



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u>[Signature]</u>
Time	<u>1:20 pm</u>
Date	<u>12/22/07</u>

DEC 22 2007

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

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 160 (COR) "AN ACT TO AMEND § 22958 OF TITLE 5 OF THE GUAM CODE ANNOTATED, AND 'EXHIBIT B' ADDED IN P.L. NO. 24-111, RELATIVE TO SUPPORTING OUR VISITOR INDUSTRY BY REVITALIZING SOUTHERN TUMON BAY" which was I have signed into law as **Public Law No. 26-65**.

The passage of this legislation was urged by the Guam Hotel and Restaurant Association, as well as the bond underwriters of the 1997 TAF Bonds. This legislation provides flexibility to use bond funds for the various improvement projects that need to be done at this time in the Tumon area and that are affecting our visitor industry.

Very truly yours,

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

Attachments: original bill for vetoed legislation or  
copy of bill for signed or overridden legislation  
and legislation enacted without signature

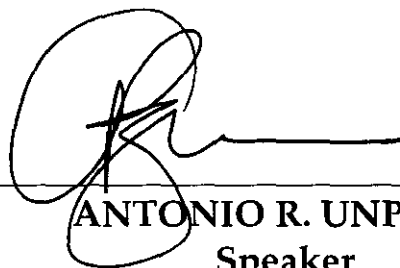
cc: The Honorable Antonio R. Unpingco  
Speaker

0617

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. 160 (COR) "AN ACT TO AMEND § 22958 OF TITLE 5 OF THE GUAM CODE ANNOTATED, AND 'EXHIBIT B' ADDED IN P.L. NO. 24-111, RELATIVE TO SUPPORTING OUR VISITOR INDUSTRY BY REVITALIZING SOUTHERN TUMON BAY," was on the 7<sup>th</sup> day of December, 2001, duly and regularly passed.



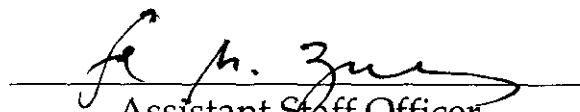
ANTONIO R. UNPINGCO  
Speaker

Attested:



JOANNE M.S. BROWN  
Senator and Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 12<sup>th</sup> day of December, 2001,  
at 4:47 o'clock P.M.



Assistant Staff Officer  
*Maga'lahaen's Office*

APPROVED:



CARL T. C. GUTIERREZ  
*I Maga'lahaen Guåhan*

Date: 12-22-01

Public Law No. 26-65

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

**Bill No. 160 (COR)**

As substituted by the Committee  
on Tourism, Transportation and  
Economic Development and amended  
on the Floor.

Introduced by:

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

**AN ACT TO AMEND § 22958 OF TITLE 5 OF THE  
GUAM CODE ANNOTATED, AND "EXHIBIT B"  
ADDED IN P.L. NO. 24-111, RELATIVE TO  
SUPPORTING OUR VISITOR INDUSTRY BY  
REVITALIZING SOUTHERN TUMON BAY.**

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

2        **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan*  
3        finds that Tumon Bay remains the heart of Guam's tourism industry, which is  
4        the backbone of Guam's economy. The Tumon Redevelopment Project,

1 funded by Fifty-two Million Nine Hundred Thousand Dollars (\$52,900,000) in  
2 bonds, was intended to revitalize the Bay by upgrading utilities, adding  
3 important safety features, such as sidewalks and streetlights, and beautifying  
4 the area through extensive landscaping. While the first phase of the project  
5 was completed, the southern end of Tumon Bay is still awaiting much-needed  
6 utility upgrades and capital improvements.

7 Public Law Number 23-137 authorized the issuance of Fifty-two Million  
8 Nine Hundred Thousand Dollars (\$52,900,000) in bonds for the improvements  
9 to the Tumon area. This law was amended by Public Law Number 24-111,  
10 and again by Public Law Number 24-290. At this time *I Liheslaturan Guåhan*  
11 finds that further amendments are necessary to ensure that the Tumon  
12 Redevelopment's Phase II is completed. Without these amendments, some  
13 portions of the Phase II projects may be under-funded, compromising the  
14 intent of the original law by providing improvements to only half of the  
15 tourism center.

16 *I Liheslaturan Guåhan* therefore intends to provide flexibility to allow  
17 money to be transferred between some projects, and to amend the project  
18 listing to include other important needs, such as the shift of a sewage force  
19 main that currently lies beneath a privately owned building.

20 **Section 2.** Section 22958 of Article 10, Chapter 22, Division 2 of Title 5  
21 of the Guam Code Annotated is hereby *amended* to read as follows:

22 **"Section 22958. Infrastructure Improvement Projects.**

23 The proceeds of the new money bonds issued under this Article are  
24 hereby appropriated for the purposes of implementing the

1 infrastructure improvement projects contained in the attachment  
2 marked '**Exhibit B**' and made part of this Act. The breakdown of  
3 funding amounts for each project listed in '**Exhibit B**' may be adjusted  
4 to meet the goals of the overall project, as long as the conditions listed in  
5 Item 16 are met."

6 **Section 3.** Item 1 of "Exhibit B," attachment to § 22958 of Article 10,  
7 Chapter 22, Division 2 of Title 5 of the Guam Code Annotated, is hereby  
8 *amended* to read as follows:

9 "1. For the relocation of force main sewage or distribution and  
10 transmission water lines that are encroaching on private property along  
11 Happy Landing Road. \$1,100,000."

