

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE: PETITION FOR APPROVAL) GWA DOCKET 24-03
OF THE ISSUANCE OF GWA)
WATER AND WASTEWATER)
SYSTEM REVENUE) ALJ REPORT
REFUNDING BONDS AND)
SUPPORTING DOCUMENTS)
_____)



INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the Petition for Approval of the Issuance of GWA Water and Wastewater System Revenue Refunding Bonds and Supporting Documents (the “Petition”), filed by the Guam Waterworks Authority (“GWA”) on November 15, 2023.

BACKGROUND

With PUC approval, GWA executed and delivered the December 1, 2005 General Indenture, and on December 7, 2005, GWA issued one series of Bonds. Since that time, GWA has been given approval to issue a number of subsequent revenue and refunding bonds. For instance, on November 23, 2010, GWA issued Series 2010 Bonds. On December 12, 2013, it issued Series 2013 Bonds. On August 7, 2014, it issued Series 2014A Bonds to refund the 2005 and 2010 bonds. On February 24, 2016, GWA issued Series 2016 Bonds. On December 20, 2017, GWA issued Series 2017 Bonds to redeem or retire a portion of the outstanding 2013 Bonds. On August 26, 2020, GWA issued bonds to redeem or retire a portion of the outstanding 2013 Bonds.

In the instant Petition, GWA now requests approval to issue one or more additional series of Bonds (the “Refunding Bonds”) in an aggregate principal amount sufficient to

provide funds for the purpose of redeeming or retiring all or a portion of the following outstanding bonds: Series 2013, Series 2014A, Series 2016, Series 2017, and Series 2020B.

With respect to Series 2013 and Series 2014A, it requests a refunding of those bonds. With respect to the other bonds, GWA requests authority to retire those bonds through a tender offering.

DISCUSSION

A. PUC Bond Review Authority

Pursuant to 12 G.C.A. §12105, GWA cannot enter into any contractual agreements or obligations which could increase rates and charges without the PUC's express approval. Additionally, pursuant to GWA's Contract Review Protocol, all externally funded loan obligations and other financial obligations, such as lines of credit, bonds, etc., in excess of \$1,000,000, and any use of such funds, must be approved by the PUC.¹

B. November 15, 2023 Petition

In its Petition, GWA indicates that the primary justification for the request to issue revenue refunding bonds is to provide GWA with potentially millions of dollars in debt service savings that can be structured "to enhance GWA's planning for future capital financing needs" under favorable market conditions.² GWA submits that although market conditions appear "somewhat volatile as a result of world events since the CCU authorized this [p]etition," "PUC approval" affords GWA "flexibility to enter the financial markets"

¹ See Contract Review Protocol for Guam Waterworks Authority, Administrative Docket 00-04, p. 1 (Oct. 27, 2013).

² Petition, p. 3 (Nov. 15, 2023).

for a refunding that can achieve a targeted debt service savings “well above 2% [net present value] savings.”³

While not specifically stated in its Petition, GWA seeks PUC approval for the refunding of its Series 2013 and its Series 2014A bonds. In addition to the refunding of these particular bonds, GWA also intends on issuing tender offers on its Series 2016, Series 2017, and Series 2020B bonds.

C. GWA Resolution No. 49-FY2023 Issued by the CCU

Pursuant to GWA Resolution No. 49-FY2023, the Consolidated Commission on Utilities (the “CCU”) authorized the issuance of the subject refunding, designated as the “Revenue Refunding Bonds,” specifically “in an aggregate principal amount not to exceed an aggregate principal amount sufficient to provide funds for such redemption or retirement of all or a portion of such Prior Bonds [which is defined essentially as all of GWA’s outstanding bonds], plus related costs of issuance and of such redemption or retirement, including in connection with the tender of such Prior Bonds, and to fund a deposit to the debt service reserve fund, if any.”⁴

The CCU further approved the form of the Preliminary Official Statement, and the corresponding bond documents related to the refunding activities. In accord with such approval, the CCU additionally authorized GWA to engage and participate in activities related to sales and marketing, execute and deliver all documents, including closing

³ Petition, pp. 3-4.

⁴ Petition, Attachment A (GWA Resolution No. 49-FY2023), p. 4 (Sept. 27, 2023).

documents and certificates, notices, consents and agreements to effect the purposes of the refunding, as well as activities related with any invitation to tender Prior Bonds.⁵

D. Public Law 32-069

In P.L. 32-069, the Guam Legislature (the “Legislature”) expressly approved GWA’s issuance and sale of “fixed rate revenue bonds in one or more series or issues to refinance the outstanding revenue bonds of the Authority . . . provided, that the issuance, terms and conditions of the refinancing bonds shall have been approved by the Guam Public Utilities Commission and the Guam Consolidated Commission on Utilities, and that the sale of the bonds shall be approved by the Board of Directors of GEDA; and further provided, that such refinancing bonds shall have a principal amount sufficient to provide funds for the payment of all bonds to be refinanced thereby (the ‘prior bonds’), and in addition for the payment of all expenses incident to the calling, retiring or paying of such prior bonds and the issuance of such refinancing bonds, including”:

- (a) the difference in amount between the par value of the refinancing bonds and any amount less than par for which the refinancing bonds are sold;
- (b) any amount necessary to be made available for the payment of interest upon such refinancing bonds from the date of sale thereof to the date of payment of the prior bonds or to the date upon which the prior bonds will be paid pursuant to the call thereof or agreement with the holders thereof;
- (c) the premium, if any, necessary to be paid in order to call or retire the prior bonds and the interest accruing thereon to the date of the call or retirement; and
- (d) any additional amount needed to provide for a deposit to the debt service reserve in connection with the issuance of the refinancing bonds.⁶

⁵ Petition, Attachment A (GWA Resolution No. 49-FY2023, p. 6.

⁶ P.L. 32-069, pp. 4-5 (Nov. 7, 2013).

The statute further provides that any such refinancing bonds:

[S]hall have a final maturity not later than the final maturity of the prior bonds; that such refinancing bonds shall be issued and sold pursuant to the Authority's existing bond indenture and in compliance with the provisions of Chapter I 4 of Title 12 of the Guam Code Annotated; and that the present value of debt service on the refinancing bonds shall be at least two percent (2%) less than the present value of debt service on the bonds being refinanced, using the yield on the refinancing bonds as the discount rate; and further provided that all obligation of the Authority to pay debt service on, and the redemption price of, the prior bonds shall be discharged concurrently with the issuance of the refinancing bonds; and thereafter, the prior bonds shall be payable solely from and secured solely by an escrow established for such purpose in accordance with the Authority's existing bond indenture.⁷

Accordingly, GWA is authorized to issue and sell revenue bonds to refinance the outstanding revenue bonds so long as such bonds have a final maturity not later than the final maturity of the prior bonds; that the present value of debt service on the refinancing bonds is at least two percent (2%) less than the present value of debt service on the bonds being refinanced; that the prior bonds shall be discharged concurrently with the issuance of the refinancing bonds; and that the prior bonds shall be payable from and secured by an escrow established for such purpose.⁸

E. Estimated Costs and Savings

GWA intends to refund about \$74.2 million of its Series 2013 and Series 2014A bonds, which as of January 12, 2024, RBC Capital Markets ("RBC"), an underwriter working with GWA, indicated that such refunding should result in a debt service savings

⁷ P.L. 32-069, pp. 5-6 (Nov. 7, 2013).

