



Territory of Guam
Territorio Guam

OFFICE OF THE GOVERNOR
UFISINAN I MAGA'LAHI
AGANA, GUAM 96910 U.S.A.

REFER TO
LEGISLATIVE SECRETARY

AUG 31 1993

RECEIVED
OFFICE OF THE SPEAKER
DATE: 8/31/93
TIME: 5:15
RECD BY: [Signature]

The Honorable Joe T. San Agustin
Speaker, Twenty-Second Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 1 (1-S) which I have signed into law this date as
Public Law 22-24.

Sincerely yours,

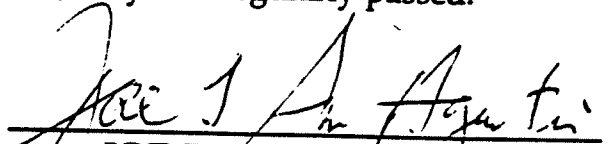
FRANK F. BLAS
Governor of Guam
Acting
220326

Attachment

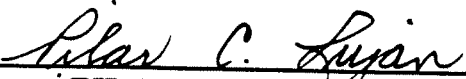
TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Special Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

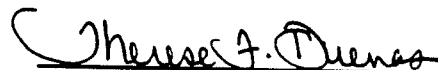
This is to certify that Bill No. 1 (1-5), "AN ACT PROVIDING FUNDING FOR THE RECOVERY OF THE GOVERNMENT OF GUAM FROM DAMAGE DONE BY THE EARTHQUAKE OF AUGUST 8, 1993, AMENDING §5104, TITLE 12, GUAM CODE ANNOTATED, AUTHORIZING GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO REPAIR ITS FACILITIES AND REPLACE GUMA IFIL, AMENDING §4103, TITLE 12, GUAM CODE ANNOTATED, TO AUTHORIZE GUAM HOUSING CORPORATION TO MAKE LOANS TO CERTAIN EARTHQUAKE VICTIMS, CREATING THE "RAINY DAY FUND", AND AUTHORIZING A GENERAL OBLIGATION BOND TO BE USED FOR CONSTRUCTION OF A CAPITOL BUILDING," was on the 26th day of August, 1993, duly and regularly passed.


JOE T. SAN AGUSTIN
Speaker

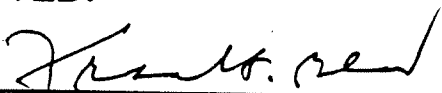
Attested:


PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 27th day of August
1993, at 2:31 o'clock P.M.


Theresa J. Duenas
Assistant Staff Officer
Governor's Office

APPROVED:


FRANK F. BLAS
Governor of Guam
ACTING

Date: AUG 31 1993

Public Law No. 22-24

CERTIFICATION OF EMERGENCY CONDITIONS

I, the Speaker and presiding officer of the Twenty-Second Guam Legislature hereby CERTIFY, pursuant to §2103 of Title 2, Guam Code Annotated, that emergency conditions exist, involving danger to the public health and safety, so that the statutory requirement of a public hearing for Bill Number 1 (1-S) may be waived. Such emergency conditions result from the destruction caused by the August 8, 1993 earthquake which has damaged many Guam homes and which has badly damaged Guam's schools and utility infrastructure to the point where the health and safety of the public are threatened. Bill Number 1 (1-S) directly addresses the emergency problems caused by the great quake, and therefore I CERTIFY that immediate action must be taken hereon. Accordingly, there is no time for a public hearing thereon.

DATED this 25th day of August, 1993.



JOE T. SAN AGUSTIN
Speaker

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Special Session

Bill No. 1 (1-S)

Introduced by:

Committee on Rules, at
the request of the Governor

AN ACT PROVIDING FUNDING FOR THE RECOVERY OF THE GOVERNMENT OF GUAM FROM DAMAGE DONE BY THE EARTHQUAKE OF AUGUST 8, 1993, AMENDING §5104, TITLE 12, GUAM CODE ANNOTATED, AUTHORIZING GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO REPAIR ITS FACILITIES AND REPLACE GUMA IFIL, AMENDING §4103, TITLE 12, GUAM CODE ANNOTATED, TO AUTHORIZE GUAM HOUSING CORPORATION TO MAKE LOANS TO CERTAIN EARTHQUAKE VICTIMS, CREATING THE "RAINY DAY FUND", AND AUTHORIZING A GENERAL OBLIGATION BOND TO BE USED FOR CONSTRUCTION OF A CAPITOL BUILDING.

