

Re: Messages & Communications Doc. No. 38GL-26-2381.

From Guam Legislature Clerks <clerks@guamlegislature.gov>
Date Tue 5/26/2026 8:35 AM
To 38th Committee On Rules <committeeonrules@guamlegislature.gov>

Håfa Adai,

Received, and thank you.



Elijah Untalan
Clerks Office
I Mina'trentai Ocho na Liheslaturan Guåhan
Guam Congress Building, 163 Chalan Santo Papa, Hagåtña, Guam 96910
Voice: (671) 472-3465/3460 Fax: (671) 472-3524
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Thank you

From: 38th Committee On Rules <committeeonrules@guamlegislature.gov>
Sent: Friday, May 22, 2026 2:19 PM
To: Guam Legislature Clerks <clerks@guamlegislature.gov>
Cc: Frank Blas Jr. <speakerblas@guamlegislature.gov>
Subject: Messages & Communications Doc. No. 38GL-26-2381.

Håfa Adai Clerks Office,

Please see attached, Messages & Communications Doc. No. 38GL-26-2381 for processing:

✓	38GL-26-2381	Guam Waterworks Authority	This is a Transmittal to I Liheslaturan Guåhan of Proposed Rules and Regulations pursuant to the Administrative Adjudication Law Relative to the Approval and Recommendation to Establish a New Article 9 Within 28 GAR, Chapter 2 for the Guam Waterworks Authority's Sewer Hookup Revolving Loan Fund.
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Kindly reply to this email.



Si Yu'os ma'åse',
Marie Crisostomo
Committee on Rules Assistant
COMMITTEE ON RULES
Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

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Messages and Communications 38GL-26-2381.

2 messages

Speaker Frank Blas Jr. <speakerblas@guamlegislature.gov>
To: 38th Committee On Rules <committeonrules@guamlegislature.gov>, Sabrina Salas Matanane <office.senatorbri@guamlegislature.gov>

Fri, May 22, 2026 at 12:02 PM

Håfa Adai,

Please see attached M&C Doc. No. 38GL-26-2381

38GL-26-2381	Guam Waterworks Authority	This is a Transmittal to I Liheslaturan Guåhan of Proposed Rules and Regulations pursuant to the Administrative Adjudication Law Relative to the Approval and Recommendation to Establish a New Article 9 Within 28 GAR, Chapter 2 for the Guam Waterworks Authority's Sewer Hookup Revolving Loan Fund.
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Si Yu'os Ma'åse'

Bernice Rivera

Administrative Assistant



Office of Speaker Frank F. Blas, Jr.


I Mina'trentai Ocho na Liheslaturan Guåhan 38th Guam Legislature

Guam Congress Building, 163 Chalan Santo Papa, Hagatña

(671)969-6456

speakerblas@guamlegislature.gov

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 **38GL-26-2381.pdf**
20345K

38th Committee On Rules <committeonrules@guamlegislature.gov>
To: "Speaker Frank Blas Jr." <speakerblas@guamlegislature.gov>

Fri, May 22, 2026 at 12:14 PM

Håfa Adai,

Received, and thank you.



Si Yu'os ma'åse',

Marie Crisostomo

Committee on Rules Assistant

COMMITTEE ON RULES


Vice Speaker V. Anthony Ada, Chairperson

I Mina'trentai Ocho Na Liheslaturan Guåhan

38th Guam Legislature

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[Quoted text hidden]



GUAM WATERWORKS AUTHORITY

Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913
P.O. Box 3010, Hagåtña, Guam 96932
Tel. No. (671) 300-6846/47 Fax No. (671) 648-3290

May 20, 2026

Honorable Speaker Frank F. Blas Jr.
Speaker, 36th Guam Legislature
Guam Congress Building
163 W. Chalan Santo Papa,
Hagatna, Guam 96910
Tel: (671) 969-6456

Honorable Senator Jesse A. Lujan
Chairperson, Committee on Transportation, Tourism,
Customs, Utilities and Federal & Foreign Affairs
(GWA Oversight Chairman)
Calvo Arriola Bldg. St 101-A
259 Martyr Street
Hagatna, Guam 96910
Tel: (671) 969-6525

38GL-26-2381
OFFICE OF THE SPEAKER
FRANK F. BLAS JR.

MAY 21 2026

Time: 3:49 pm
Received: MLJ

SUBJECT: THIS IS A TRANSMITTAL TO I LIHESLATURAN GUAHAN OF PROPOSED RULES AND REGULATIONS PURSUANT TO THE ADMINISTRATIVE ADJUDICATION LAW.

RE: Relative to the Approval and Recommendation to Establish a New Article 9 Within 28 GAR, Chapter 2 for the Guam Waterworks Authority's Sewer Hookup Revolving Loan Fund

Honorable Speaker Blas,

The Guam Waterworks Authority (GWA) seeks to adopt the attached proposed rules into the Guam Administrative Rules & Regulations (GAR) for its Sewer Hookup Revolving Loan Fund.¹ This submission complies with the Administrative Adjudication Law, specifically under 5 G.C.A. Chapter 9, §9303(a)(4), (b), (c), (d), which requires the filing of our proposed rules and an agency record for legislative approval, disapproval, or amendment within ninety (90) calendar days upon receipt.

The rules shall create a new Article 9, within 28 GAR, Chapter 2, to formally create the Sewer Hookup Revolving Loan Fund in law and to provide a clearer and flexible legal framework for GWA to administer and enforce its sewer hookup loan program.

In its FY2023 Budget Act, passed as Public Law 36-107, the Guam Legislature appropriated \$2M into GWA's sewer loan revolving loan fund to continually assist GWA customers with the cost of sewer connections.² As a brief history, this fund was first established in 2006 by requirements set out by the USEPA, with funding first received by Guam's local EPA.³ No formal fund, prior to the addition of the proposed Article 9, has been created in law.

¹ Sewer Hookup Revolving Loan Fund or Sewer Loan Revolving Fund.

² 28 GAR, Chapter 2, Article 1, §2105(b)(1) states that GWA customers are responsible for sewer connection costs.

³ See CCU GWA Resolution No. 08-FY2023 for a history of the initial establishment and purpose of the fund.

Pursuant to 5 G.C.A. §9301 (a), a public hearing was held for the proposed rules on October 27, 2023. GWA advertised its notices in compliance with the Open Government Law and posted a live recording of the hearing on the CCU's website at [GWA Public Hearing on proposed rules- Sewer hook up revolving loan fund 10-27-2023](#).

To support your review, and in compliance with 5 G.C.A. §9303(a)(4), GWA hereby certifies that the enclosed record is true, complete, and includes the following:

1. Printed and PDF versions of the proposed rules and regulations
2. Printed and PDF copy of the entire agency record to include;
 - a. Minutes/resolutions showing board approval of proposed rules
 - b. Sewer Loan Economic Impact Statement Waiver
 - c. Transcript of public hearing on the rules being proposed
 - d. Printed and PDF versions of the proposed rules and regulations, as revised after the public hearing
3. Written approval of the proposed rules by the Governor of Guam (Acting) and her Legal Counsel as to policy.
4. Written approval of the proposed rules and agency record by the office of the Attorney General as to constitutionality, compliance with this Act, and compliance with the statutory authority for promulgation of rules.

We look forward to your feedback and appreciate your timely consideration and approval so we can continually promote and utilize the appropriated funding and formally establish the creation of this fund within our service rule and regulations in law.

For any questions or concerns, please email me at mcbordallo@guamwaterworks.org or GWA's legal counsel at tgrojas@guamwaterworks.org. I can also be reached at (671) 300-6846 should you need to speak to me directly.

Sincerely,



for Miguel C. Bordallo, P.E.
General Manager

Enclosures:

1. GWA Proposed Rules - Sewer Hook-Up Revolving Loan Fund Packet
2. Electronic version of agency record in CD format

cc: Senator Sabrina Salas Matanane, Legislative Secretary, 38th Guam Legislature
Theresa G. Rojas, GWA Legal Counsel
Brett E. Railey, P.E., Assistant General Manager - Engineering



38GL-26-2381
Messages and Communications

RECEIVED
COMMITTEE ON RULES
May 22, 2026

12:02 p.m.
Marie Crisostomo

ENCLOSURES

1	Proposed Sewer Hookup Revolving Loan Fund Rules
2	AGENDA-CCU-Reg-Board-Mtg-02-27-24_Final
3	Minutes 02-27-24-CCU-Regular-Board-Meeting-Approved
4	Sewer Hookup Loan Economic Impact Statement Waiver
5	Transcripts_10.27.23 Sewer Hookup Loan
6	Media Notice_Public Hearing_Prop. Rules Sewer Hookup Loan
7	10.25.2023 Ad
8	10.16.2023 Ad
9	Public Announcement_Facebook 10.24.2023
10	Sign In Sheet _Sewer Loan Public Hearing
11	GWA Proposed Sewer Hook-Up Loan Rules_Presentation
12	Sewer Hookup Loan Fact Sheet 2024
13	Sewer Hookup Loan Applicant Forms
14	Comments_Senator Perez GWA Wastewater Revolving Loan Fund Regulations
15	Comments_GWA Internal Review to Comments
16	GWA Res. 08-FY2023 Rel. to Amending the GWA's Sewer Hookup Revolving Fund Loan Rules and Regulations
17	Final Cesspool and Septic Tank Elimination Study - May 2021
18	GWA Res. 12-FY2024 Rel to App and Rec to Establish a New Art 9 within 12 GAR Ch2 for GWA Sewer Hookup Rev Loan Fund
19	Attorney General of Guam Approval Letter
20	Governor of Guam Approval Letter

fittings from a private property structure to the public sewer main, pursuant to GWA's design and construction standards and policies.

- (b) Public Sewer Main Or Public Sewer System shall mean the sewer pipe typically eight (8) inches in diameter or larger into which several laterals or other sewer lines may discharge.

§2903. Funding Source(s) and Loan Terms.

- (a) The GWA Sewer Hook-up Revolving Loan Fund may be supplied with monies received from any legal source and shall be only used for service lateral connections as defined above until such time as all point sources of wastewater discharge are connected to the public sewer system.
- (b) GWA shall have the full authority to manage the funds deposited into the Sewer Hook-Up Revolving Loan Fund.
- (c) The terms, conditions, fees, and interest rates of the loan shall be established by GWA subject to the approval of the Consolidated Commission on Utilities (CCU).
- (d) Any and all loan awards are subject to the availability of funds.

§2904. Loan Application To Be Filed With the Guam Waterworks Authority.

- (a) All qualifying applicants for this loan program shall file an application on the prescribed form with the Guam Waterworks Authority.

§2905. Loan Security and Penalties.

- (a) GWA shall have the authority to impose the following conditions as security and as a penalty for a Borrower's failure to repay the loan.
 - 1. **Disconnection of water service.** Disconnection of water service shall take effect until the amounts due and owing are repaid in full and/or brought current; and
 - 2. **Property Liens.** Liens may be placed on the subject property and may not be lifted or otherwise discharged until the full amount due and owing under the borrower's loan agreement is paid in full. Liens shall run with the land and not be subject to discharge by sale, mortgage, judgment or for any other cause until the loan is paid in full.



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

REGULAR BOARD MEETING **CCU Conference Room, Gloria B. Nelson Public Service Building** **5:30 p.m., Tuesday, February 27, 2024**

AGENDA

- 1. CALL TO ORDER**
- 2. APPROVAL OF MINUTES**
- 3. PUBLIC COMMENTS** (Limit to 2 Minutes)
- 4. GWA**
 - 4.1.** GM Report
 - 4.2.** Financial
 - 4.3. GWA Resolution No. 10-FY2024** – Relative to Approval of Design-Build of GWA Upper Tumon Campus Improvements
 - 4.4. GWA Resolution No. 11-FY2024** – Relative to Approval of the FY2025-FY2029 5-Year Financial Plan and CIP GPA
 - 4.5. GWA Resolution No. 12-FY2024** - Relative to the Approval and Recommendation to Establish a New Article 9 within 28 GAR, Chapter 2, for GWA’s Sewer Hook-Up Revolving Loan Fund
- 5. GPA**
 - 5.1.** GM Report
 - 5.2.** Financial
 - 5.3. GPA Resolution No. FY2024-17** – Relative to the Approval of the Energy Conversion Agreement (ECA) Amendment for Ukudu Power Plant
 - 5.4. GPA Resolution No. FY2024-18** – Relative to Authorizing the Refunding of 2014 Revenue Bond
- 6. OTHER DISCUSSION**
- 7. ANNOUNCEMENT**
 - 7.1.** Next CCU Meetings: March 19, 2024 – GWA WS, 8:30 AM
 March 21, 2024 – GPA WS, 8:30 AM
 March 26, 2024 – CCU Regular Board Meeting, 5:30 PM
- 8. ADJOURNMENT**



REGULAR BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
5:30 PM, Tuesday, February 27, 2024

MINUTES

1. CALL TO ORDER

Chairman Duenas calls the CCU Regular Board Meeting to order on February 27, 2024, at 5:53 PM. For purposes of establishing a quorum, Chairman Duenas, and Commissioners Sanchez and Martinez are present in the CCU conference room. Commission Limtiaco is present via GoTo Meeting and Commissioner Santos is excused.

Commissioners:

Joseph T. Duenas	Chairman
Francis E. Santos	Vice Chairman (Absent – excused)
Pedro Roy Martinez	Secretary
Michael T. Limtiaco	Commissioner (GoTo Meeting)
Simon Sanchez	Commissioner

Executive Mgmt.:

Miguel Bordallo	GM/GWA
John Benavente	GM/GPA
Chris Budasi	AGMA/GWA
Thomas Cruz	AGMO/GWA
Jeanet Owens	AGME/GWA
Jennifer Sablan	AGMO/GPA
John Kim	CFO/GPA
Taling Taitano	CFO/GWA (GoTo Meeting)
Gilda Mafnas	Acting CFO
Therese Rojas	Legal Counsel/GWA
Marianne Woloschuk	Legal Counsel/GPA (GoTo Meeting)

Management & Staff:

Ann Borja-Gallardes	MA/GWA	Vladimir Navasca	IT/GPA
Candice Ananich	MA/GWA	Vien Wong	IT/GPA
Mauryn McDonald	Engineering/GWA	Lourissa Gilman	UBS
Reginald Diaz	MA/GPA		

Guest:

David Castro	Guam Daily Post
Annmarie Muna	AM Insurance

2. APPROVAL OF MINTUES

First order of business is approval of minutes. Commissioner Sanchez moves to approve meeting minutes for August 23, 2022; Comm. Martinez second. Approval subject to written correction.

With no further questions, Chairman Duenas calls for the vote, motion passes with four Ayes, including Comm. Limtiaco, online. [Aye = 4, Nay = 0, Absent = 1]

Commissioner Sanchez moves to approve meeting minutes for November 28, 2023; Comm. Martinez second. Approval subject to written correction.

With no further questions, Chairman Duenas calls for the vote, motion passes with four Ayes, including Comm. Limtiaco, online. [Aye = 4, Nay = 0, Absent = 1]

Commissioner Sanchez moves to approve meeting minutes for January 23, 2024; Comm. Martinez second. Approval subject to written correction.

With no further questions, Chairman Duenas calls for the vote, motion passes with four Ayes, including Comm. Limtiaco, online. [Aye = 4, Nay = 0, Absent = 1]

3. PUBLIC COMMENTS

No public comments.

4. GWA

4.1 GWA Resolution No. 10-FY2024 Relative to Approval to Procure Design-Build of Upper Tumon Campus Improvements – Chairman Duenas states, GWA Upper Tumon Campus Improvements project is needed to make necessary repairs, rehabilitation and renovations of the Customer Service Center, Compliance Laboratory, Warehouse and Meter Testing Facility which will be implemented in two phases. Phase I is comprised of Warehouse Rehabilitation and Meter Testing Facility Repair and Phase II includes the Customer Service Center Renovation and replacement of essential laboratory equipment.

Comm. Sanchez asks, how will the project be funded? AGME Jeanet Owens states, GWA intends to use multiple sources including bonds funds, Internal Funded Capital Improvement Project (revenue) funding, FEMA Public Assistance Program funding, GWA Property Insurance Claims. With FEMA and insurance, GWA has to bill the improvements and submit an invoice and the estimate of damages is roughly less than a million dollars. So based on what the actual market cost is to actually build it that's what we will be submitting.

The Upper Tumon Warehouse was constructed in 1993. Normal wear in Guam's tropical environment over the span of 30 years contributed to deterioration of roofing and other structural components. In May 2023, Typhoon Mawar caused additional damage to the Warehouse and Meter Testing Facility affecting the integrity of stored materials and the safety for occupants of both buildings.

The existing Customer Service Center that houses both GWA and GPA personnel, has not seen significant renovation or rehabilitation for many years, and renovations are necessary to improve customer experience, working conditions for utility personnel, and to meet current requirements of the building code, fire/safety code, and other relevant code standards. The GWA Compliance Laboratory has three laboratories served by a special laboratory ventilation and exhaust systems, components of which are beyond their useful life or no longer meet current standards. Replacement

of equipment in the laboratory is necessary to meet acceptable indoor air quality requirements and ensure continued operation of the laboratory.

The objective of this project is to procure the design-build renovation/rehabilitation and repair of these facilities in the following phases:

1. Phase I - Upper Tumon Warehouse and Meter Testing Facility
2. Phase II – Upper Tumon Customer Service Center and Laboratory Equipment Replacement

Comm. Sanchez moves to approve Resolution 10-FY2024 relative to approval of Design-Build of GWA Upper Tumon Campus Improvements; Comm. Martinez second.

With no further discussion, Chairman Duenas calls for the vote for Resolution 10-FY2024, motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

4.2 GWA Resolution No. 11-FY2024 – Relative to Approving the Five-Year Financial Plan and Capital Improvement Program – Chairman Duenas states, the Guam Waterworks Authority (GWA, the Authority) has prepared its fourth consecutive Five-Year Financial Plan (Financial Plan) to support the continued improvement of the operations and maintenance of the Authority, invest in critical infrastructure, and enhance GWA’s financial stability while ensuring just and reasonable rates. The CCU’s approval of the Financial Plan is necessary and urgent to authorize and enable the Authority to obtain necessary resources to continue its operations and to timely meet regulatory compliance requirements, including the Clean Water Act (Consent Decree compliance), impending additions to federal Safe Drinking Water Act (PFAS) and local regulations for emerging contaminants (Dieldrin).

On September 28, 2023, the Public Utilities Commission (PUC) ordered GWA to provide its next multi-year rate plan on or before April 1, 2024. Because of the notice requirements in the Ratepayers Bill of Rights, GWA requested, and PUC agreed to modify the order to allow for an advance draft of the rate plan to be provided on or before March 4, 2024, and the final submission of the rate plan on or before June 3, 2024. GWA believes this schedule will help to facilitate the review and approval of the rate plan before the start of FY2025. Comm. Martinez motions to approve Resolution 11-FY2024 relative to approving the Five-Year Financial Plan and Capital Improvement Program; Comm. Sanchez second.

Comm. Sanchez states, we spent 20 years to spend the first billion. One of the challenges is trying to compress the next billion, about 900 million, trying to compress the next \$900 million into a much shorter time frame than 20 years. USEPA has got some pressure on us, we want to do this but affordability becomes a real concern. Projects will pop up that what we thought we had to do in 2005 wasn't the same list that we ended up finishing by 2020...things emerged and, in this case, part of this \$900 million is for PFAS. How much how much of the \$900 million has to go dealing with PFAS which has recently been required by USEPA? GWA GM Bordallo responds, my estimate at this point is roughly 23% of the total will go towards the treatment of emerging contaminants to include PFAS as well as other locally regulated contaminates for which we expect regulations to be promulgated in the next several months. Comm. Sanchez replies, less than a 25% of this Capital Plan is to deal with contaminants that USEPA is now requiring us to deal with and remove. To put another way, 25% of the rate increases that will be necessary to fund these types of projects is going to be used to pay for dealing with these contaminants. If we didn't have these contaminants, this would be a smaller borrowing a smaller project. But it has to be addressed... 25% of this is just to deal with these emerging contaminants the most of which is the PFAS issue. The entire country is facing this issue. Another one of the biggest complaints and concerns is water loss. Out of this \$900 million, Miguel, how much of a percentage is going to deal with water loss. GM Bordallo states, approximately 22% to 23% is allocated for water distribution improvements. The bulk of which will be line replacement projects to assist us with reducing the water losses. Comm. Sanchez asks, so half of the money is for water loss

and contaminants, what is the other half of the \$900 million going to be used to fix for our rate payers? GM Bordallo responds, approximately 30% will be allocated towards wastewater collection system improvements that are a requirement under the recently filed partial consent decree. It also addresses capacity issues, undersized lines that may be fine but they just need to be upgraded and expanded. It also includes in addition to the gravity lines it also includes sewer pump station force mains and the sewer pump stations themselves. None of which have been addressed in prior compliance actions. The court order focused on mostly the wastewater treatment plants and the production wells and water storage reservoirs. This compliance action is focused on the collection system to the tune of 30% of the proposed Capital Plan. The remaining portion is allocated towards the required regular maintenance and rehabilitation and repair of our water storage facilities. Also, addressing major equipment replacements for our wastewater treatment plants, most notably, the Hagåtña Wastewater Treatment Plant. Then advancing our SCADA systems across all of our facilities and establishing a greater amount of connectivity which hopefully will reduce O&M costs. Also, assist us with the water loss control program and then general plant improvements which includes heavy equipment, light vehicle fleet, and other facility improvements for general facilities.

Comm. Sanchez asks when you raise that amount of money, \$800-\$900 million, how fast can you build it? GM Bordallo states, it will be obligated within the 5-year planning period. The construction will lag obviously depending on project execution. The one thing to note about the magnitude, you mentioned 20 years for the first billion and you're compressing into five years this the same amount, keep in mind that construction costs have increased significantly so you're not getting the same "bang for the buck". For the amount that we have presented in the 5-year plan, does not necessarily reflect the same amount of work that was done with the first 20 years...just to your point about the comparison. Comm. Sanchez states, point well-made. My only concern as I review the rate of the rate increases that have to be imposed upon rate payers when they too have their challenges in order for us to raise the funds to borrow this amount of money. I want to make sure that you also look if the people can't afford the rate pace of the rate increases. You can't price water beyond the reach of people just to complete the list of projects. We don't want to be in a position where Tan Maria can't afford the water rate in year 2028 or 2029. Even though we need to complete the list, what are we going to do turn off their water? We don't want to be put in that position where EPA is happy but no one can afford the projects on the list. That becomes my concern when I look at the rate hikes and the source of these funds. Whether we bring down the level of rate increases and maybe delay the borrowing a little bit... I'd like to see being involved with a better discussion. I do worry about affordability for the average citizen and the businesses that use water including laundries but hotels, tourism, and then the average citizen. The water bill was clearly underpriced but it's reaching a point where all of us are looking at it and, wow, that's the new water rate. And now, we want it to go up 40 or 50% over the next 5 years. Comm. Sanchez asks CFO Taling Taitano to look at how fast did rates go up when we started borrowing in 2005 through 2020 and then let's glue on these next five years? That will show us how fast rates went up for the first billion and how fast rates would go up for the second billion. I'd like to look at that pace a little bit. That'd be one of my concerns before I give my complete support for the resolution.

Comm. Limtiaco states, he had the same concerns during the work session. I had asked for information regarding you know the adoption of the wage survey that Alan Searle did. Correct me if I'm wrong, Taling, but on our working session you had mentioned that it does incorporate the new wage survey? CFO Taitano states, yes, the migration is built into the salaries and wage projections. Comm. Limtiaco also states, I asked for today's meeting if you can quantify the percentage and so Miguel's already explained roughly the 250 percentiles contribute but what percentage of the adoption of the new wage survey plan what percentage is that overall, of the rate increases? CFO Taitano states Gilda and Yvonne we're working on this. Assistant CFO, Gilda Mafnas, we're going to defer the response because

we need some clarification from the consultant. The exact estimation for the migration amount versus the increases in total revenue. Chairman Duenas asks, what's the total amount of that five-year plan? Acting CFO Mafnas states, I believe the schedule, it's about \$3.7 million. AGMA Chris Budasi states, I believe it was in the neighborhood of \$7.6 million for over five years to the 50th percentile. We're requesting to implement in July so the first year would be compressed down to about \$360,000 versus I think it was \$2 something million. So, over the course, salaries will increase roughly by about \$7 million over five years. It will be done incrementally. Assistant CFO Mafnas states the total payroll for GWA is about \$23 million. AGMA Budasi states, my recollection is salaries and benefits I believe it's \$40 million by the end of the 5-year period. Acting CFO Mafnas states, \$23 million salaries and benefits. Then by 2024 it's going to be like \$25 salaries and benefits. AGMA Budasi responds, if you look at schedule A2, page 154, under cash uses, if you look at fiscal 2025 salaries and benefits \$33 million ending in fiscal 2029 at \$40,547,000. It's a 20% increase over five years.

Chairman Duenas states, I didn't vote on that resolution but I like that resolution. I consider it an important thing again to attract retain and build succession for our staff. I think it's an important thing and we never got to get to 50% so I think this is an effort that I encourage both GWA and GPA to do come up with a five-year plan and get to the 50th percentile. This is a 20% increase over five-years that gets our people to the 50th percentile. a commitment that we made as a commission and I support it I wasn't here but I support it. I support this for the people we have working for us. The goal was to attract retain and build succession build people moving up right.

Comm. Sanchez asks GM Bordallo and CFO Taitano to clarify, I'm looking at the first whereas and it's a 61% rate increase over 5 years. GM Bordallo states, that's correct for the cumulative amount we did not have the numbers finalized when the media was asking specifically for the range and the 50% was just an order of magnitude estimate of where the range might be. The correct numbers are what's in front of you for the five-year planning period. Also clarified after a 61% rate increase over five years, the average water bill is still going to be below 4% of median income of water and sewer combined. GM Bordallo states the analysis is not part of the schedules but I can provide the calculation. In response to Comm. Sanchez' inquiry, GM Bordallo does not have the exact numbers in front of him at the time, but the average water usage a month is closer to 5K gallons per month for approximately 50% of our residential customers but the metric that you're talking about with the median household income that USEPA sites contemplates about 7,000 gallons in annual average household usage. According to GM's recollection, approximately 50% of our residential customers use less than 5,000 gallons a month. As mentioned, the exact numbers are not in front of him but GM states, I think it would be safe to say that our average is probably lower than the US EPA cited 7.5k gallons per month. My calculations of median household income are based on the 7,000 gallons so even at that rate which is higher than what I would say our average customers use is below the 4% for combined water and wastewater.

In addition, an iterative analysis has been conducted to try and figure out the proposed funding sources for the Capital Improvement Plan and the balance that has been struck here seeks to target the minimum amount of debt financing for the Capital Improvement Program as possible. We want to borrow as little as possible with the amounts that are here given. We are currently allowed to do under statute which is straight revenue bonds and no short-term construction financing so just given what we are currently allowed under law to do the minimum amount of borrowing in order to strike the correct balance is \$780 million in bonds over the next five years with issuing in year one, year three, and year five. With those levels of borrowing, the debt service coverage requirements under the indenture will dictate what the proposed rate increases are. For that minimum amount of borrowing, the debt service coverage will require the rate increases that we have proposed. As a result of those rate increases, in order to maintain the debt service coverage, we will be generating revenues

that exceed our O&M expenses. That's the whole point of the coverage. But, in doing so, we have those excess revenues available to reinvest into the system which is represented by our source of funds as internally funded CIP or Revenue Funded. Those rate increases generate sufficient revenues for us to pay out of our revenue stream \$115 million towards the Capital Improvement Program. If we didn't spend it on Capital Improvement Programs, we would still generate the revenue based on the rate increases. If so, the concept, even though it's counterintuitive, the concept of not investing Revenue money into Capital Improvement Program and instead borrowing that amount, only increases the Debt Service, increases the bond amount which then increases the debt service and by the debt service coverage ratio will further increase revenues. So, it's excess revenues that are generated, but it does not make sense to not invest it back into the Capital Improvement Program. So, you would be borrowing, more paying more than as a result of the debt service coverage requirement generating more revenues but not spending those excess revenues and that doesn't make any sense.

GM Bordallo continues, if I could make a point just about Comm. Sanchez prior comment about increased debt service coverage of 1.75, I think is what you were referring to keep in mind that the CCU and PUC calculation for that higher debt service included the use of a reserve fund which the increased rates the excess revenues got sunk into a reserve fund and that Reserve Fund was used to calculate that that 1.75 according to CCU and PUC policy. The rest of the financial world does not calculate debt service coverage that way and that's the reason why we align our calculation now, to if you recall, the way everybody else does it and we reset the coverage targets to 1.5 which has been temporarily suspended to 1.3. I just wanted to point out that that 1.75 reference involved a reserve which we no longer have and which we don't necessarily want to have. The Debt Service is indicated on schedule A2 of attachment C page 154, schedule 82.

GM Bordallo states, if I could make a point with respect to reducing the overall rate increases to 50%, the biggest impact would be to our ability to borrow. So, we would not be able to borrow the 780 million...so essentially what that means is we could we could reduce it to that amount we could play with The Debt Service coverage but essentially, we would not have enough to finance the capital program. So, something would have to drop off the list. That the analysis that you're suggesting is contemplating the same borrowing structure and just to clarify because of the way we procure we have to have the funds in place before we procure. But, when we go out for bonds, because we can only do long-term bond financing, we borrow the amounts we project we're going to need over the next several years upfront right and that is the reason for the large upfront rate increases is to cover the debt service for that bond borrowing. If the biggest impact to smoothing out these rate increases, if that is the goal, would be to implement alternative financing schemes such as the tax-exempt commercial paper which we proposed in the last five-year rate plan that short-term borrowing to align the amounts we actually need to procure and execute the projects and only pay interest on what we draw down and not the entire bond amount. That would have the largest single impact in smoothing out the rate increases which we again we proposed in the prior five-year rate plan we have re-engaged our oversight chair at the legislature to include that in draft legislation which we are hoping to get passed within this year and that would give us the ability to reduce the proposed rate increases. Comm. Sanchez states, well then then then our goals are the same we would all like to reduce the rate increase but the challenge of tonight's resolution. The other way to do it is you borrow the money a little slower. If we borrowed the money slower and did the projects a little slower so that we keep it affordable for rate payers. GM Bordallo adds, the short-term borrowing would allow us to do that. We have to present to the PUC what we can do under current statute. It doesn't mean that we can't change what ultimately gets done but until we get the legislative authorization to implement that short term a borrowing solution, that alternative financing strategy. For everything that can be deferred for example if you wanted to defer 25% of the Capital Improvement Program and not do

water loss right now that's something that could be done it's not a regulatory compliance item but there are other things that we have to get done by regulation.

GM Bordallo responds, as a rough approximation about 30% or maybe 35% is not regulatory and that that includes the 23% for the water loss. Comm. Sanchez responds, theoretically 30% of the projects on this list could be delayed a little bit but in terms of affordability and helping our rate payers deal with the part we have to fix arguably you could say well 30% of this \$900 could be pushed off a little bit, I agree with the chairman, it may mean we have water loss a little bit longer but we're dealing with the regulatory part which is USEPA's requirement. Mr. Chairman, let's table this and deal with it Monday, Tuesday as they're back but I'd like to see what would be the impact of instead of a 70% rate increase show us a 40% and a 50% rate increase. And, what projects would be sacrificed... focus on the regulatory up front and delay some of the others. Chairman Duenas states he doesn't want to delay, I want the whole 71% because I want to fix it. GM Bordallo asks, if I can make one clarification, the question that was posed with regard to compliance, meaning USEPA or Guam EPA required, I was trying to say and clarify, that the water loss is not an environmental compliance or Safe Drinking Water compliance issue but, it is an issue and we are under orders from the Public Utilities Commission to report semiannually on water loss and there are ordering provisions which in the recent history of rate cases which require us to address and reduce water loss. It is a regulatory requirement under the Public Utilities Commission. Comm. Sanchez states, let's make it clear, no one in this room doesn't want to do the list. The only debate we're having is how fast we achieve the upgrade of this water and wastewater system and we want to achieve it in a way that the rate payers can best afford it. I say best afford means your rates going up but should it go up 71% in 5 years 60% in 5 years 50%, 40%...I think we owe the rate payers some analytics about that.

Chairman Duenas asks, if we went with the current rate proposed rate increase what would be the rate for the $\frac{3}{4}$ in residential five 5,000 gallons? Acting CFO Mafnas states, currently it is \$74.45 for a residential of 3,000 gallons. And what would it go to it will go to \$83.55. Chairman Duenas further asks, if you took a minimum wage earner at \$9.50/hr., and you took out Social Security, FICA that would give me \$8.54, how long would a minimum wage earner have to work to pay his water bill? GM Bordallo states, 9.6 hours a month. Chairmans Duenas states, it will take 9.6 hours to earn enough money to pay for that new rate. This is just an example of what it will take because we are talking in percentages and percentages seems like a lot. I meant simply to explain or to demonstrate for a residential payer person paying his water bill. GM Bordallo states, I just like to point out that we would still be under the 4% benchmark for utilities of the median household income.

Comm. Sanchez states, I would like to table this and ask management to run a couple of scenarios for next week. Comm. Martinez states, I would like to withdraw my motion on this particular resolution; Comm. Sanchez second.

[With no further discussion, Chairman Duenas calls for the vote to withdraw the motion for Resolution 11-FY2024, motion passes with three Ayes. \[Aye = 3, Nay = 1, Absent = 1\]](#)

4.3 GWA Resolution No. 12-FY2024 Relative to the Approval and Recommendation to Establish a New Article 9 within 28 GAR, Chapter 2, for GWA's Sewer Hook-Up Revolving Loan Fund - As authorized by the CCU in GWA Resolution No. 08-FY2023, GWA has been working though the requirements of the public rule-making process to add a new Article 9 to 28 GAR, Chapter 2, to add the Guam Waterworks Authority's Sewer Hookup Revolving Loan Fund into the Guam Administrative Rules and Regulations. To complete the rule-making process, GWA is required to show board approval of the FINAL proposed rules and provide a certification of the entire agency record to support compliance with the rule-making procedures before filing copies of the proposed rules to the Governor of Guam,

the Attorney General, and the Guam Legislature. Resolution 12 is being introduced for the Board's review and consideration to seek approval of the FINAL proposed rules. If adopted, the rules will be added to Title 28 of Guam's Administrative Rules and Regulations to be formally added and incorporated by the Complier of Laws. There are no fees assessed by the Complier or the Guam Legislature for the adoption of these rules; however, a total cost of \$560 was paid to the Guam Daily Post for two Notice of Public Hearing publications first publicized on or about October 16, 2023. Upon approval, the final rules shall be transmitted to the Attorney General and to the Governor for initial review and approval as to constitutionality and policy and then to the Legislative Secretary for the Guam Legislature for adoption. The rules are to be adopted into law after 90 days has elapsed without action from the Guam Legislature. The initial funding source for the Sewer Revolving Fund and Loan Program of \$75,000 was provided by Guam EPA; but additionally, and by the FY2023 Budget Act, local legislation recently appropriated and additional \$2 million to support the Fund. Comm. Sanchez motions to approve Resolution 12-FY2024; Comm. Limtiaco second.

With no further discussion, Chairman Duenas calls for the vote for Resolution 12-FY2024, motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

5. GPA

5.1 Resolution No. FY2024-17 Relative to the Approval of the Energy Conversion Agreement (ECA) Amendment for Ukudu Power Plant – For the record, this resolution will be tabled for a later date.

5.2 Resolution No. FY2024-18 Relative to the approval of a bond issuance to refund outstanding revenue bonds – GPA has been pursuing strategies for reducing debt service payment. One strategy that has been the concept of refunding all or a portion of GPA's outstanding 2014 Series A revenue bonds for interest rate savings After reviewing this strategy with Bank of America, GPA Bond Counsel, and Guam Economic Development Authority ("GEDA"), GPA believes this strategy has potential for providing significant benefit for GPA ratepayers. The present value of debt service on the refunding bonds shall be at least two percent (2%) less than the value of debt service on the refunded bonds, using the yield on the refunding bonds as the discount rate. Comm. Sanchez motions to approve Resolution FY2024-18; Comm. Martinez and Limtiaco second.

With no further discussion, Chairman Duenas calls for the vote for Resolution FY2024-18, motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

5.3 GPA GM Report

GM Benavente begins, one point to highlight is the capacity recovery plan so that we can have power during the summer and one of the key issues of course is temporary power. We've have gone through the emergency procurement process and we have Aggreko 20 megawatts ready to contract. Unfortunately going through the whole process, there is some provision in the language of the law that limits the emergency procurement to from 60 to 90 days but in the power industry an emergency doesn't just last... therefore the Aggreko contract is for a base case of two years with three optional one-year period. I don't think we're going to need the one the optional one years although we always have it in case there are challenges. We do need the base case because that will bring this on the line in May of 2024 and that will bring the capacity two years later to May of 2026. Ukudu comes on the line commissioning in September of 2025. We basically have that six-month period for any other issues. Therefore, we should be okay with the capacity that's 20 megawatts. We reach out to the legislature and I've given a copy to the commission. We wrote everyone including the Governor, Lieutenant Governor, the Speaker and all the other Senators. I need their help at this point in time...we're ready to award this contract. The PUC will be considering it this Thursday and I believe they will approve the contract maybe upon the condition of the law...legislation being satisfied. We're

asking for much, one, to allow us from 90 days to a more...two-year period and we've shown that we can get out of this. Secondly, if there is a protest still continue with the protest process and review and do everything but allow us to continue with the work and get it done. There is no current protest...if, there is one. Third, getting reviews is necessary and as quick as possible because, I'm getting anxious, Aggreko, they have these generators that they can roll out to other customers. They're reserving some generators for us and the longer we take... remember they were asking for a five-year contract we got it down to 2-years. So, I could understand some concern on their case. I can't do anything more except get this done otherwise we start all over again and we'll have to look at other alternatives. Only one bidder came in to do it within 100 days so we can still get it done around the May time frame. Regarding the Bill, the ladies I did speak to the speaker this morning because I asked for an appointment to talk to her. Senator Parkinson did also a request for an emergency session. The Speaker, she will most likely confirm that back but hopefully, they can meet on the sixth. Legal counsel, the Governor are saying we have to change that from 60 to 90 days, this is very specific, therefore then they can recommend to the government to sign and as you said it's one small change.

GM Benavente replies to Chairman Duenas, Yigo CT is going to be here probably by the end of March. I think it's going to come on the line maybe around the middle of April. I tried to look at air freighting it but too many concerns. The other part of this temporary power, is there's some assistance that will be provided by Aggreko and repairing some of the other units up in Yigo. This is 20 but potentially repairing another 14 so that's 34 plus the 20 in Yigo that's 54 megawatts that we can have by May.

