



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

MAY 20 2001

The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina Bente Sais na Liheslaturan Guåhan
Twenty-Sixth Guam Legislature
Suite 200
130 Aspal Street
Hagåtña, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY
ACKNOWLEDGMENT RECEIPT

Received By JE

Time 10:16 a.m.

Date 05/21/01

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 047 (LS) entitled: "AN ACT TO AMEND §§14104, 14106(b)(iii), 14106(b)(iv), AND 14113, TO REPEAL §14107(b), AND TO ADD §14113.1, ALL TO TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO RESTORING PUBLIC ACCOUNTABILITY TO THE FINANCES OF THE GUAM WATERWORKS AUTHORITY" which I have signed into law as Public Law No. 26-15.

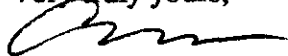
This legislation is the companion legislation to Substitute Bill No. 22, which provides for the Build-Operate-Transfer procedure for obtaining potential future developers to upgrade our water and wastewater system. In addition to the provisions of Substitute Bill No. 22, this legislation changes various provisions of the enabling statute that created Guam Waterworks Authority (GWA) as an autonomous agency. Specifically, it makes amendments to the code sections relative to the GWA's agency powers and the powers of the General Manager, which will also impact on any Build-Operate-Transfer contracts in the future.

In this legislation, the GWA is restricted to entering into contracts that are appropriately budgeted for in its annual budget. However, the budget for the agency is now placed under the jurisdiction of i Liheslatura Guåhan, the Legislature. This legislation requires the General Manager to report all the needs of the agency to i Liheslatura Guåhan, and i Liheslatura Guåhan shall approve, reject, or modify the annual budget. While this procedure may seem odd for an autonomous agency that collects its own revenue, and that reports to an independent Public Utilities Commission for the oversight and regulation of its rates, it implies a major involvement on the part of i Liheslatura Guåhan in our water and wastewater systems. We are expecting the appropriation of subsidies from i Liheslatura Guåhan to overcome operational and planning shortfalls of the agency, to include Build-Operate-Transfer contracts.

0198

I welcome the involvement of i Liheslatura Guåhan in solving the problems facing our island's water and wastewater systems. Guam Waterworks Authority personnel will be working with i Liheslatura Guåhan in determining the current and future needs of the agency, so that they can be addressed.

Very truly yours,



Carl T. C. Gutierrez
I Maga'Lahen Guåhan
Governor of Guam

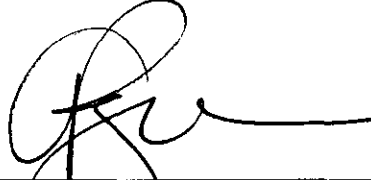
Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill

cc: The Honorable Antonio R. Unpingco
Speaker

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

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

This is to certify that Substitute Bill No. 047 (LS)“ AN ACT TO AMEND §§14104, 14106(b)(iii), 14106(b)(iv), AND 14113, TO REPEAL §14107(b), AND TO ADD §14113.1, ALL TO TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO RESTORING PUBLIC ACCOUNTABILITY TO THE FINANCES OF THE GUAM WATERWORKS AUTHORITY,” was on the 16th day of May, 2001, duly and regularly passed.



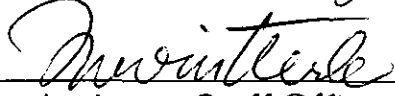
ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 17th day of May, 2001,
at 1:55 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahen Guåhan

Date: 5-20-01

Public Law No. 26-15

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

Bill No. 47 (LS)

As substituted by the Committee
on Natural Resources and amended
on the Floor.

Introduced by:

J. M.S. Brown
K. S. Moylan
J. F. Ada
T. C. Ada
F. B. Aguon, Jr.
E. B. Calvo
F. P. Camacho
M. C. Charfauros
Mark Forbes
L. F. Kasperbauer
L. A. Leon Guerrero
V. C. Pangelinan
A. L.G. Santos
A. R. Unpingco
J. T. Won Pat

**AN ACT TO AMEND §§14104, 14106(b)(iii), 14106(b)(iv),
AND 14113, TO REPEAL §14107(b), AND TO ADD §14113.1,
ALL TO TITLE 12 OF THE GUAM CODE ANNOTATED,
RELATIVE TO RESTORING PUBLIC ACCOUNTABILITY
TO THE FINANCES OF THE GUAM WATERWORKS
AUTHORITY.**

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

2 **Section 1. Legislative Intent.** *I Liheslaturan Guåhan* recognizes that
3 since its inception the Guam Waterworks Authority ("GWA") has continued to
4 struggle to operate as a fully functional autonomous agency.

1 *I Liheslaturan Guåhan* has determined that GWA has been operating without
2 an active Board of Directors since June, 2000. *I Liheslaturan Guåhan* has determined
3 through several public hearings that GWA has experienced revenue losses over the
4 past several years; that GWA is *not* able to control expenses or consistently collect
5 revenues entitled to GWA; that GWA has *not* allocated sufficient funding to upgrade
6 training of employees; and that GWA has permitted excessive overtime.

7 *I Liheslaturan Guåhan* also recognizes there is a growing concern among the
8 residents of Guam about paying an increase in water and sewage rates without the
9 relief from continuous water outages, low or no water pressure problems, water
10 leaks and sewage overflow.

11 *I Liheslaturan Guåhan* has determined that in order to support and promote the
12 general well-being of GWA and the People of Guam, *I Liheslaturan Guåhan* should
13 assume the responsibility to ratify the budget of GWA to insure greater public
14 accountability regarding the management of our Island's water resources, finances
15 and public assets.

16 **Section 2.** Section 14104 of Chapter 14 of Title 12 of the Guam Code
17 Annotated is hereby *amended* to read as follows:

18 **"Section 14104. Powers.** The Authority shall have, in accordance
19 with the laws applicable to it and its annual budget, the following powers:

20 (a) to produce, treat, transmit, store, distribute and sell water
21 on Guam, and collect, treat and dispose of waste water on Guam;

22 (b) to acquire, in accordance with Public Law Number 20-06:7,
23 Title VII-A of the Government Code and all applicable laws, by grant,
24 purchase, gift, devise or lease, or by the exercise of the right of eminent
25 domain in accordance with the provisions of Chapter 15 of Title 21 of
26 the Guam Code Annotated, and hold and use any real or personal

1 property necessary or convenient for the carrying on any of these
2 enumerated powers;

3 (c) to establish its own internal organization and management,
4 and adopt regulations for the administration of its operations;

5 (d) to establish and modify from time to time, with the
6 approval of the Public Utilities Commission, reasonable rates and
7 charges for the water and waste water services adequate to recover the
8 full cost of providing such services, and to collect money from
9 customers using such services (The Authority shall establish and
10 modify from time to time, with the approval of the Public Utilities
11 Commission, reasonable rates and charges for servicing of debt
12 obtained to undertake capital improvements of water and wastewater
13 facilities.);

14 (e) to enter into contracts which have been awarded under the
15 relevant procurement laws and are appropriately budgeted for in its
16 annual budget, and to execute all instruments necessary for the exercise
17 of its powers, adopt a seal and to sue and be sued in its own corporate
18 name;

19 (f) to construct works along or across any street or public
20 highway or watercourse or public utility easement, or over any of the
21 lands which are the property of the government of Guam; and with
22 respect to Federal lands, the Authority shall have the same powers with
23 respect to the construction of such works as are possessed by the
24 government of Guam (The Authority shall restore any such street or
25 highway to its former state and shall *not* impair its usefulness.);

1 (g) from time to time, to incur indebtedness with the approval
2 of *I Liheslaturan Guåhan*;

3 (h) to enter into contracts with the government of Guam or
4 with the United States for loans or grants;

5 (i) to employ, retain or contract, in accordance with all
6 applicable procurement laws and its annual budget, the services of
7 qualified persons, businesses or entities to act as specialists and experts
8 to advise and assist its Board of Directors and employees;

9 (j) to adopt such rules and regulations as may be necessary for
10 the exercise of these enumerated powers;

11 (k) to control, operate, improve, equip, maintain, repair,
12 renew, replace, reconstruct, alter and redesign the water and waste
13 water disposal systems of Guam in accordance with applicable zoning,
14 building and health regulations of Guam and the United States; *and*

15 (l) do all things necessary to the full and convenient exercise
16 of its powers.”

17 **Section 3.** Section 14106(b)(iii) of Chapter 14 of Title 12 of the Guam Code
18 Annotated is hereby *amended* to read as follows:

19 “(iii) To keep the Board and *I Liheslaturan Guåhan* advised as to the
20 needs of the Authority, to approve demands for the payment of obligations of
21 the Authority, and to approve expenditures and collection of revenue within
22 the purposes and amounts authorized by the annual budget;”

23 **Section 4.** Section 14106(b)(iv) of Chapter 14 of Title 12 of the Guam Code
24 Annotated is hereby *amended* to read as follows:

1 “(iv) To prepare, or cause to be prepared, all plans and specifications
2 for the constructions of work by the Authority in accordance with the annual
3 budget;”

4 **Section 5.** Section 14107(b) of Chapter 14 of Title 12 of the Guam Code
5 Annotated is hereby *repealed*.

6 **Section 6.** Section 14113 of Chapter 14 of Title 12 of the Guam Code
7 Annotated is hereby *amended* to read as follows:

8 **“Section 14113. Accounting and Expenditures.**

9 (a) The Board shall adopt and maintain a system of
10 accounting.

11 (b) The Board shall authorize, by means of the annual budget,
12 payment of demands against the Authority resulting from the exercise
13 of its powers under this Act *if*:

14 (i) the purposes and amounts of such demands are
15 projected in the budget, expressed in terms of major account
16 groups of the Uniform System of Accounts, which has been
17 adopted by the Board after receiving recommendations from the
18 General Manager; *and*

19 (ii) *if* the specific demands which are made are approved
20 by the Board *before* payment.

21 (c) The Board shall employ, in accordance with the
22 appropriate procurement laws and the annual budget, a firm of locally
23 licensed, independent Certified Public Accountants who shall annually
24 examine the financial status and workings of the Authority for the
25 previous fiscal year. Said firm shall submit to *I Magalahren Guåhan*, the
26 General Manager and *I Liheslaturan Guåhan*, no later than February 1st

1 of each year, a written report on the financial status and workings of the
2 Authority during the previous fiscal year. The Board shall provide said
3 report to *I Magaláhen Guåhan* and *I Liheslaturan Guåhan*. *I Magaláhen*
4 *Guåhan* may request special reports within thirty (30) days after the end
5 of each fiscal quarter.

6 The financial information presented in the reports required by
7 this Section shall be in accordance with the Uniform System of
8 Accounts adopted by the Board.

9 (d) Claims against the Guam Waterworks Authority shall be
10 submitted to the Attorney General of Guam in accordance with the
11 Government Claims Act.”

12 **Section 7.** Section 14113.1 is hereby *added* to Chapter 14 of Title 12 of the
13 Guam Code Annotated to read as follows:

14 “**Section 14113.1. Annual Budget.** For the purposes of Chapter 14 of
15 Title 12 of the Guam Code Annotated, the term ‘*annual budget*’ means a
16 balanced budget for expenditures of the Guam Waterworks Authority for a
17 fiscal year to be funded by the anticipated revenues and other funds to be
18 received and expended for the same fiscal year, submitted to *I Liheslaturan*
19 *Guåhan* and approved by law, with amendment and modification as may be
20 desired by *I Liheslaturan Guåhan*. The budget shall *not* request an
21 appropriation from the General Fund.