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

2 Section 1. Legislative findings. On August 8, 1993 Guam suffered an
3 earthquake with a magnitude of 8.2 on the Richter Scale. As a result,
4 commercial buildings, residences and government-owned infrastructure and
5 public buildings were damaged. Most of the damaged buildings and
6 infrastructure are covered by insurance. The U.S. Small Business
7 Administration is available to assist owners and renters of residences and
8 businesses with low interest loans. Funds are available from the U.S.
9 Department of Transportation to reimburse the government of Guam for
10 moneys it expends for the repair of Guam's bridges and highways. The U.S.
11 Department of Labor is available to fund temporary employment for laid-off

1 workers. The U.S. Navy has assisted in repair of many of the schools.
2 Furthermore, employees of both the public and private sectors and other
3 residents of Guam have also materially assisted in the restoration and
4 recovery effort necessitated by the earthquake, thereby again demonstrating
5 the determination, courage and commitment to Guam of its diverse peoples.
6 As a result, the Governor found it unnecessary to seek a Presidential
7 Declaration of a Disaster. However, it is necessary to make funds available
8 to effectuate the repair and replacement of public buildings and infrastructure
9 and to authorize the Guam Housing Corporation to make loans to
10 homeowners who do not qualify for Small Business Administration loans.

11 **Section 2. Reappropriation from Legislative Building Fund.**

12 (a) Fifteen Million Dollars (\$15,000,000) of the available balance of the
13 Legislature Capital Improvement Fund, also known as the Legislative
14 Building Fund, are hereby reappropriated to the Office of the Governor for
15 the purpose of recovering from the earthquake, which appropriation shall be
16 expended (i) for structural evaluation of and, if necessary, repair and
17 replacement of buildings and infrastructure damaged by the earthquake, (ii)
18 for any architectural and engineering services necessary for the repair of
19 public buildings and infrastructure damaged by the earthquake, and (iii) for
20 diagnostic services necessary for repairing the public water and sewer system
21 damaged by the earthquake. The certifying officer for expenditures made
22 pursuant to this appropriation shall be the Director of the Bureau of Budget
23 and Management Research; provided, that notice of all such expenditures,
24 and replenishments, shall be delivered to the Speaker of the Legislature by the
25 end of the month in which the expenditures and replenishments are made.

26 (b) For purposes of carrying out the provisions of paragraph (a) of this
27 section, the Governor may use not more than Fifteen Million Dollars

1 (\$15,000,000) of any available cash in any fund of the government of Guam as
2 long as such emergency expenditures are replenished from the General Fund
3 no later than December 31, 1993.

4 **Section 3. Excess funds to be deposited in Rainy Day Fund.** Any
5 unencumbered funds as of March 31, 1994 of the reappropriation made in
6 Section 2 of this Act and any funds paid to the government of Guam by the
7 U.S. Department of Transportation to reimburse it for expenditures for road
8 and bridge repairs necessitated by the earthquake shall be deposited in the
9 "Rainy Day Fund" created in Section 7 of this Act.

10 **Section 4. Reprogramming bond funds for school repair.** Pursuant to
11 item (7) of subsection (m) of §22430, Title 5, Guam Code Annotated, any
12 remaining balance of bond proceeds not required for the projects listed in
13 items (1) through (6) of subsection (m) of §22430, Title 5, Guam Code
14 Annotated, and for repairing or reconstructing of Inarajan Elementary
15 School shall then be expended for (i) repairing or reconstructing the
16 earthquake-damaged Ordot-Chalan Pago Elementary School, (ii)
17 reconstructing the earthquake-damaged gymnasium and classrooms at
18 Inarajan High School, (iii) repairing or reconstructing Upi Elementary
19 School, and (iv) repairing or reconstructing earthquake damage at any other
20 school.

21 **Section 5.** New items (37) and (38) are added to §5104, Title 12, Guam
22 Code Annotated, to read:

23 "(37) Provide for the planning, development, construction,
24 lease, improvement, alteration, operation and maintenance of
25 dwellings for the severely mentally ill in consultation with the
26 Director of the Department of Mental Health and Substance Abuse;
27 and

1 **§22802. Separate Fund and Bank Account.** The Rainy Day
2 Fund shall not be commingled with the General Fund or any other
3 fund of the government of Guam. The Rainy Day Fund shall be
4 maintained in a separate bank account.

