup> Guam Legislature  
155 Hesler Street  
Hagatna, Guam 96910

2014 APR - 4 PM 2:46  
*JK*

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

**RE: Committee Report on Bill No. 227-32 (COR) AS SUBSTITUTED**

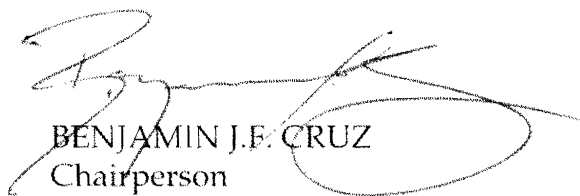
Dear Speaker Won Pat:

Transmitted herewith is the Report of the Committee on General Government Operations and Cultural Affairs on Bill No. 227-32 (COR) – T.C. Ada/R.J. Respicio An act to authorize the creation of the Guam Streetlight Authority to issue bonds to finance the purchase and installation of new LED streetlights, as substituted by the Committee on General Government Operations and Cultural Affairs.

Committee votes are as follows:

<u>5</u>	TO DO PASS
<u>0</u>	TO NOT PASS
<u>1</u>	TO REPORT OUT ONLY
<u>0</u>	TO ABSTAIN
<u>0</u>	TO PLACE IN INACTIVE FILE

Sincerely,

  
BENJAMIN J.F. CRUZ  
Chairperson



## COMMITTEE REPORT

### **Bill No. 227-32 (COR)**

AS SUBSTITUTED

**An act to authorize the creation of the Guam Streetlight Authority to issue bonds to finance the purchase and installation of new LED streetlights, as substituted by the Committee on General Government Operations and Cultural Affairs.**



April 2, 2014

**MEMORANDUM**

**TO: All Members**

**FROM: Vice Speaker Benjamin J.F. Cruz  
Committee on General Government Operations and Cultural Affairs**

**SUBJECT: Committee Report on Bill No. 227-32 (COR) AS SUBSTITUTED**

Transmitted herewith for your consideration is the Committee Report on Bill No. 227-32 (COR) - T.C. Ada / R.J. Respicio - An act to authorize the creation of the Guam Streetlight Authority to issue bonds to finance the purchase and installation of new LED streetlights, as substituted by the Committee on General Government Operations and Cultural Affairs.

This report includes the following:

- Committee Vote Sheet
- Committee Report Digest
- Bill No. 227-32 (COR) \*As Introduced
- Bill No. 227-32 (COR) \*As Substituted
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony & Supporting Documents
- COR Referral of Bill No. 227-32 (COR)
- Fiscal Note Requirement
- Notices of Public Hearing
- Public Hearing Agenda
- Related News Reports

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.

Sincerely,

  
BENJAMIN J.F. CRUZ  
Chairperson



**COMMITTEE VOTING SHEET**

Bill No. 227-32 (COR) - T.C. Ada / R.J. Respicio - An act to authorize the creation of the Guam Streetlight Authority to issue bonds to finance the purchase and installation of new LED streetlights, as substituted by the Committee on General Government Operations and Cultural Affairs.

COMMITTEE MEMBERS	SIGNATURE	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
CRUZ, BENJAMIN J.F. Chairperson		✓ 4/19/14				
MUÑA BARNES, TINA ROSE Vice-Chairperson						
WON PAT, JUDITH T. Speaker and Ex-Officio Member						
ADA, THOMAS C. Member		✓				
PANGELINAN, C. VICENTE Member				✓		
RESPICIO, RORY J. Member						
RODRIGUEZ, DENNIS G. JR. Member						
SAN NICOLAS, MICHAEL, F.Q. Member						
AGUON, Jr., FRANK B. Member 4/13/14		✓				
ADA, V. ANTHONY Member						
Morrison, Thomas Member		✓				
McCreadie, Brant Member		✓				
YAMASHITA, ALINE Member						



## COMMITTEE REPORT DIGEST

### **I. OVERVIEW**

**Bill No. 227-32 (COR)** was introduced by Senators T.C. Ada and R.J. Respicio on November 22, 2013, and subsequently referred to the Committee on General Government Operations and Cultural Affairs on November 25, 2013.

The **Committee on General Government Operations and Cultural Affairs** convened a public hearing on Friday, December 13, 2013, at 2:00PM in the Public Hearing Room of *Liheslatura*. Among the items on the agenda was Bill No. 227-32 (COR) – An act to authorize the creation of the Guam Streetlight Authority to issue bonds to finance the purchase and installation of new LED streetlights.

### **Public Notice Requirements**

All legal requirements for public notices were met, with requests for publication sent to all media and all Senators on December 5, 2013, and December 11, 2013, via email. Copies of the hearing notices are appended to the report.

### **Senators Present**

Senator Tina R. Muña Barnes, *Acting Chairperson*  
Senator Tommy Morrison, *Member*  
Senator Thomas C. Ada, *Member*  
Senator Michael F.Q. San Nicolas, *Member*  
Senator V. Anthony Ada, *Member*  
Senator Aline Y. Yamashita, Ed.D., *Member*  
Senator Christopher Duenas, *Member*  
Senator Brant McCreadie, *Member*

### **Oral Testimony**

Honorable Jesse Gogue, Mayor, Village of Ordot/Chalan Pago  
Mr. Joaquin Flores P.E., General Manager, Guam Power Authority

### **Written Testimony**

Mr. Joaquin Flores P.E., General Manager, Guam Power Authority  
Mr. Henry J. Taitano, Administrator, Guam Economic Development Authority  
Mr. Jeffrey Voacolo, President, Guam Renewable Energy Association  
Mr. William H. Hagen, Resident Barrigada, Personal Testimony

## II. TESTIMONY & DISCUSSION

Acting Chairwoman Tina R. Muña Barnes announced Bill No. 227-32 (COR).

### Oral Testimony

**Senator Tom Ada**

### Opening Statement

**Senator Ada** stated that Bill 227 was introduced to achieve two objectives: one, to provide better and more efficient lighting [throughout the island] and two, to be able to provide additional street lighting in the villages. In order for the Guam Power Authority to be able to borrow the estimated \$16M necessary to replace the 15,000 streetlights and add an additional 1,000 streetlights, the bill was introduced to create the Guam Streetlight Authority, a Special Purpose Entity. He further stated the special purpose entity would exist for one reason, to go out and obtain the necessary loan, procure the streetlights, and provide the improved lighting in the community. In order for the entity to do that, there is a need to formalize the relationship between DPW, the customer, and the Guam Power Authority, the provider of the services. Senator Ada stated there is also a need to form the framework of the relationship for the Guam Power Authority and the Guam Streetlight Authority.

**Mr. Joaquin C. Flores P.E.**

**General Manager, Guam Power Authority**

### Oral Testimony and Written Testimony

**Mr. Flores** stated that two years ago the Guam Power Authority went out on a RFP to acquire two companies to help GPA provide energy services for customers. He said the reason for this was that GPA was changing their mission. They were not only providing power, they were also providing energy services to customers to help people reduce power bills. He stated the companies retained through the RFP had the technical depth, the financing, and expertise to go into someone's home or business and audit and find where savings can be achieved so that they can improve to the highest degree possible and still maintain the quality of service that electricity can provide.

**Mr. Flores** stated that right around that time, they were also investigating what they could do with Streetlights. There were 15,000 streetlights and maybe 10 Megawatts of their demand every night went to streetlights. He further stated that as Senators know, 70% is attributable to fuel bills. He stated that in total for a year, Guam spends approximately \$350M in fuel. He stated the idea is to reduce that through the wide use of energy and take advantage of technologies that have persisted over the years but were not in commercial operation. He also stated that LED was an emerging technology at the time that has since matured. The ARRA funding project was something GPA was involved with through the

Guam Energy Office. He states that many agencies as well as the airport implemented projects that were targeted for key performance projects for energy savings. He stated the Airport had just completed an \$11M project that GPA assisted with: bringing better lighting for the entire terminal and its also cooler in the terminal, but they are actually saving in their energy bills with four additional cooling towers, energy management systems, energy handling units and superior lighting for the facility. He further states we need to take pride in that, as it is the first entry and the exit point for all our community and tourists.

He then stated that GPA installed about 1,200 streetlights in Tumon using two different technologies: induction lighting and LED lighting. He stated that the lighting and safety have been enhanced for everyone to enjoy. Soon after the Tumon project, GPA installed about 1,000 public streetlights on the main roads (RTE 10, RTE 8, RTE 4 and Marine Drive) throughout the island. He stated, "you can see the difference." There is better quality under the light, you can see color under the light and the lights are guaranteed for 10 years. He stated what was even more remarkable was the savings from the lights, nearly 54% in energy and fuel needed to be burned to provide the lighting. With that success story, GPA approached the CCU to see if they were receptive of the idea for GPA to finance about 15,000 streetlights that would require about \$16M (LED lights approximately \$900 / luminaire). He states though they're costly, the payback is in the energy savings against the cost per unit as well as the lighting quality.

Mr Flores stated it will take less than 18 months to complete the island wide project but there was one stumbling block. GPA owns the lights for the customer DPW. DPW just wanted to be the customer and let GPA handle it. the \$16M borrowing was not well received by the CCU. Because it puts it on GPA balance sheet and the debt is subject to a margin on net revenues for debt service. For GPA that margin is 1.75 times the debt that they borrow per dollar and they did not want to trigger a rate increase. They came up with the idea with their energy partners to see if they could fund the project without putting it on their balance sheet and without offering it on a huge operating expense added to GPA. They tried to stay within 1.0 of the margin for coverage and then provide the project for a short period of time for the island.

He stated they have already been approved by the PUC for a 5 year implementation of rate changes. There was a rate increase in 2012 and 2013 and October 1 and over the next two years, the PUC has allowed a change in the rate design to remove subsidies in different customer classes. One of which, being the streetlights where the other classes help out the residential classes. We would shift the parity changes over a period of time so that the impact will be lessened, which has already been approved by the PUC.

He further stated that the other part of the Bill is that GPA will add approximately 1,000 new lights right up front to be distributed throughout the



community and it's a good problem for the Mayor's Council in determining where the lights will go. He stated the principle amount they would borrow for the SPE would include the 1,000 additional lights to be done in about 18 months timeframe. The longest lead time for this is the manufacturing of the lights and the shipping to Guam which is around 6 months (most of the timeline). He stated the contract envisioned in the SPE would be for a 20-year period in which ten years after the contract is approved, the debt will drop off, they would change the tariff and there would be a significant opportunity for many lights to be added as they would capitalize smaller tranches of lights over time.

He stated the warranties for the lights can last up to ten years and the lights last for 15 years or longer. He states even when the debt drops off, there are opportunities to both capitalize new lights and replacement lights as well. He further stated that he wholeheartedly supports the bill and thinks its the ability with the lowest cost financing. He states this achieves the same result that Senator Barnes' bill is proposing and hopes to gain support of the Legislature for the Bill. He further stated that Mr. Randy Wiegand, CFO for GPA is present to help answer questions.

**Hon. Mayor Jesse Gogue**  
**Ordot/Chalan Pago**  
**Oral Testimony**

**Mayor Gogue** stated that he wants to focus comments on the Bill itself first and then raise the Mayors' Council's concerns with streetlights. He stated the Bill is a good bill, but he has some minor concerns. He pointed the Committee to Page 3, Section 82104 where the word 'thoroughfares' is a concern. Mayor Gogue stated he is not an attorney but when he reads things he is careful about the words he used. He stated that when you talk about a thoroughfare, you are talking about a street open on both ends, or a main road. So when you have the village roads that are dead ends or cul-de-sacs, is that considered a thoroughfare or not, he thinks not, but there obviously have to be streetlights there? He stated that he hopes that language in the Bill does not stop the transition to the better lighting. He further stated that there are several locations in the Bill where the word thoroughfare is used.

**Mayor Gogue** also stated on page 8, the last line (26), 'convenient for any projection or in connection therewith,' so the streetlight authority does not look beyond its scope at other projects.

He stated he agrees with GPA and supports their intent to finance new streetlights. He stated that GPA is using 150 watt bulbs and 250 watt bulbs and the billing difference for the bulb is almost twice as much between the two. He stated that in the past, all the letters and discussions from him about streetlights

is to standardize and now not only are they standardizing, they are also trying to be more efficient. He further stated this is of concern because the streetlight fund pays almost 60% to subsidize other rates to cover what GPA calls their fixed cost.

**Mayor Gogue** further stated streetlights are not items of convenience, especially for the Mayors. Streetlights are necessary to have the added infrastructure to keep the roadways safe for bicyclists and pedestrians. He stated there is still no road with bike lanes. In his district alone, there is not 1ft of government sidewalk in his district to keep pedestrians safe. The sidewalks that are there were constructed by the developments in his district. Since there are no sidewalks, streetlights are critical to keeping all types of traffic visible and safe on the roadways.

He stated that some residents are interested in GPA putting the infrastructure in and then letting the public hook up to their homes to use the streetlights when they use them. He further stated that he hopes as soon as possible, GPA and PUC figure out the actual cost of operating the streetlight and stop the costs associated with other things beside the streetlight. He stated for the last five years since he's been a mayor, they have had to turn down streetlight requests because there is no mechanism currently in place to add streetlights to the government's entity. He closed by stating that he supports the bill and likes the idea of adding more streetlights to the roadways since the cost for that is much lower than the cost to alter the infrastructure to make the roadways safer in that way.

### **Discussion, Questions and Answers**

**Senator Tom Ada** stated that he wants to make it clear that for the initiative to change the streetlights and add an additional 1,000 streetlights up front, there will need to be two pieces of legislation. One to establish the Special Purpose Entity, which bill 227 does, and two to authorize the borrowing to finance the project. He stated this was covered in GPA's testimony and that GPA is currently working on the analysis to look at the market and the details for the borrowing in the second bill.

**Senator Michael San Nicolas** asked GPA for the existing streetlights, what is the replacement costs?

**Mr. Flores** stated that it depends on how you look at it because you have a stocking fee and a maintenance cost, but to replace the lights it is far less than \$900 a piece.

**Mr. Wiegand** stated that it is about \$200 a piece.

**Senator San Nicolas** asked how much for the new lights?

**Mr. Flores** responded that in the ARRA Project completed about a year ago, the 250 watt luminaire was about \$900 and the 150 watt was about \$700.

**Senator San Nicolas** clarified whether the total cost is around \$16M?

**Mr. Flores** responds that is correct.

**Senator San Nicolas** stated he thinks it's a great idea, but his once concern is are the new lights going to have a takedown feature or is there going to be insurance because if Guam gets hit by a storm and the entire capital investment is wiped out, the debt will still exist. He asked if GPA has a mitigation plan in place so that if a storm comes GPA will be able to take them down, or will they be insured in some way.

**Mr. Flores** stated that the lights would take 18 months to take down and that if there was a storm 24hours out at sea, it would be impossible to take down. That being said, they did evaluate the risks of that and how to mitigate that risk. He stated there is an issue of whether FEMA would reimburse the damaged streetlights or whether the SPE would want to have a self insurance fund that would come from the issuance of bonds that would fund a quick replace or the alternative is to have a stocking on 1600 lights and the reason they use that number is during Pongsona and Chata'an they lost approximately 1200-1500 lights. They are also gradually mitigating the concrete to wooden poles, vegetation and debris damage possibility. That is something they will look at when they prepare to take out the bonds, but to take them down would be impossible.

**Mr. Wiegand** added that the comfort that they got is that in Pongsona about 85% of the lights stayed up and that is the worst case scenario for them. The 15% risk factor is what they are dealing with right now.

**Senator San Nicolas** asked if after Pongsona whether or not FEMA reimbursed the 15% of the lights that did go out?

**Mr. Wiegand** nodded an affirmative response (yes).

**Senator San Nicolas** asked if FEMA has a cap?

**Mr. Wiegand** stated there is no cap, but they have a policy where they say they're going to keep track of where they will reimburse as they will only reimburse once per light. Currently they have a self-insurance fund they would draw on if there were costs FEMA would not cover.

**Senator San Nicolas** asked if there have been instances where FEMA did not cover?

**Mr. Wiegand** stated he does not believe there have been.

**Senator San Nicolas** stated that he sees they are covering that they would be able to replace the lights. His concern however is what if there is a storm and they replace the lights and then another storm and they replace the lights and so on. That has happened in the past. So something that is supposed to last 15 years, we have to pay three times over. He stated that the realities might be different and he has concerns.

**Mr. Flores** stated to allay those concerns, he would reiterate what Mr. Wiegand stated, that GPA has a self insurance fund for uninsurable loss or denied claims. T&D and lines are not covered and so the PUC has allowed GPA to build the fund over time. He further stated to allay the other concern, it is not going to be \$16M, it will be maybe 5% or 10% for GPA to provide the lights, but the contractor would still provide the lighting as the debt would not go away.

**Senator San Nicolas** stated though that the reality is the self-insurance fund is bank cash from the people.

**Mr. Flores** responded yes. A surcharge is applied every month for the self-insurance fund.

**Senator San Nicolas** asked if they have explored the cost for non self insurance and whether that would be more cost effective?

**Mr. Flores** stated yes for overhead insurance they have requested quotes on many occasions and that FEMA has even asked on many occasions that proof of unreasonable premiums and overhead costs be shown. On many occasions, they have shown that no one wanted to insure overhead lines on and island in a the typhoon belts. He stated the limits and the deductibles are outrageous and it does not make any economic sense to do so.

**Senator San Nicolas** asked if GPA would be factoring in the replacement costs and the self-insurance costs to the rates that are assessed to the LED fixture.

**Senator Tony Ada** stated that in the difference between the LED and High Pressure Sodium, the HPS have a broader coverage than an LED light. If they replace them all, won't there be gaps? He asked if they would get their money's worth for the streetlights they would be investing in.

**Mr. Flores** stated there have been a lot of lessons learned with the first 1200 lights. He stated the pilot allowed them to look at the angles of coverage, the color capability, and the lessons learned will be dialed in to the specifications moving forward.

**Senator Tony Ada** asked that if replacing the 16,000 plus streetlights, and there will be an additional streetlights, what are the additional lights going to cost the government?

**Mr. Flores** stated that would be folded into the current \$6M allocation budget from the registration fees and the fuel tax. He stated the idea is not to increase the current budget, but stay in it, inclusive of the 1,000 additional lights until the debt is paid off.

**Senator Tony Ada** stated that the rate is currently absorbed by the current streetlights.

**Mr. Flores** stated no, the [current] fuel payment on the streetlights is what would cover the debt so you would have some fixed costs that would continue but the fuel savings on the more efficient lights would cover the costs of the new lights.

**Senator Tony Ada** clarified that the current \$6M will stay even with the additional 1,000 lights.

**Mr. Flores** stated yes, it includes the \$6M lights.

**Mayor Gogue** adds that once the rate structure is fixed, the fuel savings will help pay off the debt of the loan, so the sooner they get the rate structure, a lot of jurisdictions realize that utility agencies have tacked on high fixed rate costs to streetlights to force the community to fund larger parts of the community costs to keep residential and community rates low, and now these communities are saying streetlights are an issue of safety for the community in areas ridden with crimes. Utilities are coming back and reassessing the methodology of the rate structure for the streetlights because the subsidizing of the streetlights are not cutting it because they are unable to add more streetlights which is an important aspect in making sure that communities are safe.

**Senator Tom Ada** stated that the additional 1,000 streetlights up front are being calculated are part of the borrowing and the debt service from the loan is going to come from the fuel savings. He adds that PUC allowing GPA to adjust the rates over the years is not going to happen for about five years and once adjusted, then the savings on the streetlights will be for additional streetlights over and above the 1,000 up front.

**Senator Tommy Morrison** asked how long the 1200 LED lights have been up.

**Mr. Flores** answered since about 2012.

**Senator Morrison** asked what the savings were?

**Mr. Wiegand** stated that GPA has done estimates and that less than \$200,000 is the annual savings from the 1200 that they have.

**Senator Morrison** stated that the whole goal is to replace 15,000 streetlights and asked whether there is potential to save between \$10M - \$15M dollars?

**Mr. Wiegand** stated the difference is that there was grant money for the 1200 and here they are trying to borrow money so its not an apples to apples comparison.

**Senator Morrison** asked what they think the savings will be?

**Mr. Wiegand** stated that it would be small for the first 10 years, what they are really doing is trying to change the paradigm in that after 10 years, there will still be lights that have life left and at that point, they can lower rates and even add more lights at that time. There will also be more energy efficient lights that will live longer and the real savings will come after the first 10 year period when the loan will be paid off and the island can enjoy the benefits.

**Senator Morrison** asked what will be the estimate?

**Mr. Flores** stated another way to answer is to look at the SPE with no operating expenses. So the debt service was projected with no coverage margin is at 2.2M a year and the savings in fuel is about \$2.1M a year, so until the debt is paid down as a fixed amortization, inclusive of the 1,000 lights, they would probably get the loan at 4.6% or 4.8% triple tax exempt bonds, once paid down, no debt service coverage and once the debt profile disappears \$2M in fuel savings is the potential for many more lights to be added. He stated the issue is that the lights have a significant life beyond the 10 years, so they could reap the benefits beyond the fuel savings and then they could go back to the PUC and look at the true costs to serve those lights and adjust the tariff when the time comes.

**Mr. Wigand** stated that the savings after the debt is paid off the savings would be around \$1.1M.

**Senator Morrison** stated that there may be an opportunity to pay the debt off sooner.

**Mayor Gogue** added that in the past two weeks they have looked at getting the streetlights to more energy efficient systems. He stated that in Senator Barnes' and Speaker Won Pat's Bill for a public-private partnership, there was no cost savings until the bill was paid off and thus no new streetlights until then. In this SPE Bill, this mechanism would allow those streetlights up front and would not add to debt service of GPA and government of Guam and then would take the cost savings realized to service the debt adding even more lights when the debt

service is paid off. The other bill did not do that, the new streetlights were not added until the savings were realized.

**Senator Morrison** clarified if there is a guaranteed 10-year warranty and the actual life of the lights.

**Mr. Flores** responded by nodding affirmatively (yes).

**Senator Morrison** asked what the progress was on the 1200 lights?

**Mr. Flores** recorded forty failures on the 1200 and half had to do with wiring. And in Tumon they had to redo the wiring.

**Acting Chairperson Barnes** asked if the Bill included LED lights for people who wanted to add their own lights and whether or not their bill would be lower?

**Mr. Wiegand** responded that the cost of [operating] the lights is lower and the upfront cost is higher -

**Acting Chairperson Barnes** interrupted and stated she understands that but, as an example, if she wanted an LED streetlight at her house, would she be paying a lower power bill if that LED light is installed to replace the HPS that she has today.

**Mr. Wiegand** stated that that's the intent.

**Mayor Gogue** stated that would require a submission to the PUC for a third rate structure for these lights. Since it is a PUC authorized rate, for example in the 1200 they are still paying the 250 luminaires and around 40 to 60 dollars. He stated that they should have a new rate structure for the new luminaire or what have you. Until the time the rate structure is changed, customers will be charged on the wattage of the bulb as they are now.

**Senator San Nicolas** asked if the cost for the debt service will be offset from the fuel savings and if the estimate was \$2.1M for the debt service and the savings for \$2.2M, where would the self-insurance come from?

**Mr. Flores** stated there is already a standing surcharge on every bill.

**Senator San Nicolas** asked if they go out to borrow money for a \$10M plan that has no saving until the end of the 10-year period, except for a bout \$100K a year, then if they go out and there's multiple storms, we can really tap into the self-insurance fund then we still have not realized any savings until the end of the 10 years, is that correct?

**Mr. Wiegand responded** yes, there is risk involved and there is a series of storms where they lose a lot of lights, then that could be an implication. They have evaluated the risk and they have determined its something they can deal with in that they deal with it now. He further stated if they didn't have the program, they would still have to replace any of the lights that come down.

**Senator San Nicolas** clarified, but at 30% cost to the LED and the self-insurance rates are at the existing replacement costs, not at the new streetlight replacement costs.

**Mr. Wiegand** stated he does not believe so because the self-insurance cap is \$20M. So even if they lost 1000 streetlights, then they would have \$1M so they would not have to adjust rates for that because the existing surcharge would bring them back to the cap.

**Mayor Gogue** added that there is also the possibility of the FEMA reimbursement. He further stated that he understands the Senator's concern and of the two bills to replace the streetlight authority, the goal is to implement more streetlights as opposed to what we have in place. This bill actually makes more sense in limiting the debt service to GPA and the Government of Guam to limit the debt service and find a middle ground. Its going to be a debt paid through the current appropriation level. He further stated that he sits as the Mayor's Council rep to the CCU. He also stated that everyone who pays a power bill pays to the self-insurance fund. The self-insurance fund covers all of their potential risks of a storm. Its tough to predict the storms, but if you compare bill 227 to 212 then you see that 227 can get more streetlights in place sooner and people that walk on streets have the mechanism that provides them adequate lighting because the alternative is even more expensive. Something needs to be done soon.

**Senator San Nicolas** stated he agrees with the Mayor but with an investment that would take 10 years to see returns, he wants to be prepared. He asked if the Self-Insurance is tied to any bonds?

**Mr. Wiegands** said that it is not and they currently have approximately \$17M in the fund.

**Senator San Nicolas** asked if GPA could go out and buy the lights tomorrow cash in hand using that funding?

**Mayor Gogue** stated that it is \$16M not \$60M dollars.

**Senator San Nicolas** clarified if it is \$16M or \$60M?



**Mr. Flores** stated that the surcharge would shut off when the fund reaches \$24M, but the Cabras 3 & 4 Shaft Failure for example is a \$4.5M pending claim and if not covered, they would draw on those funds. The surcharge is just to reach the cap then it stops. He further stated the surcharge is restricted fund and they are not allowed to use it for day-to-day operations nor are they allowed to use it for fuel. They have to petition to the PUC for an eligible expense for loss or claims. Its there for everyone's protection. As an example in a storm for 2000 poles for emergencies.

