

I Mina'trentai Sais Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
266-36 (COR)	Sabina F. Perez	AN ACT TO ADD A NEW § 14104(p) TO ARTICLE 1, CHAPTER 14, DIVISION 1 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING GUAM WATERWORKS AUTHORITY TO FACILITATE REPAIRS ON PRIVATE PROPERTY.	3/4/22 4:02 p.m.	3/11/22	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning			Request: 3/14/22 3/22/22	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

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March 22, 2022

MEMO

To: Rennae Meno
Clerk of the Legislature

From: Vice Speaker Tina Rose Muña Barnes
Chairperson, Committee on Rules

Re: Fiscal Note on Bill No. 266-36 (COR)

Håfa adai,

Attached, please find the fiscal note for the following bill:

Bill No. 266-36 (COR)

Please forward the same to Management Information Services (MIS) for posting on our website.

If you have any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 266-36 (COR)

AN ACT TO ADD A NEW § 14104(p) TO ARTICLE 1, CHAPTER 14, DIVISION 1 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING GUAM WATERWORKS AUTHORITY TO FACILITATE REPAIRS ON PRIVATE PROPERTY.

Department/Agency Appropriation Information

Dept./Agency Affected: Guam Waterworks Authority	Dept./Agency Head: Miguel C. Bordallo, P.E., GM
Department's General Fund (GF) appropriation(s) to date:	\$0
Department's Other Fund (Specify) appropriation(s) to date:	\$0
Total Department/Agency Appropriation(s) to date:	\$0

Fund Source Information of Proposed Appropriation

	General Fund:	Special Fund:	Total:
FY 2021 Unreserved Fund Balance	\$0	\$0	\$0
FY 2022 Adopted Revenues	\$0	\$0	\$0
FY 2022 Approx. (P.L. 36-54)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2022 (if applicable)	FY 2023	FY 2024	FY 2025	FY 2026
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

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

Analyst: Raymond T. Rieta, BMA II Date: 3/1/22 Director: Lester L. Carlson, Jr., Director Date: MAR 22 2022

Notes:
 1/: See additional Comments.

Bureau of Budget & Management Research

Comments on Bill No. 266-36 (COR)

Bill No. 266-36 is an act to add a new § 14104(p) to Article 1, Chapter 14, Division 1 of Title 12, Guam Code Annotated (GCA) relative to authorizing Guam Waterworks Authority (GWA) to facilitate repairs on private property. The proposed amendment authorizes GWA to establish the Customer Assistance Program (CAP) to provide financial and other assistance to eligible ratepayers. It further authorizes GWA to establish income eligibility standards for a residential class ratepayer to receive financial assistance which shall include; a volumetric discount for water and wastewater services, leak detection and repair services, supplemental bill assistance for hardship and the reduction or waiver of fees, including late fees. Other assistance includes water conservation inspection and assessment services, rebates or discounts for the use of water conserving fixtures, and education and information on water conservation practices and resource management.

Citing an article from local media outlets dated March 18, 2022, GWA's General Manager had stated during a meeting with the Consolidated Commission on Utilities that the proposed CAP was part of a larger water affordability program submitted to the Public Utilities Commission (PUC) that has not yet been acted on and is part of GWA's five-year rate plan. The GWA General Manager further stated that large unpaid water bills affect all customers and the CAP would be funded by revenue collected from all customer categories, allowing GWA the opportunity to – for a small expenditure – fix those conditions and allow for the customer to afford their water bill. The article further states that, according to the GWA General Manager, the Bill as currently written does not place any caps on GWA's assistance to eligible customers and that GWA would prefer the Bill to be consistent with the proposed customer service program already submitted to the PUC. He adds that GWA's proposal calls for leak detection and repair "on a limited basis."

Based on fiscal comments received from GWA, the CAP cost would be approximately \$5M per year with modest annual adjustments upward for program growth. The percentage of expenses from the \$5M cost of the CAP would be as follows:

• Administratively qualified bill assistance	49.7%
• Supplemental bill assistance	14.9%
• Water Audit	5.0%
• Plumbing leak detection and repair	20.9%
• Program administration	8.8%
• Data clearinghouse	0.7%

The administratively qualified and supplemental bill assistance (64.6%) are expenses for direct assistance to low-income customers that reduces their water and wastewater bill through a discount and provides a one-time capped payment towards a customer's outstanding bill.

The water audit activity expenses (5%) will be primarily used for a local match requirement for the AmeriCorps grant that GWA was awarded on October 22, 2021 with the grant to begin in calendar year 2022. AmeriCorps members will provide a variety of services including water audit and conservation education to GWA customers.

The budget for plumbing leak detection and repair (20.9%) is for the necessary equipment and materials needed to address these issues. Program administration represents 9.5% of the budget and will be used for data clearinghouse development and maintenance, administrative fees to the Department of Public Health and Social Services or the Department of Administration for eligibility verification services, customer outreach and supplies.