5 **§22803. Purpose and Expenditures.** The Rainy Day Fund shall
6 be expended by appropriation by law for the following purpose:
7 Eliminating or reducing any General Fund deficit existing at the end
8 of a fiscal year substantially resulting from an unexpected,
9 substantial decline in revenues received or due to the General Fund
10 caused by a territorial emergency. No monies can be transferred
11 from the Rainy Day Fund by the Governor pursuant to any of his
12 transfer authority.

13 **§22804. Continuous Appropriation.** In addition to special
14 appropriations, there is hereby continuously appropriated to the
15 Rainy Day Fund the unencumbered balance of the General Fund at
16 the close of business on the last day of each fiscal year commencing
17 on September 30, 1993 (excluding any Section 30 advance payment.)
18 The maximum amount of the Rainy Day Fund shall be Ten Million
19 Dollars (\$10,000,000) and no transfer of funds shall be necessary
20 whenever the fund balance equals Ten Million Dollars (\$10,000,000).

21 **§22805. Administration.** The Director of Administration shall
22 account for and administer the Rainy Day Fund. The Director shall
23 keep all books, records, files and accounts of the Rainy Day Fund.
24 The Director shall prepare monthly reports relative to the Rainy
25 Day Fund reflecting the transactions and the financial condition of
26 the Rainy Day Fund, which monthly reports shall be transmitted to
27 the Legislature and the Governor.

1 **§22806. Investment.** The Director of Administration shall
2 invest the Rainy Day Fund in any type of investment approved for
3 the Retirement Fund. All proceeds and income from investments of
4 the Rainy Day Fund shall be deposited in the Rainy Day Fund unless
5 the Fund exceeds Ten Million Dollars (\$10,000,000) in which case the
6 income from investments shall be deposited in the General Fund."

7 **Section 8.** A new §22431 is added to Title 5, Guam Code Annotated, to
8 read:

9 **"§22431. General Obligation Bond for capitol building.** (a)
10 **Authorization of issuance of general obligation bonds for capitol**
11 **building.** The Governor of Guam may be authorized to issue one (1)
12 or more series of general obligation bonds of the government of
13 Guam in an aggregate principal amount not to exceed Thirty Six
14 Million Dollars (\$36,000,000) to undertake the construction of a
15 capitol building and paying expenses incurred in connection with the
16 issuance of such bonds; provided, however, that the issuance of the
17 bonds shall not cause a violation of the debt limitation provisions of
18 48 USC §1423a (§11 of the Organic Act of Guam.)

19 **(b) Terms and conditions determined by certificate.** The terms
20 and conditions of the bonds shall be as determined by the Governor
21 by the execution of a certificate authorizing the issuance of the bonds
22 upon or prior to the issuance of the bonds; provided, however, that
23 such terms and conditions shall be consistent with this Section, and
24 that the bonds shall mature not later than December 1, 2024, and
25 shall bear interest at such rates and be sold for such price or prices as
26 shall result in a yield to the bondholders not exceeding ten percent
27 (10%) per annum. The certificate of the Governor shall designate

1 the amount of each maturity of bonds issued for construction of the
2 capitol building but shall also permit reallocation and redesignation
3 of such bonds.

4 (c) **Valid and binding general obligation.** Any bonds
5 authorized by this Section shall constitute the valid and binding
6 general obligations of the government of Guam. The government of
7 Guam pledges its full faith and credit for the punctual payment of
8 both principal of interest on the bonds. There shall be collected
9 annually in the same manner and at the same time as government
10 revenue for other purposes is collected, such sum as is required to
11 pay the principal of and interest on the bonds. All officers charged by
12 law with any duty in the collection of the revenues of the government
13 shall do every lawful thing necessary to collect such sum. The
14 validity of any such bonds shall not be affected by the validity or
15 regularity of any proceedings for the implementation of the capital
16 project funded by the bonds.

17 (d) **Appropriations from the General Fund.** There may be
18 authorized to be appropriated from the General Fund such sums as
19 will equal in each year the amount of money necessary to pay the
20 principal and interest on such bonds.

21 (e) **Additional parity bonds.** Nothing in this Section shall be
22 construed to prevent the government of Guam from issuing, after
23 appropriate enabling legislation, other obligations of the
24 government secured by the general obligation of the government on
25 a parity with the bonds authorized by this Section.

26 (f) **Waiver of immunity.** Notwithstanding any substantive or
27 procedural provision of Chapter 6 of Title 5, Guam Code Annotated,

1 the government of Guam waives immunity from any suit or action in
2 contract on the bonds, but does not waive sovereign immunity as to
3 the personal liability of elected officials and employees of the
4 government of Guam.

