

I Mina'trentai Sietta 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
273-37 (COR)	Sabina Flores Perez Therese M. Terlaje Chris Barnett	AN ACT TO ADD A NEW § 14104(g) TO ARTICLE 1, CHAPTER 14, DIVISION 1 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING GUAM WATERWORKS AUTHORITY TO ESTABLISH A CUSTOMER ASSISTANCE PROGRAM TO PROMOTE WATER CONSERVATION AND TO FACILITATE REPAIRS ON PRIVATE PROPERTY	4/17/24 3:59 p.m.	4/18/24	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 4/18/24 4/29/24			



COMMITTEE ON RULES

Senator Chris Barnett, Chairperson
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature

April 29, 2024

To: **Joaquin P. Taitague**
Clerk of the Legislature

From: **Senator Chris Barnett** 
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 273-37 (COR)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 273-37 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 273-37 (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 ESTABLISH A CUSTOMER ASSISTANCE PROGRAM TO PROMOTE WATER CONSERVATION AND 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 2023 Unreserved Fund Balance	\$0	\$0	\$0
FY 2024 Adopted Revenues	\$0	\$0	\$0
FY 2024 Approx. (P.L. 37-42)	\$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 2024 (if applicable)	FY 2025	FY 2026	FY 2027	FY 2028
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? / / Yes / X / No
 If Yes, see attachment
- 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
- 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
- Will the enactment of this Bill require new physical facilities? / / Yes / X / No
- 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: <u>Raymond Y. Rieta</u> Raymond Y. Rieta, BMA IV	Date: <u>4/26/24</u>	Director: <u>Lester L. Carlson, Jr.</u> Lester L. Carlson, Jr., Director	Date: <u>APR 26 2024</u>
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Notes:
 1/: See additional Comments.

Bureau of Budget & Management Research Comments on Bill No. 273-37 (COR)

Bill No. 273-37 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.

Based on fiscal comments received from GWA, the Bill authorizes two funding sources: Grants and Legislative Appropriation. According to GWA, the financial impact to the government of Guam would be dependent on the funding source. Federal grants would have no impact, and any legislative appropriations would increase General Fund expenditures. The agency has provided the estimated costs based on projected water and wastewater rates for the next six years using the assumption that 21.8% of residential households will qualify for the assistance.¹

Proposed Rates for FY25 to FY29	# of GWA Customers	Meter	Kgals	FY 2024	FY 2025	FY 2026	FY 2027	FY2028	FY 2029
Residential Water and Wastewater	39990	3/4 inch	5	\$81.47	\$90.57	\$101.77	\$106.27	\$111.30	\$116.84
Residential Water	39990	3/4 inch	5	\$49.33	\$58.31	\$65.61	\$70.11	\$76.14	\$80.68
Residential Wastewater	28388	3/4 inch	5	\$32.14	\$32.14	\$36.16	\$36.16	\$36.16	\$36.16
Administratively qualified bill assistance discount									
Residential Water and Wastewater		3/4 inch	5	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Residential Water		3/4 inch	5	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Residential Wastewater				30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Administratively qualified bill assistance Proposed Rates for FY25 to FY29									
Residential Water and Wastewater	39990	3/4 inch	5	\$57.03	\$63.40	\$71.24	\$74.39	\$77.91	\$81.79
Residential Water	39990	3/4 inch	5	\$34.53	\$40.82	\$45.93	\$49.08	\$52.60	\$56.48
Residential Wastewater	28388			\$22.50	\$22.50	\$25.31	\$25.31	\$25.31	\$25.31
Proposed Monthly Discount to Rates for FY25 to FY29									
Residential Water and Wastewater	39990	3/4 inch	5	\$24.44	\$27.17	\$30.53	\$31.88	\$33.39	\$35.05
Residential Water	39990	3/4 inch	5	\$14.80	\$17.49	\$19.68	\$21.03	\$22.54	\$24.20
Residential Wastewater	28388			\$9.64	\$9.64	\$10.85	\$10.85	\$10.85	\$10.85
Estimated cost for qualified for bill assistance									
Residential Water	39990	21.81%	8,718	\$1,548,174	\$1,830,002	\$2,059,106	\$2,200,334	\$2,358,195	\$2,532,063
Residential Wastewater	28388	21.81%	6,189	\$716,040	\$716,040	\$805,600	\$805,600	\$805,600	\$805,600
Administratively qualified bill assistance Annualized				\$2,264,213	\$2,546,042	\$2,864,706	\$3,005,934	\$3,163,796	\$3,337,663
Annualized Cost of Other customer assistance									
Supplemental bill assistance				\$754,738	\$792,475	\$832,098	\$873,703	\$917,389	\$963,258
Household Water Audits/Water Conservation Fixtures				\$452,843	\$475,485	\$499,259	\$524,222	\$550,433	\$577,955
Leak Detection and Repair				\$805,054	\$845,306	\$887,572	\$931,950	\$978,548	\$1,027,475
Program Administration				\$503,159	\$528,316	\$554,732	\$582,469	\$611,592	\$642,172
Data clearinghouse				\$251,579	\$18,868	\$18,868	\$18,868	\$18,868	\$18,868
Total Cost of Customer Assistance Activity				\$5,031,585	\$5,206,493	\$5,657,236	\$5,937,147	\$6,240,626	\$6,567,391

¹ 21.8% is the number of households receiving benefits from the Supplemental Nutrition Assistance Plan (SNAP) from the 2020 Guam Census <https://www.census.gov/newsroom/press-releases/2023/2020-dhc-summary-file-guam.html>.