



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

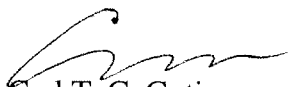
JAN 05 2003

The Honorable Joanne M. S. Brown  
Legislative Secretary  
I Mina'Bente Singko na Liheslaturan Guåhan  
Twenty-Fifth Guam Legislature  
Suite 200  
130 Aspinal Street  
Hagåtña, Guam 96910

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 46 (LS), "AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A WATER AND SEWER SYSTEM DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM WATERWORKS AUTHORITY; AND TO REPEAL SECTION 56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED", which was **enacted** into law without the signature of the Governor. This legislation is now designated as **Public Law No. 26-164**.

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

006

MINA'BENTE SAIS NA LIHESLATURAN GUAHAN  
2002 (SECOND) Regular Session


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

This is to certify that Substitute Bill No. 46 (LS) "AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A WATER AND SEWER SYSTEM DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM WATERWORKS AUTHORITY; AND TO REPEAL SECTION 56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED," was on the 24<sup>th</sup> day of December, 2002, duly and regularly passed.



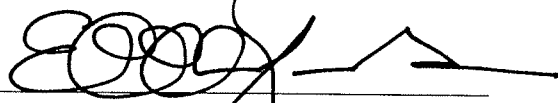
ANTONIO R. UNPINGCO  
Speaker

Attested:



JOANNE M.S. BROWN  
Senator and Legislative Secretary

-----  
This Act was received by *I Maga'lahaen Guahan* this 24<sup>TH</sup> day of DECEMBER, 2002,  
at 10:00 o'clock P. .M.



Assistant Staff Officer  
*Maga'lahaen's Office*

APPROVED:

\_\_\_\_\_  
CARL T. C. GUTIERREZ  
*I Maga'lahaen Guahan*

Date: Jan. 5, 2003

Public Law No. 26-164

Became law without the signature of  
I Maga'Lahaen Guahan, the Governor of  
Guam.

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

**Bill No. 46 (LS)**

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

Introduced by:

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

**AN ACT TO ADD SECTION 12015.4 TO TITLE 12  
OF THE GUAM CODE ANNOTATED RELATIVE  
TO THE ESTABLISHMENT OF A WATER AND  
SEWER SYSTEM DEVELOPMENT CHARGE  
SCHEDULE FOR THE GUAM WATERWORKS  
AUTHORITY; AND TO REPEAL SECTION 56119  
OF TITLE 5 OF THE GUAM CODE ANNOTATED.**

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

2           **Section 1. Legislative Findings and Intent:** In 1989 *I Liheslaturan*  
3 *Guåhan* enacted Public Law Number 19-47, which provides in part: “The  
4 Public Utility Agency of Guam (PUAG) shall establish and implement a water  
5 and wastewater systems development charge schedule, which charges shall  
6 be assessed on each user who is for the first time connecting the property into  
7 the island’s water or wastewater system or to each builder if the density of  
8 development on existing connection is increased.” PUAG never formally  
9 implemented or applied such charge schedule.

10           In 1996, *I Liheslaturan Guåhan* enacted Public Law Number 23-119,  
11 which abolished PUAG and created the Guam Waterworks Authority  
12 (“GWA”), a new public corporation and autonomous instrumentality of  
13 Guam. The systems development charge is a mechanism by which new  
14 customers would be responsible for the incremental costs associated with the  
15 construction of new water and wastewater facilities to support those  
16 customers rather than requiring such costs to be borne generally by the  
17 taxpayers of Guam or existing customers.

18           It is the intent of *I Liheslaturan Guåhan* to accomplish the following: (i) to  
19 remedy the apparent failure of PUAG to timely develop and implement a  
20 system development charge schedule; (ii) to provide for the respective rights,  
21 powers, obligations, and authority of GWA and the Guam Public Utility  
22 Commission (“GPUC”) with respect to the water and sewer system  
23 development charge schedule following the abolishment of PUAG; (iii) to

1 provide guidelines for the payment and protest of assessments *not* included in  
2 the prior legislation; (iv) to preserve the rights of builders and developers to  
3 receive credits for voluntary contributions made under Public Law Number  
4 19-47; *and* (v) to exempt users, builders and developers from further  
5 assessments and collections under Public Law Number 19-47 because of the  
6 impracticability and associated therewith.

7 **Section 2.** Section 12015.4 is hereby *added* to Chapter 12 of Title 12 of  
8 the Guam Code Annotated to read as follows:

9 **“Section 12015.4 Water and Sewer System Development Charge.**

10 (a) The Guam Waterworks Authority (“GWA”) shall establish  
11 and implement, subject to the prior approval of the Commission in  
12 subsection (b), a water and sewer system development charge schedule,  
13 which charges shall be assessed on each user who is for the first time  
14 connecting property into the Guam’s water or wastewater system, or to  
15 each builder *if* the density of development on existing connection is  
16 increased. Such charge schedule shall seek to recover the additional  
17 costs associated with constructing, expanding, upgrading and repairing  
18 water and wastewater facilities for such new users and development,  
19 and shall take into account existing infrastructure on the property,  
20 present and future user demands, requirements for water and/or sewer  
21 services, and installation of infrastructure to be done by the user or  
22 builder.

23 (b) Pursuant to its authority, the Commission shall *immediately*  
24 begin proceedings to promptly establish and approve the water and

1 sewer system development charge schedule for GWA. The Commission  
2 has the authority to adopt and approve a charge schedule for GWA  
3 which complies with Subsection (a) of this Section; *provided*, that  
4 nothing herein shall limit the Commission's authority and jurisdiction  
5 to establish and approve General Lifeline Rates for GWA which may  
6 apply to the water and sewer development charge schedule. The charge  
7 schedule shall be applied to users and developers by GWA upon its  
8 adoption and approval by the Commission, and no charges shall be  
9 assessed *prior* to adoption and approval by the Commission.