5 (g) **Form of bonds; covenants; appointment of fiduciaries.** The
6 technical form and language of the bonds, including provisions for
7 execution, exchange, transfer, registration, paying agency, lost or
8 mutilated bonds, negotiability, cancellation and other terms or
9 conditions not inconsistent with this Section, including covenants
10 relating to the collection of revenues, shall be as specified in the
11 certificate executed by the Governor authorizing the issuance of the
12 bonds. The certificate may appoint one (1) or more trustees, co-
13 trustees or other fiduciaries authorized to receive and hold in trust
14 the proceeds of the bonds and monies relating thereto, to protect the
15 rights of bondholders and to perform such other duties as may be
16 specified in the certificate. The Governor is also authorized to
17 execute, on behalf of the government of Guam, any appropriate
18 agreements, certificates or other instruments relating to the bonds
19 and the sale of the bonds.

20 (h) **Authorization for credit enhancement.** The Governor may
21 be authorized to enter into such contracts or agreements with such
22 banks, insurance companies or other financial institutions as he
23 determines are necessary or desirable to improve the security and
24 marketability of the bonds issued under this Section. Such contracts
25 or agreements may contain an obligation to reimburse, with interest,
26 any such banks, insurance companies or other financial institutions
27 for advances used to pay principal of or interest on the bonds. Any

1 such reimbursement obligation shall be a general obligation of the
2 government of Guam, and any such advance, if necessary, shall be
3 treated as creating a reimbursement obligation issued to refund the
4 bonds.

5 (i) Use of proceeds from the sale of the bonds. Proceeds from
6 the sale of the bonds may be used solely to construct and equip a
7 capitol building, to establish necessary reserves, and to pay expenses
8 relating to the authorization, sale and issuance of the bonds,
9 including, without limitation, printing costs, costs of reproducing
10 documents, bonds insurance premiums, underwriting, legal and
11 accounting fees and charges, fees paid to banks or other financial
12 institutions providing credit enhancement, costs of credit ratings,
13 fees and charges for execution, transportation and safekeeping of
14 bonds and other costs, charges and fees in connection with the
15 issuance, sale and delivery of the bonds.

16 (j) No personal liability. No employee or elected official of the
17 government of Guam shall be individually or personally liable for the
18 payment of any amounts due on any bonds issued under this Section,
19 or for any other liability arising in connection with the bonds;
20 provided, however, that nothing in this Section shall relieve any
21 employee or elected official from the performance of any ministerial
22 duty required by law.

23 (k) Legislative approval. No bonds may be issued under this
24 Section without specific prior approval of the Legislature."

25 Section 9. Section 8 of this Act shall take effect upon completion of the
26 triennial property tax valuation now underway and a determination that the
27 debt capacity of the government of Guam as limited under Section 11 of the

- 1 Organic Act of Guam has increased by enough to allow issuance of the bonds
- 2 for the Northern High School prior to issuance of the bonds for the capitol
- 3 building.

TWENTY-SECOND GUAM LEGISLATURE

1993 (FIRST) Regular Session

Special

Date: 8/26/93
4:05

VOTING SHEET

Bill No. 1(1-5)
Resolution No. _____
Question: _____

(Passage)

	AYE	NO	NOT VOTING/ ABSTAINED	ABSENT/ QUIETING ROLL CALL
ADA, Thomas C. /		✓		
AGUON, John P.	✓			
ARRIOLA, Elizabeth P.	✓			
BAMBA, J. George	✓			
BLAZ, Anthony C.	✓			
BORDALLO, Madeleine Z.	✓			
BROOKS, Doris F.		✓		
CAMACHO, Felix P.		✓		
DIERKING, Herminia D.	✓			
GUTIERREZ, Carl T. C.				✓
LUJAN, Pilar C.	✓			
MANIBUSAN, Marilyn D. A.	✓			
NELSON, Ted S.	✓			
PANGELINAN, Vicente /		✓		
PARKINSON, Don		✓		
REYES, Edward D.		✓		
SAN AGUSTIN, Joe T.	✓			
SANTOS, Francisco R.				
SHIMIZU, David L. G.				✓
TANAKA, Thomas V. C.		✓		
UNPINGCO, Antonio R. /	✓			

TOTAL 11 7 2



Territory of Guam
Fertilization Guam

OFFICE OF THE GOVERNOR
L. F. SINAN I MAGA' LAHI
AGANA, GUAM P.O. BOX 1000 U.S.A.