22 (a) On or before May 1, of each year, the Board shall approve
23 and submit to *I Liheslaturan Guåhan* the annual budget for the following
24 fiscal year.

25 (b) On or before the start of the following fiscal year, *I*
26 *Liheslaturan Guåhan* shall approve, reject or modify the annual budget.

1 No transfer of funds approved or authorized by the annual budget shall
2 be valid, *unless* approved by *I Liheslaturan Guåhan*.

3 (c) *If the Board fails to submit a budget for the next fiscal year,*
4 *or if I Liheslaturan Guåhan fails to approve the annual budget before the*
5 *next fiscal year, the current fiscal year's budget shall become law for the*
6 *next fiscal year, subject to legislative modification."*

7 **Section 8. Effective Dates.** This Act shall become effective *immediately*
8 upon enactment. For purposes of Fiscal Year 2002, the Guam Waterworks Authority
9 ("GWA") shall submit its proposed annual budget to *I Liheslaturan Guåhan* within
10 twenty (20) days of enactment of this Act. Said annual budget shall *not* contain any
11 transfer of funds provisions and shall reduce costs to conform to GWA's revenue
12 generation estimate for Fiscal Year 2002. *I Liheslaturan Guåhan* shall have until
13 September 1, 2001 to approve, reject or modify GWA's Fiscal Year 2002 budget. In
14 the event that *I Liheslaturan Guåhan* fails to act upon GWA's Fiscal Year 2002 budget
15 by September 1, 2001, said budget proposed by GWA shall become their budget for
16 Fiscal Year 2002, *subject* to further subsequent modification by *I Liheslaturan Guåhan*
17 and to the budgetary limitations set forth in this Section.

18 Effective upon enactment of this Act, the Authority shall *not* enter into any
19 contract with a term *greater than* two (2) years, *except* as otherwise specifically
20 permitted by law. Any such contract shall be void *ab initio*.

21 **Section 9. Severability.** *If any provision of this Law or its*
22 *application to any person or circumstance is found to be invalid or contrary to*
23 *law, such invalidity shall not affect other provisions or applications of this*
24 *Law which can be given effect without the invalid provisions or application,*
25 *and to this end the provisions of this Law are severable.*

6

I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2001 (FIRST) Regular Session

Date: 5/16/01

VOTING SHEET

S Bill No. 47 (LS)

Resolution No. _____

Question: _____

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Felix P.	✓				
CHARFAUROS, Mark C.					✓
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LEON GUERRERO, Lourdes A.	✓				
MOYLAN, Kaleo S.	✓				
PANGELINAN, Vicente C.					✓
SANTOS, Angel L.G.	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL

13 0 0 0 2

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence

6
5/16/01

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

Bill No. 47 (LS)

As substituted by the Committee
on Natural Resources and amended
on the Floor.

*

Introduced by:

J. M.S. Brown
K. S. Moylan
J. F. Ada _____
T. C. Ada
F. B. Aguon, Jr.
E. B. Calvo
F. P. Camacho
M. C. Charfauros
Mark Forbes
L. F. Kasperbauer
L. A. Leon Guerrero
V. C. Pangelinan
A. L.G. Santos
A. R. Unpingco
J. T. Won Pat

**AN ACT TO AMEND §§14104, 14106(b)(iii), 14106(b)(iv),
AND 14113, TO REPEAL §14107(b), AND TO ADD §14113.1,
ALL TO TITLE 12 OF THE GUAM CODE ANNOTATED,
RELATIVE TO RESTORING PUBLIC ACCOUNTABILITY
TO THE FINANCES OF THE GUAM WATERWORKS
AUTHORITY.**

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

2 **Section 1. Legislative Intent.** *I Liheslaturan Guåhan* recognizes that
3 since its inception the Guam Waterworks Authority ("GWA") has continued to
4 struggle to operate as a fully functional autonomous agency.

1 *I Liheslaturan Guåhan* has determined that GWA has been operating without
2 an active Board of Directors since June, 2000. *I Liheslaturan Guåhan* has determined
3 through several public hearings that GWA has experienced revenue losses over the
4 past several years; that GWA is *not* able to control expenses or consistently collect
5 revenues entitled to GWA; that GWA has *not* allocated sufficient funding to upgrade
6 training of employees; and that GWA has permitted excessive overtime.

7 *I Liheslaturan Guåhan* also recognizes there is a growing concern among the
8 residents of Guam about paying an increase in water and sewage rates without the
9 relief from continuous water outages, low or no water pressure problems, water
10 leaks and sewage overflow.

11 *I Liheslaturan Guåhan* has determined that in order to support and promote the
12 general well-being of GWA and the People of Guam, *I Liheslaturan Guåhan* should
13 assume the responsibility to ratify the budget of GWA to insure greater public
14 accountability regarding the management of our Island's water resources, finances
15 and public assets.

16 **Section 2.** Section 14104 of Chapter 14 of Title 12 of the Guam Code
17 Annotated is hereby *amended* to read as follows:

18 **"Section 14104. Powers.** The Authority shall have, in accordance
19 with the laws applicable to it and its annual budget, the following powers:

20 (a) to produce, treat, transmit, store, distribute and sell water
21 on Guam, and collect, treat and dispose of waste water on Guam;

22 (b) to acquire, in accordance with Public Law Number 20-06:7,
23 Title VII-A of the Government Code and all applicable laws, by grant,
24 purchase, gift, devise or lease, or by the exercise of the right of eminent
25 domain in accordance with the provisions of Chapter 15 of Title 21 of
26 the Guam Code Annotated, and hold and use any real or personal

1 property necessary or convenient for the carrying on any of these
2 enumerated powers;

3 (c) to establish its own internal organization and management,
4 and adopt regulations for the administration of its operations;

5 (d) to establish and modify from time to time, with the
6 approval of the Public Utilities Commission, reasonable rates and
7 charges for the water and waste water services adequate to recover the
8 full cost of providing such services, and to collect money from
9 customers using such services (The Authority shall establish and
10 modify from time to time, with the approval of the Public Utilities
11 Commission, reasonable rates and charges for servicing of debt
12 obtained to undertake capital improvements of water and wastewater
13 facilities.);

14 (e) to enter into contracts which have been awarded under the
15 relevant procurement laws and are appropriately budgeted for in its
16 annual budget, and to execute all instruments necessary for the exercise
17 of its powers, adopt a seal and to sue and be sued in its own corporate
18 name;

19 (f) to construct works along or across any street or public
20 highway or watercourse or public utility easement or over any of the
21 lands which are the property of the government of Guam; and with
22 respect to Federal lands, the Authority shall have the same powers with
23 respect to the construction of such works as are possessed by the
24 government of Guam (The Authority shall restore any such street or
25 highway to its former state and shall *not* impair its usefulness.);

1 (g) from time to time, to incur indebtedness with the approval
2 of *I Liheslaturan Guåhan*;

3 (h) to enter into contracts with the government of Guam or
4 with the United States for loans or grants;

5 (i) to employ, retain or contract, in accordance with all
6 applicable procurement laws and its annual budget, the services of
7 qualified persons, businesses or entities to act as specialists and experts
8 to advise and assist its Board of Directors and employees;

9 (j) to adopt such rules and regulations as may be necessary for
10 the exercise of these enumerated powers;

11 (k) to control, operate, improve, equip, maintain, repair,
12 renew, replace, reconstruct, alter and redesign the water and waste
13 water disposal systems of Guam in accordance with applicable zoning,
14 building and health regulations of Guam and the United States; *and*

15 (l) do all things necessary to the full and convenient exercise
16 of its powers.”

17 **Section 3.** Section 14106(b)(iii) of Chapter 14 of Title 12 of the Guam Code
18 Annotated is hereby *amended* to read as follows:

19 “(iii) To keep the Board and *I Liheslaturan Guåhan* advised as to the
20 needs of the Authority, to approve demands for the payment of obligations of
21 the Authority, and to approve expenditures and collection of revenue within
22 the purposes and amounts authorized by the annual budget;”

23 **Section 4.** Section 14106(b)(iv) of Chapter 14 of Title 12 of the Guam Code
24 Annotated is hereby *amended* to read as follows:

1 “(iv) To prepare or cause to be prepared all plans and specifications for
2 the constructions of work by the Authority in accordance with the annual
3 budget;”

4 **Section 5.** Section 14107(b) of Chapter 14 of Title 12 of the Guam Code
5 Annotated is hereby *repealed*.

6 **Section 6.** Section 14113 of Chapter 14 of Title 12 of the Guam Code
7 Annotated is hereby *amended* to read as follows:

8 **“Section 14113. Accounting and Expenditures.**

9 (a) The Board shall adopt and maintain a system of
10 accounting.

11 (b) The Board shall authorize, by means of the annual budget,
12 payment of demands against the Authority resulting from the exercise
13 of its powers under this Act *if*:

14 (i) the purposes and amounts of such demands are
15 projected in the budget, expressed in terms of major account
16 groups of the Uniform System of Accounts, which has been
17 adopted by the Board after receiving recommendations from the
18 General Manager; *and*

19 (ii) *if* the specific demands which are made are approved
20 by the Board *before* payment.

21 (c) The Board shall employ, in accordance with the
22 appropriate procurement laws and the annual budget, a firm of locally
23 licensed, independent Certified Public Accountants who shall annually
24 examine the financial status and workings of the Authority for the
25 previous fiscal year. Said firm shall submit to *I Magalahen Guåhan*, the
26 General Manager and *I Liheslaturan Guåhan*, no later than February 1st

1 of each year, a written report on the financial status and workings of the
2 Authority during the previous fiscal year. The Board shall provide said
3 report to *I Magalahaen Guåhan* and *I Liheslaturan Guåhan*. *I Magalahaen*
4 *Guåhan* may request special reports within thirty (30) days after the end
5 of each fiscal quarter.

6 The financial information presented in the reports required by
7 this Section shall be in accordance with the Uniform System of
8 Accounts adopted by the Board.

9 (d) Claims against the Guam Waterworks Authority shall be
10 submitted to the Attorney General of Guam in accordance with the
11 Government Claims Act.”

12 **Section 7.** Section 14113.1 is hereby *added* to Chapter 14 of Title 12 of the
13 Guam Code Annotated to read as follows:

14 “**Section 14113.1. Annual Budget.** For the purposes of Chapter 14 of
15 Title 12 of the Guam Code Annotated, the term ‘*annual budget*’ means a
16 balanced budget for expenditures of the Guam Waterworks Authority for a
17 fiscal year to be funded by the anticipated revenues and other funds to be
18 received and expended for the same fiscal year, submitted to the *I Liheslaturan*
19 *Guåhan* and approved by law, with amendment and modification as may be
20 desired by *I Liheslaturan Guåhan*. The budget shall *not* request an
21 appropriation from the General Fund.

22 (a) On or before May 1, of each year, the Board shall approve
23 and submit to *I Liheslaturan Guåhan* the annual budget for the following
24 fiscal year.

25 (b) On or before the start of the following fiscal year, *I*
26 *Liheslaturan Guåhan* shall approve, reject or modify the annual budget.

1 No transfer of funds approved or authorized by the annual budget shall
2 be valid, *unless* approved by *I Liheslaturan Guåhan*.