⁸ *Id.*

of about \$6 million. Moreover, the refunding of the Series 2013 and its Series 2014A bonds should also result in the following: a net present value (“NPV” or “PV”) savings of \$5.4 million (7.2% of refunded par); a total cash flow savings is \$6,203,797; and an average annual cash flow savings of \$516,983. In short, a tax-exempt refunding under current market rates should generate a 7.2% savings or \$5.4 million in PV savings. RBC further indicates that the all-inclusive true interest cost is estimated at 3.389%. These figures assume a 1.5% cost of issuance, according to RBC. GWA has indicated that the cost of issuance is about \$2 million.

F. Tender Offer

Regarding GWA’s intent to issue tender offers on its Series 2016, Series 2017, and Series 2020B bonds, GWA has expressed that this mechanism will also allow GWA to further refinance its debt. As this Commission may recall, the refunding of bonds is the process by which an issuer like GWA refinances outstanding bonds by issuing new bonds. Bond refunding is common where the bond issuer has a credit rating increase, such that it can reasonably expect to obtain debt at a lower cost. More significantly, refunding is also common and useful when current interest rates are lower than when the bonds were issued. In short, bond refunding involves paying off higher-cost bonds with debt that has a lower net cost to the issuer of the bonds. For GWA’s purposes, the refunding serves to reduce interest costs.

Similarly, a tender offer on bonds is where a bond issuer like GWA makes a public offer to bond holders to relinquish or “tender” their bonds for cash or for new bonds. The tendered bonds are then purchased by the issuer and canceled or exchanged for new bonds and then canceled.

According to Orrick, which has served as bond counsel to various Government of Guam agencies, issuers utilize tender offers to refinance or restructure outstanding debt. Commonly, “[b]onds with an above-market coupon rate that are not callable are particularly primed for a tender offer.”⁹ Tender offers could also be utilized where the refinancing of non-callable bonds “would result in significant savings.”¹⁰ In such instance, “the issuer can use a tender offer to purchase and cancel those bonds and refinance with more favorable debt.”¹¹ Additionally, a tender offer can be used to convert such bonds to tax-exempt, lower cost debt.¹²

In conversations with RBC, it was indicated that the expectation is between a 20-40% response to GWA’s proposed tender offering, which would yield between about \$10 to \$20 million in debt service savings, or about \$6 to \$12 million in NPV savings. Specifically, RBC projects that at a tender of 20% across the tendered bonds (at about \$55 million tendered), the result would be a NPV savings of \$6.1 million (11.2% of refunded par); a total cash flow savings of \$10,003,415; and an average annual cash flow savings of \$500,171. RBC further estimates that a tender of 20% would result in a gross debt service savings of about \$10 million and an all-inclusive true interest cost of 3.994%.

RBC also projects that at a tender of 40% (which would be at the high end at about \$109 million tendered), the result would be a NPV savings of \$12.3 million (11.2% of

⁹ <https://www.orrick.com/en/Insights/2023/10/Tender-Offers-Are-Here-To-Stay-What-Do-I-Need-To-Know> (last accessed Jan. 22, 2024).

¹⁰ <https://www.orrick.com/en/Insights/2023/10/Tender-Offers-Are-Here-To-Stay-What-Do-I-Need-To-Know> (last accessed Jan. 22, 2024).

¹¹ <https://www.orrick.com/en/Insights/2023/10/Tender-Offers-Are-Here-To-Stay-What-Do-I-Need-To-Know> (last accessed Jan. 22, 2024).

¹² <https://www.orrick.com/en/Insights/2023/10/Tender-Offers-Are-Here-To-Stay-What-Do-I-Need-To-Know> (last accessed Jan. 22, 2024).

refunded par); a total cash flow savings of \$20,016,906; and an average annual cash flow savings of \$1,000,845. RBC further estimates that a tender of 40% would result in a gross debt service savings of \$20,016,906 and an all-inclusive true interest cost of 3.994%.

These estimates assume a 1.5% cost of issuance; and the fee for the tender agent is estimated at an additional \$19,000.00, according to GWA.

G. Authorization by Guam Economic Development Authority

Through Resolution No. 24-002, the Guam Economic Development Authority (“GEDA”) authorized GWA’s issuance and sale of bonds in an aggregate principal amount sufficient enough, but not to exceed, to redeem or retire all or a portion of any prior bonds, plus the related costs of issuance and of such redemption or retirement.¹³

In addition, GEDA further approved the Bond Purchase Agreement relating to the sale of the refunding bonds; and that the forms and other bond documents related to any sale and redemption were also approved. GEDA additionally approved the Preliminary Official Statement, including its final form.¹⁴

GEDA further authorized GWA to determine the aggregate principal amount of bonds to issue, including “the number of series of such Bonds, the maturity or maturities, the interest rates (not exceeding any limitation established by the Legislature), interest payment dates, . . . terms of redemption and other terms of each series of the Bonds.”¹⁵

Accordingly, GEDA authorized and directed GWA “to do any and all things and to execute and deliver any and all notices, documents, certificates and other instruments . . .

¹³ GEDA Resolution No. 24-002, p. 2 (Jan. 18, 2024).

¹⁴ GEDA Resolution No. 24-002, p. 3.

¹⁵ GEDA Resolution No. 24-002, p. 4.

which they may deem necessary or advisable in order to consummate the sale of the Bonds, the refunding, redemption or retirement of the Prior Bonds,” including activities associated with any invitation to tender the any prior bonds or any proceedings associated with such tender.¹⁶

H. Compliance with Guam Law and Regulations

Based on the estimates provided by GWA, as prepared by RBC, the refunding of Series 2013 and Series 2014A bonds would result in a 7.2% present value savings, which is greater than the required minimum two percent (2%) debt service savings. Based on the estimates provided by GWA, as prepared by RBC, the tender offer at a 20% response rate (which is at the low end) would result in an 11.2% present value savings, which is greater than the required minimum two percent (2%) debt service savings. According to the estimates, a 40% response rate would also result in an 11.2% present value savings, which again is greater than the required minimum two percent (2%) debt service savings. Furthermore, the instant refunding request is supported and approved by the CCU and GEDA.