GM Benavente further adds, Mr. Chair, just for the record, I think they really have to look at the procurement. I kept saying this myself if you recall what we were going to do for in the military base 164 Acres was going to provide Renewables including batteries to 100% shifting that would have been 50 megawatts that we could have shaved the peak. That went through a two-year process and eventually, fell at 0.11 and 1/2 cents. Just that one cost the rate payers over a \$100 million. And, I keep saying this, this is not the first time, this is not the second time, but we could be in the heading to the third time.

We're trying to minimize the impact on the island but then there are a lot that are suffering from this and we also said this is going to cost about 24 million over two years. Our financial plan on this is we're not increasing the rate we're going to absorb the 12 million per year without increasing the rate. That's all I have for this report.

6. EXECUTIVE SESSION

6.1 GWA Litigation Matter

Chairman Duenas entertains a motion to Rise Up form regular session and go into Executive Session, Comm. Sanchez so moved; Comm. Martinez second.

Chairman Duenas calls for the vote, motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

7. Back in open session. Chairman Duenas entertains motion to recess meeting; Comm. Sanchez motions to recess the meeting to Monday, March 4 at 5:00 PM; Comm. Limtiaco second.

Chairman Duenas calls for the vote to recess meeting, motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

REGULAR BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
5:00 PM, Monday, March 4, 2024
(Meeting recessed from February 27, 2024)

MINUTES

1. CALL TO ORDER

The Chairman Duenas announces this is a reconvened meeting from February, 27. Meeting is called to order on March 4 at 5:17 PM. For purposes of establishing a quorum, Chairman Duenas, and Commissioners Limtiaco, Sanchez, Santos, and Martinez are present in the CCU conference room.

Commissioners:

Joseph T. Duenas	Chairman
Francis E. Santos	Vice-Chairman
Pedro Roy Martinez	Secretary
Michael T. Limtiaco	Commissioner
Simon Sanchez	Commissioner

Executive Mgmt.:

Miguel Bordallo	GM/GWA
Chris Budasi	AGMA/GWA
Jeanet Owens	AGME/GWA
Taling Taitano	CFO/GWA
Therese Rojas	Legal Counsel/GWA

Management & Staff:

Ann Borja-Gallardes	MA/GWA
Alan McDonald	IT/GWA
Vladimir Navasca	IT/GPA
Lourissa Gilman	UBS

Guest:

Jonah Benavente	Guam Daily Post
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- 2. GWA Resolution No. 11-FY2024 – Relative to Approving the Five-Year Financial Plan and Capital Improvement Program** – Chairman Duenas states, this is the reason for the reconvened meeting. Chairman asks GM Bordallo to go over the highlights of the resolution. GM Bordallo begins, the resolution has been modified to address the analysis that was requested by Comm. Sanchez at the last meeting. In addition, there was a kind of a live one-on-one walk through with our team on the rate application model and what went into it and how the alternatives could be expressed in the model and that alternative scenario was focused primarily around the use of alternative debt financing structures, the tax-exempt commercial paper program as an example, to reduce the rate relief required over the 5-year period. So that was incorporated into the rate application model and a new schedule was added to one of the exhibits or attachment to the resolution that would be attachment C. On Board Books its 156. Attachment C is the scenario that's reflected in the rate application. Exhibit C begins on 156... page 159. So, essentially A2 the proposed and schedule A3 is the alternative. Should the alternative debt financing structure be approved by authorized at the legislature and we are allowed to use it. The bill impacts for the original proposal are shown in

attachment C on schedule L. For residential customers using 7,000 gallons the bill would go from the current rate of 111 or 112 per month to about 175 so that's a 56% instead of a 94% and that's for the customer using 7,000. Just to quantify the difference with the alternative, if we were allowed to use taxes and commercial paper the cumulative rate increase would go from 71.5% to 50% so it would be a 21.5 percentage points less of increased rates. The rate increase would be reduced by about a third right 36%. And, in that scenario I think the lifeline rate increase instead of being 12.5 in year two would be 6%.

Comm. Limtiaco asks how commercial paper tax makes that big of an impact as opposed to the current proposal? GM Bordallo states, just the difference between the two in layman's terms to liken it to a mortgage. If you're building a house and you take out a mortgage, a traditional bond the way we are currently authorized under law is, we take the mortgage out at the beginning of the process and we're paying interest and principal on that bond amount that mortgage amount from day one. What we've proposed, we're not required by law to do that, but we're authorized under law only to do the mortgage so you're paying for everything from the beginning. The tax-exempt commercial paper can be compared to the different process which is available from banks which is you take got a construction loan where you only draw down what you need to pay your contractor as he constructs. You only pay interest on that amount during the construction period to the bank and then at the end of that construction period when you've been invoice practically everything under the contract, at that point, then you take it out with a long-term mortgage and then your payments start at that point. With tax exempt commercial paper, for the beginning earlier years in the five-year rate plan, we would only be paying the interest on what we draw down which is more efficient because the way we're doing it now and the way the procurement laws are written, you have to have the money in the bank before you can procure. In this case the tax-exempt commercial allows you to have less money in the bank for each stage of the project and then when you need to encumber the full amount you have a line of credit that is essentially the money in the bank for you to move forward with the contract but then you take it out with the long-term bond at the latter part of the period.

Comm. Sanchez explains, the easily way that was explained to me...we borrow the whole hundred million even though we're only going to draw it down 20, 20, 20, 20 and then finish the project but we're accruing interest expense on that 100 million on day one. Even though Miguel's only going to draw it down on 30, 30, 30 and then that's why we went to capitalize interest so now you have two or three years of cap of interest because you borrowed the 100 million on day one you have two or three years of interest on the entire 100 million even though you didn't really need the entire 100 million on day one. He could have done 30, 30, 30 and that increases the interest expense during the construction period and then you take that out. TECP allows us to treat it like a credit card you only pay interest on what you draw down and Miguel doesn't need, from a cash flow point of view, he doesn't need \$100 million tomorrow he may need 30, 30, 30 and we only want to pay interest on 30, 30, 30 not \$100 when he doesn't draw down to the last 30 till a year or two years from now. So that that tool that financial tool is currently unavailable, Miguel tried before we authorized it before, he reminded me that we had we had tried before, it didn't go anywhere with the legislature but since we're going back to the legislature for this new round of borrowing regardless of the rate. We're going to borrow \$800...\$ 780 million or something to that effect, we're going to have to go get legislative authority for \$780 and one suggestion we seem to have consensus on Friday that I threw out was, don't just go to the legislature and ask for \$780 million in authority also asking for the TECP tool as well in the same legislation. Ask Senators, with your help this rate increase will go down by a third if you give us TECP. I think at least for those of us been the legislature, that's our best chance of giving them an incentive to give us a tool that will benefit every rate payer.

Comm. Limtiaco asks, what was the criteria on the CIP side. What did you identify as what you need to go out for bond borrowing and what would go on TCP, is it just based on consent decree requirements? GM Bordallo states, they were both based on the same CIP both scenarios. With the original proposal, we were doing three bond borrowings in 2025, 2027, and 2029. Year one, year three, and year five. With the TECP, within the five-year period, we're only doing one bond borrowing on year four or year five and so the debt service then will hit on year four or year five. The impact is not as great because you've started building up your revenues with the increases before that and so the tail end it's still less of an impact. So, the way the assumptions that were made in how we would structure the tax exempt and how much we would need in tax exempt commercial paper every year, is just based on a three-year project execution cycle where you would take a year to design and then construction and I think the assumption was the same amount or it prated amount over each year until the project was completed so the total amount for that year spread out in chunks over the three-year period. Comm. Sanchez states, that's why I thought the construction the building a house construction loan analogy is a good one the other one that was used was a credit card. You use your credit card and after three or four years you go can't pay it all off, then run to a bank and say give me a takeout loan for my credit card to draw downs. We still have to have a commitment from a lender but and we draw down as we build but we only accrue interest as we draw down not upfront waiting two years when he hasn't even been spending the money yet. The interest cost will be significantly lower which means the takeout is going to be significantly lower. If a legislature lets us use TECP, you're looking at almost reducing the current proposed rate increase by almost by a third... 35%, 36%. So there alone, one tool if the legislature gives it to us, could reduce the proposed rate increase by almost by over 30. You still would need the takeout but your takeout would be on principal and lower interest because you only accrued interest as you drew down.

Comm Limtiaco asks, but those calculations and the forecast of savings are based on some interest rate assumptions...were they conservative assumptions? GM Bordallo states, yes, they were conservative assumptions and the team worked with our underwriter to provide them with, based on current market conditions, what would be reasonable assumptions. Comm. Limtiaco asks, so the bond interest and the tax-exempt commercial paper interests are roughly the same? GM Bordallo states, no, one's higher...the bond interest would be much higher much than TECP. So that would be reflected if you compare schedule A3 and schedule A2 on the debt service line. You can see The Debt Service on A2 okay if you look at the blue heading on mid-bottom half of the page where it says debt service coverage. Look at the total debt service line in fiscal year 25 it is estimated projected to be \$46 million and then it goes to \$84 million at the end of the forecast period. If you go to schedule A3 that same line, we're at \$38 million for fiscal year 25 and then \$59 million at the end of the five-year period. The reduced rate increases still give you sufficient coverage debt service coverage but the debt service is significantly lower. Comm. Sanchez adds, the TECP financing tool is less expensive than capitalized interest because under the capitalized interest regime we take out the whole hund hundred million even though he's building it in 25, 25, 25, 25 and then on top of that you're adding two years of interest you're accruing all this interest for two years till you take it out. At least with TECP, we only accruing interest as he draws it down you have the commitment you have the \$100 million commitment but if he's going to go 25, 25, 20, or 33, 33, 33... interest on the first year is only on the first 33 million second or third. Right now, interest is on \$100 million the day after you once you once you fund it. That's an opportunity I think since we have to go back for authorization anyway, for the next borrowings, to also ask again for the legislature to help us that they could help us reduce the rate increase by at least a third if they let us use tax exempt commercial paper. We'll have to explain all of this to them but that's roughly the scenario.

GM Bordallo states, in the resolution the whereas is beginning at the bottom of page five of the resolution were revised to reflect the alternative scenario the effect of the tax-exempt commercial

paper or alternative debt financing structures. Also addresses other affordability metrics so that's through page six. All those whereas is were modified or added and then on the resolve on page eight a new resolve item number five indicates that should the board approve our proposed five-year rate plan, we are still directed to work diligently to get the alternative debt financing structures approved by the legislature. So, that we target the predicted savings that are identified in in schedule A3.

Comm. Limtiaco states there is a typo on resolve number five the word above. Atty. Rojas states the word above will be strike. Comm. Sanchez suggest on page six in the "whereas" line 22 through 25 that's where in a snapshot it says you can reduce a 71 by 21%. So, first off, move that up underneath the first "whereas" on the top of page six because we're asking management to keep working on it and find cheaper ways. Then the next "whereas" should be, we've actually identified a cheaper way. So, move the "whereas" in line 22 through 25 up to line five. GM Bordallo states, we'd have to move the prior paragraph as well because the it says such modeling and projections and it references in the previous "whereas" the modeling and projections. Comm. Limtiaco confirms, so 17 through 25 move it up to line five and push everything down.

Chairman Duenas asks for a motion. Comm. Santos motions to accept GWA Resolution 11-FY2024 to begin discussion; Comm. Sanchez second.

Comm. Sanchez continues, the encouraging part is, Miguel and his Finance team, have found a way that we might be able to reduce the initially proposed rate adjustment which is what we asked him to look at last week and he's presented that, if we are allowed to use TECP, the 71.5% cumulative can be reduced to 21.5% but I would say this, Taling and Miguel, to me 71 to 21 is a 20...that's a 28% reduction? Cumulative kind of misleading, one, it's compounded. GM Bordallo states, it's a reduction in the requested rate relief of 21.5 percentage points. Instead of trying to make a percentage of percentages. Comm. Sanchez states, I'm leaning towards a percentage. To me it's a 28% reduction or a 33? Because we're using cumulative you have to use 71 if you use compound the percentage would be even better. It would approach the 36% that Taling talked. GM Bordallo states, I think the way it's presented here is Apples to Apples. We're describing the 21.5% from 71.5 to 50. This is clearest the way we could express it.

Comm. Sanchez asks, the residential is 94%, right? GM Bordallo replies, no, I think we established that it was 56, Taling? Comm. Sanchez continues, on 7,000 gallons it's a 56% rate increase? But we would be reducing it by a third that's what I'm trying to do. Chairman states, how about just saying we're reducing it from 71% to 51%? Comm. Limtiaco agrees, that's what it says right now. Comm. Sanchez says, let's look at the resolves. I mean the "whereas", there's nothing wrong in what Miguel has written in the "whereas". Comm. Limtiaco asks, are you still going to change the order because it might even be better if you just take one through four and put it right before 17. Chairman and Comm. Sanchez agree. Comm. Limtiaco states, you get through the median household income and the petition the PUC and all that flows. The Board agrees.

Comm. Limtiaco proposes an amendment to the "whereas" section on page six to move lines one through four to start on line 16; Comm. Santos second.

With no further discussion, Chairman Duenas calls for the vote for amendment of Resolution 11-FY2024, motion passes with five Ayes. [Aye = 5, Nay = 0]

Comm. Sanchez asks, the US EPA and which includes PFOS and the consent decree, those are the US EPA requirements for which we have little to no wiggle room. They're time dependent, we know PFOS is coming down it's just a matter of when, and it's going to be soon. Of the of the \$900 million in CIP,

how much is US EPA related consent decree in PFOS? GM Bordallo states, approximately 55% in general numbers. Comm. Sanchez continues, I'd like management to take a look at that 45% that is non USEPA related projects and see if we could spread that out over a longer period of time to lower the cumulative rate increase. We still submit this but it's like the LEAC. Even though we submit the LEAC in December, we have up until the last day that the PUC acts on it. We give them more you know fresh information what rates what oil prices have done and we update it. For filing purposes, we file on time, but between filing and actual decision making during the adjudication process...so could management begin that analysis of examining the CIP plan where we do not change any requirements on the compliance with USEPA consent decree and PFOS but we evaluate we look at what would happen if we delayed the 45% that isn't US EPA related projects including PFOS. See what would happen if we pushed that out over a longer period of time. GM Bordallo states, so, to update you as we move through the adjudication process on any potential changes to the CIP that could affect a lower rate increase.

Both Chairman Duenas and Comm. Sanchez asks for the next CCU meeting an analysis of what would happen if we delayed the 45% on the five-year capex, the non-EPA related. Comm. Sanchez continues, request management to begin to look at the non USEPA projects and seeing whether we could push them out a little bit and to make the rate adjustment you guys need a little more tolerable from a rate payer point of view because it's you're not borrowing it as fast. It took us a billion to do the first 20 years plus or minus... we didn't start borrowing money till 2005 that was our first bond issue. So, in the first 20 years of the CCU for GWA, it us a billion dollar and rate increases were needed. Now we're trying to cram another almost million into 5 years. GM Bordallo states, no, not 5 years. We need the CIP and we need the amounts in order to encumber but the bill that will go beyond the five-year period because if we start a project in year five, it's going to take a couple years to finish. Based on the methods that we have available to us, what we have presented in the proposal, which does not include the tax-exempt commercial paper, requires us to get this within the five-year period but we still have the build out after that. So, it' be more like eight.

GM Bordallo adds, sir, I know you you're asking for it by the next meeting, but I'm not sure that I can commit to getting it to you by the next meeting. If it takes a little longer will the will the board be willing to accept it at a later date? The Board is fine with that.

Comm. Limtiaco asks, so Miguel, considering that we've talked about the TECP, does item number two change to schedule A3 or no? GM responds, no. Comm. Limtiaco continues, it's only because so we're approving these larger rate increases regardless if the legislature approves the use of TECP. GM Bordallo replies, an answer to the question, the item two seeks your approval of the plan as proposed for the purposes of submission. Number five of the resolved requires us to move with all haste to try and get the tax-exempt commercial paper legislation or alternative debt financing legislation approved. So that if we do, then, during the adjudication process that becomes available to us and we can end up with rate increases that are less than what's presented in item two but we need a starting point and we need an approved plan to submit and so we're seeking you to approve what's in schedule A2. With the intent that we will move forward to try to get us to schedule A3 or better. I'm going to say that it's related to the starting point and we may end up where you've verbally requested us to end up but we need the approval of the current CIP as a starting point and yes, we will examine, I will keep you updated, we will give you an analysis, and we will work towards what we can during the adjudication process. Comm. Sanchez states, the only reason I bring it up colleagues, is we're about to adopt the policy on behalf of the rate payers and I want to communicate clearly to the to the rate payers that yes we're going to start this process and it looks like this but if the legislature helps there's an opportunity to make to make it lower and management's going to revisit the timing not the size of

the house the timing of the construction of the house to see if they if there's another way we can squeeze more savings in terms of rate relief.

Comm. Santos states, as we forward and we have this list of CIP projects and I've seen any the other Bond we can change that right this board as the authority to change with respect to projects. That will drive part of the discussion about we're going to do it differently again it's how do we delay. Really, we have authority of directing them. Chairman Duenas responds, I understand what we're doing and this is not something everybody sitting around this table wants... we want the improvements. Nobody says we don't want to replace the pipes; nobody says we want to continue with the water loss... the problem that comes in is how do you pay for it? How soon do you pay for it and how fast? What's the most affordable way to do it? I get it, but at the end of the day, I want to fix the system. We inherited the system...we all did. I'm going to vote to fix the system. I don't want to leave the system the way it was handed to us in 2003. Comm. Limtiaco responds, don't think anybody is against the change. It's how do you how do you justify passing this large of a rating increase on to the rate payers and you've obviously done some good work here already with schedule A3 you know provided we can get the legislator to approve it but even at that it's still a 50% rate increase. Chairman Duenas replies, I get that but at some point, we have to move. We're all in agreement on that if you're going to wait till you have the money that day will ever come. Our generations prior to us, that long and distinguish list, they said, well let's wait and nothing's happened. We have a system that when Simon found it in 2003 because he's the only one who was here in 2003 it was collapsed and we were polluting the ocean. So, my point being, we have to do something and we've been trying to do something and we've done a lot but we just have to we have to make a move.

With no further questions, Chairman Duenas calls for the vote as amended Resolution 11-FY2024, motion passes with five Ayes. [Aye = 5, Nay = 0]

3. ADJOURNMENT

Comm. Santos motions to adjourn; Comm. Limtiaco second. Meeting is adjourned at 5:58 PM.

//s/

Lourissa L. Gilman

Attested



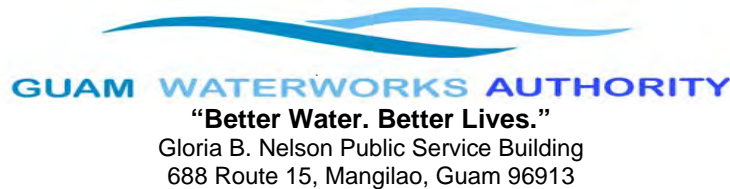
JOSEPH T. DUENAS, Chairman



PEDRO ROY MARTINEZ, Secretary

//

//



The Guam Waterworks Authority proposes to adopt Rules of Procedure for its Sewer Loan Hook-Up Revolving Fund and finds that the annual economic impact to the public resulting from the adoption and promulgation of these proposed Rules will not exceed \$500,000. Therefore, pursuant to 5 G.C.A. §9301(i) Exemptions, GWA submits its preliminary cost impact statement below as required to support its economic impact statement waiver.

PRELIMINARY COST IMPACT STATEMENT

The Sewer Hook-Up Revolving Loan Program and proposed changes are aimed at alleviating the financial burden of already mandated sewer connection costs for qualified homeowners. In order to make the Sewer Hook-Up Revolving Loan Program more attractive to potential borrowers and encourage customers who are not currently connected to the public sewer system to do so, GWA proposes the following changes to the Sewer Hook-Up Revolving Fund Program:

- 1) Reduce number of bank rejections from two to one, and, for applicants in a bona fide public assistance program, the requirement for a bank rejection is waived;
- 2) Tie interest rate to USDA Home Loan program;
- 3) Increase the maximum loan amount to \$25,000; and
- 4) Allow deferment of payment of principal for five years if customer connects to sewer main when main is built; interest will be waived during those five years. Loan period changed from a maximum of ten years to fifteen years for applicants receiving public assistance.

The proposed rule change is consistent with existing regulations, already requiring sewer hook-ups at 22 GAR, Division 5, Chapter 25 and 28 GAR Chapter 2 Article 1, and therefore does not levy additional costs on the public. 22 GAR, Division 5, Chapter 25 requires facilities served by septic tanks, latrines, cesspools, or other on-site sewage disposal systems to be connected to the public sewer system within specific timeframes after public sewer becomes available. 28 GAR, Chapter 2, Article 1, §2105(b)(1) states that GWA customers are responsible for sewer connection costs.

**GUAM WATERWORKS AUTHORITY
SEWER HOOKUP LOAN REVOLVING FUND
PUBLIC HEARING**

October 27, 2023

COPY

PREPARED BY: **GEORGE B. CASTRO**
DEPO RESOURCES
#49 Anacoco Lane, Nimitz Hill Estates
Piti, Guam 96915
Tel: (671)688-DEPO • Fax: (671)472-3094



**GUAM WATERWORKS AUTHORITY
SEWER HOOKUP LOAN REVOLVING FUND
PUBLIC HEARING**

**Guam Waterworks Authority Sewer Hookup Loan
Revolving Fund Public Hearing**, of Friday, October 27,
2023 at the CCU Conference Room, Gloria B. Nelson Public
Service Building, Mangilao, Guam. That at said time and
place there transpired the following:

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George B. Castro

COURT REPORTER

Tel.: (671)688-DEPO * Fax: (671)472-3094

1 **MANGILAO, GUAM; FRIDAY, OCTOBER 27, 2023: 10:08 A.M.**

2

3 MS. ROJAS: Hafa adai. Good morning.
4 This is a hearing for the Guam Waterworks
5 Authority Sewer Hookup Loan Revolving Fund.
6 Today's date is Friday, October 27, 2023; and the
7 time is 10:08 a.m. So this public hearing is
8 called to order.

9 My name is Theresa Rojas. I am the legal
10 counsel for the Guam Waterworks Authority. This
11 hearing is being conducted in GWA's main office
12 in Fidian, Mangilao. We are on the second floor
13 of the Fidian Building, Training Room Number 282
14 A and B.

15 In compliance with the Open Government
16 Law, notices for this public hearing were
17 published in the Guam Daily Post on October 11th,
18 16, and 25th.

19 On October 11th, copies of these rules
20 along with the waiver for the Economic Impact
21 Statement became available for pickup and public
22 view, and were able to be examined in the first-
23 floor lobby area with our customer service
24 department, and was available on our website at
25 <http://www.guamwaterworks.org/proposed-rules/>

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1 This meeting is being recorded and is
2 being transcribed, and the recording will be
3 uploaded to the CCU YouTube channel for anyone
4 who'd like to view it at a later time.

5 So I'd like to begin the hearing just by
6 acknowledging the presence of the executive staff
7 and the senior management team who are present
8 in the room. I will just provide a short oral
9 summary regarding the rules, and from there, we
10 can open the floor for any public testimony.

11 So, present in today's hearing is the
12 Guam Waterworks Authority General Manager, Miguel
13 Bordallo. And also present is our chief
14 financial officer, Ms. Taling Taitano.

15 Our assistant general manager of
16 engineering, Ms. Jeanette Babauta. Our senior
17 engineering team members, I have Mauryn McDonald,
18 who is our wastewater and capital improvement
19 project supervisor, and Mr. -- sorry, Brian, I
20 forget your last name.

21 MR. HESS: Hess.

22 MS. ROJAS: That's right. Mr. Brian
23 Hess, who is in charge of GWA's permit division
24 with engineering. In the audience, we also have
25 our assistant CFO, Ms. Gilda Mafnas. And then

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1 we also have a member of GWA's budget team, Ms.
2 Janessa Blas.

3 So, at this time, I will state for the
4 record that there are no members of the public
5 who are present. And we did have just a short
6 kind of oral script to provide some background
7 about the sewer loan rules. I'll just go ahead
8 and read that into the record.

9 So, *The Guam Waterworks Authority Sewer*
10 *Hookup Revolving Loan fund is also known as the*
11 *GWA Wastewater Revolving Loan Program and the GWA*
12 *Sewer Revolving Loan Program. As provided under*
13 *a 2003 stipulated order and a 2006 amendment, GWA*
14 *agreed to implement a Sewer Hookup Revolving Loan*
15 *Fund for residents of Guam to obtain loans from*
16 *funds provided by the Guam Environmental*
17 *Protection Agency to connect to Guam's public*
18 *wastewater system.*

19 On November 1st, in compliance with our
20 stipulated order, as amended, GWA submitted a
21 Proposed Wastewater Revolving Loan Program to the
22 U.S. Environmental Protection Agency Region 9,
23 and the U.S. EPA approved the proposed program.
24 Following the approval of the regulations to the
25 Sewer Hookup Revolving Loan Fund by the

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1 Consolidated Commission on Utilities, GWA then
2 petitioned the Guam Public Utilities Commission
3 on December 13, 2005, to approve financial
4 elements of the Sewer Hookup Revolving Loan Fund.

5 The PUC approved the financial elements
6 of the fund on February 2nd, 2006, under Docket
7 05-5 in the FY 2006 rate order. On March 13,
8 2007, the CCU, through Resolution 09 FY 2007,
9 adopted and approved GWA's Wastewater Revolving
10 Loan Program, including the related rules and
11 regulations setting priorities and limiting loan
12 amounts to \$9,000.00.

13 In July of 2008, an MOU between the local
14 Guam Environmental Protection Agency and GWA
15 provided \$75,000.00 from GEPA to support the GWA
16 Wastewater Revolving Loan Program, and \$2,000 to
17 GWA and administrative costs for managing the
18 funding of the loan program.

19 On or about fiscal year 2022, the Public
20 Utilities Commission required GWA to complete an
21 analytical study to support -- an analytical
22 study named Cesspool and Septic Tank Elimination
23 Study to support GWA's financial plan and rate
24 review process. The studies of the Cesspool and
25 Septic Tank Elimination Study were completed in

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1 *March of 2021 and provides a lot of detail on why*
2 *sewer hookups are beneficial and required.*

3 So that's just kind of a history of the
4 development, I guess, and the development and the
5 establishment of the Sewer Hookup Revolving Loan
6 Fund. So, to discuss a little bit about the
7 Cesspool and Septic Tank Elimination Study, I'm
8 now going to ask GWA's Wastewater Capital
9 Improvement Project Supervisor, Ms. Mauryn
10 McDonald, to discuss that more.

11 MS. MCDONALD: Good morning. The
12 Cesspool and Septic Tank Elimination Study was
13 initially prepared in March of 2021, and was
14 subsequently updated in May of 2021. The main
15 goal of the study is to protect Guam's main
16 drinking water source by connecting buildings
17 with on-site wastewater disposal systems to the
18 public sewer system and to meet the requirements
19 of Public Utility Commission Docket 19-08.

20 The Northern Guam Lens Aquifer, or the
21 NGLA, provides about 80 percent of Guam's
22 drinking water. In 2015, GWA wells pumped
23 approximately 35 million gallons of water a day
24 from the aquifer. Rainfall that infiltrates
25 through the limestone aquifer is the primary

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1 source of recharge for the water lens. The
2 limestone's porous nature increases the risk of
3 groundwater contamination from cesspools and
4 septic tanks.

5 Cesspool and septic tank discharge can
6 percolate through the limestone in Northern Guam
7 and reach the water lens. Connecting existing
8 customers to the public sewer system and
9 eliminating cesspool and septic tanks protects
10 the Northern Guam Lens Aquifer, our primary
11 drinking water source, from discharge and
12 contaminants.

13 MS. ROJAS: Thank you. So to explain why
14 we're here today, to encourage connection to the
15 sewer system, and based on the brief summary of
16 the March 2021 Cesspool and Septic Tank
17 Elimination Study, GWA recommended and proposed
18 the following to the Consolidated Commission on
19 Utilities in January of this year:

20 GWA recommended that we increase the
21 maximum loan amount from \$9,000.00 to \$25,000.00
22 per applicant.

23 We increase the loan term from 10 years
24 to 15 years for applicants receiving public
25 assistance.

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1 We waive the requirement for three
2 contractor estimates if the sewer connection is
3 part of a GWA capital improvement project.

4 We reduce the requirement to have a
5 declined loan application from two Guam banks to
6 one Guam bank. We waive the requirement to have
7 -- decline loan applications -- I apologize, from
8 two Guam banks to one bank if the applicant is
9 receiving public assistance.

10 And we provide additional funding for the
11 Revolving Loan Fund.

12 And that we also defer payments for five
13 years for customers willing to connect to a sewer
14 main when it is built.

15 To account for the increased construction
16 costs observed since the Cesspool and Septic Tank
17 Elimination Study was completed in 2021, again,
18 the maximum loan amount was recommended to be
19 \$25,000.00 from the \$9,000.00. And with the
20 support of the Guam legislature, in fiscal year
21 2023, the Guam legislature passed the FY 2023
22 Budget Act through Public Law 36-107.

23 And in that public law, Chapter 11, under
24 Miscellaneous Appropriations, Section 8, there
25 was an appropriation to the Guamwater Works

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1 Authority Sewer Loan Revolving Fund, and the
2 legislature appropriated \$2 million dollars to
3 GWA's Sewer Loan Revolving Fund.

4 So, in order to have these monies
5 available to the general public for sewer loan
6 hookups, we have proposed specific rules, as I've
7 read into the record, to the CCU, which were
8 adopted in GWA Resolution 08, Fiscal Year 2023
9 by the CCU on January 24, 2023. And the rules
10 were really an amendment to earlier rules that
11 had been in place when the program was first
12 initiated. But GWA would now like to have these
13 rules adopted into Title 28.

14 So pursuant to the Guam -- I'm sorry,
15 pursuant to the Administrative Adjudication Act
16 and the rulemaking procedures, we are now having
17 this public hearing to invite public -- to invite
18 members of the public to submit any testimony on
19 the proposed rules.

20 Would anyone else like to add something
21 more to the history or background on the rules?
22 Thank you.

23 MR. BORDELLO: Just for purposes of
24 clarity, to tie everything together, I think the
25 information that counsel has provided and the

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1 information that Ms. McDonald has provided on the
2 program is all sound, but for the general public,
3 there are existing regulations that are not GWA
4 regulations which require facilities that are
5 within 200 feet of an existing sewer to connect
6 to the sewer system.

7 It is these types of facilities who are
8 currently within 200 feet but are not connected
9 that this program is intended to serve, to
10 encourage them to connect to the sewer system.
11 And because it is costly, the Revolving Fund was
12 established to assist the public in making those
13 connections.

14 The rules that are being proposed today
15 at this hearing ease -- make it easier for the
16 public to achieve access to those funds and to
17 connect to the public sewer system with the
18 ultimate goal, as Ms. McDonald has stated, of
19 protecting the Northern Guam Lens Aquifer by
20 getting more people on the public sewer system
21 and eliminating individual sewage treatment
22 systems such as cesspools and septic tanks.

23 MS. ROJAS: For the record, those
24 comments were just provided by GWA's GM, Miguel
25 Bordello.

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1 So the proposed rules into the Guam
2 Administrative Rules is proposed to be included
3 at Title 28, Chapter 2, Article 9, and there will
4 be a new Article 9 labeled the Guamwater Works
5 Authority Wastewater Revolving Loan Fund. Within
6 Article 9, we are proposing to have the
7 legislature adopt seven specific subsections from
8 2901 through 2907. And all of those rules, again,
9 are available on the website and we do have copies
10 today.

11 For the record, it is also now 10:22
12 a.m., and no members of the public have joined
13 the public hearing. And we're going to just
14 confirm that no members of the public have come
15 into the GWA lobby here at Fidian, Mangilao. And
16 we're going to maybe give members of the public
17 about another 10 minutes or so to join. So we'll
18 take a short recess.

19 (Whereby a short recess was taken from
20 10:22 a.m. to 10:32 a.m.)

21 MS. ROJAS: Good morning again, it is now
22 10.32 a.m., and we're back on the record for our
23 public hearing for GWA's Sewer Loan Hookup
24 Revolving Fund.

25 So we have checked the lobby, checked the

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1 sign-in, and there are no members of the public
2 who are present this morning. So we are going
3 to move to conclude today's public hearing.

4 I do want to state for the record that
5 the rules will continue to be available on GWA's
6 website and written testimony will continue to
7 be accepted up to 14 calendar days following
8 today's hearing or by November 10th, Friday. So
9 members of the public can continue to submit
10 testimony.

11 The testimony can be sent to
12 tgrojas@guamwaterworks.org, and that was noticed
13 to the public. We did have other email addresses
14 available, but since there's no members of the
15 public today, we'll stick to that same email
16 address.

17 If there's nothing else from anybody,
18 we'll go ahead and conclude the public hearing.
19 Okay. So the public hearing is now concluded at
20 10:33 a.m. Thank you all for joining us this
21 morning.

22

23 (Public Hearing adjourned at 10:33 a.m.)

24 **MANGILAO, GUAM; FRIDAY, OCTOBER 27, 2023:**

25

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1 REPORTER'S CERTIFICATE

2

3 I, **George B. Castro**, Court Reporter, do
4 hereby certify the foregoing 13 pages to be a
5 true and correct transcript of the audio
6 recording made by me at the time and place as set
7 forth herein.

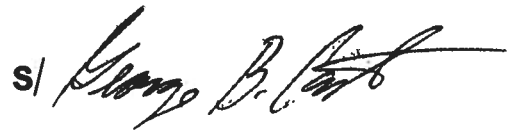
8 I do hereby certify that thereafter the
9 transcript was prepared by me or under my
10 supervision.

11 I further certify that I am not a direct
12 relative, employee, attorney or counsel of any
13 of the parties, nor a direct relative or employee
14 of such attorney or counsel, and that I am not
15 directly or indirectly interested in the matters
16 in controversy.

17 In testimony whereof, I have hereunto set my
18 hand and seal of Court this 14th day of November,
19 2023.

20

21



22

George B. Castro

23

24

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NOTICE OF PUBLIC HEARING

The Guam Waterworks Authority, in accordance with the Administrative Adjudication Law (5 G.C.A. Ch.9), will hold a public hearing on October 27, 2023, at 10:00 a.m. to receive comments on the proposed Sewer Hook-Up Revolving Loan Rules. The hearing will be held at the 2nd Floor Training Room 282 A&B, inside the Gloria B. Nelson Public Service Building at 688 Route 15, Mangilao, Guam.

The public is invited to submit written or oral testimony at the hearing or it may submit electronic testimony via email to tgrojas@guamwaterworks.org on or before the date of the hearing. Written testimony may also be submitted in-person or via email up to 14 calendar days following the October 27 hearing date.

Copies of the proposed Sewer Hook-Up Revolving Loan Rules may be picked up or examined at the Guam Waterworks Authority or may be viewed at <http://www.guamwaterworks.org/proposed-rules/>.

Christopher C. Budasi
General Manager, Acting

Digitally signed by Christopher M. Budasi
Reason: for General Manager Miguel C.
Bordallo, P.E.
Date: 2023.10.06 13:37:47 +10'00'

PUBLICATION NOTICE

In accordance with the provisions of Guam Code Annotated, Title XI, Chapter III, Section 3315, notice is hereby given that:

ELE WORLDWIDE LLC DBA : PARADISE SWEETS

has applied for a Class: 5 (FIVE) GENERAL OFF SALE (TAKEOVER) Alcoholic Beverage License said premises being marked as Lot: LOT 5052-2 NEW-5 185 GUN BEACH RD LOTTE HOTEL 5TH FLOOR TAMUNING-TUMON-HARMON

HEDCO Local Development Corporation

Statement of Financial Condition
September 30, 2023

Assets	
Cash and Cash Equivalents	\$ 4,840,029.52
Net Fixed Assets	164,385.90
Other Assets	55.00
Total Assets	<u>\$ 5,004,470.42</u>
Liabilities	\$ 112,929.85
Fund Balance	4,891,540.57
Total Net Worth	<u>\$ 5,004,470.42</u>

Statement of Revenue, Expenditures and Changes in Fund Balance
September 30, 2023

Revenues	\$ 1,198,487.61
Expenses	973,700.39
Excess of Revenues over Expenses	<u>\$ 224,787.22</u>



SPEAKER THERESE M. TERLAJE

Committee on Health, Land, Justice & Culture
I Mina'trentai Siette na Lihelaturan Guåhan

NOTICE OF PUBLIC HEARING • WEDNESDAY, NOVEMBER 1, 2023
Guam Congress Building, Public Hearing Room

AGENDA

In 1999, the Government of Guam transferred former Spanish Crown lands and other non-ancestral lands to the GALC Land Bank. GALC was mandated by law to manage the lands and develop them if necessary to the highest and best use. Resulting income was to be used to compensate those dispossessed ancestral landowners whose properties were returned to GovGuam and kept for GovGuam use instead of being returned to ancestral landowners.

8:30 AM:

- Oversight of Guam Ancestral Lands Commission with regards to Land Bank Inventory, revenues, and accounts receivable.

9:00 AM:

- **Bill No. 184-37(COR)-Committee on Rules by request of I Maga'hagan Guåhan, the Governor of Guam, in accordance with the Organic Act of Guam.- AN ACT TO AUTHORIZE THE GUAM ANCESTRAL LANDS COMMISSION TO SELL OR LEASE LOTS 2453, 2453-1, 2454, 2455, 2457, AND 2457-1, MUNICIPALITY OF BARRIGADA TO THE GOVERNMENT OF GUAM AT FAIR MARKET VALUE FOR USE AS THE SITE OF A NEW MEDICAL COMPLEX.**

The public is invited to provide oral testimony on the agenda items. Written testimony may be submitted to senatorterlaje@guam.gov or hand delivered to the Office of Speaker Therese M. Terlaje at the Guam Congress Building. In compliance with the Americans with Disabilities Act, individuals requiring special accommodations should contact the Office of Speaker Terlaje at (671) 472-3586 or senatorterlaje@guam.gov. All hearings broadcast on GTA TV Channel 21, Docomo Channel 117 and livestreamed on the Guam Legislature YouTube: <https://www.youtube.com/c/GuamLegislatureMedia>. This Ad was paid with Legislature Funds.

GUAM ETHICS COMMISSION

Kumisión i Ginihan Areklamenton Guåhan
Telephone: (671) 969-5625 | Email: info@ethics.guam.gov

INVITATION FOR BID

BID NO.: GETHC-001-24

FOR: TELEPHONE AND INTERNET SERVICES

OPENING DATE: NOVEMBER 09, 2023 | TIME: 10:00AM

PLACE: ZOOM Meeting ID: 876 733 0322 | Password: ethics

The bid package will be available at the GETHC located at 134 W. Soledad Ave. BOH Building Suite 406, Hagåtña GU 96910 commencing on date of advertisement up to the opening date as stated above or can be downloaded on the government of Guam Notices Website: www.notices.guam.gov and GETHC's website: www.guamethics.com.

