

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
181-32 (COR)	T.C. Ada R.J. Respicio	AN ACT TO AMEND SECTION 2 OF PUBLIC LAW 30-145 RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS, TO INCREASE THE AMOUNT OF THE BONDS THAT THE GUAM WATERWORKS AUTHORITY IS AUTHORIZED TO ISSUE, AND TO APPROVE THE TERMS AND CONDITIONS OF GUAM WATERWORKS AUTHORITY REVENUE BONDS TO REFINANCE CERTAIN GUAM WATERWORKS AUTHORITY REVENUE BONDS.	9/6/2013 4:44 p.m.	09/09/13	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land	10/9/13 1 p.m.		Fiscal Note Requested 9/12/13



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

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
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Senator
Frank Blas Aguon, Jr.
Member

Senator
Michael F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

September 12, 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

RE: Request for Fiscal Notes– Bill Nos. 181-32(COR), 182-32(LS)
and 183-32(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 Rory J. Respicio
Chairperson, Committee on Rules

Attachments (1)

Cc: Clerk of the Legislature

Clerk of the Legislature

ACKNOWLEDGEMENT RECEIPT

Received by: M. Mathis

Title: _____

Date: 9/12/13

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182-32 (COR)	Brant T. McCreddie V. Anthony Ada Chris M. Dueñas Aline A. Yamashita, Ph.D Tommy Morrison Michael T. Limtiaco	AN ACT TO RESERVE THE TOTAL OF \$4,800,000 UPON THE MATURITY OF THE GOVERNMENT OF GUAM LIMITED OBLIGATION: BUSINESS PRIVELEGE TAX BONDS SERIES 2013C BOND TO FUND THE CONSTRUCTION OF A NEW MIDDLE SCHOOL, TO PROVIDE ADDITIONAL FUNDING FOR THE CONSTRUCTION OF A NEW SIMON SANCHEZ HIGHSCHOOL ANDFOROTHER PURPOSES.
183-32 (COR)	V. Anthony Ada R.J. Respicio	AN ACT TO ADD A NEW ARTICLE 5 TO CHAPTER 3 OF 22GCA RELATIVE TO PRIVACY OF EMPLOYEES' PERSONAL INFORMATION.



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September 9, 2013

MEMORANDUM

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. 181-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 181-32(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'TRENTAI DOS LIHESLATURAN GUÅHAN
2013 (First) Regular Session

Bill No. 181-32 (COR)

Introduced by:

T.C. Ada 
R.J. Respicio

**AN ACT TO AMEND SECTION 2 OF PUBLIC LAW 30-145
RELATIVE TO APPROVING THE TERMS AND CONDITIONS
OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY
REVENUE BONDS, TO INCREASE THE AMOUNT OF THE
BONDS THAT THE GUAM WATERWORKS AUTHORITY IS
AUTHORIZED TO ISSUE, AND TO APPROVE THE TERMS
AND CONDITIONS OF GUAM WATERWORKS AUTHORITY
REVENUE BONDS TO REFINANCE CERTAIN GUAM
WATERWORKS AUTHORITY REVENUE BONDS.**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that
3 the United States District Court of Guam Civil Case No. 02-00035, November 10, 2011
4 Order outlines the corrective actions and other necessary capital projects that the Guam
5 Waterworks Authority (the "Authority") shall continue to undertake. Since the original
6 2003 Court Order, the Authority has borrowed \$220,000,000 to begin to bring the GWA
7 system into compliance with federal Clean Water and Safe Drinking Water laws.

8 *I Liheslatura* further finds that in order for the Authority to be able to finance the
9 projects required in the timelines prescribed in the United States District Court of Guam
10 Civil Case No. 02-00035, November 10, 2011 Order, the Authority must be authorized to
11 issue an additional Four Hundred Ninety-Five Million Dollars (\$495,000,000) in bonds.
12 The loans would be used to fund the following:

- 13 • Bring all three southern wastewater treatment plants in Agat, Umatac and Baza
14 Gardens into compliance with their secondary treatment permits at an estimated
15 cost of \$111 million by 2018;
- 16 • Repair or rebuild all GWA water storage tanks island-wide at an estimated cost of
17 \$153.4 million by 2021;

2013 SEP 6 PM 4:44 PM

- 1 • Invest \$48.5 million for water distribution projects island-wide to begin replacing
2 badly leaking water lines, improve pressure with booster pump upgrades and
3 refurbishing or drilling new wells;
- 4 • Fund \$39.4 million for systems analysis and monitoring and technology upgrades
5 for better system management and energy savings; and,
- 6 • To minimize ratepayer impact and allow for gradual rate increases spread out over
7 five to seven years, an additional amount of \$142 million is required to fund two
8 years of capitalized interest plus a debt service reserve for each bond borrowing.

9 These bond issuances, in one or more series, shall be issued subject to the approval of the
10 Guam Consolidated Commission on Utilities (the “CCU”), the Guam Public Utilities
11 Commission (the “PUC”), and the Board of Directors of the Guam Economic
12 Development Authority (“GEDA”).

13 *I Liheslatura* further finds the Authority anticipates that opportunities may arise to
14 refinance all or a portion of its outstanding Series 2005 and Series 2010 revenue bonds
15 for debt service savings, which is expected to result in savings to ratepayers. In order to
16 benefit ratepayers and comply with the Federal Court Order, I Liheslaturan Guahan has
17 determined that the issuance of revenue bonds by the Authority for such purpose, subject
18 to approval by the CCU, the PUC, and the Board of Directors of GEDA, would be
19 prudent.