**Senator San Nicolas** stated he understands but is trying to understand the borrowing with no return on interest until 10 years later. He stated as an example, what if they take \$1M from there, bought LED lights and used to the savings to replenish the fund and then borrow another \$1M.

**Mr. Flores** stated the issue is a risk and return concept. They are more looking at the multiplier if money leaves the island for fuel.

**Senator San Nicolas** stated the money would also leave as an interest expense so if they wanted the money to stay on Guam, they should look for a return sooner than 10 years.

**Mr. Flores** stated that efficiency is the key, and cutting money sent to Singapore for fuels is key. Building the economy and creating jobs for the streetlights maintenance. He further stated that the other bill was the same issue with the same risk.

**Mayor Gogue** stated that it is a restricted fund and the PUC has put restrictions on the fund. Only eligible claims can come from the fund. He stated that from the Mayors' point of view, they know that there areas on the island that are poorly lit and need to be lit. He further stated that GPA has submitted FHWA standards of where the lights should go. He stated the question is where to go to change out the inefficient streetlights and how to pay for it.

**Chairwoman Barnes**, on the account that no one else was present to provide oral testimony and the Members had no further questions, adjourned the public hearing for Bill No. 227-32 (COR).

### **III. FINDINGS AND RECOMMENDATIONS**

The Author made the following changes to the proposed legislation:

- Several Stylistic, Formative and Grammatical changes were made throughout the Bill.
- In the proposed §82104 of the Bill, language was amended to clarify the role of

the Special Purpose Entity and explicitly limit it to the replacement and conversion of LED streetlights for Guam's Public Streets and Highways.

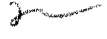

- In the proposed §82107 of the Bill, references to a *treasurer* of the SPE's Board of Directors were changed to reference the Chief Financial Officer of the Guam Power Authority who shall serve as the treasurer of the Special Purpose Entity in an *Ex Officio* capacity.
- In the proposed Article II of the Bill, language recognizing the Indenture as providing for the terms and conditions of any bonds authorized for the SPE was added.
- In §82203, references toward the resolution as providing the terms and conditions of the Bond were changed to reference the indenture as providing the terms and conditions of the bonds.
- In the proposed §82205 of the Bill, language was added to establish that the SPE may enter into agreements with bond holders as to the use and conditions of any bond funds received. Also, references to the resolution providing the terms and conditions of the bond were changed to the indenture that provides the same.
- A new §82210 was added to show the SPE shall be completely governed by the language to be added and not be subject to the *restrictive power* conferred by any other laws except specifically for §50103(k), of Chapter 50, Title 12 of the Guam Code Annotated.

The Committee on General Government Operations and Cultural Affairs to which was referred "Bill No. 227-32 (COR) - T.C. Ada / R.J. Respicio - An act to authorize the creation of the Guam Streetlight Authority to issue bonds to finance the purchase and installation of new LED streetlights" hereby submits these findings to *I Mina' Trentai Dos na Liheslaturan Guåhan* and reports out Bill No. 227-32 (COR) as substituted by the Committee on General Government Operations and Cultural Affairs with a recommendation TO *Report out only*

**I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN  
2013 (FIRST) REGULAR SESSION**

Bill No. 227-32 (612)

Introduced By:

T.C. Ada   
R.J. Respicio 

**AN ACT TO AUTHORIZE THE CREATION OF THE GUAM  
STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE  
THE PURCHASE AND INSTALLATION OF NEW LED  
STREETLIGHTS.**

2013 NOV 29 PM 5:01  


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

**Section 1. Legislative Findings and Intent.**

*I Liheslaturan Guåhan finds the* Guam Department of Public Works (DPW) is responsible for providing streetlights on Guam's public thoroughfares, and the Guam Power Authority (GPA) installs and provides electricity to these streetlights.

*I Liheslatura further finds that* based on recommendations from an energy efficiency study undertaken on behalf of GPA, the Consolidated Commission on Utilities (CCU), as governing board of GPA, and DPW have determined that it is in the best interests of GPA, DPW, and Guam's taxpayers and electric ratepayers to replace Guam's streetlights with energy-efficient LED streetlights.

*I Liheslatura further finds that* to replace the approximately 15,000 streetlights on Guam will require a significant investment for the initial conversion and installation. It has been determined that the issuance of revenue bonds by GPA to finance the streetlights would result in an undue burden on GPA's ratepayers, the

1 creation of a new special-purpose governmental entity to be known as the “Guam  
2 Streetlight Authority” to issue bonds to finance the purchase and installation of the  
3 new LED streetlights would be the solution to achieving the desired objectives.

4 *I Liheslaturan Guåhan* therefore intends to approve the creation of the Guam  
5 Streetlight Authority.  
6

7 **Section 2.** A new Chapter 82 is hereby added to Title 12 of the Guam Code  
8 Annotated, as follows:  
9

10 **“Chapter 82**

11 **Guam Streetlight Authority**

12 Article 1. General Provisions

13 Article 2. Guam Streetlight Authority Revenue Bonds  
14

15 **ARTICLE I**

16 **GENERAL PROVISIONS**  
17

18 §82101. Short Title

19 §82102. Definitions

20 §82103. Guam Streetlight Authority

21 §82104. Purpose of the Authority

22 §82105. Powers of the Authority

23 §82106. Governance of the Authority

24 §82107. Officers of the Authority

25 §82108. Division to be Liberally Construed.  
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**§ 82101. Short Title.**

This Chapter may be cited as the *Guam Streetlight Authority Act*.

**§ 82102. Definitions.**

As used in this Chapter, the following words and phrases are defined to mean:

(a) ‘*Authority*’ means the Guam Streetlight Authority.

(b) ‘*Board*’ means the governing board of the Authority.

(c) ‘*Bonds*’ means bonds, notes or other evidences of indebtedness of the Authority, issued by the Authority pursuant to this Chapter.

**§ 82103. Guam Streetlight Authority.**

There is hereby created a public corporation to be known as the Guam Streetlight Authority with functions, powers and responsibilities as hereinafter provided. The principal office of the Authority shall be located in Guam and the Authority shall be deemed to be a resident of Guam.

**§ 82104. Purpose of the Authority.**

The Authority is created with the limited and sole purpose of facilitation of the financing, acquisition, and installation of new LED streetlights for Guam public thoroughfares.

**§ 82105. Powers of the Authority.**

The Authority shall have and exercise each and all of the following powers, but only to the extent necessary or desirable in furtherance of its corporate purpose:

(a) To issue, sell or dispose of revenue bonds and other obligations from time to time under such terms and conditions as the Guam Legislature, by appropriate legislation, may prescribe. The proceeds of such bonds and obligations shall be used solely to finance the acquisition and installation, of LED streetlights for Guam public thoroughfares.

(b) To have perpetual succession, unless sooner terminated by law.

- 1 (c) To adopt, alter and use a corporate seal.
- 2
- 3 (d) To establish its internal organization and management and adopt, amend and
- 4 repeal bylaws and other resolutions and directives governing the conduct of
- 5 its business, and the performance of the powers and duties granted to or
- 6 imposed upon it by law.
- 7 (e) To enter into contracts and execute all instruments necessary or convenient
- 8 in the exercise of its powers and sue and be sued in its corporate name.
- 9 (f) To determine the character of and the necessity for its obligations and
- 10 expenditures and the manner in which they shall be incurred, allowed and
- 11 paid.
- 12 (g) To settle and adjust claims held by it against other persons or parties and by
- 13 other persons or parties against the Authority.
- 14 (h) To acquire in accordance with Title VII-A of the Government Code, any
- 15 tangible personal property and to hold, maintain, use and operate the same;
- 16 and to sell, lease, encumber or otherwise dispose of the same, whenever any
- 17 of the foregoing transactions are deemed necessary or appropriate to the
- 18 conduct of the activities authorized by this Division, and on such terms as
- 19 may be prescribed by the Authority.
- 20 (i) To acquire, in any lawful manner, any intangible personal property, and to
- 21 hold, maintain, use and operate the same; and to sell, encumber or otherwise
- 22 dispose of the same, whenever any of the foregoing transactions are deemed
- 23 necessary or appropriate to the conduct of the activities authorized by this
- 24 Division, and on such terms as may be prescribed by the Authority.
- 25 (j) To receive and accept from any source, loans, contributions or grants, in
- 26 either money, property, labor or other things of value, for, or in aid of, the

1 financing or refinancing of LED streetlights, or for the payment of principal  
2 of and interest on bonds issued by the Authority.

3 (k) To take such action and carry on any other operations and do all that may be  
4 necessary or appropriate to carry out the powers and duties herein or  
5 hereafter specifically granted to or imposed upon it.

6 **§ 82106. Governance of Authority.**

7 (a) All functions and powers of the Authority shall be vested in and be  
8 exercised by and under the direction of a Board of Directors composed of three (3)  
9 members, appointed by the Consolidated Commission on Utilities from among its  
10 members. Members of the Board shall serve for a term of four (4) years or the  
11 balance of their terms on the CCU. Members of the Board shall elect a member of the  
12 Board to serve as Chairperson.

13 (b) The Board shall be responsible for the management, administration, policies  
14 and direction of the Authority and shall exercise supervision through the  
15 Administrator.

16 (c) The Board shall meet in regular session at least once each month, and in  
17 special session as often as it may deem necessary.

18 (d) A majority of the Board shall constitute a quorum for the transaction of  
19 business. The Board shall act by the vote of at least two (2) of its members.

20 (e) The Directors shall receive no salary for their services on the Board.

21 **§ 82107. Officers of the Authority.**

22 The General Manager of the Guam Power Authority shall serve *ex officio* as the  
23 general manager of the Authority and shall be the chief executive officer of the  
24 Authority. The General Manager of the Authority shall be responsible for the day-to-  
25 day operation of the Authority.  
26

1           The Chief Financial Officer of the Guam Power Authority shall serve *ex officio*  
2 as the chief financial officer of the Authority. The Chief Financial Officer of the  
3 Authority shall have full charge and control of the fiscal, business and accounting  
4 operations of the Authority, subject to the supervision of the Board.

5           The Secretary of the Guam Power Authority shall serve *ex officio* as the  
6 secretary of the Authority. The Secretary shall have charge of all records and minutes  
7 of the Board.

8           The Treasurer of the Guam Power Authority shall serve *ex officio* as the  
9 treasurer of the Authority. The Treasurer shall have custody of all moneys of the  
10 Authority and shall pay out such money only in accordance with the direction of the  
11 Board or as provided in connection with any indebtedness incurred pursuant to  
12 Article II of this Division.

13           The Attorney of the Guam Power Authority shall serve *ex officio* as the attorney  
14 of the Authority. The Attorney shall advise the Board and the General Manager on all  
15 legal matters to which the Authority is a party or in which the Authority is legally  
16 interested and may represent the Authority in connection with legal matters before the  
17 Legislature, boards and other agencies of the Territory. The Attorney General shall  
18 represent the Authority in litigation concerning the affairs of the Authority, provided  
19 that he may delegate this duty to the Attorney of the Authority, with respect to such  
20 litigation.

21 **§ 82108. Division to be Liberally Construed.**

22           This Division shall be construed liberally so far as may be necessary for the  
23 purpose of effecting its general intent. The declaration of invalidity or nullity of any  
24 provision of this Division by competent court shall not affect the force and validity of  
25 the remaining provisions.  
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**ARTICLE II**

**GUAM STREETLIGHT AUTHORITY REVENUE BONDS**

- §82201. Additional Definitions.
- §82202. Bonds; Power to Issue; Purposes.
- §82203. Bonds; Issuance; Authorization by Resolution; Terms.
- §82204. Bonds; Negotiability.
- §82205. Covenants with Bondholders.
- §82206. Pledge of Revenues; Lien.
- §82207. Nonliability of Members of the Authority or of the Government of Guam
- §82208. Tax Exemptions; Payment in Lieu of Taxes
- §82209. Bonds as Legal Investments and as Security for Performance of any Act
- §82210. Inapplicability of Other Laws
- § 82211. Property of Authority; Exemption From Execution or Other Judicial Process.
- § 82212. Pledge by the Government of Guam.
- § 82213. Disposition of Funds and Projects.
- § 82214. Trustee for Authority and Holders of Bonds.
- § 82215. Duties and Powers of Trustee.
- § 82216. Issuance and Interchange of Coupon and Registered Bonds.
- §82217. Redemption of Bonds Prior to Maturity.
- § 82218. Places of Payment.
- § 82219. Execution and Authentication of Bonds.
- § 82220. Dates and Maturities of Bonds.
- § 82221. Sale of Bonds.
- § 82222. Validity of Authorization and Issuance of Bonds.

- 1 § 82223. Tax Exemptions.
- 2 § 82224. Guam Streetlight Authority Revenue Fund.
- 3 § 82225. Investment of Money in Funds.
- 4 § 82226. Appropriation of Money in Funds.
- 5 § 82227. Credit Enhancement.

6

7 **§ 82201. Additional Definitions.**

8 As used in this Chapter or in any indenture entered into pursuant thereto, unless

9 a different meaning clearly appears from the context:

- 10 (a) *'Authority'* means the Guam Streetlight Authority.
- 11 (b) *'Board'* means the governing board of the Authority.
- 12 (c) *'Bonds'* means bonds, notes or other evidences of indebtedness of the
- 13 Authority, issued by the Authority pursuant to this Chapter.
- 14 (d) *'Bondholder'* or *'holder of bonds'* or any similar term means any person
- 15 who shall be:
  - 16 i. the bearer of any outstanding bond or bond registered to bearer or not
  - 17 registered; or
  - 18 ii. the registered owner of any such outstanding bond or bond which
  - 19 shall at the time be registered other than to bearer.
- 20 (e) *'Cost'* means:
  - 21 i. the cost of acquisition, construction, reconstruction, installation,
  - 22 repair, alteration or improvement of a project;
  - 23 ii. the cost of lands, rights-in-lands, easements, privileges, agreements,
  - 24 franchises, utility extensions, disposal facilities, access roads and site
  - 25 development deemed by the Authority to be necessary or useful and
  - 26 convenient for any project or in connection therewith;

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- iii. discount on bonds, costs of issuance of bonds, engineering and inspection costs, costs of financial, legal, professional and other estimates and advice;
  - iv. organization, administrative, insurance, guarantee, operating and other expenses of the Authority or any person prior to and during any acquisition or construction, and all such expenses of the Authority or any person prior to and during any acquisition or construction, and all such expenses as may be necessary or incident to the financing, acquisition, construction or completion of any project or part thereof; and
  - v. such provision for payment or security of principal of or interest on bonds (including reserve for such purposes) during or after such acquisition or construction as the Authority may determine.

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(f) *'Credit provider'* means any municipal bond insurance company, bank or other financial institution or organization that is performing in all material respects its obligations under any credit support arrangements for some or all of the bonds.

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(g) *'Credit provider reimbursement agreement'* means any agreement providing for the Authority to repay, from revenues, amounts advanced by a credit provider as credit support for bonds.

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(h) *'Credit support'* means a policy of insurance, a letter of credit, a stand-by purchase agreement, revolving credit agreement or other credit arrangement pursuant to which a credit provider provides credit or liquidity support with respect to the payment of interest, principal or the purchase price of any bonds.

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2 (i) *'Indenture'* means an agreement pursuant to which bonds are issued,  
3 regardless of whether such agreement is expressed in the form of a  
4 resolution of the Board or by other instrument.

5 (j) *'Organic Act'* means the Organic Act of Guam as amended and in effect on  
6 the effective date of this Article (Title 48, §1421 et seq. of the United States  
7 Code.).

8 (k) *'Person'* includes any individual, firm, corporation, association, partnership,  
9 trust, business trust or receiver or trustee or conservator for any thereof, and  
10 also includes the United States, Guam or any public corporation, political  
11 subdivision, city, county or district or any agency or instrumentality of the  
12 United States or of Guam.

13 (l) *'Project'* means the acquisition, construction, installation, equipping, repair,  
14 replacement, alteration or improvement of energy efficient streetlights for  
15 any public thoroughfare in Guam, whether or not in existence or under  
16 construction.

17 (m) *'Revenue'* means

18 i. receipts, fees, rentals or other payments to be received on account of  
19 lease, mortgage conditional sale or sale, and payments and other  
20 income derived from the lease, sale or other disposition of a project;

21 ii. money in such reserve and insurance funds or accounts or other funds  
22 and accounts (and income from the investment thereof) established in  
23 connection with the issuance of bonds for a project or projects; and

24 iii. fees, charges or other money to be received by the Authority with  
25 respect to projects and contracts with persons related to projects.

26 (n) *'United States'* means the United States of America.

1 **§ 82202. Bonds; Power to Issue; Purposes.**

2  
3 The Authority shall have the power to authorize or provide for the issuance of  
4 bonds pursuant to this Chapter for the purpose of providing funds to pay or cause to  
5 be paid all or any part of the cost of any project or projects, or for the refinancing of  
6 any bonds. It is hereby declared that each project is and shall be a public  
7 improvement or undertaking as that term is used in Section 11 of the Organic Act  
8 (§1423a, Title 48, U.S. Code).

9 **§ 82203. Bonds; Issuance; Authorization by Resolution; Terms.**

10  
11 (a) By resolution approved by the Governor, the Authority shall have the power  
12 to incur indebtedness, borrow money and issue its bonds for the purposes stated in §  
13 82202 of this Chapter. Except as may otherwise be expressly provided by the  
14 Authority, every issue of its bonds shall be special obligations of the Authority  
15 payable solely from the revenues or money of the Authority specified in the resolution  
16 providing for its issuance, subject only to any agreement with the holders of particular  
17 bonds pledging any particular revenues or money. Such bonds shall bear such date or  
18 dates, mature at such time or times, bear interest at a rate or rates, be in such  
19 denominations, be in form, either coupon or registered, carry such conversion or  
20 registration privileges, have such rank or priority be executed in such manner, payable  
21 from such source and have such terms of redemption (with or without premium) as  
22 such resolution may provide. Bonds of the Authority may be sold by the Authority to  
23 public or private sale at such price or prices and under such conditions and terms as  
24 the Authority shall determine.

25 (b) Every bond shall recite that it is not a general indebtedness of the Authority,  
26 but rather is a special obligation of the Authority payable solely from the revenues  
specified in the Resolution providing for its issuance. Every bond shall recite that it is

1 not public indebtedness of the Territory as that term is used in §11 of the Organic Act  
2 of Guam.  
3

4 **§ 82204. Bonds; Negotiability.**

5 Any provision of any law to the contrary notwithstanding, any bond or other  
6 obligation issued pursuant to this Chapter shall be fully negotiable for all purposes,  
7 and each holder or owner of such a bond or other obligation, or of any coupon  
8 appurtenant thereto, by accepting such bond or coupon shall be conclusively deemed  
9 to have agreed that such bond, obligation or coupon is and shall be fully negotiable for  
10 all purposes, subject in each case to any provisions for registration in the bond,  
11 obligation or coupon or in the resolution or indenture authorizing its issuance.  
12

13 **§ 82205. Covenants With Bondholders.**

14 In order to secure the payment of such bonds and in addition to its other  
15 powers, the Authority shall have power by resolution to covenant and agree with the  
16 several holders of such bonds, as to:

17 (a) The custody, security, use, expenditure or application of the proceeds of the  
18 bonds;

19 (b) The use, regulation, operation, maintenance, insurance or disposition of all  
20 or any part of any project or projects;

21 (c) Payment of the principal of or interest on the bonds, or any other  
22 obligations, and the sources and methods thereof, the rank or priority of any such  
23 bonds or obligations as to any lien or security, or the acceleration of the maturity of  
24 any such bonds or obligations;

25 (d) The use and disposition of any money of the Authority, including all  
26 revenues or other money derived or to be derived from any project or projects;

1 (e) Pledging, setting aside, depositing or trusteeing all or any part of the  
2 proceeds, revenues or other money of the Authority to secure the payment of the  
3 principal of or interest on the bonds or any other obligations and the power and duties  
4 of any trustee with regard thereto;

5 (f) The setting aside out of the proceeds, revenues or other money of the  
6 Authority of reserves and sinking funds, and the source, custody, security, regulation  
7 application and disposition thereof;

8 (g) The rents, fees or other charges for the use of any project or projects,  
9 including any parts thereof theretofore constructed or acquired and any parts,  
10 replacements or improvements thereof thereafter constructed or acquired, and the  
11 fixing, establishment, collection and enforcement of the same;

12 (h) Limitation on the issuance of additional bonds or any other obligations or on  
13 the incurrence of indebtedness of the Authority;

14 (i) Vesting in a trustee or trustees, fiscal or escrow agent or agents within or  
15 without the Territory such property, rights, powers and duties in trust as the Authority  
16 may determine and limiting the rights, duties and powers of such trustee or agent;

17 (j) Payment of costs or expenses incident to the enforcement of the bonds or of  
18 the provisions of the resolution or of any covenant or contract with the holders of the  
19 bonds;

20 (k) The procedure, if any, by which the terms of any covenant or contract with,  
21 or duty to, the holders of bonds may be amended or abrogated, the amount of bonds  
22 the holders of which must consent thereto, and the manner in which such consent may  
23 be given or evidenced; or

24 (l) Any other matter or course of conduct which, by recital in the resolution is  
25 declared to further secure the payment of the principal of or interest on the bonds.  
26

1 All such provisions of the resolution and all such covenants and agreements  
2 shall constitute valid and legally binding contracts between the Authority and the  
3 several holders of the bonds, regardless of the time of issuance of such bonds, and  
4 shall be enforceable by any such holder or holders by appropriate action, suit or  
5 proceeding in any court of competent jurisdiction, or by proceeding in lieu of  
6 prerogative writ.  
7

8 **§ 82206. Pledge of Revenues; Lien.**  
9

10 Any pledge of revenues or other money made by the Authority shall be valid  
11 and binding from the time when the pledge is made; the revenues or other money so  
12 pledged and thereafter received by the Authority shall immediately be subject to the  
13 lien of such pledge without any physical delivery thereof or further act, and the lien of  
14 any such pledge shall be valid and binding as against all parties having claims of any  
15 kind in tort, contract or otherwise against the Authority, irrespective of whether such  
16 parties have notice thereof. Neither the resolution nor any other instrument by which a  
17 pledge is created need be filed or recorded except in the records of the Authority.  
18

19 **§ 82207. Nonliability of Members of the Authority or of the Government of**  
20 **Guam.**

21 Neither the members of the Authority nor any person executing bonds issued  
22 pursuant to this Chapter shall be liable personally on the bonds by reason of the  
23 issuance thereof. Bonds or other obligations issued by the Authority pursuant to this  
24 Chapter shall not be in any way a debt or liability of the Government of Guam or of  
25 any political subdivision thereof, either legal, moral or otherwise, and nothing in this  
26 Chapter contained shall be construed to authorize the Authority to incur any



1 indebtedness on behalf of or in any way to obligate the Government of Guam and all  
2 such bonds shall contain on the face thereof a statement to that effect.  
3

4 **§ 82208. Tax Exemptions; Payments in Lieu of Taxes.**

5 The exercise of the powers granted by this Chapter shall constitute the  
6 performance of an essential governmental function and the Authority shall not be  
7 required to pay any taxes or assessments upon or in respect of a project, or any  
8 property of money of the Authority, and the Authority, its projects, property and  
9 money and any bonds and notes issued under the provisions of this Chapter, their  
10 transfer and the income therefrom, including any profit made on the sale thereof, shall  
11 at all times be free from taxation of every kind. Bonds issued pursuant to the  
12 provisions of this Chapter and the interest income therefrom are exempt from taxation  
13 in accordance with the provision of the last sentence of §11 of the Organic Act of  
14 Guam (§1423a, Title 48, U.S. Code).  
15

16 **§ 82209. Bonds as Legal Investments and as Security for Performance of any Act.**

17 Notwithstanding any restriction contained in any other law, the Government of  
18 Guam, its officers, boards, commissions, departments or other agencies, all banks,  
19 bankers, trust companies, savings banks and institutions, building and loan  
20 associations, savings and loan associations, investment companies and other persons  
21 carrying on a banking or investment business, all insurance companies, insurance  
22 associations and other persons carrying on an insurance business, and all executors,  
23 administrators, guardians, trustees and other fiduciaries, and all other persons  
24 whatsoever who now are or may hereafter be authorized to invest in bonds or other  
25 obligations of the Government of Guam, may properly and legally invest any sinking  
26 funds, money or other funds, including capital, belonging to them or within their

1 contract in any bonds or notes issued by the Authority under the provisions of this  
2 Chapter; and the bonds and notes are made securities which may properly and legally  
3 be deposited with and received for the performance of any act whenever any evidence  
4 of indebtedness of the Government of Guam for any purpose for which the deposit of  
5 bonds or other obligations of the Government of Guam is now or may hereafter be  
6 authorized by law.