10 (c) Notwithstanding any other provision of law, all revenues  
11 generated by the water and sewer system development charge schedule  
12 will be deposited into the Island Water and Sewer Infrastructure  
13 Development Fund. Such funds shall be administered by GWA.  
14 *However*, GWA shall file annually for Commission review and approval  
15 a full accounting of the receipts and expenditures into and from the  
16 Fund with appropriate details of the sources and expenditures into and  
17 from the Fund.

18 (d) The Island Water and Sewer Infrastructure Development  
19 Fund shall *only* be expended for costs associated with the construction,  
20 expansion, upgrade, and repair of water and wastewater facilities for  
21 users who are for the first time connecting property into the Guam's  
22 water or wastewater system, or for builders *if* the density of  
23 development on existing connection is increased.

1           (e) Fees due under the water and sewer development charge  
2 schedule adopted by the Commission shall be paid to GWA *prior* to the  
3 issuance of a building construction permit. Subsequent to the adoption  
4 and approval of the charge schedule by the Commission, no building  
5 construction permit shall be issued without a certificate issued by GWA  
6 that all fees due under the charge schedule have been paid.

7           (f) Any person may contest any proposed assessment for the  
8 water and sewer development charge schedule made or determined by  
9 GWA by filing with GWA a written protest at any time *prior* to the  
10 issuance of a building construction permit. All protests shall be  
11 prepared in the form and contain such information as GWA shall  
12 reasonably require, and shall include a summary statement of the  
13 grounds upon which the person relies and that person's reasons for  
14 disputing the assessment of GWA. GWA shall make a determination  
15 with respect to the protest and, if required, make an adjustment to the  
16 assessment within thirty (30) days of receipt of such protest. Persons  
17 dissatisfied with GWA's determination may file a petition with the  
18 Commission to review such determination within thirty (30) days of  
19 GWA's determination.

20           (g) *Except* as provided hereafter, each person who made a  
21 voluntary contribution under Section 56119 of Title 5 of the Guam Code  
22 Annotated shall be compensated to the extent the amount contributed is  
23 greater than the charges that would apply under the charge schedule  
24 approved by the Commission. Such persons shall be compensated the  
25 difference through an abatement of gross receipts taxes equal to the

1 differential. Persons seeking credits under this Subsection shall make an  
2 application to GWA within one (1) year of the date of enactment of this  
3 Act, and GWA shall determine the amount of any credit within ninety  
4 (90) days of its receipt of the application. Persons dissatisfied with  
5 GWA's determination may file a petition with the Commission to  
6 review such determination. This Subsection shall *not* apply to persons  
7 who previously received credits under Section 56119 of Title 5 of the  
8 Guam Code Annotated.

9 (h) *Except for voluntary contributions previously made, no*  
10 *further assessments shall be collected or imposed by GWA or the*  
11 *Commission under Section 56119 of Title 5 of the Guam Code*  
12 *Annotated."*

13 **Section 4.** Section 56119 of Title 5 of the Guam Code Annotated is  
14 hereby *repealed*.

15 **Section 5. Severability.** *If any provision of this Law or its*  
16 *application to any person or circumstance is found to be invalid or contrary to*  
17 *law, such invalidity shall not affect other provisions or applications of this*  
18 *Law which can be given effect without the invalid provisions or application,*  
19 *and to this end the provisions of this Law are severable.*



26-164

6

# I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2002 (SECOND) Regular Session

Date: 12/24/02

## VOTING SHEET

Bill No. 46  
Resolution No. \_\_\_\_\_

Question: Voted without emergency

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.					✓
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Felix P.	✓				<del>4</del>
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.	✓				<del>1</del>

TOTAL 12 0 0 0 3

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence

1 contribution under Section 56119 of Title 5 of the Guam Code Annotated  
2 shall be compensated to the extent the amount contributed is greater than  
3 the charges that would apply under the charge schedule approved by the  
4 Commission. Such persons shall be compensated the difference through an  
5 abatement of gross receipts taxes equal to the differential. Persons seeking  
6 credits under this subsection shall make application to GWA within one  
7 year of the date of enactment of this Act, and GWA shall determine the  
8 amount of any credit within ninety (90) days of its receipt of the  
9 application. Persons dissatisfied with GWA's determination may file a  
10 petition with the Commission to review such determination. This  
11 subsection shall not apply to persons who previously received credits under  
12 Section 56119 of Title 5 of the Guam Code Annotated.

13  
14 (h) Except for voluntary contributions previously made, no further  
15 assessments shall be collected or imposed by GWA or the Commission  
16 under Section 56119 of Title 5 of the Guam Code Annotated.”

17  
18 **Section 4.** Section 56119 of Title 5 of the Guam Code Annotated is hereby  
19 *repealed.*

20 **“5 Guam Annotated 56119 is hereby repealed.”**

21  
22 **Section 4. Severability.** *If* any provision of this Law or its application to  
23 any person or circumstance is found to be invalid or contrary to law, such invalidity  
24 shall *not* affect other provisions or applications of this Law which can be given effect  
25 without the invalid provisions or application, and to this end the provisions of this  
26 Law are severable.

