

I Mina'trentai Siete Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
274-37 (COR)	Sabina Flores Perez Therese M. Terlaje Chris Barnett	AN ACT TO ADD A NEW §14242 AND §14243 TO ARTICLE 2, CHAPTER 14, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A COMMERCIAL PAPER PROGRAM FOR THE GUAM WATERWORKS AUTHORITY, APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS, AND AUTHORIZING GUAM WATERWORKS AUTHORITY TO OBTAIN LOANS FROM TIME TO TIME THROUGH THE WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT OF 2014 (WIFA) PROGRAM, AND RELATED MATTERS.	4/17/24 3:59 p.m.						

IMINA 'TRENDAISIETTE NA LIHESLATURAN GUÅHAN
2024 (SECOND) Regular Session

Bill No. 274-37 (COR)

Introduced by:

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AN ACT TO *ADD* A NEW §14242 AND §14243 TO ARTICLE 2, CHAPTER 14, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A COMMERCIAL PAPER PROGRAM FOR THE GUAM WATERWORKS AUTHORITY, APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM WATERWORKS AUTHORITY REVENUE BONDS, AND AUTHORIZING GUAM WATERWORKS AUTHORITY TO OBTAIN LOANS FROM TIME TO TIME THROUGH THE WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT OF 2014 (WIFIA) PROGRAM, AND RELATED MATTERS

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that while the Guam Waterworks Authority (GWA) has made major investments in
4 the Island's water and wastewater infrastructure, the condition of much of that
5 infrastructure remains seriously deteriorated due to under-investment over the last
6 seventy years. GWA addresses its long-term needs through its 20-year Water
7 Resources Master Plan and has submitted a draft of its fourth Five-year Financial
8 Plan to the Public Utilities Commission. The current plan includes an \$898 million
9 investment in the GWA Capital Improvement Program (CIP), of which, \$780
10 million will need to be borrowed. There are three main initiatives within the 5-year

1 CIP: 1) addressing the 2024 Partial Consent Decree compliance requirements and
2 remediation of emerging contaminants, 2) reducing water loss, and 3) Supervisory
3 Control and Data Acquisition (SCADA) systems implementation and general plant
4 and miscellaneous projects.

5 *I Liheslaturan Guåhan* acknowledges the significance of the 2024 Partial
6 Consent Decree negotiated with the U.S. Department of Justice and the U.S.
7 Environmental Protection Agency (EPA) to address GWA's alleged violations of the
8 Clean Water Act. Additionally, GWA is facing new impending regulatory
9 requirements for emerging contaminants such as per- and polyfluoroalkyl substances
10 (PFAS) and dieldrin, because EPA has concluded these contaminants can lead to a
11 range of health issues including high cholesterol, liver toxicity, immune system
12 suppression, developmental effects, and cancer. The estimated cost to address EPA
13 compliance requirements for water and wastewater in the current 5-year CIP is \$561
14 million or 62% of the total CIP investment.

15 *I Liheslaturan Guåhan* further finds that GWA's water distribution system,
16 consisting of approximately 600 miles of piping, is a collection of legacy systems
17 beginning with the Navy installations during the era of the Second World War. Some
18 of these constructed distribution systems were turned over to the Government of
19 Guam and are still in operation today and are primary contributors to GWA's high
20 levels of real water loss due to corrosion and the exceedance of their useful service
21 life. The estimated cost in the current 5-Year CIP to replace this piping and reduce
22 water loss is \$203 million or 23% of the total CIP investment. Reducing real water
23 losses is essential for GWA to operate a sustainable, efficient, and cost-effective
24 system, while also ensuring the reliability, future capacity, and resilience of the
25 Northern Guam Lens Aquifer for current and future generations.

26 *I Liheslaturan Guåhan* further finds that GWA's water and wastewater
27 systems lack adequate Supervisory Control and Data Acquisition (SCADA) systems

1 needed for remote monitoring and control. SCADA systems provide real-time data
2 on water flow rates, pressure levels, tank levels, valve positions, and other critical
3 parameters from a centralized control center. This remote capability enables faster
4 response times to operational issues which improves system efficiency and
5 reliability. SCADA is also used to detect anomalies, leaks, and equipment failure.
6 Early detection enables rapid intervention to prevent service disruptions and mitigate
7 potential damage to infrastructure and the environment. The estimated cost in the 5-
8 year CIP to implement SCADA for water and wastewater systems is \$36 million or
9 4% of the total CIP investment. The remaining \$98 million or 11% of the total CIP
10 investment is for general plant facility improvements and equipment replacement.