3 (c) *If the Board fails to submit a budget for the next fiscal year,*
4 *or if I Liheslaturan Guåhan fails to approve the annual budget before the*
5 *next fiscal year, the current fiscal year's budget shall become law for the*
6 *next fiscal year, subject to legislative modification."*

7 **Section 8. Effective Dates.** This Act shall become effective *immediately*
8 upon enactment. For purposes of Fiscal Year 2002, the Guam Waterworks Authority
9 ("GWA") shall submit its proposed annual budget to *I Liheslaturan Guåhan* within
10 twenty (20) days of enactment of this Act. Said annual budget shall *not* contain any
11 transfer of funds provisions and shall reduce costs to conform to GWA's revenue
12 generation estimate for Fiscal Year 2002. *I Liheslaturan Guåhan* shall have until
13 September 1, 2001 to approve, reject or modify GWA's Fiscal Year 2002 budget. In
14 the event that *I Liheslaturan Guåhan* fails to act upon GWA's Fiscal Year 2002 budget
15 by September 1, 2001, said budget proposed by GWA shall become their budget for
16 Fiscal Year 2002, *subject* to further subsequent modification by *I Liheslaturan Guåhan*
17 and to the budgetary limitations set forth in this Section.

18 Effective upon enaction of this Act, the Authority shall *not* enter into any
19 contract with a term greater than two (2) years, *except* as otherwise specifically
20 permitted by law. Any such contract shall be ^{*void*} ~~void~~ *ab initio*.

21 **Section 9. Severability.** *If any provision of this Law or its*
22 *application to any person or circumstance is found to be invalid or contrary to*
23 *law, such invalidity shall not affect other provisions or applications of this*
24 *Law which can be given effect without the invalid provisions or application,*
25 *and to this end the provisions of this Law are severable.*

MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

Committee on Natural Resources

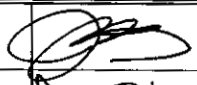
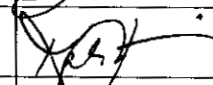

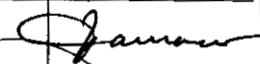
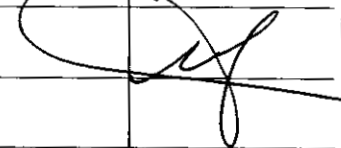


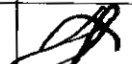
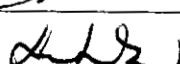
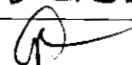
Joanne M.S. Brown

Chairperson

VOTING SHEET

COMMITTEE REPORT

BILL 47(LS): AN ACT TO AMEND §§14104, 14106(b)(iii), 14106(b)(iv), AND 14113, AND TO ADD §14113.1; AND TO REPEAL §14107(b), ALL OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO RESTORING PUBLIC ACCOUNTABILITY TO THE FINANCES OF THE GUAM WATERWORKS AUTHORITY. (As Substituted by the Committee on Natural Resources)

COMMITTEE MEMBERS	TO PASS	NOT TO PASS	TO REPORT OUT ONLY	ABSTAIN	INACTIVE FILE	SIGNATURE
Joanne M.S. Brown Chairperson	✓					
Kaleo S. Moylan Vice Chairman	✓					
L. Kasperbauer Member	✗					
Felix P. Camacho Member	✓					
M. Forbes Member	✓					
V. Pangelinan Member						
Thomas C. Ada Member	✓					
M.C. Charfauros Member						
Angel L.G. Santos Member	✓					
Judith T. Won Pat Member	✓					
Lou Leon Guerrero Member	✓					
A.R. Unpingco Ex-Officio Member	✓					



Office of Senator
Joanne M. Salas Brown
 MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN

May 7, 2001

Speaker Antonio R. Unpingco
 Mina' Bente Sais Na Liheslaturan Guahan
 155 Hesler Street
 Hagatna, Guam 96910

Dear Speaker Unpingco:

The Committee on Natural Resources, to which was referred **Bill 47 (LS): An act to amend §§14104, 14106(b)(iii), 14106(b)(iv), and 14113 and to add §14113.1; and to repeal §14107(b), all of Title 12 of the Guam Code Annotated, relative to restoring public accountability to the finances of the Guam Waterworks Authority (As substituted by the Committee on Natural Resources)**, wishes to report back to the Legislature its recommendation **TO PASS**.

The voting sheet is as follows:

TO PASS	<u>10</u>
NOT TO PASS	<u>0</u>
TO REPORT OUT ONLY	<u>0</u>
ABSTAIN	<u>0</u>
TO PLACE IN INACTIVE FILE	<u>0</u>

Copies of the Committee Report and other pertinent documents are enclosed.

Thank you for your attention to this matter.

Sincerely,

JOANNE M.S. BROWN
 Senator and Chairperson
 Committee on Natural Resources

Attachments



Office of Senator

Joanne M. Salas Brown

MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN

May 7, 2001

MEMORANDUM

To: Committee Members

From: Chairperson, Committee on Natural Resources

Re: **BILL 47(LS): AN ACT TO AMEND §§14104, 14106(b)(iii), 14106(b)(iv), AND 14113, AND TO ADD §14113.1; AND TO REPEAL §14107(b), ALL OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO RESTORING PUBLIC ACCOUNTABILITY TO THE FINANCES OF THE GUAM WATERWORKS AUTHORITY. (As Substituted by the Committee on Natural Resources)**

Transmitted herewith for your consideration and action is our committee report on the above subject matter.

Please indicate your choice on the attached voting sheet and return the documents to my office for transmittal to the other members.

Should you have any questions on the narrative report and the accompanying documents, please do not hesitate to call my office at 472-3450.

Your attention and cooperation on this matter is greatly appreciated.


JOANNE M.S. BROWN

Attachments

**COMMITTEE ON NATURAL RESOURCES
SENATOR JOANNE M.S. BROWN
CHAIRPERSON**

**Monday, March 26, 2001
9:30 a.m.
Public Hearing Room**

COMMITTEE SUMMARY REPORT

Present were:

Senator Joanne M.S. Brown, Chairperson
Senator Thomas C. Ada
Senator Frank B. Aguon, Jr.
Senator Vicente C. Pangelinan
Senator Judith T. Won Pat
Senator Mark Forbes
Senator Felix P. Camacho

The Committee on Natural Resources held a Public Hearing on the following Bill No. 47 (LS):

BILL 47 (LS): AN ACT TO AMEND AND REVISE CHAPTER 14 OF TITLE 12 OF THE GUAM CODE ANNOTATED IN ORDER TO RESTORE PUBLIC ACCOUNTABILITY IN THE FINANCES OF THE GUAM WATERWORKS AUTHORITY.

At the beginning of the public hearing, Mr. John Gilliam, representing the Governor Carl T.C. Gutierrez, provided testimony on Bill 47 (LS); Mr. Herbert Johnston, General Manager, Guam Waterworks Authority, provided testimony that GWA could not support the passage of Bill 47 (LS); testimonials attached.

Chairperson:

- Stated for the record that because GWA had not had an active board for the last ten (10) months, and has only had the Governor's approval on its budget, public accountability is a concern.
- Inquired as to the status of hiring a qualified Chief Engineer for GWA.

Committee Summary Report

March 26, 2001

Bill No. 47 (LS)

Mr. Herbert Johnston, Jr., General Manager, Guam Waterworks Authority:

- Reported that a continuous announcement has been posted for the position of Chief Engineer, but have no candidates to date. DPW has loaned Mr. Gutierrez, Chief Engineer, to GWA.

Chairperson:

- Inquired as to how the Wastewater Division will be affected if GWA plans to contract out the maintenance of the pump facilities.

Mr. Johnston:

- Responded that the Wastewater Division will be focusing on the remaining pump stations.

Chairperson:

- Stated that she and Senator Pangelinan received correspondence from USEPA, Norman Lovelace, concerning the federal funding needed for the Chaot Project and asked for GWA's status on rectifying the problem.

Mr. Johnston:

- Replied that GWA will be contacting with USEPA on a correction of a change order and will speak to USEPA regularly on Wednesdays to resolve any outstanding issues.

Chairperson:

- Asked when GWA would be able to address the connection of 4 feet between the existing pump station and the 17 feet needed for the gravity line to connect to the Sinajana gravity line.

Mr. Johnston:

- Reported that he would have to discuss the project with Mr. Gutierrez.

Senator Pangelinan:

- Encouraged GWA to expeditiously resolve the issues with USEPA because of the timeframe allotted for construction.

Chairperson:

- Noted that USEPA will be here in a week and the members of the Committee expressed a desire to also meet with them and GWA on their scheduled meeting.
- Questioned the status of the telemetry system.

Committee Summary Report
March 26, 2001
Bill No. 47 (LS)

Mr. Johnston:

- Responded that GWA has had conversations with the RCO office for funding of the telemetry.

Senator Pangelinan:

- Inquired whether the contractor overseeing the pump stations would install a SKID system.

Mr. Johnston:

- Replied it would be to the contractor's advantage.

Chairperson:

- Expounded that the Committee desired an immediate response from GWA on the bid and the Chaot project.

Discussions concluded on Bill No. 47 (LS) before the Committee on Natural Resources.

Prepared by: Susan L. Corbin
Legislative Assistant
Office of Senator Joanne M.S. Brown

Discussed
5/11/01

3rd Edg
Attor

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session**

Bill No. 47 (LS)

As substituted by the Committee on Natural Resources.

Introduced by:

J.M.S. Brown
K. S. Moylan

AN ACT TO AMEND §§14104, 14106(b)(iii), 14106(b)(iv), AND 14113 AND TO ADD §14113.1; AND TO REPEAL §14107(b), ALL OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO RESTORING PUBLIC ACCOUNTABILITY TO THE FINANCES OF THE GUAM WATERWORKS AUTHORITY.

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

2 **Section 1. Legislative Intent.** *I Liheslaturan Guåhan* recognizes that
3 since its inception the Guam Waterworks Authority ("GWA") has continued to
4 struggle to operate as a fully functional autonomous agency.

5 *I Liheslaturan Guåhan* has determined that GWA has been operating without
6 an active Board of Directors since June, 2000. *I Liheslaturan Guåhan* has determined
7 through several public hearings that GWA has experienced revenue losses over the
8 past several years; that GWA is *not* able to control expenses or consistently collect
9 revenues entitled to GWA; that GWA has *not* allocated sufficient funding to upgrade
10 training of employees; and that GWA has permitted excessive overtime.

11 *I Liheslaturan Guåhan* also recognizes there is a growing concern among the
12 residents of Guam about paying an increase in water and sewage rates without the

1 relief from continuous water outages, low or no water pressure problems, water
2 leaks and sewage overflow.

3 *I Liheslaturan Guåhan* has determined that in order to support and promote the
4 general well-being of GWA and the People of Guam, *I Liheslaturan Guåhan* should
5 assume the responsibility to ratify the budget of the Guam Waterworks Authority to
6 insure greater public accountability regarding the management of our Island's water
7 resources, finances and public assets.