1 approval by the Commission.  
2

3 (c) Notwithstanding any other provision of law, all revenues  
4 generated by the water and sewer system development charge schedule will  
5 be deposited into the Island Water and Sewer Infrastructure Development  
6 Fund. Such funds shall be administered by GWA. However, GWA shall  
7 file annually for Commission review and approval a full accounting of the  
8 receipts and expenditures into and from the Fund with appropriate details  
9 of the sources and expenditures into and from the Fund.

10  
11 (d) The Island Water and Sewer Infrastructure Development Fund  
12 shall only be expended for costs associated with the construction,  
13 expansion, upgrade, and repair of water and wastewater facilities for users  
14 who are for the first time connecting property into the island's water or  
15 wastewater system or for builders if the density of development on existing  
16 connection is increased.

17  
18 (e) Fees due under the water and sewer development charge schedule  
19 adopted by the Commission shall be paid to GWA prior to the issuance of a  
20 building construction permit. Subsequent to the adoption and approval of  
21 the charge schedule by the Commission, no building construction permit  
22 shall be issued without a certificate issued by GWA that all fees due under  
23 the charge schedule have been paid.

24  
25 (f) Any person may contest any proposed assessment for the water  
26 and sewer development charge schedule made or determined by GWA by  
27 filing with GWA a written protest at any time prior to the issuance of a  
28 building construction permit. All protests shall be prepared in the form and  
29 contain such information as GWA shall reasonably require and shall  
30 include a summary statement of the grounds upon which the person relies  
31 and his reasons for disputing the assessment of GWA. GWA shall make a  
32 determination with respect to the protest and, if required, make an  
33 adjustment to the assessment within thirty (30) days of receipt of such  
34 protest. Persons dissatisfied with GWA's determination may file a petition  
35 with the Commission to review such determination within thirty (30) days  
36 of GWA's determination.

37  
38 (g) Except as provided hereafter, each person who made a voluntary

1 powers, obligations, and authority of GWA and the Guam Public Utility  
2 Commission (GPUC) with respect to the water and sewer system  
3 development charge schedule following the abolishment of PUAG, (iii) to  
4 provide guidelines for the payment and protest of assessments not included  
5 in the prior legislation.; (iv) to preserve the rights of builders and developers  
6 to receive credits for voluntary contributions made under Public Law No.  
7 19-47; and (v) to exempt users, builders and developers from further  
8 assessments and collections under Public Law No. 19-47 because of the  
9 impracticability and associated therewith.

10  
11  
12 **Section 2.** Section 12015.4 is hereby *added* to Title 12 of the Guam Code  
13 Annotated to read as follows:

14 **“Section 12015.4 Water and Sewer System Development Charge.**

15  
16 (a) The Guam Waterworks Authority (GWA) shall establish and  
17 implement, subject to the prior approval of the Commission in subsection  
18 (b), a water and sewer system development charge schedule, which charges  
19 shall be assessed on each user who is for the first time connecting property  
20 into the island’s water or wastewater system or to each builder if the  
21 density of development on existing connection is increased. Such charge  
22 schedule shall seek to recover the additional costs associated with  
23 constructing, expanding, upgrading and repairing water and wastewater  
24 facilities for such new users and development and shall take into account  
25 existing infrastructure on the property, present and future user demands,  
26 requirements for water and/or sewer services and installation of  
27 infrastructure to be done by the user or builder.

28  
29 (b) Pursuant to its authority, the Commission shall immediately  
30 begin proceedings to promptly establish and approve the water and sewer  
31 system development charge schedule for GWA. The Commission has the  
32 authority to adopt and approve a charge schedule for GWA which  
33 complies with subsection (a) of this Section, provided that nothing herein  
34 shall limit the Commission’s authority and jurisdiction to establish and  
35 approve General Lifeline Rates for GWA which may apply to the water  
36 and sewer development charge schedule. The charge schedule shall be  
37 applied to users and developers by GWA upon its adoption and approval  
38 by the Commission, and no charges shall be assessed prior to adoption and

2001

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

Bill No. 46 (26)

Introduced by:

T. C. Ada 

**AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE  
GUAM CODE ANNOTATED RELATIVE TO THE  
ESTABLISHMENT OF A WATER AND SEWER SYSTEM  
DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM  
WATERWORKS AUTHORITY; AND TO REPEAL SECTION  
56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED.**

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

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

- (a) In 1989, the Guam Legislature enacted Public Law No. 19-47, which provides in part: "The Public Utility Agency of Guam (PUAG) shall establish and implement a water and wastewater systems development charge schedule, which charges shall be assessed on each user who is for the first time connecting the property into the island's water or wastewater system or to each builder if the density of development on existing connection is increased." PUAG never formally implemented or applied such charge schedule.
- (b) In 1996, the Guam Legislature enacted Public Law No. 23-119 which abolished PUAG and created the Guam Waterworks Authority (GWA), a new public corporation and autonomous instrumentality of Guam
- (c) The systems development charge is a mechanism by which new customers would be responsible for the incremental costs associated with the construction of new water and wastewater facilities to support those customers rather than requiring such costs to be borne generally by the tax payers of Guam or existing customers.
- (d) It is the intent of the Legislature to accomplish the following: (i) to remedy the apparent failure of PUAG to timely develop and implement a system development charge schedule; (ii) to provide for the respective rights,

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# MINA ' BENTE SAIS NA LIHESLATURAN GUAHAN


Kumitehan Areklamento, Hinanao Gubetnamenton Hinirát, Rifotma yan Rinueba,  
yan Asuntón Fidirát, Taotao Hiyong yan Hinirát

*Senadot Mark Forbes, Gebilu  
Kabisiyon Mayurát*

30 MAR 2001

## MEMORANDUM

TO: Chairperson  
Committee on Natural Resources

FROM: Chairman   
Committee on Rules, General Governmental Operations, Reorganization and  
Reform, and Federal, Foreign and General Affairs

SUBJECT: Principal Referral – Bill No. 46

The above bill is referred to your Committee as the Principal Committee, in accordance with Section 6.04.05.01. of the Standing Rules. Your Committee is the Committee authorized to perform the public hearing on this bill and to amend or substitute the bill, as well as report the bill out to the Body. It is recommended that you schedule a public hearing at your earliest convenience.