CONCLUSION AND RECOMMENDATION

Based on the record before this Commission, the Administrative Law Judge (the “ALJ”) assigned to this matter finds that the NPVs presented in this docket are significant enough to allow a refunding of GWA’s bonds discussed herein.

The ALJ further finds that GWA appears to have complied with existing statutory requirements and regulations that permit it to issue refunding bonds. Specifically, the intended date of maturity for the proposed Refunding Bonds is the same date as the

¹⁶ GEDA Resolution No. 24-002, p. 4.

proposed refunded bonds; and that the principal amount refinanced is sufficient to provide payment of the prior bonds, including the costs of issuance.

With respect to the statutory 2% PV requirement, the estimated PV savings for the refunding is 7.2%, which is greater than the statutory PV savings requirement. It is estimated as well that the result of any tender offers on GWA's Series 2016, 2017 & 2020B (between 20% to 40%) would result in a 11.2% PV savings, which is again greater than the statutory PV savings required under Guam law.

In addition, all the necessary regulatory approvals have been given authorizing this refund and refinancing. Accordingly, the ALJ recommends that the Commission approve the issuance, as well as the form of the terms, and conditions contained in the Bond Documents, of the Revenue Refunding Bonds.

Since at this time there has been no indication as to where the savings from the refunding would be allocated, GWA upon issuance of the refunded bonds, GWA should inform the PUC with respect to how the savings will be utilized to benefit ratepayers. Accordingly, the PUC should direct GWA to notify the Commission, within ninety (90) days of the refunding, its intent and plan regarding the savings achieved from the refund and tender offering. A proposed Order and Order Approving Long-Term Debt are attached hereto for the Commissioners' consideration.

Respectfully submitted this 23rd day of January, 2024.



JOEPHET R. ALCANTARA
Administrative Law Judge

P243003.JRA

APPENDIX 1

ATTACHMENT A



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

GWA RESOLUTION NO. 49-FY2023

RELATIVE TO AUTHORIZING THE ISSUANCE AND SALE OF GUAM WATERWORKS AUTHORITY WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS ON A CURRENT OR FORWARD DELIVERY BASIS, APPROVING FORMS OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS, AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF

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

WHEREAS, the Authority is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, Article 2, Chapter 14, Title 12 of the Guam Code Annotated (the “Act”) authorizes the Authority to issue revenue bonds to raise funds for the purpose of acquiring, constructing, improving, equipping, maintaining, repairing, renewing, replacing, reconstructing or insuring the System (as that term is defined in the Act), or any part thereof, or for the purpose of redeeming or retiring any such bonds or any other prior obligations of the Authority, or for any combination of such purposes, in accordance with and subject to the requirements and limitations set forth in the Act; and

WHEREAS, the Authority has informed this Commission that the opportunity has arisen to issue refunding bonds to refund, redeem or otherwise retire all or a portion of the outstanding Guam Waterworks Authority Water and Wastewater System Revenue Bonds previously issued under the General Indenture (defined herein), specifically, Guam Waterworks Authority Water and Wastewater System Revenue Bonds, Series 2013, Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2014A, Guam

1 Waterworks Authority Water and Wastewater System Revenue Bonds, Series 2016, Guam
2 Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2017,
3 Guam Waterworks Authority Water and Wastewater System Revenue Bonds, Series 2020A,
4 and Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds,
5 Series 2020B (Federally Taxable) (collectively, the “Prior Bonds”) for debt service savings,
6 which is expected to result in savings to ratepayers; and
7

8 **WHEREAS**, the Authority has determined it is necessary and desirable to issue one or
9 more series of Guam Waterworks Authority Water and Wastewater System Revenue Refunding
10 Bonds, Series 2023A (the “Series 2023A Bonds”) for the purpose, among others, of refunding,
11 redeeming or retiring all or a portion of the Prior Bonds, including the outstanding Guam
12 Waterworks Authority Water and Wastewater System Revenue Bonds, Series 2013 subject to
13 optional redemption, and all or a portion of other maturities of the Prior Bonds which may be
14 tendered for purchase and cancellation following an invitation to tender such Prior Bonds; and
15

16 **WHEREAS**, the Authority has determined it is necessary and desirable to issue one or
17 more series of Guam Waterworks Authority Water and Wastewater System Revenue Refunding
18 Bonds, Series 2024A (Forward Delivery) (the “Series 2024A Bonds” and, together with the
19 Series 2023A Bonds, the “Bonds”) for the purpose of refunding all or a portion of the Prior
20 Bonds, including the outstanding Guam Waterworks Authority Water and Wastewater System
21 Revenue Refunding Bonds, Series 2014A; and
22

23 **WHEREAS**, the Authority has previously made and entered into an Indenture dated as
24 of December 1, 2005 (as previously supplemented and amended, the “General Indenture”), by
25 and among the Authority, Bank of Guam, as trustee (the “Trustee”) and U.S. Bank Trust
26 Company, National Association, as co-trustee (the “Co-Trustee”), which authorized one or more
27 series of Guam Waterworks Authority Water and Wastewater System Revenue Bonds; and
28

29 **WHEREAS**, there has been presented to this meeting the form of a ninth supplemental
30 indenture, by and among the Authority, the Trustee and the Co-Trustee (the “Ninth
31 Supplemental Indenture”) in respect of the Series 2023A Bonds (See Exhibit A) and a form of
32 tenth supplemental Indenture in respect of the Series 2024A Bonds (See Exhibit B), by and

1 among the Authority, the Trustee and the Co-Trustee (the "Tenth Supplemental Indenture" and,
2 together with the Ninth Supplemental Indenture, the "Supplemental Indentures" and the
3 Supplemental Indentures collectively with the General Indenture, the "Indenture"), pursuant to
4 which the Authority proposes to issue the Bonds; and

5
6 **WHEREAS**, the Authority previously has executed a Master Continuing Disclosure
7 Agreement with Digital Assurance Certification, L.L.C., as dissemination agent (the
8 "Dissemination Agent"), dated as of December 1, 2005, which authorized one or more
9 supplemental continuing disclosure agreements to be entered into in connection with the
10 issuance of one or more series of bonds; and

11
12 **WHEREAS**, there has been presented to this meeting the forms of a supplemental
13 continuing disclosure agreement (together, the "Supplemental Continuing Disclosure
14 Agreement") (See Exhibit C), by and between the Authority and the Dissemination Agent, in
15 connection with the Bonds; and

16
17 **WHEREAS**, there has been presented to this meeting the forms of bond purchase
18 agreement (See Exhibit D) and forward delivery bond purchase agreement (See Exhibit E)
19 (together, the "Bond Purchase Agreement"), between the Authority and Citigroup Global
20 Markets Inc., as representative of itself and RBC Capital Markets LLC, as underwriters (the
21 "Underwriters"), relating to the sale of the Bonds; and

