



I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session

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Bill No. 248-30(COR)

Introduced by:

T. C. Ada 
A. B. Palacios, Sr. 

AN ACT TO AUTHORIZE THE GOVERNMENT TO PROVIDE A
GUARANTEE REQUESTED FOR THE APPROVAL OF A
THIRTY MILLION DOLLAR LOAN FOR GUAM
WATERWORKS AUTHORITY WHICH WAS PROCURED
THROUGH AN RFP WITH THE GUAM ECONOMIC
DEVELOPMENT AUTHORITY (GEDA)

1 BE IT ENACTED BY THE PEOPLE OF GUAM:
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3 **Section 1. Legislative Findings.** *I Mina'Trenta Na Liheslaturan Guåhan* finds that the
4 Guam Waterworks Authority (“GWA”) has lawfully put out an RFP via the Guam Economic
5 Development Authority (“GEDA”) as authorized under Chapter XI, Section 28 of Guam Public Law
6 30-55 for the purposes of securing a Thirty Million Dollar (\$30,000,000) loan to provide funds for
7 GWA’s Moratorium Project and to fund certain reserve accounts so that GWA may issue an
8 additional One Hundred and Eighteen Million Dollars (\$118,000,000) in bonds that will greatly
9 improve the island’s water and wastewater system. The use of funds from the projected loan has
10 already been approved by the Guam Public Utilities Commission (“PUC”), although the final
11 negotiated credit facility is subject to approval by the PUC under the Contract Review Protocol.
12 GEDA has received information from lenders responding to the GEDA RFP which indicate that a
13 sole proposed lender would require the government to provide a guarantee for the GWA loan. The
14 Guam Waterworks Authority would remain responsible for payments required under the proposed
15 loan that would be paid on a subordinate basis to GWA’s 2005 Series Bond Indenture.

16 **Section 2. Loan Guarantee.** The Government of Guam hereby guarantees all
17 payments due for a maximum ten (10) year term that would be due under the Thirty Million Dollar

1 (\$30,000,000) credit facility issued by the Guam Economic Development Authority on behalf of the
2 Guam Waterworks Authority authorized under Chapter XI, Section 28 of Guam Public Law 30-55
3 for the purpose of securing a Thirty Million Dollar (\$30,000,000) loan to provide funds for the
4 Moratorium Project and to fund certain reserve accounts. This Guarantee is a general obligation of
5 the government of Guam, subject to the full faith and credit of the government of Guam. The
6 Guarantor consents to any and all extension of time and waiver or modification of obligations
7 guaranteed hereunder.

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