Thank you for your attention to this matter.

**MARK FORBES**

Attachment



**MINA' BENTE SAIS NA LIHESLATURAN GUAHAN**

**Committee on Natural Resources**

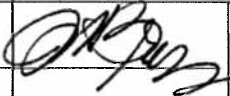

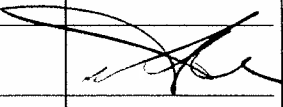
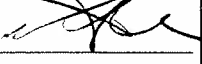


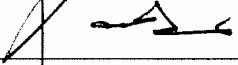
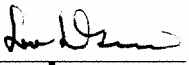

**Joanne M.S. Brown**

**Chairperson**

**VOTING SHEET**

**COMMITTEE REPORT**

**BILL 46(LS): AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A WATER AND SEWER SYSTEM DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM WATERWORKS AUTHORITY; AND TO REPEAL SECTION 56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED.**

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	X					
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

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August 26, 2002

## MEMORANDUM

To: Members, Committee on Natural Resources

From: Senator Joanne M.S. Brown, Chairperson

Subject: Bill 46(LS): An Act to Add Section 12015.4 to Title 12 of the Guam Code Annotated Relative to the Establishment of a Water and Sewer System Development Charge Schedule for the Guam Waterworks Authority; and to Repeal Section 56119 of the Guam Code Annotated.

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 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





Office of Senator

# Joanne M. Salas Brown

MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN

November 13, 2002

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 46 (LS): An Act to Add Section 12015.4 to Title 12 of the Guam Code Annotated Relative to the Establishment of a Water and Sewer System Development Charge Schedule for the Guam Waterworks Authority; and to Repeal Section 56119 of Title 5 of the Guam Code Annotated and wishes to report back to the Legislature its recommendation TO PASS.


The voting sheet is as follows:

TO PASS	<u>8</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

1 (f) Any person may contest any proposed assessment for the water and sewer  
2 development charge schedule made or determined by GWA by filing with GWA a  
3 written protest at any time prior to the issuance of a building construction permit. All  
4 protests shall be prepared in the form and contain such information as GWA shall  
5 reasonably require and shall include a summary statement of the grounds upon which the  
6 person relies and his reasons for disputing the assessment of GWA. GWA shall make a  
7 determination with respect to the protest and, if required, make an adjustment to the  
8 assessment within thirty (30) days of receipt of such protest. Persons dissatisfied with  
9 GWA's determination may file a petition with the Commission to review such  
10 determination within thirty (30) days of GWA's determination.  
11

12 (g) Except as provided hereafter, each person who made a voluntary contribution  
13 under Section 56119 of Title 5 of the Guam Code Annotated shall be compensated to the  
14 extent the amount contributed is greater than the charges that would apply under the  
15 charge schedule approved by the Commission. Such persons shall be compensated the  
16 difference through an abatement of gross receipts taxes equal to the differential. Persons  
17 seeking credits under this subsection shall make application to GWA within one year of  
18 the date of enactment of this Act, and GWA shall determine the amount of any credit  
19 within ninety (90) days of its receipt of the application. Persons dissatisfied with GWA's  
20 determination may file a petition with the Commission to review such determination.  
21 This subsection shall not apply to persons who previously received credits under Section  
22 56119 of Title 5 of the Guam Code Annotated.  
23

24 (h) Except for voluntary contributions previously made, no further assessments  
25 shall be collected or imposed by GWA or the Commission under Section 56119 of Title  
26 5 of the Guam Code Annotated."  
27

28 **Section 4.** Section 56119 of Title 5 of the Guam Code Annotated is hereby  
29 *repealed.*

1 (b) Pursuant to its authority, the Commission shall immediately begin  
2 proceedings to promptly establish and approve the water and sewer system development  
3 charge schedule for GWA. The Commission has the authority to adopt and approve a  
4 charge schedule for GWA which complies with subsection (a) of this Section, provided  
5 that nothing herein shall limit the Commission's authority and jurisdiction to establish  
6 and approve General Lifeline Rates for GWA which may apply to the water and sewer  
7 development charge schedule. The charge schedule shall be applied to users and  
8 developers by GWA upon its adoption and approval by the Commission, and no charges  
9 shall be assessed prior to adoption and approval by the Commission.

10  
11 (c) Notwithstanding any other provision of law, all revenues generated by the  
12 water and sewer system development charge schedule will be deposited into the Island  
13 Water and Sewer Infrastructure Development Fund. Such funds shall be administered by  
14 GWA. However, GWA shall file annually for Commission review and approval a full  
15 accounting of the receipts and expenditures into and from the Fund with appropriate  
16 details of the sources and expenditures into and from the Fund.

17  
18 (d) The Island Water and Sewer Infrastructure Development Fund shall only be  
19 expended for costs associated with the construction, expansion, upgrade, and repair of  
20 water and wastewater facilities for users who are for the first time connecting property  
21 into the island's water or wastewater system or for builders if the density of development  
22 on existing connection is increased.