22
23 **WHEREAS**, there has been presented to this meeting the form of an Escrow Agreement
24 between the Authority and the Co-Trustee (the "Escrow Agreement") (See Exhibit F), relating
25 to the refunding of the Prior Bonds; and

26
27 **WHEREAS**, the Supplemental Indentures, the Supplemental Continuing Disclosure
28 Agreement, the Bond Purchase Agreement and the Escrow Agreement are collectively referred
29 to herein as the "Bond Documents"; and

30
31 **WHEREAS**, there has been presented to this meeting the form of preliminary official
32 statement of the Authority (the "Preliminary Official Statement") (See Exhibit G) relating to the
Bonds; and

1 **WHEREAS**, the Authority has requested or will request the Guam Economic
2 Development Authority (“GEDA”) to approve the issuance and sale of the Bonds pursuant to
3 the Act and Section 50103(k) of Title 12, Guam Code Annotated; and
4

5 **WHEREAS**, the Authority has requested or will request that the Public Utilities
6 Commission of Guam (the “PUC”) approve the issuance of the Bonds pursuant to the Act; and
7

8 **WHEREAS**, in accordance with the Act, the authorization provided by this resolution to
9 sell and issue the Bonds has been approved and provided by I Liheslaturan Guåhan (the
10 “Legislature”) pursuant to the terms and conditions set forth in Public Law No. 28-71, as
11 amended by Public Law Nos. 30-145 and 32-069 (collectively, the “Legislation”);
12

13 **NOW, THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on
14 Utilities as follows:
15

16 Section 1. The foregoing recitals are true and correct.

17 Section 2. Issuance of one or more series of additional Bonds from time to time
18 pursuant to the Act and the General Indenture as supplemented by one or more Supplemental
19 Indentures is hereby authorized, to be designated as “Revenue Refunding Bonds” (or as
20 otherwise designated, including by series or subseries, as set forth in the final form of the
21 related Supplemental Indenture), which may be taxable or tax-exempt, in an aggregate principal
22 amount not to exceed an aggregate principal amount sufficient to provide funds for such
23 redemption or retirement of all or a portion of the Prior Bonds, plus related costs of issuance
24 and of such redemption or retirement, including in connection with the tender of such Prior
25 Bonds, and to fund a deposit to the debt service reserve fund, if any. Such Bonds shall be
26 issued in such series and amounts and at such times as the Chair of the Commission, the Vice-
27 Chair of the Commission or the General Manager of the Authority (the “Designated Officers”)
28 deem appropriate, provided that such bonds have a final maturity not later than the final
29 maturity of the Prior Bonds, bear interest at such rate or rates and are sold for such price or
30 prices not exceeding any limitation established by the Legislation, and are issued and sold
31 pursuant to the Indenture and otherwise in compliance with the provisions of the Act.
32

1 The Bonds shall be limited obligations of the Authority payable solely from revenues
2 and other assets of the Authority pledged for such purpose and shall not be a debt or liability of
3 the Government of Guam.

4 The Chair of the Commission and the appropriate officials of the Authority are hereby
5 authorized and directed, subject to the approval of the PUC, to execute and countersign, for and
6 on behalf and in the name of the Authority and under its seal, the Bonds, in an aggregate
7 principal amount not to exceed the amount authorized hereby, in accordance with the Indenture.

8 Section 3. The form of Preliminary Official Statement presented to this meeting is
9 hereby approved, with such additions, changes and modifications as the Designated Officers
10 may approve upon consultation with legal counsel, such approval to be conclusively evidenced
11 by the execution thereof or of a certificate deeming final the Preliminary Official Statement for
12 purposes of Rule 15c2-12 of the Securities and Exchange Commission by one or more of the
13 Designated Officers, who are each hereby authorized and directed, subject to the approval of the
14 PUC, to execute the same and to authorize the Underwriters to distribute such Preliminary
15 Official Statement to potential purchasers of the Bonds and other interested parties. The
16 Designated Officers are also hereby authorized to execute and cause to be delivered a final
17 Official Statement to purchasers of the Bonds and other interested parties, with such additions,
18 changes and modifications from the Preliminary Official Statement as the Designated Officers
19 may approve upon consultation with staff and legal counsel, such approval to be conclusively
20 evidenced by the execution and delivery of the final Official Statement by one or more of the
21 Designated Officers. The Underwriters are hereby authorized to cause the Official Statement to
22 be delivered to the purchasers of the Bonds and to be distributed in preliminary form in
23 connection with the marketing and sale of the Bonds.

24 In addition, in connection with the Series 2024A Bonds that may be issued on a forward
25 delivery basis, the preparation of an update to the Official Statement, containing updates to
26 information presented in the Official Statement as may be necessary or desirable, which may
27 include a description of such terms and conditions as are applicable to such Series 2024A Bonds
28 issued on a forward delivery basis (such document being hereinafter referred to as the "Updated
29 Disclosure Document"), is hereby approved, and each of the Designated Officers is hereby
30 authorized to execute and cause to be delivered an Updated Disclosure Document to purchasers
31 of the Series 2024A Bonds and other interested parties, with such additions, changes and
32 modifications from the final Official Statement as the Designated Officers may approve upon

1 consultation with staff and legal counsel, such approval to be conclusively evidenced by the
2 execution and delivery of the final Updated Disclosure Document by one or more of the
3 Designated Officers. The Underwriters are hereby authorized to cause the Updated Disclosure
4 Document to be delivered to the purchasers of the Series 2024A Bonds.

5 Section 4. The Bond Documents presented to this meeting are hereby approved,
6 with such additions, changes and modifications as the Designated Officers may approve upon
7 consultation with legal counsel, such approval to be conclusively evidenced by the Bond
8 Documents executed by such Designated Officers, who are each hereby severally authorized
9 and directed, subject to the approval of the PUC, to execute the same.

10 Section 5. The Designated Officers are hereby authorized to approve such bond
11 insurance or other supplemental security arrangements for the Bonds as are approved by the
12 Designated Officers, and to approve any other similar agreements deemed by the Designated
13 Officers to be necessary or appropriate in connection therewith.

14 Section 6. The appropriate officials of the Authority are hereby authorized and
15 directed to do any and all things, including without limitation, to obtain credit ratings, to
16 conduct investor outreach and related activities, to participate in marketing and sales activities,
17 and to execute and deliver any and all documents, certificates, notices, directions, consents,
18 filings, invitations, statements of information and agreements which they may deem necessary
19 or advisable in order to effectuate the purposes of this resolution, including, without limitation,
20 closing documents and certificates, including a tax certificate, any documents in furtherance of
21 one or more escrow agreements, amendments to any existing agreements and any documents or
22 agreements necessary in order to obtain credit enhancement for the Bonds or the obligations of
23 the Authority with respect thereto, or in connection with any invitation to tender the Prior Bonds
24 or any proceedings associated with such tender.