OFFICE OF THE SPEAKER

DATE: 8/24/93

TIME: 1pm

RECD BY: Allen

August 24, 1993

The Honorable Joe T. San Agustin
Speaker
Twenty-Second Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Mr. Speaker:

On August 8, 1993 an earthquake with a magnitude of 8.2 on the Richter Scale shook the island of Guam. We are all extremely thankful that no one was seriously injured and not many people suffered loss of their homes or apartments.

In the past two weeks the government has undertaken a survey of damage to government buildings and infrastructure. Attached to this letter is a summary of the damage assessment. The roads and bridges suffered the greatest uninsured damage. However, the U.S. Department of Transportation has funds available to reimburse the territory for repairs to federal highways and bridges.

The water and sewer system is experiencing many broken pipes. PUAG is securing assistance in finding the leaks so that they may be repaired. PUAG is undertaking repair projects as soon as the breaks are known.

Since the earthquake occurred two weeks prior to the opening of school, I directed the Department of Public Works to assist the Department of Education in obtaining visual inspections of all schools by licensed structural engineering firms. Inspections of each school were completed late last week. Repairs mandated by the engineers to restore the schools to their pre-earthquake condition have been completed except where damage was too extensive. In those few areas, the damaged buildings have been barricaded to prevent children from reaching the areas.

On Friday of this week the engineers will provide the Department of Public Works with designs to make permanent repairs at the damaged portions of all schools except Ordot-Chalan Pago Elementary School, Inarajan High School and Upi Elementary School. Repair work at all other schools will commence after receipt of the designs.

Funds for a thorough structural analysis of some of the schools were appropriated in the fiscal 1993 year budget. The Department



Commonwealth Now!

Mr. Speaker
August 24, 1993

of Education through the request for proposal process selected three firms to analyze some of the older schools on Guam. These contracts were awaiting final approval at the Department of Education when the earthquake struck Guam. Because of concern about the safety of all of our schools I have identified sufficient funds to complete a thorough structural analysis of all of Guam's public schools. These studies will start immediately and will be completed within the next few months.

These studies will result in a program of repair of all schools to bring them to current building codes as much as possible. At this time we know that major renovation and replacement is required at three more schools: Ordot-Chalan Pago Elementary School, Inarajan High School and Upi Elementary School. Temporary classrooms are being constructed at Inarajan High School. Permanent classrooms are being constructed and repair work is underway at Upi Elementary School. Temporary classrooms may be constructed at Ordot-Chalan Pago Elementary School. All these efforts will make these schools usable for this school year.

As you know, a second bond for schools will be issued upon completion of the triennial evaluation and increase in the debt ceiling. At the present time we are selling the first educational bond. There may be sufficient proceeds for repair of Ordot-Chalan Pago Elementary School, Inarajan High School and Upi Elementary School so, I am seeking authority to use any proceeds which may be available for those repairs. However, should there not be sufficient funds I will seek approval for inclusion of reconstruction of these schools in the next bond.

The Department of Public Works is undertaking repair of other government buildings damaged in the earthquake. These repairs range from major renovations at the Department of Revenue and Taxation and the Department of Corrections to repair of minor cracks at other locations.

Although much work has been done, there remains much more. Government funds must be made available for the balance of repairs not covered by insurance. In addition the Guam Housing Corporation must be permitted to lend money to homeowners who suffered earthquake damage and are unable to repair by using insurance or obtaining a SBA loan.

Mr. Speaker, you and your colleagues have offered to make available fifteen million dollars now in the Legislative Building Fund for the purpose of restoring government infrastructure and buildings. These funds should be sufficient to make immediate repairs. We anticipate that the Department of Transportation will reimburse the

Mr. Speaker
August 24, 1993

Territory a substantial amount of the cost of highway and bridge repairs.

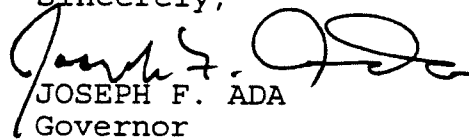
Once we determine and meet the needs for funding the new northern high school and other school reconstruction through the sale of the second educational bond then we can address funding for the new capitol building. I have included provision for the new capitol building in light of use of the existing Legislative Building Fund.

Public interest requires that the Legislature meet to address immediate funding needs. Pursuant to the authority vested in me by Section 18 of the Organic Act of Guam, as amended, (48 USC §1423h) I call the Legislature into Special Session on August 25, 1993 at 2:00 p.m. I ask the Legislature to pass a bill which will appropriate funds from the Legislative Capital Improvement Fund for the repair and replacement of public buildings and infrastructure, to authorize GHURA to expend its PILOT funds, to authorize GHC to lend to certain earthquake victims, to create the "Rainy Day Fund" and to authorize the issuance of a General Obligation Bond for construction of a Capitol Building.