Prospective bidders register current contact information with GETHC to ensure receipt of all notices regarding any changes or updates to the IFB. The procuring agency will not be liable for failure to provide notice to any party who did not register current contact information.

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NOTICE OF PUBLIC HEARING

The GUAM WATERWORKS AUTHORITY, in accordance with the Administrative Adjudication Law (5 G.C.A. Ch.9), will hold a public hearing on October 27, 2023, at 10:00 a.m. to receive comments on the proposed Sewer Hook-Up Revolving Loan Rules. The hearing will be held at the 2nd Floor Training Rom 282 A&B, inside the Gloria B. Nelson Public Service Building at 68 Route 15, Mangilao, Guam.

The public is invited to submit written or oral testimony at the hearing or it may submit electronic testimony via email to tgrojas@guamwaterworks.org on or before the date of the hearing. Written testimony may also be submitted in-person or via email up to 14 calendar days following the October 27 hearing date.

Copies of the proposed Sewer Hook-Up Revolving Loan Rules may be picked up or examined at the Guam Waterworks Authority or may be viewed at <http://www.guamwaterworks.org/proposed-rules/>.

/s/ Christopher C. Budasi
General Manager, Acting

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Office of the Speaker
THERESE M. TERLAJE

I Mina'trentai Siette na Liheslaturan Guåhan | 37th Guam Legislature
Committee on Health, Land, Justice and Culture

CALL TO SESSION**MONDAY, OCTOBER 23, 2023 9 AM**

I Liheslaturan Guåhan will be called into Session on

Monday, October 23, 2023, at 9:00 a.m. in the Guam Congress Building.

AGENDA

(i) **Call to Order** (ii) **Prayer** (iii) **Recognition of a Recipient of I Milåyan Mås Takhilo 'Na Sakrafisu** (iv) **Reciting of Inifresi** (v) **Singing of the Guam Hymn in CHamoru** (vi) **Singing of the National Anthem** (vii) **Roll Call** (viii) **Call for Approval of the Legislative Journal**; (ix) **Communications and Petitions** (x) **Messages from I Maga'hågan Guahan** (xi) **Reports of Standing Committees** (xii) **Reports of Select Committees** (xiii) **Introduction and First Reading of Bills and Resolutions** (xiv) **Motions- Vetoed Bills Received**; -Potential items for the agenda- **VETOED BILL NO. 136-37(COR)** - AN ACT TO ADD A NEW § 7117 TO CHAPTER 7, TITLE 17, GUAM CODE ANNOTATED RELATIVE TO ALLOWING THE USE OF EMERGENCY PROCUREMENT PROCEDURES TO ENABLE THE GUAM DEPARTMENT OF EDUCATION TO COMPLY WITH PUBLIC LAW 37-4 IN THE WAKE OF TYPHOON MAWAR.; **VETOED BILL NO. 7-37 (COR)** - AN ACT TO ADD A NEW § 19406, AND AMEND §§ 19405(b), 19405(c), AND 19805(c) OF CHAPTER 19, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING THE SUSPENSION OF CONSTITUTIONAL RIGHTS, AND TO REPEAL CRIMINAL PENALTIES FOR VIOLATIONS OF EXECUTIVE ORDERS.; (xv) **Legislative Concurrence- Appointment of Margarita Felicitas B. Angel**, Member, (Guam Education Board Retired Teacher/ School Administrator of GDOE- Representative) Guam Education Board; **Appointment of Joanna T. Chun**, Member, University of Guam Board of Regents; **Appointment of Doreen T. Crisostomo-Muña, Ph.D.**, Member, Guam Economic Development Authority Board of Directors; **Appointment of Jesse G. Garcia**, A.B. Won Pat Airport Authority Board of Directors; **Appointment of Lulene C. San Agustin**, Member, (Guidance Counselor Representative) Guam Commission for Educator Certification; **Appointment of Rossana D. San Miguel Triston**, Member(General Public Representative), Guam Academy Charter Schools Council; **Appointment of Alexander D. Wielaard, MD**, Member(Physician Representative), Guam Board of Medical Examiners; **Appointment of Rolando C. Zepeda**, Member(Visual Arts Representative), Guam Council of the Arts and Humanities Agency Board of Directors;(xvi) **Consent Calendar** (xvii) **Second Reading File: Bill No. 54-37 (COR) As Amended** - AN ACT TO AMEND ARTICLE 1 OF CHAPTER 63 TITLE 5 GUAM CODE ANNOTATED RELATIVE TO GAME AND FISH REGULATIONS, PROTECTING OUR MARINE PRESERVES AND STANDARDIZING PENALTIES FOR VIOLATIONS OF GAME AND FISH STATUTES AND THE ADJUDICATION PROCESS THEREOF.; **Bill No. 57-37(COR) As Amended**- AN ACT TO ADD A NEW § 5425.3 TO PART A OF ARTICLE 9, CHAPTER 5 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING TEMPORARY EXPEDITED PROCUREMENT PROTEST PROCEDURES FOR ACQUISITIONS FUNDED WITH AMERICAN RESCUE PLAN ACT MONEYS ALLOTTED TO THE GOVERNMENT OF GUAM.; **Bill No. 97-37(COR) As Amended**- AN ACT TO TRANSFER LOT NO. 106-1 Block 12, MUNICIPALITY OF INALÅHAN, FORMERLY KNOWN AS THE INALÅHAN BAPTIST CHURCH TO THE GUAM PRESERVATION TRUST.; **Bill No. 113-37(LS)**- AN ACT TO AMEND § 3103(p) OF ARTICLE 1, CHAPTER 3, TITLE 17 GUAM CODE ANNOTATED, RELATIVE TO RESTORING THE GUAM DEPARTMENT OF EDUCATION MANAGEMENT AUDIT REQUIREMENTS.; **Resolution No. 29-37(COR)**- Relative to requesting the U.S. Congress to appropriate monies for Guam non-military residents who were exposed to Agent Orange and who are suffering from ailments caused by exposure to Agent Orange.; (xviii) **Consideration of the Daily File**; (1) **Third Reading File** (2) **Voting File** (xix) **Brief Extension of Remarks** (xx) **Announcements**; and (xxi) **Adjournment**.

All bills, resolutions, and appointments can be found at <https://guamlegislature.com/index/the-legislature/>. The placement of bills, resolutions, and appointments on the session agenda will be pursuant to Standing Rules.

The session will be broadcast on GTA Channel 21, Docomo Channel 117 and at http://www.guamlegislature.com/live_feed.htm. A recording of the session will be available online via Guam Legislature Media on YouTube after the session. Please email senatorterlajeguam@gmail.com or (671) 472-3586 if you require any special accommodations or further information. This ad is paid for by Legislature funds.

LUJAN & WOLFF, LLP

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Suite 300, DNA Building
238 Archbishop Flores Street
Hagåtña, Guam 96910
Telephone (671) 477-8064/5
Facsimile (671) 477-5297

Attorneys for Petitioner
Pauline San Nicolas Gumataotao

IN THE SUPERIOR COURT OF GUAM

IN THE MATTER OF THE ESTATE
OF
JOSEPH WILLIAM CRUZ SAN
NICOLAS,
Deceased.
PROBATE CASE NO. PR0148-23

NOTICE OF HEARING ON PETITION FOR LETTERS OF ADMINISTRATION IN PERSON HEARING

NOTICE IS HEREBY GIVEN that Pauline San Nicolas Gumataotao has filed her Petition for Letters of Administration upon the Estate of Joseph William Cruz San Nicolas, Deceased, and that on October 25, 2023, at 9:30a.m., before the Honorable Dana A. Gutierrez, Judge, Superior Court of Guam, Guam Judicial Center, 120 West O'Brien Drive, Hagåtña, Guam, 96910-5174, has been set the hearing on said petition and all persons interested are hereby notified to appear at the time and place set for said hearing and show cause if any they have why the petition should not be granted.

Reference is hereby made to the said petition for further particulars.

Dated : August 25, 2023

/s/ **Pauline I. Untalan**
Chamber/Courtroom Clerk
SUPERIOR COURT OF GUAM

CAMACHO CALVO LAW GROUP LLC**NICHOLAS J. ENNIS**

nennis@camachocalvo.law
356 E. Marine Corps Drive, Suite 201
Hagåtña, Guam 96910
Telephone No. 671.472.6813
Facsimile No. 671.477.4375

IN THE SUPERIOR COURT OF GUAM

IN THE MATTER OF THE ESTATE
OF
JON A. STRANDHAGEN,
Decedent.

PROBATE CASE NO. PR0156-23
NOTICE OF HEARING

THIS NOTICE IS REQUIRED BY LAW. YOU ARE NOT REQUIRED TO APPEAR IN COURT UNLESS YOU DESIRE.

1. NOTICE IS HEREBY GIVEN that Jackqueline M. Strandhagen has filed a Petition for Probate of Will and for Letters Testamentary with the Will Annexed.
2. A hearing on the petition will be heard on Wednesday, October 25, 2023, at 9:50 a.m.
3. To attend or to participate in the hearing, you may appear in person at the Guam Judicial Center, appear remotely at <https://guamcourts-org.zoom.us> and enter Meeting ID: 864 4387 2213 and Passcode: JEMI, or call into the courtroom at 671-300-6703 at the designated hearing time. For connectivity issues, you may contact Jannette Samson at (671) 475-0141 or email jsamson@guamcourts.gov.

Dated: October 2, 2023

SOPHIA SANTOS DIAZ
Clerk of Court, Superior Court of Guam
By: /s/ **Alice B. Mendoza**
Chamber/Courtroom Clerk

GUAM WATERWORKS AUTHORITY

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688 Route 15, Mangilao, Guam 96913 • Telephone No.: (671) 300-6026/27 • Fax: (671) 649-3750

NOTICE OF PUBLIC HEARING

The GUAM WATERWORKS AUTHORITY, in accordance with the Administrative Adjudication Law (5 G.C.A. Ch.9), will hold a public hearing on October 27, 2023, at 10:00 a.m. to receive comments on the proposed Sewer Hook-Up Revolving Loan Rules. The hearing will be held at the 2nd Floor Training Rom 282 A&B, inside the Gloria B. Nelson Public Service Building at 68 Route 15, Mangilao, Guam.

The public is invited to submit written or oral testimony at the hearing or it may submit electronic testimony via email to tgrojas@guamwaterworks.org on or before the date of the hearing. Written testimony may also be submitted in-person or via email up to 14 calendar days following the October 27 hearing date.

Copies of the proposed Sewer Hook-Up Revolving Loan Rules may be picked up or examined at the Guam Waterworks Authority or may be viewed at <http://www.guamwaterworks.org/proposed-rules/>.

/s/ **Christopher C. Budasi**
General Manager, Acting



NOTICE OF PUBLIC HEARING

We invite you to visit <http://guamwaterworks.org/proposed-rules/> for the proposed Sewer Hook-Up Revolving Loan Rules and Economic Impact Statement.

To submit any electronic testimony, email tgrojas@guamwaterworks.org.



NOTICE OF PUBLIC HEARING

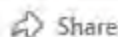
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3



Comment as LaBianca DeSoto Doc. No. 38GL-26-2381.*





GUAM WATERWORKS AUTHORITY

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P.O. Box 3010, Hagatna, Guam 96932

Tel. No. (671) 300-6846 Fax. No. (671) 648-3290

**GWA'S PROPOSED RULES OF PROCEDURES FOR
SEWER LOAN HOOK-UP REVOLVING FUND**

SIGN-IN SHEET

NO.	NAME	CONTACT NUMBER	VILLAGE	Date
1	Gilda Mafios	300-6862	Yigo	10/27/23
2	JANE SM BRAS	700-0880	TALIFHU	10/27/23
3	MIGUEL C. BORDALLO	300-0845	TORJA	10/27/23
4	Mauryn McDonald	300-6054	Singian	10/27/23
5	Brianne Jones	300-6041	Tamuning	10/27/23
6	Jeanet Owens	800-6080	Agat	10/27/23
7	Tammy Tenteno	300-6861	TALIFHU	10/27/23
8	John Dixon	"	"	10/27/23
9	Theresa Delaf	700-6846	"	10/27/23
10				
11				
12				
13				
14				
15				
16				



GUAM WATERWORKS AUTHORITY

OCTOBER 27, 2023 10:00 A.M. PUBLIC HEARING

**PROPOSED
SEWER HOOK-UP (WASTEWATER) REVOLVING LOAN RULES**

AGENDA

1. INTRODUCTION
2. STAFF REPORT
3. PUBLIC TESTIMONY AND COMMENT
4. CLOSING

PROPOSED SEWER HOOK-UP REVOLVING LOAN RULES
28 GAR – PUBLIC UTILITIES
CH. 2 – GUAM WATERWORKS AUTHORITY

CHAPTER 2
GUAM WATERWORKS AUTHORITY

Article 9 Guam Waterworks Authority Wastewater Revolving Loan Fund

§2901. Requirement to Qualify for Loans for Service Connections to Public Sewer Lines,
Related Charges, and Penalties for Non-Payment.

§2902. Connection Required Upon Availability of Public Sewer.

§2903. Loan Application To Be Filed With the Guam Waterworks Authority.

§2904. Connection Procedures.

§2905. Revolving Loan Fund.

§2906. Availability of Wastewater Revolving Loan Fund.

§2907. Installment Contract.

§2901. Requirement to Qualify for Loans for Service Connections to Public Sewer Lines, Related Charges, and Penalties for Non-Payment.

- (a) The Guam Waterworks Authority will loan money to residential homeowners for the purpose of installing private service laterals. These loans will be available to Applicants who currently are not connected to a Guam Waterworks sewer line provided they have been rejected for a conventional loan from at least one commercial bank licensed to do business in Guam. If an Applicant is in a bona fide public assistance program, the requirement for a bank rejection will be waived.

- (b) The Guam Waterworks Authority is required to charge for said loan. The amount for loan charges shall be based on the USDA Home Loan interest rate at the time the loan is entered into. The charges shall be deposited into the "GWA Wastewater Revolving Loan Fund" less GWA administrative costs to administer the loans. The Guam Waterworks Authority shall have full authority to manage the funds deposited into the "Wastewater Revolving Loan Fund." The monies deposited into the account are to be separate and apart from any Government of Guam account and shall have separate financial controls maintained for the fund.

- (c) Any person, who pursuant to this rule may be qualified to enter into a revolving credit agreement with Guam Waterworks Authority is required to pay for the cost thereof as

provided below. The penalty for failure to repay the loan will result in loss of water service and property may not be transferred until such time as the loan is paid. Any such agreement shall be subject to availability of funds and the sewer lateral must be constructed according to requirements set forth in the Rules and Regulations for Water and Sewer Services ("Service Rules") for the Guam Waterworks Authority.

§2902. Connection Required Upon Availability of Public Sewer.

- (a) The Guam Waterworks Authority is authorized to install or connect or otherwise cause the installation and connection to the Guam Waterworks Authority sewer system all persons with toilets flushed with water and connected to a cesspool, septic tank or leaching systems when the public sewer is available. All persons or entities required to make connections to Guam Waterworks Authority systems are liable for all installation and connection costs and the repayment of any costs incurred by the Guam Waterworks Authority in making loans for such purpose as provided in this Rule.
- (b) All persons who are required to make a connection to the public sewer system under this Rule shall first cause drawings to be prepared by a registered engineer, obtain the requisite permits pertaining to such connections from the Department of Public Works, Guam Environmental Protection Agency, and the Guam Waterworks Authority prior to applying for this loan program.

§2903. Loan Application To Be Filed With the Guam Waterworks Authority.

- (a) All Applicants qualifying for this loan program shall file an application on the prescribed form with the Guam Waterworks Authority.

§2904. Connection Procedures.

- (a) After the homeowner obtains a permit from the Department of Public Works, Guam Environmental Protection Agency, and the Guam Waterworks Authority, the Guam Waterworks Authority shall issue a permit to make a connection to the public sewer line.

- (b) Licensed Contractors may perform work under this rule only after the Guam Waterworks Authority approves connection plans. Guam Waterworks Authority inspectors and employees shall be permitted to enter homeowner's premises for the purposes of inspection, observation and testing pertinent to the sewer installations and connections performed by Guam Waterworks Authority and/or contractors.

§2905. Revolving Loan Fund.

- (a) There is hereby established a fund to be known as the “GWA Wastewater Revolving Loan Fund,” which shall be maintained separate and apart from any other funds of the Government of Guam and independent records shall be maintained in connection therewith.
- (b) The GWA Wastewater Revolving Loan Fund may be supplied with monies received from any legal source and shall be only used for lateral connections as defined above until such time as all point sources of wastewater discharge are connected to the sewer system at which time the proceeds going into this fund may be deposited to GWA’s general fund.
- (c) The General Manager of the Guam Waterworks Authority shall yearly render a statement reflecting the financial condition of the GWA Wastewater Revolving Loan Fund to all requiring the statement and it shall be posted on GWA’s internet website.

§2906. Availability of Wastewater Revolving Loan Fund.

- (a) This loan is available only to Applicants that own the premises being served and have been refused a loan for a similar purpose by one bank licensed to do business in Guam. If an Applicant is in a bona fide public assistance program, the requirement for a bank rejection will be waived. Any loan is subject to availability of funds.

- (b) Priority will be given to Applicants 1) with homes over the Northern Aquifer or immediately adjacent to an existing surface water source such as a river or other substantial body of surface water and 2) all other low-income residential purposes.

§2907. Installment Contract.


- (a) Upon acceptance, an Applicant and the Guam Waterworks Authority shall enter into a contract, which shall provide a loan up to \$25,000 or the lowest amount bid by a minimum of two licensed contractors, whichever is lower. If the sewer connection is part of a GWA capital improvement project, the requirement for two bids will be waived if applicant chooses to participate in the GWA program.

- (b) Funds will be released only to the contractor upon satisfactory inspection by GWA or its agent of the work performed under this rule for the express purpose of providing the Applicant the ability to connect to Guam Waterworks Authority sewer lines. Monthly payments shall commence 30 days after the date of completion of the installation and connection of the service line to the collection system and payment by Guam Waterworks Authority to the contractor. The loan payment may be deferred

for a maximum of five (5) years if a customer connects to a sewer main when the main is built, instead of waiting to connect for the period of time allowed by current regulations.

- (1) The contract shall provide at a minimum:
 - (A) Monthly installment payments of principal and interest for all monies loaned to Applicant shall;
 - (i) Not to exceed fifteen (15) years for applicants receiving public assistance.
 - (ii) Not to exceed ten (10) years for all other applicants.
 - (iii) May be deferred for a maximum of five years for customers who connect to a sewer main within a year of when the main is built.
 - (B) Interest shall be based on the USDA Home Loan rates on the day the loan agreement is signed.
 - (C) Failing to pay the installment for more than (60) days shall constitute default and may require disconnection of water service from whom ever is being provided water service on the property without notice and the remaining balance shall be immediately due and payable from the Applicant.

- (D) The agreement that the loan shall constitute a lien on the property which shall run with the land and not be subject to discharge by sale, mortgage, judgment or for any other cause and the lien may not be lifted or otherwise be discharged until the full amount due and owing under the agreement is paid.
- (E) The agreement may only be entered into between the true owner(s) of the property with evidence of ownership being provided via a title report from a company acceptable to the Guam Waterworks Authority prepared not more than 24 hours prior to the contract being executed (signed).
- (F) Upon the sale of the property, the Guam Waterworks shall be entitled to receive all unpaid amounts due and owing at the time of the sale from escrow.
- (G) That in the event the property is owned jointly or severally, all named owners must sign.

- 
- (H) That the interest rate may be increased to 12% per annum upon notice of default given to the Applicant and all other collection costs will be added to the principle.
 - (I) This agreement may only be assigned or transferred upon the express written consent of the General Manager of the Guam Waterworks Authority.

WRITTEN TESTIMONY

SUBMISSION OF WRITTEN TESTIMONY WILL
REMAIN OPEN UNTIL CLOSE OF BUSINESS
DAY ON NOVEMBER 10, 2023

QUESTIONS?

For more information, please email
jsdesoto@guamwaterworks.org or
nicole@guamwaterworks.org



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Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913

Telephone No.: (671) 300-6058

Wastewater Revolving Loan Fact Sheet

Septic tank/leaching field systems and cesspools discharge wastewater to the ground. To protect our groundwater and surface water resources, Guam Waterworks Authority offers low-interest loans to qualified homeowners to connect to the public wastewater system, which will eliminate use of their septic tank/leaching field or cesspool. GWA is in the process of amending loan requirements, to make loans more accessible to homeowners. Current and proposed loan requirements are listed on the table below. Proposed loan rules can be accessed [here](#).

Loans are limited to property owners of residential, non-commercial buildings, for the purpose of installing a wastewater service lateral to a GWA public sewer main.

Priority will be given to the following applicants:

- Residences over the Northern Aquifer or immediately adjacent to an existing surface water body (river or ocean)
- Residences owned by persons in public assistance programs

For more information, please contact permits@guamwaterworks.org or 671-300-6058.

	Current Loan Requirements	Proposed Loan Requirements	Proposed Loan Requirements for Applicants Receiving Public Assistance
(1) Maximum Loan Amount	\$9,000	\$50,000	\$50,000
(2) Contractor Estimates for Sewer Lateral Construction	Three	Two	Two
(3) Declined Loan Applications from Financial Institutions	Two	One	Waived
(4) Maximum Loan Repayment Term	10 years	10 years	15 years
(5) Repayment Start Date	30 days after construction completion and payment to the contractor.		
(6) Interest	The interest rate is based on the USDA Home Loan interest rate at the time the loan is entered into.		
Liens	Leins will be placed on the property until the loan amount is paid in full.		
Loan Security and Fees	The applicant is responsible for mortgage recording, credit report, preliminary title report, and Uniform Commercial Code filing fees.		
Nonpayment	Water service will be disconnected until the payments are made. The property lien would remain until the loan is paid in full.		

ADDITIONAL INFORMATION ON PROPOSED LOAN REQUIREMENTS:

(1) And (2) Maximum Loan Amount and Contractor Estimates

- a. The loan amount will be based on the lower of two construction estimates provided by licensed contractors. The contractors will be required to submit a non-collusion affidavit with the construction estimates.
- b. Funds will be released to the selected contractor upon satisfactory inspection by GWA or its agent.
- c. The contractor cost estimate requirement is waived if the sewer connection is part of a GWA capital improvement project that involves sewer lateral construction.

(3) Declined Loan Applications from Financial Institutions

- a. This loan is available only to applicants that own the premises being served and have been refused a loan for a similar purpose by one bank licensed to do business in Guam.
- b. If an applicant is a public assistance recipient, the requirement for a loan declination is waived.

(4) Loan Repayment Term

- a. Monthly installment payments
- b. Loan Term shall not exceed 15 years for applicants receiving public assistance.
- c. Loan term shall not exceed 10 years for all other applicants.

(5) Repayment Start Date

- a. Payments shall start 30 days after sewer lateral construction has been completed and the contractor has been paid.
- b. The start date may be deferred for a maximum of 5 years for customers who connect to a sewer main within 1 year of the main being built.

(6) Interest

- a. As of January 1, 2024, the interest rate for Single Family Housing direct home loans is 5.125% for low-income and very-low income borrowers.
- b. Interest rates will fixed for the term of the loan.
- c. Interest rates offered will be tied to the interest rate offered by the Department of Agriculture adjusts rates for its Single Family Home Loans on the closing date of the loan.

(7) Sample Loan Payments

- a. A \$25,000 loan with a 10-year term and 5.125% interest rate would have a monthly payment of \$266.69.
- b. A \$50,000 loan with a 10-year term and 5.125% interest rate would have a monthly payment of \$533.39.



GUAM WATERWORKS AUTHORITY

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P.O. Box 3010, Hagatna, Guam 96932

Tel. No. (671) 300-6877 Fax No. (671) 646-2594

SEWER REVOLVING LOAN FUND APPLICATION

Applicant Name				
Street Address				
Mailing Address				
Prior street address (if current address is less than 2 years)				
Social Security No.		Date of Birth	Identification No.	
Street Address of Subject Property				
Legal Description of Subject Property			Are you the legal owner of the subject property? Yes No	
Home Phone No.	Work Phone No.		Cell Phone No.	
Employer Name				
Employer Address				
Position Title			Years on this job?	
Assets (attach another sheet if necessary)				
Type of Asset	Bank Name	Cash/Market Value	Description of Assets	
Checking Account				
Savings Account				
Bonds, Stocks, etc				
Auto owned				
Real Estate				
Other assets (describe)				
Total				
Liabilities (attach another sheet if necessary)				
List all outstanding debts, including auto loans, revolving charge accounts, real estate loans, etc.				
Lender's Name	Type of Debt	Unpaid Balance	Monthly Payment	Payoff Date
Total				

Monthly Income & Expenses (Attach another sheet if necessary)			
Income Type	Amount (monthly)	Expense Type	Amount (monthly)
Salary (net)		Rent	
Rental		Mortgage	
Interest income		Other financing	
Other income		Living expenses	
Other income		Other expenses	
Total income		Total expenses	
Loan Amount Requested			
Declarations (attach another sheet if necessary)			Yes No
Are there any outstanding judgments against you?			
Have you been declared bankrupt within the past 7 years?			
Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?			
Are you a party to a lawsuit?			
Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond or loan guarantee? If yes, give details on a separate sheet, including date, name and address of Lender and reasons for the action.			
Are you a co-maker or endorser on a note?			
Are you a resident of Guam?			
Have you had a GWA water account? If yes, give date of service and account number.			
Date of service:		GWA Account No.	

I/We, the undersigned, specifically represent to Guam Waterworks Authority (herein "GWA") and to GWA's actual or potential agents, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provision of Title 18, United States Code, Sec. 1001, et seq.; (2) the Wastewater loan ("Loan") requested pursuant to this application will be secured by a lien on my/our real estate property (herein "Property") described in this application; (3) I/We am/are the legal owner of the property; (4) all statements made in this application are made for the purpose of obtaining a Loan; (5) the GWA and its agents, insurers, servicers, successors, and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (6) that the loan can not be transferred, prior to the sale or transfer of the title to the property, the entire remaining balance, including any accrued and unpaid interest, and fees must be paid in full; (7) my/our GWA water or wastewater account shall not be transferred until the total balance due and owed of the loan has been paid in full; (8) in the event that my payments on the Loan become delinquent or 30 days past due, the GWA, its servicers, successors or assigns may, in addition to any other rights and remedies that it may have relating to such delinquency or past due, report my/our name(s) and account information to one or more consumer reporting agencies; and my/our water services may be discontinued or terminated; and interest rate may be increased to twelve percent (12%) per annum; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) the loan check will be payable to me/us and the contractor; (11) the loan proceeds will be released subject to the completion of all necessary satisfactory inspection of the project inclusive of GWA inspection or its agent and the complete sewer service lateral connection to GWA wastewater system; (12) to release and hold harmless the GWA for any claims that I/we may have concerning erroneous or incorrect payments to the contractor. (13) that the GWA collects your social security number for the following purposes: classification of accounts; customer identification and verification; customer billing and payment; credit inquiry; and other lawful purposes necessary in the conduct of the Guam Waterworks Authority; (14) I/We have understood my/our rights in accordance with the "Right to Financial Privacy Act".

I/We, the undersigned, hereby acknowledge that any owner of the Loan, its servicers, successors and assigns, may verify or reverify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate business purpose through any source, including a source named in this application or a consumer reporting agency.

Applicant: _____ Date _____
Print Name and Sign

Applicant: _____ Date _____
Print Name and Sign

Privacy Notice to Applicants

This is notice to you as required by the Right to Financial Privacy Act of 1978 that the Guam Waterworks Authority has a right of access to financial records held by any financial institution in connection with the consideration or administration of the Wastewater Revolving Loan Fund Program for which you have applied. Financial records involving your transactions will be available to the Guam Waterworks Authority during the term of the loan and three years thereafter without further notice or authorization, but will not be disclosed or released to another Government agency or department without your consent, except as required or permitted by law.

I/We have read this notice and understand our rights.

Applicant: _____ Date _____
Print Name and Sign

Applicant: _____ Date _____
Print Name and Sign



GUAM WATERWORKS AUTHORITY

“Better Water. Better Lives.”

Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913

P.O. Box 3010, Hagatna, Guam 96932

Tel. No. (671) 300-6877 Fax No. (671) 646-2594

SEWER REVOLVING LOAN FUND APPLICATION

CERTIFICATION OF LOAN REFUSAL STATEMENT

Applicant’s Name: _____

I / We declare under penalty of perjury that the foregoing is true and correct; that I / We have applied for a loan with two (2) banks licensed to do business on Guam for my / our sewer construction purpose; (1) that I / We have been refused a loan as indicated below:

Bank Name	Date of Notice	Loan Amount
1. _____		
2. _____		
3. _____		

(2) the statement herein is complete and accurate; (3) I / We will provide, upon GWA request, the relevant source documents to verify my / our statement herein; and (4) I / We agreed that this statement is part of my / our Sewer Revolving Loan Fund application dated _____.

Name (Print and Sign)

Date

Name (Print and Sign)

Date



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P.O. Box 3010, Hagatna, Guam 96932
Tel. No. (671) 300-6877 Fax No. (671) 646-2594

SEWER REVOLVING LOAN FUND APPLICATION

PROJECT COST ESTIMATION DISCLOSURE STATEMENT

I/We certify under penalty of law that I/We have obtained at least three (3) cost estimations for my/our sewer connection cost from at least three (3) different source of licensed contractors, attached herein, and as stated herein below, based on my personal knowledge or on my inquiry of those individuals immediately responsible for obtaining the information, that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing and willful submission of a materially false statement.

Bid #1

Project Estimated Cost

Contractor Name

Contractor Address

Contractor Phone No.

Bid #1

Project Estimated Cost

Contractor Name

Contractor Address

Contractor Phone No.

Bid #1

Project Estimated Cost

Contractor Name

Contractor Address

Contractor Phone No.

Applicant Name

Signature

Date



OFFICE OF SENATOR SABINA FLORES PEREZ

Chairperson

Committee on Environment, Revenue and Taxation, Labor, Procurement,
and Statistics, Research, and Planning

I Mina'trentai Siette Na Liheslaturan Guåhan • 37th Guam Legislature

November 9, 2023

Transmitted via electronic mail.

mcbordallo@guamwaterworks.org

tgrojas@guamwaterworks.org

Miguel C. Bordallo
General Manager
Guam Waterworks Authority
578 North Marine Corps Drive
Tamuning, Guam 96913-4111

Subject: GWA Wastewater Revolving Loan Fund Rules Comments

Håfa adai General Manager Bordallo,

The following are my comments on the proposed GWA Wastewater Revolving Loan Fund Rules relative to the Public Hearing held by the Guam Waterworks Authority on October 27, 2023.

§2901 (a) – In order to better ensure the “revolving” aspect of the loan fund, and to ensure the fund is adequately replenished with the payments collected from the dispersed loans, we would like you to consider making a portion of the loan fund available to Priority Applicants (as described in §2906 (b) (1)), that may fall above the bona fide public assistance program threshold. We are of the idea that if 10% of the loan portfolio were reserved for those that are above the threshold requirements, the sustainability of the loan fund would increase, as these applicants may be at less risk of defaulting on the loans.

§2901 (b) – We’d prefer that the interest amount decreases with the principal, rather than it being fixed to the total borrowed amount.

§2901 (c) – We suggest that a grace period be written into this part of the rule. Perhaps offering the customer a payment plan prior to them becoming 60 days delinquent, would remove instances of abrupt and unexpected service discontinuation.

§2902 (a) – Does GWA currently have the authority to connect those where sewer is available in GCA? Would GCA need to be changed in order to enable this? Please let me know if it is necessary and I will be happy to assist.

§2902 (b) – Can something be done to alleviate this process for the customer? It seems that there could be instances where a customer may expend a considerable amount of money, then be denied a loan. I would suggest that for the purposes of connecting to a sewer line, customers chosen based on need be exempt from paying a fee for the relevant permits, and that a registered engineer from GWA be on hand to provide the necessary drawings to the GWA employees involved in the installation.

163 Guam Congress Building, Chalan Santo Papa, *Hagåtña*, Guam 96910
671.989.2968•office@senatorperez.org•



OFFICE OF SENATOR SABINA FLORES PEREZ

Chairperson

Committee on Environment, Revenue and Taxation, Labor, Procurement,
and Statistics, Research, and Planning

I Mina'trentai Siette Na Liheslaturan Guåhan • 37th Guam Legislature

§2905 (b) – Regarding the proposed language:

“...until such time as all point sources of wastewater discharge are connected to the sewer system...”

Is it necessary to have this stipulation included? We are of the idea that it is likely that these GWA Wastewater Revolving Loan funds will continuously be needed.

§2905 (c) – In addition to the yearly financial statement, it could be useful to improving program operations if we include performance metrics such as the number of applicants, number of loans, range of loan amounts, average administrator cost per applicant, total administration costs, etc.

§2906 (a) – Please refer to the comments above on §2901 (a), regarding expanding the pool of applicants these loans may be available to.

§2906 (b) (2) – Please refer to the comments above on §2901 (a), regarding expanding the pool of applicants these loans may be available to.

§2907 (a) – As this fund has the potential to be utilized for many years, perhaps there should be stipulations written into the rule that the \$25,000 cap may be adjusted to account for inflation and the potential rising costs of goods and services.

§2907 (b) (1) (H) – We recommend that this part of the rule be struck out. As the majority of those who will qualify for this loan will be on the lower income end of the spectrum, we believe that increasing the interest rate upon default may only lead to further hardship on these families and will not necessarily entice payment.

§2907 (b) (1) (I) – Under what circumstances or criteria met would a loan be assigned?

We appreciate the opportunity to provide these comments. For any questions or clarifications, please feel free to reach out to our office.

Additionally, I would like to request the status of the \$2 million dollars appropriated by the 36th Guam Legislature and to confirm that the money will be available for loans pertaining to sewer connections.

Si Yu'os Ma'åse',

Sabina Flores Perez

Sabina Flores Perez

Senator, *I Mina'trentai Siette Na Liheslaturan Guåhan*

163 Guam Congress Building, Chalan Santo Papa, *Hagåtña*, Guam 96910
671.989.2968 • office@senatorperez.org •

GWA Wastewater Revolving Loan Fund

COMMENTS FROM SENATOR SABINA FLORES

§2901 (a) – In order to better ensure the “revolving” aspect of the loan fund, and to ensure the fund is adequately replenished with the payments collected from the dispersed loans, we would like you to consider making a portion of the loan fund available to Priority Applicants (as described in §2906 (b) (1)), that may fall above the bona fide public assistance program threshold. We are of the idea that if 10% of the loan portfolio were reserved for those that are above the threshold requirements, the sustainability of the loan fund would increase, as these applicants may be at less risk of defaulting on the loans.

TMT: Not clear how this is expanding the pool as anyone can apply. It looks like its limiting pool by setting aside 10%.

§2901 (b) – We’d prefer that the interest amount decreases with the principal, rather than it being fixed to the total borrowed amount.

TMT: Loans are typically either set up with a fixed or variable interest rate. Is the suggestion to change the interest rate as the USDA updates its rates? As payments are made against the loan, the amount of the payment related to interest is reduced in proportion to the reduction in principal.

§2901 (c) – We suggest that a grace period be written into this part of the rule. Perhaps offering the customer a payment plan prior to them becoming 60 days delinquent, would remove instances of abrupt and unexpected service discontinuation.

TMT: Apply same rules as delinquencies in payments of water bill. There should not be any abrupt or unexpected service discontinuations as GWA would notice the customer regarding the payment required.

§2902 (a) – Does GWA currently have the authority to connect those where sewer is available in GCA? Would GCA need to be changed in order to enable this? Please let me know if it is necessary and I will be happy to assist.

TMT: I understood GWA was restricted, hence the proposed language.

§2902 (b) – Can something be done to alleviate this process for the customer? It seems that there could be instances where a customer may expend a considerable amount of money, then be denied a loan. I would suggest that for the purposes of connecting to a sewer line, customers chosen based on need be exempt from paying a fee for the relevant permits, and that a registered engineer from GWA be on hand to provide the necessary drawings to the GWA employees involved in the installation.

TMT: GWA cannot subsidize the cost for these customers as it would mean passing the costs on to our rate payors. The cost related to the administration of this program should be charged to the program, ie, against the loan funds. If the customer doesn’t have to pay for anything, they could then walk away from the loan if they feel they are not subsequently able to pay or don’t want to pay since they have no “skin in the game”.

GWA Wastewater Revolving Loan Fund

§2905 (b) –Regarding the proposed language:

“...until such time as all point sources of wastewater discharge are connected to the sewer system...”

Is it necessary to have this stipulation included? We are of the idea that it is likely that these GWA Wastewater Revolving Loan funds will continuously be needed.

TMT: No issues with removing.

§2905 (c) – In addition to the yearly financial statement, it could be useful to improving program operations if we include performance metrics such as the number of applicants, number of loans, range of loan amounts, average administrator cost per applicant, total administration costs, etc.

TMT: No issues with including this data. I note increases the cost of administration.

§2906 (a) – Please refer to the comments above on §2901 (a), regarding expanding the pool of applicants these loans may be available to.

TMT: See comment above.

§2906 (b) (2) – Please refer to the comments above on §2901 (a), regarding expanding the pool of applicants these loans may be available to.

TMT: See comment above.

§2907 (a) – As this fund has the potential to be utilized for many years, perhaps there should be stipulations written into the rule that the \$25,000 cap may be adjusted to account for inflation and the potential rising costs of goods and services.

TMT: Agree. The amount should be tied to the average cost of a collection, perhaps adjusted annually or biannually.

§2907 (b) (1) (H) – We recommend that this part of the rule be struck out. As the majority of those who will qualify for this loan will be on the lower income end of the spectrum, we believe that increasing the interest rate upon default may only lead to further hardship on these families and will not necessarily entice payment.

TMT: No issues with not increasing interest rates. If the collections costs are not borne by the loan recipient, can it be charge to the loan fund as it is not fair to rate payers for this cost to be covered by rates.

§2907 (b) (1) (I) – Under what circumstances or criteria met would a loan be assigned?

TMT: Property is gifted or sold.