23  
24 (e) Fees due under the water and sewer development charge schedule adopted by  
25 the Commission shall be paid to GWA prior to the issuance of a building construction  
26 permit. Subsequent to the adoption and approval of the charge schedule by the  
27 Commission, no building construction permit shall be issued without a certificate issued  
28 by GWA that all fees due under the charge schedule have been paid.  
29

1 wastewater facilities to support those customers rather than requiring such costs to be  
2 borne generally by the tax payers of Guam or existing customers.

- 3 (d) It is the intent of the Legislature to accomplish the following: (i) to remedy the apparent  
4 failure of PUAG to timely develop and implement a system development charge  
5 schedule; (ii) to provide for the respective rights, powers, obligations, and authority of  
6 GWA and the Guam Public Utility Commission (GPUC) with respect to the water and  
7 sewer system development charge schedule following the abolishment of PUAG, (iii) to  
8 provide guidelines for the payment and protest of assessments not included in the prior  
9 legislation.; (iv) to preserve the rights of builders and developers to receive credits for  
10 voluntary contributions made under Public Law No. 19-47; and (v) to exempt users,  
11 builders and developers from further assessments and collections under Public Law No.  
12 19-47 because of the impracticability and associated therewith.

13  
14  
15 **Section 2.** Section 12015.4 is hereby *added* to Title 12 of the Guam Code  
16 Annotated to read as follows:

17 **“Section 12015.4 Water and Sewer System Development Charge.**

18  
19 (a)The Guam Waterworks Authority (GWA) shall establish and implement,  
20 subject to the prior approval of the Commission in subsection (b), a water and sewer  
21 system development charge schedule, which charges shall be assessed on each user who  
22 is for the first time connecting property into the island’s water or wastewater system or  
23 to each builder if the density of development on existing connection is increased. Such  
24 charge schedule shall seek to recover the additional costs associated with constructing,  
25 expanding, upgrading and repairing water and wastewater facilities for such new users  
26 and development and shall take into account existing infrastructure on the property,  
27 present and future user demands, requirements for water and/or sewer services and  
28 installation of infrastructure to be done by the user or builder.

*12/24/02 3rd 12/24/02*

*Frank S. ...*

*6/ 12/24/02*

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

**Bill No. 46 (LS)**  
*As substituted by the Commission  
Natural Resources*

Introduced by: T. C. Ada

**AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE  
GUAM CODE ANNOTATED RELATIVE TO THE  
ESTABLISHMENT OF A WATER AND SEWER SYSTEM  
DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM  
WATERWORKS AUTHORITY; AND TO REPEAL SECTION  
56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED.**

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

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

3 (a) In 1989, the Guam Legislature enacted Public Law No. 19-47, which provides in part:

4 "The Public Utility Agency of Guam (PUAG) shall establish and implement a water and  
5 wastewater systems development charge schedule, which charges shall be assessed on  
6 each user who is for the first time connecting the property into the island's water or  
7 wastewater system or to each builder if the density of development on existing connection  
8 is increased." PUAG never formally implemented or applied such charge schedule.

9 (b) In 1996, the Guam Legislature enacted Public Law No. 23-119 which abolished PUAG  
10 and created the Guam Waterworks Authority (GWA), a new public corporation and  
11 autonomous instrumentality of Guam

12 (c) The systems development charge is a mechanism by which new customers would be  
13 responsible for the incremental costs associated with the construction of new water and

two  
FA 2

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~~“5 Guam Annotated 56119 is hereby repealed.”~~

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

I MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN

FLOOR AMENDMENTS/CHANGES

5 Bill No. 46

TCA

Senator Proposing Amendment

(Below for Senator to complete)

Please describe proposed amendment, including where change to occur:

p. 5, line 1, delete sentence  
" 5 ~~of~~ Guam Annotated, ... "

(Below only for Clerk of Legislature's use and processing))

Date 12/24, 2002

Floor Amendment No. 1 of a total of     changes on above Bill.

Votes For Amendment:     Votes Against Amendment:    

AMENDMENT PASSED:    

Amendment Failed:    

Amendment Withdrawn:    

APPROVED AS TO FORM PASSED

[Signature]  
AUTHOR OF AMENDMENT

Concur (initial)

[Signature]  
Clerk of Legislature

\_\_\_\_\_  
Speaker

\_\_\_\_\_  
Ass't. Amend. Clerk  
\_\_\_\_\_  
Engrossment Staff

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 46(LS)**

**Bill Title (Preamble): AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A WATER AND SEWER SYSTEM DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM WATERWORKS AUTHORITY; AND TO REPEAL SECTION 56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED.**

Department/Agency Appropriation Information	
Dept./Agency Affected: <b>Guam Waterworks Authority</b>	Dept./Agency Head: <b>Herbert Johnston</b>
General Fund appropriation(s) to date:	\$ <u>-0-</u>
Other Fund (specify): _____ appropriation(s) to date:	\$ <u>-0-</u>
Total Department/Agency Appropriation(s) to date:	\$ <u>-0-</u>

Fund Source Information of Proposed Appropriation			
	General Fund	+ Other (specify):	Total
FY Adopted Revenues 26-01	\$ 470,400,000	69,765,283	\$ 540,165,283
FY Appr. To P.L. 26-05	469,932,213	70,517,706	540,449,919
Sub-total	467,787	(752,423)	(284,636)
Less appropriation in Bill	-0-	-0-	-0-
<b>Total</b>	<b>467,787</b>	<b>(752,423)</b>	<b>(284,636)</b>

Estimated Fiscal Impact of Bill						
	One full FY	For remainder of current FY (if appli.)	Second Year	Third Year	Fourth Year	Fifth Year
General Fund	/1(attachmt)					
Other Fund:						
Total						