Attached to this letter is a measure entitled, AN ACT PROVIDING FUNDING FOR THE RECOVERY OF THE GOVERNMENT OF GUAM FROM DAMAGE DONE BY THE EARTHQUAKE OF AUGUST 8, 1993, AMENDING 12 GCA §5104 TO AUTHORIZE GHURA TO REPAIR ITS FACILITIES AND REPLACE GUMA IFIL, AMENDING 12 GCA §4103 TO AUTHORIZE GUAM HOUSING CORPORATION TO MAKE LOANS TO CERTAIN EARTHQUAKE VICTIMS, CREATING THE "RAINY DAY FUND", AND AUTHORIZING A GENERAL OBLIGATION BOND TO BE USED FOR CONSTRUCTION OF A CAPITOL BUILDING, which I request be enacted without delay.

Once again, I thank you for your cooperation during this recovery period. As we continue to work together we will be able to restore government facilities for the benefit of all.

Sincerely,


JOSEPH F. ADA
Governor

220320

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Bill No. _____

Introduced by:

At the Request of the
Governor

AN ACT PROVIDING FUNDING FOR THE RECOVERY OF THE GOVERNMENT OF GUAM FROM DAMAGE DONE BY THE EARTHQUAKE OF AUGUST 8, 1993, AMENDING 12 GCA §5104 TO AUTHORIZE GHURA TO REPAIR ITS FACILITIES AND REPLACE GUMA IFIL, AMENDING 12 GCA §4103 TO AUTHORIZE GUAM HOUSING CORPORATION TO MAKE LOANS TO CERTAIN EARTHQUAKE VICTIMS, CREATING THE "RAINY DAY FUND", AND AUTHORIZING A GENERAL OBLIGATION BOND TO BE USED FOR CONSTRUCTION OF A CAPITOL BUILDING.

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

Chapter 1

1
2 Section 1. **Legislative Finding.** On August 8, 1993 Guam
3 suffered an earthquake with a magnitude of 8.2 on the Richter
4 Scale. As a result commercial buildings, residences and government
5 owned infrastructure and buildings were damaged. Most of the
6 damaged buildings and infrastructure are covered by insurance. The
7 Small Business Administration is available to assist owners and
8 renters of residences and businesses with low interest loans. The
9 Department of Transportation is available to reimburse funds
10 expended for repair of bridges and highways. The U. S. Department
11 of Labor is available to fund temporary employment for laid off
12 workers. The U. S. Navy has assisted in repair of many of the
13 schools. As a result it is unnecessary to seek a Presidential
14 Declaration of a Disaster. However, it is necessary to make funds
15 available to effectuate repair and replacement of public buildings
16 and infrastructure and authorize Guam Housing Corporation to make

1 loans to homeowners who do not qualify for Small Business Adminis-
2 tration loans.

3 Section 2. The Governor may expend no more than Fifteen
4 Million Dollars (\$15,000,000) of the available balance of the
5 Legislature Capital Improvement Fund aka Legislative Building Fund
6 which are hereby appropriated for the purpose of recovering from
7 the earthquake. The funds may be expended for repair and replace-
8 ment of buildings and infrastructure damaged by the earthquake.
9 The funds may also be expended for any necessary architectural and
10 engineering services for public buildings and infrastructure and
11 for diagnostic services necessary for the water and sewer system.
12 The Certifying Officer for expenditures made pursuant to this
13 appropriation shall be the Director of the Bureau of Budget and
14 Management Research; provided, that notice of all such expenditures
15 shall be delivered to the Speaker of the Legislature by the end of
16 the month in which the expenditures are made. For purposes of
17 making urgent repairs the Governor may use not more than Fifteen
18 Million Dollars (\$15,000,000) of any available cash in any fund of
19 the Government of Guam as long as it is replenished from the
20 General Fund no later than December 31, 1993.

21 Section 3. Any unencumbered funds as of March 31, 1994 of the
22 appropriation made in Section 2 of this Act and any funds paid to
23 the government of Guam by the Department of Transportation to
24 reimburse expenditures for road and bridge repairs necessitated by
25 the earthquake shall be deposited in the "Rainy Day Fund" created
26 in Chapter 3 of this Act.