GWA RESOLUTION NO. 08-FY2023

**RELATIVE TO AMENDING THE GUAM WATERWORKS AUTHORITY'S SEWER
HOOKUP REVOLVING LOAN RULES AND REGULATIONS**

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities (“CCU”) has plenary authority over financial, contractual, and policy matters relative to the Guam Waterworks Authority (“GWA”); and

WHEREAS, the Guam Waterworks Authority (“GWA”) is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, the Guam Waterworks Authority Sewer Hookup Revolving Loan Fund is also known as the GWA Wastewater Revolving Loan Program and the GWA Sewer Revolving Loan Program; and

WHEREAS, as provided under 2003 Stipulated Order, and its 2006 amendment and the 2011 Court Order, the Guam Waterworks Authority agreed to implement a Sewer Hookup Revolving Loan Fund for residents of Guam to obtain loans from funds provided by Guam Environmental Protection Agency (“GEPA”) to connect to Guam’s public wastewater system; and

WHEREAS, on November 1, 2005, in compliance with paragraph 34 of the Stipulated Order, as amended, GWA submitted a proposed Wastewater Revolving Loan Program to the US Environmental Protection Agency (USEPA) Region IX and the USEPA approved the proposed program; and

WHEREAS, following the approval of the Regulations to the Sewer Hookup Revolving Loan Fund by the CCU, GWA petitioned the Public Utilities Commission (“PUC”) on December 13, 2005 and the PUC approved the financial elements of the Sewer Hookup Revolving Loan Fund on February 2, 2006, in the FY06 Rate Order, Docket 05-5; and

1 **WHEREAS**, on March 13, 2007, the CCU through Resolution 09-FY2007 adopted and
2 approved GWA’s Wastewater Revolving Loan Program including the related rules and regulations
3 setting priorities and limiting loan amounts to \$9,000.00; and
4

5 **WHEREAS**, in July 2008, a Memorandum of Understanding between the GEPA and
6 GWA provided \$75,000 from GEPA to support the GWA Wastewater Revolving Loan Program
7 (“Loan Program”) and \$2,000 to GWA in administrative costs for managing the funding of Loan
8 Program; and
9

10 **WHEREAS**, PUC Docket 19-08 required GWA to complete analytical studies to support
11 the FY2022 comprehensive review and update of GWA’s financial plan and rate review process;
12 the studies included a *Cesspool and Septic Tank Elimination Study* issued in March 2021; and
13

14 **WHEREAS**, to encourage connections to the sewer system, the March 2021 *Cesspool and*
15 *Septic Tank Elimination Study* recommended the following:

- 16 1) Increase the maximum loan from \$9,000 to \$25,000 per applicant
- 17 2) Increase the loan term from 10 years to 15 years for applicants receiving public
18 assistance
- 19 3) Waive the requirement for three contractor estimates if the sewer connection is part of
20 a GWA capital improvement project
- 21 4) Reduce the requirement to have declined loan applications from two Guam Banks to
22 one Guam Bank
- 23 5) Waive the requirement to have declined loan applications from two Guam banks if the
24 applicant is receiving public assistance
- 25 6) Provide additional funding for the revolving loan fund
- 26 7) Defer payments for five (5) years for customers willing to connect to a sewer main
27 when it is built
28 ; and

29 //

31 //

1 **WHEREAS**, to account for increased construction costs observed since the *Cesspool and*
2 *Septic Tank Elimination Study* was written, the maximum loan amount is recommended to be
3 increased to \$25,000 per applicant; and
4

5 **WHEREAS**, to reduce time commitments invested by potential sewer customers in the
6 application process, the requirement for two declined applications from a Guam bank is
7 recommended to be reduced to one declined loan application, change bank to financial institution,
8 and the requirement for three contractor estimates is recommended to be reduced to two contractor
9 estimates; and
10

11 **WHEREAS**, to encourage home owners to take advantage of this program, it is
12 recommended that the interest rate on the loan be tied to the USDA Home Loan rates at the time
13 the loan is made; and
14

15 **WHEREAS**, the FY2023 Budget Act, Public Law 36-107, Chapter XI, *Miscellaneous*
16 *Appropriations*, Section 8, *Appropriation to the Guam Waterworks Authority Sewer Loan*
17 *Revolving Fund* appropriated \$2,000,000 to the GWA Sewer Loan Revolving Fund.
18

19 **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities
20 does hereby approve the following:

- 21 1. The recitals set forth above hereby constitute the findings of the CCU.
- 22 2. The CCU finds that updating the Sewer Revolving Loan Fund Rules and
23 Regulations may encourage more customers to connect to the GWA sewer
24 system and will contribute to enhanced protection of water resources and the
25 environment for the island of Guam.
- 26 3. The CCU hereby authorizes the update of the Sewer Revolving Fund as
27 proposed in Exhibit A.
- 28 4. The CCU hereby further authorizes the management of GWA, as determined
29 by legal counsel, to follow 5 GCA Chapter 9 Article 3 Administrative
30 Adjudication Law Rule-Making Procedures to amend the Rules and
31 Regulations of the Sewer Revolving Loan Fund if required.

1 //

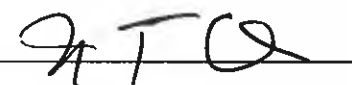
2 5. The CCU hereby further authorizes the management of GWA to notify the
3 Public Utility Commission of the updates made to the revolving fund.
4

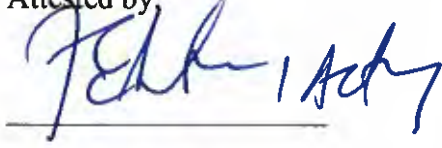
5 **RESOLVED**, that the Chairman certified, and the Board Secretary attests to the adoption
6 of this Resolution.

7
8 **DULY AND REGULARLY ADOPTED**, this 24th day of January 2023.
9

10 Certified by:

Attested by:

11
12 



13 **JOSEPH T. DUENAS**

PEDRO ROY MARTINEZ

14 Chairperson

Secretary

15
16
17 **SECRETARY'S CERTIFICATE**

18 I, Pedro Roy Martinez, Board Secretary of the Consolidated Commission on
19 Utilities as evidenced by my signature above do hereby certify as follows:

20 The foregoing is a full, true and accurate copy of the resolution duly adopted at a
21 regular meeting by the members of the Guam Consolidated Commission on Utilities, duly
22 and legally held at a place properly noticed and advertised at which meeting a quorum was
23 present and the members who were present voted as follows:
24

25 AYES: 4
26 NAYS: 0
27 ABSENT: 1
28 ABSTAIN: 0



29 ///

30
31 ///

**RULES AND REGULATIONS FOR WATER AND SEWER SERVICES FOR THE
GUAM WATERWORKS AUTHORITY.**

**SECTION 1. GUAM WATERWORKS AUTHORITY WASTEWATER
REVOLVING LOAN FUND.**

**1. Requirement to Qualify for Loans for Service Connections to Public Sewer Lines,
Related Charges, and Penalties for Non-Payment.**

~~This rule allows the~~The Guam Waterworks Authority ~~will to~~ loan money ~~to residential homeowners~~ for the purpose of installing private service laterals ~~and charging interest for the loan~~. These loans will be available to ~~an~~ Applicants who currently ~~is are~~ not connected to a Guam Waterworks sewer line provided they have been rejected for a conventional loan from at least ~~one two commercial banks~~ financial institution licensed to do business in Guam. If an Applicant is in a bona fide public assistance program, the requirement for a rejection from a financial institution will be waived.

~~This rule also requires that the~~ Guam Waterworks Authority ~~charge is required to charge~~ for said loan. The amount for loan charges shall be based on the ~~prime~~ USDA Home Loan interest rate ~~charged by three Guam banks~~ at the time the loan is entered into. The charges shall be deposited into the "GWA Wastewater Revolving Loan Fund" less GWA administrative costs to ~~administer the loans~~. The Guam Waterworks Authority shall have full authority to manage the funds deposited into the "Wastewater Revolving Loan Fund." The monies deposited into the account are to be separate and apart from any Government of Guam account and shall have separate financial controls maintained for the fund.

Any person, who pursuant to this rule may be qualified to enter into a revolving credit agreement with Guam Waterworks Authority is required to pay for the cost thereof as provided below. Penalty for failure to repay the loan will result in loss of water service and property may not be transferred until such time as the loan is paid. Any such agreement shall be subject to availability of funds and the sewer lateral must be constructed according to requirements set forth in the Rules and Regulations for Water and Sewer Services ("Service Rules") for the Guam Waterworks Authority.

2. Connection Required Upon Availability of Public Sewer.

The Guam Waterworks Authority is authorized to install or connect or otherwise cause the installation and connection to the Guam Waterworks Authority sewer system all persons with toilets flushed with water and connected to a cesspool, septic tank or leaching systems when the public sewer is available. All persons or entities required to make connections to Guam Waterworks Authority systems are liable for all installation

and connection costs and the repayment of any costs incurred by the Guam Waterworks Authority in making loans for such purpose as provided in this Rule.

All persons who are required to make a connection to the public sewer system under this Rule shall first cause drawings to be prepared by a registered engineer, obtain the requisite permits pertaining to such connections from the Department of Public Works, Guam Environmental Protection Agency and the Guam Waterworks Authority prior to applying for this loan program.

3. Loan Application To Be Filed With the Guam Waterworks Authority.

All Applicants qualifying for this loan program shall file an application on the prescribed form with the Guam Waterworks Authority.

4. Connection Procedures.

After the homeowner obtains a permit from the Department of Public Works, Guam Environmental Protection Agency, and the Guam Waterworks Authority, the Guam Waterworks Authority shall issue a permit to make a connection to the public sewer line.

Licensed Contractors may perform work under this rule only after the Guam Waterworks Authority approves connection plans. Guam Waterworks Authority inspectors and employees shall be permitted to enter homeowner's premises for the purposes of inspection, observation and testing pertinent to the sewer installations and connections performed by Guam Waterworks Authority and/or contractors.

5. Revolving Loan Fund.

(a) There is hereby established a fund to be known as the "GWA Wastewater Revolving Loan Fund," which shall be maintained separate and apart from any other funds of the Government of Guam and independent records shall be maintained in connection therewith.

(b) The GWA Wastewater Revolving Loan Fund may be supplied with monies received from any legal source and shall be only used for lateral connections as defined above until such time as all point sources of wastewater discharge are connected to the sewer system at which time the proceeds going into this fund may be deposited to GWA's general fund.

(c) The General Manager of the Guam Waterworks Authority shall yearly render a

statement reflecting the financial condition of the GWA Wastewater Revolving Loan Fund to all **requiring** the statement and it shall be posted on GWA's internet website.

6. Availability of Wastewater Revolving Loan Fund.

This loan is available only to Applicants that own the premises being served and have been refused a loan for a similar purpose by ~~two~~ one ~~financial institution~~ banks licensed to do business on Guam. If an Applicant is in a bona fide public assistance program, the requirement for a rejection from a financial institution will be waived. Any loan is subject to availability of funds.

Priority will be given to Applicants 1) with homes over the Northern Aquifer or immediately adjacent to an existing surface water source such as a river or other substantial body of surface water and 2) all other low-income residential purposes.

7. Installment Contract.

Upon acceptance, an Applicant and the Guam Waterworks Authority shall enter into a contract, which shall provide a loan up to ~~\$205,000~~ or the lowest amount bid by a minimum of ~~three~~ two licensed contractors, whichever is lower. If the sewer connection is part of a GWA capital improvement project, the requirement for ~~two~~ three bids will be waived if applicant chooses to participate in the GWA program.

Funds will be released only to the contractor upon satisfactory inspection by GWA or its agent of the work performed under this rule for the express purpose of providing the Applicant the ability to connect to Guam Waterworks Authority sewer lines. Monthly payments shall commence 30 days after the date of completion of the installation and connection of the service line to the collection system and payment by Guam Waterworks Authority to the contractor. Payment and related interest may be deferred for a maximum of five (5) years if a customer connects to a sewer main when the main is built, instead of waiting to connect for the period of time allowed by current regulations.

The contract shall provide at a minimum

- (a) Monthly installment payments of principal and interest ~~over a period not to exceed ten (10) years~~ for all monies loaned to Applicant shall
 - i. Not to exceed fifteen (15) years for applicants receiving public assistance
 - ii. Not to exceed ten (10) years for all other applicants
 - iii. May be deferred for a maximum of five years for customers who connect to a sewer main when the main is built.

(b) Interest shall be based on the ~~prime rate of three Guam banks~~ USDA Home Loan rates on the day of the loan agreement is signed.

(c) Failing to pay the installment for more than (60) days shall constitute default and may require disconnection of water service from whom ever is being provided water service on the property without notice and the remaining balance shall be immediately due and payable from the Applicant.

(d) The agreement that the loan shall constitute a lien on the property which shall ~~run~~ with the land and not be subject to discharge by sale, mortgage, judgment or for any other cause and the lien may not be lifted or otherwise be discharged until the full amount due and owing under the agreement is paid.

(e) The agreement may only be entered into between the true owner(s) of the property with evidence of ownership being provided via a title report from a company acceptable to the Guam Waterworks Authority prepared not more than 24 hours prior to the contract being executed (signed).

(f) That upon the sale of the property, the Guam Waterworks shall be entitled to receive all unpaid amounts due and owing at the time of the sale from escrow.

(g) That in the event the property is owned jointly or severally, all named owners must sign.

(h) That the interest rate may be increased to 12% per annum upon notice of default given to the Applicant and all other collection costs will be added to the principle.

(i) This agreement may only **be assigned** or transferred upon the express written consent of the General Manager of the Guam Waterworks Authority.

~~SECTION II. CHANGES IN THE AGENCY NAME AND RATIFICATION.~~

~~1. All references in the current Rules and Regulations for Water and Sewer Services to the "Public Utility Agency of Guam" shall hereafter be changed to read "Guam Waterworks Authority."~~

~~2. All rules currently pertaining to the Guam Waterworks Authority are hereby ratified and~~

~~approved by the Consolidated Commission on Utilities which has plenary authority to create policies on behalf of the Guam Waterworks Authority.~~



Cesspool and Septic Tank Elimination Study

May 2021

Guam Waterworks Authority Cesspool and Septic Tank Elimination Study

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1.0 Executive Summary

As of June 30, 2020, the Guam Waterworks Authority (GWA) had 42,224 residential and commercial customers, of which 15,802 were charged for only water service, not water and sewer service. Therefore, thirty-seven percent of GWA's residential and commercial customers are not charged for sewer service. In sewer residential subdivisions in northern Guam, 13% of customers are not charged for sewer service, though some of them may actually be connected to the public sewer (see Table 1.0).

Table 1.0. Residential and commercial customers charged for water with sewer service and only water service.

Area	Total Residential and Commercial Customers	Customers Charged for Water and Sewer Service	Customers Charged for only Water Service	Percentage of Customers Without Sewer Charges
Island-wide	42,224	26,422	15,802	37.4%
Sewered Subdivisions in Northern Guam	14,161	12,275	1,886	13%

Regulations will be revised to give GWA the authority to require customers to connect to the public sewer. Sewer connections will be conducted using a tiered approach:

- (1) Investigate areas that have sewer mains, where some customers are being charged for sewer service, but some are not. Customers with sewer connections but without sewer charges, will be billed for the service. Customers without sewer connections will be required to connect to the sewer.
- (2) Prioritize sewer main construction based on nitrate-nitrogen concentrations and trends at drinking water wells. Customers will be required to connect to the public sewer and discontinue cesspool/septic tank use to protect the island's primary drinking water source from contaminants typically found in wastewater.

Per 28 Guam Administrative Rules and Regulations (GARR) Chapter 2 Article 1, customers are responsible for sewer connection costs. Qualified customers can defray connection costs by applying for a sewer loan through GWA's sewer loan revolving fund. System Development Charge (SDC) funds cannot be used to augment the sewer loan revolving fund and GWA is seeking United States Environmental Protection Agency (USEPA) grant funding to augment the loan fund. GWA is also seeking Guam Housing and Urban Renewal Authority (GHURA) and United States Department of Agriculture (USDA) grant funding for customer construction costs in areas where new sewer mains will be constructed. To assist customers with construction, GWA will offer customers the option of having GWA coordinate sewer connection permitting and construction activities.

Given the current economic situation, a moderate approach to study implementation is recommended:

- In sewer areas: Pursue sewer investigations to capture uncharged revenue from sewer connections and base charges for meters serving more than one living unit. Buildings not connected to the public sewer will be identified and required to connect within 3 years of notification.

- For the area near the highest priority water well: Starting in 2021, pursue grant funding for private lateral construction. Begin outreach efforts and start work on sewer main and lateral construction after grants have been approved or the sewer loan revolving fund has sufficient capital to accommodate the first neighborhood. The start of construction is anticipated to be no later than 2026. Provide incentives for customers to connect to the public sewer in coordination with the GWA sewer main construction project, instead of waiting five years after the sewer main is available, as allowed by 10 Guam Code Annotated (GCA) 48 §48104.

Table 1.1 identifies new sewer customers, additional revenue, operations and maintenance expenses, and capital expenses anticipated for FY2022, 2023, and 2024 with a moderate implementation approach. The current monthly residential wastewater bill is \$27.54.

Table 1.1. New sewer customers, revenues, operations and maintenance costs, and capital costs under a moderate implementation approach.

	FY 2022	FY 2023	FY 2024
New residential sewer customers	80	96	12
Cumulative new residential sewer customers	80	176	188
Average monthly residential wastewater bill ^a	\$34.88 (rounded from \$34.88468)	\$38.30 (rounded from \$38.29914)	\$40.95 (rounded from \$40.954672)
Incremental revenues	\$33,489.29	\$80,887.78	\$92,393.74
Operations and maintenance, current dollars	\$241,000.00	\$197,000.00	\$76,000.00
Capital improvement projects	\$0	\$0	\$0

^aForecast is based on the average residential wastewater bill under proposed rate structure for FY 2022-24, a 7% increase in FY 2025, and 2% per year increase thereafter.

2.0 Background

2.1 Impacts of Onsite Wastewater Systems on the Northern Guam Lens Aquifer

GWA provides potable water service to most of the island’s civilian population of approximately 165,000 residents. Groundwater from the Northern Guam Lens Aquifer (NGLA) provides about 80% of Guam’s drinking water. In 2015, wells pumped approximately 35 million gallons of water per day from the NGLA. The water lens is recharged primarily by rainfall infiltrating through the limestone aquifer. Limestone features, such as sinkholes and fractures, allow a quicker infiltration rate. The porous nature of limestone increases the risk of groundwater contamination from surface activities, such as cesspools and septic tanks.

As of June 30, 2020, there were 42,224 residential and commercial customers with water accounts and 26,422 customers with sewer accounts. Approximately 62.6% of water customers are connected to the public sewer with the remainder utilizing an on-site wastewater disposal system (cesspools and septic tanks). Discharge from cesspools and septic tanks can percolate through the limestone in northern Guam and reach the water lens. Wastewater from cesspools and septic tanks contain biological and chemical contaminants, including nitrogen constituents, personal care products, and medicines.

Nitrate is a compound that forms when nitrogen combines with oxygen or ozone and can occur naturally in surface and groundwater at a level that does not generally cause health problems. Nitrogen exists in the environment in many forms. Nitrogen is essential for all living things, but high levels of nitrate in drinking water can have adverse health effects, especially for infants and pregnant women. From the Centers for Disease Control and Prevention (2015, Water Research Center, Brian Oram, PG, n.d., "Nitrates and Nitrites in Drinking Water, Groundwater and Surface Waters"): *The primary health hazard from drinking water with high nitrate-nitrogen concentrations occurs when nitrate is transformed to nitrite in the digestive system. The nitrite oxidizes the iron in the hemoglobin of the red blood cells to form methemoglobin, which lacks the oxygen-carrying ability of hemoglobin. This creates the condition known as methemoglobinemia (sometimes referred to as "blue baby syndrome"), in which blood lacks the ability to carry sufficient oxygen to the individual body cells causing the veins and skin to appear blue. The health concern is primarily related to potential exposure through consumption by infants. Most humans over one year of age have the ability to rapidly convert methemoglobin back to oxyhemoglobin, therefore, the total amount of methemoglobin within red blood cells remains low in spite of relatively high levels of nitrate/nitrite uptake. However, in infants under six months of age, the enzyme systems for reducing methemoglobin to oxyhemoglobin are incompletely developed and methemoglobinemia can occur. This also may happen in older individuals who have genetically impaired enzyme systems for metabolizing methemoglobin*

In 1962, the U.S. Public Health Service adopted drinking water standards and set the recommended limit for nitrate-nitrogen at 10 mg/L. Groundwater quality is monitored by GWA according to the requirements of Guam Primary and Secondary Safe Drinking Water Regulations (GPSSDWR). The GPSSDWR drinking water limit for nitrate-nitrogen is 10 mg/L. Nitrate-nitrogen can also be considered an indicator of other wastewater constituents that are not listed as a Safe Drinking Water standard, and are therefore, not typically tested for at production wells. Connecting unsewered properties to the public sewer system will protect the NGLA from contamination from onsite disposal systems. GWA's 2018 Water Resources Master Plan Update identifies a goal to construct 5,000 feet of sewer line each year into developed areas that are currently unsewered. Due to the large number of unsewered areas, a prioritization method is discussed further in Sections 5.1 and 5.3.

2.2 PUC Docket Number 19-08

The PUC's stipulated provisions for Docket Number 19-08 require GWA to complete analytical studies that will support a FY2022 comprehensive review and update of GWA's financial plan and subsequent annual rate review process. Included in these studies is a *Cesspool and Septic Tank Elimination Study*:

"GWA agrees to investigate options to enhance compliance with Title 10, Chapter 48, Toilet Facilities and Sewage Disposal, potentially including legislatively approved transfer of regulatory authority to GWA. GWA will complete its septic tank/cesspool review and analysis, and provide its recommendations to the PUC for review and consideration no later than March 31, 2021.

- a. GWA will identify all residential facilities with 200 ft. of an existing GWA sanitary sewer line or 1000 ft. of a GWA water well that require specific action steps to be taken by GWA in accordance with Chapter 48. GWA will estimate the potential customer and GWA investments required, identify potential sources of funding these investments and estimate GWA revenue impacts and expenses of implementation.
- b. GWA will consider alternative funding mechanisms to assist customers in connecting to the sewer system, including use of the SDC fund to increase the funds available in the sewer connection revolving fund. GWA will evaluate potential obstacles, if any, to using the SDC fund

and outline potential solutions. Other funding mechanisms may be explored as well including private sector financing.”

3.0 Goals

The study goals are to protect Guam’s main drinking water source by connecting sewers with onsite wastewater disposal systems to the public sewer and to meet the requirements of PUC Docket Number 19-08.

1. Investigate options to enhance compliance with Title 10, Chapter 48, Toilet Facilities and Sewage Disposal, including feasibility of transferring regulatory enforcement authority to GWA through legislative action. This goal was expanded to include related language in 28 GARR Chapter 2 and 22 GARR Chapter 25.
2. Identify all GWA customers within 200 feet of an existing GWA sanitary sewer line and within 1,000 feet of a GWA water well that require specific action steps to be taken in accordance with Chapter 48. The PUC stipulated provisions require GWA to identify all residential facilities. This study was expanded to:
 - Include all GWA customers, to include non-residential buildings near sewer mains and water wells and
 - Prioritize new sewer main construction and new sewer connections in groundwater recharge areas to drinking water wells showing evidence of impacts from onsite wastewater disposal systems, as indicated by nitrate-nitrogen concentrations and trends.
3. Estimate GWA investments required for sewer connections and potential funding sources.
4. Estimate GWA revenue impacts and implementation expenses.
5. Estimate customer investments and investigate alternative funding mechanisms or enhancing existing funding mechanisms to assist customers in connecting to the sewer system, including the use of SDC funds to increase the existing Sewer Connection Revolving Fund. Investigate revisions to sewer loan qualifications, to make it more accessible to homeowners
6. Investigate program enhancements to encourage connection to the sewer system such as
 - public outreach efforts
 - engineering consultation and assistance (for design and standards)
 - owner/contractor construction permitting assistance or streamlining
 - licensed and qualified contractor lists

4.0 Regulation Updates

The stipulated order requires GWA to investigate options to enhance compliance with Title 10, Chapter 48, Toilet Facilities and Sewage Disposal, including feasibility of transferring regulatory enforcement authority to mandate sewer connections to GWA through legislative action. Related regulations (28 GARR Chapter 2 Article 1 - Guam Waterworks Authority Rates and Services and 22 GARR Chapter 25 - Connection to Public Sewer Regulations) were reviewed to ensure compatibility and avoid conflicts. Suggested revisions are described below and have been shared with the Guam Environmental Protection Agency (GEPA). Language suggested for deletion is struckthrough and language suggested for addition is underlined. GWA and GEPA will continue to work together to finalize regulation updates, thereby meeting stipulated requirements.

4.1 10 GCA 48 - Toilet Facilities and Sewage Disposal

10 GCA 48 gives GEPA authority to regulate toilet facilities and sewage disposal, as well as the authority to require buildings to be connected to the public sewer system. 10 GCA 48 gives the Public Utility Agency of Guam (PUAG), the precursor to GWA, the authority to connect, or cause to connect, residences to the public sewer system when the sewer becomes available. 10 GCA48 can be accessed at (<http://www.guamcourts.org/CompilerofLaws/GCA/10gca/10gc048.PDF>).

10 GCA 48 §48124 needs to be revised for GWA to also have regulatory authority to require buildings to be connected to the public sewer system. GWA is able to conduct sewer connections and charge customers for the service, with the ability for residents to pay in installments, though the original funding source has expired. The funding source needs to be updated to identify the Sewer Loan Revolving Fund.

10 GCA 48 also gives PUAG the authority to construct Type II toilet facilities (septic tanks and leaching field systems) and to construct sewer connections free of charge for underprivileged persons. Proposed revisions are listed below, with the main goals of:

- Replacing “PUAG” references with “GWA”;
- Authorizing GWA to require a sewer connection
- Removing the requirement for GWA to construct Type II toilet facilities (septic tank and leaching field systems);
- Revising the requirement for GWA to construct sewer connections free of charge for underprivileged persons to allow for future GWA public assistance programs; and
- Including all buildings in the requirement to connect to the public sewer system, as allowed by 10 GCA 48§48104. Types of Toilet and Sewage Facilities. (b):
“When a public sewer is available, all buildings used for human occupancy, employment or recreation and situated upon land abutting any road, street, or other way or easement in which a public sewer is located, must have suitable toilet facilities installed and connected to the public sewer...”
- Update funding language allowing residential homeowners to pay for sewer connections in installments under the Sewer Loan Revolving Fund. Owners of non-residential buildings are not eligible for installation payments.

Suggested revisions are listed below.

1. Replace “PUAG” with “GWA” throughout Chapter 48.
2. Revise **10 GCA 48 §48113: Sewer Connection for Underprivileged** to allow use of future GWA public assistance programs, while meeting the requirements of **28 GARR Chapter 2 Article 1 §2105 (b)**, which states “...Each applicant for service shall be responsible for the cost of installing all plumbing up to the service connection”.

10 GCA 48 §48113: Sewer Connection for Underprivileged

Sewer Connection for Underprivileged. The Chief Officer of the Public Utility Agency of Guam shall connect or cause to be connected without charge, the island-wide sewer system to the residences of all persons for families certified by the Agency to be 'underprivileged' within the guideline established by the Director of Public Health and Social Services.

Suggested revisions:

Sewer Connection for Underprivileged. The ~~Chief Officer~~ General Manager of the Public Utility Agency of Guam Waterworks Authority shall connect or cause to be connected without charges per available Guam Waterworks Authority public assistance programs, the island-wide sewer system to the residences of all qualified customers ~~persons for families~~ certified by the Agency Authority to be 'underprivileged' within the guidelines established by the ~~Director of Public Health and Social Services~~ Authority's public assistance programs.

3. Update **10 GCA 48§48114. Definitions.**

10 GCA 48§48114. Definitions.

As used in '§ 48114 through 48123 inclusive:

- (a) Agency shall mean the Public Utility Agency of Guam;*
- (b) Fund shall mean the Public Utility Agency Wastewater Fund;*
- (c) Homeowners shall mean persons owning private single family residences in which they reside;*
- (d) Adjacent homeowners shall mean homeowners whose residences are adjacent to and abut a road, street or other way or easement on which a sewer is installed.*

Suggested revisions:

As used in '§ 48114 through 48123 inclusive:

- (a) ~~Agency Authority~~ shall mean the Public Utility Agency of Guam Waterworks Authority;*
- (b) Fund shall mean the Public Utility Agency Wastewater Fund;*
- (c) Homeowners shall mean persons owning private single family residences in which they reside;*
- (d) Adjacent homeowners shall mean homeowners whose residences are adjacent to and abut a road, street or other way or easement on which a sewer is installed;*
- (e) Adjacent building shall mean a structure used for human occupancy, employment or recreation and situated upon land abutting any road, street, or other way or easement in which a public sewer is located;*
- (f) Building owner shall mean the owner of a building.*
- (g) Adjacent building owners shall mean owners whose buildings are adjacent to and abut a road, street or other way or easement on which a sewer is installed, to include homeowners.*

4. Update **10 GCA 48 §48115 Installation of Connecting Lines to Public Sewers** to require all buildings that produce wastewater and are not connected to the public sewer to connect to a sewer when it becomes available.

10 GCA 48 §48115 Installation of Connecting Lines to Public Sewers

The Public Utility Agency of Guam is hereby authorized to install or cause to be installed connection lines to public sewers from the residences of adjacent homeowners and subject to the provisions of this Chapter to charge thereof on an installation basis. Any such adjacent homeowner who, pursuant to the 10 GCA § 48104 is required to connect toilet facilities to said forth in such notice a verified application to the Agency for installation of said sewer connection and for repayment of the cost thereof on an installment basis as provided herein.

Suggested revisions:

The ~~Public Utility Agency of Guam~~ Waterworks Authority is hereby authorized to install or cause to be installed connection lines to public sewers from ~~the residences of adjacent homeowners~~ buildings and subject to the provisions of this Chapter to charge thereof on an installation basis.

Any such adjacent ~~homeowner~~ building owner who, pursuant to the 10 GCA § 48104 is required to connect toilet facilities to said ~~forth in such notice a verified~~ shall submit an application to the Agency Authority for installation of said sewer connection and for repayment of the cost thereof. Any such qualified adjacent homeowner may conduct the repayment on an installment basis as provided herein.

5. Remove 10 GCA 48§48116. Installation of Type 2 Facilities, as GWA does not install Type 2 (septic tank/leaching field facilities).

10 GCA 48 §48116. Installation of Type 2 Facilities

The Public Utility Agency of Guam is hereby authorized to install or cause to be installed for homeowners Type 2 toilet facilities and to charge therefor on an installment basis subject to the provisions of this Chapter. Any homeowner who, pursuant to the 10 GCA § 48104 is required to install Type 2 toilet facilities, may make application to the Agency for installation of said toilet facilities and for repayment of the cost thereof on an installment basis as provided herein.

6. Update **10 GCA 48 §48117. Notice to Homeowners** to require all buildings that produce wastewater and are not connected to the public sewer to connect to a sewer when it becomes available and remove references to Type II sewers.

10 GCA 48 §48117. Notice to Homeowners

The Chief Officer of the Agency or his authorized representative shall inform, by written notice, all adjacent homeowners that said homeowner may make application for installation of connecting lines and payment of the cost thereof on an installment basis as provided in this Chapter. This notice shall be given to such homeowners within thirty (30) days from the date the public sewer first becomes available to them and shall contain a form for making application. Within ninety (90) days from the effective date of this Act the Public Utility Agency of Guam shall give the notice provided herein to all such persons who presently own homes abutting a road, street or other way or easement in which a public sewer is currently located, and who have not yet connected their toilet facilities to the sewer. The Chief Officer of the Agency or his authorized representative shall also inform, by publication of a notice at least once each month for a period of six (6) months in a newspaper of general circulation, all homeowners that they may make application for installation and connection of Type 2 toilet facilities and payment of the cost thereof on an installment basis as provided in this Chapter.

Suggested revisions:

10 GCA 48 §48117. Notice to Homeowners Building Owners

The ~~Chief Officer of the Agency~~ General Manager of the Authority or his authorized representative shall inform, by written notice, all adjacent ~~home~~ building owners that said ~~homeowner~~ may make application for installation of connecting lines. Homeowners may make ~~and~~ payment of the cost thereof on an installment basis as provided in this Chapter. This notice shall be given to such ~~home~~ building owners within thirty (30) days from the date the public sewer first becomes available to them and shall contain a form for making application. Within ninety (90) days from ~~the effective date of this Act~~ confirmation that a building is not connected to the public sewer the Public Utility Agency of Guam Waterworks Authority shall give the notice provided herein to all such persons who presently own ~~homes~~ buildings abutting a road, street or other way or easement in which a public sewer is currently located, and who have not yet connected their toilet facilities to the sewer. ~~The Chief Officer of the Agency or his authorized~~

~~representative shall also inform, by publication of a notice at least once each month for a period of six (6) months in a newspaper of general circulation, all homeowners that they may make application for installation and connection of Type 2 toilet facilities and payment of the cost thereof on an installment basis as provided in this Chapter.~~

7. Revise **10 GCA 48 §48118. Application to Homeowners** to allow use of future GWA public assistance programs

10 GCA 48 §48118. Application of Homeowners

The adjacent homeowners desiring to have connecting sewer lines installed by the Public Utility Agency of Guam and to pay therefor on the installment basis shall, within thirty (30) days from receipt of the notice specified in § 48117 file application for connection and installment payment with the Agency upon forms provided by the Agency.

Suggested Revisions:

The adjacent homeowners who qualify for available GWA public assistance programs and desiring to have connecting sewer lines installed by the ~~Public Utility Agency of Guam~~ Waterworks Authority and to pay therefor on the installment basis shall, within thirty (30) days from receipt of the notice specified in § 48117 file application for connection and installment payment with the Agency Authority upon forms provided by the Agency Authority.

8. Revise **10 GCA 48 §48119. Installation of Connecting Lines** to include all buildings that should be connected to the public sewer.

§48119. Installment of Connecting Lines

The Agency shall install or cause to be installed connections from the residence of each such adjacent homeowner to the public sewer and shall commence such installations as soon as possible in order to comply with the time provisions of § 48104 of this Chapter. This work may be done by contractors on public bid pursuant to the provisions of '10001.6 of the Government Code. If an adjacent homeowner has made application in accordance with the provisions contained herein and within the time provided in § 48118, the time limitations contained in § 48104 of this Chapter shall be waived while connection lines are being installed by or under the supervision of the Agency.

Suggested revisions:

The Agency Authority shall install or cause to be installed connections from the ~~residence~~ building of each such adjacent building ~~homeowner~~ to the public sewer and shall commence such installations as soon as possible in order to comply with the time provisions of § 48104 of this Chapter. This work may be done by contractors on public bid pursuant to the provisions of §10001.6 of the Government Code. If an adjacent ~~homeowner~~ has made application in accordance with the provisions contained herein and within the time provided in § 48118, the time limitations contained in § 48104 of this Chapter shall be waived while connection lines are being installed by or under the supervision of the Agency Authority.

9. Remove **10 GCA 48 §48120. Installation of Type 2 Toilet Facilities** as it requires GWA to install Type 2 toilet facilities.

10 GCA 48 §48120. Installation of Type 2 Toilet Facilities

After the homeowner obtains a permit from the Guam Environmental Protection Agency, the Agency shall install or cause to be installed and connected Type 2 toilet facilities as soon as possible after execution of the installment contract provided for by § 48123 of this Chapter. This work may be done by contractors on public bid pursuant to the provisions of 5 GCA §50108.

10. Update **10 GCA 48 §48124. Powers** to confer upon GWA the authority to require buildings to be connected to the public sewer system when it becomes available. The funding source for residential sewer connections shall be identified as the Sewer Loan Revolving Fund.

10 GCA 48 §48124. Powers

The Guam Environmental Protection Agency shall have the power, duty and responsibility for the operation, administration and enforcement of this Chapter. Such power shall include the authority to make rules and regulations necessary to carry out the provisions contained herein, all in accordance with '21207 of the Government Code of Guam. The Public Utility Agency of Guam shall have the responsibility for operation and administration of carrying out '§ 48115 through 48123 of this Chapter, shall maintain all the necessary records, and shall have the authority to enforce collection of payments to be made by homeowners hereunder. The Public Utility Agency of Guam shall obtain from the Attorney General approval of the general form of installment contract which is to be entered into by homeowners hereunder, and approval of the general form of the assumption agreement to be entered into hereunder by subsequent purchasers.

Suggested revisions:

The Guam Environmental Protection Agency shall have the power, duty and responsibility for the operation, administration and enforcement of this Chapter. Such power shall include the authority to make rules and regulations necessary to carry out the provisions contained herein, all in accordance with '21207 of the Government Code of Guam. The ~~Public Utility Agency of~~ Guam Waterworks Authority shall have the power to enforce sewer connections as identified in this Chapter and the responsibility for operation and administration of carrying out '§ 48115 through 48123 of this Chapter, shall maintain all the necessary records, and shall have the authority to enforce collection of payments to be made by homeowners hereunder. The ~~Public Utility Agency of~~ Guam Waterworks Authority shall obtain from the ~~Attorney General~~ Consolidated Commission on Utilities approval of the general form of installment contract which is to be entered into by homeowners hereunder, and approval of the general form of the assumption agreement to be entered into hereunder by subsequent purchasers. The financing source for the payment installation shall be the Sewer Loan Revolving Fund or other fund, as established by the Guam Waterworks Authority, to finance customer connections to the public sewer system.

11. **10 GCA 48 §48126. Penalties.**

The penalty for violating a 10 GCA 48 provision is a fine of up to \$1,000.00 per day. The main concern for customers is typically the cost of connection to the public sewer. A fine on top of the connection costs would be counterproductive, unless fines for a building owner went towards the cost of the sewer connection.

10 GCA 48 §48126. Penalties.

(a) Any person who violates any sewage disposal provision of this Chapter, or any rule or regulation in force pursuant thereto, or who refuses or neglects to comply with any lawful order

issued by the Administrator in the carrying out of the provisions of this Chapter, shall be guilty of misdemeanor and subject on account thereof to a fine not to exceed \$1,000. Each day of violation shall constitute a separate offense.

Suggested revisions:

(a) Any person who violates any sewage disposal provision of this Chapter, or any rule or regulation in force pursuant thereto, or who refuses or neglects to comply with any lawful order issued by the Administrator in the carrying out of the provisions of this Chapter, shall be guilty of misdemeanor and subject on account thereof to a fine not to exceed \$1,000. Each day of violation shall constitute a separate offense. In lieu of a misdemeanor and fines, the Administrator may, after exhausting all remedies, determine that the violator be subject to discontinuation of water service.

4.2 28 GARR Chapter 2 Article 1 §2103(b) – GWA Rates and Services

28 GARR Chapter 2 Article 1 §2103(b) references a five-year grace period for customers to connect to the public sewer. However, 10 GCA 48§ 48104 identifies sewer connection timeframes based onsite wastewater disposal system type and condition. Buildings served by Type 3 toilet facilities (pit privies, trench latrines, and bored hole latrines) must connect within six months of the public sewer becoming available. 10 GCA 48 §48104 also states “In situations within the Groundwater Protection Zone where the density of Type 2 facilities exceeds four (4) septic tank and leaching systems per acre and public sewer is available, in order to protect the groundwater, the Administrator has discretion in requiring building owners to connect to the public sewer within six (6) months of being served proper notice.” Suggested 28 GARR Chapter 2 revisions reference 10 GCA 48 §48104 timeframes.