25 Section 7. All actions heretofore taken by the officers, representatives or agents of
26 the Authority in connection with the issuance and sale of the Bonds (including any actions in
27 connection with the refunding or retirement of the Prior Bonds) are hereby ratified, confirmed
28 and approved.

29 Section 8. The Bonds shall not be issued without the approval of the Guam Public
30 Utilities Commission in accordance with the Act and Chapter 12 of Title 12, Guam Code
31 Annotated, and shall be in all respects subject to such approval and to the terms and conditions
32 of the approval of GEDA, and to the terms and conditions of the Legislation.

EXHIBIT A

OHS Draft: 9/21/2023

GUAM WATERWORKS AUTHORITY

and

BANK OF GUAM,
as Trustee,

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Co-Trustee

NINTH SUPPLEMENTAL INDENTURE

Dated as of [November 1], 2023

Relating to

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Guam Waterworks Authority
Water and Wastewater System Revenue Refunding Bonds
Series 2023A

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THIS NINTH SUPPLEMENTAL INDENTURE, made and entered into and dated as of [November 1], 2023, by and among the GUAM WATERWORKS AUTHORITY, a duly organized public corporation of the government of Guam (the "Authority"), BANK OF GUAM, a domestic banking corporation duly organized and existing under and by virtue of the laws of Guam, having a corporate trust office in Guam, and being qualified to accept and administer the trusts hereby created and to do business within Guam, as trustee (the "Trustee"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America and qualified to accept and administer the trusts hereby created, as co-trustee (the "Co-Trustee"),

WITNESSETH:

WHEREAS, pursuant to Article 2, Chapter 14 of Title 12 of the Guam Code Annotated (the "Act"), the Authority is authorized to issue and sell revenue bonds to raise funds for the purpose of acquiring, constructing, improving, equipping, maintaining, repairing, renewing, replacing, reconstructing or insuring the System (as defined in the Indenture), or any part thereof, or for the purpose of refunding any such bonds or any other prior obligations of the Authority, or for any combination of such purposes;

WHEREAS, the Authority has determined to issue revenue bonds for such purposes and to that end has duly entered into that certain Indenture, dated as of December 1, 2005 (the "Indenture"), between the Authority and the Trustee, to secure the payment of the principal thereof and the interest and premium, if any, thereon, and the observance of the covenants and conditions therein contained;

WHEREAS, revenue bonds may be issued pursuant to the Indenture and one or more indentures supplemental thereto ("Supplemental Indentures"), from time to time, in an aggregate principal amount not limited except as therein provided, and said revenue bonds are to be designated as the "Guam Waterworks Authority Water and Wastewater System Revenue Bonds" (the "Bonds");

WHEREAS, the Authority, the Trustee and the Co-Trustee have heretofore entered into a Supplemental Indenture dated as of December 1, 2005 pursuant to which \$101,175,000 aggregate principal amount of Bonds further designated as "Series 2005 Bonds" were issued, a Supplemental Indenture dated as of November 1, 2010, pursuant to which \$118,825,000 of Bonds further designated as "Series 2010 Bonds" were issued, a Third Supplemental Indenture dated as of December 1, 2013, pursuant to which \$172,630,000 of Bonds further designated as "Series 2013 Bonds" were issued, a Fourth Supplemental Indenture, dated as of August 1, 2014, pursuant to which \$85,600,000 aggregate principal amount of Bonds further designated as "Series 2014 Bonds" were issued, and a Fifth Supplemental Indenture, dated as of February 1, 2016, pursuant to which \$143,310,000 aggregate principal amount of Bonds further designated as "Series 2016 Bonds" were issued, a Sixth Supplemental Indenture, dated as of December 1, 2017 pursuant to which \$107,660,000 aggregate principal amount of Bonds further designated as "Series 2017 Bonds" were issued, a Seventh Supplemental Indenture, dated as of June 1, 2020, pursuant to which \$134,000,000 aggregate principal amount of Bonds further designated as "Series 2020A Bonds" were issued, and an Eighth Supplemental Indenture, dated as of August 1, 2020, pursuant to which \$166,075,000 aggregate principal amount of Bonds further designated as "Series 2020B Bonds" were issued;

WHEREAS, it is now desirable and necessary and in the best interests of the Authority to authorize the issuance of \$[] aggregate principal amount of Bonds further designated as "Refunding Bonds, Series 2023A" (the "Series 2023A Bonds") to raise funds for the purpose of refunding [a portion][all] of the remaining Outstanding [Series 2013 Bonds, Series 2014A Bonds, Series 2016 Bonds, Series 2017 Bonds, Series 2020A Bonds and Series 2020B Bonds] (as more particularly identified in Exhibit B, for purposes of this Supplemental Indenture, sthe "Prior Bonds") and paying Costs of Issuance of such refunding;

WHEREAS, pursuant to and subject to the terms and conditions set forth in Public Law No. 28-71, as amended by Public Law Nos. 30-145 and 32-069, the Legislature of Guam, as required by the GEDA Law (as defined herein) approved the terms and conditions of the issuance of said Series 2023A Bonds, so long as the Series 2023A Bonds meet the requirements set forth in the Act;

WHEREAS, the Guam Economic Development Authority has approved the issuance and sale of said Series 2023A Bonds as required by the GEDA Law;

WHEREAS, all acts, conditions and things required by the laws of the United States of America and the laws of Guam to exist, to have happened and to have been performed precedent to and in connection with the issuance of said Series 2023A Bonds exist, have happened, and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to issue said Bonds for the purpose, in the manner and upon the terms herein provided;

WHEREAS, no Event of Default (as defined in the Indenture) has occurred or is now occurring;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2023A Bonds by the owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee and the Co-Trustee as follows:

ARTICLE XLV

DEFINITIONS

SECTION 45.01 Definitions. Unless the context otherwise requires, the terms defined in the Indenture shall, for all purposes of this Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings specified in the Indenture.

In addition, unless the context otherwise requires, the terms defined in this Section shall for all purposes of the Indenture and this Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Bond Year” means, with respect to the Series 2023A Bonds, the period of twelve consecutive months ending on [Closing Month/Day] of each year if Series 2023A Bonds are or will be Outstanding in such twelve-month period; provided that the first Bond Year shall commence on the date of delivery of the Series 2023A Bonds and end on [Closing Month/Day], 2024.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Agent” means, with respect to the Prior Bonds and for purposes of this Supplemental Indenture, the Co-Trustee in its capacity as Escrow Agent under the [Prior Bonds] Escrow Agreement.

“GEDA Law” means Section 50103(k) of Title 12, Guam Code Annotated, as in effect as of the dated date hereof and as may be amended from time to time.

