



Office of the Governor of Guahan

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Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

2010 MAY 19 PM 3:42

MAY 19 2010

The Honorable Judith T. Won Pat, Ed.D.
Speaker
Mina' Trenta Na Liheslaturan Guahan
155 Hessler Street
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Transmitted herewith is Substitute Bill No. 365-30 (COR) "AN ACT TO AMEND SECTION 4 OF PUBLIC LAW 28-71, RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS", which I signed into law on May 17, 2010 as Public Law 30-145.

Sins eru yan Magâhet,

MICHAEL W. CRUZ, M.D.
I Maga'lâhen Guahan para pa'go
Acting Governor of Guahan

Attachment: copy of Bill

30-10-0463

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I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

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

This is to certify that **Substitute Bill No. 365-30 (COR), "AN ACT TO AMEND SECTION 4 OF PUBLIC LAW 28-71, RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS"**, was on the 3rd day of May, 2010, duly and regularly passed.



Judith T. Won Pat, Ed. D.
Speaker

Attested:

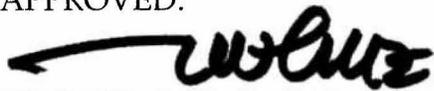

Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 5th day of May, 2010, at
4:00 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:



MIKE W. CRUZ, MD
GOVERNOR OF GUAM ACTING

Date: MAY 17 2010

Public Law No. P.L. 30-145

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

Bill No. 365-30 (COR)

As substituted by the Committee on Economic Development,
Health & Human Services, and Judiciary and amended
in the Committee of the Whole.

Introduced by:

T. C. Ada
V. Anthony Ada
F. B. Aguon, Jr.
F. F. Blas, Jr.
E. J.B. Calvo
B. J.F. Cruz
J. V. Espaldon
Judith P. Guthertz, DPA
T. R. Muña Barnes
Adolpho B. Palacios, Sr.
v. c. pangelinan
R. J. Respicio
Telo Taitague
Ray Tenorio
Judith T. Won Pat, Ed.D.

AN ACT TO *AMEND* SECTION 4 OF PUBLIC LAW 28-71, RELATIVE TO APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that in order for Guam Waterworks Authority (GWA) to finance the projects
4 necessary to continue to make progress in implementing the projects described in
5 the Stipulated Order with the United States Environmental Protection Agency,

1 which outlines the corrective actions that GWA shall undertake, it may be
2 advantageous for GWA to issue “Build America Bonds”, under which GWA
3 would pay taxable interest and receive interest subsidy payments from the federal
4 government, rather than paying tax-exempt interest. In addition, whether or not the
5 GWA bonds are Build America Bonds, the net interest rates available to GWA in
6 the financial markets may exceed the interest rate limit established in GWA’s 2005
7 bond approval.

8 **Section 2.** Section 4 of Public Law 28-71 is hereby *amended* to read as
9 follows:

10 **“Section 4. Approval of Guam Waterworks Authority Revenue**
11 **Bonds.** The Guam Legislature, *I Liheslaturan Guåhan*, pursuant to §50103
12 of Title 12 of the Guam Code Annotated, hereby approves the issuance and
13 sale by the Authority of revenue bonds pursuant to Article 2, Chapter 14,
14 Title 12, Guam Code Annotated (the ‘Act’) in one or more series or issues;
15 provided that the issuance, terms and conditions of the bonds *shall* have
16 been approved by the Guam Public Utilities Commission, and further
17 provided that such bonds *shall* have a principal amount *not to exceed* Two
18 Hundred Twenty Million Dollars (\$240,000,000), *shall* have a final maturity
19 not later than 2055, *shall* bear interest at such rate or rates and *shall* be sold
20 for such price or prices as *shall* result in a net yield to the bondholders *not*
21 *exceeding* seven and one-half percent (7.5%) per annum, *shall* be issued and
22 sold in the manner, for the purposes and subject to the requirements and
23 limitations provided in Article 2, Chapter 14, Title 12, Guam Code
24 Annotated, and *shall* be issued pursuant to an Indenture in substantially the
25 form as attached to this Act as Exhibit A. Twenty Million Dollars
26 (\$20,000,000) principal amount *shall* be used to pay the balance of the
27 government of Guam Limited Obligation (Section 30) Series 2001A bond

1 and any other portions of Bonds or Loans paid for by General Fund revenues
2 for which the Guam Waterworks Authority has received proceeds. In order
3 to be able to take advantage of Build America Bonds, or other federally
4 subsidized bond program, net yield to the bondholders *shall* be calculated by
5 subtracting any interest subsidy amounts to be received from the United
6 States in connection with such bonds from the amount of interest to be paid
7 to bondholders.”

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