28 GARR Chapter 2 Article 1 §2103(b)

All prospective customers upon the completion of a government sanitary sewer system shall connect to the system as soon as possible. It is mandatory by law that they be connected after a five-year grace period of its existence or upon their private-own system failure, or whichever comes first.

Suggested revisions:

All prospective customers upon the completion of a government sanitary sewer system shall connect to the system as soon as possible. It is mandatory by law that they be connected ~~after a five-year grace period of its existence or upon their private-own system failure, or whichever comes first~~ within the timeframes established by 10 GCA 48§ 48104.

4.3 22 GARR 25 §25104 - Connection to Public Sewer Regulations

22 GARR Chapter 25 §25104 requires buildings with property boundaries within 200 feet of a sewer main to be connected to the public sewer. A sewer lateral should extend at a ninety-degree angle from the property it serves and connect to the sewer main in the public right of way/easement fronting the property. The regulation has the following effects:

- A 200-foot setback distance between the private property boundary and the public sewer will require the customer to install a sewer main extension and manhole, which is cost prohibitive to most customers.
- When a sewer main extension is constructed, the 200-foot setback will impact additional lots, basically pushing the requirement to connect down the street and starting the five-year connection period over with a new set of customers. This is a piece-meal approach to getting a residential area connected to the public sewer.

- The maximum distance between manholes is 400 feet, per *Recommended Standards for Wastewater Facilities*. The installation of a 200-foot gravity main with a manhole will result in more manholes than necessary on a straight public right of way and therefore, unnecessary construction expense.

The suggested revision adds a qualifier that a connection will not be required if a sewer main extension must be constructed.

22 GARR 25 §25104

Public sewer shall be considered available to a particular building when the public sewer has been constructed in a roadway, street or easement abutting the lot on which the building is located. A single family residence or a duplex shall not be required to connect to the public sewer if the horizontal setback from the sewer line exceeds two hundred (200) feet.

Suggested revisions:

22 GARR Chapter 25 §25104 Public sewer shall be considered available to a particular building when the public sewer has been constructed in a roadway, street or easement abutting the lot on which the building is located. A ~~single family residence or a duplex~~ building shall not be required to connect to the public sewer if the horizontal setback from the sewer line exceeds two hundred (200) feet or if a sewer main extension must be constructed to allow the sewer connection.

5.0 Customers Near Sewer Mains and Water Wells

Stipulated requirements include identification of customers within 200 feet of a sewer main and 1,000 feet of a well that require public sewer connections under 10 GCA 48. Customers with only water charges on their accounts were assumed to have cesspools or septic tanks systems and therefore, not connected to the public sewer. Of these water-only customers, the ones with buildings closest to sewer mains would be the easiest to add as sewer customers, with the shortest construction time and lowest cost for sewer connections.

Customers within 200 feet of a sewer main:

22 GARR Chapter 25 §25104 requires all building within 200 feet of a sewer main to connect to it. Geographic Information Systems (GIS) were used to identify the 3,520 buildings with water-only accounts within 200 feet of a gravity sewer main. In theory, proximity to a sewer main will allow customers to easily connect their buildings to the sewer main by constructing a sewer lateral. However, the owners of buildings that do not have a sewer main fronting their lot, but are still within 200 feet of a sewer main, may have to construct a sewer manhole and sewer main extension to connect to the public sewer. If 22 GARR Chapter 25 §25104 is revised to require a building within 200 feet of a sewer main to connect unless a sewer main extension is required (see Section 4.3), then the sewer connection requirement would apply to customers with sewer mains fronting their lots. Fifty feet (the width of a large road) was estimated to be the distance from a property boundary to a sewer main that would not require a sewer main extension. 2,471 water-only customers are located within 50 feet of a gravity sewer main and can readily connect to the sewer system.

Customers within 1,000 feet of a water well:

GIS was used to identify the 1,838 water-only customers within 1,000 feet of a water well. These customers will require sewer main extensions to connect to the public sewer system. The prioritization strategy for sewer main construction near wells is identified in Section 5.1. Table 5.0 contains the

number of water-only customers near sewer mains and water wells. Appendix A contains this information organized by village.

Table 5.0 Water-only customers within 50 feet of a gravity sewer main, 200 feet of a gravity sewer main, and 1,000 feet of a water well.

Area	Customers Charged for only Water Service within 50 feet of a Gravity Sewer Main	Customers Charged for only Water Service within 200 feet of a Gravity Sewer Main	Customers Charged for only Water Service within 1,000 feet of a Water Well
Island-wide	2,471	3,520	1,838

5.1 Prioritizing Sewer Main Extensions

New sewer main construction will be prioritized based on the following criteria:

1. Groundwater quality protection as evidenced by high and/or rising nitrate-nitrogen concentrations at potable production wells.

The University of Guam’s Water and Environmental Research Institute (WERI) has conducted trend analyses of nitrate-nitrogen concentrations at water wells (see Appendix B). Potable production well trends (increasing or decreasing) and predictions of future nitrate-nitrogen concentrations were used to prioritize areas for sewer connection. Appendix B also includes maps of wells with the highest nitrate-nitrogen concentrations and increasing trends.

2. The most economically efficient use of GWA capital to maximize the number of new sewer connections for GWA production wells.
3. Public works projects planned for the area in order to install sewer mains prior to road paving projects.

After the first sewer connections and sewer main extension construction are started, GWA will continue to sample and evaluate new nitrate-nitrogen concentrations to confirm or reassess future project areas.

5.2 Prioritizing Sewer Connections Near Sewer Mains

While Section 5.1 addresses customers in unsewered areas where sewer mains will be constructed, there are a number of customers living in sewer areas that are not charged for sewer service. These customers are either not connected to the public sewer or are connected and are not being charged for service. Following prioritization criteria 1 and 2 in Section 5.1, areas in sewer subdivisions over the NGLA were investigated to identify customers who are being charged for water service, but not charged for sewer service. All residences in these subdivisions within 200 feet of a sewer main should be connected to the public sewer based on the current regulation. Therefore, customers who are not charged for sewer service either need to be connected to the public sewer or are already connected to the public sewer and not being charged for the service. Table 5.2 identifies these areas and GWA customers. All areas would need field assessments to verify sewer main and customer locations.

Table 5.2. Sewered areas where customers are not being charged for sewer service. Maps of these areas are contained in Appendix C.

	Village	Location (Subdivision/Street)	Number of Customers Charged for Sewer and Water Service	Number of Water-Only Customers	Map in Appendix C
1	Dededo	Astumbo Subdivision (south of Ysengsong Road)	469	82	Figure 1
2	Dededo	Machanao Subdivision (1) (north of Ysengsong Road, east of Route 3)	485	40	Figure 2
3	Dededo	Machanao Subdivision (2) (north of Chalan Koda)	585	64	Figure 3
4	Dededo	Machanao West Subdivision (1) (north of Chalan Lumasu)	123	4	Figure 4
5	Dededo	Machanao West Subdivision (2) [north of Chalan Lumasu, east of Machanao West (1)]	220	8	Figure 5
6	Dededo	Fern Terrace Subdivision [east of Route 3, northwest of Machanao West (2)]	78	2	Figure 6
7	Dededo	Machanao West Subdivision (west of Starts golf course)	129	4	Figure 7
8	Dededo	Santa Ana Vicinity Subdivision (north of Starts golf course)	88	21	Figure 8
9	Yigo	Agafa Gumas Subdivision (near Machanao Elementary School off Route 9)	72	38	Figure 9
10	Yigo	Zero Down Subdivision (south of Agafa Gumas)	17	12	Figure 10
11	Yigo	Paradise Meadows Subdivision	111	3	Figure 11
12	Yigo	Mataguac-Asatdas/South Mataguac/North Gayinero/South Gayinero/Marianas	1107	98*	Figure 12

	Village	Location (Subdivision/Street)	Number of Customers Charged for Sewer and Water Service	Number of Water-Only Customers	Map in Appendix C
		Terrace/Villa Pacita Subdivisions (intersection of Gayinero Dr. and Route 1)			
13	Dededo	Paradise Estates/Ypaopao/Wusstig/T1538/Ghura 501 (north of Route 1)	929	80	Figure 13
14	Dededo	Subdivision surrounding Dededo Community Center/Kaiser (north of Route 1)	1611	48	Figure 14
15	Dededo/ Tamuning	Liguan Upper Tumon /Carlos Heights/Harmon Garden/Villa Isabana (south of Route 1)	1858	125	Figure 15
16	Mangilao	Latte Heights Estate/Banyan Heights/Latte Plantation (north of Route 15)	356	35	Figure 16
17	Barrigada	Bello Road Vicinity/Barrigada Heights (east of Route 16)	78	44	Figure 17
18	Barrigada	Area southeast of tri-intersection of Route 8 and Route 10	437	150	Figure 18
19	Barrigada/ Mangilao	Area east of Father Duenas High School at the intersection of Route 15 and Route 10	1334	490	Figure 19
20	Chalan Pago Ordot/ Yona ^a	Area adjacent to Pago Bay along Route 4	405	40	Figure 20
21	Chalan Pago Ordot	Area west of Father Duenas High School along Route 10 and intersection Route 4 and Route 15	424	305	Figure 21
22	Sinajana/Agana Heights/Agana	Area east of Route 4 and south of Route 7/Afame Subdivision	1359	193	Figure 22

Village	Location (Subdivision/Street)	Number of Customers Charged for Sewer and Water Service	Number of Water-Only Customers	Map in Appendix C
TOTAL		12,275	1,886	

^aYona is not within the NGLA, but was included in this table as water-only customers are located within this area.

Previous GWA smoke-testing activities in sewer areas have discovered approximately 10% of homes to be already connected to the public sewer. Based on this percentage, it is estimated that approximately 188 of the 1,886 customers not being charged for sewer service are actually connected to the public sewer.

5.2.1 Procedure to Investigate Customers Paying Only Water Charges in a Sewered Area

Customers without sewer service will be further investigated. GWA's customer database (CC&B) records will be cross-checked with GIS information to confirm that water-only customer accounts should not include sewer charges (e.g., irrigation or agricultural accounts).

- Smoke tests will be conducted to identify customers connected to the sewer system but not paying for sewer service. During field investigations, employees will also confirm if multiple living units are being served by a single meter, as it is not uncommon to discover additional living units constructed after the original residence was approved for utility service.
- If a sewer connection is confirmed, the customer will be notified that sewer charges will be assessed, including a back-bill for four months of service.
- If multiple living units are being served by a single meter, the customer will be notified that each living unit will be assessed base service charges, including a back-bill for four months of service.
- If the smoke test confirms that the customer is not connected to the public sewer, then the customer will be notified that a sewer connection is required. The customer will be assisted with the connection process.

Additional procedures for investigating and addressing unsewered customers are listed in Appendix D.

5.2.2 Prioritized Areas for Sewer Connection Investigations

Based on the number of water wells within 1,000 feet and the number of customers with water-only charges, the Astumbo Subdivision, Machanao Subdivision (1), and the Machanao Subdivision (2) warrant prioritization, with the remaining areas prioritized and investigated thereafter (see Table 5.2.2).

Table 5.2.2 Prioritized subdivisions for sewer connection investigations.

	Village	Location (Subdivision/Street)	Number of Water- Only Customers	Number of Wells within 1,000 feet
1	Dededo	Astumbo Subdivision (south of Ysengsong Road)	82	5

	Village	Location (Subdivision/Street)	Number of Water- Only Customers	Number of Wells within 1,000 feet
2	Dededo	Machanao Subdivision (1) (north of Ysengsong Road, east of Route 3)	40	5
3	Dededo	Machanao Subdivision (2) (north of Chalan Koda)	64	3
TOTAL			186	

5.3 Customers Within 1,000 Feet of a Water Well

Following prioritization criteria 1 and 2 in Section 5.1, and using WERI's production well nitrate-nitrogen data, four priority wells were identified. Considerations include recent nitrate-nitrogen concentrations, concentration trends, and the predicted 2029 concentration. See Table 5.3, which also includes approximate gravity sewer main length and the number of homes that will be connected to the sewer mains. Appendix E contains maps and pictures of the priority well areas.

Table 5.3 Priority production wells, latest and predicted nitrate-nitrogen concentrations, and areas for sewer main construction.

Production Well with Increasing Nitrate-Nitrogen Trends	Village	Latest Nitrate-Nitrogen Concentration (mg/l) and Sampling Date	2029 Predicted Nitrate-Nitrogen Concentration (mg/L)	Approximate New Gravity Main length (linear feet)	Number of Homes to Connect to the Public Sewer	Area Map in Appendix E
EX-11	Mangilao	4.6 mg/L (1/16/2019)	6.5 mg/L	4,200	39	Figure 23
M-4	Mangilao	4.3 mg/L (1/16/2019)	6.3 mg/L	3,300	21	Figure 24
F-18	Dededo	4.7 mg/L (7/15/2018)	6.3 mg/L	14,200	153	Figure 25
M-15	Dededo	4.4 mg/L (1/16/2019)	6.3 mg/L	16,800	228	Figure 26

In order to ensure that wells are correctly prioritized and the area for sewer main extensions are appropriate for the protection of water well quality, WERI will review GWA's list of priority production wells to confirm or reassess prioritization based on the density of cesspools and septic tanks, hydrogeologic and hydrologic conditions relevant to risk and rates of return on remediation, including: 1) groundwater basin boundaries; 2) groundwater zones (i.e., basal, para-basal, supra-basal); 3) lens thickness; 4) groundwater flow direction; and 5) geographic distributions of nitrate-nitrogen concentrations. Confirmation of priority wells and areas for new sewer mains will ensure that GWA will effectively deploy resources to slow or halt rising nitrate-nitrogen concentrations.

6.0 GWA Investments and Funding Sources

6.1 GWA Construction Costs

GWA constructions costs will be for gravity sewer main extensions, as well as lift stations and force mains, when required. Gravity sewer main costs, inclusive of design and construction management, is approximately \$527 per linear foot (based on the Macheche Hill Gravity Sewer project). Lift station and force main costs start at approximately \$1.5 million and can increase, depending on lift station capacity, land acquisition, and force main length.

6.2 GWA Operations and Maintenance Costs

Investigations of the sewer areas described in Section 5.2 will require a dedicated team of 5 employees for approximately two years. The team will be responsible for smoke testing, verification of the number of living units served by each meter, records review of GWA accounts, and identification of accounts that should have sewer charges. The team will need a vehicle, two smoke testing machines, liquid smoke, and related equipment.

Operations and maintenance costs for new sewer extensions were based on GWA’s current level of service. GWA’s wastewater system consists of approximately 290 miles of gravity pipe, 80 lift stations, and approximately 27 miles of force main. Wastewater operations and maintenance staff consist of 45 full-time employees (FTEs), detailed in Table 6.2.1.

Table 6.2.1. Wastewater operations staffing.

Program	Full-Time Employees	Facility to FTE ratio
1 Operations Manager		
Operations (80 lift stations and emergency calls)	22	3.6 lift stations/FTE
CCTV cleaning and inspections (290 miles of gravity main)	10	29 miles of gravity main/FTE
Maintenance (80 lift stations, 290 miles of gravity main, 27 miles of force main)	12	6.7 lift stations, 24.2 miles of gravity main, and 2.3 miles of force main/FTE

Staff requirements for system expansion were based on the ratio of full-time employees to wastewater facilities:

$$FTE \text{ per lift station} = \frac{\text{number of lift stations}}{\text{number of FTEs}}$$

$$FTE \text{ per linear mile of gravity or force main} = \frac{\text{total length of gravity or force main}}{\text{number of FTEs}}$$

Employee resources needed for sewer investigations and wastewater system expansion are listed in Table 6.2.2.

Table 6.2.2. GWA employee resources needed to support wastewater system expansion.

GWA Section	Additional FTEs needed
Wastewater Operations - lift stations	1 FTE for every 3 new lift stations
Wastewater Operations - CCTV cleaning and analysis	1 FTE for every 29.4 miles of new gravity main
Wastewater Maintenance	1 FTE for 6 lift stations, 24.2 miles of gravity main, and 2.3 miles of force main
Engineering Capital Improvement Project Management	1 FTE for sewer main and sewer lateral capital improvement projects
Public Information / Outreach	None
Planning	1 for grant applications 5 for sewer and living unit field verifications
Permits	1 for sewer lateral connection inspections
Private Lateral Construction ID/IQ coordination and grant coordination with customers	1 FTE to be based in the Affordability Program Section
Finance loans	None
Customer service	No additional customer service personnel needed at this time. Residents that will be connected to the sewer system are current water customers.

6.3 Near Term Funding Sources

GWA's Water Resources Master Plan Update includes the Septic/Cesspool System Reduction Program project (MP-WW-Pipe-27). The project identifies a 20-year plan to connect existing septic/cesspool properties to sewer mains. New sewer mains will be constructed at a rate of 5,000 feet per year. This project has bond funds available in Fiscal Year 2022.

The USEPA grant priority list includes the Groundwater Protection Zone Collection Line Implementation project. The Groundwater Management Protection Zone sets minimum standards that involve housing or development within a 1,000 foot radius of a deep well. This project will take into account the GWA Wellhead protection Plan to prioritize the installation/ replacement of a sewer collector system in those areas that are the greatest risk to the aquifer or well water quality. Prioritization will be based on nitrate concentrations at production wells.

6.4 GWA Revenue Impacts and Implementation Expenses

GWA revenues will incrementally increase with new connections (and conversion of water only accounts) due to the sewer inspection fee, monthly sewer charges, and SDCs. New sewer connections are be charged a connection fee, currently at \$50.00 per connection. Each new residential sewer customer will be charged monthly sewer service charges. Customers who received water service after March 1, 2010 will also be charged sewer SDC, currently at a \$3,474.00. Revenue impacts and implementation expenses will be dependent on plan implementation. Conservative, moderate, and aggressive implementation options are identified in Section 9.0, along with a cost benefit analysis for each option.

7.0 Potential Customer Investments and Funding Mechanisms

Many customers without public sewer service were in a low-income/poverty financial bracket before the pandemic. Sewer connection costs would be an untenable burden on these customers, whose financial situations have been greatly exacerbated by the pandemic. The Guam Department of Labor's Bureau of Labor Statistics reported 12,890 people unemployed in June 2020, corresponding to a 17.3% unemployment rate. Requiring customers to pay for sewer charges and sewer connection construction, when they have a greatly diminished income, and in some cases, no income, is unrealistic.

While GWA has a sewer loan available, the best option for financially-impacted customers is to have grants cover their sewer connection construction costs. Customer costs and funding mechanisms are described in subsequent sections.

7.1 Potential Customer Investments

Customers will bear up to four different costs:

(1) Construction cost of connecting to the GWA system.

This is a one-time, initial capital cost of constructing a private gravity service lateral from a customer's existing plumbing system to the public wastewater system on the public right of way or easement. Costs will vary, based on site-specific considerations such as lateral length, adjustment of other utilities to avoid conflicts. Residences and duplexes that would require a pump and force main to connect to the public sewer can request a variance from the public sewer connection requirement from GEPA per 22 GARR Chapter 25 §25108.

(2) Wastewater System Development Charge (SDC)

The wastewater SDC applies to customers who connected to the GWA system on and after March 1, 2010. The SDC is based on meter size. A residential (3/4-inch) water meter has an associated wastewater SDC currently at \$3,474.00. Qualified customers can avail of the following SDC assistance programs:

- (a) GWA offers a loan for customers to amortize SDC payments. To qualify, the home must be a primary residence for the applicant and/or immediate family members. There is an initial payment of \$500.00 followed by monthly payments of \$41.29 for 96 months at an annual interest rate of 7.5%.
- (b) If the total cost of land and construction does not exceed \$210,000.00, then an applicant might qualify for an Affordable Housing SDC. A percentage of the total cost of construction and land purchase is used to calculate the Affordable Housing SDC. Documentation of the land purchase price and construction costs are required. Qualified applicants may amortize an affordable housing SDC through a loan with GWA.

(3) GWA Sewer Connection Permit

The residential sewer connection permit fee is currently \$50.00.

(4) Monthly wastewater service charges.

The residential wastewater charge (currently \$27.54/month) is subject to rate increase adjustments. See Tables 1.1 and 9.1 for forecasted monthly residential wastewater charges.

(5) Operations and maintenance

Customers are responsible for the operations and maintenance of the private sewer lateral, which consists of the wastewater system on the private lot up to the cleanout on the public right of way or public easement for gravity sewer laterals.

Table 7.1. Customer costs.

Cost Description	Private Gravity Wastewater Lateral
Initial, one-time construction cost	\$9,000.00 to \$16,334.00 ^a
Initial, one-time SDC for customers who connected to the GWA water system on or after 3/1/2010	\$3,474.00 ^b
GWA sewer connection permit	\$50.00
Recurring cost (monthly wastewater service charges as of 10/01/2020) ^c	\$27.54
Recurring cost (operations and maintenance of private sewer laterals)	Jetting, as needed, for solids buildup

^aBased on contractor estimates from approved sewer loan applications.

^bQualified customers can apply for a loan to amortize payments and/or the affordable housing SDC for a lower SDC.

^cSubject to rate increase adjustments. See Tables 1.1 and 9.1 for forecasted monthly residential wastewater charges.

7.2 Funding Mechanisms

Also as required under the Stipulation, the Study investigated options for alternative funding mechanisms or enhancing existing funding mechanisms to assist customers in connecting to the sewer system, including the use of SDC funds to increase Sewer Connection Revolving Funds.

7.2.1 System Development Charges and the Sewer Loan Revolving Fund

SDC Implementation Guidelines do not allow SDCs to augment the Sewer Loan Revolving Fund for the reasons listed below.

- (1) The SDC Implementation Guidelines repeatedly state that the SDCs are to be used to increase capacity for new customers. The sewer loans are to assist customers in the construction of private sewer laterals to connect to the public sewer system. The laterals do not increase the available capacity of the public sewer system.
- (2) SDCs can cover sanitary sewer facility expansion, but the “Sanitary Sewer Facility” definition (see below) excludes site-related facilities (such as private laterals).

“Sanitary Sewer Facility” means an improvement for providing sanitary sewer service, including but not limited to land or easements, treatment and pre-treatment facilities, lift stations or force mains. Sanitary sewer facility excludes sanitary sewer lines or mains which are constructed by developers, the costs of which are reimbursed from pro rata charges paid by subsequent users of the facilities. Sanitary sewer facilities exclude site-related facilities.

(3) From the “System Development Charge” definition below, SDCs do not include privately-funded costs required by GWA regulations (and sewer laterals are at the customer’s expense).

System Development Charge” means a one-time impact fee or charge assessed by GWA on each user who is for the first time connecting property into GWA water or wastewater system, or to each developer if the density of development on the existing connection is increased pursuant to these Guidelines in order to fund or recoup the costs of capital improvements or facility expansions necessitated by and attributable to new development. SDCs do not include the dedication of rights-of-way or easements for such facilities or the construction of improvements by the developer thereon. SDCs also do not include line extension costs or other agreed upon privately funded costs that are required under GWA rules or regulations or Guam law to accommodate development regardless of type.

Because SDCs can’t be used for the Sewer Loan Revolving Fund, GWA has contacted USEPA to determine if grant funding is available to supplement the loan fund. The loan fund has been identified as a potential project on the USEPA priority list of projects that may be eligible for grant funds. See Section 7.2.3.

7.2.2 Sewer Connection Revolving Loan Fund Program

GWA offers low-interest loans to residents of Guam with terms up to 10 years for qualifying sewer construction, installation and connection to the public wastewater system. In order to be eligible, applicants must be a Guam resident, owner of the property not currently connected to the public wastewater collection system, and must have proof of being declined for financing to fund their sewer project from at least two (2) Guam banks supported with a declination notice/letter from the banks.

The loan amount is up to \$9,000.00 per applicant with a fixed interest rate and repayments made monthly. Loans are supported by a security interest (lien) in the benefited property and applicant must apply for the loan before the project is completed.

To defray sewer connections costs, facilitate application submittals, and streamline the approval process, the following revisions to sewer loan requirements are recommended, pursuant to approval from USEPA:

- (1) Increase the maximum loan cost from \$9,000.00 to \$20,000.00 per applicant.
- (2) Decrease or remove the requirement to have declined loan applications from two Guam banks if an applicant is receiving public assistance.
- (3) Provide additional sources for the revolving fund.
- (4) Defer payments for five years for customers willing to connect to a newly sewer main when it is built, instead of waiting for five years, as allowed by 10 GCA 48 §48104.

Table 7.2.2. Sewer loan requirements and proposed changes.

Current Requirements	Proposed Requirements
\$9,000.00 maximum loan	Increase maximum loan to \$20,000.00
Rejection of a conventional loan application from two commercial banks	Waive requirement for customers registered in public assistance programs
10 year maximum loan term	Customers registered in public assistance programs can increase the term to a maximum of 15 years

Three contractor estimates are required	Waive the requirement if the sewer connection is part of a GWA capital improvement project
Payments to commence immediately upon loan issuance	Defer payments for five years for customers willing to construct their sewer lateral when a new sewer main is being constructed instead of waiting for five years, as allowed by 10 GCA 48 §48104.

7.2.3 United States Environmental Protection Agency (USEPA) Sewer Loan Revolving Funding

GWA has asked USEPA if grant funds are available for the Sewer Loan Revolving Fund. USEPA is researching appropriate grants and funding has been placed on the GEPA/GWA priority list of potential grant-funded projects. GEPA and GWA are scheduled to finalize priority list voting in March 2021.

7.2.4 Guam Housing and Urban Renewal Authority (GHURA) Grant Funding

GWA has requested GHURA consideration for customers who will construct a sewer lateral connection. See Appendix F for the request and Home grant information. Communications with GHURA will be a part of the sewer main extension projects upgradient of water wells.

7.2.5 United States Department of Agriculture (USDA) Grant Funding

USDA loans and grants may be available to fund residential service lateral construction. USDA Section 504 grant and loan qualifications are listed in Appendix G. Grant and loan requirements that may make it unavailable to GWA customers are listed below.

- Be unable to obtain financial assistance from other non Rural Development credit or grant sources and lack personal resources that can be utilized to meet their needs
- An unpermitted dwelling
- Applicants can't be eligible for other non-USDA funding

Communications with USDA will be a part of the sewer main extension projects upgradient of water wells.

8.0 Program Enhancements to Encourage Sewer System Connections

As required under the Stipulation, the study investigated program enhancements to encourage connection to the sewer system

8.1 Public Outreach Efforts

Public outreach efforts will start with island leadership: the governor, senators, and mayors. Information on project goals, methodology, timeframes, and funding assistance will be provided to elected leaders before building owners are contacted.

Building owners who are required to connect to the sewer main will receive a notification detailing the sewer connection requirement, benefits, costs, and timeframes (see Appendix H). A door-to-door neighborhood outreach may be implemented to talk to members of the community and introduce the project plan's goals.

8.2 Engineering Consultation and Assistance

GWA requirements and engineering details will be provided to customers and contractors.

8.3 Owner/Contractor Construction Permitting Assistance/Streamlining

In areas involving a sewer main extension or where there are multiple sewer connections to be constructed, GWA may set up an Indefinite Delivery/Indefinite Quantity (ID/IQ) contract for sewer connection services. This will provide owners the option of conducting the sewer connection themselves or allowing GWA's ID/IQ plumbing and design services contractor to complete the sewer connection. Under the ID/IQ, the owners will still be responsible for connecting to the sewer main. However, they would not have to hire a contractor and manage construction activities. In addition, their individual costs may be lower if they are part of a group contract, as opposed to an individual contract.

8.4 Licensed and Qualified Contractor Lists

Contractor lists will be obtained from the Guam Contractor's Licensing Board and made available to connecting customers.

9.0 Recommendations

Establish a GWA cesspool/septic tank elimination program with initial program tasks to:

- (1) Pursue sewer investigations in sewer areas to:
 - a. Capture uncharged revenue from sewer connections,
 - b. bill additional base charges for meters serving more than one living unit, and
 - c. identify and require connection to buildings not connected to the public sewer.

- (2) Construct sewer mains near priority wells with the highest nitrate-nitrogen concentrations that have increasing concentrations trends.

- (3) Work with USEPA to identify funds for the sewer loan revolving fund. Work with GHURA and USDA to identify grants for neighborhood-wide private sewer connections to new sewer mains.

Activity 1 should be pursued until all uncharged sewer connections and base charges in sewer areas are appropriately billed. New sewer connections in sewer areas need to be coordinated with availability of sewer loan funding. However, given the current economic situation, constructing new sewer mains and connections must be coordinated with grant availability to fund private sewer lateral construction. Conservative, moderate, and aggressive plan implementation options are identified in Table 9.0. The moderate implementation approach is recommended, in consideration of the current economic situation, but still working towards the goal of eliminating cesspools and septic tanks. Cost benefit analyses for the conservative, moderate, and aggressive options are shown in Tables 9.1, 9.2, and 9.3, respectively. Table 9.4 provides a summary of financial metrics for the implementation options.

Table 9.0. Study implementation options.

Option	Sewer connection investigations of sewer areas	Construction of sewer mains near priority wells and connection of new customers
Conservative	<ul style="list-style-type: none"> • Start investigations in 2022 until all areas have been completed. • Require new sewer connections to be completed within 3 years of notification. If customers qualify for GWA’s sewer loan, require the connection when the sewer loan revolving fund has sufficient capital to accommodate new connections (anticipated to be no later than 2028). 	<ul style="list-style-type: none"> • 2021 - Pursue grants for private lateral construction. • Begin outreach efforts and start work on sewer main and lateral construction after grants have been approved. The start of construction is anticipated to be no later than 2029.
Moderate	<ul style="list-style-type: none"> • Start investigations in 2022 until all areas have been completed. • Require new sewer connections to be completed within 3 years of notification. If customers qualify for GWA’s sewer loan, require the connection when the sewer loan revolving fund has sufficient capital to accommodate new connections (anticipated to be no later than 2027). 	<ul style="list-style-type: none"> • 2021 - Pursue grants for private lateral construction. • Begin outreach efforts and start work on sewer main and lateral construction after grants have been approved or the sewer loan revolving fund has sufficient capital to accommodate the first neighborhood. The start of construction is anticipated to be no later than 2026.
Aggressive	<ul style="list-style-type: none"> • Start investigations in 2022 until all areas have been completed. • Require new sewer connections to be completed within 3 years of notification. If customers qualify for GWA’s sewer loan, require the connection when the sewer loan revolving fund has sufficient capital to accommodate new connections (anticipated to be no later than 2026). 	<ul style="list-style-type: none"> • 2021 - Pursue grants for private lateral construction. • 2022 – Begin island leadership and community outreach efforts. • 2023 - Start work on sewer main and lateral construction at the first priority area.

Table 9.1. Conservative implementation option cost benefit analysis.

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Customers added to system	80	96	12	24	24	24	48	48	48	48
Cumulative new customers billed	80	176	188	212	236	260	308	356	404	452
Avg. residential wastewater bill ¹	\$34.88	\$38.30	\$40.95	\$43.87	\$44.75	\$45.65	\$46.56	\$47.49	\$48.44	\$49.41
Incremental Revenues	\$ 33,489	\$ 80,888	\$ 92,394	\$ 111,612	\$ 126,732	\$ 142,428	\$ 172,086	\$ 202,877	\$ 234,837	\$ 268,000
O&M, current dollars	\$ 241,000	\$ 197,000	\$ 76,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 171,000	\$ 171,000	\$ 171,000
O&M, nominal dollars ²	248,230	208,997	83,047	78,786	81,149	83,584	86,091	216,618	223,116	229,810
Required CIP, current dollars	-	-	-	-	-	-	-	332,010	940,695	940,695
Required CIP, nominal dollars ²	-	-	-	-	-	-	-	420,580	1,227,394	1,264,215
Incremental Expenses	\$ 248,230	\$ 208,997	\$ 83,047	\$ 78,786	\$ 81,149	\$ 83,584	\$ 86,091	\$ 637,198	\$ 1,450,510	\$ 1,494,025
Net Cash Flows	\$ (214,741)	\$ (128,110)	\$ 9,346	\$ 32,826	\$ 45,583	\$ 58,844	\$ 85,995	\$ (434,321)	\$ (1,215,673)	\$ (1,226,025)
<i>1 - Forecast is based on the average residential wastewater bill under proposed rate structure for FY 2022-24, a 7% increase in FY 2025, and 2% per year increase thereafter</i>										
<i>2 - Estimates based on 3% annual escalation rate</i>										

Table 9.2. Moderate implementation option cost benefit analysis.

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Customers added to system	80	96	12	24	24	48	48	87	48	48
Cumulative new customers billed	80	176	188	212	236	284	332	419	467	515
Avg. residential wastewater bill ¹	\$34.88	\$38.30	\$40.95	\$43.87	\$44.75	\$45.65	\$46.56	\$47.49	\$48.44	\$49.41
Incremental Revenues	\$ 33,489	\$ 80,888	\$ 92,394	\$ 111,612	\$ 126,732	\$ 155,575	\$ 185,495	\$ 238,780	\$ 271,458	\$ 305,354
O&M, current dollars	\$ 241,000	\$ 197,000	\$ 76,000	\$ 70,000	\$ 171,000	\$ 171,000	\$ 171,000	\$ 171,000	\$ 171,000	\$ 171,000
O&M, nominal dollars ²	248,230	208,997	83,047	78,786	198,236	204,183	210,308	216,618	223,116	229,810
Required CIP, current dollars	-	-	-	-	332,010	940,695	940,695	268,770	761,515	761,515
Required CIP, nominal dollars ²	-	-	-	-	384,891	1,123,239	1,156,936	340,470	993,604	1,023,412
Incremental Expenses	\$ 248,230	\$ 208,997	\$ 83,047	\$ 78,786	\$ 583,126	\$ 1,327,422	\$ 1,367,245	\$ 557,087	\$ 1,216,721	\$ 1,253,222
Net Cash Flows	\$ (214,741)	\$ (128,110)	\$ 9,346	\$ 32,826	\$ (456,394)	\$ (1,171,847)	\$ (1,181,750)	\$ (318,308)	\$ (945,263)	\$ (947,868)
<i>1 - Forecast is based on the average residential wastewater bill under proposed rate structure for FY 2022-24, a 7% increase in FY 2025, and 2% per year increase thereafter</i>										
<i>2 - Estimates based on 3% annual escalation rate</i>										

Table 9.3. Aggressive implementation option cost benefit analysis.

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Customers added to system	80	96	12	24	87	48	48	70	48	48
Cumulative new customers billed	80	176	188	212	299	347	395	465	513	561
Avg. residential wastewater bill ¹	\$34.88	\$38.30	\$40.95	\$43.87	\$44.75	\$45.65	\$46.56	\$47.49	\$48.44	\$49.41
Incremental Revenues	\$ 33,489	\$ 80,888	\$ 92,394	\$ 111,612	\$ 160,563	\$ 190,087	\$ 220,694	\$ 264,994	\$ 298,197	\$ 332,628
O&M, current dollars	\$ 241,000	\$ 298,000	\$ 177,000	\$ 171,000	\$ 171,000	\$ 171,000	\$ 171,000	\$ 171,000	\$ 171,000	\$ 171,000
O&M, nominal dollars ²	248,230	316,148	193,413	192,462	198,236	204,183	210,308	216,618	223,116	229,810
Required CIP, current dollars	-	332,010	940,695	940,695	268,770	761,515	761,515	1,122,510	3,180,445	3,180,445
Required CIP, nominal dollars ²	-	352,229	1,027,923	1,058,761	311,578	909,289	936,567	1,421,962	4,149,759	4,274,252
Incremental Expenses	\$ 248,230	\$ 668,378	\$ 1,221,336	\$ 1,251,223	\$ 509,814	\$ 1,113,472	\$ 1,146,876	\$ 1,638,580	\$ 4,372,876	\$ 4,504,062
Net Cash Flows	\$ (214,741)	\$ (587,490)	\$ (1,128,942)	\$ (1,139,611)	\$ (349,251)	\$ (923,385)	\$ (926,181)	\$ (1,373,586)	\$ (4,074,679)	\$ (4,171,434)
<i>1 - Forecast is based on the average residential wastewater bill under proposed rate structure for FY 2022-24, a 7% increase in FY 2025, and 2% per year increase thereafter</i>										
<i>2 - Estimates based on 3% annual escalation rate</i>										

Table 9.4. Summary of financial metrics for the implementation options.

Summary financial metrics (\$M):¹				
	5-yr NCF	5-yr NPV	10-yr NCF	10-yr NPV
Conservative implementation scenario	(\$0.26)	(\$0.25)	(\$2.99)	(\$1.98)
Moderate implementation scenario	(\$0.76)	(\$0.64)	(\$5.32)	(\$3.76)
Aggressive implementation scenario	(\$3.42)	(\$2.92)	(\$14.89)	(\$10.39)
<i>1 - Net present value statistics based on nominal discount rate of 5.0%</i>				

APPENDICES

Appendix A: Unsewered Buildings Within 200 Feet and 50 Feet of a Sewer Main, and Within 1,000 Feet of a Water Well

Number of Customers Near Sewer Mains and Wells by Village
(based on 2019 active customer records)

Location/Village	within 200 ft of sewer main	within 50 ft of sewer main	Within 1000 ft of water well
Dededo	519	370	606
Yigo	264	189	171
Mangilao	539	380	354
Barrigada	320	210	121
Tamuning	399	256	16
Chalan Pago-Ordot	337	226	339
Sinajana	34	29	67
Mongmong-Toto-Maite	155	96	44
Hagatna	21	15	7
Agana Heights	146	98	27
Asan	50	27	0
Yona	61	37	0
Piti	29	14	0
Santa Rita	124	86	0
Talofofu	229	203	0
Inarajan	53	33	86
Agat	110	90	0
Umatac	22	19	0
Merizo	108	93	0
TOTAL	3520	2471	1838

Appendix B: WERI Nitrate-Nitrogen Concentrations at Groundwater Wells and Maps of Priority Wells

Table B1. Latest Well Nitrate-Nitrogen Sampling Data and 2029 Predictions for GWA Production Wells

Table B2. Top 13 Priority Production Wells Based on Latest and Predicted Nitrate-Nitrogen Concentrations

Table B1. LATEST WELL NITRATE-NITROGEN SAMPLING DATA and 2029 PREDICTIONS FOR GWA PRODUCTION WELLS (WERI 2020).