8 **Section 2.** Section 14104 of Chapter 14 of Title 12 of the Guam Code
9 Annotated is hereby *amended* to read as follows:

10 **"Section 14104. Powers.** The Authority shall have, in accordance
11 with the laws applicable to it and its annual budget, the following powers:

12 (a) To produce, treat, transmit, store, distribute, and sell water
13 on Guam, and collect, treat and dispose of waste water on Guam;

14 (b) To acquire, in accordance with P.L. 20-06:7, Title VII-A of
15 the Government Code and all applicable laws, by grant, purchase, gift,
16 devise or lease, or by the exercise of the right of eminent domain in
17 accordance with the provisions of 21 Guam Code Annotated, Chapter
18 15, and hold and use any real or personal property necessary or
19 convenient for the carrying on any of these enumerated powers;

20 (c) To establish its own internal organization and management
21 and adopt regulations for the administration of its operations;

22 (d) To establish and modify from time to time, with the
23 approval of the Public Utility Commission, reasonable rates and charges
24 for the water and waste water services adequate to recover the full cost
25 of providing such services and to collect money from customers using
26 such services. The Authority shall establish and modify from time to

1 time, with the approval of the Public Utility Commission, reasonable
2 rates and charges for servicing of debt obtained to undertake capital
3 improvements of water and wastewater facilities.

4 (e) To enter into contracts which have been awarded under the
5 relevant procurement laws and are appropriately budgeted forⁱⁿ its
6 annual budget and to execute all instruments necessary for the exercise
7 of its powers, adopt a seal and to sue and be sued in its own corporate
8 name;

9 (f) To construct works along or across any street or public or
10 watercourse or public utility easement or any lands which are^{the} property
11 of the Island of Guam; and with respect to federal lands, the Authority
12 shall have the same powers with respect to the construction of such
13 works as are possessed by the Government of Guam. The Authority
14 shall restore any such street or highway to its former state and shall not
15 impair its usefulness;

16 (g) From time to time, to incur indebtedness with the approval
17 of I Liheslaturan Guåhan;

18 (h) To enter into contracts with the Government of Guam or
19 with the United States for loans or grants;

20 (i) To employ, retain or contract, in accordance with all
21 applicable procurement laws and its annual budget, the services of
22 qualified persons, businesses or entities to act as specialists and experts
23 to advise and assist its Board of Directors and employees;

24 (j) To adopt such rules and regulations as may be necessary
25 for the exercise of these enumerated powers;

1 (k) To control, operate, improve, equip, maintain, repair,
2 renew, replace, reconstruct, alter and redesign the water and waste
3 water disposal systems of Guam in accordance with applicable zoning,
4 building and health regulations of the Island and the United States; *and*

5 (l) Do all things necessary to the full and convenient exercise
6 of its powers."

7 **Section 3.** Section 14106(b)(iii) of Chapter 14 of Title 12 of the Guam Code
8 Annotated is hereby *amended* to read as follows:

9 "(iii) To keep the Board and the Guam Legislature advised as to the
10 needs of the Authority, to approve demands for the payment of obligations of
11 the Authority, and to approve expenditures and collection of revenue within
12 the purposes and amounts authorized by the annual budget;"

13 **Section 4.** Section 14106(b)(iv) of Chapter 14 of Title 12 of the Guam Code

14 Annotated is hereby *amended* to read as follows:

15 "(iv) To prepare ^{*or cause to be prepared*} all plans and specifications for the constructions of
16 work by the Authority in accordance with the annual budget;"

17 **Section 5.** Section 14107(b) of Chapter 14 of Title 12 of the Guam Code
18 Annotated is hereby *repealed*.

19 **Section 6.** Section 14113 of Chapter 14 of Title 12 of the Guam Code
20 Annotated is hereby *amended* to read as follows:

21 **"Section 14113. Accounting and Expenditures.**

22 (a) The Board shall adopt and maintain a system of
23 accounting.

24 (b) The Board shall authorize, by means of the annual budget,
25 payment of demands against the Authority resulting from the exercise
26 of its powers under this Act *if*.

1 (i) the purposes and amounts of such demands are
2 projected in the budget, expressed in terms of major account
3 groups of the Uniform System of Accounts, which has been
4 adopted by the Board after receiving recommendations from the
5 General Manager; and

6 (ii) if the specific demands which are made are approved
7 by the Board *before* payment.

8 (c) The Board shall employ, in accordance with the
9 appropriate procurement laws and the annual budget, a firm of locally
10 licensed, independent Certified Public Accountants who shall annually
11 examine the financial status and workings of the Authority for the
12 previous fiscal year. Said firm shall submit to *I Magalahen Guåhan*, the
13 General Manager and *I Liheslaturan Guåhan*, no later than February 1st
14 of each year, a written report on the financial status and workings of the
15 Authority during the previous fiscal year. The Board shall provide said
16 report to *I Magalahen Guåhan* and *I Liheslaturan Guåhan*. *I Magalahen*
17 *Guåhan* may request special reports within thirty (30) days after the end
18 of each fiscal quarter.

19 The financial information presented in the reports required by
20 this Section shall be in accordance with the Uniform System of
21 Accounts adopted by the Board.

22 (d) Claims against the Guam Waterworks Authority shall
23 be submitted to the Attorney General of Guam in accordance with the
24 Government Claims Act.

25 Section 7. Section 14113.1 of Chapter 14 of Title 12 of the Guam Code
26 Annotated is added:

1 **"Section 14113.1. Annual Budget.** For the purposes of Chapter 14 of
2 Title 12 of the Guam Code Annotated, the term '*annual budget*' means a
3 balanced budget for expenditures of the Guam Waterworks Authority for a
4 fiscal year to be funded by the anticipated revenues and other funds to be
5 received and expended for the same fiscal year, submitted to the *I Liheslaturan*
6 *Guåhan* and approved by law, with amendment and modification as may be
7 desired by the *I Liheslaturan Guåhan*. The budget shall *not* request an
8 appropriation from the General Fund.

9 (a) On or before May 1, of each year, the Board shall approve
10 and submit to *I Liheslaturan Guåhan* the annual budget for the following
11 fiscal year.

12 (b) On or before the start of the following fiscal year, *I*
13 *Liheslaturan Guåhan* shall approve, reject or modify the annual budget.
14 No transfer of funds approved or authorized by the annual budget shall
15 be valid, *unless* approved by *I Liheslaturan Guåhan*.

16 (c) ^{see attached} [If *I Liheslaturan Guåhan* fails to approve the annual budget
17 before the start of the new fiscal year, the budget submitted by the
18 Board shall become law for the new fiscal year, *subject to* legislative
19 modification.]

20 ~~[(d) If the Board fails to submit a budget for the next fiscal year,~~
21 ~~the current fiscal year's budget shall become law for the next fiscal year,~~
22 ~~*subject to* legislative modification."]~~

23 **Section 8. Effective Dates.** This Act shall become effective *immediately*
24 upon enactment. For purposes of Fiscal Year 2002, the Guam Waterworks Authority
25 ("*GWA*") shall submit its proposed annual budget to *I Liheslaturan Guåhan* within
26 twenty (20) days of enactment of this Act. Said annual budget shall *not* contain any

TCA
M

1 transfer of funds provisions and shall reduce costs to conform to GWA's revenue
2 generation estimate for Fiscal Year 2002. *I Liheslaturan Guåhan* shall have until
3 September 1, 2001 to approve, reject or modify GWA's Fiscal Year 2002 budget. In
4 the event that *I Liheslaturan Guåhan* fails to act upon GWA's Fiscal Year 2002 budget
5 by September 1, 2001, ^{ok} said budget proposed by GWA shall become their budget for
6 Fiscal Year ~~2001~~²⁰⁰², subject to further subsequent modification by *I Liheslaturan Guåhan*
7 and to the budgetary limitations set forth in this Section.

8 Effective upon enactment of this Act, the Authority shall *not* enter into any
9 contract with a term greater than two (2) years, except as otherwise specifically
10 permitted by law. Any such contract shall be *void ab initio*.

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

16

MAR 1 2001

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session**

BILL No. 47(LS)

Introduced by:

J. M. S. Brown
K.S. Moylan

**AN ACT TO AMEND AND REVISE CHAPTER 14 OF
TITLE 12 OF THE GUAM CODE ANNOTATED IN
ORDER TO RESTORE PUBLIC ACCOUNTABILITY
TO THE FINANCES OF THE GUAM
WATERWORKS AUTHORITY**

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

2 **Section One. Legislative Intent.** *I Liheslaturan Guåhan* recognizes
3 that since its inception the Guam Waterworks Authority (GWA) continues to struggle
4 with its ability to operate as a fully functional autonomous agency.

5 *I Liheslaturan Guåhan* has determined that the Guam Waterworks Authority
6 has been operating without an active Board of Directors since June, 2000. *I*
7 *Liheslaturan Guåhan* has determined through several public hearings that GWA has
8 experienced revenue losses over the past several years; GWA is not able to control
9 expenses or consistently collect revenues, entitled to GWA; GWA has not allocated
10 sufficient funding to upgrade training of employees; and GWA has permitted
11 excessive overtime. *I Liheslaturan Guåhan* also recognizes there is a growing concern
12 among the residents of Guam towards paying an increase in water and sewage rates
13 without the relief from continuous water outages, low or no water pressure problems,
14 water leaks, and sewage overflow.

1 *I Liheslaturan Guåhan* has determined that in order to support and promote the
2 general well being of the Authority and the people of Guam, *I Liheslaturan Guåhan*
3 should assume the responsibility to ratify the budget of the Guam Waterworks
4 Authority to insure greater public accountability regarding the management of our
5 island's water resources, finances and public assets.

6 **Section Two.** Section 14104 of Title 12 of the Guam Code Annotated is
7 amended to read:

8 **Section 14104. Powers.** The Authority shall have, in accordance with
9 the laws applicable to it and its annual budget, the following powers:

10 (a) To produce, treat, transmit, store, distribute, and sell water on Guam, and
11 collect, treat and dispose of waste water on Guam;

12 (b) To acquire, in accordance with P.L. 20-06:7, Title VII-A of the
13 Government Code and all applicable laws, by grant, purchase, gift, devise or lease, or
14 by the exercise of the right of eminent domain in accordance with the provisions of 21
15 Guam Code Annotated, Chapter 15, and hold and use any real or personal property
16 necessary or convenient for the carrying on any of these enumerated powers;

17 (c) To establish its own internal organization and management and adopt
18 regulations for the administration of its operations;

19 (d) To establish and modify from time to time, with the approval of the
20 Public Utility Commission, reasonable rates and charges for the water and waste water
21 services adequate to recover the full cost of providing such services and to collect
22 money from customers using such services. The Authority shall establish and modify
23 from time to time, with approval of the Public Utility Commission, reasonable rates
24 and charges for servicing of debt obtained to undertake capital improvements of water
25 and waste water facilities.

1 (e) To enter into contracts which have been awarded under the relevant
2 procurement laws and are appropriately budgeted for in its annual budget and to
3 execute all instruments necessary for the exercise of its powers, adopt a seal and to sue
4 and be sued in its own corporate name;

5 (f) To construct works along or across any street or public or watercourse or
6 public utility easement or any lands which are property of the Territory; and with
7 respect to federal lands, the Authority shall have the same powers with respect to the
8 construction of such works as are possessed by the Government of Guam. The
9 Authority shall restore any such street or highway to its former state and shall not
10 impair its usefulness;

11 (g) From time to time, to incur indebtedness with the approval of *I*
12 *Liheslaturan Guåhan*;

13 (h) To enter into contracts with the Government of Guam or with the United
14 States for loans or grants;

15 (i) To employ, retain or contract, in accordance with all applicable
16 procurement laws and its annual budget, the services of qualified persons, businesses
17 or entities to act as specialists and experts to advise and assist its Board of Directors
18 and employees;

19 (j) To adopt such rules and regulations as may be necessary for the exercise
20 of these enumerated powers;

21 (k) To control, operate, improve, equip, maintain, repair, renew, replace,
22 reconstruct, alter and redesign the water and waste water disposal systems of Guam in
23 accordance with applicable zoning, building and health regulations of the Territory
24 and the United States; and

25 (l) Do all things necessary to the full and convenient exercise of its powers.

