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
	Barnes Judith T. Won Pat, Ed.D.	AN ACT TO ADD A NEW CHAPTER 59A TO TITLE 5 OF THE GUAM CODE ANNOTATED, 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.	10/22/13 12:50 p.m.	10/22/13	Committee on General Governmental Operations and Cultural Affairs	11/14/13 10 a.m.		Fiscal Note Request Received 10/31/13 Fiscal Note Received 4/25/14

COMMITTEE ON RULES



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

Senator Rory J. Respicio Chairperson Majority Leader

April 25, 2014

Memorandum

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

<u>Manuum</u>

Rennae Meno Clerk of the Legislature

From:

To:

Senator Rory J. Respicio Majority Leader & Rules Chair

Subject: Fiscal Notes

Hafa Adai!

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

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FISCAL NOTES:

Bill No. 212-32(COR) Bill No. 302-32(COR) Bill No. 311-32(LS) Bill No. 315-32(LS)

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, Hagātňa Guam 96932

EDDIE BAZA CALVO GOVERNOR JOHN A. RIOS DIRECTOR

RAY TENORIO LIEUTENANT GOVERNOR JOSE S. CALVO DEPUTY DIRECTOR

APR 2 3 2014

Senator Rory J. Respicio Chairperson, Committee on Rules I Mina'trentai Dos na Liheslaturan Guåhan The 32nd Guam Legislature 155 Hesler Place Hagåtna, Guam 96932

Hafa Adai Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: <u>212-32(COR)</u>, <u>302-32(COR)</u>, <u>311-32(LS)</u>, and <u>315-32(LS)</u>.

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. <u>212-32 (COR)</u>

AN ACT TO *ADD* A NEW CHAPTER 59A TO TITLE 5 OF THE GUAM CODE ANNOTATED, 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.

Department/Agency Appropriation Information			
Dept./Agency Affected: Public Works Dept./Agency Head: Carl V. Domingue		ez, Director	
Department's General Fund (GF) appropriation(s) to date:		11,235,337	
Department's Other Fund (Specify) appropriation(s) to da Highway Fund (\$8,132,517)	te: DPW Building & Design Fund (\$597,019); Guam	8,729,536	
Total Department/Agency Appropriation(s) to date:		\$19,964,873	

Fund Source Information of Proposed Appropriation				
	General Fund:	Guam Highway Fund / Street Light Fund	Total:	
FY 2013 Unreserved Fund Balance		SO	\$0	
FY 2014 Adopted Revenues	\$0	\$0	\$0	
FY 2014 Appro. <u>(Bill No. 1(4-S))</u>	\$0	<u>\$0</u>	\$0	
Sub-total:	\$0	S0	\$0	
Less appropriation in Bill	\$0	SO	\$0	
Total:	\$0	50	\$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	SO	\$(
Guam Highway Fund / Street Light Fund	1/	1/	1/	1/	I/	1
Total	<u>1</u> /	<u>1/</u>	<u>1/</u>	1/	Ľ	1

1. Does the bill contain "revenue generating" provisions? /X/ Yes // No If Yes, see attachment 2. Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A / / Yes // No If no, what is the additional amount required? \$ /X/ N/A 3. Does the Bill establish a new program/agency? / / Yes /X/ No If yes, will the program duplicate existing programs/agencies? 11 Yes /X/ No Is there a federal mandate to establish the program/agency? 11 Yes /X/ No 4. Will the enactment of this Bill require new physical facilities? / / Yes /X/ No 5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: / / Yes /X/ No / / Requested agency comments not received by due date / X/ Other: Time constraints

Aı	nalyst: MMM Angela Flores, BMA IV	Date: 4/4/4 Director: Date APR 2.3	2014

Bureau of Budget & Management Research Attachment to Fiscal Note No. 212-32 (COR)

Comments:

The proposed legislation is to add a new Chapter 59A to Title 5 GCA cited as the Island-wide Energy Efficient Street Light Act of 2013, which entails a contractor to be fully responsible for carrying out the procurement and the installing, operating, leasing, maintaining, refurbishing, and replacing of streetlights using LED technology. A fiscal impact will result in connection with the proposed installment purchase agreement arrangement with a contractor for the procurement of streetlights (§59A104). This shall be in conjunction with GPA, DPW and the respective village mayors, as they are to determine the needs and specification within the IFB; to include the use of LED ("Light Emitting-Diode") technology. The agreement may be structured to be renewed annually with provision for automatic renewable to the extent pledged revenue under Section 59A108 in the bill. This will provide for the Government of Guam to purchase from the contractor for a period mutually agreed upon as may be necessary to amortize over the installment purchase period any and all costs associated with the financing, procurement, and preventative maintenance of the streetlights; however, which shall not be greater than 10 years and with an interest rate not to exceed the prime rate plus one percent. This is to be secured by a pledge from annual appropriations made from the Street Light Fund (SLF), 16 GCA §7161, and the Guam/Territorial Highway Fund (G/THF), 5 GCA §54102, for the operation of public street lights. The bill language states that for purposes of this contract only, the Government of Guam agrees to appropriate no less than the amounts identified in the SLF (\$3,608,312) and the G/THF (\$4,210,063) for the operation of public streetlights in FY2014. Additional impacts may result which cannot be determined at this time, to include costs for services by the contractor which is indicated, and which is required to determine what is the best buy for the government; and whether approval by the Public Utilities Commission is required, since costs by the contractor may increase over time. Furthermore, G/THF revenues also go toward operations of DPW Highway Division, Guam Regional Transit Authority, University of Guam Capital Improvement Projects, to name a few.



COMMITTEE ON RULES

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Senator Rory J. Respicio CHAIRPERSON MAJORITY LEADER

October 29, 2013

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 <u>VIA E-MAIL</u> 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. 212-32 (COR) through 215-32 (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,

Uny J. Kespicio

Senator Rory J. Respicio *Chairperson, Committee on Rules*

Attachments (1)

Cc: Clerk of the Legislature

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Bill Nos.	Sponsor	Title
212-32 (COR)	T.R. Muña Barnes Judith T. Won Pat, Ed.D.	AN ACT TO ADD A NEW CHAPTER 59A TO TITLE 5 OF THE GUAM CODE ANNOTATED, 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.
213-32 (COR)	V. Anthony Ada	AN ACT TO AUTHORIZE I MAGA'LAHEN GUAHÅN TO EXCHANGE GOVERNMENT PROPERTY IN BARRIGADA FOR PRIVATELY OWNED PROPERTY LOCATED IN BARRIGADA TO BE USED FOR THE GUAM FLOOD MITIGATION PLAN.
214-32 (COR)	Michael F.Q. San Nicolas	AN ACT TOALLOW EMPLOYEES OF GOVERNMENT OF GUAM AGENCIES AND INSTRUMENTALITIES TO APPLY PAYROLL DEDUCTIONS TO REGISTERED NON- PROFITS, BY AMENDING §20111 OFARTICLE 1, CHAPTER 20, TITLE 5, GUAM CODE ANNOTATED.
215-32 (COR)	T.R. Muña Barnes, Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW ARTICLE 24 TO CHAPTER 12, TITLE 10 OF THE GUAM CODE ANNOTATED, RELATIVE TO ALLOWING THE MEDICAL USE OF CANNABIS, AMENDING PROVISIONS OF THE CONTROLLED SUBSTANCES ACT, PROVIDING PENALTIES, AND FOR OTHER PURPOSES, ALSO KNOWN AS THE JOAQUIN CONCEPCION COMPASSIONATE CANNABIS USE ACT OF 2013.



Request for Fiscal Notes- Bill Nos. 212-32 (COR) through 215-32 (COR)

Senator Rory J. Respicio <cor@guamlegislature.org> Tue, Oct 29, 2013 at 2:26 PM To: john.rios@bbmr.guam.gov Cc: admin@bbmr.guam.gov, analyn.eustaquio@bbmr.guam.gov, Guam Legislature Clerks <clerks@guamlegislature.org> Bcc: Mary Maravilla <marymaravilla19@gmail.com>

October 29, 2013

VIA E-MAIL

john.rios@bbmr.guam.gov

John A. Rios

Director

Bureau of Budget & Management Research

P.O. Box 2950

Hagåtña, Guam 96910

Rectined by. Analyn Date: 10/29/13 Time: 3:00pm

<u>RE: Request for Fiscal Notes- Bill Nos. 212-32 (COR) through 215-32 (COR)</u>

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.

Human & Natural Resources; and Election Reform *I Mina'Trentai Dos na Liheslaturan Guåhan* 155 Hesler Place, Ste. 302 Hagåtna, Guam 96910 Phone: (671) 472-7679 Fax: (671) 472-3547

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Senator Rory J. Respicio Chairperson Majority Leader

October 22, 2013

MEMORANDUM

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 **M**INORITY LEADER

Senator Aline Yamashita Member To: Rennae Meno Clerk of the Legislature

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

 From:
 Senator Rory J. Respicio

 Majority Leader & Rules Chair

Subject: Referral of Bill No. 212-32(COR)

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 212-32(COR)**.