Groundwater Basin	Well	Latest Sampling Date	Latest Sampling Concentration milligrams per liter (mg/L)	2029 Prediction (mg/L)
Finegayan	F-18	7/15/2018	4.7	6.3
Mangilao	EX-11	1/16/2019	4.6	6.5
Yigo-Tumon	D-17	7/29/2018	4.6	5.9
Mangilao	M-2	7/15/2018	4.5	5.9
Yigo-Tumon	M-15	1/16/2019	4.4	6.3
Yigo-Tumon	F-5	7/15/2018	4.4	4.6
Mangilao	M-4	1/16/2019	4.3	6.3
Hagatna	A-26	2/12/2012	4.3	4.9
Finegayan	F-13	7/15/2018	4.3	4.6
Mangilao	M-1	1/16/2019	4.2	4.9
Yigo-Tumon	Y-6	4/25/2018	4.2	4.3
Finegayan	F-8	4/7/2018	4.1	5.1
Mangilao	M-3	1/16/2019	3.9	5.6
Finegayan	F-17	7/15/2018	3.9	5.6
Yigo-Tumon	Y-2	4/25/2018	3.8	3.9
Yigo-Tumon	M-21	1/16/2019	3.8	3.5
Finegayan	F-12	7/15/2018	3.7	4.8
Yigo-Tumon	D-6	4/18/2018	3.7	4.7
Yigo-Tumon	M-14	11/15/2010	3.6	5.6
Hagatna	A-4	1/9/2019	3.6	4.7
Yigo-Tumon	M-7	1/16/2019	3.6	4.5
Yigo-Tumon	F-7	7/15/2018	3.6	3.8
Hagatna	A-19	1/9/2019	3.5	3.8
Yigo-Tumon	M-20A	1/16/2019	3.5	3.9
Hagatna	A-28	5/23/2010	3.5	4.2
Hagatna	A-2	1/29/2012	3.4	4.6
Finegayan	D-24	4/18/2018	3.4	4.1
Yigo-Tumon	EX-5	4/18/2018	3.4	4.1
Yigo-Tumon	Y-7	4/25/2018	3.4	3.9
Yigo-Tumon	Y-9	4/25/2018	3.4	3.6

Groundwater Basin	Well	Latest Sampling Date	Latest Sampling Concentration milligrams per liter (mg/L)	2029 Prediction (mg/L)
Yigo-Tumon	F-20	7/15/2018	3.4	3.5
Yigo-Tumon	D-5	1/27/2013	3.4	3.7
Yigo-Tumon	Y-4A	8/1/2018	3.3	3.7
Yigo-Tumon	GH-501	4/25/2018	3.3	3.9
Finegayan	D-22	7/29/2018	3.2	5.4
Yigo-Tumon	D-27	4/18/2018	3.2	4.5
Yigo-Tumon	D-16	7/29/2018	3.2	3.3
Yigo-Tumon	Y-1	3/16/2016	3.2	3.3
Yigo-Tumon	Y-3	4/25/2018	3.2	3.1
Hagatna	NRMC-3	7/28/1999	3.2	5.4
Yigo-Tumon	F-19	7/15/2018	3.2	3.6
Yigo-Tumon	Y-22	4/25/2018	3.2	2.8
Hagatna	A-13	1/9/2019	3.2	3.3
Yigo-Tumon	Y-20	4/25/2018	3.2	4.2
Yigo-Tumon	Y-4	10/7/2017	3.2	2.9
Hagatna	A-25	2/3/2019	3.2	2.5
Yigo-Tumon	Y-10	4/25/2018	3.2	2.8
Mangilao	M-8	1/16/2019	3.1	5.6
Yigo-Tumon	EX-5A	2/8/2015	3.1	4.1
Yigo-Tumon	D-4	4/18/2018	3.1	3.6
Finegayan	F-16	7/15/2018	3.1	3.4
Yigo-Tumon	Y-16	4/25/2018	3.1	2.7
Yigo-Tumon	Y-5	4/25/2018	3	3.3
Yigo-Tumon	D-9	7/29/2018	3	3.3
Yigo-Tumon	D-2	4/18/2018	3	3.2
Hagatna	A-17	1/9/2019	3	2.7
Finegayan	D-22A	2/1/2000	3	5.6
Yigo-Tumon	M-17B	1/16/2019	2.9	3.2
Yigo-Tumon	Y-12	4/25/2018	2.9	3.3
Yigo-Tumon	D-11	4/18/2018	2.8	4.5
Yigo-Tumon	D-19	4/18/2018	2.8	3.5
Yigo-Tumon	Y-15	4/25/2018	2.8	3.5
Yigo-Tumon	D-18	8/1/2018	2.8	2.8
Yigo-Tumon	M-12	2/14/2010	2.8	2.8
Hagatna	A-18	1/9/2019	2.8	2.8
Finegayan	F-11	7/15/2018	2.8	3.1
Yigo-Tumon	F-6	7/15/2018	2.7	3.9
Yigo-Tumon	Y-19	4/25/2018	2.7	3.0

Groundwater Basin	Well	Latest Sampling Date	Latest Sampling Concentration milligrams per liter (mg/L)	2029 Prediction (mg/L)
Hagatna	A-10	1/9/2019	2.7	3.3
Yigo-Tumon	D-20	4/18/2018	2.7	3.2
Yigo-Tumon	Y-21A	4/25/2018	2.7	2.9
Yigo-Tumon	NCS-5	7/28/1999	2.7	8.5
Hagatna	A-7	1/2002	2.7	3.0
Yigo-Tumon	F-9	7/15/2018	2.6	4.3
Yigo-Tumon	FM-1	5/28/1997	2.6	5.5
Yigo-Tumon	D-7	4/18/2018	2.6	3.5
Finegayan	F-15	7/15/2018	2.6	3.6
Yigo-Tumon	Y-14	8/1/2018	2.6	2.9
Mangilao	M-23	1/16/2019	2.6	3.2
Hagatna	A-32	1/9/2019	2.6	2.6
Yigo-Tumon	Y-21	10/7/2017	2.6	2.7
Yigo-Tumon	H-1	1/16/2019	2.6	2.9
Hagatna	A-23	2/17/2016	2.6	2.1
Hagatna	A-29	1/1/2005	2.53	2.0
Yigo-Tumon	D-28	10/21/2017	2.5	3.0
Machanao	AG-2A	2/8/2015	2.5	3.8
Yigo-Tumon	Y-17	4/25/2018	2.5	2.5
Hagatna	NRMC-2	7/28/1999	2.5	3.1
Finegayan	F-2	7/15/2018	2.5	2.9
Hagatna	A-8	1/9/2019	2.5	2.4
Yigo-Tumon	Y-18	4/25/2018	2.5	2.4
Yigo-Tumon	D-8	4/18/2018	2.5	2.7
Yigo-Tumon	D-15	4/18/2018	2.4	2.9
Yigo-Tumon	M-17A	1/16/2019	2.4	2.8
Yigo-Tumon	D-1	4/18/2018	2.4	2.6
Hagatna	A-31	1/9/2019	2.4	2.2
Finegayan	F-3	7/15/2018	2.4	2.8
Hagatna	NRMC-1	7/28/1999	2.4	-3.3
Hagatna	A-9	1/9/2019	2.4	2.5
Yigo-Tumon	M-5	1/16/2019	2.4	2.4
Yigo-Tumon	Y-23	4/25/2018	2.4	1.4
Yigo-Tumon	NCS-2	7/28/1999	2.3	6.4
Machanao	AG-2	12/23/2018	2.3	2.6
Yigo-Tumon	D-3	1/1/2001	2.26	3.2
Yigo-Tumon	D-10	1/11/2015	2.2	3.4
Finegayan	F-1	10/28/2017	2.2	3.0

Groundwater Basin	Well	Latest Sampling Date	Latest Sampling Concentration milligrams per liter (mg/L)	2029 Prediction (mg/L)
Hagatna	A-30	1/9/2019	2.2	1.7
Hagatna	A-6	1/9/2019	2.1	2.3
Yigo-Tumon	M-18	1/16/2019	2.1	2.5
Hagatna	NAS-1	1/9/2019	2.1	2.3
Yigo-Tumon	M-6	1/16/2019	2.1	2.3
Finegayan	HGC-2	12/23/2018	2.1	2.6
Finegayan	F-10	10/28/2017	2	3.0
Hagatna	A-21	1/9/2019	2	2.5
Machanao	AG-1	12/23/2018	2	1.7
Yigo-Tumon	D-26	4/18/2018	1.9	3.1
Yigo-Tumon	GIAA-2	7/29/2018	1.9	5.6
Yigo-Tumon	D-13	1/18/2009	1.9	2.5
Yigo-Tumon	GIAA-1	7/29/2018	1.9	1.6
Yigo-Tumon	MW-3	3/1/1990	1.87	2.6
Yigo-Tumon	D-14	4/18/2018	1.8	2.1
Hagatna	A-1	1/9/2019	1.8	1.7
Hagatna	A-5	1/9/2019	1.8	1.3
Hagatna	A-15	1/9/2019	1.7	3.1
Yigo-Tumon	D-12	4/18/2018	1.7	2.4
Mangilao	NCS-3	7/28/1999	1.7	8.2
Yigo-Tumon	D-25	4/18/2018	1.5	2.6
Mangilao	NCS-8	7/28/1999	1.5	0.7
Finegayan	F-4	7/15/2018	1.5	1.3
Yigo-Tumon	MW-1	3/1/1988	1.48	2.2
Hagatna	A-12	1/9/2019	1.4	1.6
Finegayan	NCS-9A	7/28/1999	1.4	1.6
Finegayan	HGC-3	8/2/1993	1.24	-5.0
Hagatna	A-14	1/9/2019	1.2	2.4
Yigo-Tumon	MW-8	3/1/1990	1.06	0.2
Hagatna	A-11	11/1/1995	0.90	1.0
Machanao	NCS-7	7/28/1999	0.9	0.2
Yigo-Tumon	MW-5	3/1/1990	0.8	1.2
Hagatna	A-3	1/9/2019	0.75	0.5
Yigo-Tumon	D-21	4/18/2018	0.74	3.3
Mangilao	M-9	1/16/2019	0.65	5.2
Yigo-Tumon	MW-6	1/1/1991	0.52	-3.4

Table B2. TOP 12 PRIORITY PRODUCTION WELLS BASED ON LATEST AND PREDICTED NITRATE-NITROGEN CONCENTRATIONS. THE TABLE INCLUDES TRENDS, MAXIMUM CONCENTRATIONS, PROJECTIONS, and NUMBER OF WATER-ONLY CUSTOMERS. (WERI 2020)

Well	Groundwater Basin	Figure	Trending Significance	Latest Concentration (milligrams per liter)	Latest Sample Date	Maximum Concentration (milligrams per liter)	Maximum Sample Date	2029 Prediction (mg/L)	Number of water-only customers within 1000'	Number of water-only customers within 300'
EX-11	Mangilao	B1	Increasing	4.6	1/16/2019	4.9	1/1/2002 & 7/15/2018	6.5	48	2
F-18	Finegayan	B2	Increasing	4.7	7/15/2018	4.7	7/15/2018	6.3	18	0
M-15	Yigo-Tumon	B3	Increasing	4.4	1/16/2019	5	3/17/2013 & 3/18/2012	6.3	32	0
M-4	Mangilao	B1	Increasing	4.3	1/16/2019	5	3/1/2000	6.3	27	2
D-17	Yigo-Tumon	B4	Increasing	4.6	7/29/2018	4.6	7/29/2018	5.9	3	0
M-2	Mangilao	B1	Increasing	4.5	7/15/2018	4.6	10/14/2017	5.9	15	2
M-3	Mangilao	B1	Increasing	3.9	1/16/2019	4.9	7/15/2018	5.6	13	1
M-8	Mangilao	B1	Increasing	3.1	1/16/2019	4.8	7/15/2018	5.6	24	1
M-9	Mangilao	B1	Increasing	0.65	1/16/2019	4.9	4/7/2018	5.2	7	2
F-12	Finegayan	B5	Increasing	3.7	7/15/2018	4.7	2/8/2015	4.8	19	1
F-5	Yigo-Tumon	B5	Increasing	4.4	7/15/2018	4.4	7/15/2018	4.6	23	2
F-13	Finegayan	B5	Increasing	4.3	7/15/2018	4.4	3/23/2016	4.6	17	1

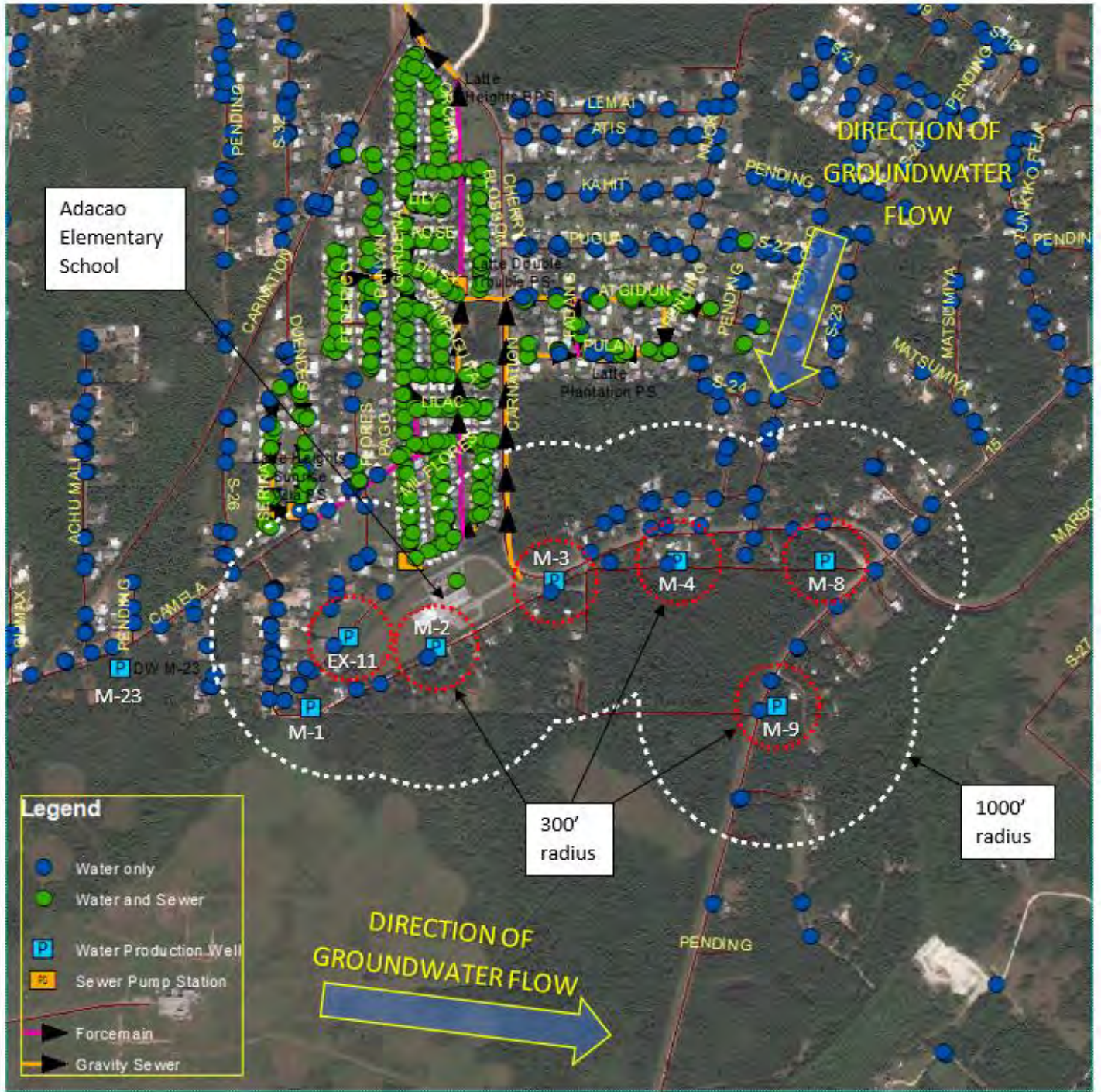


Figure B1. Well EX-11’s close proximity to an elementary school underscores its significance. Sewer mains will need to be extended to the north and west henceforth surrounding water customers will be required to connect to the sewer system. Housing areas to the north will be smoke tested to verify customers who are connected to the system but not paying for sewer service. Also, nearby wells M-2, M-3, M-4, M-8, and M-9 also exhibit high concentration levels which may put this area and cluster of wells atop the priority list.



Figure B2. Well F-18 is bordered by a golf course, farmland, and a housing subdivision to the southeast comprising of water customers with no sewer connection. GWA will coordinate with GEPA and Department of Agriculture to investigate the farm area for land use compliance concerning groundwater protection. Sewer mains will need to be extended southeast and water customers will be notified of their requirement to connect to the sewer system. Moreover, the subdivision is upgradient hydro-geologically to wells F-18, F-17, F-16, and F-15.



Figure B4. Well D-17’s high concentration levels may be attributed to faulty surrounding sewer infrastructure. Sewer mains will be investigated with the latest CCTV data and input from Operations and Maintenance to determine areas needing repair, rehabilitation, or replacement. Although current test samplings of wells D-18 and D-16 to the east indicate relatively lower nitrate-nitrogen concentration levels, their proximity to an elementary school and well D-17, taking into account future drawdown and zone of influence of the water table in well pumping, only adds to the area’s importance.

Appendix C: Map of Sewered Areas with Customers Not Billed for Sewer Charges



Figure 1. Astumbo Subdivision, south of Ysengsong, Dededo.

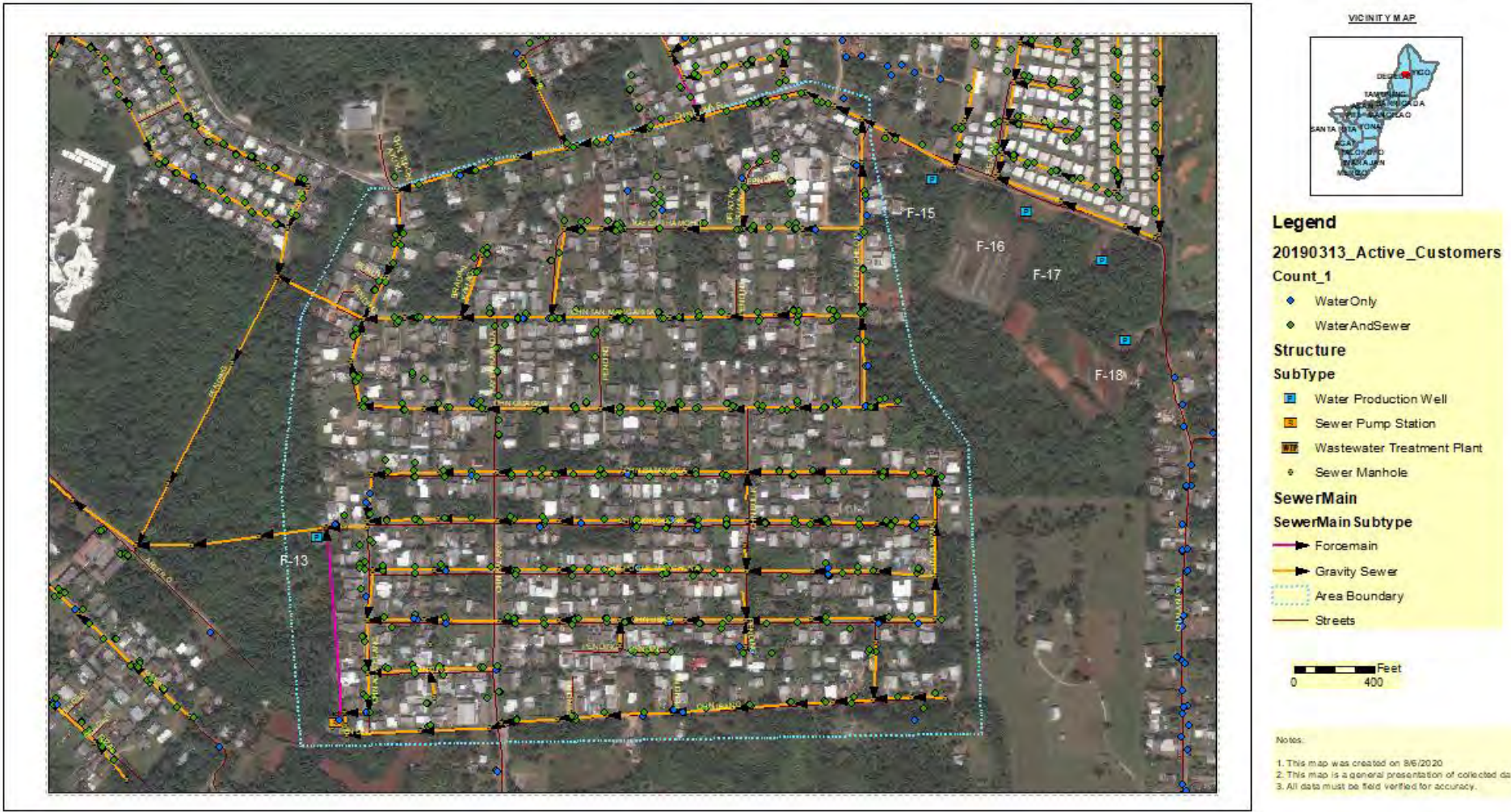


Figure 3. Machanao Subdivision (2), north of Chalan Koda, Dededo.



Figure 4. Machanao West Subdivision (1), north of Chalan Lumasu, Dededo.

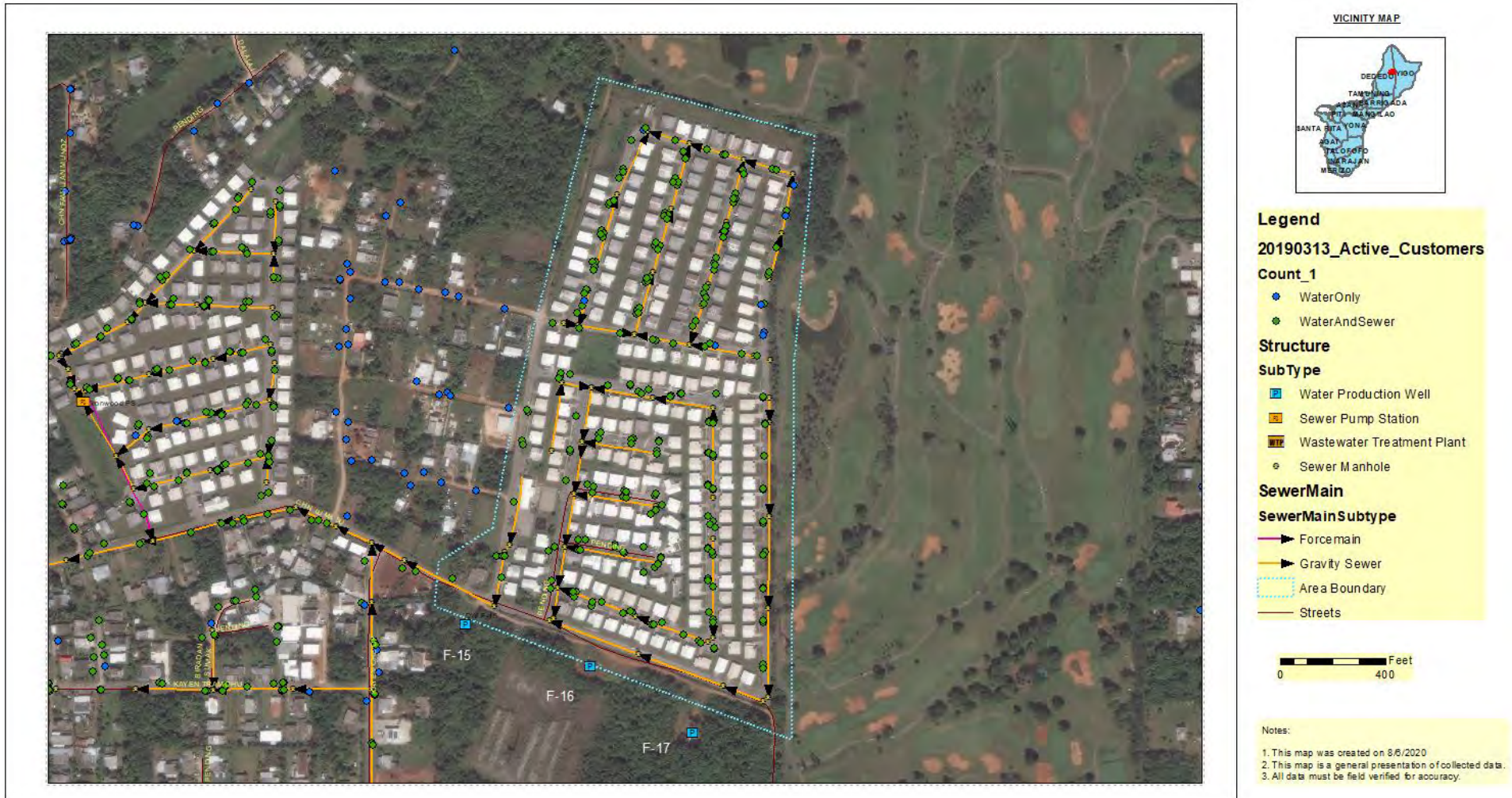


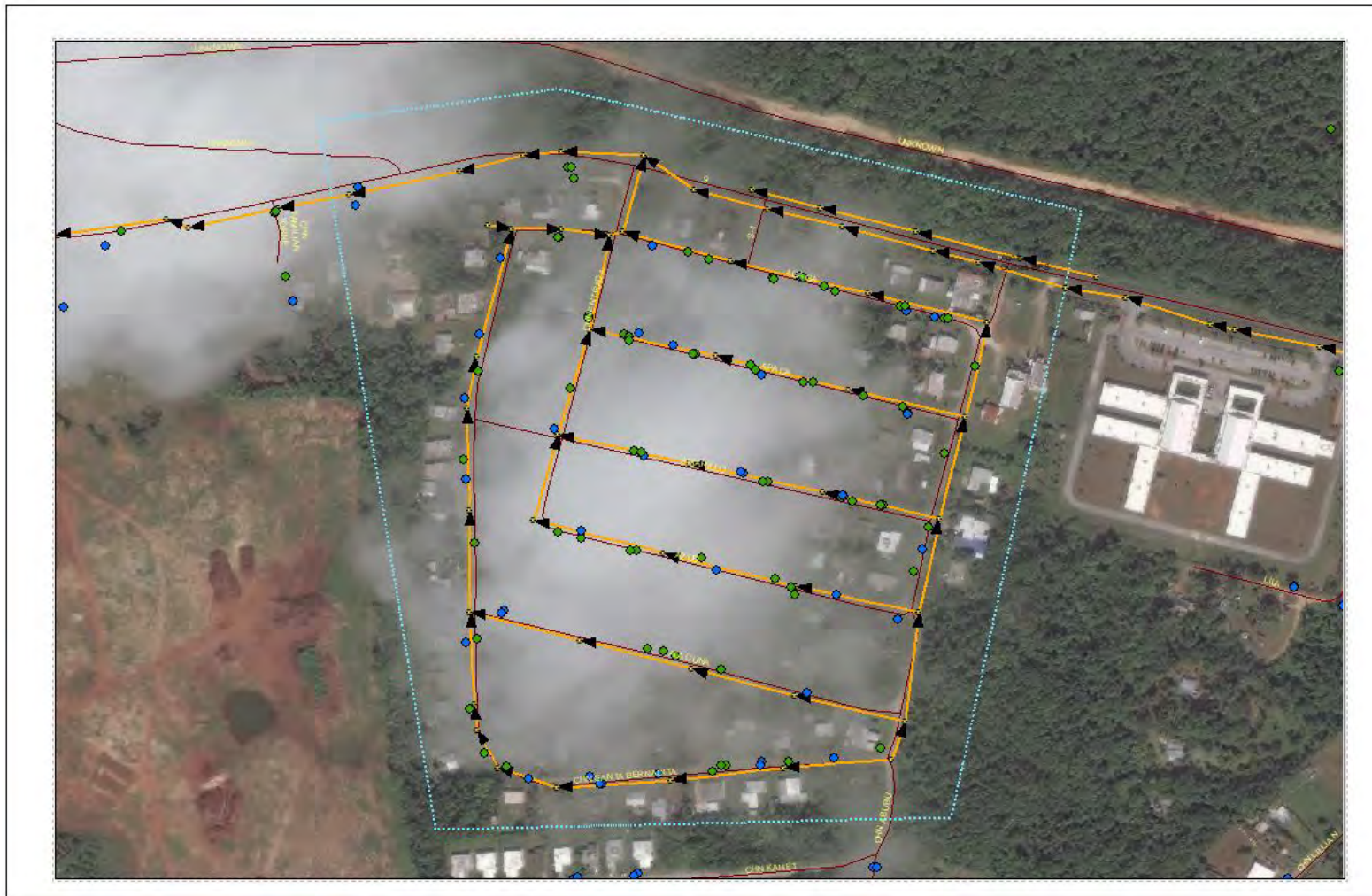
Figure 5. Machanao West Subdivision (2), north of Chalan Lumasu, east of Machanao West (1), Dededo.



Figure 6. Fern Terrace Subdivision, east of Route 3, northwest of Machanao West (2), Dededo.



Figure 7. Machananao West Subdivision (west of Starts golf course), Dededo.



Legend

20190313_Active_Customers
Count_1

- ◆ WaterOnly
- ◆ WaterAndSewer

Structure

SubType

- Water Production Well
- Sewer Pump Station
- Wastewater Treatment Plant
- Sewer Manhole

SewerMain

SewerMainSubtype

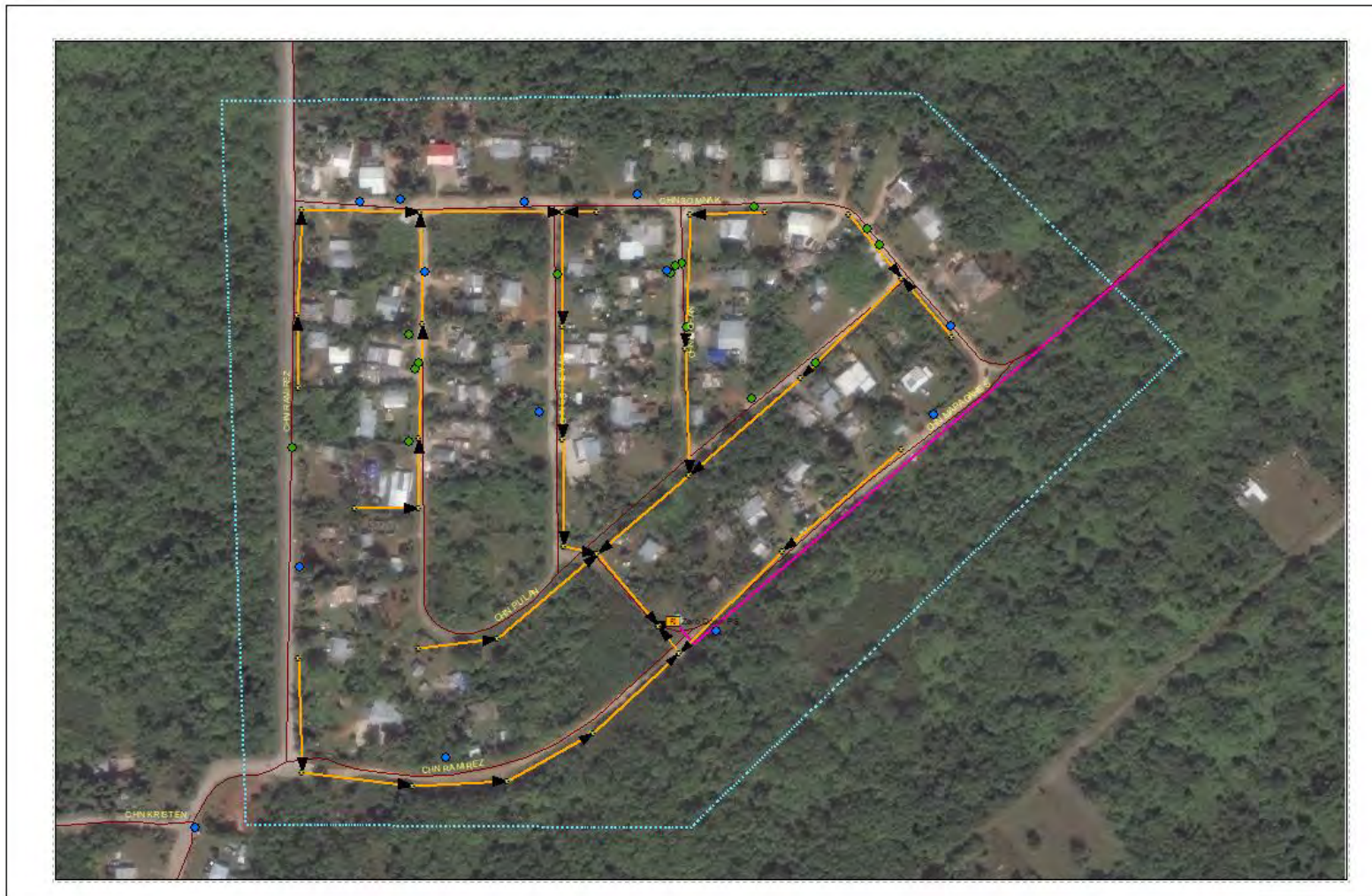
- ▶ Forcemain
- ▶ Gravity Sewer
- ⋯ Area Boundary
- Streets

0 300 Feet

Notes:

1. This map was created on 8/6/2020
2. This map is a general presentation of collected data.
3. All data must be field verified for accuracy.

Figure 9. Agafa Gumas Subdivision (near Machanaonao Elementary School off Route 9), Yigo.



Legend

20190313_Active_Customers
Count_1

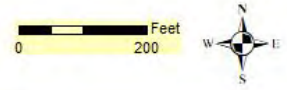
- WaterOnly
- WaterAndSewer

Structure
SubType

- Water Production Well
- Sewer Pump Station
- Wastewater Treatment Plant
- Sewer Manhole

SewerMain
SewerMainSubtype

- ▶ Forcemain
- ▶ Gravity Sewer
- - - Area Boundary
- Streets



Notes:

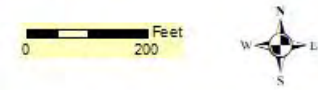
1. This map was created on 8/6/2020
2. This map is a general presentation of collected data.
3. All data must be field verified for accuracy.

Figure 10. Zero Down Subdivision (south of Agafa Gumas), Yigo.



Legend

- Production_Wells-1
- 20190313_Active_Customers Count_1**
- Water only
- Water and Sewer
- Structure SubType**
- Water Production Well
- Sewer Pump Station
- Wastewater Treatment Plant
- Sewer Manhole
- SewerMain**
- SewerMainSubtype**
- ▶ Forcemain
- ▶ Gravity Sewer
- Streets



Notes:

1. This map was created on 8/6/2020
2. This map is a general presentation of collected data.
3. All data must be field verified for accuracy.

Figure 11. Paradise Meadows Subdivision, Yigo.

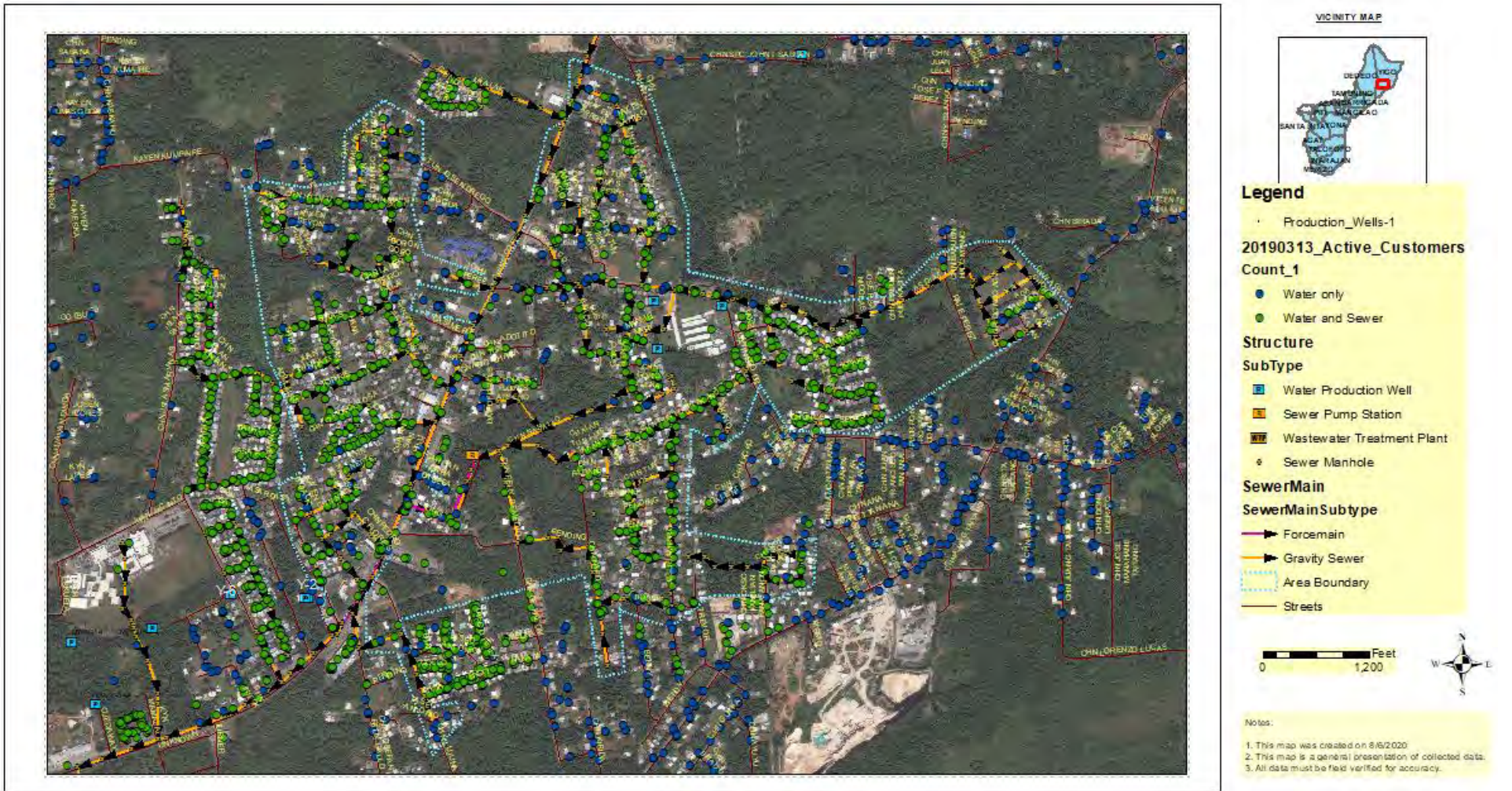


Figure 12. South Mataguac, Mataguac-Asatdas, North Gayinero, South Gayinero, Marianas Terrace and Villa Pacitas subdivisions (intersection of Gayinero Dr and Route 1), Yigo.