1 **Section Three.** Sections 14106(b)(iii) and (iv) of Title 12 Guam Code
2 Annotated are amended to read:

3 (iii) To keep the Board and the Guam Legislature advised as to the needs of
4 the Authority, to approve demands for the payment of obligations of the Authority,
5 and to approve expenditures and collection of revenue within the purposes and
6 amounts authorized by the annual budget;

7 (iv) To prepare all plans and specifications for the constructions of works by
8 the Authority in accordance with the annual budget;

9 **Section Four:** Title 12 G.C.A. Section 14107(b) is hereby repealed

10 **Section Five:** Section 14108 of Title 12 Guam Code Annotated is
11 amended to read:

12 **Section 14108. Administration and Fiscal Services.**

13 (a) The General Manager, with the consent of the Board, shall appoint an
14 Assistant General Manager for Administration and Fiscal Services.

15 (b) The Assistant General Manager for Administration and Fiscal Services
16 shall receive compensation as established by the annual budget.

17 (c) Said Assistant General Manager shall have full charge and control,
18 subject to the direction of the General Manager, of all accounting and fiscal
19 affairs of the Authority and shall account for all monies received and paid out
20 by the Authority in accordance with the Authority's annual budget.

21
22 **Section Six.** Section 14109(a) of Title 12 of Guam Code Annotated is amended
23 to read:

24 (a) The Board may also appoint a Secretary, Treasurer, and an Attorney, who
25 shall serve at the pleasure of the Board and whose duties shall be set by the Board and
26 whose compensation shall be fixed by the annual budget.

1 **Section Seven.** Section 14113 of Title 12 of Guam Code Annotated is
2 amended to read:

3 **14113. Accounting and Expenditures.**

- 4 (a) The Board shall adopt and maintain a system of accounting.
- 5 (b) The Board shall authorize by means of the annual budget payment of
6 demands against the Authority resulting from the exercise of its powers
7 under this Act if:
- 8 (i) the purposes and amounts of such demands are projected in the
9 budget, expressed in terms of major account groups of the Uniform
10 System of Accounts, which has been adopted by the Board after
11 receiving recommendations from the General Manager; and
- 12 (ii) if the specific demands which are made are approved by the Board
13 before payment.
- 14 (c) The Board shall employ, in accordance with the appropriate procurement
15 laws and the annual budget, a firm of locally licensed, independent
16 Certified Public Accountants who shall annually examine the financial
17 status and workings of the Authority for the previous fiscal year. Said
18 firm shall submit to *I Magalahen Guåhan*, the General Manager and *I*
19 *Liheslaturan Guåhan* no later than February 1st of each year a written
20 report on the financial status and workings of the Authority during the
21 previous fiscal year. Said report shall be furnished to *I Magalahen*
22 *Guåhan* and *I Liheslaturan Guåhan*. *I Magalahen Guåhan* may request
23 special reports within thirty (30) days after the end of each fiscal quarter.
24 The financial information presented in the reports required by this section
25 shall be in accordance with the Uniform System of accounts adopted by
26 the Board.

- 1 (d) Claims against the Guam Waterworks Authority shall be submitted to the
2 Attorney General of Guam in accordance with the Government Claims
3 Act.
- 4 (e) Annual Budget. For the purposes of Chapter 14, Title 12 GCA, the term
5 “annual budget” means a balanced budget for expenditures of the Guam
6 Waterworks Authority for a fiscal to be funded by the anticipated
7 revenues and other funds to be received and expended for the same fiscal
8 year, submitted to the *I Liheslaturan Guåhan* and approval by law, with
9 amendment and modification as may be desired by the *I Liheslaturan*
10 *Guåhan*. The budget shall not request an appropriation from the General
11 Fund.
- 12 (i) On or before May 1, of each year, the Board shall approve and submit
13 to the Guam Legislature the annual budget for the following fiscal year.
- 14 (ii) On or before the start of the following fiscal year, *I Liheslaturan*
15 *Guåhan* shall approve, reject or modify the annual budget. No
16 transfer of funds approved or authorized by the annual budget shall be
17 valid unless approved by *I Liheslaturan Guåhan*.
- 18 (iii) If *I Liheslaturan Guåhan* fails to approve the annual budget before
19 the start of the new fiscal year, the budget submitted by the Board shall
20 become law for the new fiscal year subject to legislative modification.
- 21 (iv) If the Board fails to submit a budget for the next fiscal year, the
22 current fiscal year’s budget shall become law for the next fiscal year
23 subject to legislative modification.

24
25 **Section Eight.** Section 14114 of Title 12 of the Guam Code Annotated is
26 amended to read:

1 **14114. Employment.**

2 (a) Pursuant to the provisions of Title 4 of the Guam Code Annotated
3 other applicable laws and the Authority's annual budget, the Board shall
4 establish rules and regulations regarding selection, promotion, performance
5 evaluation, demotion, suspension and disciplinary action regarding the
6 employees of the Authority. All contracts for hiring off-island employees shall
7 conform to Sections 6501 and 6501.1 of Title 4 of the Guam Code Annotated.

8 (b) All employees of the Authority except those enumerated in subsection
9 (c) below shall be members of the classified service of the Government of
10 Guam and the Government of Guam Retirement Fund and shall be entitled to
11 coverage under the Worker's Compensation laws of Guam. The annual budget
12 of the Authority shall provide for the Authority's appropriate contributions to
13 the Government of Guam Retirement Fund and such billings as are deemed
14 appropriate by the Commissioner of Worker's Compensation.

15 (c) The General Manager, Assistant General Managers, Secretary,
16 Treasurer, Comptroller and the Attorney of the Authority shall not be members
17 of the classified service of the Government of Guam. Said officials shall be
18 hired and compensated within the terms of the Authority's annual budget.

19
20 **Section Nine. Effective dates.** This act shall become effective immediately but
21 the first fiscal year it applies to will be fiscal year 2002. During fiscal year 2001, the
22 Authority shall cut costs to conform to revenue and shall make every effort to balance
23 its budget for 2001. The first annual budget proposal shall be due to *I Liheslaturan*
24 *Guahan* on May 1, 2001 for fiscal year 2002. *I Liheslaturan Guahan* reserves the
25 right to amend the Authority's budget for fiscal year 2001. No transfer of funds
26 allocated by the budget for fiscal year 2001 shall be valid unless specifically approved

1 by *I Liheslaturan Guáhan*. The Authority shall not execute any contract with a term
2 extending beyond September 30, 2001 without legislative consent.

3 **Section Ten. Severability.** If any provision of this Act is declared invalid
4 by a court of law, the remainder of the act shall remain in effect.

I MINA BENTE SAIS NA LIHESLATURAN GUAHAN

COMMITTEE ON NATURAL RESOURCES SENATOR JOANNE M.S. BROWN CHAIRPERSON

Public Hearing

**Monday, March 26, 2001
9:30 a.m.**

AGENDA

1. Introduction of Committee Members

2. Commencement of Public Hearing

- A) Bill 22(COR):** AN ACT TO AMEND PUBLIC LAW 24-37, AN ACT AUTHORIZING THE USE OF THE "BUILD-OPERATE-TRANSFER" CONCEPT, OR A VARIANT THEREOF, FOR THE PURPOSE OF ALLOWING PRIVATE SECTOR FINANCING OF THE DESIGN, CONSTRUCTION AND OPERATION AND MAINTENANCE OF WATER AND WASTEWATER INFRASTRUCTURE PROJECTS.
- B) Bill 44(COR):** AN ACT TO ALLOW THE GUAM WATERWORKS AUTHORITY TO ENTER INTO AN AGREEMENT WITH THE GUAM HOTEL AND RESTAURANT ASSOCIATION FOR THE REPAIR OF THE FUJITA AND SOUTHERN LINK PUMP STATIONS.
- C) Bill 47(LS):** AN ACT TO AMEND AND REVISE CHAPTER 14 OF TITLE 12 OF THE GUAM CODE ANNOTATED IN ORDER TO RESTORE PUBLIC ACCOUNTABILITY TO THE FINANCES OF THE GUAM WATERWORKS AUTHORITY.

3. Public Comment

4. Adjournment

I Mina Bente Sais Na Liheslaturan Guahan

COMMITTEE ON NATURAL RESOURCES

PUBLIC HEARING

MONDAY, MARCH 26, 2001 at 9:30 a.m.

Bill No. 47 (LS)- An Act to amend and revise Chapter 14 of Title 12 of the Guam Code Annotated in order to restore public accountability to the finances of the Guam Waterworks Authority

SIGN IN SHEET

<i>Name</i>	<i>Representing</i>	<i>Oral Testimony</i>	<i>Written Testimony</i>
Bert Johnston	GWA		✓
John Gilliam	Governor		✓



OFFICE OF THE GOVERNOR
GUAM

MAR 23 2001

The Honorable Joanne M.S. Brown
Legislative Secretary
Chairperson, Committee on Natural Resources
Mina'Bente Sais na Liheslaturan Guåhan
Twenty-Sixth Guam Legislature
Suite 200
130 Aspinal Street
Hagåtña, Guam 96910

SUBJECT: Testimony on Bill No. 22 (COR) and Bill No. 47 (COR).

Dear Senator Brown:

I am pleased to submit written testimony on Bill No. 22 (COR) and Bill No. 47 (COR). I have asked Mr John Gilliam to read my written testimony into the record.

The state of Guam's water and wastewater system is the most serious problem now facing our community. The health of our people is at risk. The security of our economy is threatened. The safety of the employees of Guam Waterworks Authority (GWA) is now in jeopardy. There is no time left for talk. Immediate action is required!

As Governor, I transmitted GWA's Strategic Initiative Plan for enactment into law to both the 25th and 26th Guam Legislatures. Before that, I transmitted the regulations required for GWA to implement a Build Operate Transfer (BOT) procurement process. The 24th Guam Legislature enacted these regulations as Guam Public Law No. 24-294. Whether by means of a Build Operate Transfer process, GWA's Strategic Initiative Plan (Bill No. 10), or some variation thereof, this Administration is prepared to immediately initiate all needed actions required to correct our water and wastewater system operations and improve facilities.

Notwithstanding the circumstances which strained relations between the Executive and Legislative Branches during the 25th Guam Legislature's Second Session, both branches of government cooperated in formulating GWA's Strategic Initiative Plan (SIP). Although a public hearing was held the SIP legislation was not enacted by the 25th Guam Legislature. Since the 26th Guam Legislature was installed, both amendments to existing Build Operation Transfer law and the new law I have proposed have been introduced to address the basic issues facing GWA.

You have also proposed additional new legislation to strengthen the Legislature's oversight of GWA's operating budget.

The legislation now before the 26th Guam Legislature is sufficient to procure the necessary support for GWA while providing close legislative scrutiny of the process. These bills could easily and quickly be combined into a workable solution for GWA. GWA needs to immediately upgrade both its operations and its system. All authorities responsible for GWA must engage in forward looking, non-partisan and open-minded actions aimed at accomplishing a lasting solution.