“[Prior Bonds] Escrow Fund” means the fund by such name established pursuant to the [Prior Bonds] Escrow Agreement.

“[Prior Bonds] Escrow Agreement” means, with respect to the Series 2023A Bonds, that certain Escrow Agreement, dated as of [November 1], 2023, executed by the Authority and the Co-Trustee, as escrow agent thereunder, relating to the refunding of the Prior Bonds to be refunded.

“Series 2023A Bonds” means the \$[] aggregate principal amount of Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2023A.

“Series 2023A Serial Bonds” means the Series 2023A Bonds designated as Serial Bonds by Section 46.02, and for which no Mandatory Sinking Account Payments are provided.

“Series 2023A Term Bonds” means the Series 2023A Bonds designated as Term Bonds by Section 46.02, and for which Mandatory Sinking Account Payments are provided.

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ARTICLE XLVI

AUTHORIZATION AND TERMS OF THE SERIES 2023A BONDS

SECTION 46.01 Authorization of Series 2023A Bonds. One Series of Bonds is hereby authorized and created under the Act to raise funds for the purpose of refunding the Prior Bonds remaining outstanding and to pay related Costs of Issuance. Such Series of Bonds is further designated as the "Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds Series 2023A." The aggregate principal amount of Series 2023A Bonds which may be issued and Outstanding under this Supplemental Indenture shall not exceed \$[_____].

The Series 2023A Bonds shall be treated as a single Series under the Indenture.

SECTION 46.02 Terms of Series 2023A Bonds; Appointments; Designations.

(a) The Series 2023A Bonds shall be issued as fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. The Series 2023A Bonds shall be dated their date of delivery, and interest thereon (based on a 360-day year of twelve thirty-day months) shall be payable on January 1 and July 1 of each year, commencing [January/July 1, 2024] (each, an "Interest Payment Date" for the Series 2023A Bonds).

(b) The Series 2023A Bonds shall mature on the dates and in the amounts and shall bear interest at the rates per annum specified in the following table:

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
---	-----------------------------------	--------------------------------

(c) [The Series 2023A Bonds maturing on July 1, 20[___] are Term Bonds.]

(d) The Principal Payment Period for the Series 2023A Bonds shall be the twelve calendar months next preceding each maturity date or Mandatory Sinking Account Payment date for such Bonds.

(e) The Record Date for all scheduled payments of principal of and interest on the Series 2023A Bonds shall be the 15th day of the calendar month next preceding the date each such payment is due, whether or not such 15th day is a Business Day.

(f) The Co-Trustee is hereby appointed Paying Agent for the Series 2023A Bonds and Registrar for the Series 2023A Bonds, and the Co-Trustee's corporate trust office in Los Angeles, California, is hereby designated as the Principal Office of the Co-Trustee. The Trustee is hereby appointed Depository for the Series 2023A Costs of Issuance Account.

(g) The principal of and premium, if any, on each Series 2023A Bond shall be payable in lawful money of the United States of America to the Owner of such Bond, upon the surrender of such Bond at the Principal Office of any Paying Agent for such Bond. The interest on each Series 2023A Bond shall be payable in like lawful money to the person whose name appears on the bond registration books of the Registrar for such Bond as the Owner of such Bond as of the close of business on the Record Date for such Bond preceding the Interest Payment Date, whether or not such Record Date is a Business Day, such interest to be paid by check or mailed by first class mail to such Owner at such address as appears on such registration books or at such address as such Owner may have filed with the Registrar for that purpose. Upon the written request of a registered owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Series 2023A Bonds, payment of interest on and principal (including Redemption Price) of such Bonds shall be made by wire transfer from the Paying Agent to the registered owner of such Bonds. Any such principal payment by wire transfer shall nevertheless be subject to prior surrender of the Series 2023A Bonds with respect to which such payment is made. Each payment of interest or principal on Series 2023A Bonds, whether by check, draft or wire transfer, shall be accompanied by information specifying for each maturity of such Bonds with respect to which such payment is being made, the amount and the CUSIP number (if available).

(h) Each Series 2023A Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the Record Date preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before June 15, 2018, in which event it shall bear interest from its date of delivery; provided, however, that if, at the time of authentication of any Series 2023A Bond, interest is in default on Outstanding Bonds of such Series, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds of such Series.

(i) The Series 2023A Bonds shall be subject to redemption as provided in Section 46.03.

(j) The Registrar for the Series 2023A Bonds shall assign each Series 2023A Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof which shall be available to the Authority for inspection.

(k) The Series 2023A Bonds, the Registrar's certificate of authentication and registration and the form of assignment to appear thereon shall be in substantially the forms set forth in Exhibit A hereto, with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture.

SECTION 46.03 Terms of Redemption of the Series 2023A Bonds.

(a) Extraordinary Optional Redemption. The Series 2023A Bonds are subject to redemption on any date prior to their respective stated maturities, as a whole, or in part so that the reduction in Annual Debt Service for the Series 2023A Bonds for each Bond Year after such redemption shall be as nearly proportional as practicable, from and to the extent of proceeds received by the Authority due to a governmental taking of the System or portions thereof by eminent domain proceedings, if such amounts are not used for additions, improvements or extensions to the System, under the circumstances and upon the conditions and terms set forth in the Indenture, at the greater of par or Amortized Value, plus accrued interest to the date fixed for redemption, without premium. "Amortized Value" means on any interest payment date, the then current value of the bond amortizing the original issue premium over the period ending on the first call date using the constant yield method.

(b) Optional Redemption. The Series 2023A Bonds maturing on or after July 1, 20[] are subject to redemption prior to their respective stated maturities, at the option of the Authority, from any source of available moneys, on any date on or after July 1, 20[], as a whole, or in part by such maturities or portions of maturities as shall be determined by the Authority (or by lot within a maturity in the absence of such a determination), at a redemption price equal to the principal amount of each Series 2023A Bond called for redemption plus interest accrued to the date fixed for redemption, without premium.

(c) Mandatory Sinking Account Redemption. The Series 2023A Term Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, on July 1 of each year from Mandatory Sinking Account Payments, commencing July 1, 20[], at a redemption price equal to their principal amount, plus accrued interest thereon to the date fixed for redemption, without premium, in the years and in the amounts, as set forth below:

<u>Year</u>	<u>Amount</u>
20[]	\$[]
20[]	[]
20[]†	[]

† Final maturity.