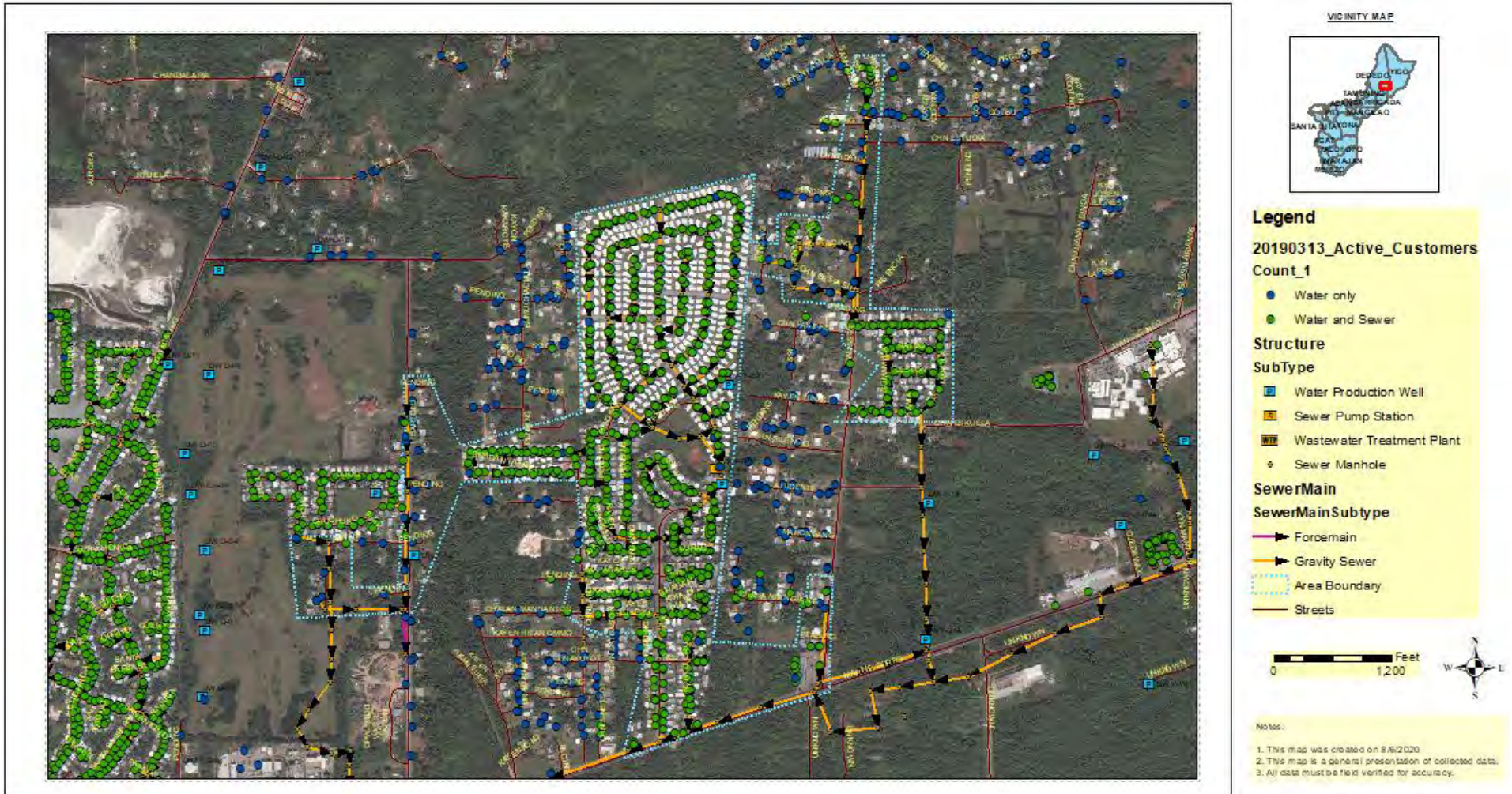
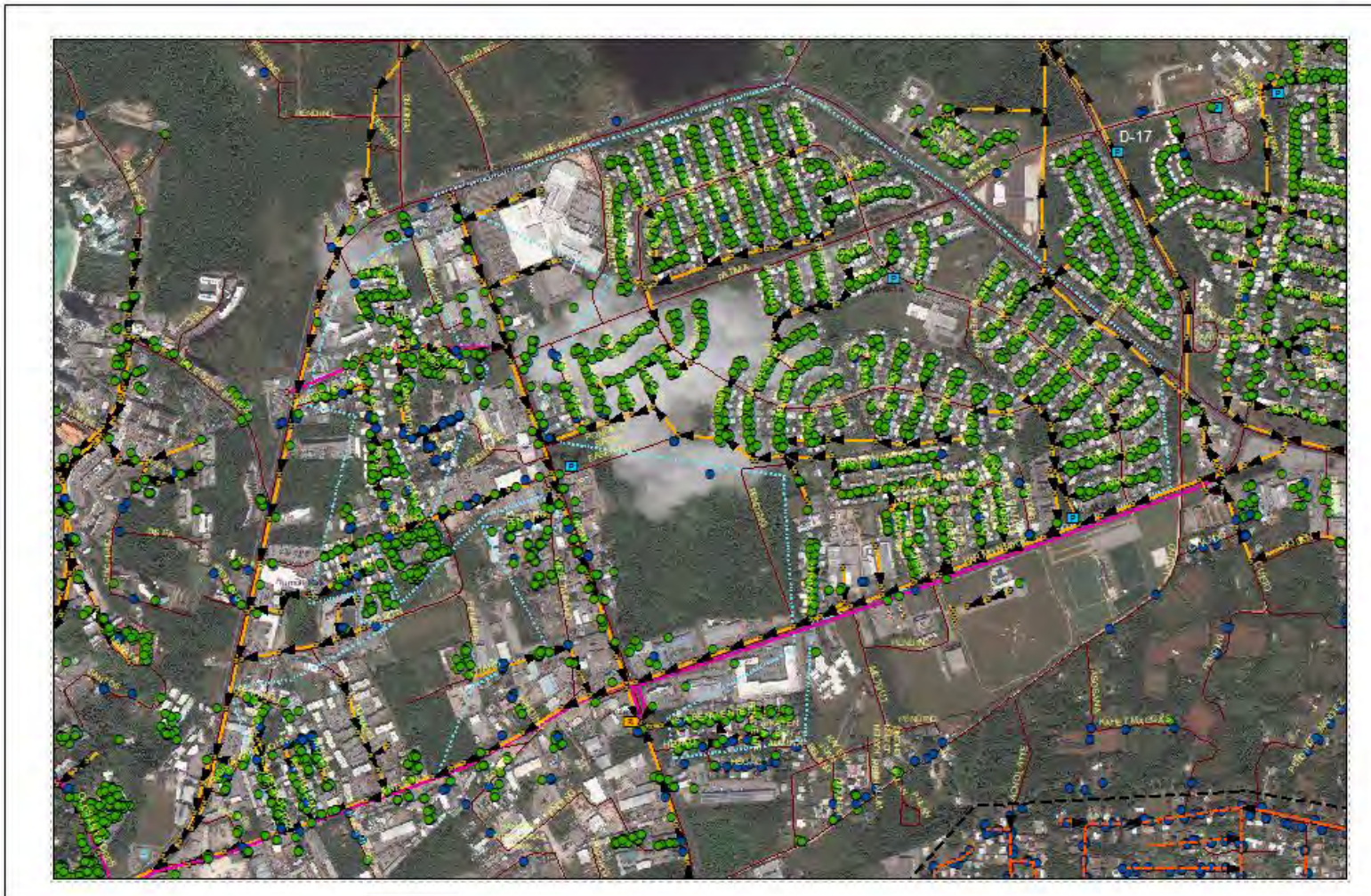


Figure 13. Paradise Estates, Ypaopao, T1538, Wusstig, and Ghura 501 subdivisions, Dedeco.



Figure 14. Subdivisions surrounding Dededo Community Center, Kaiser (north of Route 1), Dededo.



Legend

**20190313_Active_Customers
Count_1**

- Water only
- Water and Sewer

Structure

SubType

- Water Production Well
- Sewer Pump Station
- Wastewater Treatment Plant
- ◆ Sewer Manhole

SewerMain

SewerMainSubtype

- ▶ Forcemain
- ▶ Gravity Sewer
- Area Boundary
- Streets



- Notes:
1. This map was created on 8/6/2020
 2. This map is a general presentation of collected data.
 3. All data must be field verified for accuracy.

Figure 15. Ligan Upper Tumon, Harmon Garden, Villa Isabana, and Carlos Heights (south of Route 1), Dededo and Tamuning.

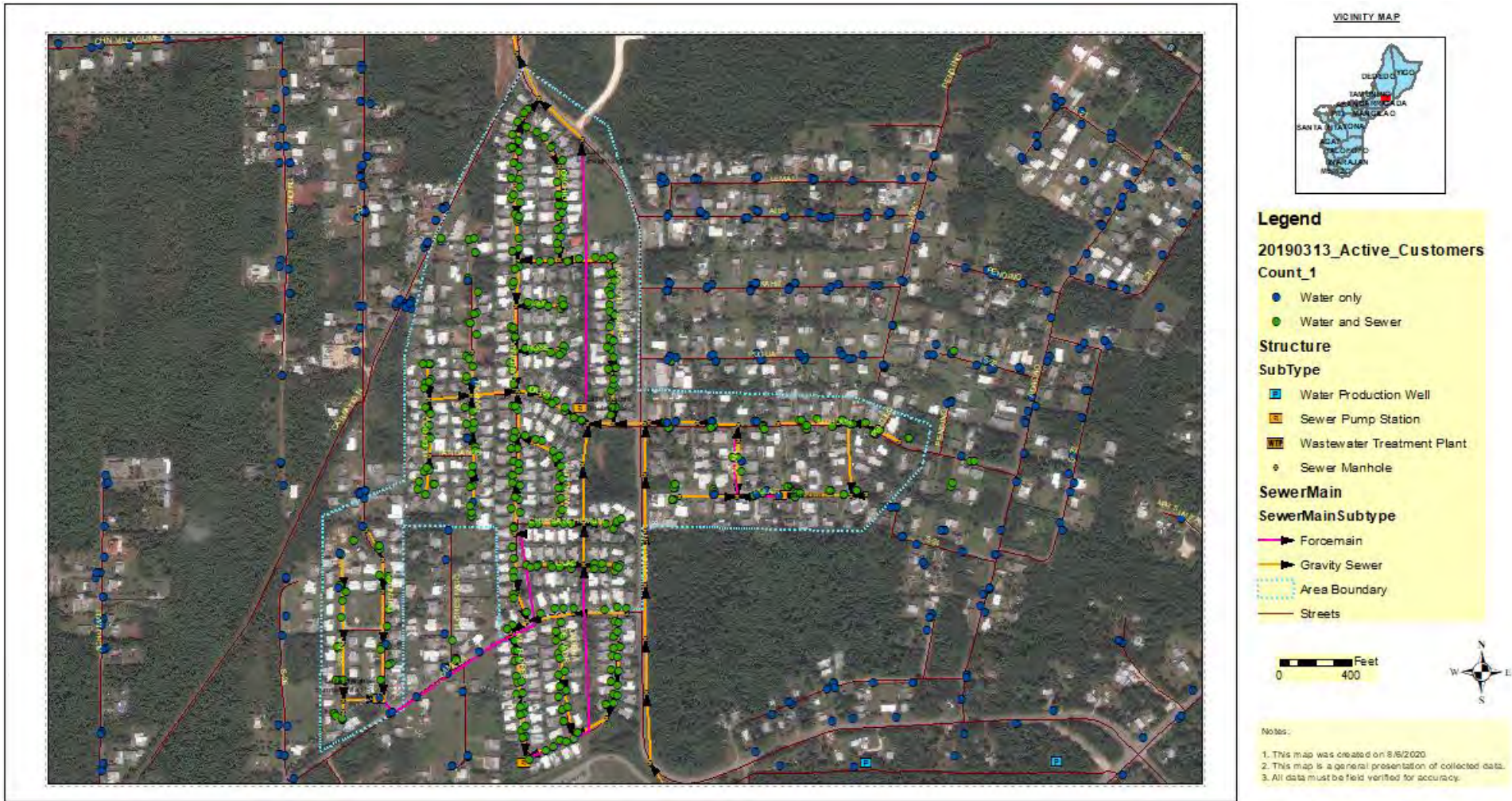


Figure 16. Latte Heights Estate, Banyan Heights, and Latte Plantation (north of Route 15), Mangilao.

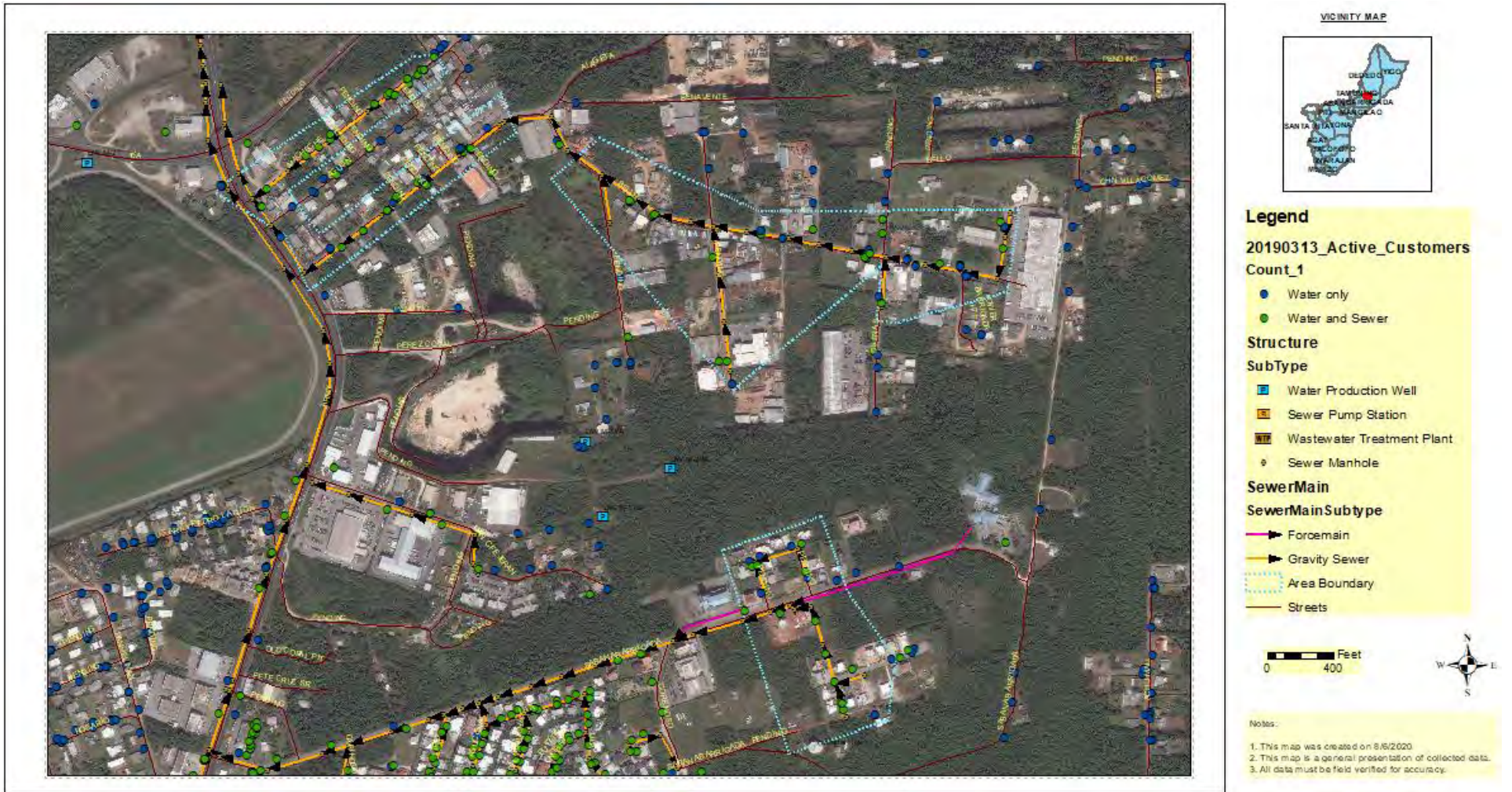
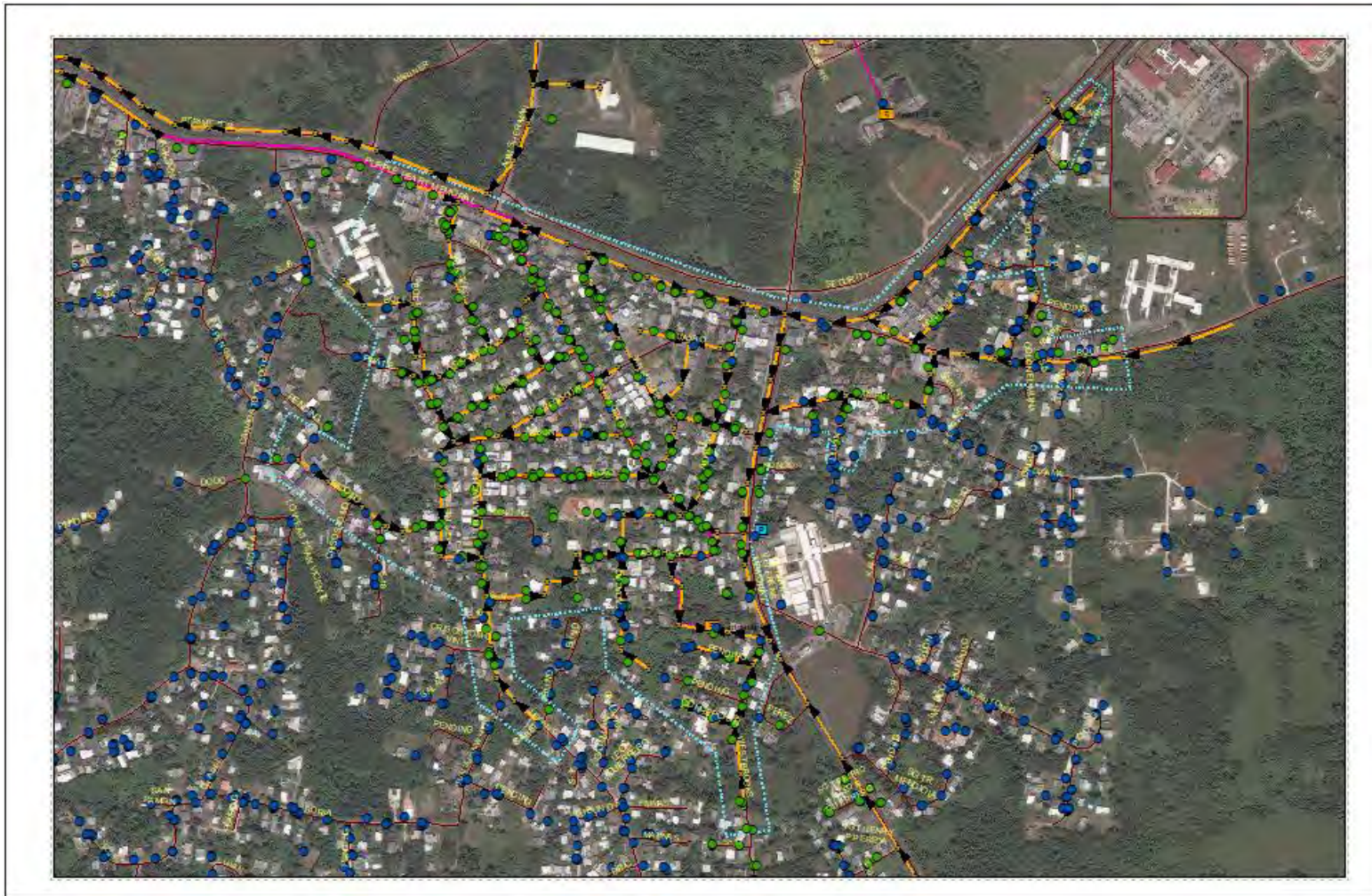


Figure 17. Bello Road Vicinity and Barrigada Heights (east of Route 16), Barrigada.



Legend

20190313_Active_Customers Count_1

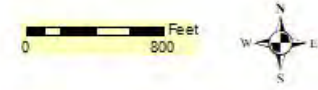
- Water only
- Water and Sewer

Structure SubType

- Water Production Well
- Sewer Pump Station
- Wastewater Treatment Plant
- Sewer Manhole

SewerMain SewerMainSubtype

- ▶ Forcemain
- ▶ Gravity Sewer
- - - Area Boundary
- Streets



Notes:

1. This map was created on 8/6/2020
2. This map is a general presentation of collected data.
3. All data must be field verified for accuracy.

Figure 18. Area southeast of tri-intersection of Route 8 and Route 10, Barrigada.

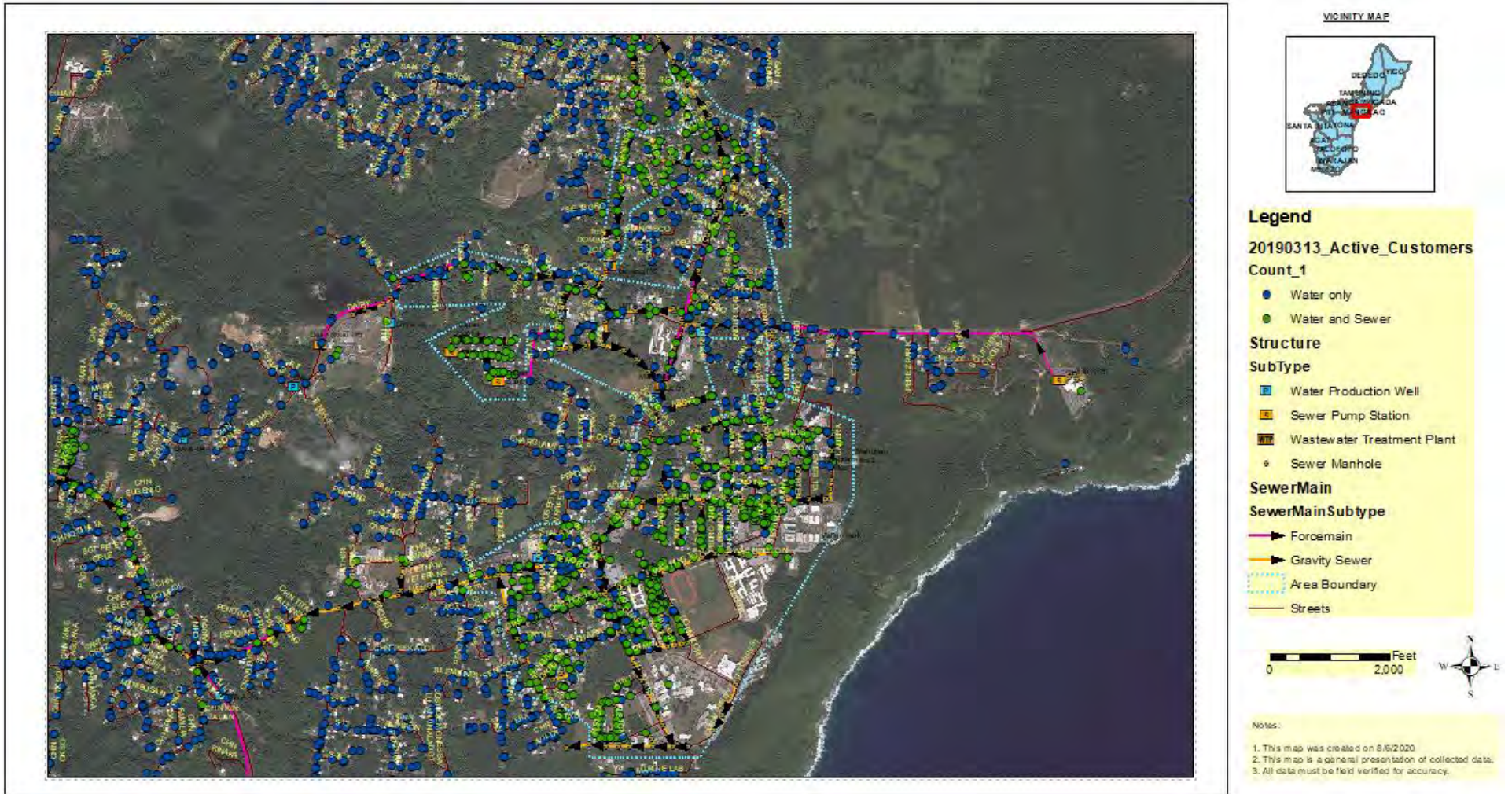


Figure 19. Area east of Father Duenas High School at the intersection of Route 15 and Route 10, Barrigada/Mangilao.

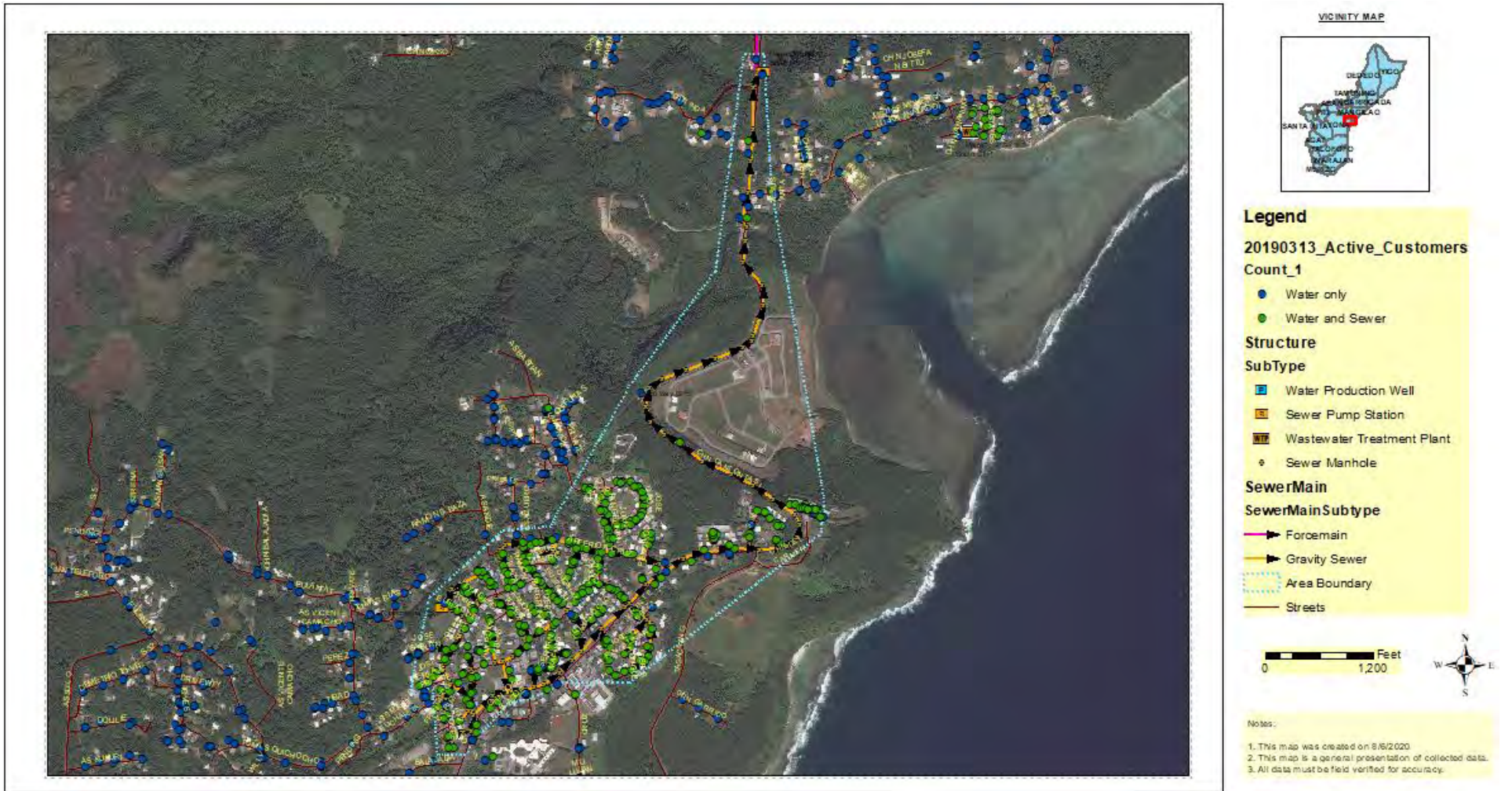


Figure 20. Area adjacent to Pago Bay along Route 4, Chalan Pago Ordot/Yona.

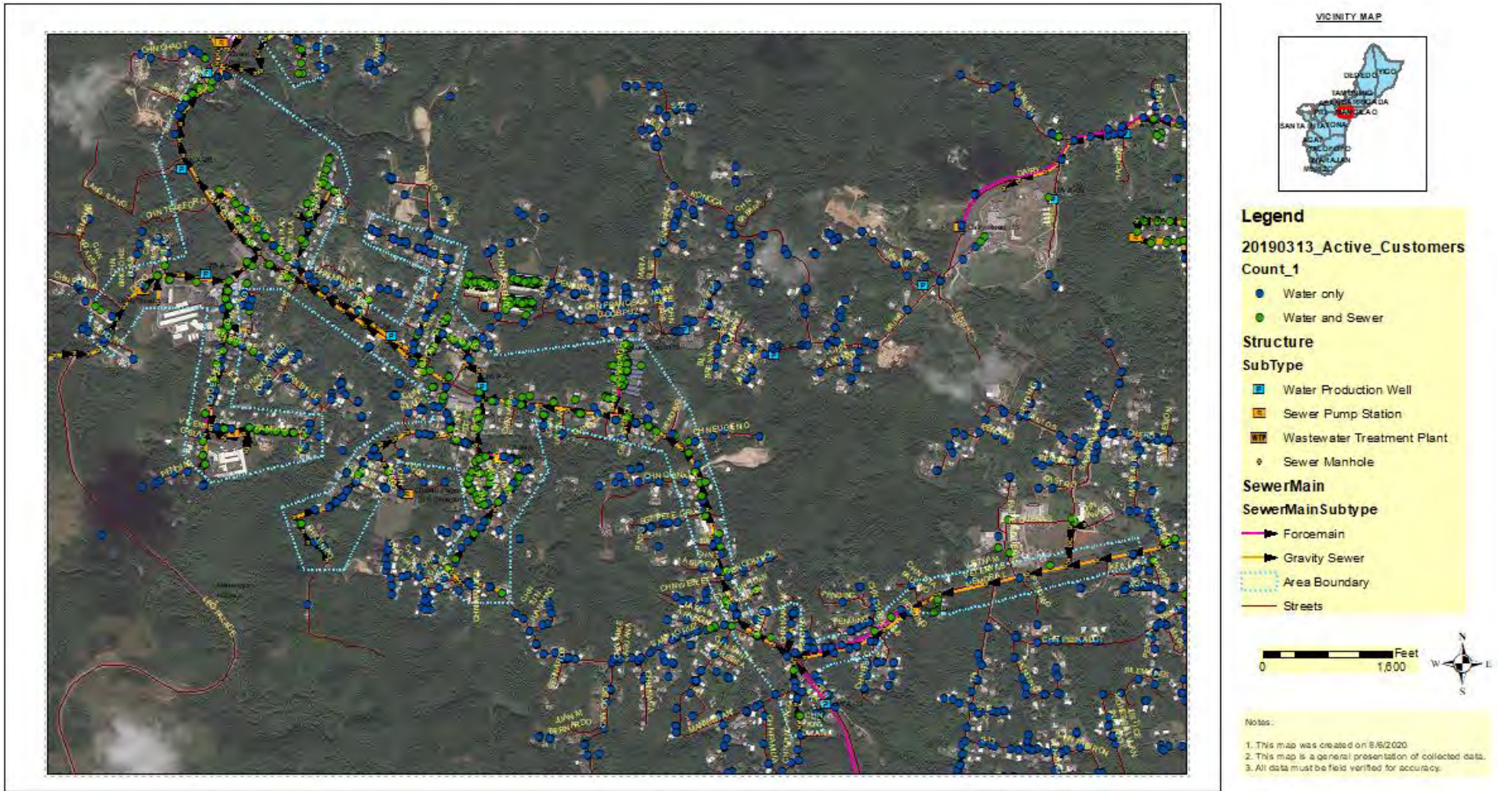


Figure 21. Area west of Father Duenas High School along Route 10 and intersections of Route 4 and Route 15, Chalan Pago Ordot.



Figure 22. Area east of Route 4 and south of Route 7 and Afame subdivision, Agana Heights, Agana, Sinajana.

Appendix D: Procedure to Investigate and Evaluate Sewered Areas to Identify Cesspools/Septic Tanks and Unbilled Existing Sewer Connections

Unsewered Property	Course of action	Department
Existing sewer main available and surrounding properties are connected to sewer	<p>Smoke testing will be conducted to verify customers connected to the system but not paying for sewer services.</p> <p>If a sewer connection is confirmed, the customer will be notified that sewer charges will be assessed and any backbill charges will be billed to the customer.</p> <p>If the smoke test confirms that the customer is not connected to the public sewer, then the procedure for new sewer lateral connections will be followed.</p> <p>During the smoke test, a survey of living units on a lot will be conducted to confirm the number of living units served by a single water meter. If multiple living units are served by a single water meter, then the base water and sewer charges will be adjusted accordingly.</p>	Planning
Within 1000' well protection zone	<p>Geographic Information Systems (GIS) will be used to identify unsewered facilities within 1,000 feet of an existing GWA water well for extension of GWA's sanitary sewer system</p> <p>Most cost effective sewer main extension alignment yielding optimum new customer sewer connections will be developed and ultimately constructed. Customers will be required to connect per Title 28 Chapter 2 Article 1 § 2103(b).</p>	GIS Engineering
Outside 1000' well protection zone	Property will be further evaluated for consideration. Is it contiguous to the area of planned development? Is it upgradient of well? Are there areas of concern within close proximity such as schools etc.? Cost benefits will be analyzed for further extension of sewer main.	Engineering
Within 300' well protection zone	Sewer main will be extended and customers will be required to connect per Title 10 GCA Chapter 48 § 48106	Engineering
Within 200' of existing sewer main	Customers will be required to connect per Title 22 GAR Chapter 25 §25104	Engineering
Agricultural/Industrial property	GWA will coordinate with GEPA and Department of Agriculture to investigate land use compliance for groundwater protection	Engineering
Required to connect	Property owners who are required to connect to the sewer main will receive a notification detailing the sewer connection requirement, benefits, costs, and timeframes	Customer Service

None or few unsewered properties in the area	Sewer mains will be investigated with the latest CCTV data and input from Operations and Maintenance to determine areas needing repair, rehabilitation, or replacement	Operations
--	--	------------

Appendix E: Maps of Sewer Extensions at High Priority Production Wells

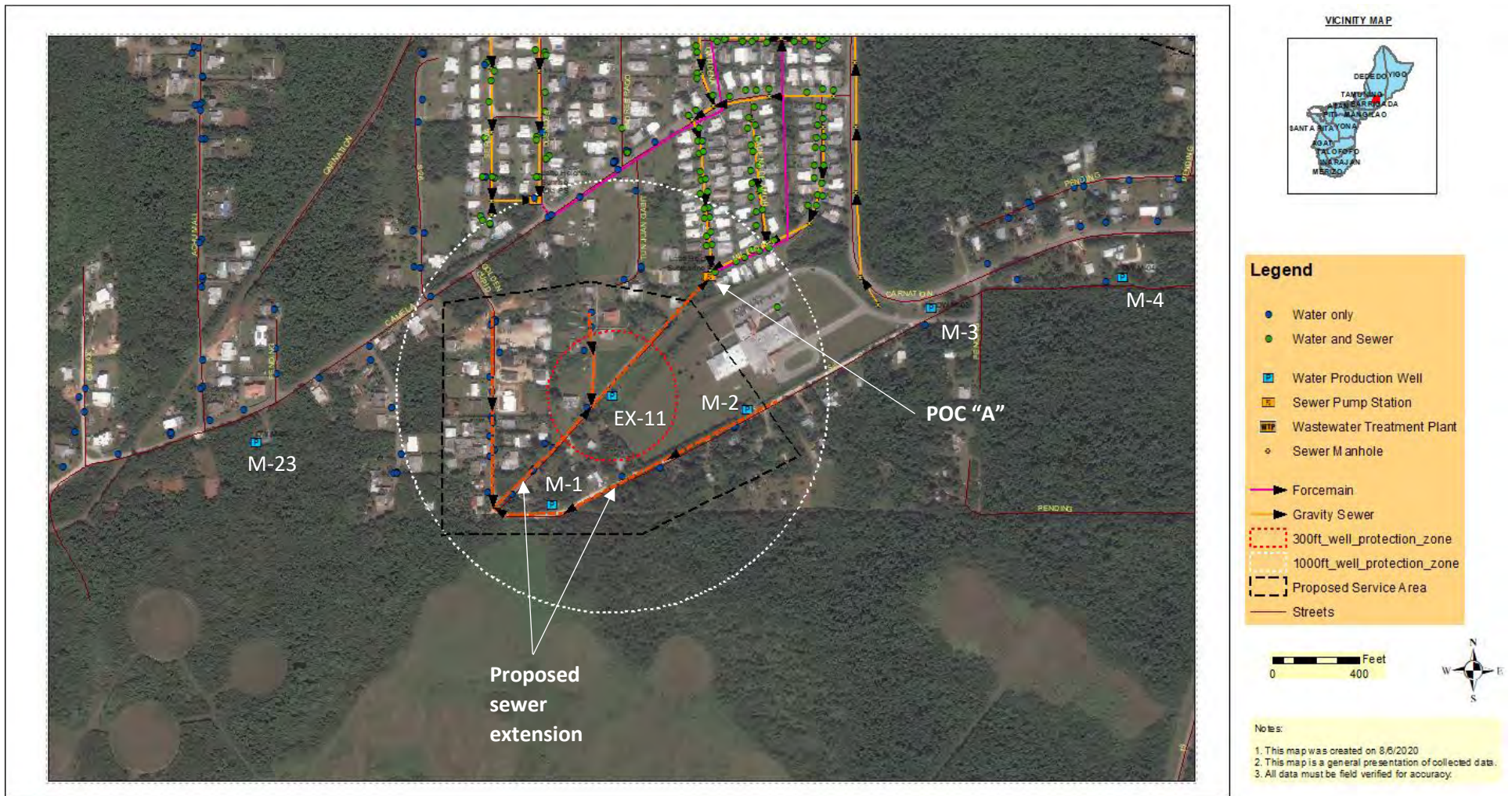


Figure 23. Map of Proposed sewer extensions in the Adacao subdivision near wells EX-11, M-1, and M-2. The points of connection (POC) to the existing sewer system are identified.