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

Analyst: <u>Matthew Quinata</u> Date: <u>05/17/01</u>	Director: <u>Joseph E. Rivera, Acting</u> Date: <u>5/16/01</u>
---	--



**Senator Tom Ada** responded:

- He referred to the PUC Docket stating that the PUC is not certain that the existing legislation, Public Law 19-47, would apply to GWA.
- He further contended that PL 19-47 gave authority to PUAG to establish the System Development Charge and fee. However, PUAG did not use its authority. Public Law 23-119 abolished PUAG and GWA was born.
- Since the System Development Charge was never implemented by PUAG, then GWA has no system development charge.
- This bill does not in anyway stipulate what the charges should be. It is saying that GWA shall establish and implement the System Development Charge Schedule. Then GWA will look at the details to determine how the charges, which should be reasonable, will be formulated and to what extent. When rates are developed, then GWA will go to the PUC for review, to approve it or disapprove it.
- PUAG started formulating the charges in the 1990's but was never completed.
- The Legislature is giving GWA the authority to establish the System Development Charge.
- This concept is not unique to Guam; many cities in the United States have a System Development Charge for parks, transportation, water, sewer, and education.
- This is a one-time fee.

This concluded the Public Hearing on Bill No. 46. The Public Hearing adjourned at 10:30 a.m.

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

**MONDAY, MAY 3, 2001, 9:00 a.m.  
PUBLIC HEARING ROOM**

**COMMITTEE SUMMARY REPORT**

The Committee on Natural Resources held a public hearing on Monday, May 3, 2001 at 9:00 a.m., regarding **Bill No. 46 (LS): AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A WATER AND SEWER SYSTEM DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM WATERWORKS AUTHORITY; AND TO REPEAL SECTION 56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED.**

Senators who attended this public hearing were as follows:

**Senator Joanne M.S. Brown, Chairperson  
Senator Thomas C. Ada  
Senator Judith T. Won Pat  
Senator Lou Leon Guerrero**

**Senator Joanne Brown** said that the Public Utilities Commission (PUC) was notified of the public hearing concerning Bill No. 46, but no testimony has been submitted at this time. The Committee will request a response, for the record, from the PUC.

**Guam Waterworks Authority's general manager, Mr. Herbert Johnston** discussed the following:

- He said there are two authorities that relate to the System Development Charge: Public Law 19-47 and the authority given to the PUC to establish rates. Public Law 19-47 has had some problems; it has not been implemented. He believes the PUC should continue with the method they are going. The PUC should determine if, when, and how much to charge the ratepayers, if implemented.

# May set up budget

agencies to work under the new type budget.

## Public confidence

Among other things, the bill says it will improve public confidence in government by holding agencies accountable for public works and for achieving program results.

It also is intended to help lawmakers make budget decisions by providing more information about effectiveness and efficiency of government programs and spend-

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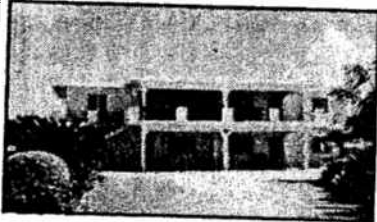
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**MINA BENTE SAIS NA LIHESLATURAN GUAMAN**  
Committee on Natural Resources  
Senator Joanne M. S. Brown  
Chairperson

### Notice of Public Hearing

The Committee on Natural Resources will be conducting a Hearing on Thursday, MAY 3, 2001, 9:00 a.m., at the Legislative Public Hearing Room, 155 Hesler Street, Hagatna on the following:

**Bill No. 61(COR) - AN ACT TO REPEAL AND RE-ENACT SECTION 60107 OF CHAPTER 60, TITLE 5 GUAM CODE ANNOTATED RELATIVE TO AUTHORIZE THE DEPARTMENT OF AGRICULTURE TO ISSUE CITATIONS FOR FISHING AND WILDLIFE VIOLATIONS.**

**Bill No. 46(LS) - AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A WATER AND SEWER SYSTEM DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM WATERWORKS AUTHORITY; AND TO REPEAL SECTION 56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED.**

**CONFIRMATION OF MR. JESUS P. CRUZ TO SERVE AS A MEMBER ON THE GUAM WATERWORKS AUTHORITY BOARD OF DIRECTORS.**

ADA Coordinator: Ana Legaspi at 472-3450/51

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David G. Dell Isola, Director  
Department of Labor

By authority from the Immigration & Naturalization Service, the Guam Department of Labor is making a determination on Temporary Labor Certification Applications for the positions listed in this advertisement. This ad is part of the determination process that will determine that (1) there are not sufficient U. S. workers that are qualified and available to perform work, and (2) that the employment of the alien(s) will not adversely affect the wages and working conditions of similarly employed U.S. workers on Guam. The wages listed must be at least equal to the Prevailing Wage Rate for the occupation. U.S. workers shall be offered the same benefits, terms, and conditions offered by the employer to alien workers. If you are qualified and want this job, you must apply. If no applicants respond, we must conclude that there are no U.S. workers who are qualified and available.

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**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 Thursday, MAY 3, 2001, 9:00 a.m., at the Legislative Public Hearing Room, 155 Hesler Street, Hagatna on the following:

**Bill No. 61(COR) - AN ACT TO REPEAL AND RE-ENACT SECTION 60107 OF CHAPTER 60, TITLE 5 GUAM CODE ANNOTATED RELATIVE TO AUTHORIZE THE DEPARTMENT OF AGRICULTURE TO ISSUE CITATIONS FOR FISHING AND WILDLIFE VIOLATIONS.**

**Bill No. 46(L.S.) - AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A WATER AND SEWER SYSTEM DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM WATERWORKS AUTHORITY; AND TO REPEAL SECTION 56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED.**

CONFIRMATION OF MR. JESUS P. CRUZ TO SERVE AS A MEMBER ON THE GUAM WATERWORKS AUTHORITY BOARD OF DIRECTORS.