SECTION 46.04 Special Covenants as to Book-Entry Only System for Series 2023A Bonds. Except as otherwise provided in subsections (b) and (c) of this Section 46.04, all of the Series 2023A Bonds initially issued shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Series 2023A Bond registered in the name of Cede & Co. shall be made on each interest payment date for such Series 2023A Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(a) The Series 2023A Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of each portion of each series of Series 2023A Bonds, representing the aggregate principal amount of the Series 2023A Bonds of such portion, series and maturity. Upon initial issuance, the ownership of all such Series 2023A Bonds shall be registered in the registration records maintained by the Registrar pursuant to Section 2.05 hereof in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Co-Trustee, the Registrar, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2023A Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such

Series 2023A Bonds, selecting the Series 2023A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondowners hereunder, registering the transfer of Series 2023A Bonds, obtaining any consent or other action to be taken by Bondowners of the Series 2023A Bonds and for all other purposes whatsoever; and the Trustee, the Co-Trustee, the Registrar, the Authority and any paying agent shall not be affected by any notice to the contrary. Neither the Trustee, the Co-Trustee, the Authority nor any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 46.04, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Series 2023A Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondowner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2023A Bonds, (iii) any notice which is permitted or required to be given to Holders of Series 2023A Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2023A Bonds, or (v) any consent given or other action taken by DTC as Holder of Series 2023A Bonds. The Paying Agent shall pay all principal of and premium, if any, and interest on the Series 2023A Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the principal of and premium, if any, and interest on the Series 2023A Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee and Co-Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Series 2023A Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section 46.04.

(b) In the event that the Authority elects to discontinue the book-entry system for any Series 2023A Bonds, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, such Series 2023A Bonds will be transferable in accordance with subsection (f) of this Section 46.04. DTC may determine to discontinue providing its services with respect to the Series 2023A Bonds at any time by giving written notice of such discontinuance to the Authority or the Trustee and Co-Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Series 2023A Bonds will be transferable in accordance with subsection (f) of this Section 46.04. Whenever DTC requests the Authority, the Trustee and the Co-Trustee to do so, the Trustee, the Co-Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Series 2023A Bonds then Outstanding. In such event, the Series 2023A Bonds will be transferable to such securities depository in accordance with subsection (f) of this Section 46.04, and thereafter, all references in this Supplemental Indenture to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(c) Notwithstanding any other provision of this Supplemental Indenture to the contrary, so long as all Series 2023A Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Series 2023A Bond and all notices with respect to each such Series 2023A Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(d) The Co-Trustee is hereby authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Supplemental Indenture.

(e) In the event that any transfer or exchange of Series 2023A Bonds is authorized under subsection (b) or (c) of this Section 46.04, such transfer or exchange shall be accomplished upon receipt by the Registrar from the registered owner thereof of the Series 2023A Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.03 and 2.04 of the Indenture. In the event Series 2023A Bond certificates are issued to Holders other than Cede & Co., its successor as nominee for DTC as holder of all the Series 2023A Bonds, another securities depository as holder of all the Series 2023A Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.03 and 2.04 of the Indenture shall also apply to, among other things, the registration, exchange and transfer of the Series 2023A Bonds and the method of payment of principal of, premium, if any, and interest on the Series 2023A Bonds.

SECTION 46.05 Waiver of Brokerage Confirmations. The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or another applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Co-Trustee shall furnish the Authority and the Trustee periodic cash transaction statements which shall include detail for all investment transactions made by the Co-Trustee.

ARTICLE XLVII

ISSUANCE OF SERIES 2023A BONDS; APPLICATION OF PROCEEDS; FUNDS AND ACCOUNTS

SECTION 47.01 Issuance of Series 2023A Bonds. At any time after the execution and delivery of this Ninth Supplemental Indenture, the Authority may sell and execute and the Registrar for the Series 2023A Bonds shall authenticate and, upon the Order of the Authority, deliver the Series 2023A Bonds in an aggregate principal amount not to exceed \$[_____].

SECTION 47.02 Application of Proceeds of Series 2023A Bonds and Other Moneys. The net proceeds received by the Authority from the sale of the Series 2023A Bonds in the amount of \$[_____] (being the purchase price for the Series 2023A Bonds, constituting the aggregate principal amount of the Series 2023A Bonds in the amount of \$[_____], [plus/minus original issue premium/discount] of \$[_____], less underwriter's discount of \$[_____]), together with \$[_____], attributable to the Prior Bonds to be refunded, to be withdrawn by the Co-Trustee from the Debt Service Fund for the purpose of being applied to the refunding of the Prior Bonds, and \$[_____] released from the Bond Reserve Fund as a result of a reduction in the Bond Reserve Fund Requirement as a result of the refunding of the Prior Bonds to be refunded, shall be deposited with the Co-Trustee, who shall forthwith apply such proceeds in the following manner, as directed by a Request of the Authority:

(a) the Co-Trustee shall transfer to the Trustee, for deposit in the Series 2023A Costs of Issuance Account, the amount of \$[_____]; and

(b) the Co-Trustee, as Escrow Agent, shall deposit \$[_____] in the [Prior Bonds] Escrow Fund established pursuant to the [Prior Bonds] Escrow Agreement for the purpose of refunding the Prior Bonds to be refunded, as described in the [Prior Bonds] Escrow Agreement.

Following such transfers, the amount on deposit in the Bond Reserve Fund shall be at least \$[_____], which amount is equal to the Bond Reserve Fund Requirement as of the date of issuance of the Series 2023A Bonds.

SECTION 47.03 Establishment of Funds and Accounts.

(a) To ensure the proper application of such portion of proceeds from the sale of the Series 2023A Bonds, including to pay Costs of Issuance of the Series 2023A Bonds, there is hereby established within the Construction Fund the “Series 2023A Costs of Issuance Account”, which shall be held by the Trustee, as Depository therefor. Any of such funds that remain on deposit in the Series 2023A Costs of Issuance Account 180 days after the Closing Date shall be transferred and deposited in the Revenue Fund and the Series 2023A Costs of Issuance Account shall be closed.

ARTICLE XLVIII

TAX COVENANTS

SECTION 48.01 2023 Rebate Account.

(A) The Trustee, as Depository for the Revenue Fund, shall establish and maintain within the Rebate Fund a separate subaccount designated as the “2023A Rebate Account.” There shall be deposited in the 2023A Rebate Account from amounts in the Operation and Maintenance Fund or other lawfully available moneys such amounts as are required to be deposited therein pursuant to the Tax Certificate delivered by the Authority in connection with the issuance of the Series 2023A Bonds. All money at any time deposited in the 2023A Rebate Account shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement for the Series 2023A Bonds (as defined in such Tax Certificate), for payment to the United States of America, and the United States of America is hereby granted a first lien on such money until such payment. All amounts required to be deposited into or on deposit in the 2023A Rebate Account shall be governed exclusively by this Section and by such Tax Certificate (which is incorporated herein by reference).

In the event that the amount in the 2023A Rebate Account exceeds the Rebate Requirement for the Series 2023A Bonds, upon the Request of the Authority, the Trustee shall transfer the excess from the 2023A Rebate Account to the Revenue Fund.