Photo 1. Well EX-11.



Photo 2. Residential street within 300 feet of well EX-11.



Photo 3. Golden Cupid Road within 1000 feet of well EX-11.



Photo 4. Golden Cupid Road within 1000 feet of well EX-11.



Photo 5. Well M-1.



Photo 6. Road S-3 within 300 feet of well M-1.



Photo 7. Road S-3 within 1000 feet of well EX-11, M-1, and M-2.



Photo 8. Well M-2.



Photo 9. Road S-3 within 300 feet of well M-2.

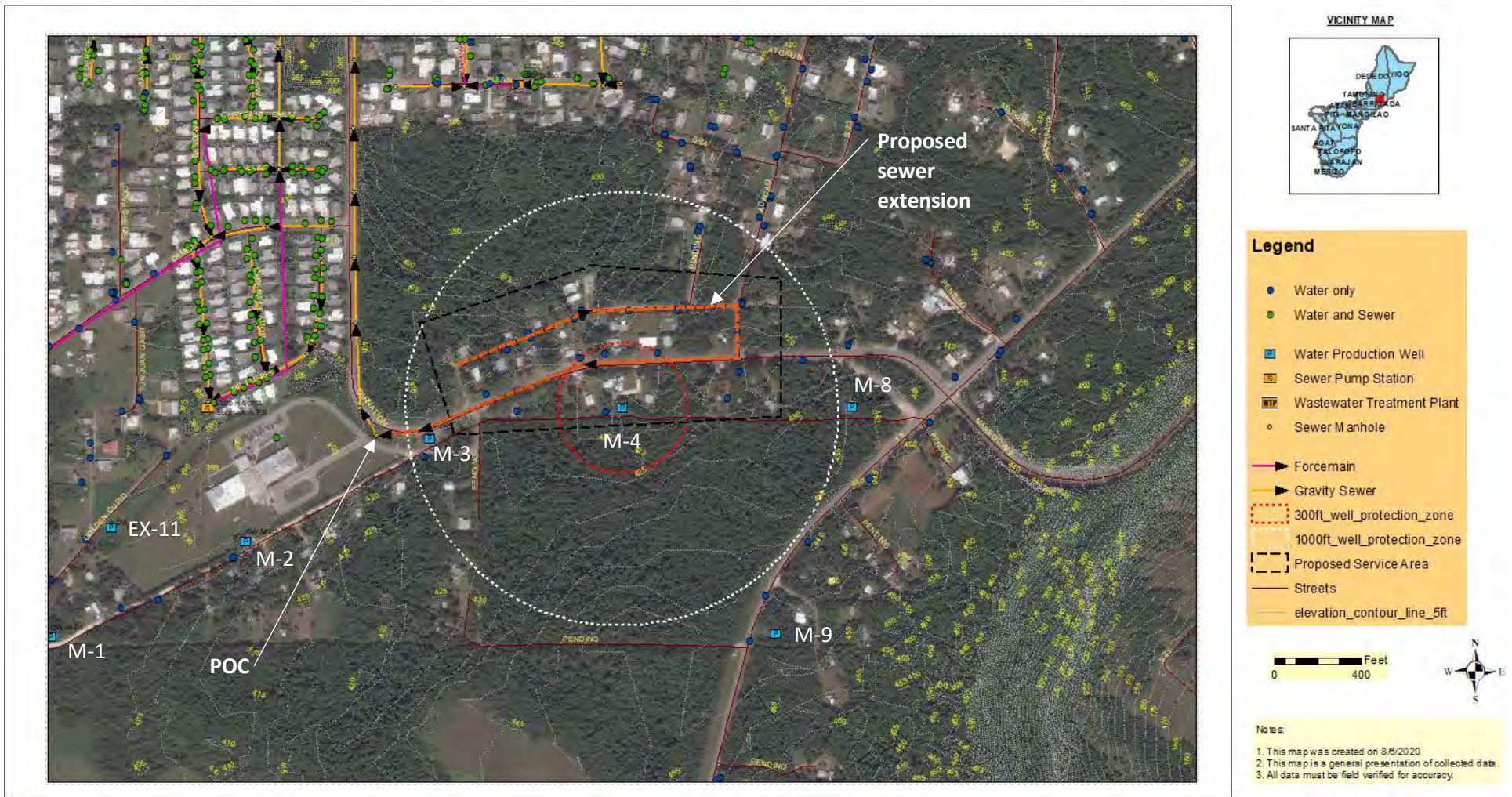


Figure 24. Map of Proposed sewer extensions in the Adacao subdivision near wells M-4, M-3, M-8, and M-9. The points of connection (POC) to the existing sewer system are identified.



Figure 25. Map of Proposed sewer extensions in the Piga subdivision near wells F-18, F-17, F-16, and F-15. The points of connection to the existing sewer system (POC) are identified.

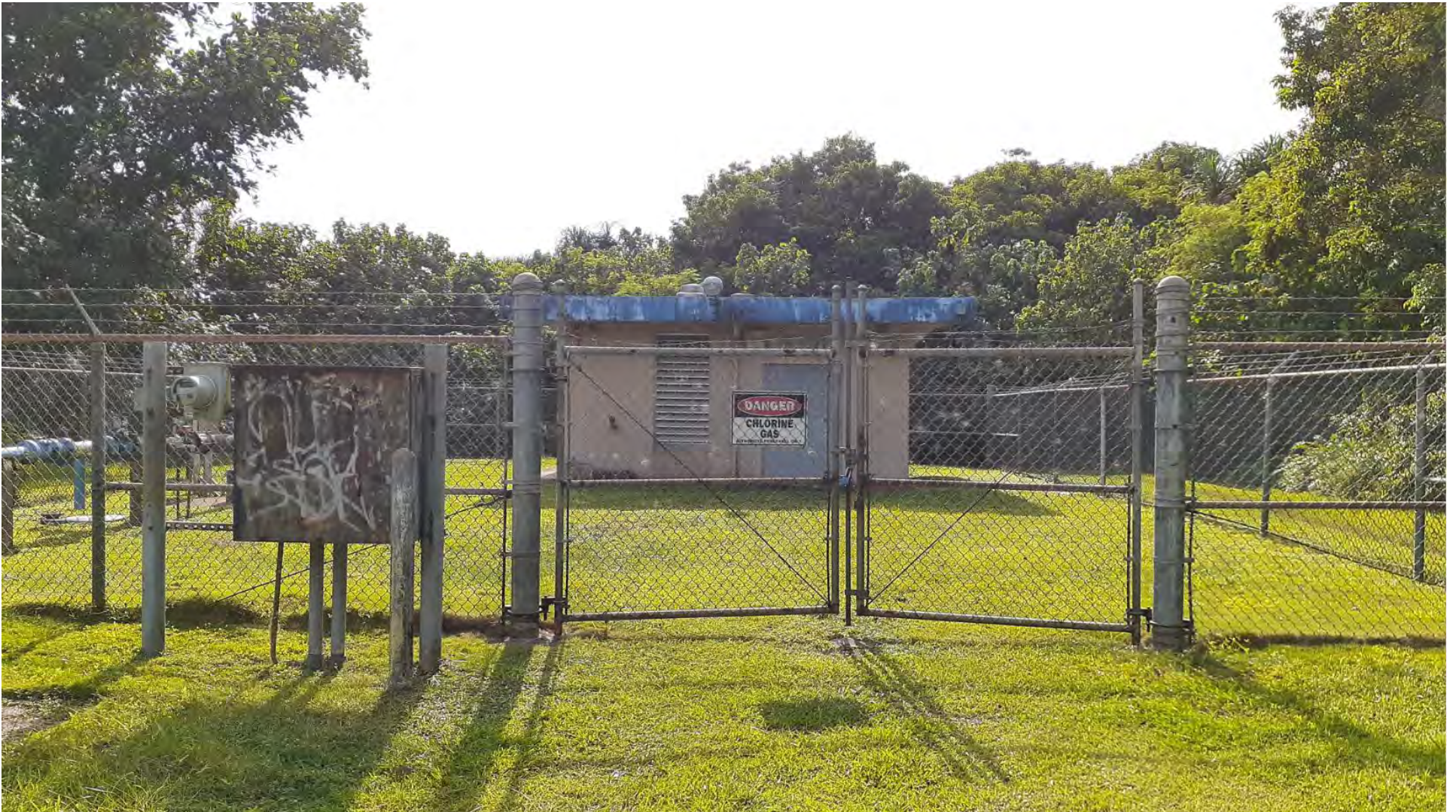


Photo 10. Well F-18.



Photo 11. Chalan J Piga within 300 feet of well F-18.



Photo 12. Chalan J Piga within 1,000 feet of well F-18.



Photo 13. Well M-15.



Photo 14. Lemon China Street within 300 feet of well M-15.



Photo 15: Kayen Mogfog within 1,000 feet of well M-15.

Appendix F: Request Letter for GHURA Grant and Loan Programs for Sewer Lateral Funding



"Better Water. Better Lives."

Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913

P.O. Box 3010, Hagatna, Guam 96932

Tel. No. (671) 300-6846/48 Fax No. (671) 648-3290

December 1, 2020

VIA EMAIL TRANSMISSION

E-mail address: rstopasna@ghura.org

Mr. Ray S. Topasna
Executive Director
Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, Guam 96910

Ref: GHURA Home Investment Partnership Grant
Subj: Potential Funding Request for FY22 and FY23 for Low Income Homeowner Sewer Connection Costs

Dear Mr. Topasna:

The Guam Waterworks Authority (GWA) is drafting a plan to transfer residential wastewater disposal from cesspools and septic tanks to the public sewer system. In some areas, sewer mains are located in the public right of way in front of existing houses on such septic systems, while in other areas, sewer mains will need to be constructed. Sewer main construction will be prioritized in specific areas based on water well quality in an effort to eliminate cesspool and septic tank impacts on the Northern Guam Lens Aquifer and protect our primary drinking water source.

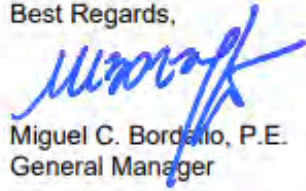
GWA will fund the sewer main construction within the public right of way. However, GWA's regulations require customers to bear the expense of sewer lateral construction to connect them to the public sewer. GWA has a sewer loan revolving fund to assist customers with sewer lateral construction costs, but the current balance would fund only a small number of customers. Given the current economic situation for many people on Guam and the need to protect our sole source aquifer, GWA is investigating private lateral funding options for low income customers. By way of this letter, we are requesting consideration for GHURA to work with GWA to establish a means by which low income customers on cesspools or septic tanks would be able to qualify for Housing and Urban Development Home grants/loans or any other grants/loans under GHURA's management.

A map of two areas requiring sewer connections is attached. These areas represent examples of both cases stated above, and illustrate a potential opportunity to make meaningful improvements in community sanitation and water resource protection. While GWA continues work to prioritize areas for sewer connections and funding in such areas, we would appreciate GHURA's consideration of helping homeowners improve their homes through public sewer

Mr. Ray S. Topasna
Executive Director, GHURA
December 1, 2020
Page 2 of 2

connections. We are happy to meet with you to further discuss potential grant funding programs. Please contact me if you would like additional information and thank you for your consideration.

Best Regards,



Miguel C. Bordallo, P.E.
General Manager

Attachment

cc: Katherine Taitano, GHURA, katherine@ghura.org
Brett Railey, P.E., GWA, brett@guamwaterworks.org
Mauryn McDonald, P.E., GWA, maurym@guamwaterworks.org
Taling Taitano, CPA, CGFM, CGMA, GWA, tmtaitano@guamwaterworks.org

MCB/mm/abg

Machanao and Piga Subdivisions (Dededo)

- The Machanao Subdivision has a public sewer, but not all the homes in this area are connected to it.
- The Piga Subdivision is located upgradient of water well F-18, which has some of the highest nitrate-nitrogen concentrations in northern Guam, and concentrations have an increasing trend. A sewer main will need to be constructed in this area to eliminate the cesspools and septic tanks in this area.



Appendix G: USDA Grant and Loan Programs for Sewer Lateral Funding



SECTION 504 HOUSING REPAIR PROGRAM OVERVIEW

OBJECTIVE

The basic objective of the Rural Housing Repair Program (Section 504) is to provide loans and/or grants to assist eligible homeowners to perform essential repairs or improvements to make their home structurally safe, sanitary and functionally adequate to ensure a safe and healthy living environment for its occupants.

WHO IS ELIGIBLE

To be eligible for a Section 504 loan and/or grant, the applicant must meet the following eligibility requirements:

- 1. Must own and occupy a dwelling in an eligible rural area. All areas on Guam are considered as eligible except Naval Station and Andersen Airforce base.
2. Dwelling and site must be modest in size and cost and must not be designed for income producing purposes nor subdividable. The market value must not exceed the Area Loan Limit of \$450,800 for Guam effective 01/31/2020
3. Be unable to obtain financial assistance from other non Rural Development credit or grant sources and lack personal resources that can be utilized to meet their needs. If applicant has only an undivided interest in the land, co-owners must also be unable to provide or obtain the financing for the improvements individually nor collectively with the applicant. If the cash value of nonretirement assets such as cash, stocks, bonds, savings and real property is greater than \$15,000 for non-elderly households or \$20,000 for elderly households, the cash value in excess of these amounts must be applied to reduce the loan and or grant request.
4. Have an adjusted annual income which does not exceed the applicable very-low income limits established below: (revised limits effective 5/04/2020)

Table with 8 columns: ADJUSTED INCOME LIMITS AS OF 5/04/2020, 1 PER, 2PERS, 3PERS, 4PERS, 5PERS, 6PERS, 7PERS, 8PERS. Values range from 32,500 to 42,900.

- 5. Have sufficient and dependable available income including welfare payments, Social Security, pension, and etc., to repay the Section 504 loan.
6. Need to make repairs or improvements to the dwelling which he/she owns and occupies to make it safe and sanitary and remove hazards to the health of the applicant.

770 E. Sunset Blvd. Suite 280 Tiaan, Guam 96913, Tel: (671) 473-7460, FAX: (665) 878-2495
http://www.rurdev.usda.gov

Committed to the future of rural communities

Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to USDA, Director, Office of Civil Rights, Washington, D. C. 20250-8410

7. Must be a citizen of the United States, U.S. non-citizen national or qualified alien
8. Must have an acceptable credit history (for loans only). Applicants with FICO credit score of at least 640 and no outstanding delinquent Federal or State debt obligations are considered to have an acceptable credit history. For scores less than 640 or no credit history, a full assessment of all aspects of the applicant's credit history will be required to determine creditworthiness.
9. Possess the legal capacity to incur the loan obligation

LOAN AND GRANT PURPOSES

Section 504 loan and/or grant funds may be used for paying the cost of repairs, and on site improvements, including but not limited to:

1. Typhoon /Security shutters, replace windows and doors
2. Repairing or replacement of roof and deteriorated exterior siding
3. Making essential repairs to the electrical system
4. Repairing or providing structural supports
5. Providing an adequate and sanitary water supply
6. To repair or install a bath and Septic tank/waste disposal system
7. Making necessary improvements to the home to accommodate individuals with disability, such as redesigned bath facility, ramps, and other essential health and safety measures
8. Payment of incidental expenses including loan closing costs
9. Purchase or install ranges, refrigerators, washers or dryers.

LOAN LIMITATIONS

A. Section 504 loan or grant may not be made to:

1. Construct or complete a partially built dwelling
2. Make repairs to a dwelling that is considered nonconforming (unpermitted) by the county
3. Improve the appearance or make facilities in the home more convenient unless directly associated with removing hazards to health and safety
4. Make repairs to a dwelling of such poor condition that when the repairs are completed will continue to be a major hazard to the health and safety of the occupants
5. An applicant with sufficient assets excluding the home that could be utilized to satisfy the entire need for a loan or grant
6. Pay for off-site improvements except for necessary installation and assessment costs for utilities
7. Refinance any existing debts
8. Provide site preparations such as grading, landscaping, fences, driveways, etc.

GRANT LIMITATIONS

1. Must comply with all of the above cited loan limitations
2. Must be at least 62 year of age and unable to repay all or a portion of the financial requested
 - a. Combination Loan and Grant-budget reflects ability to repay a portion of the request
 - b. Grant only-budget reflects no repayment ability
3. Grants are only available for repairs that remove health and safety hazards

AMOUNT OF SECTION 504 LOANS AND GRANTS

1. Maximum outstanding loan assistance may not exceed \$20,000
2. Maximum cumulative grant assistance may not exceed \$7,500

RATES AND TERMS

1. A Section 504 loan will be scheduled for repayment in accordance with the applicants ability to repay up to a maximum term not to exceed 20 years
2. The interest rate for loan is one (1%) percent

SECURITY

1. Section 504 Loans
 - a. Loans of \$7,500 or more will be secured by a mortgage on the borrower's real estate. The total debt must not exceed the market value of the property
2. Section 504 Grants
 - a. All persons receiving grant funds will be required to sign an agreement not to sell this property for a period of three (3) years. Should the property be sold within this period, the full amount of the grant must be repaid to the Government
3. Evidence of Ownership
 - a. Applicant must provide a copy of the deed to the subject property or if leasehold, provide copy of written lease.
 - b. For loans, the unexpired portion of the lease must be at least two(2) years longer than the term of the Promissory Note or if a grant the unexpired portion must be not less than five(5) years
4. Insurance Requirements
 - a. For loans of more than \$15,000 at a minimum, adequate hazard insurance coverage must be obtained. If financially capable, typhoon coverage is recommended.

NOTE: These guidelines are intended to provide only basic information and it should not be regarded nor construed as a complete and thorough coverage of Rural Development procedural requirements.

Should you desire more information about this program, please call us at (671) 472-7490.



SECTION 504 LOANS & GRANTS PROGRAM

ADJUSTED INCOME LIMITS AS OF 5/04/2020

1 PER	2PERS	3PERS	4PERS	5PERS	6PERS	7PERS	8PERS
31500	31500	31500	31500	41600	41600	41600	41600

TERMS AND CONDITIONS:

1. Maximum Amount: \$20,000.00 Loan
\$7,500.00 Grant (62 yrs and over)
2. Interest Rate: 1% Fixed Rate
3. Term: 20-years
4. Purpose: Home repair /improvement only (not for cosmetics purposes)

TYPICAL PAYMENT SCHEDULE FOR A 20,000.00 LOAN

20-years 92.00 per month

OTHER ELIGIBILITY REQUIREMENTS:

1. Must own at least a 50% undivided interest in the property.
2. Subject property must be owner -occupied
3. Nonretirement assets must not exceed \$15,000.00 for nonelderly or \$20,000 for elderly
4. Lacks ability to obtain financial assistance from other non-FmHA credit or grant sources
5. No pre-payment penalty.
6. Loan is assumable
7. Grants only – must remove health or safety hazards

EXAMPLES OF LOAN PURPOSES:

1. Septic tank/waste disposal system
2. Typhoon / Security Shutters, replace windows and doors
3. Upgrade or improve electrical wiring
4. Repair or replacement of roof (including tin roofs)
5. Replacement of deteriorated siding
6. Payment of incidental expenses, title clearances, loan closing, architectural and other technical services
7. Necessary repairs to mobile or manufactured homes
8. Modest additions to existing dwellings
9. Repair or remodel houses to make accessible and usable for handicapped or disabled persons
10. Repair and improve bathrooms

Rural Development
 770 East Sunset Blvd., Suite 260, Tyler, TX 75703
 Voice (877) 472-7400 • Fax (855) 878-2455
 USDA is an equal opportunity provider, employer, and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.nrc.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-6962 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 896-7442 or email at program.intake@usda.gov.

Appendix H: Draft Letter to Homeowners Required to Transfer from Septic Tanks to the Public Sewer



Date

Dear Valued Customer,

The Guam Waterworks Authority is hereby notifying you that a public sewer main [is or will be made] available in your area and you will be required to connect to the sewer main. The reason for this connection requirement is to reduce the amount of wastewater from septic tank/leaching field systems that is draining to our aquifer. Connecting to the public sewer will improve protection of the groundwater, our major supply of drinking water. It is also public law **P.L. 17-87**.

The estimated out of pocket cost for private lateral piping for the connection is [redacted] per linear foot.

The monthly sewer charge will be a flat rate of \$27.54.

This new sewer connection will be assessed a System Development Charge (SDC) if you connected to the water system after March 1, 2010. The sewer SDC for a typical residential meter is \$3,474.00. If your meter is larger than a 3/4-inch residential meter, the sewer SDC will be higher. Residential customers might be eligible for a lower SDC if the total cost of the house construction and lot purchase did not exceed \$180,000.00. Customers who were connected to the system on March 1, 2010 or earlier will not be assessed a sewer SDC for a new connection.

A Wastewater Revolving Loan Fund is available for residents of Guam to help finance the cost of construction. Details are included in the attachment to this letter.

The time frame required for this connection is [redacted].

The men and women of the Guam Waterworks Authority appreciate you, and your continued trust and support as we work hard to improve your water and wastewater systems and the Level of Service we provide to our island family and visitors.

You will be provided with more information about the public sewer connection. You can also contact [redacted] at [redacted] for more information.

Sincerely,

GWA



GWA RESOLUTION NO. 12-FY2024

**RELATIVE TO THE APPROVAL AND RECOMMENDATION TO ESTABLISH A NEW
ARTICLE 9 WITHIN 28 GAR, CHAPTER 2, FOR THE GUAM WATERWORKS
AUTHORITY'S SEWER HOOKUP REVOLVING LOAN FUND**

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities (“CCU”) has plenary authority over financial, contractual, and policy matters relative to the Guam Waterworks Authority (“GWA”); and

WHEREAS, the Guam Waterworks Authority (“GWA”) is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, the Guam Waterworks Authority Sewer Hookup Revolving Loan Fund is also known as the GWA Wastewater Revolving Loan Program and the GWA Sewer Revolving Loan Program; and

WHEREAS, by CCU GWA Resolution No. 08-FY2023, the CCU authorized GWA to follow 5 GCA Chapter 9 Article 3 Administrative Adjudication Law Rule-Making Procedures to add the Sewer Revolving Loan and Loan Fund rules into the Guam Administrative Rules, if required;

WHEREAS, in compliance with Administrative Adjudication Act for the adoption of its Sewer Hook-Up Revolving Loan Fund Rules GWA conducted a public hearing on October 27, 2023 at 10:00 a.m. at the GPWA main offices at the Gloria B. Nelson Public Service Building in Mangilao, Guam;

WHEREAS, the public hearing was heard after due and lawful notice was advertised via a local newspaper of general circulation;

WHEREAS, the proposed rules were published on GWA’s website and available for in-person review and inspection in advance of the public hearing;

//

1 **WHEREAS**, a public comment period on the proposed rules was publicized AND public
2 comments regarding the proposed amended rules were received;

3
4 **WHEREAS**, having reviewed and considered the proposed rules and public comments, and
5 in finding the need for only a specific portion of the rules to have the effect of law, the proposed Sewer
6 Hook-Up Revolving Loan Funds rules were streamlined and amended to a FINAL proposed rule draft
7 attached herein as EXHIBIT A;

8
9 **WHEREAS**, the FINAL proposed rules at EXHIBIT A, shall establish a new Article 9 within
10 28 GAR, Chapter 2. The FINAL proposed rule primarily concerns:

- 11 1. The Creation and Purpose of the Sewer Hook-Up Loan Fund;
- 12 2. The Requirement to Keep the Fund Separate;
- 13 3. The Requirement to Publicly Post Annual Fund Statements;
- 14 4. The Definitions for:
 - 15 (a) Service Lateral Connections; and
 - 16 (b) the Public Sewer Main;
- 17 5. The Loan Funding Source;
- 18 6. The Separate Establishment of Loan Terms, Conditions, Interest rates and Fees;
- 19 7. The Place for Loan Application filing;
- 20 8. The Loan's Security and Penalties to include;
 - 21 (a) disconnection of water service;
 - 22 (b) property liens

23
24 **WHEREAS**, the FINAL proposed rules permit GWA to be readily able to expand and adjust
25 the loan terms and the loan program without delay to address the viability of the sewer loan hook-up
26 fund, the program, and the use of available funding;

27
28 **WHEREAS**, these FINAL proposed rules are consistent with the policies adopted by the CCU,
29 and GWA, to comply with paragraph 34 of GWA's 2011 Stipulated Order with USEPA in *CV02-*
30 *00035 USA v. GWA and GovGuam* and to support and comply with GWA's March 2021 *Cesspool*
31 *and Septic Tank Elimination Study*, which requires GWA to continue its sewer hook-up program and
32 to initiate and maintain efforts to connect residents to GWA's sewer system, and;

1 **WHEREAS**, GWA's DRAFT Sewer Loan Fact Sheet which summarizes loan terms,
2 conditions, and low interest rates as of January 2024, and as adopted by CCU Resolution No(s). 08-
3 FY2023 and 09-FY2024, is attached here at EXHIBIT B;

4
5 **WHEREAS**, to comply with the Administrative Adjudication Law Rule-Making Procedures
6 at 5 G.C.A. §9303 GWA is required to show board approval of the FINAL proposed rules at EXHIBIT
7 A and a certification of the entire agency record before filing copies of the proposed rules to the
8 Governor of Guam, the Attorney General, and the Guam Legislature;

9
10 **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities does
11 hereby approve the following:

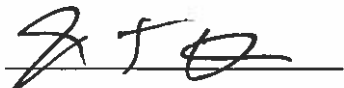
- 12 1. The recitals set forth above hereby constitute the findings of the CCU.
- 13 2. The amended and FINAL proposed rules in the form attached as EXHIBIT A to
14 this Resolution are hereby approved by the CCU.
- 15 3. The approved copy of these FINAL proposed rules, together with the portions of
16 the rule-making record, shall be certified and transmitted to the Legislative
17 Secretary of the Guam Legislature and any other required branch and office within
18 the government of Guam to establish a new Sewer Hook-up Loan Revolving Fund
19 at 28 GAR, Article 9, Chapter 2 for the Guam Waterworks Authority

20
21 **RESOLVED**, that the Chairman certified, and the Board Secretary attests to the adoption of
22 this Resolution.

23
24 **DULY AND REGULARLY ADOPTED**, this 27th day of February 2024.

25 Certified by:

Attested by:

26
27 

28 **JOSEPH T. DUENAS**

29 Chairperson

30 

31 **PEDRO ROY MARTINEZ**

32 Secretary

//

//

SECRETARY'S CERTIFICATE

I, Pedro Roy Martinez, Board Secretary of the Consolidated Commission on Utilities as evidenced by my signature above do hereby certify as follows:

The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular meeting by the members of the Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

AYES:	<u>4</u>
NAYS:	<u>0</u>
ABSENT:	<u>1</u>
ABSTAIN:	<u>0</u>



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28 GAR – PUBLIC UTILITIES
CH. 2 – GUAM WATERWORKS AUTHORITY

CHAPTER 2
GUAM WATERWORKS AUTHORITY

Article 9 Guam Waterworks Authority Sewer Hook-Up Revolving Loan Fund

§2901. Loan Fund Created

§2902. Definitions

§2903. Funding Source(s) and Loan Terms.

§2904. Loan Application to Be Filed With the Guam Waterworks Authority

§2905. Loan Security and Penalties

§ 2901. Loan Fund Created.

- (a) **Declaration of Loan Intent.** There is created the "Guam Waterworks Authority Sewer Hook-Up Revolving Loan Fund" (the Fund) to offer loans to qualifying property owners who are not currently connected to the public sewer system. These loans are limited to property owners, for residential non-commercial use, to solely install service lateral connections to a public sewer main.
- a) **Separate Fund.** The Fund shall be maintained separate and apart from any other funds of the Government of Guam and shall have separate and independent financial controls and records maintained.
- (b) **Annual Statements.** GWA shall post an annual statement reflecting the financial condition of the Fund on GWA’s website at the end of each fiscal year.
- (c) **Interest Loan & Administrative Charges.** The Guam Waterworks Authority is required to charge interest for said loans and the amount for loan charges shall be established by GWA. The charges shall be deposited into the "GWA Sewer Hook-Up Revolving Loan Fund" less GWA administrative costs to administer the loans.

§ 2902. Definitions.

As used in this Chapter:

- (a) *Service Lateral Connections* for sewer shall mean the main tap, pipe, and

fittings from a private property structure to the public sewer main, pursuant to GWA's design and construction standards and policies.

- (b) Public Sewer Main Or Public Sewer System shall mean the sewer pipe typically eight (8) inches in diameter or larger into which several laterals or other sewer lines may discharge.

§2903. Funding Source(s) and Loan Terms.

- (a) The GWA Sewer Hook-up Revolving Loan Fund may be supplied with monies received from any legal source and shall be only used for service lateral connections as defined above until such time as all point sources of wastewater discharge are connected to the public sewer system.
- (b) GWA shall have the full authority to manage the funds deposited into the Sewer Hook-Up Revolving Loan Fund.
- (c) The terms, conditions, fees, and interest rates of the loan shall be established by GWA subject to the approval of the Consolidated Commission on Utilities (CCU) by a CCU Resolution.
- (d) Any and all loan awards are subject to the availability of funds.

§2904. Loan Application To Be Filed With the Guam Waterworks Authority.

- (a) All qualifying applicants for this loan program shall file an application on the prescribed form with the Guam Waterworks Authority.

§2905. Loan Security and Penalties.

- (a) GWA shall have the authority to impose the following conditions as security and as a penalty for a Borrower's failure to repay the loan.
 1. **Disconnection of water service.** Disconnection of water service shall take effect until the amounts due and owing are repaid in full and/or brought current; and
 2. **Property Liens.** Liens may be placed on the subject property and may not be lifted or otherwise discharged until the full amount due and owing under the borrower's loan agreement is paid in full. Liens shall run with the land and not be subject to discharge by sale, mortgage, judgment or for any other cause until the loan is paid in full.



GUAM WATERWORKS AUTHORITY

“Better Water. Better Lives.”

Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913

Telephone No.: (671) 300-6058

DRAFT Wastewater Revolving Loan Fact Sheet

Septic tank/leaching field systems and cesspools discharge wastewater to the ground. To protect our groundwater and surface water resources, Guam Waterworks Authority offers low-interest loans to qualified homeowners to connect to the public wastewater system, which will eliminate use of their septic tank/leaching field or cesspool.

Loans are limited to property owners of residential, non-commercial buildings, for the purpose of installing a wastewater service lateral to a GWA public sewer main.

Priority will be given to the following applicants:

- over the Northern Aquifer or immediately adjacent to an existing surface water body (river or ocean)
- all other low-income residential purposes.

For more information, please contact permits@guamwaterworks.org or 671-300-6058.

Application Requirements and Loan Information		Applicants Receiving Public Assistance
(1) Maximum Loan Amount	\$50,000	\$50,000
(2) Contractor Estimates for Sewer Lateral Construction	Two	Two
(3) Declined Loan Applications from Financial Institutions	One	Waived
(4) Loan Repayment Term	10 years	15 years
(5) Repayment Start Date	30 days after construction completion and payment to the contractor.	
(6) Interest	The interest rate is based on the USDA Home Loan interest rate at the time the loan is entered into.	
Liens	Liens will be placed on the property until the loan amount is paid in full.	
Loan Security and Fees	The applicant is responsible for mortgage recording, credit report, preliminary title report, and Uniform Commercial Code filing fees.	
Nonpayment	Water service will be disconnected until the payments are made. The property lien would remain until the loan is paid in full.	

(1) Maximum Loan Amount and (2) Contractor Estimates

- a. The loan amount will be based on the lower of two construction estimates provided by licensed contractors. The contractors will be required to submit a non-collusion affidavit with the construction estimates.
- b. Funds will be released to the selected contractor upon satisfactory inspection by GWA or its agent.
- c. The contractor cost estimate requirement is waived if the sewer connection is part of a GWA capital improvement project that involves sewer lateral construction.

(3) Declined Loan Applications from Financial Institutions

- a. This loan is available only to Applicants that own the premises being served and have been refused a loan for a similar purpose by one bank licensed to do business in Guam.

(4) Loan Repayment Term

- a. Monthly installment payments
- b. Loan Term shall not exceed 15 years for applicants receiving public assistance.
- c. Loan term shall not exceed 10 years for all other applicants.

(5) Repayment Start Date

- a. Payments shall start 30 days after sewer lateral construction has been completed and the contractor has been paid.
- b. The start date may be deferred for a maximum of 5 years for customers who connect to a sewer main within 1 year of the main being built.

(6) Interest

- a. As of January 1, 2024, the interest rate for Single Family Housing direct home loans is 5.125% for low-income and very-low income borrowers.
- b. A \$25,000 loan with a 10-year term and 5.125% interest rate would have a monthly payment of \$266.69.
- c. A \$50,000 loan with a 10-year term and 5.125% interest rate would have a monthly payment of \$533.39.



October 17, 2024

INFORMATION AND GUIDANCE

Ref: GWA 24-0321

TO: General Manager, Guam Waterworks Authority

FROM: Assistant Attorney General

SUBJECT: Approval to the Approval and Recommendation to Establish a New Article 9 Within 28 GAR, Chapter 2 for the Guam Waterworks Authority's Sewer Hookup Revolving Loan Fund

Enclosed is a copy of the **Guam Waterworks Authority's ("GWA")** proposed rules for its **Sewer Hookup Revolving Loan Fund** into the **Guam Administrative Rules and Regulations ("GAR")**. GWA seeks to formally create the fund in order to better administer loan funds received for its sewer hookup loan program. For the reasons stated herein, the proposed rules and regulations are recommended for approval as to legality and form.

In its FY2023 Budget Act, passed as Public Law 23-107, the Guam Legislature appropriated \$2,000,000 into GWA's sewer loan revolving fund to assist GWA customers with the cost of sewer connections. This fund was first established in 2006 by requirements set out by the USEPA and funding first received by Guam's EPA. The undersigned has reviewed GWA's submission and finds it to be in compliance with (i) all constitutional requirements, (ii) the adoption of Rules Act, and (iii) compliance with the statutory authority for the promulgation of rules. See, 5 G.C.A, Chapter 9, §9303 (a)(3) and (4). Finally, it is appropriate to note that GWA estimates that the annual economic impact to the public from the adoption and promulgation of the Rules will not exceed \$500,000.

Considering the residents of Guam need to hookup to GWA's Sewer Hookup System in a timely and affordable manner the GWA's Sewer Hookup Revolving Loan Fund Rules and Regulations are recommended for approval.

This letter and the statements herein are provided as information and guidance only. If GWA has any questions or comments, please do not hesitate to contact me.

THOMAS P. KEELER
Assistant Attorney General

Cc: Theresa G. Rojas, GWA Legal Counsel

Office of the Attorney General
Douglas B. Moylan · Attorney General of Guam
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"Guam's Toughest Law Enforcers"

LOURDES A. LEON GUERRERO
GOVERNOR



JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HĀGAN GUĀHAN
OFFICE OF THE GOVERNOR OF GUAM

May 7, 2026

In accordance with 5 GCA § 9303(a)(2), the Guam Waterworks Authority submitted for my review and approval its proposed Administrative Rules and Regulations. These proposed rules and regulations were required by Public Law No. 36-118.

The submission included:

- One duplicate printed copy
- One electronic copy
- A copy of the agency record, including the transcript of the public hearing, as required by law
- Preliminary Cost Impact Assessments

Please note that the estimated economic impact of the proposed rule changes does not exceed the Five Hundred Thousand Dollar (\$500,000) threshold established under the Administrative Adjudication Law (AAL).

Pursuant to 5 GCA § 9303(a)(4), after review of the submitted documents, I approve the proposed administrative rules and regulations.

Sensengente,

JOSHUA F. TENORIO
Ākto Maga'lāhen Guāhan
Acting Governor of Guam



OFFICE OF LEGAL COUNSEL

Ufsinan I Maga'hågan Guåhan
OFFICE OF THE GOVERNOR

LOURDES A. LEON GUERRERO
GOVERNOR OF GUAM

JOSHUA F. TENORIO
LIEUTENANT GOVERNOR OF GUAM

TRANSMITTED VIA CENTRAL FILES

May 8, 2026

MIGUEL BORDALLO, P.E.

General Manager

Guam Waterworks Authority

578 North Marine Corps Drive

Tamuning, Guam 96913

mcbordallo@guamwaterworks.org

(671) 300-6846

RE: ADOPTION OF PROPOSED RULES VIA AAA PROCESS | CF#2026-25890

Håfa Adai General Manager Bordallo:

The following document is transmitted with the signature of *I Åkto Maga'låhen Guahan*:

GUAM WATERWORKS AUTHORITY | CF#2026-25890

Approval of GWA Sewer Hookup Revolving Loan Fund GWA adoption of proposed rules via AAA process

Any questions or concerns can be sent directly to the Office of Legal Counsels via email at legal@guam.gov. You may also call our office at (671) 473-1117/8.

Senseramente,

ALEXANDER FORD

Assistant Legal Counsel

Enclosure(s): CF#2026-25890

cc via email: *I Maga'hågan Guåhan*
I Sigundo Maga'låhen Guåhan

fittings from a private property structure to the public sewer main, pursuant to GWA's design and construction standards and policies.

- (b) Public Sewer Main Or Public Sewer System shall mean the sewer pipe typically eight (8) inches in diameter or larger into which several laterals or other sewer lines may discharge.

§2903. Funding Source(s) and Loan Terms.

- (a) The GWA Sewer Hook-up Revolving Loan Fund may be supplied with monies received from any legal source and shall be only used for service lateral connections as defined above until such time as all point sources of wastewater discharge are connected to the public sewer system.
- (b) GWA shall have the full authority to manage the funds deposited into the Sewer Hook-Up Revolving Loan Fund.
- (c) The terms, conditions, fees, and interest rates of the loan shall be established by GWA subject to the approval of the Consolidated Commission on Utilities (CCU) by a CCU Resolution.
- (d) Any and all loan awards are subject to the availability of funds.

§2904. Loan Application To Be Filed With the Guam Waterworks Authority.

- (a) All qualifying applicants for this loan program shall file an application on the prescribed form with the Guam Waterworks Authority.

§2905. Loan Security and Penalties.

- (a) GWA shall have the authority to impose the following conditions as security and as a penalty for a Borrower's failure to repay the loan.
 1. **Disconnection of water service.** Disconnection of water service shall take effect until the amounts due and owing are repaid in full and/or brought current; and
 2. **Property Liens.** Liens may be placed on the subject property and may not be lifted or otherwise discharged until the full amount due and owing under the borrower's loan agreement is paid in full. Liens shall run with the land and not be subject to discharge by sale, mortgage, judgment or for any other cause until the loan is paid in full.