1 Section 6. A new subsection (3) is added to 12 GCA §4103 to
2 read:

3 "(e) to make a low interest loan to any homeowner whose
4 primary residence was damaged as a result of the earthquake on Guam
5 on August 8, 1993 provided, that the homeowner did not have
6 insurance to cover the loss and did not qualify for a loan from the
7 Small Business Administration."

8 Chapter 3

9 Section 7. A new Article 8 is added to 5 GCA Chapter 22 to
10 read:

11 "Article 8

12 **Rainy Day Fund**

13 **§22801. Creation.** There is hereby created, separate and
14 apart from other funds of the Government of Guam, a reserve fund
15 known as the "Rainy Day Fund."

16 **§22802. Separate Fund and Bank Account.** The Rainy Day
17 Fund shall not be commingled with the General Fund or any other
18 fund of the Government of Guam. The Rainy Day Fund shall be
19 maintained in a separate bank account.

20 **§22803. Purpose and Expenditures.** The Rainy Day Fund
21 shall be expended by appropriation by law for the following
22 purpose: eliminating or reducing any General Fund deficit existing
23 at the end of a fiscal year substantially resulting from an
24 unexpected, substantial decline in revenues received or due to the
25 General Fund caused by a territorial emergency.

1 **bonds for Capitol Building.** The Governor of Guam is authorized to
2 issue one (1) or more series of general obligation bonds of the
3 government of Guam in an aggregate principal amount not to exceed
4 Thirty Six Million Dollars (\$36,000,000) to undertake the construc-
5 tion of a capitol building and paying expenses incurred in
6 connection with the issuance of such bonds; **provided,** however, that
7 the issuance of the bonds shall not cause a violation of the debt
8 limitation provisions of 48 USC §1423a (§11 of the Organic Act of
9 Guam.)

10 (b) **Terms and conditions determined by certificate.**

11 The terms and conditions of the bonds shall be as determined by the
12 Governor by the execution of a certificate authorizing the issuance
13 of the bonds upon or prior to the issuance of the bonds; **provided,**
14 however, that such terms and conditions shall be consistent with
15 this Section, and that the bonds shall mature not later than
16 December 1, 2024 and shall bear interest at such rates and be sold
17 for such price or prices as shall result in a yield to the
18 bondholders not exceeding ten percent (10%) per annum. The
19 certificate of the Governor shall designate the amount of each
20 maturity of bonds issued for construction of the capitol building
21 but shall also permit reallocation and redesignation of such bonds.

22 (c) **Valid and binding general obligation.** Any
23 bonds authorized by this Section shall constitute the valid and
24 binding general obligations of the government of Guam. The
25 government of Guam pledges its full faith and credit for the
26 punctual payment of both principal of and interest on the bonds.

1 There shall be collected annually in the same manner and at the
2 same time as government revenue for other purposes is collected,
3 such sum as is required to pay the principal of and interest on the
4 bonds. All officers charged by law with any duty in the collection
5 of the revenues of the government shall do every lawful thing
6 necessary to collect such sum. The validity of any such bonds
7 shall not be affected by the validity or regularity of any
8 proceedings for the implementation of the capital project funded by
9 the bonds.

10 (d) **Appropriations from the General Fund.** There
11 are hereby appropriated from the General Fund such sums as will
12 equal in each year the amount of money necessary to pay the
13 principal and interest on such bonds.

14 (e) **Additional parity bonds.** Nothing in this
15 Section shall be construed to prevent the government of Guam from
16 issuing, after appropriate enabling legislation, other obligations
17 of the government secured by the general obligation of the
18 government on a parity with the bonds authorized by this Section.

19 (f) **Waiver of immunity.** Notwithstanding any
20 substantive or procedural provision of Chapter 6 of Title 5, Guam
21 Code Annotated, the government of Guam waives immunity from any
22 suit or action in contract on the bonds, but does not waive
23 sovereign immunity as to the personal liability of elected
24 officials and employees of the government of Guam.

25 (g) **Form of bonds; covenants; appointment of**
26 **fiduciaries.** The technical form and language of the bonds,

1 including provisions for execution, exchange, transfer, registra-
2 tion, paying agency, lost or mutilated bonds, negotiability ,
3 cancellation and other terms or conditions not inconsistent with
4 this Section, including covenants relating to the collection of
5 revenues, shall be as specified in the certificate executed by the
6 Governor authorizing the issuance of the bonds. The certificate
7 may appoint one (1) or more trustees, co-trustees or other
8 fiduciaries authorized to receive and hold in trust the proceeds of
9 the bonds and monies relating thereto, to protect the rights of
10 bondholders and to perform such other duties as may be specified in
11 the certificate. The governor is also authorized to execute, on
12 behalf of the government of Guam, any appropriate agreements,
13 certificates or other instruments relating to the bonds and the
14 sale of the bonds.