7 **§ 82210. Blank**

8 **§ 82211. Property of Authority; Exemption From Execution or Other Judicial**  
9 **Process.**

10 All property of the Authority shall be exempt from levy and sale by virtue of an  
11 execution and no execution or other judicial process shall issue against the same nor  
12 shall any judgment against the Authority be a charge or lien upon its property;  
13 provided, that nothing herein contained shall apply to or limit the rights of the holder  
14 of any bonds to pursue any remedy for the enforcement of any pledge of lien given by  
15 the Authority on or with respect to any project or any revenues or other money.  
16

17 **§ 82212. Pledge by the Government of Guam.**

18 The government of Guam hereby pledges that while any bonds of the Authority  
19 issued under this Article remain outstanding and not fully performed or discharged  
20 shall: (a) to maintain the rights, powers and duties of the Board to fulfill the terms of  
21 any agreements made with bondholders in accordance with this Article, and (b) to  
22 maintain the rights and remedies of bondholders provided in this Article and any  
23 indenture.  
24

25 **§ 82213. Disposition of Funds and Projects.**

26 Any balance remaining in any of the funds or accounts created by this Article or  
any indenture after payment of all costs, expenses and charges required or authorized

1 to be expended therefrom, may be allocated and used for such other purposes relating  
2 to the project or to the Authority, as the Board may determine, subject to the  
3 limitations and restrictions in any indenture. When the principal of and interest on  
4 bonds of the Authority issued to finance the costs of a particular project, including any  
5 refunding bonds issued to refinance all or any part of these bonds, have been fully  
6 paid and retired, or when adequate provisions have been made for their payment and  
7 retirement and all other conditions of any resolution, indenture, security interest or any  
8 other instrument authorizing and securing the bonds have been satisfied, and any lien  
9 created has been released in accordance with the provisions thereof, the Authority is  
10 authorized, upon the terms and conditions it prescribes, to execute releases, released  
11 deeds, reassignments, deeds and conveyances and to do all things necessary or  
12 required to convey or release its rights, title and interest in the project financed and in  
13 any other instruments pledged or transferred to secure bonds to the Government of  
14 Guam or any political subdivision thereof, as their respective interests may appear.  
15

16 **§ 82214. Trustee for Authority and Holders of Bonds.**

17 (a) The Authority or any agent designated by the Authority shall act as  
18 trustee for the Authority and the holders of bonds issued hereunder and the Authority  
19 may authorize the trustee to act on behalf of the holders of the bonds or any stated  
20 percentage thereof and to exercise and prosecute on behalf of the holders of the bonds  
21 such rights and remedies as may be available to the holders.  
22

23 (b) The Authority may provide in an indenture:

24 (i) for the deposit of all or any portion of the revenues with the Authority  
25 and for the holding thereof by the Authority in one or more separate funds or accounts  
26 in the Guam Streetlight Authority Revenue Fund; and

1 (ii) for the transfer to the trustee of all or any portion of the revenues as are  
2 provided as security for the bonds and for the holding thereof by the trustee in one or  
3 more separate funds or accounts. All money in each such fund or account shall be  
4 disbursed only as provided herein and in the indenture.  
5

6 **§ 82215. Duties and Powers of Trustee.**  
7

8 The Authority shall prescribe in any indenture the duties and powers of the  
9 trustee with respect to the issuance, authentication, sale and delivery of the bonds  
10 provided for in such indenture and with respect to the payment of principal of and  
11 interest on such bonds, the redemption thereof, the registration and discharge from  
12 registration thereof and the management of any and all funds provided as security  
13 therefore.  
14

15 **§ 82216. Issuance and Interchange of Coupon and Registered Bonds.**

16 An indenture may provide that bonds may be issued as coupon bonds or as  
17 registered bonds and for the interchange of coupon bonds for registered bonds and  
18 registered bonds for coupon bonds, and may provide that bonds shall be registered as  
19 to principal only or as to both principal and interest or otherwise as the Authority may  
20 determine.  
21

22 **§ 82217. Redemption of Bonds Prior to Maturity.**

23 An indenture may provide that bonds may be redeemed prior to maturity upon  
24 such terms, conditions and upon such notice as are stated in the indenture and upon  
25 the payment of such premium as may be fixed by the indenture.  
26

1 **§ 82218. Places of Payment.**

2 An indenture may provide for the payment of the principal and interest of bonds  
3 at any one or more places in Guam or in the United States and in any specified coin or  
4 currency of the United States.  
5

6 **§ 82219. Execution and Authentication of Bonds.**

7 An indenture may provide for the execution and authentication of bonds by the  
8 manual or facsimile signature of any one or more officers of the Authority and by  
9 additional authentication by endorsement by the manual signature or a signature stamp  
10 of any one or more officers of the Authority or of any agent designated by the  
11 Authority as trustee. If any officer or agent whose signature, countersignature or  
12 endorsement appears upon the bonds or coupons ceases to be an officer or agent  
13 before the delivery of the bonds or coupons, his signature, countersignature or  
14 endorsement is nevertheless valid and of the same force and effect as if he had  
15 remained such officer or agent until the delivery of the bonds and coupons.  
16

17 **§ 82220. Dates and Maturities of Bonds.**

18 Bonds shall bear dates prescribed by the Authority in the indenture providing  
19 for their issuance. Bonds may be serial bonds, term bonds or sinking fund bonds with  
20 such maturities as the indenture shall specify. No bond by its terms shall mature more  
21 than [fifty (50)] years after its date of issuance.  
22

23 **§ 82221. Sale of Bonds.**

24 Bonds authorized to be issued under this Article shall be sold by the Authority  
25 for cash, in accordance with the provisions of a resolution providing for such sale  
26 adopted by the Board. The bonds may be sold at either public or private sale, and

1 upon such terms and conditions as shall be authorized by the Board, which may  
2 provide that the bonds may be sold at less than their par or face value.

3 **§ 82222. Validity of Authorization and Issuance of Bonds.**

4 The validity of the authorization and issuance of any bonds by the Authority is  
5 not dependent on nor affected in any way by:

6 (a) Proceedings taken by the Authority for the acquisition, construction or  
7 improvement of a project or any part thereof;

8 (b) Any contracts made by the Authority in connection with the acquisition,  
9 construction or improvement of a project or any part thereof; or

10 (c) The failure to complete the project or any part thereof for which bonds  
11 are authorized to be issued.

12  
13 **§ 82223. Tax Exemptions.**

14 Bonds issued pursuant to the provisions of this Article and the interest or  
15 income therefrom are exempt from taxation to the extent permitted by the provisions  
16 of Section 11 of the Organic Act.

17  
18 **§ 82224. Guam Streetlight Authority Revenue Fund.**

19 All revenues received from or on account of projects shall be deposited to the  
20 credit of the Guam Streetlight Authority Revenue Fund, which fund is hereby created.  
21 Moneys in the Guam Streetlight Authority Revenue Fund may be used for any of the  
22 following purposes in the order of priority set forth in any indenture:

23 (a) to pay principal or interest on any bonds;

24 (b) to pay any amounts due and owing under any credit provider  
25 reimbursement agreement; and  
26

1 (c) for any other purposes of the Authority; all as provided in any indenture  
2 or indentures and subject to any restrictions provided by law or any indenture.  
3

4 **§ 82225. Investment of Money in Funds.**

5 Moneys in the Guam Streetlight Authority Revenue Fund may be invested by  
6 the Authority and any revenues in any other fund or account held by or on behalf of  
7 the Authority or its agent may be invested by the Authority or its agent, as the case  
8 may be, in any investment authorized by any indenture providing for the issuance of  
9 bonds. All interest or other earnings received pursuant to such investments shall be  
10 collected by the Authority or its agent, as the case may be, and shall be deposited to  
11 the credit of the fund or account from which such interest or other earnings are  
12 derived, unless otherwise provided in an indenture.  
13

14 **§ 82226. Appropriation of Money in Funds.**

15 All money in the funds and accounts created by this Article or any indenture is  
16 hereby appropriated for expenditure in carrying out the purposes herein and therein  
17 provided  
18

19 **§ 82227. Credit Enhancement.**

20 The Board has the power and is hereby authorized to cause the Authority to  
21 enter into such contracts or agreements with such banks, insurance companies or other  
22 financial institutions as it determines are necessary or desirable to improve the  
23 security and marketability of the bonds. Such contracts or agreements may contain an  
24 obligation to reimburse, with interest, any such banks, insurance companies or other  
25 financial institutions for advances used to pay principal of or interest on the bonds and  
26 to indemnify any such banks, insurance companies or other financial institutions for  
costs and expenses incurred in connection with any such advance; provided, that any

1 obligation of the Authority under any reimbursement agreement shall be payable  
2 solely from revenues.

3 Any reimbursement agreement may include a provision that the obligations of  
4 the Authority under the agreement shall be secured by all or by part of revenues;  
5 provided that, at the time of execution and delivery of each such agreement, any such  
6 provision shall be in compliance with and shall not violate or breach any provision of  
7 any indenture then in effect with respect to bonds.”  
8

9 **Section 3. Effective Date.** This Act shall become effective upon enactment  
10

11 **Section 4. Severability.** If any section, part, phrase or provision of this Chapter  
12 or the application thereof to any person, project or circumstances, be adjudged invalid  
13 by any court of competent jurisdiction, such judgment shall be confined in its  
14 operation to the section part, phrase, provision or application directly involved in the  
15 controversy in which such judgment shall have been rendered and shall not effect or  
16 impair the validity of the remainder of this Chapter or the application thereof to other  
17 persons, projects or circumstances.  
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***I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN***  
**2014 (SECOND) REGULAR SESSION**

Bill No. 227-32 (COR)  
As Substituted by the Committee on  
General Government Operations and  
Cultural Affairs

Introduced By:

T.C. Ada  
R.J. Respicio

---

**AN ACT TO AUTHORIZE THE CREATION OF THE  
GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS  
TO FINANCE THE PURCHASE AND INSTALLATION  
OF NEW LED STREETLIGHTS.**

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

2 **Section 1. Legislative Findings and Intent.**

3 *I Liheslaturan Guåhan* finds the Guam Department of Public Works  
4 (DPW) is responsible for providing streetlights on Guam's public streets and  
5 highways, and the Guam Power Authority (GPA) installs and provides  
6 electricity to these streetlights.

7 *I Liheslatura* further finds that based on recommendations from an  
8 energy efficiency study undertaken on behalf of GPA, the Consolidated  
9 Commission on Utilities (CCU), as governing board of GPA, and DPW have  
10 determined that it is in the best interests of GPA, DPW, and Guam's  
11 taxpayers and electric ratepayers to replace Guam's streetlights with energy-  
12 efficient LED streetlights.

1           *I Liheslatura* further finds that to replace the approximately 15,000  
2 existing streetlights on Guam will require a significant investment for the  
3 initial replacement and conversion. It has been determined that the issuance  
4 of revenue bonds by GPA to finance the streetlights would result in an undue  
5 burden on GPA’s ratepayers, but the creation of a new special-purpose  
6 governmental entity to be known as the “Guam Streetlight Authority” to  
7 issue bonds to finance the purchase and installation of the new LED  
8 streetlights would be the solution to achieving the desired objectives.

9           *I Liheslatura* further finds that more street lights are needed in the  
10 villages, and therefore it shall be the objective of the Authority to provide  
11 1,000 additional streetlights to the Department of Public Works, who in turn  
12 shall coordinate with the Mayors’ Council of Guam (MCOG) with respect to  
13 the deployment of these additional streetlights.

14           *I Liheslaturan Guåhan* therefore intends to approve the creation of the  
15 Guam Streetlight Authority.  
16

17           **Section 2.** A new Chapter 82 is hereby added to Title 12 of the Guam  
18 Code Annotated, as follows:  
19

20   **“Chapter 82**

21   **Guam Streetlight Authority**

22 Article 1.    General Provisions

23 Article 2.    Guam Streetlight Authority Revenue Bonds  
24

25   **ARTICLE I**

26   **GENERAL PROVISIONS**

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- § 82101. Short Title.
- § 82102. Definitions.
- § 82103. Guam Streetlight Authority.
- § 82104. Purpose of the Authority.
- § 82105. Powers of the Authority.
- § 82106. Governance of the Authority.
- § 82107. Officers of the Authority.
- § 82108. Division to be Liberally Construed.

**§ 82101. Short Title.**

This Chapter may be cited as the *Guam Streetlight Authority Act*.

**§ 82102. Definitions.**

As used in this Chapter, the following words and phrases are defined to mean:

- (a) ‘*Authority*’ means the Guam Streetlight Authority.
- (b) ‘*Board*’ means the governing board of the Authority.
- (c) ‘*Bonds*’ means bonds, notes or other evidences of indebtedness of the Authority, issued by the Authority pursuant to this Chapter.

**§ 82103. Guam Streetlight Authority.**

There is hereby created a public corporation to be known as the Guam Streetlight Authority with functions, powers and responsibilities as hereinafter provided. The principal office of the Authority shall be located in Guam and the Authority shall be deemed to be a resident of Guam.

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**§ 82104. Purpose of the Authority.**

The Authority is created with the limited and sole purpose of facilitation of the replacement and conversion of existing streetlights by financing, procuring, and intalling new LED streetlights for Guam public streets and highways.

**§ 82105. Powers of the Authority.**

The Authority shall have and exercise each and all of the following powers, but only to the extent necessary or desirable in furtherance of its corporate purpose:

- (a) To issue, sell or dispose of revenue bonds and other obligations from time to time under such terms and conditions as the Guam Legislature, by appropriate legislation, may prescribe. The proceeds of such bonds and obligations shall be used solely to finance the acquisition and installation, of LED streetlights for Guam public thoroughfares.
- (b) To have perpetual succession, unless sooner terminated by law.
- (c) To adopt, alter and use a corporate seal.
- (d) To establish its internal organization and management and adopt, amend and repeal bylaws and other resolutions and directives governing the conduct of its business, and the performance of the powers and duties granted to or imposed upon it by law.
- (e) To enter into contracts and execute all instruments necessary or convenient in the exercise of its powers and sue and be sued in its corporate name.

- 1 (f) To determine the character of and the necessity for its obligations  
2 and expenditures and the manner in which they shall be incurred,  
3 allowed and paid.
- 4 (g) To settle and adjust claims held by it against other persons or  
5 parties and by other persons or parties against the Authority.
- 6 (h) To acquire in accordance with Title VII-A of the Government  
7 Code, any tangible personal property and to hold, maintain, use  
8 and operate the same; and to sell, lease, encumber or otherwise  
9 dispose of the same, whenever any of the foregoing transactions  
10 are deemed necessary or appropriate to the conduct of the activities  
11 authorized by this Division, and on such terms as may be  
12 prescribed by the Authority.
- 13 (i) To acquire, in any lawful manner, any intangible personal  
14 property, and to hold, maintain, use and operate the same; and to  
15 sell, encumber or otherwise dispose of the same, whenever any of  
16 the foregoing transactions are deemed necessary or appropriate to  
17 the conduct of the activities authorized by this Division, and on  
18 such terms as may be prescribed by the Authority.
- 19 (j) To receive and accept from any source, loans, contributions or  
20 grants, in either money, property, labor or other things of value,  
21 for, or in aid of, the financing or refinancing of LED streetlights, or  
22 for the payment of principal of and interest on bonds issued by the  
23 Authority.
- 24 (k) To take such action and carry on any other operations and do all  
25 that may be necessary or appropriate to carry out the powers and

1           duties herein or hereafter specifically granted to or imposed upon  
2           it.

3  
4   **§ 82106. Governance of Authority.**

5           (a) All functions and powers of the Authority shall be vested in and  
6   be exercised by and under the direction of a Board of Directors composed of  
7   three (3) members, appointed by the Consolidated Commission on Utilities  
8   from among its members. Members of the Board shall serve for a term of  
9   four (4) years or the balance of their terms on the CCU. Members of the  
10   Board shall elect a member of the Board to serve as Chairperson.

11          (b) The Board shall be responsible for the management,  
12   administration, policies and direction of the Authority and shall exercise  
13   supervision through the Administrator.

14          (c) The Board shall meet in regular session at least once each month,  
15   and in special session as often as it may deem necessary.

16          (d) A majority of the Board shall constitute a quorum for the  
17   transaction of business. The Board shall act by the vote of at least two (2) of  
18   its members.

19          (e) The Directors shall receive no salary for their services on the  
20   Board.

21  
22   **§ 82107. Officers of the Authority.**

23          The General Manager of the Guam Power Authority shall serve *ex*  
24   *officio* as the general manager of the Authority and shall be the chief  
25   executive officer of the Authority. The General Manager of the Authority  
26   shall be responsible for the day-to-day operation of the Authority.

1           The Chief Financial Officer of the Guam Power Authority shall serve  
2 *ex officio* as the chief financial officer of the Authority. The Chief Financial  
3 Officer of the Authority shall have full charge and control of the fiscal,  
4 business and accounting operations of the Authority, subject to the  
5 supervision of the Board.

6           The Secretary of the Authority shall be appointed by the Board. The  
7 Secretary shall have charge of all records and minutes of the Board.

8           The Chief Financial Officer of the Guam Power Authority shall serve  
9 *ex officio* as the Treasurer of the Authority. The Treasurer shall have  
10 custody of all moneys of the Authority and shall pay out such money only in  
11 accordance with the direction of the Board or as provided in connection with  
12 any indebtedness incurred pursuant to Article II of this Division.

13           The Attorney of the Guam Power Authority shall serve *ex officio* as  
14 the attorney of the Authority. The Attorney shall advise the Board and the  
15 General Manager on all legal matters to which the Authority is a party or in  
16 which the Authority is legally interested and may represent the Authority in  
17 connection with legal matters before the Legislature, boards and other  
18 agencies of the Territory. The Attorney General shall represent the  
19 Authority in litigation concerning the affairs of the Authority, provided that  
20 he may delegate this duty to the Attorney of the Authority, with respect to  
21 such litigation.

22  
23 **§ 82108. Division to be Liberally Construed.**

24           This Division shall be construed liberally so far as may be necessary  
25 for the purpose of effecting its general intent. The declaration of invalidity or

1 nullity of any provision of this Division by competent court shall not affect  
2 the force and validity of the remaining provisions.

3  
4 **ARTICLE II**

5 **GUAM STREETLIGHT AUTHORITY REVENUE BONDS**

6  
7 § 82201. Additional Definitions.

8 § 82202. Bonds; Power to Issue; Purposes.

9 § 82203. Bonds; Issuance; Authorization by Resolution; Indenture

10 Providing Terms and Conditions of Bonds.

11 § 82204. Bonds; Negotiability.

12 § 82205. Covenants with Bondholders.

13 § 82206. Pledge of Revenues; Lien.

14 § 82207. Nonliability of Members of the Authority or of the Government  
15 of Guam

16 § 82208. Tax Exemptions; Payments in Lieu of Taxes

17 § 82209. Bonds as Legal Investments and as Security for Performance of  
18 any Act

19 § 82210. Applicability of Other Laws

20 § 82211. Property of Authority; Exemption From Execution or Other  
21 Judicial Process.

22 § 82212. Pledge by the Government of Guam.

23 § 82213. Disposition of Funds and Projects.

24 § 82214. Trustee for Authority and Holders of Bonds.

25 § 82215. Duties and Powers of Trustee.

26 § 82216. Issuance and Interchange of Coupon and Registered Bonds.



- 1 § 82217. Redemption of Bonds Prior to Maturity.
- 2 § 82218. Places of Payment.
- 3 § 82219. Execution and Authentication of Bonds.
- 4 § 82220. Dates and Maturities of Bonds.
- 5 § 82221. Sale of Bonds.
- 6 § 82222. Validity of Authorization and Issuance of Bonds.
- 7 § 82223. Tax Exemptions.
- 8 § 82224. Guam Streetlight Authority Revenue Fund.
- 9 § 82225. Investment of Money in Funds.
- 10 § 82226. Appropriation of Money in Funds.
- 11 § 82227. Credit Enhancement.

12

13 **§ 82201. Additional Definitions.**

14 As used in this Chapter or in any indenture entered into pursuant  
15 thereto, unless a different meaning clearly appears from the context:

- 16 (a) *'Authority'* means the Guam Streetlight Authority.
- 17 (b) *'Board'* means the governing board of the Authority.
- 18 (c) *'Bonds'* means bonds, notes or other evidences of indebtedness of  
19 the Authority, issued by the Authority pursuant to this Chapter.
- 20 (d) *'Bondholder'* or *'holder of bonds'* or any similar term means any  
21 person who shall be:
  - 22 i. the bearer of any outstanding bond or bond registered to  
23 bearer or not registered; or
  - 24 ii. the registered owner of any such outstanding bond or bond  
25 which shall at the time be registered other than to bearer.
- 26 (e) *'Cost'* means:

- 1           i. the cost of acquisition, construction, reconstruction,  
2           installation, repair, alteration or improvement of a project;
- 3           ii. the cost of lands, rights-in-lands, easements, privileges,  
4           agreements, franchises, utility extensions, disposal facilities,  
5           access roads and site development deemed by the Authority  
6           to be necessary or useful and convenient for any project or  
7           in connection therewith;
- 8           iii. discount on bonds, costs of issuance of bonds, engineering  
9           and inspection costs, costs of financial, legal, professional  
10          and other estimates and advice;
- 11          iv. organization, administrative, insurance, guarantee, operating  
12          and other expenses of the Authority or any person prior to  
13          and during any acquisition or construction, and all such  
14          expenses of the Authority or any person prior to and during  
15          any acquisition or construction, and all such expenses as  
16          may be necessary or incident to the financing, acquisition,  
17          construction or completion of any project or part thereof;  
18          and
- 19          v. such provision for payment or security of principal of or  
20          interest on bonds (including reserve for such purposes)  
21          during or after such acquisition or construction as the  
22          Authority may determine.

23       (f) '*Credit provider*' means any municipal bond insurance company,  
24       bank or other financial institution or organization that is  
25       performing in all material respects its obligations under any credit  
26       support arrangements for some or all of the bonds.

1 (g) '*Credit provider reimbursement agreement*' means any agreement  
2 providing for the Authority to repay, from revenues, amounts  
3 advanced by a credit provider as credit support for bonds.

4 (h) '*Credit support*' means a policy of insurance, a letter of credit, a  
5 stand-by purchase agreement, revolving credit agreement or other  
6 credit arrangement pursuant to which a credit provider provides  
7 credit or liquidity support with respect to the payment of interest,  
8 principal or the purchase price of any bonds.

9 (i) '*Indenture*' means an agreement pursuant to which bonds are  
10 issued, regardless of whether such agreement is expressed in the  
11 form of a resolution of the Board or by other instrument.

12 (j) '*Organic Act*' means the Organic Act of Guam as amended and in  
13 effect on the effective date of this Article (Title 48, §1421 et seq.  
14 of the United States Code).

15 (k) '*Person*' includes any individual, firm, corporation, association,  
16 partnership, trust, business trust or receiver or trustee or  
17 conservator for any thereof, and also includes the United States,  
18 Guam or any public corporation, political subdivision, city, county  
19 or district or any agency or instrumentality of the United States or  
20 of Guam.

21 (l) '*Project*' means the acquisition, construction, installation,  
22 equipping, repair, replacement, alteration or improvement of  
23 energy efficient streetlights for any public thoroughfare in Guam,  
24 whether or not in existence or under construction.

25 (m) '*Revenue*' means

- 1           i.     receipts, fees, rentals or other payments to be received on  
2           account of lease, mortgage conditional sale or sale, and  
3           payments and other income derived from the lease, sale or  
4           other disposition of a project;
- 5           ii.    money in such reserve and insurance funds or accounts or  
6           other funds and accounts (and income from the investment  
7           thereof) established in connection with the issuance of bonds  
8           for a project or projects; and
- 9           iii.   fees, charges or other money to be received by the  
10          Authority with respect to projects and contracts with persons  
11          related to projects.

12           (n) ‘*United States*’ means the United States of America.

13  
14   **§ 82202. Bonds; Power to Issue; Purposes.**

15           The Authority shall have the power to authorize or provide for the  
16           issuance of bonds pursuant to this Chapter for the purpose of providing  
17           funds to pay or cause to be paid all or any part of the cost of any project or  
18           projects, or for the refinancing of any bonds. It is hereby declared that each  
19           project is and shall be a public improvement or undertaking as that term is  
20           used in Section 11 of the Organic Act (§1423a, Title 48, U.S. Code).

21  
22   **§ 82203. Bonds; Issuance; Authorization by Resolution; Indenture**  
23   **Providing Terms and Conditions of Bonds.**

24           (a) By resolution of the Board and approved by the Governor, the  
25           Authority shall have the power to incur indebtedness, borrow money and  
26           issue its bonds for the purposes stated in §82202 of this Chapter. The

1 Authority may enter into indentures providing for terms and conditions of  
2 the bonds. Except as may otherwise be expressly provided by the Authority,  
3 every issue of its bonds shall be special obligations of the Authority payable  
4 solely from the revenues or money of the Authority specified in the  
5 indenture providing for its issuance, subject only to any agreement with the  
6 holders of particular bonds pledging any particular revenues or money. Such  
7 bonds shall bear such date or dates, mature at such time or times, bear  
8 interest at a rate or rates, be in such denominations, be in form, either  
9 coupon or registered, carry such conversion or registration privileges, have  
10 such rank or priority be executed in such manner, payable from such source  
11 and have such terms of redemption (with or without premium) as such  
12 indenture may provide. Bonds of the Authority may be sold by the Authority  
13 to public or private sale at such price or prices and under such conditions  
14 and terms as the Authority shall determine.

15 (b) Every bond shall recite that it is not a general indebtedness of the  
16 Authority, but rather is a special obligation of the Authority payable solely  
17 from the revenues specified in the indenture providing for its issuance.  
18 Every bond shall recite that it is not public indebtedness of the Territory as  
19 that term is used in §11 of the Organic Act of Guam.

20

21 **§ 82204. Bonds; Negotiability.**

22 Any provision of any law to the contrary notwithstanding, any bond or  
23 other obligation issued pursuant to this Chapter shall be fully negotiable for  
24 all purposes, and each holder or owner of such a bond or other obligation, or  
25 of any coupon appurtenant thereto, by accepting such bond or coupon shall  
26 be conclusively deemed to have agreed that such bond, obligation or coupon

1 is and shall be fully negotiable for all purposes, subject in each case to any  
2 provisions for registration in the bond, obligation or coupon or in the  
3 resolution or indenture authorizing its issuance.