11 *I Liheslaturan Guåhan* further finds that GWA's Five-year Financial Plan
12 requires a cumulative 71.5% rate increase primarily to fund debt-financing of the
13 needed CIP investments under existing legislative authorization. *I Liheslaturan*
14 *Guåhan* further acknowledges that in March of 2021 GWA completed an Analytical
15 Study on Capital Financing Alternatives for the express purpose of reducing the cost
16 of financing for its CIP. As recommended in that 2021 study, if GWA is authorized
17 to access short-term financing instruments, such as Tax-exempt commercial paper
18 (TECP) borrowing or similar short-term instruments, rate increases could be
19 significantly reduced. TECP will allow GWA to issue short-term debt instruments
20 (commercial paper) to finance capital needs for GWA's CIP on an "as-needed" basis
21 while projects are in design and construction, deferring issuance and payment of
22 long-term debt (bonds) until projects are completed and in use. Under normal market
23 conditions, TECP has lower borrowing costs compared to long-term bonds because
24 it only requires GWA to pay interest on funds drawn for the work as it is constructed
25 rather than borrowing and paying for capital and interest on larger bond issuances
26 up front. Such short-term financing alternatives can be an important part of a
27 carefully considered financing program which analyzes market conditions and

1 regulatory requirements to deploy different borrowing options with the goal of
2 reducing overall capital financing costs. If GWA is authorized to use short term
3 financing alternatives such as TECP, the required cumulative rate increase would be
4 50% or 21.5% lower.

5 The Water Infrastructure Finance and Innovation Act (WIFIA) loans are
6 another alternative to long-term bond borrowing. WIFIA loans typically offer low,
7 fixed-interest rates, often lower than those available through traditional municipal
8 bond financing. These low rates help reduce borrowing costs for eligible projects,
9 ultimately saving money for borrowers. Like TECP, WIFIA loans can be a valuable
10 financing tool for addressing GWA's needs through low-cost, flexible financing
11 options for its CIP that improve water quality, reliability, and resilience.

12 In addition, the United States Department of Agriculture (USDA), from time
13 to time, offers loans to borrowers, including, but not limited to, through its Rural
14 Utility Services, Rural Development and its Community Facilities Programs, for
15 projects such as GWA's CIP projects at often competitive and attractive interest
16 rates.

17 *I Liheslaturan Guåhan* is determined to minimize the financial impact to
18 ratepayers and supports GWA's required borrowing needs to support the
19 implementation of critical capital improvement projects identified in Guam
20 Waterworks Authority's (GWA) 5-year financial plan and CIP. These projects are
21 essential for ensuring the reliability, efficiency, and compliance of Guam's water and
22 wastewater infrastructure while addressing emerging regulatory requirements and
23 mitigating environmental risks.

24 *I Liheslaturan Guåhan* affirms that authorizing GWA to use a combination of
25 short-term and traditional financial tools such as TECP or similar short term debt
26 instrument, WIFIA loans and Municipal Bonds provides the best options for
27 minimizing rate increases needed to align GWA's long-term planning objectives and

1 regulatory compliance obligations. By providing the necessary funding and support,
2 *I Liheslaturan Guåhan* aspires to safeguard public health, protect the environment,
3 and ensure the sustainable management of Guam's water resources for future
4 generations.

5 **Section 2.** A new § 14242 is hereby *added* to Article 2 of Chapter 14, Title
6 12 Guam Code Annotated to read:

7 **“§ 14242. Approval of Guam Waterworks Authority Commercial Paper**
8 **Program; Refunding Bonds.**

9 (a) Approval of Guam Waterworks Authority Commercial Paper Program.