12 **Section 4.** Item 7 of "Exhibit B," attachment to § 22958 of Article 10,  
13 Chapter 22, Division 2 of Title 5 of the Guam Code Annotated, is hereby  
14 *amended* to read as follows:

15 "7. For drilling and construction and a study to evaluate the  
16 northern water system. \$5,800,000."

17 **Section 5.** Item 12 of "Exhibit B," attachment to § 22958 of Article 10,  
18 Chapter 22, Division 2 of Title 5 of the Guam Code Annotated, is hereby  
19 *amended* to read as follows:

20 "12. Allowances for roadway repairs & restoration resurfacing of  
21 San Vitores Blvd. off-site infrastructure work directly related to the  
22 Tumon area infrastructure. \$5,000,000."

1           **Section 6.** Item 14 is hereby *added* to "Exhibit B," attachment to § 22958  
2 of Article 10, Chapter 22, Division 2 of Title 5 of the Guam Code Annotated to  
3 read as follows:

4           "14. Funds to cover shortfalls in Items (1) through (13)  
5 (\$4,000,000). Any sum that is surplus from any of the projects, and any  
6 additional funds generated from the interest of this funding source,  
7 shall also be used to cover shortfalls in Items (1) through (13)."

8           **Section 7.** A new item 15 is hereby added to "Exhibit B" attachment to  
9 § 22958 of Article 10, Chapter 22 of Title 5 Guam Code Annotated.

10           "15. Study by the University of Guam's Water and  
11 Environmental Research Institute on the environmental effects of changes to  
12 Southern Tumon Bay's drainage system. Construction on Phase II shall begin  
13 upon DPW's receipt of the Study's preliminary report, or February 28, 2002,  
14 whichever is sooner. \$300,000."

15           **Section 8.** Item 16 is hereby *added* to "Exhibit B," attachment to § 22958  
16 of Article 10, Chapter 22, Division 2 of Title 5 of the Guam Code Annotated to  
17 read as follows:

18           "16. To the extent that any of the bond proceeds are *not* required  
19 for the projects listed in Items (1) through (13) of Exhibit B, the  
20 Department of Public Works may transfer funds between projects, even  
21 if projects are *not* complete, as long as the following conditions are met:

22           a. in the case of funds allocated for Guam Waterworks  
23 Authority infrastructure projects, the department receives  
24 concurrence from the Guam Waterworks Authority within sixty

1 include the timely citation of Tumon Redevelopment Project contractors  
2 and engineers for any negligence and the recovery of any and all  
3 monetary damages due the government of Guam under the contracts or  
4 otherwise, as well as ensuring the compliance with the standards set  
5 forth for contractors and engineers in Chapter 70 of Title 21 of the Guam  
6 Code Annotated and Chapter 32 of Title 22 of the Guam Code  
7 Annotated, respectively.”

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

P.L. No. 24-111

Exhibit B

ATTACHMENT  
658



Exhibit B Projects

	<u>Project</u>	<u>Amount</u>
<b>Tumon Fafai. Reversion Project</b>		
1	For the acquisition and construction of the Gun Beach-Fafai Wastewater System	\$ 5,400,000
2	For the design and construction of the Timon Pump Station and Forcemain	\$ 3,600,000
3	For the refurbishment of the Northern District Sewage Treatment Plant	\$ 1,800,000
4	For the refurbishment of the Agana Sewage Treatment Plant	\$ 2,000,000
<b>Oka Point Collector System Project</b>		
5	For the design and construction of the Oka Point collector lines	\$ 2,000,000

**Tumon Water Lines**

- |   |   |              |
|---|---|--------------|
| 6 | For design and construction of waterlines | \$ 4,200,000 |
|---|---|--------------|

**Tumon Water Sources**

- |   |                               |              |
|---|-------------------------------|--------------|
| 7 | For drilling and construction | \$ 5,800,000 |
|---|-------------------------------|--------------|

**Tumon Bay Beautification**

- |    |   |              |
|----|---|--------------|
| 8  | Streets & Sidewalks for medians, crosswalks & intersections, beach access, sidewalks & curbs, Street furniture for benches, trash containers, signage, shelters, street lights & traffic lighting, enhancements for Gov. Flores and Matapang Beach Parks. | \$ 7,200,000 |
| 9  | Landscaping for medians, road edge strips, & entry points from San Vitores Blvd. to beach access.   | \$ 3,900,000 |
| 10 | Services undergrounding for ocean side power lines & cables, clutter, removal of guy wires, & signage consolidations  | \$ 4,500,000 |
| 11 | Design & management fees for design development, construction documentation, permitting, & construction management  | \$ 1,600,000 |

P.L. NO. 24-111

12 Allowances for roadway repairs & restoration resurfacing of San Vitores Blvd. off-site infrastructure work & related work.	\$ 5,000,000
13 Construction of the San Vitores Substation & transmission lines by the Guam Power Authority in the Timon Bay area Total	\$ 5,900,000
Total	\$ 52,900,000

6

# I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2001 (FIRST) Regular Session

Date: 12/7/01

## VOTING SHEET

SBill No. 160(45)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

pc 65

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.	✓				
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

14    0    0    0    1

CERTIFIED TRUE AND CORRECT:

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

\* 3 Passes = No vote  
EA = Excused Absence



THE OFFICE OF  
**Senator Felix P. Camacho**  
TWENTY-SIXTH GUAM LEGISLATURE

4

November 2, 2001

The Honorable Antonio R. Unpingco  
Speaker  
I Mina' Bente Sais Na Liheslaturan Guahan  
155 Hessler Street  
Hagatna, Guam 96910

Dear Mr. Speaker:

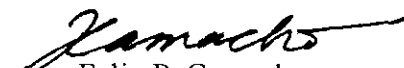
The Committee on Tourism, Transportation and Economic Development, to which was referred **Bill No. 160 (COR)**, "An Act to *Amend* §22958 of Article 10, Chapter 22 of Title 5 of the Guam Code Annotated, and "Exhibit B" Added in P.L. 24-111, relative to supporting our visitor industry by revitalizing southern Tumon Bay," does hereby report back with the recommendation **TO DO PASS** Bill 160 as substituted by the committee.