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# I Mina Bente Sais Na Liheslaturan Guahan

## COMMITTEE ON NATURAL RESOURCES

### PUBLIC HEARING

Thursday, May 3, 2001 at 9:00 a.m.

**Bill 46(LS): AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A WATER AND SEWER DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM WATERWORKS AUTHORITY; AND TO REPEAL SECTION 56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED.**

### SIGN IN SHEET

Name	Representing	Oral Testimony	Written Testimony
<del>JOSE UYOK GARCIA</del>	<del>Chamorro fishermen</del>	<del>✓</del>	<del>✓</del>
Bert Johnston	GWA	✓	

507 up for  
Bill 46 (LS)

# **I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN**

## **COMMITTEE ON NATURAL RESOURCES**

**SENATOR JOANNE M.S. BROWN**

**CHAIRPERSON**

### **Public Hearing**

**Thursday, May 3, 2001**

**9:00 a.m.**

### **AGENDA**

#### **1. Introduction of Committee Members**

#### **2. Commencement of Public Hearing**

- **Bill 46(LS): AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A WATER AND SEWER SYSTEM DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM WATERWORKS AUTHORITY; AND TO REPEAL SECTION 56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED.**
- **Bill 61(COR): AN ACT TO REPEAL AND REENACT SECTION 60107 OF CHAPTER 60, TITLE 5 GUAM CODE ANNOTATED RELATIVE TO AUTHORIZE THE DEPARTMENT OF AGRICULTURE TO ISSUE CITATIONS FOR FISHING AND WILDLIFE VIOLATIONS.**
- **THE CONFIRMATION OF MR. JESUS P. CRUZ TO SERVE AS A MEMBER ON THE GUAM WATERWORKS AUTHORITY BOARD OF DIRECTORS.**

#### **3. Public Comment**

#### **4. Adjournment**

Public Law 23-119 abolished PUAG and the Guam Waterworks Authority (GWA) was established. Bill 46 (LS) is the Legislature's intent to provide the Guam Waterworks Authority and the Guam Public Utilities Commission (GPUC) the rights, obligation and authority to develop the development charge schedule.

Bill No. 46 (LS) expresses the intent to establish, develop and implement the water and sewer system development charge schedule. The water and sewer system development charge schedule is to be used to assess charges on each user who for the first time is connecting property into the island's water or wastewater sewer system or to each builder if the density of development on the existing connection is increased.

The Guam Legislature initially enacted Public Law 19-47 for the PUAG to assess fees for such services, but PUAG failed to prepare a charge schedule. However, the law did provide for voluntary contributions. Monies were in fact collected by PUAG from developers and deposited into the Water and Sewer Infrastructure Development Fund. The funds were used for numerous infrastructure projects.

Bill 46 (LS) includes provisions for compensation for persons who had made voluntary contributions to the extent of the amount contributed is greater than the charges under the schedule approved by the Commission which is reflective of provisions in PL 19-47. The compensation to these persons would be through an abatement of gross receipt taxes.

Comments received from the General Manager, Guam Waterworks indicate that the establishment of a development charge schedule has already begun with PUC. However, the Guam Waterworks Authority is concerned on how to equitably address the contributions GWA received and spent. GWA believes that the provisions of Section (g) of the bill will have a negative affect on the finances of the government if abatements of taxes are to be given (this was also prescribed in Public Law 19-47). GWA indicated that the Authority does not have the cash resources to provide for such refunds. Also, there is a concern by the Authority that there may be costly court challenges with the passage of Section (g) of the bill. It was also noted that prior contributions were not uniformly applied for all past users.

The General Manager, Guam Waterworks has recommended that the PUC allow to proceed with the establishment of the development charge schedule and defer action on Bill 46 pending PUC's request for additional legislation on the matter.

1 contribution under Section 56119 of Title 5 of the Guam Code Annotated  
2 shall be compensated to the extent the amount contributed is greater than  
3 the charges that would apply under the charge schedule approved by the  
4 Commission. Such persons shall be compensated the difference through an  
5 abatement of gross receipts taxes equal to the differential. Persons seeking  
6 credits under this subsection shall make application to GWA within one  
7 year of the date of enactment of this Act, and GWA shall determine the  
8 amount of any credit within ninety (90) days of its receipt of the  
9 application. Persons dissatisfied with GWA's determination may file a  
10 petition with the Commission to review such determination. This  
11 subsection shall not apply to persons who previously received credits under  
12 Section 56119 of Title 5 of the Guam Code Annotated.  
13

14 (h) Except for voluntary contributions previously made, no further  
15 assessments shall be collected or imposed by GWA or the Commission  
16 under Section 56119 of Title 5 of the Guam Code Annotated.”  
17

18 **Section 4.** Section 56119 of Title 5 of the Guam Code Annotated is hereby  
19 *repealed*.

20 **“5 Guam Annotated 56119 is hereby repealed.”**  
21

22 **Section 4. Severability.** *If* any provision of this Law or its application to  
23 any person or circumstance is found to be invalid or contrary to law, such invalidity  
24 shall *not* affect other provisions or applications of this Law which can be given effect  
25 without the invalid provisions or application, and to this end the provisions of this  
26 Law are severable.