10 *I Liheslaturan Guåhan*, pursuant to § 50103 of Chapter 50, Title 12, Guam
11 Code Annotated, hereby approves the terms and conditions of a borrower or
12 financing program referred to as Commercial Paper (CP) to be issued by GWA.
13 From time to time the CP may be issued in one (1) or more series or issues, together
14 with any related reimbursement obligations; provided that the issuance, terms, and
15 conditions of the CP, the indenture, trust agreement and/or issuing and paying agent
16 agreement pursuant to which the CP is to be issued, and any reimbursement
17 agreement, dealer agreement and/or issuing and paying agreement shall have been
18 approved by the Guam Public Utilities Commission and the Guam Consolidated
19 Commission on Utilities, and further provided that such CP may be issued in the
20 principal amount from time to time necessary to provide interim financing for
21 projects identified in GWA’s Capital Improvement Program, to fund GWA’s
22 required operating account and operating reserve account balances, to pay operating
23 expenses incurred by GWA, and to pay expenses incurred in connection with the
24 issuance of such CP but not to exceed an aggregate principal outstanding amount at
25 any time of Three Hundred Sixty Million Dollars (\$360,000,000.00), and provided,
26 that such CP shall have a final maturity not later than 270 days after its date of
27 issuance, shall bear interest at such rate or rates and be sold for such price or prices

1 in such parameters as may be approved by the Guam Public Utilities Commission
2 and the Guam Consolidated Commission on Utilities, and shall have such other
3 terms and conditions as are consistent with the requirements and limitations
4 provided in this Section; provided, however, that the principal of and interest on CP
5 may be paid with “rolling” CP from time to time; and, provided further, however,
6 that the CP shall bear interest at such interest rates that are necessary for the
7 applicable dealer(s) of the CP to issue or roll the CP, as applicable, at then current
8 applicable market conditions.

9 (b) Approval of Guam Waterworks Authority Refunding Bonds to Refinance
10 Commercial Paper.

11 *I Liheslaturan Guåhan*, pursuant to § 50103 of Chapter 50, Title 12, Guam
12 Code Annotated, hereby approves the issuance and sale of fixed rate revenue bonds
13 in one or more series or issues from time to time to refinance outstanding CP issued
14 pursuant to this Section, provided that the issuance, terms and conditions of the
15 refinancing bonds shall have been approved by the Guam Public Utilities
16 Commission and the Guam Consolidated Commission on Utilities, and that the sale
17 of the bonds shall be approved by the Board of Directors of GEDA; and further
18 provided that such refinancing bonds shall have a principal amount sufficient to
19 provide funds for the payment of all CP to be refinanced thereby (the “prior CP”)
20 and in addition for the payment of all expenses incident to the calling, retiring or
21 paying of such prior CP and the issuance of such refinancing bonds, including:

22 (i) the difference in amount between the par value of the refinancing
23 bonds and any amount less than par for which the refinancing bonds are sold;

24 (ii) any amount necessary to be made available for the payment of
25 interest upon such refinancing bonds from the date of sale thereof to the date
26 of payment of the prior CP or to the date upon which the prior CP will be paid
27 pursuant to the call thereof or agreement with the holders thereof;

1 (iii) the premium, if any, necessary to be paid in order to call or retire
2 the prior CP and the interest accruing thereon to the date of the call or
3 retirement; and

4 (iv) any additional amount needed to provide for a deposit to the debt
5 service reserve in connection with the issuance of the refinancing bonds;
6 and further provided that such refinancing bonds shall be issued in compliance with
7 the provisions of Chapter 14 of Title 12 of the Guam Code Annotated, and further
8 provided that all obligation of the Authority to pay debt service on, and the
9 redemption price of, the prior CP shall be discharged concurrently with the issuance
10 of the refinancing bonds.”

11 **Section 3. Approval of Guam Waterworks Authority Revenue Bonds.**

12 (a) The Guam Legislature, *I Liheslaturan Guåhan*, pursuant to Section
13 50103 of Title 12 of the Guam Code Annotated, hereby approves the issuance and
14 sale by the Authority of revenue bonds pursuant to Article 2, Chapter 14, Title 12,
15 Guam Code Annotated (the “Act”) in one or more series or issues, from time to time,
16 issued privately or through the public capital markets; provided that the issuance,
17 terms and conditions of the bonds shall have been approved by the Guam Public
18 Utilities Commission, and further provided that such bonds shall have a principal
19 amount not to exceed Five Hundred Sixty Million Dollars (\$560,000,000.00), shall
20 have maturity dates not to exceed forty (40) years from the respective issuance dates
21 thereof, shall bear interest at such rate or rates and shall be sold for such price or
22 prices as shall result in a net yield to the bondholders not exceeding seven percent
23 (7.00%) per annum for fixed rate bonds sold through the public capital markets, and
24 shall be issued and sold in the manner, for the purposes and subject to the
25 requirements and limitations provided in Article 2, Chapter 14, Title 12, Guam Code
26 Annotated. In order to be able to take advantage of any current or future federally
27 subsidized bond program, net yield to the bondholders shall be calculated by