The Committee votes are as follows:

- To Pass**
- Not To Pass**
- To The Inactive File**
- Abstained**
- Off-Island**
- Not Available**

A copy of the Committee Report and all pertinent documents are attached for your information and file.

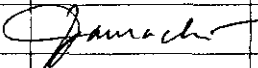
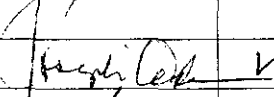
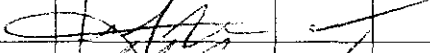

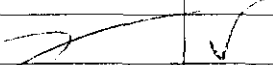
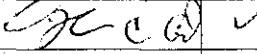

Sincerely,

  
Felix P. Camacho

# VOTING SHEET

## BILL 160 (COR)

**“AN ACT TO AMEND §22958 OF ARTICLE 10, CHAPTER 22 OF TITLE 5 OF THE GUAM CODE ANNOTATED, AND “EXHIBIT B” ADDED IN P.L. 24-111, RELATIVE TO SUPPORTING OUR VISITOR INDUSTRY BY REVITALIZING SOUTHERN TUMON BAY”**

RECOMMENDATION TO						
COMMITTEE MEMBERS	SIGNATURE	TO PASS	NOT TO PASS	TO REPORT OUT ONLY	ABSTAIN	INACTIVE FILE
Senator Felix Camacho		✓				
Senator Kaleo Moylan						
Speaker Antonio Unpingco	A	✓				
Vice Speaker Larry Kasperbauer						
Senator Joseph Ada		✓				
Senator Mark Forbes		✓				
Senator Eddie Baza Calvo		✓				
Senator Mark Charfauros						
Senator Ben Pangelinan		✓				
Senator Tom Ada		✓				
Senator Lou Leon Guerrero		✓				

COMMITTEE REPORT

ON

**Bill No. 160 (COR),**

“An Act to *Amend* §22958 of Article 10, Chapter 22 of Title 5 of the Guam Code Annotated, and “Exhibit B” Added in P.L. 24-111, relative to supporting our visitor industry by revitalizing southern Tumon Bay.”

COMMITTEE MEMBERS

Chairman: Felix P. Camacho

Vice Chairman: Kaleo Moylan

Ex-Officio Member: Antonio R. Unpingco

Larry Kasperbauer

Joseph Ada

Mark Forbes

Eddie Baza Calvo

Mark Charfauros

Ben Pangelinan

Tom Ada

Lou Leon Guerrero

COMMITTEE REPORT  
TOURISM, TRANSPORTATION AND ECONOMIC  
DEVELOPMENT

**BILL NO. 160 (COR)**

"An Act to *Amend* §22958 of Article 10, Chapter 22 of Title 5 of the Guam Code Annotated, and "Exhibit B" Added in P.L. 24-111, relative to supporting our visitor industry by revitalizing southern Tumon Bay."

**I. PUBLIC HEARING**

The Committee on Tourism, Transportation and Economic Development held a public hearing on October 3, 2001, to hear testimony on Bill No. 160 (COR), "An Act to *Amend* §22958 of Article 10, Chapter 22 of Title 5 of the Guam Code Annotated, and "Exhibit B" Added in P.L. 24-111, relative to supporting our visitor industry by revitalizing southern Tumon Bay."

The hearing was called to order by Senator Felix P. Camacho, Chairman of the Committee on Tourism, Transportation and Economic Development. Members present were Senators Tom Ada and Lou Leon Guerrero, and Senators Frank Aguon and Joanne Brown also attended the hearing.

Joe Gutierrez, Chief Engineer for the Department of Public Works, DPW Engineer Sabino Flores, Guam Waterworks Authority General Manager Bert Johnston and GWA Deputy General Manager Carlos Taitano attended the hearing. John Taitano, representing construction management firm W.B. Flores and Associates, and F.T. Ramirez also testified.

Guam Economic Development Authority Administrator Ed Untalan, David Tydingco of the Guam Hotel and Restaurant Association, Richard B. King of Lehman Brothers, Frank X. Lauterbur of UBS Paine Webber Inc., and Timothy Rattigan of Salomon Smith Barney submitted written testimony. Copies of these statements are attached.

**II. TESTIMONY**

Joe Gutierrez, Chief Engineer for the Department of Public Works, said the department fully supported Bill 160, which gives them enough flexibility to transfer money to much needed projects. He said the legislation was sound and timely, as it removed restrictions to the progress of Phase II development in Tumon. He noted that the second phase has been delayed for quite some time, in part because of provisions that prohibit the shift of



funds from one project to the other. He said he hoped the measure would be swiftly passed and enacted into law.

Mr. F.T. Ramirez said he supported the Phase II project and any effort to beautify Tumon Bay. He said he had been involved in Phase I, as he provided more than 100 trees for the project.