20 *I Liheslatura* finally finds that a 2010 rider, inserted during legislative session,
21 required GWA ratepayers to pay back \$20 million to the General Fund for a loan that was
22 fully paid off in December 2010, causing an unnecessary burden on ratepayers.
23 Consequently, the rider was interpreted by the PUC in 2012 to require an 18% rate
24 increase that ratepayers would re-pay over an 18-month period. GWA filed, in Superior
25 Court, its objection to the PUC order and successfully obtained a stay from transferring
26 \$18 million to the General Fund. Notwithstanding, the provision still remains in Guam
27 law and needs to be repealed to make clear that this is no longer a requirement to be
28 placed upon GWA’s ratepayers. *I Liheslatura* finds that adding another \$20 million rate
29 increase onto GWA ratepayers is not in the public interest.

30

1 **Section 2. Amendment to Section 2 of Public Law 30-145.** Section 2 of Public
2 Law 30-145 is hereby *amended* to read as follows:

3 **“Section 2. Approval of Guam Waterworks Authority Revenue Bonds.**

4 (a) The Guam Legislature, *I Liheslaturan Guåhan*, pursuant to Section
5 50103 of Title 12 of the Guam Code Annotated, hereby approves the issuance and
6 sale by the Authority of revenue bonds pursuant to Article 2, Chapter 14, Title 12,
7 Guam Code Annotated (the “Act”) in one or more series or issues; provided that
8 the issuance, terms and conditions of the bonds *shall* have been approved by the
9 Guam Public Utilities Commission, and further provided that such bonds shall
10 have a principal amount *not to exceed* ~~Two Hundred Twenty Million Dollars~~
11 ~~(\$240,000,000)~~ Seven Hundred Fifteen Million Dollars (\$715,000,000), *shall*
12 have a final maturity not later than 2055, *shall* bear interest at such rate or rates
13 and *shall* be sold for such price or prices as shall result in a net yield to the
14 bondholders *not exceeding* seven and one-half percent (7.5%) per annum, *shall* be
15 issued and sold in the manner, for the purposes and subject to the requirements
16 and limitations provided in Article 2, Chapter 14, Title 12, Guam Code
17 Annotated, and *shall* be issued pursuant to an Indenture in substantially the form
18 as attached to this Act as Exhibit A. ~~Twenty Million Dollars (\$20,000,000)~~
19 ~~principal amount shall be used to pay the balance of the government of Guam~~
20 ~~Limited Obligation (Section 30) Series 2001A bond and any other portions of~~
21 ~~Bonds or Loans paid for by General Fund revenues for which the Guam~~
22 ~~Waterworks Authority has received proceeds.~~ In order to be able to take
23 advantage of ~~Build America Bonds, or other~~ a federally subsidized bond program,
24 net yield to the bondholders *shall* be calculated by subtracting any interest subsidy
25 amounts to be received from the United States in connection with such bonds
26 from the amount of interest to be paid to bondholders.

27
28 **Section 3. Approval of Guam Waterworks Authority Refinancing Bonds.**

29 *I Liheslaturan Guåhan*, pursuant to Section 50103 of Title 12 of the Guam Code
30 Annotated, hereby approves the issuance and sale by Guam Waterworks Authority of
31 fixed rate revenue bonds in one or more series or issues to refinance the outstanding

1 revenue bonds of the Authority pursuant to Section 14226 of Article 2, Chapter 14, Title
2 12, Guam Code Annotated; provided that the issuance, terms and conditions of the
3 refinancing bonds shall have been approved by the Guam Public Utilities Commission
4 and the Guam Consolidated Commission on Utilities, and that the sale of the bonds shall
5 be approved by the Board of Directors of GEDA; and further provided that such
6 refinancing bonds shall have a principal amount sufficient to provide funds for the
7 payment of all bonds to be refinanced thereby (the “prior bonds”) and in addition for the
8 payment of all expenses incident to the calling, retiring or paying of such prior bonds and
9 the issuance of such refinancing bonds, including:

- 10 i. The difference in amount between the par value of the refinancing bonds and any
11 amount less than par for which the refinancing bonds are sold;
- 12 ii. Any amount necessary to be made available for the payment of interest upon such
13 refinancing bonds from the date of sale thereof to the date of payment of the prior
14 bonds or to the date upon which the prior bonds will be paid pursuant to the call
15 thereof or agreement with the holders thereof;
- 16 iii. The premium, if any, necessary to be paid in order to call or retire the prior bonds
17 and the interest accruing thereon to the date of the call or retirement; and,
- 18 iv. Any additional amount needed to provide for a deposit to the debt service reserve
19 in connection with the issuance of the refinancing bonds;

20 And further provided that such refinancing bonds shall have a final maturity not later than
21 the final maturity of the prior bonds, that such refinancing bonds shall be issued and sold
22 pursuant to the Authority’s existing bond indenture and in compliance with the provisions
23 of Chapter 14 of Title 12 of the Guam Code Annotated, and that the present value of debt
24 service on the refinancing bonds shall be at least two percent (2%) less than the present
25 value of debt service on the bonds being refinanced, using the yield on the refinancing
26 bonds as the discount rate; and further provided that all obligation of the Authority to pay
27 debt service on, and the redemption price of, the prior bonds shall be discharged
28 concurrently with the issuance of the refinancing bonds, and thereafter, the prior bonds
29 shall be payable solely from and secured solely by an escrow established for such
30 purpose in accordance with the Authority’s existing bond indenture

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