4  
5 **§ 82205. Covenants With Bondholders.**

6 In order to secure the payment of such bonds and in addition to its  
7 other powers, an indenture pursuant to which bonds are issued may provide  
8 that the Authority shall have power to covenant and agree with the several  
9 holders of such bonds, as to:

10 (a) The custody, security, use, expenditure or application of the  
11 proceeds of the bonds;

12 (b) The use, regulation, operation, maintenance, insurance or  
13 disposition of all or any part of any project or projects;

14 (c) Payment of the principal of or interest on the bonds, or any other  
15 obligations, and the sources and methods thereof, the rank or priority of any  
16 such bonds or obligations as to any lien or security, or the acceleration of the  
17 maturity of any such bonds or obligations;

18 (d) The use and disposition of any money of the Authority, including  
19 all revenues or other money derived or to be derived from any project or  
20 projects;

21 (e) Pledging, setting aside, depositing or trusteeing all or any part of  
22 the proceeds, revenues or other money of the Authority to secure the  
23 payment of the principal of or interest on the bonds or any other obligations  
24 and the power and duties of any trustee with regard thereto;

1 (f) The setting aside out of the proceeds, revenues or other money of  
2 the Authority of reserves and sinking funds, and the source, custody,  
3 security, regulation application and disposition thereof;

4 (g) The rents, fees or other charges for the use of any project or  
5 projects, including any parts thereof theretofore constructed or acquired and  
6 any parts, replacements or improvements thereof thereafter constructed or  
7 acquired, and the fixing, establishment, collection and enforcement of the  
8 same;

9 (h) Limitation on the issuance of additional bonds or any other  
10 obligations or on the incurrence of indebtedness of the Authority;

11 (i) Vesting in a trustee or trustees, fiscal or escrow agent or agents  
12 within or without the Territory such property, rights, powers and duties in  
13 trust as the Authority may determine and limiting the rights, duties and  
14 powers of such trustee or agent;

15 (j) Payment of costs or expenses incident to the enforcement of the  
16 bonds or of the provisions of the indenture or of any covenant or contract  
17 with the holders of the bonds;

18 (k) The procedure, if any, by which the terms of any covenant or  
19 contract with, or duty to, the holders of bonds may be amended or abrogated,  
20 the amount of bonds the holders of which must consent thereto, and the  
21 manner in which such consent may be given or evidenced; or

22 (l) Any other matter or course of conduct which, by recital in the  
23 indenture is declared to further secure the payment of the principal of or  
24 interest on the bonds.

25

1 All such provisions of the indenture and all such covenants and  
2 agreements shall constitute valid and legally binding contracts between the  
3 Authority and the several holders of the bonds, regardless of the time of  
4 issuance of such bonds, and shall be enforceable by any such holder or  
5 holders by appropriate action, suit or proceeding in any court of competent  
6 jurisdiction, or by proceeding in lieu of prerogative writ.

7 **§ 82206. Pledge of Revenues; Lien.**

8 Any pledge of revenues or other money made by the Authority shall  
9 be valid and binding from the time when the pledge is made; the revenues or  
10 other money so pledged and thereafter received by the Authority shall  
11 immediately be subject to the lien of such pledge without any physical  
12 delivery thereof or further act, and the lien of any such pledge shall be valid  
13 and binding as against all parties having claims of any kind in tort, contract  
14 or otherwise against the Authority, irrespective of whether such parties have  
15 notice thereof. Neither the indenture nor any other instrument by which a  
16 pledge is created need be filed or recorded except in the records of the  
17 Authority.

18  
19 **§ 82207. Nonliability of Members of the Authority or of the Government**  
20 **of Guam.**

21 Neither the members of the Authority nor any person executing bonds  
22 issued pursuant to this Chapter shall be liable personally on the bonds by  
23 reason of the issuance thereof. Bonds or other obligations issued by the  
24 Authority pursuant to this Chapter shall not be in any way a debt or liability  
25 of the Government of Guam or of any political subdivision thereof, either  
26 legal, moral or otherwise, and nothing in this Chapter contained shall be



1 construed to authorize the Authority to incur any indebtedness on behalf of  
2 or in any way to obligate the Government of Guam and all such bonds shall  
3 contain on the face thereof a statement to that effect.

4

5 **§ 82208. Tax Exemptions; Payments in Lieu of Taxes.**

6 The exercise of the powers granted by this Chapter shall constitute the  
7 performance of an essential governmental function and the Authority shall  
8 not be required to pay any taxes or assessments upon or in respect of a  
9 project, or any property of money of the Authority, and the Authority, its  
10 projects, property and money and any bonds and notes issued under the  
11 provisions of this Chapter, their transfer and the income therefrom, including  
12 any profit made on the sale thereof, shall at all times be free from taxation of  
13 every kind. Bonds issued pursuant to the provisions of this Chapter and the  
14 interest income therefrom are exempt from taxation in accordance with the  
15 provision of the last sentence of §11 of the Organic Act of Guam (§1423a,  
16 Title 48, U.S. Code).

17

18 **§ 82209. Bonds as Legal Investments and as Security for Performance of**  
19 **any Act.**

20 Notwithstanding any restriction contained in any other law, the  
21 Government of Guam, its officers, boards, commissions, departments or  
22 other agencies, all banks, bankers, trust companies, savings banks and  
23 institutions, building and loan associations, savings and loan associations,  
24 investment companies and other persons carrying on a banking or  
25 investment business, all insurance companies, insurance associations and  
26 other persons carrying on an insurance business, and all executors,

1 administrators, guardians, trustees and other fiduciaries, and all other  
2 persons whatsoever who now are or may hereafter be authorized to invest in  
3 bonds or other obligations of the Government of Guam, may properly and  
4 legally invest any sinking funds, money or other funds, including capital,  
5 belonging to them or within their contract in any bonds or notes issued by  
6 the Authority under the provisions of this Chapter; and the bonds and notes  
7 are made securities which may properly and legally be deposited with and  
8 received for the performance of any act whenever any evidence of  
9 indebtedness of the Government of Guam for any purpose for which the  
10 deposit of bonds or other obligations of the Government of Guam is now or  
11 may hereafter be authorized by law.

12

13 **§ 82210. Applicability of Other Laws.**

14 The sections of this Chapter shall be deemed to provide a complete  
15 method for the doing of things authorized thereby and shall be regarded as  
16 not in conflict with, or as restrictive of power conferred by any other laws,  
17 and the provisions of this Chapter shall be complete authority for the  
18 issuance of bonds by the Authority and the provisions of any other laws shall  
19 not apply to the issuance of such bonds; provided, however, that the issuance  
20 of bonds by the Authority under this Chapter shall be subject to the  
21 provisions of §50103(k), Chapter 50, Title 12, Guam Code Annotated.

22

23 **§ 82211. Property of Authority; Exemption From Execution or Other**  
24 **Judicial Process.**

25 All property of the Authority shall be exempt from levy and sale by  
26 virtue of an execution and no execution or other judicial process shall issue

1 against the same nor shall any judgment against the Authority be a charge or  
2 lien upon its property; provided, that nothing herein contained shall apply to  
3 or limit the rights of the holder of any bonds to pursue any remedy for the  
4 enforcement of any pledge of lien given by the Authority on or with respect  
5 to any project or any revenues or other money.

6  
7 **§ 82212. Pledge by the Government of Guam.**

8 The government of Guam hereby pledges that while any bonds of the  
9 Authority issued under this Article remain outstanding and not fully  
10 performed or discharged: (a) to maintain the rights, powers and duties of the  
11 Board to fulfill the terms of any agreements made with bondholders in  
12 accordance with this Article, and (b) to maintain the rights and remedies of  
13 bondholders provided in this Article and any indenture.

14  
15 **§ 82213. Disposition of Funds and Projects.**

16 Any balance remaining in any of the funds or accounts created by this  
17 Article or any indenture after payment of all costs, expenses and charges  
18 required or authorized to be expended therefrom, may be allocated and used  
19 for such other purposes relating to the project or to the Authority, as the  
20 Board may determine, subject to the limitations and restrictions in any  
21 indenture. When the principal of and interest on bonds of the Authority  
22 issued to finance the costs of a particular project, including any refunding  
23 bonds issued to refinance all or any part of these bonds, have been fully paid  
24 and retired, or when adequate provisions have been made for their payment  
25 and retirement and all other conditions of any resolution, indenture, security  
26 interest or any other instrument authorizing and securing the bonds have

1 been satisfied, and any lien created has been released in accordance with the  
2 provisions thereof, the Authority is authorized, upon the terms and  
3 conditions it prescribes, to execute releases, released deeds, reassignments,  
4 deeds and conveyances and to do all things necessary or required to convey  
5 or release its rights, title and interest in the project financed and in any other  
6 instruments pledged or transferred to secure bonds to the Government of  
7 Guam or any political subdivision thereof, as their respective interests may  
8 appear.

9  
10 **§ 82214. Trustee for Authority and Holders of Bonds.**

11 (a) The Authority or any agent designated by the Authority shall  
12 act as trustee for the Authority and the holders of bonds issued hereunder  
13 and the Authority may authorize the trustee to act on behalf of the holders of  
14 the bonds or any stated percentage thereof and to exercise and prosecute on  
15 behalf of the holders of the bonds such rights and remedies as may be  
16 available to the holders.

17 (b) The Authority may provide in an indenture:

18 (i) for the deposit of all or any portion of the revenues with  
19 the Authority and for the holding thereof by the Authority in one or  
20 more separate funds or accounts in the Guam Streetlight Authority  
21 Revenue Fund; and

22 (ii) for the transfer to the trustee of all or any portion of the  
23 revenues as are provided as security for the bonds and for the holding  
24 thereof by the trustee in one or more separate funds or accounts. All  
25 money in each such fund or account shall be disbursed only as  
26 provided herein and in the indenture.

1

2 **§ 82215. Duties and Powers of Trustee.**

3       The Authority shall prescribe in any indenture the duties and powers  
4 of the trustee with respect to the issuance, authentication, sale and delivery  
5 of the bonds provided for in such indenture and with respect to the payment  
6 of principal of and interest on such bonds, the redemption thereof, the  
7 registration and discharge from registration thereof and the management of  
8 any and all funds provided as security therefore.

9

10 **§ 82216. Issuance and Interchange of Coupon and Registered Bonds.**

11       An indenture may provide that bonds may be issued as coupon bonds  
12 or as registered bonds and for the interchange of coupon bonds for registered  
13 bonds and registered bonds for coupon bonds, and may provide that bonds  
14 shall be registered as to principal only or as to both principal and interest or  
15 otherwise as the Authority may determine.

16

17 **§ 82217. Redemption of Bonds Prior to Maturity.**

18       An indenture may provide that bonds may be redeemed prior to  
19 maturity upon such terms, conditions and upon such notice as are stated in  
20 the indenture and upon the payment of such premium as may be fixed by the  
21 indenture.

22

23 **§ 82218. Places of Payment.**

24       An indenture may provide for the payment of the principal and  
25 interest of bonds at any one or more places in Guam or in the United States  
26 and in any specified coin or currency of the United States.

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**§ 82219. Execution and Authentication of Bonds.**

An indenture may provide for the execution and authentication of bonds by the manual or facsimile signature of any one or more officers of the Authority and by additional authentication by endorsement by the manual signature or a signature stamp of any one or more officers of the Authority or of any agent designated by the Authority as trustee. If any officer or agent whose signature, countersignature or endorsement appears upon the bonds or coupons ceases to be an officer or agent before the delivery of the bonds or coupons, his signature, countersignature or endorsement is nevertheless valid and of the same force and effect as if he had remained such officer or agent until the delivery of the bonds and coupons.

**§ 82220. Dates and Maturities of Bonds.**

Bonds shall bear dates prescribed by the Authority in the indenture providing for their issuance. Bonds may be serial bonds, term bonds or sinking fund bonds with such maturities as the indenture shall specify. No bond by its terms shall mature more than fifty (50) years after its date of issuance.

**§ 82221. Sale of Bonds.**

Bonds authorized to be issued under this Article shall be sold by the Authority for cash, in accordance with the provisions of a resolution providing for such sale adopted by the Board. The bonds may be sold at either public or private sale, and upon such terms and conditions as shall be

1 authorized by the Board, which may provide that the bonds may be sold at  
2 less than their par or face value.

3  
4 **§ 82222. Validity of Authorization and Issuance of Bonds.**

5 The validity of the authorization and issuance of any bonds by the  
6 Authority is not dependent on nor affected in any way by:

7 (a) Proceedings taken by the Authority for the acquisition,  
8 construction or improvement of a project or any part thereof;

9 (b) Any contracts made by the Authority in connection with the  
10 acquisition, construction or improvement of a project or any part thereof; or

11 (c) The failure to complete the project or any part thereof for which  
12 bonds are authorized to be issued.

13  
14 **§ 82223. Tax Exemptions.**

15 Bonds issued pursuant to the provisions of this Article and the interest  
16 or income therefrom are exempt from taxation to the extent permitted by the  
17 provisions of Section 11 of the Organic Act.

18  
19 **§ 82224. Guam Streetlight Authority Revenue Fund.**

20 All revenues received from or on account of projects shall be  
21 deposited to the credit of the Guam Streetlight Authority Revenue Fund,  
22 which fund is hereby created. Moneys in the Guam Streetlight Authority  
23 Revenue Fund may be used for any of the following purposes in the order of  
24 priority set forth in any indenture:

25 (a) to pay principal or interest on any bonds;

1 (b) to pay any amounts due and owing under any credit provider  
2 reimbursement agreement; and

3 (c) for any other purposes of the Authority; all as provided in any  
4 indenture or indentures and subject to any restrictions provided by law or  
5 any indenture.

6  
7 **§ 82225. Investment of Money in Funds.**

8 Moneys in the Guam Streetlight Authority Revenue Fund may be  
9 invested by the Authority and any revenues in any other fund or account  
10 held by or on behalf of the Authority or its agent may be invested by the  
11 Authority or its agent, as the case may be, in any investment authorized by  
12 any indenture providing for the issuance of bonds. All interest or other  
13 earnings received pursuant to such investments shall be collected by the  
14 Authority or its agent, as the case may be, and shall be deposited to the  
15 credit of the fund or account from which such interest or other earnings are  
16 derived, unless otherwise provided in an indenture.

17  
18 **§ 82226. Appropriation of Money in Funds.**

19 All money in the funds and accounts created by this Article or any  
20 indenture is hereby appropriated for expenditure in carrying out the purposes  
21 herein and therein provided

22  
23 **§ 82227. Credit Enhancement.**

24 The Board has the power and is hereby authorized to cause the  
25 Authority to enter into such contracts or agreements with such banks,  
26 insurance companies or other financial institutions as it determines are



1 necessary or desirable to improve the security and marketability of the  
2 bonds. Such contracts or agreements may contain an obligation to  
3 reimburse, with interest, any such banks, insurance companies or other  
4 financial institutions for advances used to pay principal of or interest on the  
5 bonds and to indemnify any such banks, insurance companies or other  
6 financial institutions for costs and expenses incurred in connection with any  
7 such advance; provided, that any obligation of the Authority under any  
8 reimbursement agreement shall be payable solely from revenues.

9 Any reimbursement agreement may include a provision that the  
10 obligations of the Authority under the agreement shall be secured by all or  
11 by part of revenues; provided that, at the time of execution and delivery of  
12 each such agreement, any such provision shall be in compliance with and  
13 shall not violate or breach any provision of any indenture then in effect with  
14 respect to bonds.”

15

16 **Section 3. Effective Date.** This Act shall become effective upon  
17 enactment.

18

19 **Section 4. Severability.** If any section, part, phrase or provision of  
20 this Chapter or the application thereof to any person, project or  
21 circumstances, be adjudged invalid by any court of competent jurisdiction,  
22 such judgment shall be confined in its operation to the section part, phrase,  
23 provision or application directly involved in the controversy in which such  
24 judgment shall have been rendered and shall not effect or impair the validity  
25 of the remainder of this Chapter or the application thereof to other persons,  
26 projects or circumstances.



**PUBLIC HEARING SIGN-IN SHEET**  
 Friday, December 13, 2013 - 2:00PM  
 I Liheslatura • Public Hearing Room • Hagatna, Guam

**Bill No. 227-32 (COR) - T.C. Ada / R.J. Respicio - An act to authorize the creation of the Guam Streetlight Authority to issue bonds to finance the purchase and installation of new LED streetlights.**

Nov 14  
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NAME	AGENCY OR ORGANIZATION	POSITION		TESTIMONY		PHONE NO.	EMAIL ADDRESS
		SUPPORT	OPPOSE	WRITTEN	ORAL		
Bill Hagen	GRETA private	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Kim Flores	OPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Karely Wierwand	CPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Margaret Jesse Sigua	Marygrove	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
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**William H. Hagen  
Barrigada**

**To: Committee on General Governmental Operations & Cultural Affairs**

**Re: Bill No. 227-32**

**Dear Mr. Chairman and members of the committee:**

I am in full support of any effort which will reduce the use of foreign fossil fuel on Guam. It will be good for the economy and certainly be good for our environment as we reduce our carbon foot print. As an owner, like all residents of Guam, of the Guam Power Authority it pains me to admit that for almost 1,000 miles in any direction we are the biggest producer of green house gasses. Installing more energy efficient street lights certainly sends a strong message and continues the Guam Legislature's public policy of energy conservation and a cleaner environment.

Last week in a meeting with the Guam Power Authority and several members of the Consolidated Commission on Utilities we were advised that GPA has an excellent credit rating and qualifies for an extremely low interest rate on their bonds. Will this new special purpose entity, to be known as the "Guam Streetlight Authority" be able to take advantage of GPA's financial reputation or will this new authority need to go through the complete scrutiny of those handling the bonds perhaps resulting in higher bond fees and higher interest rates?

As written, this new special purpose entity is an extension of the CCU and GPA in everyway except in name. Why not just keep it in house, bundle the needed \$16M with some of the existing utility bond requests, lowering the financing charges, and pass on the savings to the owners of GPA, the Guam taxpayers, in the form of lower fees to the Department of Public Works for street lights.

Thank you for this opportunity to testify.

Sincerely Yours

William Hagen  
Taxpayer



# GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN  
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

December 13, 2013

The Honorable Benjamin J.F. Cruz  
32<sup>nd</sup> Guam Legislature, Vice-Speaker  
Suite 107, 155 Hesler St.  
Hagåtña, Guam 96910

Subject: Testimony in favor of Bill 227-32 creating “The Guam Streetlight Authority”

Dear Vice-Speaker Cruz:

I'm here today to testify in favor of Bill No. 227-32 which creates the Guam Streetlight Authority.

GPA has been exploring options for taking advantage of technological improvements in the efficiency of streetlights that have taken place in recent years. GPA has participated in a couple of grant funded streetlight projects that have allowed us to study the performance and efficiency of Light Emitting Diode (LED) streetlights as well as induction lights. Through this process we have developed a preference for LED lights. They are 54% more efficient than the current high pressure sodium lights being used at the Authority and have proven to be more reliable as well.

We brought the concept of an island-wide streetlight replacement project to the Consolidated Commission on Utilities (CCU) a little more than a year ago. The CCU expressed two concerns with the concept. First, they didn't feel it was appropriate for GPA to take debt on its balance sheet for a customer since GPA had declined to take on debt at the request of other customers. Second, they determined the impact the project would have on GPA's debt service coverage requirements was too significant.

GPA began exploring options to address the concerns of the CCU. We determined that the creation of a Special Purposed Entity (SPE) such as the Guam Streetlight Authority was the optimal method of providing financing for the project or the island-wide streetlight replacement project. While SPE's are new to Guam, they are fairly common in the mainland as a creative financing mechanism allowed by U.S tax law. The SPE would be a government entity established in legislation to be the conduit through which contracting and tax-exempt financing would be completed.

GPA's bond counsel has advised that the SPE board could be made up of three members of the CCU while staying within the confines of the Internal Revenue Code. Debt issued by the SPE would be on the books of the SPE, would be off of the books of GPA and would not contribute to the government of Guam debt ceiling.

After the passage of Bill 227-32, there would a need to for an additional law authorizing the issuance of bonds and authorizing the Department of Public Works (DPW) to enter into a long term contract with GPA for streetlight services. At the same time, GPA would enter into a 20 year contract with DPW to provide streetlight services and another contract with the SPE to replace existing streetlights in order for GPA to provide service to DPW.

GPA anticipates the financing term would be 12 years or less. The savings from energy efficiency and maintenance is almost exactly offset by the cost of the financing. Thus, the most significant savings will be realized after the debt service has been paid off. The PUC has approved shifting existing rate subsidies more toward cost to serve each customer class. This has been planned for implementation over the next several years concurrent with the financing of street lights through the SPE. This provides GPA with an opportunity to provide an additional 1,000 streetlights to the island without increasing the amount paid by DPW.

After the financing is paid off by the SPE, GPA would be able to reduce the amount charged to the government through the tariff. The streetlights would be owned by the Guam Streetlight Authority for the 20 year period and would then be transferred back to GPA. GPA's bond counsel provided the initial draft of the bill. However, they have advised us that they did not solicit feedback regarding some market related issued in the development of the law. They have requested for an opportunity to provide some additional feedback after they have worked through some issues with underwriters and others.


Another matter has also arisen, GPA would like to add a change in the bill that would allow current contractors of GPA who have been contracted through Guam Procurement law to provide assistance to GPA in the development of the RFP and management of the project. Additionally, GPA would like to request that the underwriting team that has been assigned to GPA by the Guam Economic Development Authority, be allowed to serve as underwriter for the Guam Streetlight Authority.

Another benefit to this project is that once the SPE is established, there is potential for it to be used as a vehicle for low cost financing for other GPA projects in the future.

For all of the reasons stated above, I wholeheartedly support the creation of the Guam Streetlight Authority as described by Bill 227-32.

Thank you for allowing me to testify in favor of Bill 227-32.

Sincerely,

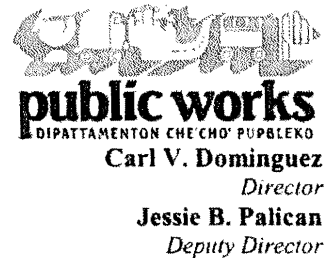


Joaquin C. Flores, P.E.  
General Manager



*The Honorable*  
**Eddie Baza Calvo**  
*Governor*

*The Honorable*  
**Ray Tenorio**  
*Lieutenant Governor*



**Department of Public Works**  
**Written Testimony – Bill 227-32(COR)**

Dear Mr. Chairman and Members of your Committee:

On November 14, 2013, I testified in favor of Bill 212-32 (COR), relative to the procuring, installing, operating, leasing, maintaining, refurbishing and replacing of energy efficient streetlights for the entire island of Guam, also known as the Island-Wide Energy Efficient Street Light Act of 2013.

The Department of Public Works supports the Guam Power Authority's ability to replace existing sodium streetlights with new energy efficient LED streetlights which will save energy and reduce maintenance costs. The resulting savings will be used to add more streetlights to our routed and village roads for the safety of our residents and visitors alike, but will not increase the overall costs of operating the streetlights, which is currently estimated to be \$6.5 Million to \$7.0 Million per year.

Bill 227-32 (COR) authorizes GPA to establish a special purpose entity to obtain financing of the new LED streetlights. In this regards, the DPW supports Bill 227-32.

RESPECTFULLY SUBMITTED:



---

CARL V. DOMINGUEZ



## Guam Renewable Energy Association

**To: Committee on General Governmental Operations & Cultural Affairs**

**Re: Bill No. 227-32**

**Dear Mr Chairman and Members of the Committee:**

The Guam Renewable Energy Association fully supports Bill No. 227-32, enabling the Island of Guam to have this opportunity of lowering our Islands carbon foot print and taking advantage of the ever-increasing technology of LED Lighting.

GREAA's members consist of renewable energy experts whose core capabilities include electrical and renewable energy engineers, consultants, auditors and installation companies on every level. We believe as independent companies we have the capability on the Island of Guam as local companies employing a local work force to complete this project with the best technology on the market today with the highest quality of installation.

In addition, GREAA, as a Trade Association, can be of great assistance in the planning stage of this project without being directly involved with the final Request for Proposal. We, also, believe that as an Association our member companies have the capability of financing this project separate from a bond issuance if this is an option.

GREAA, as the Guam Trade Association, whose members contribute to this economy with employment, taxes, insurances, business to business commerce in every aspect here on Guam our members are looking forward to being part of this project and as a Renewable Energy Association being part of the solution for the reduction of fossil fuel here on our beautiful Island.

Thank you,

Jeffrey Voacolo  
President

Guam Renewable Energy Association

P.O. Box 27389  
Barrigada, 96921  
Phone 671-487-3763



LEWANDY TAITANO  
EMBAJADOR GUAYAN  
COMUNISTAS TAITANO  
SENADOR SENADOR TAITANO GUAYAN  
HENRY J. TAITANO  
ADMINISTRADOR

December 12, 2013

TESTIMONY OF MR. HENRY J. TAITANO

ADMINISTRATOR

GUAM ECONOMIC DEVELOPMENT AUTHORITY (GEDA)

BILL NO. 227-32 (COR)

*Hafa Adai* Senator Cruz and members of the Committee on General Government Operations and Cultural Affairs. Thank you for the opportunity to provide testimony on Bill No. 227-32, "AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF THE NEW LED STREETLIGHTS."

GEDA is in agreement with the intent of Bill 227-32 which is to replace our existing streetlights with energy efficient LED streetlights. GEDA concurs with the intent to create the Guam Streetlight Authority (GSA) and the use of existing Consolidated Commission on Utilities members to sit on this governing board. The proposed officers of the GSA and the use of their respective expertise in implementing a strategy to effectuate this program is also supported by GEDA.

GEDA believes that this bill will create the GSA and that the GSA will approach the legislature in the future for consideration of an plan to carry out their proposed mandate which is stated in Bill 227-32 as, "The Authority is created with the limited and sole purpose of facilitation of the financing, acquisition and installation of new LED streetlights for Guam public thoroughfares."