Senator Tom Ada asked if the Legislature should set aside money for some good survey equipment, because the bill appropriates \$1.1 million to correct a survey mistake. Guam Waterworks Authority General Manager Bert Johnston said the mistake occurred because Happy Landing Road is a variable width bull cart trail, but government crews followed one edge of the easement thinking it was fixed. Mr. Johnston said there are six-inch and 12-inch water lines underneath private businesses, as well as a major sewage forcemain that lies under a building. In the case of the new K-Steak House building, the building was redesigned in an attempt to avoid the water and sewer lines, but the government did not realize how far the lines had encroached on private land, he explained.

Mr. Johnston cautioned that the government would have some problems if the water lines broke, but a break in the sewage force main would be a major disaster as there is no alternate route for sewage to leave the Tumon area.

Senator Ada asked if any of the \$5.4 million initially set aside for the Fafai project has been spent or encumbered. Mr. Johnston said Public Works would have to answer the question, but he noted that the Fafai project depended on several phases to create a redundant system in Tumon. Senator Ada asked if this project carried sewage through a more direct route to the Northern District Sewage Treatment Plant. Sabino Flores, of Public Works, confirmed that the \$5.4 million funding was intact.

Senator Ada asked about the status of the other projects, including some completed with alternate funding sources. John Taitano, representing the Phase I construction management firm of W.B. Flores, said the Oka Collector lines were installed using the Tumon funding; however, that system requires the installation of new lines up Ypao Road and behind Brodie Memorial. Mr. Johnston said the only funding for the other phases was a \$14.3 million line of credit that was never realized. Senator Ada asked for the balance, which Mr. Flores reported was about \$1 million.

Senator Felix Camacho cautioned that the biggest problem with this legislation was the committee's inability to get hard numbers and actual figures about the money remaining from the original \$52.9 million bond issue. He said this has been a continual problem over the last 10 months and could pose a major problem on the session floor. He said the situation may be related to the problem-plagued Oracle system, but he expected final numbers so the Legislature can move on the legislation and get Phase II moving. He called on Public Works to work with the Department of Administration to iron out the discrepancies and allow the project to move forward.

Mr. Flores said his office was in the process of cataloging all expenditures for the project, which began back in 1997. He said the process was tedious, but they had been left with

no other alternative to arrive at figures that everyone was comfortable with. He assured the senators that he would be working closely with BBMR to reconcile the numbers, as any new contracts would have to be certified using documents produced with the oracle system. The matter was especially important because of the new law putting standards in place for certifying officers.

Senator Ada said the initial BBMR numbers showed about \$25 million earmarked for waterworks projects, but only about 40 percent of that money was encumbered or spent. He said the money had been sitting doing nothing. Mr. Flores said the only major expenditure by Waterworks was the development of new wells, and some money to repair forcemains and pump stations.

Senator Camacho said there have been many complaints about the effects of Phase I, as new problems seem to have been created. He noted the drainage problems by the Outback building and the Acanta Mall, the sinking pavers and buckling along some sections of road by the Outback building. Mr. Gutierrez said the pavers would probably be removed and used to construct sidewalks in Phase II, with the intersections to use colored, patterned concrete to achieve a similar effect. He said the process would depend on the results of the bid.

Mr. Flores added that the Outback drainage problem is being addressed through a change order, while the buckling seems to be a water line problem.

Senator Joanne Brown questioned the drainage plans for the project, as water is already a significant problem in Tumon. Mr. Gutierrez said the current design calls for runoff to be directed into ponding basins at Ypao, Fujita and Matapang. Senator Brown replied that the problem needs to be addressed, especially with the mess on Marine Drive. She said tourists won't care about colored blocks if the project is contributing to the degradation of the bay. Senator Brown also said she did not want to have to address drainage problems associated with this construction at a later date.

Senator Camacho noted that there is not enough funding for the construction of an ocean outfall, which has not been thoroughly studied as a viable solution to the runoff problems. Mr. Gutierrez said the issue was studied by Barrett, which estimated the project would cost about \$17 million. Senator Brown said she just wanted to know what the environmental impact of the project would be, because all the hoteliers along the bay know that tourism will go no where if we keep polluting the bay. The new project may be aesthetically beautiful but could create more problems, she added.

Mr. Gutierrez said the federal highway administration is looking into studies for the Marine Drive drainage area, and Juan C. Tenorio and Associates were recently chosen to do the environmental work. He asked to meet with senators to update them on that project. Senator Brown said she was concerned that this issue was only being addressed through the back door, adding that no private company would be allowed to operate this way. Senator Brown emphasized that there would be no tourism industry if visitors traveled here to be told 'You can't go in the water.'

Mr. Taitano said EarthTech's study looked at three options to deal with runoff – using the Ypao, Fujita and Matapang ponding basins, moving the runoff to the old coral pit near Hilton, and an ocean outfall. He said the group met with the former Senator Tony Lamorena, the Water and Environmental Research Institute and others to discuss the problem, but a major consideration was the exact source of the problem – sewage, the Harmon sink, the outlets of the lens itself, etc. He noted that a major issue was funding, and the length of time for the completion of some studies. He added that if Phase II were completed, an outfall could be built later, because there would be an existing conveyance to carry runoff to the outfall.

Senator Brown said the issue needs to be addressed now, as some hotels can't even provide adequate drainage for their properties. Mr. Taitano said the drainage infrastructure needs to be maintained, because the infiltration or percolation chambers get full of silt and don't work.