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

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

Si Yu'os Ma'åse!

Attachment

I MINA' TRENTI DOS NA LIHESLATURAN GUÅHAN 2013 (FIRST) Regular Session

Bill No. <u>212-32</u> (COR) Introduced by:

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JRAN GUÅHAN

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AN ACT TO *ADD* A NEW CHAPTER 59A TO TITLE 5 OF THE GUAM CODE ANNOTATED, 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.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Title. This Act *shall* be cited and referred to as the 'Island-Wide
Energy Efficient Streetlight Act of 2013.'

4 Section 2. Chapter 59A is hereby *added* to Title 5 of the Guam Code 5 Annotated to read as follows:

"CHAPTER 59A 6 The Island-Wide Energy Efficient Streetlight Act of 2013 7 §59A101. Title. 8 Legislative Findings and Intent. §59A102. 9 **Definitions.** §59A103. 10 Installment Purchase Agreement Authorization. §59A104. 11 §59A105. **Procurement.** 12 §59A106. **Responsibilities of Contractor.** 13 §59A107. Assignments. 14

§59A108. Pledge of Revenues.

§59A109. Cost Savings Reporting and Procurement of Additional Streetlights.

§59A110. Severability.

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§59A101. Title. This Act *shall* be known and *shall* be cited as the '*The Island Wide Energy Efficient Streetlight Act of 2013.*'

§59A102. Legislative Findings and Intent. I Liheslaturan Guåhan finds that the 8 Guam Power Authority ("GPA") currently utilizes two types of streetlights, namely the 9 150-watt type II High Pressure Sodium ("HPS") and the 250-watt type IV HPS cobra 10 head luminaires. In 2010, GPA initiated a pilot program to determine the feasibility of 11 12 replacing the HPS streetlight technology with LED and/or induction lighting technology in an effort to lower power consumption and generation, reduce carbon dioxide 13 emissions, and produce for the island's power system a higher quality light. That pilot 14 project was completed in April 2012. As a result of the pilot project it was found that 15 streetlights using LED technology resulted in lower power consumption. 16

I Liheslaturan Guåhan further finds that GPA's total streetlight count is 17 approximately 16,359, 78% of which are 150-watt type II HPS lights, and 22% of which 18 are 250-watt HPS lights. Tests have indicated that the actual power consumption of the 19 150 and 250-watt HPS lights are approximately 180-watts and 300-watts, respectively. 20 Assuming an operation time of 12 hours a night, the total island-wide streetlight power 21 consumption is approximately 4.05 megawatt-hours (MWh) per night, or about 1.48 22 gigawatt-hour (GWh) per year. At an hourly cost of \$0.1933/kilowatt-hour (kWh) taken 23 at the beginning of the project, the total per annum cost to the Government of Guam is 24 approximately \$2,850,000.00. 25

I Liheslaturan Guåhan further finds that with the increasing cost of fuel, methods of decreasing consumption must be employed. It is therefore the intent of *I Liheslaturan Guåhan* to authorize the Department of Public Works ("DPW"), in conjunction with GPA, to replace the existing HPS streetlights with streetlights using Light Emitting Diode ("LED") technology.

§59A103. Definitions. For purposes of this Chapter and *unless* otherwise
 specified, the following words and phrases are defined to mean:

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(a)"Act" means Chapter 59A of Title 5 of the Guam Code Annotated, known as the "*The Island-Wide Energy Efficient Street Light Act of 2013*."

(b) "Contract" *shall* collectively mean the procurement and the installing,
operating, leasing, maintaining, refurbishing, and replacing of streetlights using LED
technology entered into between DPW and the Contractor following negotiations on the
response to the Multistep Invitation for Bids ("IFB").

11 (c) "Contractor" *shall* mean the authorized entity whom *shall* be the 12 signatory on the Contract and *shall* be fully responsible for carrying out the procurement 13 and the installing, operating, leasing, maintaining, refurbishing, and replacing of 14 streetlights using LED technology. The Contractor may cooperate with another entity or 15 entities in any manner the Contractor deems appropriate to provide for the installing, 16 operating, leasing, maintaining, refurbishing, and replacing of streetlights using LED 17 technology envisioned by this Act.