1 approval by the Commission.  
2

3 (c) Notwithstanding any other provision of law, all revenues  
4 generated by the water and sewer system development charge schedule will  
5 be deposited into the Island Water and Sewer Infrastructure Development  
6 Fund. Such funds shall be administered by GWA. However, GWA shall  
7 file annually for Commission review and approval a full accounting of the  
8 receipts and expenditures into and from the Fund with appropriate details  
9 of the sources and expenditures into and from the Fund.  
10

11 (d) The Island Water and Sewer Infrastructure Development Fund  
12 shall only be expended for costs associated with the construction,  
13 expansion, upgrade, and repair of water and wastewater facilities for users  
14 who are for the first time connecting property into the island's water or  
15 wastewater system or for builders if the density of development on existing  
16 connection is increased.  
17

18 (e) Fees due under the water and sewer development charge schedule  
19 adopted by the Commission shall be paid to GWA prior to the issuance of a  
20 building construction permit. Subsequent to the adoption and approval of  
21 the charge schedule by the Commission, no building construction permit  
22 shall be issued without a certificate issued by GWA that all fees due under  
23 the charge schedule have been paid.  
24

25 (f) Any person may contest any proposed assessment for the water  
26 and sewer development charge schedule made or determined by GWA by  
27 filing with GWA a written protest at any time prior to the issuance of a  
28 building construction permit. All protests shall be prepared in the form and  
29 contain such information as GWA shall reasonably require and shall  
30 include a summary statement of the grounds upon which the person relies  
31 and his reasons for disputing the assessment of GWA. GWA shall make a  
32 determination with respect to the protest and, if required, make an  
33 adjustment to the assessment within thirty (30) days of receipt of such  
34 protest. Persons dissatisfied with GWA's determination may file a petition  
35 with the Commission to review such determination within thirty (30) days  
36 of GWA's determination.  
37

38 (g) Except as provided hereafter, each person who made a voluntary

1 powers, obligations, and authority of GWA and the Guam Public Utility  
2 Commission (GPUC) with respect to the water and sewer system  
3 development charge schedule following the abolishment of PUAG, (iii) to  
4 provide guidelines for the payment and protest of assessments not included  
5 in the prior legislation.; (iv) to preserve the rights of builders and developers  
6 to receive credits for voluntary contributions made under Public Law No.  
7 19-47; and (v) to exempt users, builders and developers from further  
8 assessments and collections under Public Law No. 19-47 because of the  
9 impracticability and associated therewith.

10  
11  
12 **Section 2.** Section 12015.4 is hereby *added* to Title 12 of the Guam Code  
13 Annotated to read as follows:

14 **“Section 12015.4** Water and Sewer System Development Charge.  
15


16 (a)The Guam Waterworks Authority (GWA) shall establish and  
17 implement, subject to the prior approval of the Commission in subsection  
18 (b), a water and sewer system development charge schedule, which charges  
19 shall be assessed on each user who is for the first time connecting property  
20 into the island’s water or wastewater system or to each builder if the  
21 density of development on existing connection is increased. Such charge  
22 schedule shall seek to recover the additional costs associated with  
23 constructing, expanding, upgrading and repairing water and wastewater  
24 facilities for such new users and development and shall take into account  
25 existing infrastructure on the property, present and future user demands,  
26 requirements for water and/or sewer services and installation of  
27 infrastructure to be done by the user or builder.

28  
29 (b) Pursuant to its authority, the Commission shall immediately  
30 begin proceedings to promptly establish and approve the water and sewer  
31 system development charge schedule for GWA. The Commission has the  
32 authority to adopt and approve a charge schedule for GWA which  
33 complies with subsection (a) of this Section, provided that nothing herein  
34 shall limit the Commission’s authority and jurisdiction to establish and  
35 approve General Lifeline Rates for GWA which may apply to the water  
36 and sewer development charge schedule. The charge schedule shall be  
37 applied to users and developers by GWA upon its adoption and approval  
38 by the Commission, and no charges shall be assessed prior to adoption and

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

Bill No. 46 (16)

Introduced by:

T. C. Ada 

**AN ACT TO ADD SECTION 12015.4 TO TITLE 12 OF THE  
GUAM CODE ANNOTATED RELATIVE TO THE  
ESTABLISHMENT OF A WATER AND SEWER SYSTEM  
DEVELOPMENT CHARGE SCHEDULE FOR THE GUAM  
WATERWORKS AUTHORITY; AND TO REPEAL SECTION  
56119 OF TITLE 5 OF THE GUAM CODE ANNOTATED.**

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

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

3 (a) In 1989, the Guam Legislature enacted Public Law No. 19-47, which  
4 provides in part: "The Public Utility Agency of Guam (PUAG) shall  
5 establish and implement a water and wastewater systems development  
6 charge schedule, which charges shall be assessed on each user who is for  
7 the first time connecting the property into the island's water or wastewater  
8 system or to each builder if the density of development on existing  
9 connection is increased.". PUAG never formally implemented or applied  
10 such charge schedule.

11 (b) In 1996, the Guam Legislature enacted Public Law No. 23-119 which  
12 abolished PUAG and created the Guam Waterworks Authority (GWA), a  
13 new public corporation and autonomous instrumentality of Guam

14 (c) The systems development charge is a mechanism by which new customers  
15 would be responsible for the incremental costs associated with the  
16 construction of new water and wastewater facilities to support those  
17 customers rather than requiring such costs to be borne generally by the tax  
18 payers of Guam or existing customers.

19 (d) It is the intent of the Legislature to accomplish the following: (i) to remedy  
20 the apparent failure of PUAG to timely develop and implement a system  
21 development charge schedule; (ii) to provide for the respective rights,