Unlike a natural disaster, the state of GWA presents the potential for a disaster we can both predict and prevent. Unlike the catastrophe we don't expect, we know the system will collapse without immediate upgrade and preventive maintenance. The ominous signs of system failure are islandwide for each of us to see. The government of Guam's leadership is being tested in an area where failure is no option. I urge, indeed plead, for quick enactment of the law required for GWA to get well quick.

Pursuant to Guam Public Law No. 24-294, I have directed GWA's General Manager Bert Johnston to immediately appoint the BOT Committee provided to oversee the BOT procurement process. To the extent that the BOT Committee can procure approved projects listed in GWA's Strategic Initiative Master Plan, it will. In the meantime, I support the amendments proposed for the existing BOT law, which Senator Ada offers, to streamline the process.

When I asked the Guam Legislature to upgrade the enterprise status of the then-Public Utility Agency of Guam (PUAG), it was understood that an autonomous GWA would have better prospects for long-term borrowing than a line department financed by the General Fund. This situation remains today: a creditworthy GWA has the best financing potential. We must strengthen GWA's autonomy if we are to preserve its financing advantages or look to the private sector for assistance and expertise. Legislative attention to GWA's operations is appropriate but must include long term capital invest strategies and financing.

The Guam Public Utilities Commission (PUC) is already involved in crafting and implementing solutions designed to achieve ratepayer expectations and regulatory compliance. This includes the participation of the Guam Environmental Protection Agency in dealing with the overall environmental and health safety issues associated with our water and wastewater systems.

With this said, I do believe close legislative scrutiny of the operations of any of our autonomous agencies is appropriate and welcome if accomplished in a constructive fashion. However, review and approval of autonomous agency budgets should remain with their boards. To this end, I have submitted two more nominations to the GWA Board of Directors and I urge this body to act quickly and positively on their confirmation.

Pursuant to Executive Order No. 2001-13, I have declared a Continuing State of Emergency relative to the Guam water and wastewater systems. Prompt action by the Legislature will

respond to the emergency declared. Failure to legislate what is necessary for a solution to GWA's crisis forces our people to suffer. The Legislature should join me in this effort by approving a workable procurement and oversight law for this crisis. Besides GWA's SIP and BOT approaches, I am open to other creative strategies that this body may adopt. Together, we can make a solution happen; divided, we will only invite delay and increased risk.

Very truly yours,



Carl T. C. Gutierrez
I Maga'låhen Guåhan
Governor of Guam



GUAM WATERWORKS AUTHORITY

Aturidat Kinalamten Hanom Guahan

Government of Guam

Post Office Box 3010, Hagåtña, Guam 96932

Phone: (671)479-7823/7820 Fax: (671)479-7879

**PUBLIC TESTIMONY ON
BILL 22(COR): AN ACT TO AMEND PL 24-37 AN ACT AUTHORIZING
THE USE OF THE BUILD-OPERATE-TRANSFER CONCEPT,
BILL 44(COR) AN ACT TO ALLOW GWA TO ENTER INTO AN
AGREEMENT WITH THE GUAM HOTEL AND RESTAURANT ASSOCIATION
& BILL 47(LS) : AN ACT TO AMEND & REVISE CHAPTER 14
OF TITLE 12 GCA IN ORDER TO RESTORE
PUBLIC ACCONTABILITY TO THE FINANCES OF GWA**

**Presented by
Herbert J. Johnston, Jr.
March 26, 2001**

Hafa Adai Madame Chairman and members of the Committee on Natural Resources. For the record, I am Herbert Johnston, Jr. and I am the General Manager of the Guam Waterworks Authority. I am here to present testimony on three bills being heard this morning, Bill 22(COR), An Act to Amend Public Law 24-37; Bill 44(COR), An act to allow the Guam Waterworks Authority to enter into an agreement with the Guam Hotel and Restaurant Association for the repair of the Fujita and Southern Link pump stations; and Bill 47(LS), an act to amend and revise Chapter 14 of Title 12 GCA in order to restore public accountability to the finances of the Guam Waterworks Authority.

BILL 22 (COR)

Bill 22 intends to amend PL 24-37 to reduce the publication requirements of public infrastructure projects under consideration for financing under a build-

operate-transfer concept. The Guam Waterworks Authority is in support of this amendment, however, we suggest that this Committee consider amending the requirements of eligible projects to allow for projects not presently in the water and wastewater facility master plans. This would permit most of the programs outlined in the strategic initiative plan to be eligible for consideration under a build-operate-transfer program. With those considerations, GWA supports the passage of Bill 22(COR).

BILL 44(COR)

Bill 44 seeks to allow GWA and the Guam Hotel and Restaurant Association to enter into a contractual relationship for the repair of two wastewater pump stations – the Fujita and the Southern Link.

Because of the sense of urgency in Tumon, the GHRA has stepped forward to offer its resources to help rectify the grave situation their members face. They have already begun, with management approval, the evaluation of the Fujita, the Route 16 / Liguán Terrace, and the Southern Link pump stations.

The Route 16 / Liguán Terrace and Southern Link pump stations are situated upstream in the collection system from the Fujita pump station and are necessary in order for the sewage collected at Fujita to be transferred to the Northern District sewage treatment plant for treatment and subsequent disposal. Both pump stations are currently undergoing renovation as part of a FEMA-sponsored hazard mitigation grant project, which is expected to be completed shortly.

GWA appreciates the participation of GHRA in providing resources to help resolve this problem. We would like to suggest that this bill not be limited to the repair of the Fujita and Southern Link pump station but allow for the inclusion of any arrangement, including maintenance, and any facility the Association wishes to agree. This will allow their membership to consider programs and facilities outside of their immediate area.

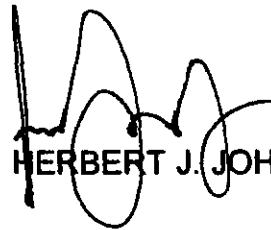
With these considerations, GWA supports the passage of Bill 44(COR).

BILL 47(COR)

Bill 47 seeks to amend the enabling legislation of the Guam Waterworks Authority to require legislative approval of the expenditures of the Authority. GWA agrees that Legislative oversight of the operations of the Authority is proper and we have always remained open and responsive to your Committee's inquiries and concerns.

We believe that an autonomous agency is the best structure on which to address the many issues facing GWA, as difficult as they now seem. We also believe that the approval of the Authority's budget, if it is to remain autonomous, should remain with an established board whose members you have duly confirmed. We look forward to confirmation hearings of two more board members which you have already scheduled for in April and, hopefully, with you approval, the re-establishment of a quorum of the GWA Board of Directors.

Understandably, GWA cannot support the passage of Bill 47(COR).

A handwritten signature in black ink, consisting of stylized, overlapping loops and lines, positioned above the printed name.

HERBERT J. JOHNSTON, JR.

te-
lls
tant.

's leading financial
opportunity for a
associate to

anized individual
a team player in a
eract with clients,
The position
and organizational

in financial
salary and
re, congenial

oyes.
resumes.

Building

**FORECLOSURES OR
CREDIT PROBLEMS?**

**Bankruptcy
may be the answer.**

Free Consultation
**Law Office of
Wilson Quinley**
477-0730



**GUAM SANKO
TRANSPORTATION, INC.**

Job Opening for
**FULL TIME / PART TIME
Bus Driver**
Preferred with "D" License
and **Tour Guides**

Apply in Person:
Guam Sanko Transportation
340 South Marine Drive
Tamuning, Guam



GENERAL SERVICES AGENCY
(Aghensian Selsibision Hinirof)
Department of Administration
Government of Guam
148 Route 1 Marine Drive, Piti, Guam 96925
Tel: 477-8836-8 • Fax: 472-4237/7538

Carl T.C. Guierrez
Governor

Madeleine Z. Bordallo
U. Governor

BID INVITATION

Bid No. GSA/PAG 01-03
For ONE (1) - DIESEL ENGINE (BRAND NEW)

Opening
Date: APRIL 10, 2001 Time: 10:00 am
Pre-Bid Conference Date: APRIL 02, 2001 @ 10:00 am
Place: GENERAL SERVICES AGENCY, PITI GUAM

INTERESTED PARTY MAY PICK-UP BID
DOCUMENTS AT SAID PLACE

For more information, contact: Mr. Sergio D. Santiago, Acting
Procurement Officer

88 New lots
1/4 acre - 929±sqm - 10,000±sqft
100% Owner Financing
Near Mechanan Elementary School
Power - Water - Sewer
Private Developer: Gabe S. Chiriboga

Sale Price: **\$35,000**
Down Payment: **ZERO**
Monthly Payment: **\$336.00**
Owner Financing: **20 years**

477-5666 477-9655 472-4676

MINA' BENTE SAIS NA LINESLATURAN GUAHAN
Committee on Natural Resources
Senator Joanne M. S. Brown
Chairperson

Notice of Public Hearing

The Committee on Natural Resources will be conducting a Hearing on Monday, March 26, 2001, 9:30 a.m., at the Legislative Public Hearing Room, 155 Hesler Street, Hagatna on the following:

Bill No. 22 (COR) - AN ACT TO AMEND PUBLIC LAW 24-37, AN ACT AUTHORIZING THE USE OF THE "BUILD-OPERATE-TRANSFER" CONCEPT, OR A VARIANT THEREOF, FOR THE PURPOSE OF ALLOWING PRIVATE SECTOR FINANCING OF THE DESIGN, CONSTRUCTION AND OPERATION AND MAINTENANCE OF WATER AND WASTEWATER INFRASTRUCTURE PROJECTS.

Bill No. 47 (LS) - AN ACT TO AMEND AND REVISE CHAPTER 14 OF TITLE 12 OF THE GUAM CODE ANNOTATED IN ORDER TO RESTORE PUBLIC ACCOUNTABILITY TO THE FINANCES OF THE GUAM WATERWORKS AUTHORITY.

Bill No. 44 (COR) - AN ACT TO ALLOW THE GUAM WATERWORKS AUTHORITY TO ENTER INTO AN AGREEMENT WITH THE GUAM HOTEL AND RESTAURANT ASSOCIATION FOR THE REPAIR OF THE FUJITA AND SOUTHERN LINK PUMP STATIONS.

ADA Coordinator: Ann Lopez at 472-3450/51
The public is invited to attend.

Planet Hollywood

Planet Hollywood, the high volume, international movie-themed restaurant and retail concept will be opening its newest location in Tokyo, Japan Fall 2001

We are seeking qualified candidates for the following positions:

- Financial Controller
- Assistant General Manager
- Restaurant Managers
- Sales & Marketing Manager
- Executive Chef
- Sous Chef

Japanese Citizens preferred but not required
Japanese language a must

For more information, contact:

Planet Hollywood, Guam
128
For more information.

Delco
Automotive Parts
Headquarters

35 Pacific Daily News, Saturday, March 24, 2001 guampdn.com

450005

SPORTS SCOREBOARD

Pacific Daily News, Monday, March 19, 2001

▲ Continued from Page 42

PHOENIX 19 (Kidd 9), DALLAS 23 (Finley 11). Total fouls—Phoenix 23, Dallas 23. Technicals—Phoenix Illegal Defense 2. A—18, 187 (18,187).