GEDA was afforded an opportunity this week to sit in on a meeting on this and several other related measures. GEDA's takeaway was that this is a good step in the right direction with all parties present committing to work with your Committee to address several technical amendments necessary to ensure the GSA is properly empowered, with GEDA's assistance, to finance, acquire and install the LED streetlights.

I again thank you and the members of your Committee for this opportunity to provide written testimony today.

*St Xu'os Ma'ase!*  
  
Henry J. Taitano







# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
E-mail: [roryfonguam@gmail.com](mailto:roryfonguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

Senator  
Vicente (Ben) C. Pangelinan  
Member

Speaker  
Judith T.P. Won Pat, Ed.D.  
Member

Senator  
Dennis G. Rodriguez, Jr.  
Member

Vice-Speaker  
Benjamin J.F. Cruz  
Member

Legislative Secretary  
Tina Rose Muña Barnes  
Member

Senator  
Frank Blas Aguon, Jr.  
Member

Senator  
Michael F.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

December 17, 2013

## Memorandum

**To:** **Rennae Meno**  
*Clerk of the Legislature*

**From:** **Senator Rory J. Respicio**  
*Majority Leader & Rules Chair*

**Subject:** **Fiscal Notes /Waivers**

2013 DEC 17 PM 2:29

*Hafa Adai!*

Attached please find the fiscal note for the bill numbers listed below. Please note that the fiscal notes, or waivers, are issued on the bills as introduced.

### FISCAL NOTES:

- Bill No. 173-32(LS)
- Bill No. 208-32(COR)
- Bill No. 213-32(COR)
- Bill No. 221-32(COR)
- Bill No. 227-32(COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

*Si Yu'os ma'ase'!*

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR  
Post Office Box 2950, Hagåtña Guam 96932

**EDDIE BAZA CALVO**  
GOVERNOR

**JOHN A. RIOS**  
DIRECTOR

**RAY TENORIO**  
LIEUTENANT GOVERNOR

**DEC 06 2013**

Senator Rory J. Respicio  
Chairperson, Committee on Rules  
I Mina'trentai Unu na Liheslaturan Guåhan  
The 31<sup>st</sup> Guam Legislature  
155 Hesler Place  
Hagåtña, Guam 96932

*Hafa Adai* Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 173-32(LS), 208-32(COR), 213-32(COR), 221-32(COR) and 227-32(COR).

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.

  
JOHN A. RIOS  
Director

Enclosures  
cc: Senator Vicente (ben) Pangelinan

Bureau of Budget & Management Research  
Fiscal Note of Bill No. 227-32 (COR)

AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF NEW LED STREETLIGHTS

Department/Agency Appropriation Information	
Dept./Agency: Guam Economic Development Authority	Dept./Agency Head: Henry Taitano, Administrator
Department's General Fund (GF) appropriation(s) to date:	
Department's Other Fund (Specify) appropriation(s) to date:	
Total Department/Agency Appropriation(s) to date:	\$0

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2013 Unreserved Fund Balance		\$0	\$0
FY 2014 Adopted Revenues	\$0	\$0	\$0
FY 2014 Appro. (Bill No. 14-S)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2014 (if applicable)	FY 2015	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

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

Analyst: John B Pangelinan Date: 12-2-13 Director: John A. Rios Date: 12-03-13  
John B Pangelinan, Supervisor John A. Rios, Director

Footnotes:  
Please see comment sheet.

### Comments on Bill No. 227-32

This proposed legislation is seeking to create a separate, fully functional autonomous authority with a governance body and management officials to be known as the Guam Streetlight Authority. The intent of the proposed organization of the Guam Streetlight Authority is for this Authority to issue a bond indenture to cover the renovation of streetlights from the incandescent and/or Fluorescent to LED, so not to place an undue burden to Guam Power Authority (GPA)'s ratepayers should a revenue bond be issued for such purpose.

This proposed establishment of the Guam Streetlight Authority, a public corporation, is provided with: 1) the legislative authority to issue, sell or dispose of revenue bonds; 2) the rights of succession; 3) the adoption of a corporate seal; 4) the development of an internal organization and management to govern the conduct of such organization; 5) the authority to enter into contracts; 6) the authority to acquire obligation and debt; 7) the authority to settle and adjust claims; the authority to acquire properties; 8) the authority to acquire intangible properties; 9) the authority to acquire donations or contributions as revenues; and 9) the authority to act or implement the necessary steps necessary to carry-out its legislative purpose.

The governing body for this Authority is to be its Board of Directors comprising of three members of the Consolidated Commission on Utilities. To carry-out such policies and directives of this board, a management team consisting of the General Manager of GPA, Chief Financial Officer of the GPA and Secretary of the Authority shall all serve as the "ex officio" of the Authority.

With regards to the issuance of revenue bonds as authorized, this Authority is authorized to issue such bond indenture with the understanding that this bond indenture is not a public indebtedness for the Authority but a special obligation of the Authority payable solely from the revenues specified in the Resolution providing for such bond indenture. This resolution requires the approval of the Governor. It is noted that this Authority does not have a rate mechanism in place to generate income, although it is authorized to recognize fees as revenues. This fact is pointed out because this Authority is authorized to issue revenue bonds which are dependent on a steady stream of revenues generated from an identified rate mechanism for services rendered. It appears that any pledging of revenues would come from an assortment of miscellaneous donations, contributions and rentals rather than from a steady revenue stream. To counter-act such unreliability of funding, Section 82212, Article II of the proposed Chapter 82 is requiring the Government of Guam, as a pledge, to insure and continue the rights, powers and duties of the Authority needed to fulfill the terms of any agreements made with bondholders. It is our belief that such pledge made by the Government of Guam would change the composition of the revenue bonds issued by this Authority into general obligation bonds that would exceed the debt ceiling of Government of Guam, violating Section 1423a, Title 48, U. S. Code. Such violation would make this proposed legislation inappropriate for execution.



**COMMITTEE ON RULES**

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
E-mail: [roryforguam@gmail.com](mailto:roryforguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

Senator  
Vicente (Ben) C. Pangelinan  
Member

Speaker  
Judith T.P. Won Pat, Ed.D.  
Member

Senator  
Dennis G. Rodriguez, Jr.  
Member

Vice-Speaker  
Benjamin J.F. Cruz  
Member

Legislative Secretary  
Tina Rose Muña Barnes  
Member

Senator  
Frank Blas Aguon, Jr.  
Member

Senator  
Michael F.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

November 25, 2013

VIA E-MAIL  
[john.rios@bbmr.guam.gov](mailto:john.rios@bbmr.guam.gov)

John A. Rios  
Director  
Bureau of Budget & Management Research  
P.O. Box 2950  
Hagåtña, Guam 96910

RE: Request for Fiscal Notes- Bill Nos. 222-32 (COR) through 227-32(COR)

*Hafa Adai* Mr. Rios:

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

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

Very Truly Yours,

Senator Thomas C. Ada  
*Acting Chairperson of the Committee on Rules*

Attachment (1)

Cc: Clerk of the Legislature

2013 NOV 25 PM 5:29



## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
E-mail: [roryforguam@gmail.com](mailto:roryforguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

November 25, 2013

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

### MEMORANDUM


Senator  
Vicente (Ben) C. Pangelinan  
Member

To: **Rennae Meno**  
*Clerk of the Legislature*

Speaker  
Judith T.P. Won Pat, Ed.D.  
Member

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

Senator  
Dennis G. Rodriguez, Jr.  
Member

From: **Senator Thomas C. Ada**   
*Acting Chairperson of the Committee on Rules*

Vice-Speaker  
Benjamin J.F. Cruz  
Member

Subject: **Referral of Bill No. 227-32(COR)**

Legislative Secretary  
Tina Rose Muña Barnes  
Member

As the Acting Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 227-32(COR)**.

Senator  
Frank Blas Aguon, Jr.  
Member

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 members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Senator  
Michael E.Q. San Nicolas  
Member

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Attachment

Senator  
Aline Yamashita  
Member

*I Mina'Trentai Dos Na Liheslaturan Guahan*  
**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
<b>227-32 (COR)</b>	T.C. Ada R.J. Respicio	AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF NEW LED STREETLIGHTS.	11/22/13 5:04 p.m.	11/25/13	Committee on General Governmental Operations and Cultural Affairs			<b>Fiscal Note Requested 11/25/13 Fiscal Notes Received 12/17/13</b>



Tessa Weidenbacher <tessa@senatorbjcruz.com>

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## FIRST NOTICE of Public Hearing – December 13, 2013

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Tessa Weidenbacher <tessa@senatorbjcruz.com>

Thu, Dec 5, 2013 at 1:31 PM

To: phnotice@guamlegislature.org

Cc: cor@guamlegislature.org, mis <mis@guamlegislature.org>

December 5, 2013

### MEMORANDUM

To: All Members /All Senators

From: Vice Speaker Benjamin J.F. Cruz, Chairman

Re: FIRST NOTICE of Public Hearing – December 13, 2013

*Håfa Adai!* The Committee on General Government Operations and Cultural Affairs will conduct a **Public Hearing of Bills** beginning at **2:00PM** and a **Confirmation Hearing** beginning at **5:00PM** on Friday, December 13, 2013, in the / *Liheslatura* Public Hearing Room with the following agenda:

#### **2:00PM - Public Hearing of Bills**

- **Bill No. 214-32 (COR)** – M.F.Q. San Nicolas – An act to allow employees of Government of Guam agencies and instrumentalities to apply payroll deductions to registered non-profits, by amending §20111 of Article 1, Chapter 20, Title 5, Guam Code Annotated.
- **Bill No. 220-32 (LS)** – R.J. Respicio / T.R. Muña Barnes / J.T. Won Pat, Ed.D. – An act to require the Mayors Council of Guam (MCOG) and the Guam Environmental Protection Agency (GEPA) to collaborate on development of an operational plan for the implementation of this act, and to appropriate Two Million Dollars (\$2,000,000) from the recycling revolving fund to the Mayors Council of Guam for the purchase of heavy equipment to be utilized by the MCOG for that collection and disposal of recyclables, junk cars, green waste and other debris.
- **Bill No. 224-32 (COR)** – T.C. Ada / R.J. Respicio – An act to amend §5425, §5426, §5427, §5450, §5452, §5480, §5481, §5485(a) and §5485(b) of Article 9, and §5703, §5705, §5706(b), §5707(a), and §5708 of Article 12, Chapter 5, Title 5 of the Guam Code Annotated relative to clarifying legal and contractual remedies in Guam Procurement Law.
- **Bill No. 227-32 (COR)** – T.C. Ada / R.J. Respicio – An act to authorize the creation of the Guam Streetlight Authority to issue bonds to finance the purchase and installation of new LED streetlights.
- **Bill No. 229-32 (COR)** – M.F.Q. San Nicolas – An act to require that the Office of Technology establish a web-based meeting protocol to allow agencies to hold non-public meetings remotely by adding a new subsection (k) to §20204.1 of Article 2, Chapter 20, Title 5, Guam Code Annotated.
- **Bill No. 230-32 (COR)** – M.F.Q. San Nicolas – An act to require that the Office of Technology establish a secure web-based communications protocol to allow agencies to securely share information with authorized recipients by adding a new subsection (j) to §20204.1 of Article 2, Chapter 20, Title 5, Guam Code Annotated.
- **Bill No. 233-32 (COR)** – M.F.Q. San Nicolas – An act to require a period for public comment at every public meeting of an agency or instrumentality of the Government of Guam, by adding a new §8117 to Chapter 8, Title 5, Guam Code Annotated.

#### **5:00PM - Confirmation Hearing**

- The Executive Appointment of **Donna W. Kloppenburg** as Performing Arts Member of the Council on the Arts and Humanities Agency.



Testimonies may be submitted via hand delivery to the Office of Vice Speaker Benjamin J.F Cruz at the Guam Legislature; via postal mail to 155 Hesler Street, Hagåtña Guam 96910; via facsimile to 477-2522; or via e-mail to [senator@senatorbjcruz.com](mailto:senator@senatorbjcruz.com). Please submit testimonies at least one day prior to the date of the hearing.

All government activities, programs, and services are accessible for people with disabilities in compliance with Title II of the Americans with Disabilities Act (ADA). Should you or interested parties require assistance or special accommodations to fully participate in this public hearing, please contact Mr. Carlo J. Branch at the Office of the Vice Speaker at 477-2521 or via e-mail at [carlo.branch@senatorbjcruz.com](mailto:carlo.branch@senatorbjcruz.com).

We look forward to your attendance and participation.

cc: COR  
MIS  
Media


*n.b. The link for each item will open the pertinent document, e.g. Bill as introduced, Executive M&C.*

—  
**Tessa Weidenbacher**  
/senior research analyst/

**Vice Speaker Benjamin J.F. Cruz**  
*I Mína'trentai Dos Na Liheslaturan Guáhan*  
Phone: (671) 477-2520/1 | Fax: (671) 477-2522  
<http://www.senatorbjcruz.com>

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## 2 attachments

 **1st Notice PH 12132013.pdf**  
263K

 **1st Notice PR PH 12132013.pdf**  
258K



December 5, 2013

**MEMORANDUM**

To: All Members / All Senators  
From: Vice Speaker Benjamin J.F. Cruz, Chairman  
Re: FIRST NOTICE of Public Hearing - December 13, 2013

---

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We look forward to your attendance and participation.



FOR IMMEDIATE RELEASE  
December 5, 2013

## NOTICE OF PUBLIC HEARING

In accordance with the Open Government Law, P.L. 24-109, relative to notice for public meetings, let this release serve as five days' notice for a Public Hearing by the *Committee on General Government Operations and Cultural Affairs* scheduled on **Friday, December 13, 2013**, in the Guam Legislature Hearing Room in Hagåtña, on the following:

### 2:00PM - Public Hearing of Bills

- Bill No. 214-32 (COR) - M.F.Q. San Nicolas - An act to allow employees of government of Guam agencies and instrumentalities to apply payroll deductions to registered non-profits, by amending §20111 of Article 1, Chapter 20, Title 5, Guam Code Annotated.
- Bill No. 220-32 (LS) - R.J. Respicio / T.R. Muña Barnes / J.T. Won Pat, Ed.D. - An act to require the Mayors Council of Guam (MCOG) and the Guam Environmental Protection Agency (GEPA) to collaborate on development of an operational plan for the implementation of this act, and to appropriate Two Million Dollars (\$2,000,000) from the recycling revolving fund to the Mayors Council of Guam for the purchase of heavy equipment to be utilized by the MCOG for that collection and disposal of recyclables, junk cars, green waste and other debris.
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- Bill No. 227-32 (COR) - T.C. Ada / R.J. Respicio - An act to authorize the creation of the Guam Streetlight Authority to issue bonds to finance the purchase and installation of new LED streetlights.
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- Bill No. 230-32 (COR) - M.F.Q. San Nicolas - An act to require that the Office of Technology establish a secure web-based communications protocol to allow agencies to securely share information with authorized recipients by adding a new subsection (j) to §20204.1 of Article 2, Chapter 20, Title 5, Guam Code Annotated.
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**5:00PM - Confirmation Hearing**

- The Executive Appointment of Donna W. Kloppenburg as Performing Arts Member of the Council on the Arts and Humanities Agency.

Testimonies may be submitted in person to the Office of Vice Speaker Benjamin J.F Cruz at the Guam Legislature; by postal mail to 155 Hesler Place, Hagåtña Guam 96910; by facsimile to 477-2522; or by e-mail to [senator@senatorbjcruz.com](mailto:senator@senatorbjcruz.com). Copies of written testimonies received at least one day before the scheduled date will be available at the hearing.

Individuals requiring assistance or special accommodations should contact Mr. Carlo J. Branch at the Office of the Vice Speaker at 477-2521, or by e-mail at [carlo.branch@senatorbjcruz.com](mailto:carlo.branch@senatorbjcruz.com).

###



Tessa Weidenbacher <tessa@senatorbjcruz.com>

## SECOND NOTICE of Public Hearing – December 13, 2013 (AMENDED)

Tessa Weidenbacher <tessa@senatorbjcruz.com>  
 To: phnotice@guamlegislature.org  
 Cc: cor@guamlegislature.org, mis <mis@guamlegislature.org>

Wed, Dec 11, 2013 at 1:30 PM

December 11, 2013

### MEMORANDUM

To: All Members / All Senators  
 From: Senator Tina R. Muña Barnes, Acting Chair  
 Re: SECOND NOTICE of Public Hearing – December 13, 2013

*Håfa Adai!* The Committee on General Government Operations and Cultural Affairs will conduct a **Public Hearing of Bills** beginning at **2:00PM** and a **Confirmation Hearing** beginning at **5:00PM** on **Friday, December 13, 2013**, in the *I Liheslatura* Public Hearing Room with the following agenda:

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We look forward to your attendance and participation.

cc: COR  
MIS  
Media


*n.b. The link for each item will open the pertinent document, e.g. Bill as introduced, Executive M&C.*

—  
**Tessa Weidenbacher**  
/senior research analyst/

**Vice Speaker Benjamin J.F. Cruz**  
*I Mina'trentai Dos Na Liheslaturan Guåhan*  
Phone: (671) 477-2520/1 | Fax: (671) 477-2522  
<http://www.senatorbjcruz.com>

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## 2 attachments

 **2nd Notice PH 12132013.pdf**  
245K

 **2nd Notice PR PH 12132013.pdf**  
258K



December 11, 2013

**MEMORANDUM**

To: All Members/All Senators

From: Senator Tina R. Muña Barnes, Acting Chairman

Re: SECOND NOTICE of Public Hearing - December 13, 2013

---

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- **Bill No. 230-32 (COR)** - M.F.Q. San Nicolas - An act to require that the Office of Technology establish a secure web-based communications protocol to allow agencies to securely share information with authorized recipients by adding a new subsection (j) to §20204.1 of Article 2, Chapter 20, Title 5, Guam Code Annotated.
- **Bill No. 233-32 (COR)** - M.F.Q. San Nicolas - An act to require a period for public comment at every public meeting of an agency or instrumentality of the Government of Guam, by adding a new §8117 to Chapter 8, Title 5, Guam Code Annotated.

#### **5:00PM - Confirmation Hearing**

- The Executive Appointment of **Donna W. Kloppenburg** as Performing Arts Member of the Council on the Arts and Humanities Agency.

Testimonies may be submitted via hand delivery to the Office of Vice Speaker Benjamin J.F Cruz at the Guam Legislature; via postal mail to 155 Hesler Street, Hagåtña Guam 96910; via facsimile to 477-2522; or via e-mail to [senator@senatorbjcruz.com](mailto:senator@senatorbjcruz.com). Please submit testimonies at least one day prior to the date of the hearing.

All government activities, programs, and services are accessible for people with disabilities in compliance with Title II of the Americans with Disabilities Act (ADA). Should you or interested parties require assistance or special accommodations to fully participate in this public hearing, please contact Mr. Carlo J. Branch at the Office of the Vice Speaker at 477-2521 or via e-mail at [carlo.branch@senatorbjcruz.com](mailto:carlo.branch@senatorbjcruz.com).

We look forward to your attendance and participation.



FOR IMMEDIATE RELEASE  
December 11, 2013

## NOTICE OF PUBLIC HEARING

In accordance with the Open Government Law, P.L. 24-109, relative to notice for public meetings, let this release serve as 48-hours' notice for a Public Hearing by the *Committee on General Government Operations and Cultural Affairs* scheduled on **Friday, December 13, 2013**, in the Guam Legislature Hearing Room in Hagåtña, on the following:

### 2:00PM - Public Hearing of Bills

- Bill No. 214-32 (COR) - M.F.Q. San Nicolas - An act to allow employees of government of Guam agencies and instrumentalities to apply payroll deductions to registered non-profits, by amending §20111 of Article 1, Chapter 20, Title 5, Guam Code Annotated.
- Bill No. 220-32 (LS) - R.J. Respicio / T.R. Muña Barnes / J.T. Won Pat, Ed.D. - An act to require the Mayors Council of Guam (MCOG) and the Guam Environmental Protection Agency (GEPA) to collaborate on development of an operational plan for the implementation of this act, and to appropriate Two Million Dollars (\$2,000,000) from the recycling revolving fund to the Mayors Council of Guam for the purchase of heavy equipment to be utilized by the MCOG for that collection and disposal of recyclables, junk cars, green waste and other debris.
- Bill No. 224-32 (COR) - T.C. Ada / R.J. Respicio - An act to amend §5425, §5426, §5427, §5450, §5452, §5480, §5481, §5485(a) and §5485(b) of Article 9, and §5703, §5705, §5706(b), §5707(a), and §5708 of Article 12, Chapter 5, Title 5 of the Guam Code Annotated relative to clarifying legal and contractual remedies in Guam Procurement Law.
- Bill No. 227-32 (COR) - T.C. Ada / R.J. Respicio - An act to authorize the creation of the Guam Streetlight Authority to issue bonds to finance the purchase and installation of new LED streetlights.
- Bill No. 229-32 (COR) - M.F.Q. San Nicolas - An act to require that the Office of Technology establish a web-based meeting protocol to allow agencies to hold non-public meetings remotely by adding a new subsection (k) to §20204.1 of Article 2, Chapter 20, Title 5, Guam Code Annotated.
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- Bill No. 233-32 (COR) - M.F.Q. San Nicolas - An act to require a period for public comment at every public meeting of an agency or instrumentality of the Government of Guam, by adding a new §8117 to Chapter 8, Title 5, Guam Code Annotated.

**Listserv: [phnotice@guamlegislature.org](mailto:phnotice@guamlegislature.org)  
As of December 2, 2013**

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As of December 2, 2013**

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## **PUBLIC HEARING AGENDA**

Friday, December 13, 2013

*I Liheslatura* • Public Hearing Room • Hagåtña, Guam

### **Public Hearing of Bills - 2:00PM**

Bill No. 214-32 (COR) - M.F.Q. San Nicolas - An act to allow employees of government of Guam agencies and instrumentalities to apply payroll deductions to registered non-profits, by amending §20111 of Article 1, Chapter 20, Title 5, Guam Code Annotated.

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### **Confirmation Hearing - 5:00PM**

The Executive Appointment of Donna W. Kloppenburg as Performing Arts Member of the Council on the Arts and Humanities Agency.

**5:00PM - Confirmation Hearing**

- The Executive Appointment of Donna W. Kloppenburg as Performing Arts Member of the Council on the Arts and Humanities Agency.

Testimonies may be submitted in person to the Office of Vice Speaker Benjamin J.F Cruz at the Guam Legislature; by postal mail to 155 Hesler Place, Hagåtña Guam 96910; by facsimile to 477-2522; or by e-mail to [senator@senatorbjcruz.com](mailto:senator@senatorbjcruz.com). Copies of written testimonies received at least one day before the scheduled date will be available at the hearing.

Individuals requiring assistance or special accommodations should contact Mr. Carlo J. Branch at the Office of the Vice Speaker at 477-2521, or by e-mail at [carlo.branch@senatorbjcruz.com](mailto:carlo.branch@senatorbjcruz.com).

###



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
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Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

Senator  
Vicente (Ben) C. Pangelinan  
Member

Speaker  
Judith T.P. Won Pat, Ed.D.  
Member

Senator  
Dennis G. Rodriguez, Jr.  
Member

Vice-Speaker  
Benjamin J.F. Cruz  
Member

Legislative Secretary  
Tina Rose Muña Barnes  
Member

Senator  
Frank Blas Aguon, Jr.  
Member

Senator  
Michael F.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

December 17, 2013

## Memorandum

**To:** Rennae Meno  
*Clerk of the Legislature*

**From:** Senator Rory J. Respicio  
*Majority Leader & Rules Chair*

**Subject:** Fiscal Notes /Waivers

2013 DEC 17 PM 2:29

*Hafa Adai!*

Attached please find the fiscal note for the bill numbers listed below. Please note that the fiscal notes, or waivers, are issued on the bills as introduced.

### FISCAL NOTES:

- Bill No. 173-32(LS)
- Bill No. 208-32(COR)
- Bill No. 213-32(COR)
- Bill No. 221-32(COR)
- Bill No. 227-32(COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

*Si Yu'os ma'åse'!*

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**OFFICE OF THE GOVERNOR  
Post Office Box 2950, Hagåtña Guam 96932EDDIE BAZA CALVO  
GOVERNORJOHN A. RIOS  
DIRECTORRAY TENORIO  
LIEUTENANT GOVERNOR

DEC 06 2013

Senator Rory J. Respicio  
Chairperson, Committee on Rules  
I Mina'trentai Unu na Liheslaturan Guåhan  
The 31<sup>st</sup> Guam Legislature  
155 Hesler Place  
Hagåtña, Guam 96932

*Hafa Adai* Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 173-32(LS), 208-32(COR), 213-32(COR), 221-32(COR) and 227-32(COR).

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.

A handwritten signature in black ink, appearing to read "John A. Rios".

JOHN A. RIOS  
Director

Enclosures  
cc: Senator Vicente (ben) Pangelinan



**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 227-32 (COR)**

**AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF NEW LED STREETLIGHTS**

Department/Agency Appropriation Information	
Dept./Agency: <u>Af Guam Economic Development Authority</u>	Dept./Agency Head: <u>Henry Taktano, Administrator</u>
Department's General Fund (GF) appropriation(s) to date:	
Department's Other Fund (Specify) appropriation(s) to date:	
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$0</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2013 Unreserved Fund Balance		\$0	\$0
FY 2014 Adopted Revenues	\$0	\$0	\$0
FY 2014 Appro. (Bill No. 1(4-S))	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2014 (if applicable)	FY 2015	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Analyst: <u>John B Pangelinan</u>	Date: <u>12-2-13</u>	Director: <u>John A. Rios</u>	Date: <u>12-03-13</u>
John B Pangelinan, Supervisor		John A. Rios, Director	

Footnotes:  
Please see comment sheet.