Senator Brown said some hotels only two to three years old can't cope with slight rains, which cause the drains to overflow. She said these issues need to be assessed before projects start; particularly on the government side, the environmental issues aren't addresses. The senator said they shouldn't exacerbate the problem with more construction, when no priority was given to address these issues before.

She added that even without new construction in Tumon, the bay is the endpoint of drainage from other northern areas. Senator Brown continued that she did not want to sit back hear scientists say 'I told you so' years down the road.

Senator Ada said he would like to see the bill include language requiring waterworks to provide reasons for objections to the transfer of funding. He said the government needs to shift money to inject it back into the economy to stimulate economic growth. If GWA objects to a shift in funding, they should step forward with a plan to use that money, providing specific information including a timeline, he added. He said they need to get going on the project.

Senator Camacho agreed with Senator Ada and reflected that the committee had tried to take a balanced approach to get the project started. Phase II could upgrade infrastructure while finding ways to mitigate further damage to the bay, he added.

Senator Brown inquired about the cost of the paving blocks and the necessary repairs. She said not only intersections but some pedestrian areas are in a deplorable state, and she wants to ensure that the same problems do not appear in Phase II. Mr. Flores said the problem was not workmanship, but design. The contractor installed the blocks according to the design, which did not work.

Senator Brown wanted to know where the idea for the blocks originated. Mr. Flores explained that the original concept was a \$25 million beautification plan, and the industry like the look of the pavers. He said the pavers had been an integral part of the concept created by GVB and others. Senator Brown said other jurisdictions have pavers that are hundreds of years old that are still functions. She asked why no one stopped the plan if the pavers were not functional or based on sound engineering.

Mr. Flores said the pavers had been undermined by runoff; in some cases the sidewalks were also affected.

Mr. Taitano pointed out that some portions of the GWA projects depended on other pieces that must be in place for the project function. Senator Brown asked why GWA was not moving forward, for instance with repairs to the sewage treatment plants.

Mr. Johnston replied that the utility waited until EPA provided input; initially, it was assumed that the money could take care of the design and construction of the new outfalls needed. Though GWA waiting until the design for the outfalls was complete, it became clear that the funding wasn't enough to make repairs and build the new outfalls, he said. He added that the utility will move to refurbish parts of the plant now.

Mr. Gutierrez said the Tumon Bond was intended to finance the design. Mr. Johnston added that they are still working with EPA, but EPA has said the treatment plant still needs a comprehensive performance evaluation.

### **III. FINDINGS**

The Committee finds that Bill No.160, as substituted by the committee, will allow the Department of Public Works to proceed with Phase II of the Tumon Redevelopment Project. The community will benefit from the project, as the release of more than \$20 million will provide much-needed work for the ailing construction industry and help improve the tourism district to be more attractive for our visitors.

### **IV. RECOMMENDATIONS**

The Committee on Tourism, Transportation and Economic Development hereby reports out Bill No.160, as substituted by the committee, with the recommendation ***TO DO PASS.***

*Fred R. ...*  
11/28/01

*3rd*  
11/30/01

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

**Bill No. 160 (COR)**

As substituted by the Committee on Tourism,  
Transportation and Economic Development

*fpc FAJ*  
*OC* Introduced by:

F. P. Camacho

T.C. Ada

*ARU*

*M. Farber*

AN ACT TO *AMEND* §22958 OF ARTICLE 10,  
CHAPTER 22 OF TITLE 5 OF THE GUAM CODE  
ANNOTATED, AND “EXHIBIT B” ADDED IN P.L.  
24-111, RELATIVE TO SUPPORTING OUR VISITOR  
INDUSTRY BY REVITALIZING SOUTHERN TUMON  
BAY.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that Tumon Bay remains the heart of Guam’s tourism industry, which is the  
4 backbone of the island’s economy. The Tumon Redevelopment project, funded  
5 by \$52.9 million in bonds, was intended to revitalize the bay by upgrading  
6 utilities, adding important safety features such as sidewalks and streetlights and  
7 beautifying the area through extensive landscaping. While the first phase of the  
8 project was completed, the southern end of Tumon Bay is still awaiting much-  
9 needed utility upgrades and capital improvements.

10 Public Law 23-137 authorized the issuance of \$52.9 million in bonds for the  
11 improvements to the Tumon area; this law was amended by Public Law 24-111  
12 and again by Public Law 24-290. At this time, *I Liheslaturan Guåhan* finds that

1 further amendments are necessary to ensure that the Tumon Redevelopment's  
2 Phase II is completed. Without these amendments, some portions of the Phase II  
3 projects may be underfunded, compromising the intent of the original law by  
4 providing improvements to only half of the tourism center.

5 *I Liheslaturan Guåhan* therefore intends to provide flexibility to allow money  
6 to be transferred between some projects and to amend the project listing to  
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8 currently lies beneath a privately owned building.

9 **Section 2.** Section 22958 of Article 10, Chapter 22 of Title 5 of the Guam  
10 Code Annotated is hereby *amended* to read as follows:

11 **“Section 22958. Infrastructure Improvement Projects.** The  
12 proceeds of the new money bonds issued under this Article are  
13 hereby appropriated for the purposes of implementing the  
14 infrastructure improvement projects contained in the attachment  
15 marked ‘**Exhibit B**’ and made part of this act. The breakdown of  
16 funding amounts for each project listed in ‘**Exhibit B**’ may be  
17 adjusted to meet the goals of the overall project, as long as the  
18 conditions listed in Item 16 are met.”

