

I Mina'trentai Siette 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
262-37 (LS)	William A. Parkinson	AN ACT TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF REVENUE BONDS TO REFUND OUTSTANDING GUAM POWER AUTHORITY REVENUE BONDS.	3/25/24 2:41 p.m.	3/27/24	Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance	Request: 3/27/24 4/5/24	4/4/24 2:00 p.m.	4/9/24 12:44 p.m.	
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	PUBLIC LAW NO.	DATE SIGNED	NOTES	
	4/19/24	AN ACT TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF REVENUE BONDS TO REFUND OUTSTANDING GUAM POWER AUTHORITY REVENUE BONDS.	4/26/24	4/26/24	5/8/24	37-95	5/8/24	Received: 5/8/24 Messages and Communications Doc. No. 37GL-24-2064	

LOURDES A. LEON GUERRERO
GOVERNOR



JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HÅGAN GUÅHAN
OFFICE OF THE GOVERNOR OF GUAM

Transmitted via email to: speaker@guamlegislature.org

May 8, 2024

The Hon. Therese M. Terlaje
Speaker, I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

37GL-24-2064
OFFICE OF THE SPEAKER
THERESE M. TERLAJE

MAY 08 2024

Time: 5:02 pm
Received:

Re: Bill No. 262-37 (LS) - AN ACT TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF REVENUE BONDS TO REFUND OUTSTANDING GUAM POWER AUTHORITY REVENUE BONDS

Håfa Adai Madam Speaker,

Bill No. 262-37 (LS) authorizes the Guam Power Authority (“GPA”) to issue bonds for the purpose of refunding all or a portion of its 2014 Series A Revenue Bonds to take advantage of the opportunity presented by low interest rates and market conditions and to reduce the cost of existing bond debt. Anticipated savings will exceed the 2% threshold of Net Present Value Savings, potentially up to \$3.22M in debt service savings. The bill includes reasonable conditions and confirms the involvement of the Consolidated Commission on Utilities, the Guam Public Utilities Commission, the Guam Economic Development Authority, and this Administration—all to ensure any bond issuance makes sense for the people of Guam and results in savings for Guam ratepayers.

This measure will potentially save Guam ratepayers millions of dollars, and furthers our Administration’s ongoing commitment to sound fiscal policy.

For this reason, I am signing Bill No. 262-37 (LS) into law as **Public Law No. 37-95**.

Senseramente,

LOURDES A. LEON GUERRERO

Maga'hågan Guåhan
Governor of Guam

RECEIVED
5/9/24 9:06 pm

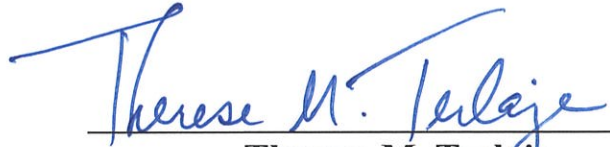
Enclosure(s): Bill No. 262-37 (LS) nka P.L. 37-95

cc via email: The *Honorable* Joshua F. Tenorio, *Maga'låhen Guåhan*, Lt. Governor of Guam
Compiler of Laws

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2024 (SECOND) Regular Session

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

This is to certify that **Bill No. 262-37 (LS)**, "AN ACT TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF REVENUE BONDS TO REFUND OUTSTANDING GUAM POWER AUTHORITY REVENUE BONDS," was on the 26th day of April 2024, duly and regularly passed.



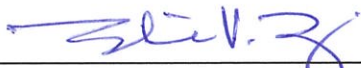
Therese M. Terlaje
Speaker

Attested:




Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 26th day of April,
2024, at 4:28 o'clock P.M.



Assistant Staff Officer
Maga'håga's Office

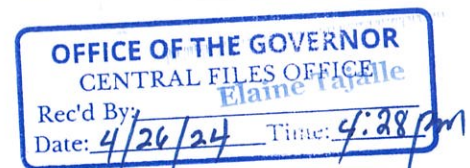
APPROVED:



Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 5/8/2024

Public Law No. 37-95



2024-21513

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2024 (SECOND) Regular Session

Bill No. 262-37 (LS)

Introduced by:

William A. Parkinson
Chris Barnett
Frank Blas, Jr.
Joanne M. Brown
Christopher M. Dueñas
Thomas J. Fisher
Jesse A. Lujan
Tina Rose Muña Barnes
Sabina Flores Perez
Roy A. B. Quinata
Joe S. San Agustin
Dwayne T.D. San Nicolas
Amanda L. Shelton
Telo T. Taitague
Therese M. Terlaje

**AN ACT TO APPROVE THE TERMS AND CONDITIONS
OF THE ISSUANCE BY GUAM POWER AUTHORITY
OF REVENUE BONDS TO REFUND OUTSTANDING
GUAM POWER 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 12 GCA § 8203 provides that the Guam Power Authority (Authority) is
4 authorized to incur indebtedness by the issuance of revenue bonds with the
5 approval of *I Maga'hågan Guåhan* (the Governor of Guam) to raise funds for the
6 purpose of establishing the electric power system of the Authority, or of acquiring
7 lands for the system, or of acquiring, constructing, improving, equipping,

1 system, or any part thereof, or for the purpose of refunding any such bonds, or for
2 any combination of such purposes.

3 *I Liheslaturan Guåhan* finds that 12 GCA § 12105 provides that the Authority
4 shall not enter into any contractual agreements or obligations (including bonds)
5 which could increase rates and charges prior to the written approval of the Guam
6 Public Utilities Commission (GPUC).