### Comments on Bill No. 227-32

This proposed legislation is seeking to create a separate, fully functional autonomous authority with a governance body and management officials to be known as the Guam Streetlight Authority. The intent of the proposed organization of the Guam Streetlight Authority is for this Authority to issue a bond indenture to cover the renovation of streetlights from the incandescent and/or Fluorescent to LED, so not to place an undue burden to Guam Power Authority (GPA)'s ratepayers should a revenue bond be issued for such purpose.

This proposed establishment of the Guam Streetlight Authority, a public corporation, is provided with: 1) the legislative authority to issue, sell or dispose of revenue bonds; 2) the rights of succession; 3) the adoption of a corporate seal; 4) the development of an internal organization and management to govern the conduct of such organization; 5) the authority to enter into contracts; 6) the authority to acquire obligation and debt; 7) the authority to settle and adjust claims; the authority to acquire properties; 8) the authority to acquire intangible properties; 9) the authority to acquire donations or contributions as revenues; and 9) the authority to act or implement the necessary steps necessary to carry-out its legislative purpose.

The governing body for this Authority is to be its Board of Directors comprising of three members of the Consolidated Commission on Utilities. To carry-out such polices and directives of this board, a management team consisting of the General Manager of GPA, Chief Financial Officer of the GPA and Secretary of the Authority shall all serve as the "ex officio" of the Authority.

With regards to the issuance of revenue bonds as authorized, this Authority is authorized to issue such bond indenture with the understanding that this bond indenture is not a public indebtedness for the Authority but a special obligation of the Authority payable solely from the revenues specified in the Resolution providing for such bond indenture. This resolution requires the approval of the Governor. It is noted that this Authority does not have a rate mechanism in place to generate income, although it is authorized to recognize fees as revenues. This fact is pointed out because this Authority is authorized to issue revenue bonds which are dependent on a steady stream of revenues generated from an identified rate mechanism for services rendered. It appears that any pledging of revenues would come from an assortment of miscellaneous donations, contributions and rentals rather than from a steady revenue stream. To counter-act such unreliability of funding, Section 82212, Article II of the proposed Chapter 82 is requiring the Government of Guam, as a pledge, to insure and continue the rights, powers and duties of the Authority needed to fulfill the terms of any agreements made with bondholders. It is our belief that such pledge made by the Government of Guam would change the composition of the revenue bonds issued by this Authority into general obligation bonds that would exceed the debt ceiling of Government of Guam, violating Section 1423a, Title 48, U. S. Code. Such violation would make this proposed legislation inappropriate for execution.



## COMMITTEE ON RULES

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Senator  
Michael F.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

November 25, 2013

VIA E-MAIL

[john.rios@bbmr.guam.gov](mailto:john.rios@bbmr.guam.gov)

John A. Rios  
Director  
Bureau of Budget & Management Research  
P.O. Box 2950  
Hagåtña, Guam 96910

RE: Request for Fiscal Notes– Bill Nos. 222-32 (COR) through 227-32(COR)

*Hafa Adai* Mr. Rios:

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

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

Very Truly Yours,

Senator Thomas C. Ada  
*Acting Chairperson of the Committee on Rules*

Attachment (1)

Cc: Clerk of the Legislature

2013 NOV 25 PM 5:29

Bill Nos.	Sponsor	Title
222-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO AMEND §89.01(a)(2); TO AMEND §89.01(a)(2)(B); TO ADD A NEW SUBSECTION (C) TO §89.01(a)(2); TO AMEND §89.02(a)(2); TO AMEND §89.02(a)(3); TO AMEND §89.02(b)(2); TO AMEND §89.02(c)(1) AND TO ADD A NEW SUBSECTION (a) TO §89.02 ALL OF CHAPTER 89, 9 GUAM CODE ANNOTATED RELATIVE TO THE CRIMES AGAINST MINORS AND SEX OFFENDER REGISTRY.
223-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO APPROPRIATE THE SUM OF FOUR HUNDRED THOUSAND DOLLARS (\$400,000) FOR THE COMPENSATION TO FARMERS FOR CROP DAMAGES PROGRAM ESTABLISHED PURSUANT TO CHAPTER 64A, TITLE 5 OF THE GUAM CODE ANNOTATED.
224-32 (COR)	T.C. Ada, R.J. Respicio	AN ACT TO AMEND §5425, §5426, §5427, §5450, §5452, §5480, §5481 AND §§5485 (a) and (b) OF ARTICLE 9, AND §5703, §5705, §5706(b), §5707(a), §5708 OF ARTICLE 12, CHAPTER 5, TITLE 5 OF THE GUAM CODE ANNOTATED RELATIVE TO CLARIFYING LEGAL AND CONTRACTUAL REMEDIES IN GUAM PROCUREMENT LAW.
225-32 (COR)	Judith T. Won Pat, Ed.D. T.R. Muna Barnes Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 58C TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL AND TO AMEND AND RENUMBER §22425(a) ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO REVALUATION OF REAL PROPERTY TAXES AND TO AMEND §53101 OF TITLE 17 GUAM CODE ANNOTATED, RELATIVE TO EARLY CHILDHOOD PROGRAM FUND.
226-32 (COR)	Judith T. Won Pat, Ed.D. T.R. Muna Barnes Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5 GUAM CODE ANNOTATED RELATIVE TO THE FINANCE, DESIGN, RENOVATION, REHABILITATION, CONSTRUCTION OR MAINTENANCE OF PUBLIC SCHOOLS.
227-32 (COR)	T.C. Ada R.J. Respicio	AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF NEW LED STREETLIGHTS.



## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
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Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

November 25, 2013

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

### MEMORANDUM


Senator  
Vicente (Ben) C. Pangelinan  
Member

**To: Rennae Meno**  
*Clerk of the Legislature*

Speaker  
Judith T.P. Won Pat, Ed.D.  
Member

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

Senator  
Dennis G. Rodriguez, Jr.  
Member

**From: Senator Thomas C. Ada**   
*Acting Chairperson of the Committee on Rules*

Vice-Speaker  
Benjamin J.F. Cruz  
Member

**Subject: Referral of Bill No. 227-32(COR)**

Legislative Secretary  
Tina Rose Muña Barnes  
Member

As the Acting Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 227-32(COR)**.

Senator  
Frank Blas Aguon, Jr.  
Member

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 members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Senator  
Michael F.Q. San Nicolas  
Member

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER



Attachment

Senator  
Aline Yamashita  
Member

**I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN**  
**2013 (FIRST) REGULAR SESSION**

Bill No. 227-32(6R)

Introduced By:

T.C. Ada   
R.J. Respicio 

**AN ACT TO AUTHORIZE THE CREATION OF THE GUAM  
STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE  
THE PURCHASE AND INSTALLATION OF NEW LED  
STREETLIGHTS.**

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

**Section 1. Legislative Findings and Intent.**

*I Liheslaturan Guåhan finds the* Guam Department of Public Works (DPW) is responsible for providing streetlights on Guam's public thoroughfares, and the Guam Power Authority (GPA) installs and provides electricity to these streetlights.

*I Liheslatura further finds that* based on recommendations from an energy efficiency study undertaken on behalf of GPA, the Consolidated Commission on Utilities (CCU), as governing board of GPA, and DPW have determined that it is in the best interests of GPA, DPW, and Guam's taxpayers and electric ratepayers to replace Guam's streetlights with energy-efficient LED streetlights.

*I Liheslatura further finds that* to replace the approximately 15,000 streetlights on Guam will require a significant investment for the initial conversion and installation. It has been determined that the issuance of revenue bonds by GPA to finance the streetlights would result in an undue burden on GPA's ratepayers, the

1 creation of a new special-purpose governmental entity to be known as the “Guam  
2 Streetlight Authority” to issue bonds to finance the purchase and installation of the  
3 new LED streetlights would be the solution to achieving the desired objectives.

4 *I Liheslaturan Guåhan* therefore intends to approve the creation of the Guam  
5 Streetlight Authority.  
6

7 **Section 2.** A new Chapter 82 is hereby added to Title 12 of the Guam Code  
8 Annotated, as follows:  
9

10 **“Chapter 82**

11 **Guam Streetlight Authority**

12 Article 1. General Provisions

13 Article 2. Guam Streetlight Authority Revenue Bonds  
14

15 **ARTICLE I**

16 **GENERAL PROVISIONS**

17  
18 §82101. Short Title

19 §82102. Definitions

20 §82103. Guam Streetlight Authority

21 §82104. Purpose of the Authority

22 §82105. Powers of the Authority

23 §82106. Governance of the Authority

24 §82107. Officers of the Authority

25 §82108. Division to be Liberally Construed.  
26

1  
2 **§ 82101. Short Title.**

3 This Chapter may be cited as the *Guam Streetlight Authority Act*.

4 **§ 82102. Definitions.**

5 As used in this Chapter, the following words and phrases are defined to mean:

6 (a) ‘*Authority*’ means the Guam Streetlight Authority.

7 (b) ‘*Board*’ means the governing board of the Authority.

8 (c) ‘*Bonds*’ means bonds, notes or other evidences of indebtedness of the  
9 Authority, issued by the Authority pursuant to this Chapter.

10 **§ 82103. Guam Streetlight Authority.**

11 There is hereby created a public corporation to be known as the Guam  
12 Streetlight Authority with functions, powers and responsibilities as hereinafter  
13 provided. The principal office of the Authority shall be located in Guam and the  
14 Authority shall be deemed to be a resident of Guam.

15 **§ 82104. Purpose of the Authority.**

16 The Authority is created with the limited and sole purpose of facilitation of the  
17 financing, acquisition, and installation of new LED streetlights for Guam public  
18 thoroughfares.

19 **§ 82105. Powers of the Authority.**

20 The Authority shall have and exercise each and all of the following powers, but  
21 only to the extent necessary or desirable in furtherance of its corporate purpose:

22 (a) To issue, sell or dispose of revenue bonds and other obligations from time  
23 to time under such terms and conditions as the Guam Legislature, by  
24 appropriate legislation, may prescribe. The proceeds of such bonds and  
25 obligations shall be used solely to finance the acquisition and installation, of  
26 LED streetlights for Guam public thoroughfares.

(b) To have perpetual succession, unless sooner terminated by law.



- 1  
2 (c) To adopt, alter and use a corporate seal.  
3  
4 (d) To establish its internal organization and management and adopt, amend and  
5 repeal bylaws and other resolutions and directives governing the conduct of  
6 its business, and the performance of the powers and duties granted to or  
7 imposed upon it by law.  
8  
9 (e) To enter into contracts and execute all instruments necessary or convenient  
10 in the exercise of its powers and sue and be sued in its corporate name.  
11  
12 (f) To determine the character of and the necessity for its obligations and  
13 expenditures and the manner in which they shall be incurred, allowed and  
14 paid.  
15  
16 (g) To settle and adjust claims held by it against other persons or parties and by  
17 other persons or parties against the Authority.  
18  
19 (h) To acquire in accordance with Title VII-A of the Government Code, any  
20 tangible personal property and to hold, maintain, use and operate the same;  
21 and to sell, lease, encumber or otherwise dispose of the same, whenever any  
22 of the foregoing transactions are deemed necessary or appropriate to the  
23 conduct of the activities authorized by this Division, and on such terms as  
24 may be prescribed by the Authority.  
25  
26 (i) To acquire, in any lawful manner, any intangible personal property, and to  
hold, maintain, use and operate the same; and to sell, encumber or otherwise  
dispose of the same, whenever any of the foregoing transactions are deemed  
necessary or appropriate to the conduct of the activities authorized by this  
Division, and on such terms as may be prescribed by the Authority.  
(j) To receive and accept from any source, loans, contributions or grants, in  
either money, property, labor or other things of value, for, or in aid of, the

1 financing or refinancing of LED streetlights, or for the payment of principal  
2 of and interest on bonds issued by the Authority.

3 (k) To take such action and carry on any other operations and do all that may be  
4 necessary or appropriate to carry out the powers and duties herein or  
5 hereafter specifically granted to or imposed upon it.

6 **§ 82106. Governance of Authority.**

7 (a) All functions and powers of the Authority shall be vested in and be  
8 exercised by and under the direction of a Board of Directors composed of three (3)  
9 members, appointed by the Consolidated Commission on Utilities from among its  
10 members. Members of the Board shall serve for a term of four (4) years or the  
11 balance of their terms on the CCU. Members of the Board shall elect a member of the  
12 Board to serve as Chairperson.

13 (b) The Board shall be responsible for the management, administration, policies  
14 and direction of the Authority and shall exercise supervision through the  
15 Administrator.

16 (c) The Board shall meet in regular session at least once each month, and in  
17 special session as often as it may deem necessary.

18 (d) A majority of the Board shall constitute a quorum for the transaction of  
19 business. The Board shall act by the vote of at least two (2) of its members.

20 (e) The Directors shall receive no salary for their services on the Board.

21 **§ 82107. Officers of the Authority.**

22 The General Manager of the Guam Power Authority shall serve *ex officio* as the  
23 general manager of the Authority and shall be the chief executive officer of the  
24 Authority. The General Manager of the Authority shall be responsible for the day-to-  
25 day operation of the Authority.  
26

1           The Chief Financial Officer of the Guam Power Authority shall serve *ex officio*  
2 as the chief financial officer of the Authority. The Chief Financial Officer of the  
3 Authority shall have full charge and control of the fiscal, business and accounting  
4 operations of the Authority, subject to the supervision of the Board.  
5

6           The Secretary of the Guam Power Authority shall serve *ex officio* as the  
7 secretary of the Authority. The Secretary shall have charge of all records and minutes  
8 of the Board.

9           The Treasurer of the Guam Power Authority shall serve *ex officio* as the  
10 treasurer of the Authority. The Treasurer shall have custody of all moneys of the  
11 Authority and shall pay out such money only in accordance with the direction of the  
12 Board or as provided in connection with any indebtedness incurred pursuant to  
13 Article II of this Division.

14           The Attorney of the Guam Power Authority shall serve *ex officio* as the attorney  
15 of the Authority. The Attorney shall advise the Board and the General Manager on all  
16 legal matters to which the Authority is a party or in which the Authority is legally  
17 interested and may represent the Authority in connection with legal matters before the  
18 Legislature, boards and other agencies of the Territory. The Attorney General shall  
19 represent the Authority in litigation concerning the affairs of the Authority, provided  
20 that he may delegate this duty to the Attorney of the Authority, with respect to such  
21 litigation.

22 **§ 82108. Division to be Liberally Construed.**

23           This Division shall be construed liberally so far as may be necessary for the  
24 purpose of effecting its general intent. The declaration of invalidity or nullity of any  
25 provision of this Division by competent court shall not affect the force and validity of  
26 the remaining provisions.

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**ARTICLE II**

**GUAM STREETLIGHT AUTHORITY REVENUE BONDS**

- §82201. Additional Definitions.
- §82202. Bonds; Power to Issue; Purposes.
- §82203. Bonds; Issuance; Authorization by Resolution; Terms.
- §82204. Bonds; Negotiability.
- §82205. Covenants with Bondholders.
- §82206. Pledge of Revenues; Lien.
- §82207. Nonliability of Members of the Authority or of the Government of Guam
- §82208. Tax Exemptions; Payment in Lieu of Taxes
- §82209. Bonds as Legal Investments and as Security for Performance of any Act
- §82210. Inapplicability of Other Laws
- § 82211. Property of Authority; Exemption From Execution or Other Judicial Process.
- § 82212. Pledge by the Government of Guam.
- § 82213. Disposition of Funds and Projects.
- § 82214. Trustee for Authority and Holders of Bonds.
- § 82215. Duties and Powers of Trustee.
- § 82216. Issuance and Interchange of Coupon and Registered Bonds.
- §82217. Redemption of Bonds Prior to Maturity.
- § 82218. Places of Payment.
- § 82219. Execution and Authentication of Bonds.
- § 82220. Dates and Maturities of Bonds.
- § 82221. Sale of Bonds.
- § 82222. Validity of Authorization and Issuance of Bonds.

- 1 § 82223. Tax Exemptions.
- 2 § 82224. Guam Streetlight Authority Revenue Fund.
- 3 § 82225. Investment of Money in Funds.
- 4 § 82226. Appropriation of Money in Funds.
- 5 § 82227. Credit Enhancement.

6

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8 **§ 82201. Additional Definitions.**

9 As used in this Chapter or in any indenture entered into pursuant thereto, unless  
10 a different meaning clearly appears from the context:

- 11 (a) *'Authority'* means the Guam Streetlight Authority.
- 12 (b) *'Board'* means the governing board of the Authority.
- 13 (c) *'Bonds'* means bonds, notes or other evidences of indebtedness of the  
14 Authority, issued by the Authority pursuant to this Chapter.
- 15 (d) *'Bondholder'* or *'holder of bonds'* or any similar term means any person  
16 who shall be:
  - 17 i. the bearer of any outstanding bond or bond registered to bearer or not  
18 registered; or
  - 19 ii. the registered owner of any such outstanding bond or bond which  
20 shall at the time be registered other than to bearer.
- 21 (e) *'Cost'* means:
  - 22 i. the cost of acquisition, construction, reconstruction, installation,  
23 repair, alteration or improvement of a project;
  - 24 ii. the cost of lands, rights-in-lands, easements, privileges, agreements,  
25 franchises, utility extensions, disposal facilities, access roads and site  
26 development deemed by the Authority to be necessary or useful and  
convenient for any project or in connection therewith;

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- iii. discount on bonds, costs of issuance of bonds, engineering and inspection costs, costs of financial, legal, professional and other estimates and advice;
  - iv. organization, administrative, insurance, guarantee, operating and other expenses of the Authority or any person prior to and during any acquisition or construction, and all such expenses of the Authority or any person prior to and during any acquisition or construction, and all such expenses as may be necessary or incident to the financing, acquisition, construction or completion of any project or part thereof; and
  - v. such provision for payment or security of principal of or interest on bonds (including reserve for such purposes) during or after such acquisition or construction as the Authority may determine.

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(f) '*Credit provider*' means any municipal bond insurance company, bank or other financial institution or organization that is performing in all material respects its obligations under any credit support arrangements for some or all of the bonds.

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(g) '*Credit provider reimbursement agreement*' means any agreement providing for the Authority to repay, from revenues, amounts advanced by a credit provider as credit support for bonds.

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(h) '*Credit support*' means a policy of insurance, a letter of credit, a stand-by purchase agreement, revolving credit agreement or other credit arrangement pursuant to which a credit provider provides credit or liquidity support with respect to the payment of interest, principal or the purchase price of any bonds.

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- (i) *'Indenture'* means an agreement pursuant to which bonds are issued, regardless of whether such agreement is expressed in the form of a resolution of the Board or by other instrument.
  - (j) *'Organic Act'* means the Organic Act of Guam as amended and in effect on the effective date of this Article (Title 48, §1421 et seq. of the United States Code.).
  - (k) *'Person'* includes any individual, firm, corporation, association, partnership, trust, business trust or receiver or trustee or conservator for any thereof, and also includes the United States, Guam or any public corporation, political subdivision, city, county or district or any agency or instrumentality of the United States or of Guam.
  - (l) *'Project'* means the acquisition, construction, installation, equipping, repair, replacement, alteration or improvement of energy efficient streetlights for any public thoroughfare in Guam, whether or not in existence or under construction.
  - (m) *'Revenue'* means
    - i. receipts, fees, rentals or other payments to be received on account of lease, mortgage conditional sale or sale, and payments and other income derived from the lease, sale or other disposition of a project;
    - ii. money in such reserve and insurance funds or accounts or other funds and accounts (and income from the investment thereof) established in connection with the issuance of bonds for a project or projects; and
    - iii. fees, charges or other money to be received by the Authority with respect to projects and contracts with persons related to projects.
  - (n) *'United States'* means the United States of America.

1  
2 **§ 82202. Bonds; Power to Issue; Purposes.**

3 The Authority shall have the power to authorize or provide for the issuance of  
4 bonds pursuant to this Chapter for the purpose of providing funds to pay or cause to  
5 be paid all or any part of the cost of any project or projects, or for the refinancing of  
6 any bonds. It is hereby declared that each project is and shall be a public  
7 improvement or undertaking as that term is used in Section 11 of the Organic Act  
8 (§1423a, Title 48, U.S. Code).

9  
10 **§ 82203. Bonds; Issuance; Authorization by Resolution; Terms.**

11 (a) By resolution approved by the Governor, the Authority shall have the power  
12 to incur indebtedness, borrow money and issue its bonds for the purposes stated in §  
13 82202 of this Chapter. Except as may otherwise be expressly provided by the  
14 Authority, every issue of its bonds shall be special obligations of the Authority  
15 payable solely from the revenues or money of the Authority specified in the resolution  
16 providing for its issuance, subject only to any agreement with the holders of particular  
17 bonds pledging any particular revenues or money. Such bonds shall bear such date or  
18 dates, mature at such time or times, bear interest at a rate or rates, be in such  
19 denominations, be in form, either coupon or registered, carry such conversion or  
20 registration privileges, have such rank or priority be executed in such manner, payable  
21 from such source and have such terms of redemption (with or without premium) as  
22 such resolution may provide. Bonds of the Authority may be sold by the Authority to  
23 public or private sale at such price or prices and under such conditions and terms as  
24 the Authority shall determine.

25 (b) Every bond shall recite that it is not a general indebtedness of the Authority,  
26 but rather is a special obligation of the Authority payable solely from the revenues  
specified in the Resolution providing for its issuance. Every bond shall recite that it is



1 not public indebtedness of the Territory as that term is used in §11 of the Organic Act  
2 of Guam.  
3

4 **§ 82204. Bonds; Negotiability.**  
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6 Any provision of any law to the contrary notwithstanding, any bond or other  
7 obligation issued pursuant to this Chapter shall be fully negotiable for all purposes,  
8 and each holder or owner of such a bond or other obligation, or of any coupon  
9 appurtenant thereto, by accepting such bond or coupon shall be conclusively deemed  
10 to have agreed that such bond, obligation or coupon is and shall be fully negotiable for  
11 all purposes, subject in each case to any provisions for registration in the bond,  
12 obligation or coupon or in the resolution or indenture authorizing its issuance.

13 **§ 82205. Covenants With Bondholders.**  
14

15 In order to secure the payment of such bonds and in addition to its other  
16 powers, the Authority shall have power by resolution to covenant and agree with the  
17 several holders of such bonds, as to:

18 (a) The custody, security, use, expenditure or application of the proceeds of the  
19 bonds;

20 (b) The use, regulation, operation, maintenance, insurance or disposition of all  
21 or any part of any project or projects;

22 (c) Payment of the principal of or interest on the bonds, or any other  
23 obligations, and the sources and methods thereof, the rank or priority of any such  
24 bonds or obligations as to any lien or security, or the acceleration of the maturity of  
25 any such bonds or obligations;

26 (d) The use and disposition of any money of the Authority, including all  
revenues or other money derived or to be derived from any project or projects;

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2 (e) Pledging, setting aside, depositing or trusteeing all or any part of the  
3 proceeds, revenues or other money of the Authority to secure the payment of the  
4 principal of or interest on the bonds or any other obligations and the power and duties  
5 of any trustee with regard thereto;

6 (f) The setting aside out of the proceeds, revenues or other money of the  
7 Authority of reserves and sinking funds, and the source, custody, security, regulation  
8 application and disposition thereof;

9 (g) The rents, fees or other charges for the use of any project or projects,  
10 including any parts thereof theretofore constructed or acquired and any parts,  
11 replacements or improvements thereof thereafter constructed or acquired, and the  
12 fixing, establishment, collection and enforcement of the same;

13 (h) Limitation on the issuance of additional bonds or any other obligations or on  
14 the incurrence of indebtedness of the Authority;

15 (i) Vesting in a trustee or trustees, fiscal or escrow agent or agents within or  
16 without the Territory such property, rights, powers and duties in trust as the Authority  
17 may determine and limiting the rights, duties and powers of such trustee or agent;

18 (j) Payment of costs or expenses incident to the enforcement of the bonds or of  
19 the provisions of the resolution or of any covenant or contract with the holders of the  
20 bonds;

21 (k) The procedure, if any, by which the terms of any covenant or contract with,  
22 or duty to, the holders of bonds may be amended or abrogated, the amount of bonds  
23 the holders of which must consent thereto, and the manner in which such consent may  
24 be given or evidenced; or

25 (l) Any other matter or course of conduct which, by recital in the resolution is  
26 declared to further secure the payment of the principal of or interest on the bonds.