19 **Section 3.** Item 1 of “Exhibit B,” attachment to Section 22958 of Article  
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21 as follows:

22 ~~“1. For the acquisition and construction of the Gun Beach Fafai~~  
23 ~~Wastewater System \$5,400,000.~~

24 1. For the relocation of force main sewage and distribution ~~or~~ <sup>and</sup>  
25 transmission water lines that are encroaching on private property  
26 along Happy Landing Road. \$1,100,000”

YK  
02  
FA 2

1           **Section 4.** Item 7 of “Exhibit B,” attachment to Section 22958 of Article  
2 10, Chapter 22 of Title 5 of the Guam Code Annotated, is hereby *amended* to read  
3 as follows:

4                   “7. For drilling and construction and a study to evaluate the northern  
5 water system. \$5,800,000”

6           **Section 5.** Item 12 of “Exhibit B,” attachment to Section 22958 of Article  
7 10, Chapter 22 of Title 5 of the Guam Code Annotated is hereby *amended* to read  
8 as follows:

9                   “12. Allowances for roadway repairs & restoration resurfacing of San  
10 Vitores Blvd. off-site infrastructure work directly related to the Tumon area  
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13 ~~Based on Guam’s Comprehensive Storm Drainage Study, three (3) possible~~  
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25           **Section 6.** A new Item 14 is hereby *added* to “Exhibit B,” attachment to  
26 Section 22958 of Article 10, Chapter 22 of Title 5 of the Guam Code Annotated:

1 "14. Funds to cover shortfalls in Items (1) through (13) \$4,000,000  
2 Any sum that is surplus from any of the projects, and any additional  
3 funds generated from the interest of this funding source, shall also be  
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4 *Final FA5*  
5 **Section 7.** [A new Item 15 is hereby *added* to "Exhibit B," attachment to  
6 Section 22958 of Article 10, Chapter 22 of Title 5 of the Guam Code Annotated:

7 "15. Feasibility study for the construction of an ocean outfall  
8 through horizontal drilling. \$300,000"]

9 **Section 8.** A new Item 16 is hereby *added* to "Exhibit B," attachment to  
10 Section 22958 of Article 10, Chapter 22 of Title 5 of the Guam Code Annotated:

11 "16. To the extent that any of the bond proceeds are not required for the  
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13 Public Works may transfer funds between projects, even if projects are *not*  
14 complete, as long as the following conditions are met:

- 15 *See FA3*  
16 a. In the case of funds allocated for Guam Waterworks Authority  
17 infrastructure projects, the department receives concurrence from  
18 the Guam Waterworks Authority [for any water or sewer projects]; . . . .  
19 and  
20 b. Utility upgrades, including creation of underground power  
21 systems and improvements to drainage, water and sewage  
22 systems, are to be given priority at all times over beautification  
23 projects; and  
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25 transfers *prior* to any actual transfer of funds. Such transfers are  
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Ma 2 FA 4

made by the Speaker within ten (10) working days of the notification.”

**Section 8. 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.*



# MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

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

*Senadot Mark Forbes, Gebilu  
Kabisiyon Mayurát*

21 SEP 2001

## MEMORANDUM

TO: Chairman  
Committee on Tourism, Transportation and Economic Development

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

SUBJECT: Principal Referral – Bill No. 160 COR

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

AUG 23 2001

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

Bill No. 160 (COR)

Introduced by:

F. P. Camacho   
T.C. Adaza 

AN ACT TO AMEND §22958 OF ARTICLE 10,  
CHAPTER 22 OF TITLE 5 OF THE GUAM CODE  
ANNOTATED, AND "EXHIBIT B" ADDED IN P.L.  
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THE OFFICE OF  
**Senator Felix P. Camacho**  
TWENTY-SIXTH GUAM LEGISLATURE

Public Hearing  
10 a.m. Wednesday, October 3, 2001

## AGENDA

- I. Call to Order
- II. Announcement and Introduction of Members
- III. Confirmation Hearings:
  - Martin Gerber to the Guam International Airport Authority's Board of Directors
  - Confirmation of Paul H. Cepeda to the Port Authority of Guam's Board of Directors.
- IV. Port Authority of Guam's Harbor Rules and Regulations
- V. Bill 160: An Act to Amend §22958 of Article 10, Chapter 22 of Title 5 of the Guam Code Annotated, and "Exhibit B" Added in Public Law 24-11, Relative to Supporting our Visitor Industry by Revitalizing Southern Tumon Bay
- VI. Bill 193: An Act to Amend Section 2 of Public Law 24-221, Relative to the Terms and Conditions of the Issuance of General Revenue Bonds by the A.B. WonPat Guam International Airport Authority.
- VII. Remarks
- VIII. Adjournment



THE OFFICE OF  
**Senator**  
**Felix P. Camacho**  
 TWENTY-SIXTH GUAM LEGISLATURE  
 Suite 15B • 777 Route 4 • Sinajana, Guam 96926 • Phones 1.671 472-3544 / 45 / 46 • Fax 1.671 472-3534