§59A104. Installment Purchase Agreement Authorization. For the purpose of facilitating the financing, procurement, and maintenance of streetlights envisioned by this Act, the government of Guam is authorized to enter into an installment purchase agreement arrangement with a Contractor for the procurement of streetlights. Specifically, DPW, in conjunction with the GPA and in consultation with the respective village mayors, *shall* determine the needs and specification within the IFB.

The Government of Guam is authorized to purchase from the Contractor for a period mutually agreed upon between the Government of Guam and the Contractor as may be reasonably necessary to amortize over the installment purchase period any and all costs associated with the financing, procurement, and preventative maintenance of the streetlights. In no event *shall* the installment purchase agreement be greater than ten (10)

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years.

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After the maturity of the installment purchase agreement, the government of Guam shall own the streetlights. Additionally, the interest rate of the installment purchase agreement shall not exceed the prime rate plus one percent. The installment purchase agreement may be structured as an annually renewable agreement with provision for automatic renewal to the extent that pledged revenue under Section 59A108 of this Act is available. The installment purchase agreement *shall not* be construed as a debt under any applicable debt limitation under the Guam Organic Act or Guam law.

§59A105. Procurement. Subject to the approval of I Liheslaturan Guåhan, 9 DPW with the assistance of GPA, via a Memorandum of Understanding, shall solicit the 10 IFB through DPW, in compliance with the Guam Procurement Law, 5 GCA §5001 et 11 seq., for the procurement and installing, operating, leasing, maintaining, refurbishing, 12 and replacing of streetlights using LED technology, together with maintenance over the 13 Installment Purchase Agreement period, according to the needs of the Government of 14 Guam and consistent with this Chapter. The IFB shall be issued within thirty (30) days 15 of enactment of this Act. 16

§59A106. Responsibilities of Contractor. The Contract shall require that the 17 Contractor be responsible for all costs, expenses and fees of any kind or nature, 18 associated with the procurement and the installing, operating, leasing, maintaining, 19 refurbishing, and replacing of streetlights using LED technology, and to the extent 20 provided by the Government of Guam in the IFB. The Installment Purchase Agreement 21 may provide that if sufficient funds are not appropriated or otherwise available for the 22 payment of amounts due under the lease and any maintenance agreement, the 23 Government of Guam shall cease utilizing those streetlights, and the Contractor shall 24 have the right of use for the remainder of the term of the Installment Purchase 25 Agreement, unless new mutually satisfactory terms are entered into. For this purpose, 26 the Installment Purchase Agreement may provide that its term *shall* be extended for a 27 period not to exceed the shorter of five (5) years beyond the original term of the 28

installment purchase agreement *or* such period of time as is necessary to repay in full any
financing as envisioned in this Act.

§59A107. Assignments. To facilitate the purposes of this Act and to provide security for the holders of any financing instruments issued pursuant to this Act, the Contractor may assign, without the need for consent of the Government of Guam, the Contract to any underwriter, trustee or other party as appropriate to facilitate the issuance of the tax-exempt obligations, other financial instruments, or alternative financing for procurement and the installing, operating, leasing, maintaining, refurbishing, and replacing of streetlights using LED technology.

Pledged Revenues. The installment purchase agreement for the §59A108. 10 procurement and the installing, operating, leasing, maintaining, refurbishing, and 11 replacing of streetlights using LED technology shall be secured by a pledge from the 12 annual appropriations made from the Street Light Fund, 16 GCA §7161, and the 13 14 Territorial Highway Fund, 5 GCA §54102, for the operation of public street lights. For the purposes of this Contract only, the Government of Guam agrees to appropriate no 15 less than the amounts identified in the Street Light Fund and the Territorial Highway 16 Fund for the operation of public streetlights in Fiscal Year 2014 for the term of the 17 Contract. Any such pledge or reservation authorized hereunder shall be valid and 18 binding from the time the pledge or reservation is made and shall be made from the 19 Territorial Highway Fund for the operation of public street lights. 20

Streetlights. The amount saved by transitioning from the existing HPS lights to LED lights *shall* be reported by GPA to *I Liheslaturan Guåhan* within ninety (90) days of installation of the streetlights. The amount of savings realized *shall* be available to procure additional streetlights as needed. DPW, in conjunction with GPA and in consultation with the respective village mayors, *shall* identify the placement of these additional streetlights.

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Section 3. Severability. If any provision of this Act or its application to any

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person or circumstance is found to be invalid or contrary to law, such invalidity shall not

2 affect other provisions or applications of this Act which can be given effect without the

3 invalid provisions or application, and to this end the provisions of this Act are severable.