1 All such provisions of the resolution and all such covenants and agreements  
2 shall constitute valid and legally binding contracts between the Authority and the  
3 several holders of the bonds, regardless of the time of issuance of such bonds, and  
4 shall be enforceable by any such holder or holders by appropriate action, suit or  
5 proceeding in any court of competent jurisdiction, or by proceeding in lieu of  
6 prerogative writ.  
7

8 **§ 82206. Pledge of Revenues; Lien.**  
9

10 Any pledge of revenues or other money made by the Authority shall be valid  
11 and binding from the time when the pledge is made; the revenues or other money so  
12 pledged and thereafter received by the Authority shall immediately be subject to the  
13 lien of such pledge without any physical delivery thereof or further act, and the lien of  
14 any such pledge shall be valid and binding as against all parties having claims of any  
15 kind in tort, contract or otherwise against the Authority, irrespective of whether such  
16 parties have notice thereof. Neither the resolution nor any other instrument by which a  
17 pledge is created need be filed or recorded except in the records of the Authority.  
18

19 **§ 82207. Nonliability of Members of the Authority or of the Government of  
20 Guam.**

21 Neither the members of the Authority nor any person executing bonds issued  
22 pursuant to this Chapter shall be liable personally on the bonds by reason of the  
23 issuance thereof. Bonds or other obligations issued by the Authority pursuant to this  
24 Chapter shall not be in any way a debt or liability of the Government of Guam or of  
25 any political subdivision thereof, either legal, moral or otherwise, and nothing in this  
26 Chapter contained shall be construed to authorize the Authority to incur any

1 indebtedness on behalf of or in any way to obligate the Government of Guam and all  
2 such bonds shall contain on the face thereof a statement to that effect.  
3

4 **§ 82208. Tax Exemptions; Payments in Lieu of Taxes.**

5 The exercise of the powers granted by this Chapter shall constitute the  
6 performance of an essential governmental function and the Authority shall not be  
7 required to pay any taxes or assessments upon or in respect of a project, or any  
8 property of money of the Authority, and the Authority, its projects, property and  
9 money and any bonds and notes issued under the provisions of this Chapter, their  
10 transfer and the income therefrom, including any profit made on the sale thereof, shall  
11 at all times be free from taxation of every kind. Bonds issued pursuant to the  
12 provisions of this Chapter and the interest income therefrom are exempt from taxation  
13 in accordance with the provision of the last sentence of §11 of the Organic Act of  
14 Guam (§1423a, Title 48, U.S. Code).  
15

16 **§ 82209. Bonds as Legal Investments and as Security for Performance of any Act.**

17 Notwithstanding any restriction contained in any other law, the Government of  
18 Guam, its officers, boards, commissions, departments or other agencies, all banks,  
19 bankers, trust companies, savings banks and institutions, building and loan  
20 associations, savings and loan associations, investment companies and other persons  
21 carrying on a banking or investment business, all insurance companies, insurance  
22 associations and other persons carrying on an insurance business, and all executors,  
23 administrators, guardians, trustees and other fiduciaries, and all other persons  
24 whatsoever who now are or may hereafter be authorized to invest in bonds or other  
25 obligations of the Government of Guam, may properly and legally invest any sinking  
26 funds, money or other funds, including capital, belonging to them or within their

1 contract in any bonds or notes issued by the Authority under the provisions of this  
2 Chapter; and the bonds and notes are made securities which may properly and legally  
3 be deposited with and received for the performance of any act whenever any evidence  
4 of indebtedness of the Government of Guam for any purpose for which the deposit of  
5 bonds or other obligations of the Government of Guam is now or may hereafter be  
6 authorized by law.

7 **§ 82210. Blank**

8 **§ 82211. Property of Authority; Exemption From Execution or Other Judicial**  
9 **Process.**

10 All property of the Authority shall be exempt from levy and sale by virtue of an  
11 execution and no execution or other judicial process shall issue against the same nor  
12 shall any judgment against the Authority be a charge or lien upon its property;  
13 provided, that nothing herein contained shall apply to or limit the rights of the holder  
14 of any bonds to pursue any remedy for the enforcement of any pledge of lien given by  
15 the Authority on or with respect to any project or any revenues or other money.  
16

17 **§ 82212. Pledge by the Government of Guam.**

18 The government of Guam hereby pledges that while any bonds of the Authority  
19 issued under this Article remain outstanding and not fully performed or discharged  
20 shall: (a) to maintain the rights, powers and duties of the Board to fulfill the terms of  
21 any agreements made with bondholders in accordance with this Article, and (b) to  
22 maintain the rights and remedies of bondholders provided in this Article and any  
23 indenture.  
24

25 **§ 82213. Disposition of Funds and Projects.**

26 Any balance remaining in any of the funds or accounts created by this Article or  
any indenture after payment of all costs, expenses and charges required or authorized

1 to be expended therefrom, may be allocated and used for such other purposes relating  
2 to the project or to the Authority, as the Board may determine, subject to the  
3 limitations and restrictions in any indenture. When the principal of and interest on  
4 bonds of the Authority issued to finance the costs of a particular project, including any  
5 refunding bonds issued to refinance all or any part of these bonds, have been fully  
6 paid and retired, or when adequate provisions have been made for their payment and  
7 retirement and all other conditions of any resolution, indenture, security interest or any  
8 other instrument authorizing and securing the bonds have been satisfied, and any lien  
9 created has been released in accordance with the provisions thereof, the Authority is  
10 authorized, upon the terms and conditions it prescribes, to execute releases, released  
11 deeds, reassignments, deeds and conveyances and to do all things necessary or  
12 required to convey or release its rights, title and interest in the project financed and in  
13 any other instruments pledged or transferred to secure bonds to the Government of  
14 Guam or any political subdivision thereof, as their respective interests may appear.  
15

16 **§ 82214. Trustee for Authority and Holders of Bonds.**

17 (a) The Authority or any agent designated by the Authority shall act as  
18 trustee for the Authority and the holders of bonds issued hereunder and the Authority  
19 may authorize the trustee to act on behalf of the holders of the bonds or any stated  
20 percentage thereof and to exercise and prosecute on behalf of the holders of the bonds  
21 such rights and remedies as may be available to the holders.  
22

23 (b) The Authority may provide in an indenture:

24 (i) for the deposit of all or any portion of the revenues with the Authority  
25 and for the holding thereof by the Authority in one or more separate funds or accounts  
26 in the Guam Streetlight Authority Revenue Fund; and

1 (ii) for the transfer to the trustee of all or any portion of the revenues as are  
2 provided as security for the bonds and for the holding thereof by the trustee in one or  
3 more separate funds or accounts. All money in each such fund or account shall be  
4 disbursed only as provided herein and in the indenture.  
5

6 **§ 82215. Duties and Powers of Trustee.**  
7

8 The Authority shall prescribe in any indenture the duties and powers of the  
9 trustee with respect to the issuance, authentication, sale and delivery of the bonds  
10 provided for in such indenture and with respect to the payment of principal of and  
11 interest on such bonds, the redemption thereof, the registration and discharge from  
12 registration thereof and the management of any and all funds provided as security  
13 therefore.  
14

15 **§ 82216. Issuance and Interchange of Coupon and Registered Bonds.**

16 An indenture may provide that bonds may be issued as coupon bonds or as  
17 registered bonds and for the interchange of coupon bonds for registered bonds and  
18 registered bonds for coupon bonds, and may provide that bonds shall be registered as  
19 to principal only or as to both principal and interest or otherwise as the Authority may  
20 determine.  
21

22 **§ 82217. Redemption of Bonds Prior to Maturity.**

23 An indenture may provide that bonds may be redeemed prior to maturity upon  
24 such terms, conditions and upon such notice as are stated in the indenture and upon  
25 the payment of such premium as may be fixed by the indenture.  
26

1  
2 **§ 82218. Places of Payment.**

3 An indenture may provide for the payment of the principal and interest of bonds  
4 at any one or more places in Guam or in the United States and in any specified coin or  
5 currency of the United States.

6  
7 **§ 82219. Execution and Authentication of Bonds.**

8 An indenture may provide for the execution and authentication of bonds by the  
9 manual or facsimile signature of any one or more officers of the Authority and by  
10 additional authentication by endorsement by the manual signature or a signature stamp  
11 of any one or more officers of the Authority or of any agent designated by the  
12 Authority as trustee. If any officer or agent whose signature, countersignature or  
13 endorsement appears upon the bonds or coupons ceases to be an officer or agent  
14 before the delivery of the bonds or coupons, his signature, countersignature or  
15 endorsement is nevertheless valid and of the same force and effect as if he had  
16 remained such officer or agent until the delivery of the bonds and coupons.

17  
18 **§ 82220. Dates and Maturities of Bonds.**

19 Bonds shall bear dates prescribed by the Authority in the indenture providing  
20 for their issuance. Bonds may be serial bonds, term bonds or sinking fund bonds with  
21 such maturities as the indenture shall specify. No bond by its terms shall mature more  
22 than [fifty (50)] years after its date of issuance.

23  
24 **§ 82221. Sale of Bonds.**

25 Bonds authorized to be issued under this Article shall be sold by the Authority  
26 for cash, in accordance with the provisions of a resolution providing for such sale  
adopted by the Board. The bonds may be sold at either public or private sale, and



1 upon such terms and conditions as shall be authorized by the Board, which may  
2 provide that the bonds may be sold at less than their par or face value.

3  
4 **§ 82222. Validity of Authorization and Issuance of Bonds.**

5 The validity of the authorization and issuance of any bonds by the Authority is  
6 not dependent on nor affected in any way by:

7 (a) Proceedings taken by the Authority for the acquisition, construction or  
8 improvement of a project or any part thereof;

9 (b) Any contracts made by the Authority in connection with the acquisition,  
10 construction or improvement of a project or any part thereof; or

11 (c) The failure to complete the project or any part thereof for which bonds  
12 are authorized to be issued.

13  
14 **§ 82223. Tax Exemptions.**

15 Bonds issued pursuant to the provisions of this Article and the interest or  
16 income therefrom are exempt from taxation to the extent permitted by the provisions  
17 of Section 11 of the Organic Act.

18  
19 **§ 82224. Guam Streetlight Authority Revenue Fund.**

20 All revenues received from or on account of projects shall be deposited to the  
21 credit of the Guam Streetlight Authority Revenue Fund, which fund is hereby created.  
22 Moneys in the Guam Streetlight Authority Revenue Fund may be used for any of the  
23 following purposes in the order of priority set forth in any indenture:

24 (a) to pay principal or interest on any bonds;

25 (b) to pay any amounts due and owing under any credit provider  
26 reimbursement agreement; and

1 (c) for any other purposes of the Authority; all as provided in any indenture  
2 or indentures and subject to any restrictions provided by law or any indenture.  
3

4 **§ 82225. Investment of Money in Funds.**

5 Moneys in the Guam Streetlight Authority Revenue Fund may be invested by  
6 the Authority and any revenues in any other fund or account held by or on behalf of  
7 the Authority or its agent may be invested by the Authority or its agent, as the case  
8 may be, in any investment authorized by any indenture providing for the issuance of  
9 bonds. All interest or other earnings received pursuant to such investments shall be  
10 collected by the Authority or its agent, as the case may be, and shall be deposited to  
11 the credit of the fund or account from which such interest or other earnings are  
12 derived, unless otherwise provided in an indenture.  
13

14 **§ 82226. Appropriation of Money in Funds.**

15 All money in the funds and accounts created by this Article or any indenture is  
16 hereby appropriated for expenditure in carrying out the purposes herein and therein  
17 provided

18 **§ 82227. Credit Enhancement.**

19 The Board has the power and is hereby authorized to cause the Authority to  
20 enter into such contracts or agreements with such banks, insurance companies or other  
21 financial institutions as it determines are necessary or desirable to improve the  
22 security and marketability of the bonds. Such contracts or agreements may contain an  
23 obligation to reimburse, with interest, any such banks, insurance companies or other  
24 financial institutions for advances used to pay principal of or interest on the bonds and  
25 to indemnify any such banks, insurance companies or other financial institutions for  
26 costs and expenses incurred in connection with any such advance; provided, that any

1 obligation of the Authority under any reimbursement agreement shall be payable  
2 solely from revenues.

3 Any reimbursement agreement may include a provision that the obligations of  
4 the Authority under the agreement shall be secured by all or by part of revenues;  
5 provided that, at the time of execution and delivery of each such agreement, any such  
6 provision shall be in compliance with and shall not violate or breach any provision of  
7 any indenture then in effect with respect to bonds.”

8  
9 **Section 3. Effective Date.** This Act shall become effective upon enactment

10  
11 **Section 4. Severability.** If any section, part, phrase or provision of this Chapter  
12 or the application thereof to any person, project or circumstances, be adjudged invalid  
13 by any court of competent jurisdiction, such judgment shall be confined in its  
14 operation to the section part, phrase, provision or application directly involved in the  
15 controversy in which such judgment shall have been rendered and shall not effect or  
16 impair the validity of the remainder of this Chapter or the application thereof to other  
17 persons, projects or circumstances.



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
E-mail: [roryforguam@gmail.com](mailto:roryforguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

Senator  
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Michael F.Q. San Nicolas  
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Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

December 17, 2013

## Memorandum

**To:** Rennae Meno  
*Clerk of the Legislature*

**From:** Senator Rory J. Respicio  
*Majority Leader & Rules Chair*

**Subject:** Fiscal Notes /Waivers

2013 DEC 17 PM 2:29

*Hafa Adai!*

Attached please find the fiscal note for the bill numbers listed below. Please note that the fiscal notes, or waivers, are issued on the bills as introduced.

### FISCAL NOTES:

- Bill No. 173-32(LS)
- Bill No. 208-32(COR)
- Bill No. 213-32(COR)
- Bill No. 221-32(COR)
- Bill No. 227-32(COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

*Si Yu'os ma'åse'!*

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**OFFICE OF THE GOVERNOR  
Post Office Box 2950, Hagåtña Guam 96932EDDIE BAZA CALVO  
GOVERNORJOHN A. RIOS  
DIRECTORRAY TENORIO  
LIEUTENANT GOVERNOR

DEC 06 2013

Senator Rory J. Respicio  
Chairperson, Committee on Rules  
I Mina'trentai Unu na Liheslaturan Guåhan  
The 31<sup>st</sup> Guam Legislature  
155 Hesler Place  
Hagåtña, Guam 96932

*Hafa Adai* Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 173-32(LS), 208-32(COR), 213-32(COR), 221-32(COR) and 227-32(COR).

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.

A handwritten signature in black ink, appearing to read "John A. Rios".

JOHN A. RIOS  
Director

Enclosures  
cc: Senator Vicente (ben) Pangelinan

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 227-32 (COR)**

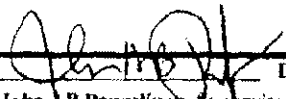
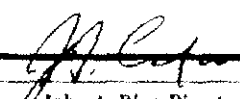
**AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF NEW LED STREETLIGHTS**

Department/Agency Appropriation Information	
Dept./Agency: <b>Guam Economic Development Authority</b>	Dept./Agency Head: <b>Henry Taktano, Administrator</b>
Department's General Fund (GF) appropriation(s) to date:	
Department's Other Fund (Specify) appropriation(s) to date:	
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$0</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2013 Unreserved Fund Balance		\$0	\$0
FY 2014 Adopted Revenues	\$0	\$0	\$0
FY 2014 Appro. (Bill No. 1(4-S))	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2014 (if applicable)	FY 2015	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Analyst: 	Date: <u>12-2-13</u>	Director: 	Date: <u>12-03-13</u>
John B Pangelinan, Supervisor		John A. Rios, Director	

Footnotes:  
Please see comment sheet.

### Comments on Bill No. 227-32

This proposed legislation is seeking to create a separate, fully functional autonomous authority with a governance body and management officials to be known as the Guam Streetlight Authority. The intent of the proposed organization of the Guam Streetlight Authority is for this Authority to issue a bond indenture to cover the renovation of streetlights from the incandescent and/or Fluorescent to LED, so not to place an undue burden to Guam Power Authority (GPA)'s ratepayers should a revenue bond be issued for such purpose.

This proposed establishment of the Guam Streetlight Authority, a public corporation, is provided with: 1) the legislative authority to issue, sell or dispose of revenue bonds; 2) the rights of succession; 3) the adoption of a corporate seal; 4) the development of an internal organization and management to govern the conduct of such organization; 5) the authority to enter into contracts; 6) the authority to acquire obligation and debt; 7) the authority to settle and adjust claims; the authority to acquire properties; 8) the authority to acquire intangible properties; 9) the authority to acquire donations or contributions as revenues; and 9) the authority to act or implement the necessary steps necessary to carry-out its legislative purpose.

The governing body for this Authority is to be its Board of Directors comprising of three members of the Consolidated Commission on Utilities. To carry-out such polices and directives of this board, a management team consisting of the General Manager of GPA, Chief Financial Officer of the GPA and Secretary of the Authority shall all serve as the "ex officio" of the Authority.

With regards to the issuance of revenue bonds as authorized, this Authority is authorized to issue such bond indenture with the understanding that this bond indenture is not a public indebtedness for the Authority but a special obligation of the Authority payable solely from the revenues specified in the Resolution providing for such bond indenture. This resolution requires the approval of the Governor. It is noted that this Authority does not have a rate mechanism in place to generate income, although it is authorized to recognize fees as revenues. This fact is pointed out because this Authority is authorized to issue revenue bonds which are dependent on a steady stream of revenues generated from an identified rate mechanism for services rendered. It appears that any pledging of revenues would come from an assortment of miscellaneous donations, contributions and rentals rather than from a steady revenue stream. To counter-act such unreliability of funding, Section 82212, Article II of the proposed Chapter 82 is requiring the Government of Guam, as a pledge, to insure and continue the rights, powers and duties of the Authority needed to fulfill the terms of any agreements made with bondholders. It is our belief that such pledge made by the Government of Guam would change the composition of the revenue bonds issued by this Authority into general obligation bonds that would exceed the debt ceiling of Government of Guam, violating Section 1423a, Title 48, U. S. Code. Such violation would make this proposed legislation inappropriate for execution.



**COMMITTEE ON RULES**

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Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

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Vicente (Ben) C. Pangelinan  
Member

Speaker  
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Member

Senator  
Michael F.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

November 25, 2013

VIA E-MAIL  
[john.rios@bbmr.guam.gov](mailto:john.rios@bbmr.guam.gov)

John A. Rios  
Director  
Bureau of Budget & Management Research  
P.O. Box 2950  
Hagåtña, Guam 96910

RE: Request for Fiscal Notes– Bill Nos. 222-32 (COR) through 227-32(COR)

*Hafa Adai* Mr. Rios:

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

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

Very Truly Yours,

Senator Thomas C. Ada  
*Acting Chairperson of the Committee on Rules*

Attachment (1)

Cc: Clerk of the Legislature

2013 NOV 25 PM 5:29



Bill Nos.	Sponsor	Title
222-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO AMEND §89.01(a)(2); TO AMEND §89.01(a)(2)(B); TO ADD A NEW SUBSECTION (C) TO §89.01(a)(2); TO AMEND §89.02(a)(2); TO AMEND §89.02(a)(3); TO AMEND §89.02(b)(2); TO AMEND §89.02(c)(1) AND TO ADD A NEW SUBSECTION (a) TO §89.02 ALL OF CHAPTER 89, 9 GUAM CODE ANNOTATED RELATIVE TO THE CRIMES AGAINST MINORS AND SEX OFFENDER REGISTRY.
223-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO APPROPRIATE THE SUM OF FOUR HUNDRED THOUSAND DOLLARS (\$400,000) FOR THE COMPENSATION TO FARMERS FOR CROP DAMAGES PROGRAM ESTABLISHED PURSUANT TO CHAPTER 64A, TITLE 5 OF THE GUAM CODE ANNOTATED.
224-32 (COR)	T.C. Ada, R.J. Respicio	AN ACT TO AMEND §5425, §5426, §5427, §5450, §5452, §5480, §5481 AND §§5485 (a) and (b) OF ARTICLE 9, AND §5703, §5705, §5706(b), §5707(a), §5708 OF ARTICLE 12, CHAPTER 5, TITLE 5 OF THE GUAM CODE ANNOTATED RELATIVE TO CLARIFYING LEGAL AND CONTRACTUAL REMEDIES IN GUAM PROCUREMENT LAW.
225-32 (COR)	Judith T. Won Pat, Ed.D. T.R. Muna Barnes Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 58C TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL AND TO AMEND AND RENUMBER §22425(a) ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO REVALUATION OF REAL PROPERTY TAXES AND TO AMEND §53101 OF TITLE 17 GUAM CODE ANNOTATED, RELATIVE TO EARLY CHILDHOOD PROGRAM FUND.
226-32 (COR)	Judith T. Won Pat, Ed.D. T.R. Muna Barnes Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5 GUAM CODE ANNOTATED RELATIVE TO THE FINANCE, DESIGN, RENOVATION, REHABILITATION, CONSTRUCTION OR MAINTENANCE OF PUBLIC SCHOOLS.
227-32 (COR)	T.C. Ada R.J. Respicio	AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF NEW LED STREETLIGHTS.



## COMMITTEE ON RULES

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Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

November 25, 2013

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

### MEMORANDUM


Senator  
Vicente (Ben) C. Pangelinan  
Member

**To: Rennae Meno**  
*Clerk of the Legislature*

Speaker  
Judith T.P. Won Pat, Ed.D.  
Member

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

Senator  
Dennis G. Rodriguez, Jr.  
Member

**From: Senator Thomas C. Ada**   
*Acting Chairperson of the Committee on Rules*

Vice-Speaker  
Benjamin J.F. Cruz  
Member

**Subject: Referral of Bill No. 227-32(COR)**

Legislative Secretary  
Tina Rose Muña Barnes  
Member

As the Acting Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 227-32(COR)**.

Senator  
Frank Blas Aguon, Jr.  
Member

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 members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Senator  
Michael F.Q. San Nicolas  
Member

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER



Attachment

Senator  
Aline Yamashita  
Member

**I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN**  
**2013 (FIRST) REGULAR SESSION**

Bill No. 227-32(6R)

Introduced By:

T.C. Ada   
R.J. Respicio 

**AN ACT TO AUTHORIZE THE CREATION OF THE GUAM  
STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE  
THE PURCHASE AND INSTALLATION OF NEW LED  
STREETLIGHTS.**

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

**Section 1. Legislative Findings and Intent.**

*I Liheslaturan Guåhan finds the* Guam Department of Public Works (DPW) is responsible for providing streetlights on Guam's public thoroughfares, and the Guam Power Authority (GPA) installs and provides electricity to these streetlights.

*I Liheslatura further finds that* based on recommendations from an energy efficiency study undertaken on behalf of GPA, the Consolidated Commission on Utilities (CCU), as governing board of GPA, and DPW have determined that it is in the best interests of GPA, DPW, and Guam's taxpayers and electric ratepayers to replace Guam's streetlights with energy-efficient LED streetlights.

*I Liheslatura further finds that* to replace the approximately 15,000 streetlights on Guam will require a significant investment for the initial conversion and installation. It has been determined that the issuance of revenue bonds by GPA to finance the streetlights would result in an undue burden on GPA's ratepayers, the

1 creation of a new special-purpose governmental entity to be known as the “Guam  
2 Streetlight Authority” to issue bonds to finance the purchase and installation of the  
3 new LED streetlights would be the solution to achieving the desired objectives.

4 *I Liheslaturan Guåhan* therefore intends to approve the creation of the Guam  
5 Streetlight Authority.  
6

7 **Section 2.** A new Chapter 82 is hereby added to Title 12 of the Guam Code  
8 Annotated, as follows:  
9

10 **“Chapter 82**  
11 **Guam Streetlight Authority**

- 12 Article 1. General Provisions  
13 Article 2. Guam Streetlight Authority Revenue Bonds  
14

15 **ARTICLE I**  
16 **GENERAL PROVISIONS**  
17

- 18 §82101. Short Title  
19 §82102. Definitions  
20 §82103. Guam Streetlight Authority  
21 §82104. Purpose of the Authority  
22 §82105. Powers of the Authority  
23 §82106. Governance of the Authority  
24 §82107. Officers of the Authority  
25 §82108. Division to be Liberally Construed.  
26

1  
2 **§ 82101. Short Title.**

3 This Chapter may be cited as the *Guam Streetlight Authority Act*.

4 **§ 82102. Definitions.**

5 As used in this Chapter, the following words and phrases are defined to mean:

6 (a) ‘*Authority*’ means the Guam Streetlight Authority.

7 (b) ‘*Board*’ means the governing board of the Authority.

8 (c) ‘*Bonds*’ means bonds, notes or other evidences of indebtedness of the  
9 Authority, issued by the Authority pursuant to this Chapter.

10 **§ 82103. Guam Streetlight Authority.**

11 There is hereby created a public corporation to be known as the Guam  
12 Streetlight Authority with functions, powers and responsibilities as hereinafter  
13 provided. The principal office of the Authority shall be located in Guam and the  
14 Authority shall be deemed to be a resident of Guam.

15 **§ 82104. Purpose of the Authority.**

16 The Authority is created with the limited and sole purpose of facilitation of the  
17 financing, acquisition, and installation of new LED streetlights for Guam public  
18 thoroughfares.

19 **§ 82105. Powers of the Authority.**

20 The Authority shall have and exercise each and all of the following powers, but  
21 only to the extent necessary or desirable in furtherance of its corporate purpose:

22 (a) To issue, sell or dispose of revenue bonds and other obligations from time  
23 to time under such terms and conditions as the Guam Legislature, by  
24 appropriate legislation, may prescribe. The proceeds of such bonds and  
25 obligations shall be used solely to finance the acquisition and installation, of  
26 LED streetlights for Guam public thoroughfares.

(b) To have perpetual succession, unless sooner terminated by law.

- 1  
2 (c) To adopt, alter and use a corporate seal.  
3 (d) To establish its internal organization and management and adopt, amend and  
4 repeal bylaws and other resolutions and directives governing the conduct of  
5 its business, and the performance of the powers and duties granted to or  
6 imposed upon it by law.  
7 (e) To enter into contracts and execute all instruments necessary or convenient  
8 in the exercise of its powers and sue and be sued in its corporate name.  
9 (f) To determine the character of and the necessity for its obligations and  
10 expenditures and the manner in which they shall be incurred, allowed and  
11 paid.  
12 (g) To settle and adjust claims held by it against other persons or parties and by  
13 other persons or parties against the Authority.  
14 (h) To acquire in accordance with Title VII-A of the Government Code, any  
15 tangible personal property and to hold, maintain, use and operate the same;  
16 and to sell, lease, encumber or otherwise dispose of the same, whenever any  
17 of the foregoing transactions are deemed necessary or appropriate to the  
18 conduct of the activities authorized by this Division, and on such terms as  
19 may be prescribed by the Authority.  
20 (i) To acquire, in any lawful manner, any intangible personal property, and to  
21 hold, maintain, use and operate the same; and to sell, encumber or otherwise  
22 dispose of the same, whenever any of the foregoing transactions are deemed  
23 necessary or appropriate to the conduct of the activities authorized by this  
24 Division, and on such terms as may be prescribed by the Authority.  
25 (j) To receive and accept from any source, loans, contributions or grants, in  
26 either money, property, labor or other things of value, for, or in aid of, the

1 financing or refinancing of LED streetlights, or for the payment of principal  
2 of and interest on bonds issued by the Authority.