# TESTIMONY SIGN-IN SHEET

COMMITTEE ON TOURISM, TRANSPORTATION  
 AND ECONOMIC DEVELOPMENT

## Bill 160: An Act to Amend § 22958 of Article 10, Chapter 22 of Title 5 of the Guam Code Annotated

NAME : <i>F. J. Ramirez</i>	ORGANIZATION : <i>Self</i>	TESTIMONY <input type="radio"/> FOR <input type="radio"/> WRITTEN
CONTACT : <i>477-2530 or 477-2530</i>	MAILING ADDRESS : <i>Box 1498</i>	<input type="radio"/> AGAINST <input type="radio"/> ORAL
NAME : <i>Lester L. Carlson Jr.</i>	ORGANIZATION : <i>GEDA</i>	TESTIMONY <input checked="" type="radio"/> FOR <input checked="" type="radio"/> WRITTEN
CONTACT : <i>647-4338</i>	MAILING ADDRESS :	<input type="radio"/> AGAINST <input type="radio"/> ORAL
NAME :	ORGANIZATION :	TESTIMONY <input type="radio"/> FOR <input type="radio"/> WRITTEN
CONTACT :	MAILING ADDRESS :	<input type="radio"/> AGAINST <input type="radio"/> ORAL
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CONTACT :	MAILING ADDRESS :	<input type="radio"/> AGAINST <input type="radio"/> ORAL





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## Bill 160: An Act to Amend § 22958 of Article 10, Chapter 22 of Title 5 of the Guam Code Annotated

NAME : RAYMON R. PADUA	ORGANIZATION : DPW (GOV. GUAM)	TESTIMONY <input checked="" type="radio"/> FOR <input type="radio"/> WRITTEN
CONTACT : 646-3218	MAILING ADDRESS : 1	<input type="radio"/> AGAINST <input checked="" type="radio"/> ORAL
NAME : JOHN TAITANO	ORGANIZATION : WB FLORES & CO	TESTIMONY <input type="radio"/> FOR <input type="radio"/> WRITTEN
CONTACT : 647 9233	MAILING ADDRESS :	<input type="radio"/> AGAINST <input type="radio"/> ORAL
NAME : JOE GOTIERREZ	ORGANIZATION : Dept. of Public Works	TESTIMONY <input type="radio"/> FOR <input type="radio"/> WRITTEN
CONTACT : 646 3126	MAILING ADDRESS :	<input type="radio"/> AGAINST <input checked="" type="radio"/> ORAL
NAME : Sabino P. Flores	ORGANIZATION : DPW	TESTIMONY <input checked="" type="radio"/> FOR <input type="radio"/> WRITTEN
CONTACT : 646-3117	MAILING ADDRESS :	<input type="radio"/> AGAINST <input checked="" type="radio"/> ORAL
NAME :	ORGANIZATION :	TESTIMONY <input type="radio"/> FOR <input type="radio"/> WRITTEN
CONTACT :	MAILING ADDRESS :	<input type="radio"/> AGAINST <input type="radio"/> ORAL
NAME :	ORGANIZATION :	TESTIMONY <input type="radio"/> FOR <input type="radio"/> WRITTEN
CONTACT :	MAILING ADDRESS :	<input type="radio"/> AGAINST <input type="radio"/> ORAL
NAME :	ORGANIZATION :	TESTIMONY <input type="radio"/> FOR <input checked="" type="radio"/> WRITTEN
CONTACT :	MAILING ADDRESS :	<input type="radio"/> AGAINST <input type="radio"/> ORAL



October 3, 2001

Testimony of Mr. Edward Untalan  
Administrator  
Guam Economic Development Authority  
On Bill No. 160

I would like to thank Senator Camacho and the members of the Committee on Tourism, Transportation and Economic Development for the opportunity to provide testimony today on Bill No. 160, which was introduced by Senators Camacho and Ada. Bill No. 160 **"AN ACT TO AMEND SECTION 22958 OF ARTICLE 10, CHAPTER 22 OF TITLE 5 OF THE GUAM CODE ANNOTATED, AND "EXHIBIT B" ADDED IN P.L. 24-111, RELATIVE TO SUPPORTING OUR VISITOR INDUSTRY BY REVITALIZING SOUTHERN TUMON BAY."**

The Guam Economic Development Authority (GEDA) highly commends the intent of Bill No. 160 which in effect, "intends to provide flexibility to allow money to be transferred between some projects and to amend the project listing to include other important needs..." GEDA concurs with the legislation's assertion that, "further amendments are necessary to ensure that the Tumon Redevelopment's Phase II is completed." We agree that the priority and cost of the originally listed projects have changed since the issuance of the **Limited Obligation Infrastructure Improvement Bonds, 1997 Series A** and that Bill 160's goal is well founded in providing for a mechanism to effectuate these vitally needed amendments.

This measure comes at a very critical period as Guam's economy has suffered a prolonged and serious downturn. The end result of Bill No. 160 should result in the infusion of approximately \$38 Million dollars into Guam's economy, centered primarily in the construction and related services sector which have been severely impacted directly by the downturn in the economy.

In closing, GEDA wholeheartedly endorses passage of Bill No. 160 and stands ready to support any and all necessary efforts in order to see this through. I would again like to thank the members of the Committee on Tourism, Transportation and Economic Development for the opportunity to provide testimony today. Thank you.

