

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

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Bill No. 145(COR)

Introduced by:

E. J. B. Calvo, *CP*
F. F. Blas, Jr. *FB*
Telo Taitague *TT*

AN ACT TO AMEND 51821 OF ARTICLE 8, CHAPTER 51, TITLE 10 GCA BOND PROCEEDS TO INCLUDE THE REPAIR AND/OR RENOVATION OF THE GUAM MEMORIAL HOSPITAL'S EMERGENCY ROOM AND HOSPITAL EXPANSION, THE CONSTRUCTION OF THE SOUTHERN REGIONAL HEALTH CENTER, VARIOUS GOVERNMENT-OWNED EDUCATIONAL AND MEDICAL FACILITIES AND FOR OTHER PURPOSES.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslatura* finds that
3 the government of Guam has issued \$202.4 million of limited obligation
4 bonds for the financing of the Solid Waste Management System and for the
5 payment of costs of a new landfill and the closure of the Ordot Dump,
6 authorized in P.L. 30-1, and amended by P.L. 30-7. It further finds that the
7 Governor of Guam has submitted a loan request to the U.S. Department of
8 Agriculture (USDA), through the economic stimulus package, for up to \$170
9 million to fund consent decree related projects, and that the approval of such
10 loan is currently pending. As such, upon approval of the USDA loan, an
11 estimated \$100 million from the bonds may be available for reprogramming

1 to other vital needs of the government of Guam, as intended by *I Liheslatura*
2 through the mandates below:

3 Section 1, Chapter VIII, of Public Law 29-19, authorized the issuance
4 of bonds not to exceed \$90 million, for certain capital improvement projects
5 of the Guam Public School System and the Guam Memorial Hospital as well
6 as for the partial payment of obligations as a result of the Permanent
7 Injunction imposed on the Department of Mental Health and Substance
8 Abuse and the Department of Integrated Services for Individuals with
9 Disabilities. Due to financing constraints, the funding provided therein are
10 only a fraction of the funds these entities require to meet most if not all of its
11 capital improvement requirements.

12 Section 1, Chapter IX of Public Law 29-19, authorized the refunding
13 of the Tobacco Settlement Asset-Backed Bonds of which a portion of the
14 bond proceeds was to fund the renovation and capital improvement needs of
15 the Southern Regional Health Center. However, additional funds are needed
16 for this project.

17 Section 4, of Public Law 29-52, appropriated funds to be received by
18 the government of Guam from savings as a result of the refinancing of the
19 government of Guam General Obligation Bonds, 1993 Series A, for various
20 purposes to include \$3,178,429 for the renovations and repairs and essential
21 collateral equipment for the Hospital's Emergency Room. However, such
22 funds have not been received by the Hospital for this critical need.

23 There still remain numerous government-owned educational and
24 medical facilities in dire need of immediate repair and renovation and which
25 stand the risk of closure of such facilities due to the dangers it may pose to
26 those utilizing the facilities. Therefore, *I Liheslatura* has determined that it

1 is imperative that any potential available funding be prioritized for critical
2 capital project requirements for these types of facilities.

3 **Section 2.** §51821 of Article 8, Chapter 51, Title 10 GCA is amended
4 to read:

5 **§51821. Payments Which May be Made Out of Proceeds of Sale of**
6 **Bonds.**

7 Notwithstanding any other provision of law, ~~¶~~the proceeds of sale of
8 any bonds may be expended for any one (1) *or* more of the following
9 purposes; ~~all as provided in the indenture relating to such bonds:~~

10 (a) for payment of any costs *or* expenses of the acquisition,
11 construction *or* improvement of the system *or* any part thereof
12 (including any closed landfill *or* dump) *or* any costs *or* expenses
13 incidental thereto, including payment to the United States *or* any
14 other public body for the portion to be borne by the government of the
15 cost of any work done by the United States *or* such public body for *or*
16 jointly *or* in conjunction with the *Department*;

17 (b) for payment *or* reimbursement of any engineering, inspection,
18 legal, consultants' *or* paying agents' fees relating *or* incidental to:

19 (1) the acquisition, construction *or* improvement of the system
20 *or* any part thereof;

21 (2) the authorization, issue *or* sale of bonds; *or*

22 (3) professional technical services to prepare the technical
23 specifications for a bid invitation for a Finance, Build, Operate,
24 and Lease Back (FBOL) to meet the requirements for USEPA
25 compliant municipal solid waste services on Guam, and for the
26 evaluation of bids which have been submitted, and to provide
27 its findings and recommendation to the Governor and the

1 Legislature within one hundred eighty (180) days from
2 enactment of the Act.

3 (c) for payment of any costs *or* expenses relating to the authorization,
4 issuance *or* sale of bonds;

5 (d) for deposit in any one (1) *or* more reserve funds *or* accounts in lieu
6 of insurance *or* in any working capital fund *or* account *or* contingency
7 fund *or* account relating to the system;

8 (e) for payment of interest on bonds during the projected period of
9 acquisition, construction *or* improvement of the system *or* any part
10 thereof for the acquisition, construction *or* improvement of which
11 such bonds have been issued and for a period *not to exceed* three (3)
12 years thereafter;

13 (f) for deposit in any reserve *or* sinking fund; *or*

14 (g) for the payment of any prior bonds *or* other obligations of the
15 government issued for solid waste management purposes.

16 (h) for reimbursement of the General Fund or other source of the
17 government of Guam for cash deposits or other payments made by the
18 government of Guam between March 1, 2009 and the date of issuance
19 of these bonds pursuant to the February 13, 2009 Order in the U.S.
20 District Court Case No. 02-00022.

21 (i) in anticipation of the approval of the USDA loan to address the
22 Solid Waste Management issues, the surplus funds from the
23 proceeds of the bonds shall be used to fund the following:

24 (1) for the repair, renovation and/or construction of educational
25 facilities

26 (2) for supplemental funding for the construction of the
27 Southern Regional Health Center

1 (3) for the renovation, repairs and of construction the Guam
2 Memorial Hospital's Emergency Room and for the purchase of
3 collateral equipment

4 (4) for other health care capital improvement projects, to
5 include hospital expansion, at the Guam Memorial Hospital .

6 (5) to meet the balance of obligations imposed by the
7 Permanent Injunction (District Court of Guam CIV01-00041)
8 on the Department of Mental Health and Substance Abuse, not
9 covered by the bond proceeds authorized in section 22435,
10 Chapter 22, of Title 5 of the Guam Code Annotated. Funds
11 shall only be released upon the approval of its revised Guam
12 Comprehensive Integration Plan by the District Court,

13 (6) to meet the balance of obligations imposed by the
14 Permanent Injunction (District Court of Guam CIV01-00041)
15 on the Department of Integrated services for Individuals with
16 Disabilities, not covered by the bond proceeds authorized in
17 section 22435, Chapter 22, of Title 5 of the Guam Code
18 Annotated. Funds shall only be released upon the approval of
19 its revised Guam Comprehensive Integration Plan by the
20 District Court,

21 **Section 3.** Sections 16(a) and 16(b) of Public Law 30-7 are hereby
22 repealed.