At Houston
SAN ANTONIO(99)

Duncan 11-28 3-3 25, Ferry 2-2 0-0 4, Robinson 9-12 4-6 22, D. Anderson 4-10 4-4 13, Porter 3-8 3-10, Walker 2-2 0-0 4, Daniels 2-8 3-4 7, Rose 0-0 0-0 0, Johnson 5-9 4-4 14, Kerr 0-0 0-0 0. Totals 38-79 21-24 99. HOUSTON (103)

S. Anderson 0-2 0-0 0, Taylor 6-13 3-4 15, Cato 1-2 3-4 5, Francis 9-20 10-12 30, Mobley 10-23 4-4 26, Rogers 1-1 0-0 2, Bullard 6-8 0-0 18, Thomas 3-8 1-1 7, Norris 0-2 0-0 0. Totals 36-79 21-25 103.

San Antonio 24 24 23 28 - 99
Houston 19 18 35 33 - 103

Central Division

W	L	T	OL	Pts	GF	GA	
Detroit	42	18	9	4	97	221	187
St. Louis	40	18	10	4	94	226	171
Nashville	29	33	8	3	69	189	184
Chicago	29	32	7	3	68	191	205
Columbus	24	33	8	6	62	169	204

Northwest Division

W	L	T	OL	Pts	GF	GA	
x-Colorado	45	13	9	4	103	240	167
Edmonton	35	24	3	8	83	206	191
Vancouver	34	23	8	7	83	221	212
Calgary	23	30	14	4	64	171	208
Minnesota	24	32	10	5	63	150	178

Pacific Division

W	L	T	OL	Pts	GF	GA	
Dallas	39	24	6	2	86	197	169
San Jose	35	23	11	2	83	185	163
Phoenix	31	24	15	2	79	196	193
Los Angeles	33	27	10	1	77	224	205
Anaheim	29	37	8	5	59	169	213

Two points for a win, one point for a tie and overtime loss.
x-clinched playoff spot

Friday's Games

Buffalo 4, Vancouver 2
Ottawa 4, Anaheim 1
Columbus 3, Atlanta 0
Pittsburgh 6, Florida 3
Phoenix 1, Dallas 1, tie

Saturday's Games

Colorado 5, Detroit 3
Los Angeles 1, San Jose 0, OT
Philadelphia 2, N.Y. Rangers 1
Boston 3, Montreal 2
Buffalo 3, Washington 2
Toronto 5, Florida 3
Tampa Bay 5, Pittsburgh 1
N.Y. Islanders 3, Columbus 3, tie
Nashville 4, Phoenix 1
St. Louis 2, Calgary 2, tie

New Jersey 6, Edmonton 5, OT
Sunday's Games
Ottawa at Dallas, 3 p.m.
Anaheim at Chicago, 3 p.m.
Minnesota at Colorado, 3 p.m.
Vancouver at Atlanta, 3 p.m.
N.Y. Islanders at Carolina, 5 p.m.
Detroit at San Jose, 8 p.m.

Monday's Games
Nashville at Columbus, 7 p.m.
Washington at N.Y. Rangers, 7 p.m.
Dallas at Minnesota, 8 p.m.
New Jersey at Calgary, 9 p.m.
Philadelphia at Edmonton, 9 p.m.
Phoenix at Los Angeles, 10:30 p.m.

NHL SUMMARIES

At Philadelphia

New York	1	0	0	-	1
Philadelphia	1	1	0	-	2

First Period—1, New York, Dvorak 24 (Mal-washington) 2 0 0 - 2

First Period—None.

Second Period—1, Buffalo, Barnes 18, 23, 2, Washington, Bondra 42 (Ostes, Konowalchuk), 19:20 (pp), 3, Buffalo, Brown 9 (Kalinin, Heinze), 15:24, 4, Washington, Bondra 43, 18:06.

Third Period—5, Buffalo, Gratton 17 (Zhit-nik, Kalinin), 9:26 (pp).
Shots on goal—Buffalo 6-9-6—23. Wash-ington 11-21-12—44.
Goalies—Buffalo, Biron. Washington, Kolzig. A—18,672 (18,672).

At Sunrise, Fla.

Toronto	0	3	2	-	5
Florida	1	2	0	-	3

First Period—1, Florida, Bure 52 (Nilson), 18:02.

Second Period—2, Toronto, Domi 13 (Valk, Antropov), 6:11, 3, Florida, Bure 53 (Ericsson, Hedican), 8:27 (pp), 4, Florida, Bure 54 (Shvid-ki), 13:53, 5, Toronto, Antropov 6 (Sundin, Roberts), 15:29, 6, Toronto, Hoglund 21 (Kaberle, Sundin), 18:56 (pp).

Third Period—7, Toronto, Berg 1 (Berezin, Corson), 6:12 (pp), 8, Toronto, Sundin 27 (Roberts, Thomas), 19:52 (en).
Shots on goal—Toronto 6-16-16—40. Flor-ida 7-9-9—24.
Goalies—Toronto, Joseph. Florida, Kidd. A—16,205 (19,088).

At Tampa, Fla.

Pittsburgh	0	1	0	-	1
Tampa Bay	2	0	3	-	5

First Period—1, Tampa Bay, Lecavalier 19 (R. Johnson), 11:54, 2, Tampa Bay, St. Louis 16, 18:02 (sh).

Second Period—3, Pittsburgh, Lemieux 31

(Ference, Joneson), -48.
Third Period—4, Tampa Bay, Kubina 10 (St. Louis), 9:06 (sh), 5, Tampa Bay, St. Louis 17 (Elkman, Holzinger), 18:59 (pp), 6, Tampa Bay, Lecavalier 20 (Cullimore, Holzinger), 18:08.
Shots on goal—Pittsburgh 7-10-9—28. Tampa Bay 5-7-5—20.
Goalies—Pittsburgh, Hedberg. Tampa Bay, Weekes. A—20,635 (19,758).

At Columbus, Ohio

New York	1	0	2	0	-
Columbus	1	2	0	0	-

First Period—1, Columbus, Spanhel 1 (Aubin), 8:19, 2, New York, Martins 2 (Cz-arkawski, Mezel), 10:12 (sh).

Second Period—3, Columbus, Dineen 6 (Timander, Gardiner), 16:28, 4, Columbus, Kron 8 (Knutsen, Quint), 17:11.

Third Period—5, New York, Scatchard 17 (Parrish, Czarkawski) 1:09 (en) & New York

First Period—1, Edmonton, M. Comrie 6 (Carler, Smyth), 2:07, 2, Edmonton, Smith 5 (Ulanov, Laroque), 12:48.
Second Period—3, Edmonton, Grier 16 (Marchant), 14:27, 4, New Jersey, Madden 22 (Rafalski, Stevenson), 18:10.
Third Period—5, New Jersey, Elias 30 (Sykora, White), 1:14, 6, Edmonton, Poti 12 (M. Comrie, Smyth), 4:26, 7, New Jersey, McK-ay 20 (Koglin, Sykora), 6:08 (pp), 8, New Jer-sey, Holik 16, 8:42, 9, Edmonton, Marchant 12 (Grier, Moreau), 12:35, 10, New Jersey, Elias 31 (Sykora), 18:04.
Overtime—11, New Jersey, Elias 32, 4:51.
Penalties—None.
Shots on goal—New Jersey 9-8-16—40. Ed-monton 13-8-9-3—33.
Goalies—New Jersey, Brodeur. Edmonton, Salo. A—17,100 (17,100).

Penalties—None.
Shots on goal—New Jersey 9-8-16—40. Ed-monton 13-8-9-3—33.
Goalies—New Jersey, Brodeur. Edmonton, Salo. A—17,100 (17,100).

TRANSACTIONS

Can't find literature or session.
633-3362 ask for Kim

MINA' BENTE SAIS NA LIHESLATURAN GUAHAN
Committee on Natural Resources
Senator Joanne M. S. Brown
Chairperson

Notice of Public Hearing

The Committee on Natural Resources will be conducting a hearing on Monday, March 26, 2001, 9:30 a.m., at the Legislative Public Hearing Room, 155 Hasler Street, Hagatna on the following:

Bill No. 22 (COR) - AN ACT TO AMEND PUBLIC LAW 24-37, AN ACT AUTHORIZING THE USE OF THE "BUILD-OPERATE-TRANSFER" CONCEPT, OR A VARIANT THEREOF, FOR THE PURPOSE OF ALLOWING PRIVATE SECTOR FINANCING OF THE DESIGN, CONSTRUCTION AND OPERATION AND MAINTENANCE OF WATER AND WASTEWATER INFRASTRUCTURE PROJECTS.

Bill No. 47 (LS) - AN ACT TO AMEND AND REVISE CHAPTER 14 OF TITLE 6 OF THE GUAM CODE ANNOTATED IN ORDER TO RESTORE PUBLIC ACCOUNTABILITY TO THE FINANCES OF THE GUAM WATERWORKS AUTHORITY.

Bill No. 44 (COR) - AN ACT TO ALLOW THE GUAM WATERWORKS AUTHORITY TO ENTER INTO AN AGREEMENT WITH THE GUAM HOTEL AND RESTAURANT ASSOCIATION FOR THE REPAIR OF THE FUJITA AND SOUTHERN LINK PUMP STATIONS.

ADA Coordinator: Ann Legaspi at 472-345051
The public is invited to attend.

**DEBT COUNSELING
BANKRUPTCY
YOU CAN STILL
SAVE YOUR
HOME!**

**GEORGE M. BUTLER, ESQ.
LAW OFFICE OF
BUTLER & TELFORD BUTLER
CALL 475-0200
FREE CONSULTATION**

**PUBLIC NOTICE:
SMITHBRIDGE
GUAM, INC.**

Blasting activities will be carried out in the quarry located at Lot 7030-New-2-R1, Route 15, Yigo

interest, plus additional interest accruing on the principal amount at the rate of 4% per annum from and after January 31, 1998 until May 21, 1998, and of 18% per annum thereafter until paid in full.
The right is reserved to reject any and all bids and to cancel or extend the date, time and place for sale of such property.
DATED this 2nd day of March, 2001.

CAILVO AND CLARK, LLP
Attorneys At Law
By: /s/ JANALYN M. CRUZ
Attorneys for the Guam Economic Development Authority

GUAM, U.S.A. ss:
CITY OF TAMPUNING

On this 2nd day of March, 2001, before me, a Notary Public in and for Guam, personally appeared JANALYN M. CRUZ, attorney for the GUAM ECONOMIC DEVELOPMENT AUTHORITY, known to me to be the person whose name is subscribed to the foregoing NOTICE OF SALE UNDER POWER OF SALE IN MORTGAGE, and she acknowledged to me that she executed the same as attorney for GUAM ECONOMIC DEVELOPMENT AUTHORITY.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above-written.

/s/ PRISCILLA Q. SANTOS
NOTARY PUBLIC
In and for the Territory of Guam, U.S.A.
My Commission Expires: 10/10/2001
655 South Marine Drive, Suite 202
Tampuning, Guam 96911

IN THE SUPERIOR COURT
OF GUAM

IN THE MATTER OF THE
ESTATE OF

ELIZABETH ANN
MENDIOLA CRUZ,
Decedent.