Guam USA ~ The Ultimate Destination

**GUAM HOTEL & RESTAURANT ASSOCIATION**

SUITE 101, 643 CHALAN SAN ANTONIO • TAMUNING, GUAM 96911  
P.O. BOX 8565 • TAMUNING, GUAM 96911  
TEL: (671) 649-1447 • FAX: (671) 649-8565  
E-Mail: ghra@ghra.org • Website: www.ghra.org

October 6, 2001

Honorable Felix P. Camacho  
Chairman  
Committee on Tourism, Transportation and Economic Development  
Twenty-Sixth Guam Legislature  
Suite 15B 777 Route 4  
Sinajana, Guam 96926

Re: Testimony on Bill No. 160 – Relative to Supporting our Visitor Industry by  
Revitalizing Southern Tumon Bay

Hafa Adai Mr. Chairman:

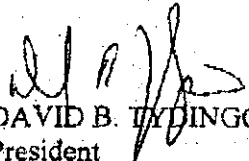
On behalf of the board of directors and members of the Guam Hotel & Restaurant Association, I would like to extend our full support of the passage of Bill No. 160, Relative to Supporting our Visitor Industry by Revitalizing Southern Tumon Bay.

We want to thank you personally for the leadership you and your Committee has shown in this matter and for including members of GHRA in the discussions of formulating Bill No. 160 prior to its introduction. We believe that the provisions outlined in this bill are necessary to assure the timely completion of this long awaited project as it gives the financial flexibility necessary to deal with some of the uncertainties related to the construction activities, without jeopardizing required controls and accountability related to expenditures.

Further, particularly during these tough economic times, it is imperative that we move forward in allowing the construction activity to occur as soon as possible so that new monies can circulate throughout Guam's economy.

We look forward to the Legislature's swift action on Bill No. 160 and we thank you again for your continued support of the hospitality industry.

Senscramente,

  
DAVID B. TYDINGCO  
President

Cc: Board of Directors

# UBS PaineWebber Inc.

Municipal Securities Group  
777 South Figueroa Street  
50<sup>th</sup> Floor  
Los Angeles, California 90017

213-253-5400  
213-253-5402 (fax)

October 1, 2001

To the Honorable Members of the  
Committee on Tourism, Transportation, and Economic Development  
Lihselaturan Guahan

**Re: Bill Nos. 160 and 193 (LS)**

On behalf of UBS PaineWebber Inc., we are writing in support of Bill Nos. 160 and 193. The bills provide the necessary flexibility for the Guam International Airport Authority to advance refund certain of the Authority's outstanding bonds, and to issue additional revenue bonds to expand the airport's capabilities. The A.B. Won Pat Guam International Airport offers many compelling advantages to regional passenger carriers and cargo companies, many of whom may require the extended runway capacity and terminal improvements cited in the proposed Bill 193.

Furthermore, the current interest rate environment is very favorable for refinancing outstanding debt and issuing new municipal bonds. In fact, today's long-term interest rates are almost at historic lows, and short-term rates are approaching 2.00%. It is our expectation that the Federal Reserve will cut the Federal Funds rate (currently at 3.00%) by at least another one-quarter of one percent (0.25%) tomorrow and by as much as another three-quarters of one percent (0.75%) by year-end. Our projections are based on the continuing weakness in the U.S. and many key economies internationally - including Japan. Not surprisingly, the events of September 11<sup>th</sup> have further exacerbated the problems in the U.S. and other major world economies.

Given the favorable interest rate outlook, which offers the potential to achieve attractive savings from the refunding of existing bonds, and the opportunity to provide some stimulus to Guam's economy in the near-term, we recommend the timely passage of both bills.

Sincerely,



/s/  
Frank X. Lauterbur  
Director

/s/  
James E. Scott  
Director

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

Bill No. 160 (COR)

Introduced by:

F. P. Camacho   
T.C. Ada 

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14 ~~drain problems at the earliest possible time.~~

15  
16 ~~Any sum that is surplus from any of the projects and additional funds~~  
17 ~~generated from the interest of this funding source will be incorporated~~  
18 ~~into the funds required to complete the outfall project.”~~

19           **Section 5.** A new Item 14 is hereby *added* to “Exhibit B,” attachment to  
20 Section 22958 of Article 10, Chapter 22 of Title 5 of the Guam Code Annotated:

21           “14. Funds to cover shortfalls in Items (1) through (13) \$4,300,000

22           Any sum that is surplus from any of the projects, and any  
23 additional funds generated from the interest of this funding  
24 source, shall also be used to cover shortfalls in items (1) through  
25 (13).”

1           **Section 6.** A new Item 15 is hereby *added* to “Exhibit B,” attachment to  
2 Section 22958 of Article 10, Chapter 22 of Title 5 of the Guam Code  
3 Annotated:

4           “15. To the extent that any of the bond proceeds are not required for the  
5 projects listed in Items (1) through (13) of Exhibit B, the Department of  
6 Public Works may transfer funds between projects, even if projects are *not*  
7 complete, as long as the following conditions are met:

- 8           a. The department receives concurrence from the Guam Waterworks  
9           Authority for any water-related projects;
- 10           b. Utility upgrades, including creation of underground power  
11           systems and improvements to drainage, water and sewage systems,  
12           are to be given priority at all times over beautification projects; and
- 13           c. The department notifies *I Liheslaturan Guåhan* of the proposed  
14           transfers *prior* to any actual transfer of funds. Such transfers are  
15           considered *approved* unless a formal objection to the transfer is  
16           made by the Speaker within ten (10) working days of the  
17           notification.”

18           **Section 7. Severability.**     *If* any provision of this Law or its application  
19 to any person or circumstance is found to be invalid or contrary to law, such  
20 invalidity shall *not* affect other provisions or applications of this Law which can  
21 be given effect without the invalid provisions or application, and to this end the  
22 provisions of this Law are severable.