15 (h) **Authorization for credit enhancement.** The
16 Governor is authorized to enter into such contracts or agreements
17 with such banks, insurance companies or other financial institu-
18 tions as he determines are necessary or desirable to improve the
19 security and marketability of the bonds issued under this Section.
20 Such contracts or agreements may contain an obligation to reim-
21 burse, with interest, any such banks, insurance companies or other
22 financial institutions for advances used to pay principal of or
23 interest on the bonds. Any such reimbursement obligation shall be
24 a general obligation of the government of Guam, and any such
25 advance, if necessary, shall be treated as creating a reimbursement
26 obligation issued to refund the bonds.

(i) Use of proceeds from the sale of the bonds.

Proceeds from the sale of the bonds shall be used solely to construct and equip a capitol building, to establish necessary reserves, and to pay expenses relating to the authorization, sale and issuance of the bonds, including, without limitation, printing costs, costs of reproducing documents, bonds insurance premiums, underwriting, legal and accounting fees and charges, fees paid to banks or other financial institutions providing credit enhancement, costs of credit ratings, fees and charges for execution, transportation and safekeeping of bonds and other costs, charges and fees in connection with the issuance, sale and delivery of the bonds.

(j) No personal liability. No employee or elected official of the government of Guam shall be individually or personally liable for the payment of any amounts due on any bonds issued under this Section, or for any other liability arising in connection with the bonds; provided, however, that nothing in this Section shall relieve any employee or elected official from the performance of any ministerial duty required by law."

Section 9. Section 8 of this Act shall take effect upon completion of the triennial property tax valuation now underway and a determination that the debt capacity of the government of Guam as limited under Section 11 of the Organic Act of Guam has increased by enough to allow issuance of the bonds for the Northern High School prior to issuance of the bonds for the Capitol Building.

EARTHQUAKE DAMAGE ASSESSMENT REPORT

FOR

VARIOUS PUBLIC SCHOOLS GUAM, M.I.

**PREPARED FOR:
DEPARTMENT OF EDUCATION
GOVERNMENT OF GUAM
P.O. BOX DE
AGANA, GUAM 96910**

**PREPARED BY:
EMPSCO-ENGINEERING CONSULTANTS
SUITE 245 JULALE SHOPPING CENTER
AGANA, GUAM 96910**

AUGUST 21, 1993



August 20, 1993

TO: FRANKLIN J.A. QUITUGUA, PhD
Director
Department of Education
P.O. Box DE
Agana, Guam 96910

SUBJECT: EARTHQUAKE DAMAGE INSPECTION AND ASSESSMENT REPORT

1. YIGO ELEMENTARY SCHOOL
2. UPI ELEMENTARY SCHOOL
3. DEDEDO MIDDLE SCHOOL
4. WETTENGEL ELEMENTARY SCHOOL
5. F.B. LEON GUERRERO MIDDLE SCHOOL
6. MARIA ULLOA ELEMENTARY SCHOOL
7. FINEGAYAN ELEMENTARY SCHOOL
8. PRICE ELEMENTARY SCHOOL
9. F.Q. SANCHEZ ELEMENTARY SCHOOL

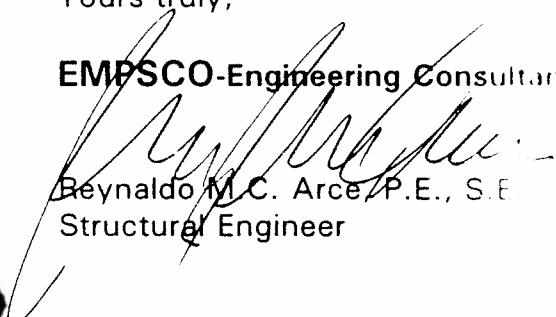
The enclosed report presents our findings and recommendations of the above subject School Buildings. The major purpose of our on-site inspection and assessment is to evaluate the structural integrity of the above schools in view of the **August 08, 1993** earthquake.

Based on our visual inspections and on-site assessment of the overall structural frame of the buildings, we are of the opinion that the structural framing system of the buildings, has showed no major indications of a structural failure.

Although the buildings has sustained significant damages, we recommend that structural repair program be immediately implemented. We further recommend that such repairs be done under our supervision.

Yours truly,

EMPSCO-Engineering Consultants


Reynaldo M.C. Arce, P.E., S.E.
Structural Engineer