1 subtracting any interest subsidy amounts to be received from the United States in
2 connection with such bonds from the amount of interest to be paid to bondholders.
3 In addition, such bonds shall be issued for the purpose of (1) financing capital
4 improvement projects necessary for compliance with regulatory enforcement
5 actions, including any Consent Decree entered into between the Authority and the
6 U.S. Environmental Protection Agency and U.S. Department of Justice; (2)
7 financing capital improvement projects referenced in the Authority's 20-year master
8 plan, 5-year Financial Plan and capital improvement program or other studies
9 contemplating additional capital improvement projects from time to time; (3)
10 financing capitalized interest with respect to the bonds; (4) funding a reserve fund
11 deposit with respect to the bonds; and/or (5) paying expenses relating to the
12 authorization, sale and issuance of such new bonds, including without limitation,
13 printing costs, costs of reproducing documents, credit enhancement fees,
14 underwriting, legal, feasibility, financial advisory and accounting fees and charges,
15 fees paid to banks or other financial institutions providing credit enhancement, costs
16 of credit ratings and other costs, charges and fees in connection with the issuance,
17 sale and delivery of the bonds.

18 (b) The Guam Legislature, *I Liheslaturan Guåhan*, pursuant to Section
19 50103 of Title 12 of the Guam Code Annotated, hereby approves the issuance and
20 sale by Guam Waterworks Authority of fixed rate revenue bonds in one or more
21 series or issues to refinance the outstanding revenue bonds of the Authority pursuant
22 to Section 14226 of Article 2, Chapter 14, Title 12, Guam Code Annotated, and
23 Section (a) above; provided that the issuance, terms and conditions of the refinancing
24 bonds shall have been approved by the Guam Public Utilities Commission and the
25 Guam Consolidated Commission on Utilities, and that the sale of the bonds shall be
26 approved by the Board of Directors of GEDA; and further provided that such
27 refinancing bonds shall have a principal amount sufficient to provide funds for the

1 payment of all bonds to be refinanced thereby (the “prior bonds”) and in addition for
2 the payment of all expenses incident to the calling, retiring or paying of such prior
3 bonds and the issuance of such refinancing bonds, including:

4 (i) the difference in amount between the par value of the refinancing
5 bonds and any amount less than par for which the refinancing bonds are sold;

6 (ii) any amount necessary to be made available for the payment of
7 interest upon such refinancing bonds from the date of sale thereof to the date
8 of payment of the prior bonds or to the date upon which the prior bonds will
9 be paid pursuant to the call thereof or agreement with the holders thereof;

10 (iii) the premium, if any, necessary to be paid in order to call or retire
11 the prior bonds and the interest accruing thereon to the date of the call or
12 retirement; and

13 (iv) any additional amount needed to provide for a deposit to the debt
14 service reserve in connection with the issuance of the refinancing bonds;

15 and further provided that such refinancing bonds shall have a final maturity not later
16 than the final maturity of the prior bonds, that such refinancing bonds shall be issued
17 and sold pursuant to the Authority’s existing bond indenture and in compliance with
18 the provisions of Chapter 14 of Title 12 of the Guam Code Annotated, and that (1)
19 the present value of debt service on the refinancing bonds shall be at least two
20 percent (2%) less than the present value of debt service on the bonds being
21 refinanced, using the yield on the refinancing bonds as the discount rate; and/or (2)
22 the refunding of the prior bonds is undertaken for restructuring purposes, including
23 to provide cash flow relief; and further provided that all obligation of the Authority
24 to pay debt service on, and the redemption price of, the prior bonds shall be
25 discharged concurrently with the issuance of the refinancing bonds, and thereafter,
26 the prior bonds shall be payable solely from and secured solely by an escrow
27 established for such purpose in accordance with the Authority’s existing bond

1 indenture.

