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Senator Perez Introduces Bill to Enhance Guam's Water Infrastructure

Hagåtña, Guam - On Wednesday, Senator Sabina Perez introduced Bill 274-37 (COR), groundbreaking legislation that authorizes the creation of a Commercial Paper Program aimed at significantly reducing the financing costs for GWA's Capital Improvement Program (CIP). The bill was co-sponsored by Speaker Therese Terlaje and Senator Chris Barnett.

The program is a strategic shift in short-term financing, allowing GWA to fund projects as needed, thereby minimizing upfront costs and interest payments. The move is expected to lower the cumulative rate increase, making this initiative a win-win for the agency and consumers.

Central to this legislation is the approval of terms and conditions for the issuance of GWA refunding and revenue bonds for short-term commercial paper financing and the authorization for GWA to obtain low interest loans in lieu of revenue bonds under the Water Infrastructure Finance and Innovation Act (WIFIA) Program. These financial mechanisms are designed to provide GWA with the flexibility and resources needed to address critical infrastructure challenges, including compliance with the Clean Water Act and addressing contaminants, such as, PFAS and dieldrin.

Key highlights of the proposed 5-year CIP, include a \$561 million investment to meet the recent US EPA consent decree compliance requirements, a \$203 million allocation to reduce real water loss through system upgrades, and a \$36 million initiative to implement advanced SCADA systems for improved monitoring and operational efficiency and quicker response after natural disasters.

Bill 274-37 is a comprehensive approach to addressing long-standing infrastructure needs while ensuring financial prudence. By leveraging a combination of short-term and traditional financial tools, the legislation aims to minimize the financial impact on ratepayers, support GWA's borrowing needs, and provide a sustainable pathway for Guam's water infrastructure.

“The people of Guam stand at the cusp of a new era where water reliability, efficiency, and compliance are not just goals but achievable realities,” Senator Perez said. “Through this legislative action, we reaffirm our commitment to safeguarding public health, protecting our environment, and ensuring the sustainable management of our water resources for generations to come.”

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