PROBATE CASE NO.
PR0004-01

NOTICE TO CREDITORS

NOTICE IS HEREBY GIVEN by the undersigned, SCOTT A. REED, Executor of the will of ELIZABETH ANN MENDIOLA CRUZ, deceased, to the creditors of, and all persons having notice is hereby given

that ERNESTO CALBUYOT has filed herein his petition praying for letters of administration upon the Estate of ALIPIO BERSAMIN BARONIA, SR., decedent, and that the hearing on said petition is set on MAR. 30, 2001, at 9:00 a.m., in the courtroom of the Superior Court of Guam, Agaña, Guam, and all persons interested are hereby notified to appear at the time and place set for said hearing and show cause, if and, why the petition should not be granted. Reference is hereby made to the said petition for further particulars.
DATED: FEB. 28, 2001.

CLERK, SUPERIOR COURT
OF GUAM,
/s/ JANET T. TORRE
DEPUTY CLERK

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

BILL No. 4705)

Introduced by:

J. M. S. Brown
K.S. Moylan

**AN ACT TO AMEND AND REVISE CHAPTER 14 OF
TITLE 12 OF THE GUAM CODE ANNOTATED IN
ORDER TO RESTORE PUBLIC ACCOUNTABILITY
TO THE FINANCES OF THE GUAM
WATERWORKS AUTHORITY**

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

2 **Section One. Legislative Intent.** *I Liheslaturan Guåhan* recognizes
3 that since its inception the Guam Waterworks Authority (GWA) continues to struggle
4 with its ability to operate as a fully functional autonomous agency.

5 *I Liheslaturan Guåhan* has determined that the Guam Waterworks Authority
6 has been operating without an active Board of Directors since June, 2000. *I*
7 *Liheslaturan Guåhan* has determined through several public hearings that GWA has
8 experienced revenue losses over the past several years; GWA is not able to control
9 expenses or consistently collect revenues, entitled to GWA; GWA has not allocated
10 sufficient funding to upgrade training of employees; and GWA has permitted
11 excessive overtime. *I Liheslaturan Guåhan* also recognizes there is a growing concern
12 among the residents of Guam towards paying an increase in water and sewage rates
13 without the relief from continuous water outages, low or no water pressure problems,
14 water leaks, and sewage overflow.

1 *I Liheslaturan Guåhan* has determined that in order to support and promote the
2 general well being of the Authority and the people of Guam, *I Liheslaturan Guåhan*
3 should assume the responsibility to ratify the budget of the Guam Waterworks
4 Authority to insure greater public accountability regarding the management of our
5 island's water resources, finances and public assets.

6 **Section Two.** Section 14104 of Title 12 of the Guam Code Annotated is
7 amended to read:

8 **Section 14104. Powers.** The Authority shall have, in accordance with
9 the laws applicable to it and its annual budget, the following powers:

10 (a) To produce, treat, transmit, store, distribute, and sell water on Guam, and
11 collect, treat and dispose of waste water on Guam;

12 (b) To acquire, in accordance with P.L. 20-06:7, Title VII-A of the
13 Government Code and all applicable laws, by grant, purchase, gift, devise or lease, or
14 by the exercise of the right of eminent domain in accordance with the provisions of 21
15 Guam Code Annotated, Chapter 15, and hold and use any real or personal property
16 necessary or convenient for the carrying on any of these enumerated powers;

17 (c) To establish its own internal organization and management and adopt
18 regulations for the administration of its operations;

19 (d) To establish and modify from time to time, with the approval of the
20 Public Utility Commission, reasonable rates and charges for the water and waste water
21 services adequate to recover the full cost of providing such services and to collect
22 money from customers using such services. The Authority shall establish and modify
23 from time to time, with approval of the Public Utility Commission, reasonable rates
24 and charges for servicing of debt obtained to undertake capital improvements of water
25 and waste water facilities.

1 (e) To enter into contracts which have been awarded under the relevant
2 procurement laws and are appropriately budgeted for in its annual budget and to
3 execute all instruments necessary for the exercise of its powers, adopt a seal and to sue
4 and be sued in its own corporate name;

5 (f) To construct works along or across any street or public or watercourse or
6 public utility easement or any lands which are property of the Territory; and with
7 respect to federal lands, the Authority shall have the same powers with respect to the
8 construction of such works as are possessed by the Government of Guam. The
9 Authority shall restore any such street or highway to its former state and shall not
10 impair its usefulness;

11 (g) From time to time, to incur indebtedness with the approval of *I*
12 *Liheslaturan Guåhan*;

13 (h) To enter into contracts with the Government of Guam or with the United
14 States for loans or grants;

15 (i) To employ, retain or contract, in accordance with all applicable
16 procurement laws and its annual budget, the services of qualified persons, businesses
17 or entities to act as specialists and experts to advise and assist its Board of Directors
18 and employees;

19 (j) To adopt such rules and regulations as may be necessary for the exercise
20 of these enumerated powers;

21 (k) To control, operate, improve, equip, maintain, repair, renew, replace,
22 reconstruct, alter and redesign the water and waste water disposal systems of Guam in
23 accordance with applicable zoning, building and health regulations of the Territory
24 and the United States; and

25 (l) Do all things necessary to the full and convenient exercise of its powers.

1 **Section Three.** Sections 14106(b)(iii) and (iv) of Title 12 Guam Code
2 Annotated are amended to read:

3 (iii) To keep the Board and the Guam Legislature advised as to the needs of
4 the Authority, to approve demands for the payment of obligations of the Authority,
5 and to approve expenditures and collection of revenue within the purposes and
6 amounts authorized by the annual budget;

7 (iv) To prepare all plans and specifications for the constructions of works by
8 the Authority in accordance with the annual budget;

9 **Section Four:** Title 12 G.C.A. Section 14107(b) is hereby repealed

10 **Section Five:** Section 14108 of Title 12 Guam Code Annotated is
11 amended to read:

12 **Section 14108. Administration and Fiscal Services.**

13 (a) The General Manager, with the consent of the Board, shall appoint an
14 Assistant General Manager for Administration and Fiscal Services.

15 (b) The Assistant General Manager for Administration and Fiscal Services
16 shall receive compensation as established by the annual budget.

17 (c) Said Assistant General Manager shall have full charge and control,
18 subject to the direction of the General Manager, of all accounting and fiscal
19 affairs of the Authority and shall account for all monies received and paid out
20 by the Authority in accordance with the Authority's annual budget.

21

22 **Section Six.** Section 14109(a) of Title 12 of Guam Code Annotated is amended
23 to read:

24 (a) The Board may also appoint a Secretary, Treasurer, and an Attorney, who
25 shall serve at the pleasure of the Board and whose duties shall be set by the Board and
26 whose compensation shall be fixed by the annual budget.

1 **Section Seven.** Section 14113 of Title 12 of Guam Code Annotated is
2 amended to read:

3 **14113. Accounting and Expenditures.**

4 (a) The Board shall adopt and maintain a system of accounting.

5 (b) The Board shall authorize by means of the annual budget payment of
6 demands against the Authority resulting from the exercise of its powers
7 under this Act if:

8 (i) the purposes and amounts of such demands are projected in the
9 budget, expressed in terms of major account groups of the Uniform
10 System of Accounts, which has been adopted by the Board after
11 receiving recommendations from the General Manager; and

12 (ii) if the specific demands which are made are approved by the Board
13 before payment.

14 (c) The Board shall employ, in accordance with the appropriate procurement
15 laws and the annual budget, a firm of locally licensed, independent
16 Certified Public Accountants who shall annually examine the financial
17 status and workings of the Authority for the previous fiscal year. Said
18 firm shall submit to *I Magalahen Guåhan*, the General Manager and *I*
19 *Lihselaturan Guåhan* no later than February 1st of each year a written
20 report on the financial status and workings of the Authority during the
21 previous fiscal year. Said report shall be furnished to *I Magalahen*
22 *Guåhan* and *I Lihselaturan Guåhan*. *I Magalahen Guåhan* may request
23 special reports within thirty (30) days after the end of each fiscal quarter.
24 The financial information presented in the reports required by this section
25 shall be in accordance with the Uniform System of accounts adopted by
26 the Board.

1 (d) Claims against the Guam Waterworks Authority shall be submitted to the
2 Attorney General of Guam in accordance with the Government Claims
3 Act.

4 (e) Annual Budget. For the purposes of Chapter 14, Title 12 GCA, the term
5 “annual budget” means a balanced budget for expenditures of the Guam
6 Waterworks Authority for a fiscal to be funded by the anticipated
7 revenues and other funds to be received and expended for the same fiscal
8 year, submitted to the *I Liheslaturan Guåhan* and approval by law, with
9 amendment and modification as may be desired by the *I Liheslaturan*
10 *Guåhan*. The budget shall not request an appropriation from the General
11 Fund.

12 (i) On or before May 1, of each year, the Board shall approve and submit
13 to the Guam Legislature the annual budget for the following fiscal year.

14 (ii) On or before the start of the following fiscal year, *I Liheslaturan*
15 *Guåhan* shall approve, reject or modify the annual budget. No
16 transfer of funds approved or authorized by the annual budget shall be
17 valid unless approved by *I Liheslaturan Guåhan*.

18 (iii) If *I Liheslaturan Guåhan* fails to approve the annual budget before
19 the start of the new fiscal year, the budget submitted by the Board shall
20 become law for the new fiscal year subject to legislative modification.

21 (iv) If the Board fails to submit a budget for the next fiscal year, the
22 current fiscal year’s budget shall become law for the next fiscal year
23 subject to legislative modification.

24
25 **Section Eight.** Section 14114 of Title 12 of the Guam Code Annotated is
26 amended to read:

1 **14114. Employment.**

2 (a) Pursuant to the provisions of Title 4 of the Guam Code Annotated
3 other applicable laws and the Authority's annual budget, the Board shall
4 establish rules and regulations regarding selection, promotion, performance
5 evaluation, demotion, suspension and disciplinary action regarding the
6 employees of the Authority. All contracts for hiring off-island employees shall
7 conform to Sections 6501 and 6501.1 of Title 4 of the Guam Code Annotated.

8 (b) All employees of the Authority except those enumerated in subsection
9 (c) below shall be members of the classified service of the Government of
10 Guam and the Government of Guam Retirement Fund and shall be entitled to
11 coverage under the Worker's Compensation laws of Guam. The annual budget
12 of the Authority shall provide for the Authority's appropriate contributions to
13 the Government of Guam Retirement Fund and such billings as are deemed
14 appropriate by the Commissioner of Worker's Compensation.

15 (c) The General Manager, Assistant General Managers, Secretary,
16 Treasurer, Comptroller and the Attorney of the Authority shall not be members
17 of the classified service of the Government of Guam. Said officials shall be
18 hired and compensated within the terms of the Authority's annual budget.

19
20 **Section Nine. Effective dates.** This act shall become effective immediately but
21 the first fiscal year it applies to will be fiscal year 2002. During fiscal year 2001, the
22 Authority shall cut costs to conform to revenue and shall make every effort to balance
23 its budget for 2001. The first annual budget proposal shall be due to *I Liheslaturan*
24 *Guahan* on May 1, 2001 for fiscal year 2002. *I Liheslaturan Guåhan* reserves the
25 right to amend the Authority's budget for fiscal year 2001. No transfer of funds
26 allocated by the budget for fiscal year 2001 shall be valid unless specifically approved

1 by *I Liheslaturan Guåhan*. The Authority shall not execute any contract with a term
2 extending beyond September 30, 2001 without legislative consent.

3 **Section Ten. Severability.** If any provision of this Act is declared invalid
4 by a court of law, the remainder of the act shall remain in effect.