2 (c) The Authority shall undertake its best efforts to cause a portion of any
3 bonds issued referenced above, to be offered for sale in Guam, as well as in other
4 jurisdictions, if and to the extent that such offer and any sales resulting from such
5 offer do not increase the cost to the Authority of issuing and repaying such bonds.

6 **Section 4.** A new § 14243 is hereby *added* to Article 2 of Chapter 14 of
7 Title 12 Guam Code Annotated to read:

8 **“§ 14243. Approval of Guam Waterworks Authority WIFIA, USDA and**
9 **Commercial Bank Loans.**

10 (a) I Liheslaturan Guåhan, pursuant to § 50103 of Chapter 50, Title 12,
11 Guam Code Annotated, hereby authorizes the Guam Waterworks Authority (GWA)
12 to obtain financial assistance from the United States Environmental Protection
13 Agency, an agency of the United States of America, acting by and through the
14 Administrator of the Environmental Protection Agency, with an address at 1200
15 Pennsylvania Avenue NW, Washington, DC 20460 (the “WIFIA Credit Provider”),
16 under the Water Infrastructure Finance and Innovation Act, as amended by Section
17 1445 of the Fixing America’s Surface Transportation Act of 2015, as further
18 amended by Section 5008 of the Water Infrastructure Improvements For the Nation
19 Act of 2016 and by Section 4201 of America’s Water Infrastructure Act of 2018
20 (collectively, as the same may be amended from time to time, the “WIFIA Act”),
21 which is codified as 33 U.S.C. §§ 3901-3914, in one (1) or more series or issues of
22 loans; provided that the issuance, terms and conditions of the debt, the indenture or
23 loan agreement (in either event, a “WIFIA Credit Agreement“) pursuant to which
24 the loans are to be issued, and any shall have been approved by the Guam Public
25 Utilities Commission, and further provided that such loans may be obtained in the
26 principal amount necessary to fund any eligible GWA project costs under the WIFIA
27 Act including, but not limited to, financing capital improvement projects referenced

1 in GWA's master plan or other studies contemplating additional capital
2 improvement projects from time to time, but not to exceed an aggregate principal
3 amount of Four Hundred Million Dollars (\$400,000,000). Such loans shall each have
4 a final maturity not later than thirty-five (35) years after the first draw date applicable
5 to such loan or loans, shall bear interest at such rate or rates and be sold for such
6 price or prices as may be approved by the Guam Public Utilities Commission. In
7 addition, any such indebtedness may be incurred subject and subordinate or parity
8 to any contractual obligation of the Authority to the holders of any bonds and the
9 principal thereof and interest thereon may be repaid:

10 (1) from revenues; or

11 (2) if incurred for a purpose for which bonds may be issued, from
12 revenues or from the proceeds of sale of bonds, but may be on a parity with
13 other subordinate obligations.

14 (b) I Liheslaturan Guåhan, pursuant to § 50103 of Chapter 50, Title 12,
15 Guam Code Annotated, hereby authorizes GWA to issue bond anticipation notes to
16 be issued in anticipation of the issuance of the loans referenced in Section (a) hereof
17 and of the receipt of the proceeds of issuance thereof, for the purposes for which
18 such loans have been authorized. The maximum principal amount of the notes shall
19 not exceed an aggregate principal amount of Five Hundred Sixty Million Dollars
20 (\$560,000,000) and, provided that the issuance, terms and conditions of the bond
21 anticipation notes shall have been approved by the Guam Public Utilities
22 Commission and the Guam Consolidated Commission on Utilities, and that the sale
23 of the bonds shall be approved by the Board of Directors of GEDA. The
24 authorization, issuance, and details of the notes shall be governed by this chapter
25 with respect to bonds insofar as the same may be applicable, provided that:

26 (1) Each note, together with all renewals and extensions thereof, or
27 refundings thereof by other notes issued under this section, shall mature

1 within [five] years from the date of the original note; and

2 (2) Each note shall be secured proceeds from draws from the loan or
3 loans referenced in Section (a) hereof.