3 (k) To take such action and carry on any other operations and do all that may be  
4 necessary or appropriate to carry out the powers and duties herein or  
5 hereafter specifically granted to or imposed upon it.

6 **§ 82106. Governance of Authority.**

7 (a) All functions and powers of the Authority shall be vested in and be  
8 exercised by and under the direction of a Board of Directors composed of three (3)  
9 members, appointed by the Consolidated Commission on Utilities from among its  
10 members. Members of the Board shall serve for a term of four (4) years or the  
11 balance of their terms on the CCU. Members of the Board shall elect a member of the  
12 Board to serve as Chairperson.

13 (b) The Board shall be responsible for the management, administration, policies  
14 and direction of the Authority and shall exercise supervision through the  
15 Administrator.

16 (c) The Board shall meet in regular session at least once each month, and in  
17 special session as often as it may deem necessary.

18 (d) A majority of the Board shall constitute a quorum for the transaction of  
19 business. The Board shall act by the vote of at least two (2) of its members.

20 (e) The Directors shall receive no salary for their services on the Board.

21 **§ 82107. Officers of the Authority.**

22 The General Manager of the Guam Power Authority shall serve *ex officio* as the  
23 general manager of the Authority and shall be the chief executive officer of the  
24 Authority. The General Manager of the Authority shall be responsible for the day-to-  
25 day operation of the Authority.  
26

1           The Chief Financial Officer of the Guam Power Authority shall serve *ex officio*  
2 as the chief financial officer of the Authority. The Chief Financial Officer of the  
3 Authority shall have full charge and control of the fiscal, business and accounting  
4 operations of the Authority, subject to the supervision of the Board.  
5

6           The Secretary of the Guam Power Authority shall serve *ex officio* as the  
7 secretary of the Authority. The Secretary shall have charge of all records and minutes  
8 of the Board.

9           The Treasurer of the Guam Power Authority shall serve *ex officio* as the  
10 treasurer of the Authority. The Treasurer shall have custody of all moneys of the  
11 Authority and shall pay out such money only in accordance with the direction of the  
12 Board or as provided in connection with any indebtedness incurred pursuant to  
13 Article II of this Division.

14           The Attorney of the Guam Power Authority shall serve *ex officio* as the attorney  
15 of the Authority. The Attorney shall advise the Board and the General Manager on all  
16 legal matters to which the Authority is a party or in which the Authority is legally  
17 interested and may represent the Authority in connection with legal matters before the  
18 Legislature, boards and other agencies of the Territory. The Attorney General shall  
19 represent the Authority in litigation concerning the affairs of the Authority, provided  
20 that he may delegate this duty to the Attorney of the Authority, with respect to such  
21 litigation.

22 **§ 82108. Division to be Liberally Construed.**

23           This Division shall be construed liberally so far as may be necessary for the  
24 purpose of effecting its general intent. The declaration of invalidity or nullity of any  
25 provision of this Division by competent court shall not affect the force and validity of  
26 the remaining provisions.



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**ARTICLE II**

**GUAM STREETLIGHT AUTHORITY REVENUE BONDS**

- §82201. Additional Definitions.
- §82202. Bonds; Power to Issue; Purposes.
- §82203. Bonds; Issuance; Authorization by Resolution; Terms.
- §82204. Bonds; Negotiability.
- §82205. Covenants with Bondholders.
- §82206. Pledge of Revenues; Lien.
- §82207. Nonliability of Members of the Authority or of the Government of Guam
- §82208. Tax Exemptions; Payment in Lieu of Taxes
- §82209. Bonds as Legal Investments and as Security for Performance of any Act
- §82210. Inapplicability of Other Laws
- § 82211. Property of Authority; Exemption From Execution or Other Judicial Process.
- § 82212. Pledge by the Government of Guam.
- § 82213. Disposition of Funds and Projects.
- § 82214. Trustee for Authority and Holders of Bonds.
- § 82215. Duties and Powers of Trustee.
- § 82216. Issuance and Interchange of Coupon and Registered Bonds.
- §82217. Redemption of Bonds Prior to Maturity.
- § 82218. Places of Payment.
- § 82219. Execution and Authentication of Bonds.
- § 82220. Dates and Maturities of Bonds.
- § 82221. Sale of Bonds.
- § 82222. Validity of Authorization and Issuance of Bonds.

- 1 § 82223. Tax Exemptions.
- 2 § 82224. Guam Streetlight Authority Revenue Fund.
- 3 § 82225. Investment of Money in Funds.
- 4 § 82226. Appropriation of Money in Funds.
- 5 § 82227. Credit Enhancement.

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8 **§ 82201. Additional Definitions.**

9 As used in this Chapter or in any indenture entered into pursuant thereto, unless  
10 a different meaning clearly appears from the context:

- 11 (a) *'Authority'* means the Guam Streetlight Authority.
- 12 (b) *'Board'* means the governing board of the Authority.
- 13 (c) *'Bonds'* means bonds, notes or other evidences of indebtedness of the  
14 Authority, issued by the Authority pursuant to this Chapter.
- 15 (d) *'Bondholder'* or *'holder of bonds'* or any similar term means any person  
16 who shall be:
  - 17 i. the bearer of any outstanding bond or bond registered to bearer or not  
18 registered; or
  - 19 ii. the registered owner of any such outstanding bond or bond which  
20 shall at the time be registered other than to bearer.
- 21 (e) *'Cost'* means:
  - 22 i. the cost of acquisition, construction, reconstruction, installation,  
23 repair, alteration or improvement of a project;
  - 24 ii. the cost of lands, rights-in-lands, easements, privileges, agreements,  
25 franchises, utility extensions, disposal facilities, access roads and site  
26 development deemed by the Authority to be necessary or useful and  
convenient for any project or in connection therewith;

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- iii. discount on bonds, costs of issuance of bonds, engineering and inspection costs, costs of financial, legal, professional and other estimates and advice;
  - iv. organization, administrative, insurance, guarantee, operating and other expenses of the Authority or any person prior to and during any acquisition or construction, and all such expenses of the Authority or any person prior to and during any acquisition or construction, and all such expenses as may be necessary or incident to the financing, acquisition, construction or completion of any project or part thereof; and
  - v. such provision for payment or security of principal of or interest on bonds (including reserve for such purposes) during or after such acquisition or construction as the Authority may determine.

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(f) '*Credit provider*' means any municipal bond insurance company, bank or other financial institution or organization that is performing in all material respects its obligations under any credit support arrangements for some or all of the bonds.

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(g) '*Credit provider reimbursement agreement*' means any agreement providing for the Authority to repay, from revenues, amounts advanced by a credit provider as credit support for bonds.

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(h) '*Credit support*' means a policy of insurance, a letter of credit, a stand-by purchase agreement, revolving credit agreement or other credit arrangement pursuant to which a credit provider provides credit or liquidity support with respect to the payment of interest, principal or the purchase price of any bonds.

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- (i) *'Indenture'* means an agreement pursuant to which bonds are issued, regardless of whether such agreement is expressed in the form of a resolution of the Board or by other instrument.
  - (j) *'Organic Act'* means the Organic Act of Guam as amended and in effect on the effective date of this Article (Title 48, §1421 et seq. of the United States Code.).
  - (k) *'Person'* includes any individual, firm, corporation, association, partnership, trust, business trust or receiver or trustee or conservator for any thereof, and also includes the United States, Guam or any public corporation, political subdivision, city, county or district or any agency or instrumentality of the United States or of Guam.
  - (l) *'Project'* means the acquisition, construction, installation, equipping, repair, replacement, alteration or improvement of energy efficient streetlights for any public thoroughfare in Guam, whether or not in existence or under construction.
  - (m) *'Revenue'* means
    - i. receipts, fees, rentals or other payments to be received on account of lease, mortgage conditional sale or sale, and payments and other income derived from the lease, sale or other disposition of a project;
    - ii. money in such reserve and insurance funds or accounts or other funds and accounts (and income from the investment thereof) established in connection with the issuance of bonds for a project or projects; and
    - iii. fees, charges or other money to be received by the Authority with respect to projects and contracts with persons related to projects.
  - (n) *'United States'* means the United States of America.

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2 **§ 82202. Bonds; Power to Issue; Purposes.**

3 The Authority shall have the power to authorize or provide for the issuance of  
4 bonds pursuant to this Chapter for the purpose of providing funds to pay or cause to  
5 be paid all or any part of the cost of any project or projects, or for the refinancing of  
6 any bonds. It is hereby declared that each project is and shall be a public  
7 improvement or undertaking as that term is used in Section 11 of the Organic Act  
8 (§1423a, Title 48, U.S. Code).

9  
10 **§ 82203. Bonds; Issuance; Authorization by Resolution; Terms.**

11 (a) By resolution approved by the Governor, the Authority shall have the power  
12 to incur indebtedness, borrow money and issue its bonds for the purposes stated in §  
13 82202 of this Chapter. Except as may otherwise be expressly provided by the  
14 Authority, every issue of its bonds shall be special obligations of the Authority  
15 payable solely from the revenues or money of the Authority specified in the resolution  
16 providing for its issuance, subject only to any agreement with the holders of particular  
17 bonds pledging any particular revenues or money. Such bonds shall bear such date or  
18 dates, mature at such time or times, bear interest at a rate or rates, be in such  
19 denominations, be in form, either coupon or registered, carry such conversion or  
20 registration privileges, have such rank or priority be executed in such manner, payable  
21 from such source and have such terms of redemption (with or without premium) as  
22 such resolution may provide. Bonds of the Authority may be sold by the Authority to  
23 public or private sale at such price or prices and under such conditions and terms as  
24 the Authority shall determine.

25 (b) Every bond shall recite that it is not a general indebtedness of the Authority,  
26 but rather is a special obligation of the Authority payable solely from the revenues  
specified in the Resolution providing for its issuance. Every bond shall recite that it is

1 not public indebtedness of the Territory as that term is used in §11 of the Organic Act  
2 of Guam.  
3

4 **§ 82204. Bonds; Negotiability.**  
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6 Any provision of any law to the contrary notwithstanding, any bond or other  
7 obligation issued pursuant to this Chapter shall be fully negotiable for all purposes,  
8 and each holder or owner of such a bond or other obligation, or of any coupon  
9 appurtenant thereto, by accepting such bond or coupon shall be conclusively deemed  
10 to have agreed that such bond, obligation or coupon is and shall be fully negotiable for  
11 all purposes, subject in each case to any provisions for registration in the bond,  
12 obligation or coupon or in the resolution or indenture authorizing its issuance.

13 **§ 82205. Covenants With Bondholders.**  
14

15 In order to secure the payment of such bonds and in addition to its other  
16 powers, the Authority shall have power by resolution to covenant and agree with the  
17 several holders of such bonds, as to:

18 (a) The custody, security, use, expenditure or application of the proceeds of the  
19 bonds;

20 (b) The use, regulation, operation, maintenance, insurance or disposition of all  
21 or any part of any project or projects;

22 (c) Payment of the principal of or interest on the bonds, or any other  
23 obligations, and the sources and methods thereof, the rank or priority of any such  
24 bonds or obligations as to any lien or security, or the acceleration of the maturity of  
25 any such bonds or obligations;

26 (d) The use and disposition of any money of the Authority, including all  
revenues or other money derived or to be derived from any project or projects;

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2 (e) Pledging, setting aside, depositing or trusteeing all or any part of the  
3 proceeds, revenues or other money of the Authority to secure the payment of the  
4 principal of or interest on the bonds or any other obligations and the power and duties  
5 of any trustee with regard thereto;

6 (f) The setting aside out of the proceeds, revenues or other money of the  
7 Authority of reserves and sinking funds, and the source, custody, security, regulation  
8 application and disposition thereof;

9 (g) The rents, fees or other charges for the use of any project or projects,  
10 including any parts thereof theretofore constructed or acquired and any parts,  
11 replacements or improvements thereof thereafter constructed or acquired, and the  
12 fixing, establishment, collection and enforcement of the same;

13 (h) Limitation on the issuance of additional bonds or any other obligations or on  
14 the incurrence of indebtedness of the Authority;

15 (i) Vesting in a trustee or trustees, fiscal or escrow agent or agents within or  
16 without the Territory such property, rights, powers and duties in trust as the Authority  
17 may determine and limiting the rights, duties and powers of such trustee or agent;

18 (j) Payment of costs or expenses incident to the enforcement of the bonds or of  
19 the provisions of the resolution or of any covenant or contract with the holders of the  
20 bonds;

21 (k) The procedure, if any, by which the terms of any covenant or contract with,  
22 or duty to, the holders of bonds may be amended or abrogated, the amount of bonds  
23 the holders of which must consent thereto, and the manner in which such consent may  
24 be given or evidenced; or

25 (l) Any other matter or course of conduct which, by recital in the resolution is  
26 declared to further secure the payment of the principal of or interest on the bonds.

1 All such provisions of the resolution and all such covenants and agreements  
2 shall constitute valid and legally binding contracts between the Authority and the  
3 several holders of the bonds, regardless of the time of issuance of such bonds, and  
4 shall be enforceable by any such holder or holders by appropriate action, suit or  
5 proceeding in any court of competent jurisdiction, or by proceeding in lieu of  
6 prerogative writ.  
7

8 **§ 82206. Pledge of Revenues; Lien.**  
9

10 Any pledge of revenues or other money made by the Authority shall be valid  
11 and binding from the time when the pledge is made; the revenues or other money so  
12 pledged and thereafter received by the Authority shall immediately be subject to the  
13 lien of such pledge without any physical delivery thereof or further act, and the lien of  
14 any such pledge shall be valid and binding as against all parties having claims of any  
15 kind in tort, contract or otherwise against the Authority, irrespective of whether such  
16 parties have notice thereof. Neither the resolution nor any other instrument by which a  
17 pledge is created need be filed or recorded except in the records of the Authority.  
18

19 **§ 82207. Nonliability of Members of the Authority or of the Government of  
20 Guam.**

21 Neither the members of the Authority nor any person executing bonds issued  
22 pursuant to this Chapter shall be liable personally on the bonds by reason of the  
23 issuance thereof. Bonds or other obligations issued by the Authority pursuant to this  
24 Chapter shall not be in any way a debt or liability of the Government of Guam or of  
25 any political subdivision thereof, either legal, moral or otherwise, and nothing in this  
26 Chapter contained shall be construed to authorize the Authority to incur any



1 indebtedness on behalf of or in any way to obligate the Government of Guam and all  
2 such bonds shall contain on the face thereof a statement to that effect.  
3

4 **§ 82208. Tax Exemptions; Payments in Lieu of Taxes.**

5 The exercise of the powers granted by this Chapter shall constitute the  
6 performance of an essential governmental function and the Authority shall not be  
7 required to pay any taxes or assessments upon or in respect of a project, or any  
8 property of money of the Authority, and the Authority, its projects, property and  
9 money and any bonds and notes issued under the provisions of this Chapter, their  
10 transfer and the income therefrom, including any profit made on the sale thereof, shall  
11 at all times be free from taxation of every kind. Bonds issued pursuant to the  
12 provisions of this Chapter and the interest income therefrom are exempt from taxation  
13 in accordance with the provision of the last sentence of §11 of the Organic Act of  
14 Guam (§1423a, Title 48, U.S. Code).  
15

16 **§ 82209. Bonds as Legal Investments and as Security for Performance of any Act.**

17 Notwithstanding any restriction contained in any other law, the Government of  
18 Guam, its officers, boards, commissions, departments or other agencies, all banks,  
19 bankers, trust companies, savings banks and institutions, building and loan  
20 associations, savings and loan associations, investment companies and other persons  
21 carrying on a banking or investment business, all insurance companies, insurance  
22 associations and other persons carrying on an insurance business, and all executors,  
23 administrators, guardians, trustees and other fiduciaries, and all other persons  
24 whatsoever who now are or may hereafter be authorized to invest in bonds or other  
25 obligations of the Government of Guam, may properly and legally invest any sinking  
26 funds, money or other funds, including capital, belonging to them or within their

1 contract in any bonds or notes issued by the Authority under the provisions of this  
2 Chapter; and the bonds and notes are made securities which may properly and legally  
3 be deposited with and received for the performance of any act whenever any evidence  
4 of indebtedness of the Government of Guam for any purpose for which the deposit of  
5 bonds or other obligations of the Government of Guam is now or may hereafter be  
6 authorized by law.

7 **§ 82210. Blank**

8 **§ 82211. Property of Authority; Exemption From Execution or Other Judicial**  
9 **Process.**

10 All property of the Authority shall be exempt from levy and sale by virtue of an  
11 execution and no execution or other judicial process shall issue against the same nor  
12 shall any judgment against the Authority be a charge or lien upon its property;  
13 provided, that nothing herein contained shall apply to or limit the rights of the holder  
14 of any bonds to pursue any remedy for the enforcement of any pledge of lien given by  
15 the Authority on or with respect to any project or any revenues or other money.  
16

17 **§ 82212. Pledge by the Government of Guam.**

18 The government of Guam hereby pledges that while any bonds of the Authority  
19 issued under this Article remain outstanding and not fully performed or discharged  
20 shall: (a) to maintain the rights, powers and duties of the Board to fulfill the terms of  
21 any agreements made with bondholders in accordance with this Article, and (b) to  
22 maintain the rights and remedies of bondholders provided in this Article and any  
23 indenture.  
24

25 **§ 82213. Disposition of Funds and Projects.**

26 Any balance remaining in any of the funds or accounts created by this Article or  
any indenture after payment of all costs, expenses and charges required or authorized

1 to be expended therefrom, may be allocated and used for such other purposes relating  
2 to the project or to the Authority, as the Board may determine, subject to the  
3 limitations and restrictions in any indenture. When the principal of and interest on  
4 bonds of the Authority issued to finance the costs of a particular project, including any  
5 refunding bonds issued to refinance all or any part of these bonds, have been fully  
6 paid and retired, or when adequate provisions have been made for their payment and  
7 retirement and all other conditions of any resolution, indenture, security interest or any  
8 other instrument authorizing and securing the bonds have been satisfied, and any lien  
9 created has been released in accordance with the provisions thereof, the Authority is  
10 authorized, upon the terms and conditions it prescribes, to execute releases, released  
11 deeds, reassignments, deeds and conveyances and to do all things necessary or  
12 required to convey or release its rights, title and interest in the project financed and in  
13 any other instruments pledged or transferred to secure bonds to the Government of  
14 Guam or any political subdivision thereof, as their respective interests may appear.  
15

16 **§ 82214. Trustee for Authority and Holders of Bonds.**

17 (a) The Authority or any agent designated by the Authority shall act as  
18 trustee for the Authority and the holders of bonds issued hereunder and the Authority  
19 may authorize the trustee to act on behalf of the holders of the bonds or any stated  
20 percentage thereof and to exercise and prosecute on behalf of the holders of the bonds  
21 such rights and remedies as may be available to the holders.  
22

23 (b) The Authority may provide in an indenture:

24 (i) for the deposit of all or any portion of the revenues with the Authority  
25 and for the holding thereof by the Authority in one or more separate funds or accounts  
26 in the Guam Streetlight Authority Revenue Fund; and

1 (ii) for the transfer to the trustee of all or any portion of the revenues as are  
2 provided as security for the bonds and for the holding thereof by the trustee in one or  
3 more separate funds or accounts. All money in each such fund or account shall be  
4 disbursed only as provided herein and in the indenture.  
5

6 **§ 82215. Duties and Powers of Trustee.**  
7

8 The Authority shall prescribe in any indenture the duties and powers of the  
9 trustee with respect to the issuance, authentication, sale and delivery of the bonds  
10 provided for in such indenture and with respect to the payment of principal of and  
11 interest on such bonds, the redemption thereof, the registration and discharge from  
12 registration thereof and the management of any and all funds provided as security  
13 therefore.  
14

15 **§ 82216. Issuance and Interchange of Coupon and Registered Bonds.**

16 An indenture may provide that bonds may be issued as coupon bonds or as  
17 registered bonds and for the interchange of coupon bonds for registered bonds and  
18 registered bonds for coupon bonds, and may provide that bonds shall be registered as  
19 to principal only or as to both principal and interest or otherwise as the Authority may  
20 determine.  
21

22 **§ 82217. Redemption of Bonds Prior to Maturity.**

23 An indenture may provide that bonds may be redeemed prior to maturity upon  
24 such terms, conditions and upon such notice as are stated in the indenture and upon  
25 the payment of such premium as may be fixed by the indenture.  
26

1  
2 **§ 82218. Places of Payment.**

3 An indenture may provide for the payment of the principal and interest of bonds  
4 at any one or more places in Guam or in the United States and in any specified coin or  
5 currency of the United States.

6  
7 **§ 82219. Execution and Authentication of Bonds.**

8 An indenture may provide for the execution and authentication of bonds by the  
9 manual or facsimile signature of any one or more officers of the Authority and by  
10 additional authentication by endorsement by the manual signature or a signature stamp  
11 of any one or more officers of the Authority or of any agent designated by the  
12 Authority as trustee. If any officer or agent whose signature, countersignature or  
13 endorsement appears upon the bonds or coupons ceases to be an officer or agent  
14 before the delivery of the bonds or coupons, his signature, countersignature or  
15 endorsement is nevertheless valid and of the same force and effect as if he had  
16 remained such officer or agent until the delivery of the bonds and coupons.

17  
18 **§ 82220. Dates and Maturities of Bonds.**

19 Bonds shall bear dates prescribed by the Authority in the indenture providing  
20 for their issuance. Bonds may be serial bonds, term bonds or sinking fund bonds with  
21 such maturities as the indenture shall specify. No bond by its terms shall mature more  
22 than [fifty (50)] years after its date of issuance.

23  
24 **§ 82221. Sale of Bonds.**

25 Bonds authorized to be issued under this Article shall be sold by the Authority  
26 for cash, in accordance with the provisions of a resolution providing for such sale  
adopted by the Board. The bonds may be sold at either public or private sale, and

1 upon such terms and conditions as shall be authorized by the Board, which may  
2 provide that the bonds may be sold at less than their par or face value.

3  
4 **§ 82222. Validity of Authorization and Issuance of Bonds.**

5 The validity of the authorization and issuance of any bonds by the Authority is  
6 not dependent on nor affected in any way by:

7 (a) Proceedings taken by the Authority for the acquisition, construction or  
8 improvement of a project or any part thereof;

9 (b) Any contracts made by the Authority in connection with the acquisition,  
10 construction or improvement of a project or any part thereof; or

11 (c) The failure to complete the project or any part thereof for which bonds  
12 are authorized to be issued.

13  
14 **§ 82223. Tax Exemptions.**

15 Bonds issued pursuant to the provisions of this Article and the interest or  
16 income therefrom are exempt from taxation to the extent permitted by the provisions  
17 of Section 11 of the Organic Act.

18  
19 **§ 82224. Guam Streetlight Authority Revenue Fund.**

20 All revenues received from or on account of projects shall be deposited to the  
21 credit of the Guam Streetlight Authority Revenue Fund, which fund is hereby created.  
22 Moneys in the Guam Streetlight Authority Revenue Fund may be used for any of the  
23 following purposes in the order of priority set forth in any indenture:

24 (a) to pay principal or interest on any bonds;

25 (b) to pay any amounts due and owing under any credit provider  
26 reimbursement agreement; and

1 (c) for any other purposes of the Authority; all as provided in any indenture  
2 or indentures and subject to any restrictions provided by law or any indenture.  
3

4 **§ 82225. Investment of Money in Funds.**

5 Moneys in the Guam Streetlight Authority Revenue Fund may be invested by  
6 the Authority and any revenues in any other fund or account held by or on behalf of  
7 the Authority or its agent may be invested by the Authority or its agent, as the case  
8 may be, in any investment authorized by any indenture providing for the issuance of  
9 bonds. All interest or other earnings received pursuant to such investments shall be  
10 collected by the Authority or its agent, as the case may be, and shall be deposited to  
11 the credit of the fund or account from which such interest or other earnings are  
12 derived, unless otherwise provided in an indenture.  
13

14 **§ 82226. Appropriation of Money in Funds.**

15 All money in the funds and accounts created by this Article or any indenture is  
16 hereby appropriated for expenditure in carrying out the purposes herein and therein  
17 provided  
18

19 **§ 82227. Credit Enhancement.**

20 The Board has the power and is hereby authorized to cause the Authority to  
21 enter into such contracts or agreements with such banks, insurance companies or other  
22 financial institutions as it determines are necessary or desirable to improve the  
23 security and marketability of the bonds. Such contracts or agreements may contain an  
24 obligation to reimburse, with interest, any such banks, insurance companies or other  
25 financial institutions for advances used to pay principal of or interest on the bonds and  
26 to indemnify any such banks, insurance companies or other financial institutions for  
costs and expenses incurred in connection with any such advance; provided, that any

1 obligation of the Authority under any reimbursement agreement shall be payable  
2 solely from revenues.

3 Any reimbursement agreement may include a provision that the obligations of  
4 the Authority under the agreement shall be secured by all or by part of revenues;  
5 provided that, at the time of execution and delivery of each such agreement, any such  
6 provision shall be in compliance with and shall not violate or breach any provision of  
7 any indenture then in effect with respect to bonds.”  
8

9 **Section 3. Effective Date.** This Act shall become effective upon enactment  
10

11 **Section 4. Severability.** If any section, part, phrase or provision of this Chapter  
12 or the application thereof to any person, project or circumstances, be adjudged invalid  
13 by any court of competent jurisdiction, such judgment shall be confined in its  
14 operation to the section part, phrase, provision or application directly involved in the  
15 controversy in which such judgment shall have been rendered and shall not effect or  
16 impair the validity of the remainder of this Chapter or the application thereof to other  
17 persons, projects or circumstances.  
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