7 *I Liheslaturan Guåhan* finds that 12 GCA § 50103 provides that public
8 corporations of the government of Guam, including the Authority, shall issue bonds
9 and other obligations only by means of, and through the agency of the Guam
10 Economic Development Authority (GEDA), and that GEDA shall not sell any bond
11 without the approval by *I Liheslaturan Guåhan* of the terms and conditions of the
12 bonds.

13 *I Liheslaturan Guåhan* finds that based on low interest rates and current
14 market conditions, the Authority expects to be able to refund certain maturities of its
15 outstanding 2014 Series A revenue bonds for debt service savings.

16 Therefore, to benefit ratepayers, it is the intent of *I Liheslaturan Guåhan* to
17 approve the issuance of revenue bonds by the Authority for the purpose described in
18 the immediately preceding paragraph, all subject to approval by the Consolidated
19 Commission on Utilities (CCU), *I Maga'hågan Guåhan*, the GPUC, and the Board
20 of Directors of GEDA in accordance with law.

21 **Section 2. Approval of the Terms and Conditions of the Guam Power**
22 **Authority Refunding Bonds.**

23 *I Liheslaturan Guåhan*, pursuant to 12 GCA § 50103(k), hereby approves the
24 terms and conditions of the issuance of senior revenue bonds by the Guam Power
25 Authority from time to time, including, but not limited to, on a forward basis, for the
26 purpose of refunding all or a portion of its currently outstanding 2014 Series A

1 revenue bonds, in accordance with the following requirements, limitations,
2 terms and conditions:

3 (a) The aggregate principal amount of the refunding bonds shall not
4 exceed the sum of (1) the amount determined in accordance with 12 GCA §
5 8229, plus (2) any additional amount needed to provide for a deposit to the
6 debt service reserve in connection with the issuance of the refunding bonds.

7 (b) All obligations of the Authority to pay debt service on, and the
8 redemption price of, the prior bonds shall be discharged concurrently with the
9 issuance of the refunding bonds. Thereafter, the prior bonds shall be payable
10 solely from and secured solely by an escrow established for such purpose in
11 accordance with the Authority's existing bond indenture.

12 (c) The final maturity of the refunding bonds shall not exceed the
13 final maturity of the latest maturing then outstanding revenue bonds. For
14 clarity, the final maturity of the refunding bonds may exceed the maturity of
15 an individual series of prior bonds so long as the final maturity of all then
16 outstanding revenue bonds is not exceeded.

17 (d) Such bonds shall be issued and sold pursuant to the Authority's
18 existing bond indenture and in compliance with the provisions of Chapter 8,
19 Title 12, Guam Code Annotated, including approval by the CCU and by *I*
20 *Maga'hågan Guåhan* as provided therein.

21 (e) The sale of the bonds shall be approved by the Board of Directors
22 of GEDA as provided in Chapter 50 of Title 12, Guam Code Annotated; and,
23 the terms and conditions of the issuance of the bonds shall be approved by the
24 GPUC as provided in Chapter 12, Title 12, Guam Code Annotated.

25 (f) The present value of debt service on the refunding bonds shall be
26 at least two percent (2%) less than the present value of debt service on the
27 prior bonds, using the yield on the refunding bonds as the discount rate.

1 (g) Such refunding bonds shall have a principal amount or principal
2 amounts sufficient to provide funds for the payment of all or a portion of the
3 prior bonds refunded, and in addition, for the payment of all expenses incident
4 to the calling, retiring, or paying of such prior bonds and the issuance of such
5 refunding bonds, including:

6 (1) the difference in amount between the par value of the
7 refunding bonds and any amount less than par for which the refunding
8 bonds are sold;

9 (2) any amount necessary to be made available for the
10 payment of interest upon such refunding bonds from the date of sale
11 thereof to the date of payment of the prior bonds or to the date upon
12 which the prior bonds will be paid pursuant to the call thereof or
13 agreement with the holders thereof;

14 (3) the premium, if any, necessary to be paid in order to call
15 or retire the prior bonds and the interest accruing thereon to the date of
16 the call or retirement; and

17 (4) any additional amount needed to provide for a deposit to
18 the debt service reserve in connection with the issuance of the refunding
19 bonds.

20 (h) Savings in annual debt service payments from refunding shall be
21 utilized specifically for the direct benefit of the ratepayers. Within ninety (90)
22 days of the completion of the refinancing, the Guam Power Authority and the
23 Guam Public Utilities Commission shall notify *I Liheslaturan Guåhan* of their
24 intent and plan regarding the annual debt service payment savings achieved
25 from the refinancing.

26 **Section 3. Local Sale of Bonds.** The Guam Economic Development
27 Authority shall undertake its best efforts to cause a portion of any bonds issued

1 pursuant to this Act to be offered for sale in Guam, as well as in other jurisdictions,
2 if and to the extent that such offer and any sales resulting from such offer do not
3 increase the cost to the Authority of issuing and repaying such bonds.

4 **Section 4. Severability.** If any provision of this Act or its application to any
5 person or circumstance is found to be invalid or inorganic, such invalidity shall not
6 affect other provisions or applications of this Act that can be given effect without
7 the invalid provision or application, and to this end the provisions of this Act are
8 severable.

9 **Section 5. Effective Date.** This Act shall be effective upon enactment.