4 (c) In the alternative to or in connection with the WIFIA loan referenced
5 herein, the *I Liheslaturan Guåhan*, pursuant to § 50103 of Chapter 50, Title 12,
6 Guam Code Annotated, hereby authorizes GWA to obtain financial assistance from
7 the United States Department of Agriculture (USDA), from time to time through
8 loan programs offered by the USDA, including, but not limited to, through its Rural
9 Utility, Rural Development and its Community Facilities Programs, in one (1) or
10 more series or issues of loans; provided that the issuance, terms and conditions of
11 the debt, the indenture or loan agreement (in either event, a “USDA Credit
12 Agreement”) pursuant to which the loans are to be issued, and any shall have been
13 approved by the Guam Public Utilities Commission, and further provided that such
14 loans may be obtained in the principal amount necessary to fund any eligible GWA
15 project costs authorized by the USDA including, but not limited to, financing capital
16 improvement projects referenced in GWA’s master plan or other studies
17 contemplating additional capital improvement projects from time to time, but not to
18 exceed an aggregate principal amount of Four Hundred Million Dollars
19 (\$400,000,000). Such loans shall each have a final maturity not later than thirty-five
20 (35) years after the first draw date applicable to such loan or loans, shall bear interest
21 at such rate or rates and be sold for such price or prices as may be approved by the
22 Guam Public Utilities Commission. In addition, any such indebtedness may be
23 incurred subject and subordinate or parity to any contractual obligation of the
24 Authority to the holders of any bonds and the principal thereof and interest thereon
25 may be repaid:

26 (1) from revenues; or

27 (2) if incurred for a purpose for which bonds may be issued, from

1 revenues or from the proceeds of sale of bonds, but may be on a parity with
2 other subordinate obligations.

3 (d) In the alternative to or in connection with the WIFIA loan referenced
4 herein, the *I Liheslaturan Guåhan*, pursuant to § 50103 of Chapter 50, Title 12,
5 Guam Code Annotated, hereby authorizes GWA to obtain financial assistance from
6 commercial banks operating in Guam, in one (1) or more series or issues of loans;
7 provided that the issuance, terms and conditions of the debt, the indenture or loan
8 agreement (in either event, a “Credit Agreement”) pursuant to which the loans are
9 to be issued, and any shall have been approved by the Guam Public Utilities
10 Commission, and further provided that such loans may be obtained in the principal
11 amount necessary to fund any eligible GWA project costs, including, but not limited
12 to, financing capital improvement projects referenced in GWA’s master plan or other
13 studies contemplating additional capital improvement projects from time to time, but
14 not to exceed an aggregate principal amount of Four Hundred Million Dollars
15 (\$400,000,000). Such loans shall each have a final maturity not later than thirty-five
16 (35) years after the first draw date applicable to such loan or loans, shall bear interest
17 not exceeding seven percent (7.00%) per annum. In addition, any such indebtedness
18 may be incurred subject and subordinate or parity to any contractual obligation of
19 the Authority to the holders of any bonds and the principal thereof and interest
20 thereon may be repaid:

21 (1) from revenues; or

22 (2) if incurred for a purpose for which bonds may be issued, from revenues or
23 from the proceeds of sale of bonds, but may be on a parity with other subordinate
24 obligations.”

25 **Section 5. Local Bank Participation in GWA Capital Improvement**
26 **Program Financing.** GWA’s financial advisors, in collaboration with the Guam
27 Economic Development Authority (GEDA), will make diligent efforts to pursue

1 other financial products, such as commercial paper, bonds, loans, and letters of
2 credit, that may be made available by commercial banks operating in Guam;
3 provided, however, that the execution of such financial products is contingent upon
4 the condition that such offerings are at the discretion of the Authority and GEDA, at
5 competitive and reasonable cost to the Authority in the financing or refinancing of
6 any its capital improvements or other financing.

7 **Section 6. Limitation.** Notwithstanding anything to the contrary contained
8 herein, the aggregate principal amount of revenue bonds, WIFIA loans, USDA loans
9 and Commercial Bank loans that GWA is authorized to issue or borrow, as
10 applicable, shall not exceed five hundred and sixty million dollars (\$560,000,000).

11 **Section 7. Severability.** If any provision of this Act or its application to any
12 person or circumstance is found to be invalid or contrary to law, such invalidity *shall*
13 not affect other provision or applications of this Act which can be given effect
14 without the invalid provisions or application, and to this end the provision of this
15 Act are severable.

16 **Section 8. Enactment.** This act *shall* become effective upon enactment.