(B) Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on any Series of Bonds, the Trustee and the Authority may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article IX of the Indenture, the covenants hereunder shall be deemed to be modified to that extent.

SECTION 48.02 Tax Covenants for Series 2023A Bonds. (A) The Authority intends that interest on the Series 2023A Bonds be excluded from gross income for federal income tax purposes, that the Series 2023A Bonds and the interest thereon be exempt from taxation by any state or political subdivision or the District of Columbia and that interest on the Series 2023A Bonds not be treated as a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. The Authority reserves the right to determine the desired tax status of any additional Series of Bonds.

(B) The Authority shall not use or permit the use of any proceeds of the Series 2023A Bonds or any other funds of the Authority, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Authority in any manner, and shall not take or permit to be taken any other action or actions, which would cause any such Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(C) The Authority shall at all times do and perform all acts and things permitted by law and this Indenture which are necessary or desirable in order to assure that interest paid on the Series 2023A Bonds (or on any of them) shall be excluded from gross income for federal income tax purposes and that interest paid on the Series 2023A Bonds shall not be treated as a specific preference item for purposes of the federal individual and corporate alternative minimum taxes.

SECTION 48.03 Continuing Disclosure. The Authority hereby covenants and agrees to comply with the Series 2023A Continuing Disclosure Agreement, by and between the Authority and the Co-Trustee (the "Series 2023A Continuing Disclosure Agreement"), as it may from time to time hereafter be amended or supplemented. Notwithstanding any other provision of the Indenture, failure of the Authority to comply with the requirements of the Series 2023A Continuing Disclosure Agreement shall not be considered an Event of Default and the Co-Trustee shall have no right to accelerate amounts due under the Indenture as a result thereof; provided, however, that the Trustee and the Owners of not less than 25% in principal amount of the Outstanding Series 2023A Bonds may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations in this Section with respect to the Series 2023A Continuing Disclosure Agreement.

IN WITNESS WHEREOF, the GUAM WATERWORKS AUTHORITY has caused this Ninth Supplemental Indenture to be signed in its name by its duly authorized officers; and BANK OF GUAM and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, in token of their acceptance of the respective trusts created hereunder, and being hereby appointed by the GUAM WATERWORKS AUTHORITY to such trusts, have caused this Ninth Supplemental Indenture to be signed in their respective corporate names by one of their authorized officers, all as of the day and year first above written.

GUAM WATERWORKS AUTHORITY

By _____
Chairperson of the Board

By _____
General Manager

Ninth Supplemental Indenture – Guam Waterworks Authority

BANK OF GUAM, as Trustee

By _____
Authorized Officer

Ninth Supplemental Indenture – Guam Waterworks Authority

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Co-Trustee

By _____
Authorized Officer

Ninth Supplemental Indenture – Guam Waterworks Authority

4135-0998-0746.2

The undersigned U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, hereby accepts and agrees to perform the duties and obligations of Registrar and Paying Agent under this Ninth Supplemental Indenture.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Registrar and Paying Agent

By _____
Authorized Officer

Ninth Supplemental Indenture – Guam Waterworks Authority

4135-0998-0746.2

EXHIBIT A-16

The undersigned BANK OF GUAM, hereby accepts and agrees to perform the duties and obligations of Depositary for the Series 2023A Costs of Issuance Account under this Ninth Supplemental Indenture.

BANK OF GUAM, as Depositary

By _____
Authorized Officer

Ninth Supplemental Indenture – Guam Waterworks Authority

4135-0998-0746.2

EXHIBIT A-17

EXHIBIT A
FORM OF BOND

No. R- _____

\$ _____

GUAM WATERWORKS AUTHORITY
WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BOND
SERIES 2023A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
	July 1, 20__	[November __], 2023	

Registered Owner: CEDE AND CO.

Principal Sum: _____ Dollars

The GUAM WATERWORKS AUTHORITY, a duly organized public corporation of the government of Guam (herein called the "Authority"), for value received, hereby promises to pay (but only out of the Revenues pledged therefor as hereinafter mentioned) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned), the principal sum specified above in lawful money of the United States of America; and to pay interest thereon, in like lawful money and solely from said Revenues, from the Interest Payment Date next preceding the date of authentication of this Bond unless this Bond is authenticated as of a day during the period from the Record Date preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before June 15, 2024, in which event it shall bear interest from its date of delivery, until payment of such principal sum shall be discharged as provided in the indenture hereinafter mentioned, at the interest rate specified above per annum, payable on January 1 and July 1 in each year, commencing [January/July 1, 2024]; provided, however, that if, at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment. The principal (or redemption price) hereof is payable upon surrender hereof at the Principal Office of U.S. Bank Trust Company, National Association (herein called the "Paying Agent") in Los Angeles, California (or such other office as may be subsequently designated), and the interest hereon is payable by check or draft mailed by first class mail to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month immediately preceding an interest payment date, at such person's address as it appears on the bond registration books of U.S. Bank Trust Company, National Association (herein called the "Registrar"). Upon the written request of a registered owner of \$1,000,000 or more in aggregate principal amount of Series 2023A Bonds, payment of interest on and principal (including redemption price) of such Bonds will be made by wire transfer as provided in the Indenture; provided that any such principal payment shall nevertheless be subject to prior surrender of the Series 2023A Bonds with respect to which such payment is made.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Guam Waterworks Authority Water and Wastewater System Revenue Bonds" (herein called the "Bonds"), unlimited in aggregate principal amount, except as otherwise provided in the laws of the United States of America and the government of Guam and in the Indenture hereinafter mentioned, which issue of Bonds consists or may consist of one or more Series of varying dates, maturities, interest rates, and redemption and other provisions, all issued or to be issued pursuant to Article 2, Chapter 14 of Title 12 of the Guam Code Annotated, as amended, and that certain Indenture, dated as of December 1, 2005 (as heretofore and hereafter supplemented and amended, the "Indenture"), by and between the Authority, Bank of Guam, as

trustee (herein called the "Trustee") and U.S. Bank Trust Company, National Association, as co-trustee (herein called the "Co-Trustee"). This Bond is also one of a duly authorized series of Bonds additionally designated "Series 2023A" (herein called the "Series 2023A Bonds"), in the aggregate principal amount of [WRITTEN AMOUNT] Dollars (\$[]), all issued under the provisions of the Indenture and the Ninth Supplemental Indenture, dated as of [November 1], 2023, by and among the Authority, the Trustee and the Co-Trustee. Reference is hereby made to the Indenture (a copy of which is on file at said office of the Trustee), including all indentures supplemental thereto, for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security and provisions for payment of the Bonds, of the rights, duties and immunities of the Trustee and other fiduciaries and of the rights and obligations of the Authority thereunder, to all the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees. Any capitalized term used but not separately defined in this Bond shall have the meaning given such term in the Indenture.

The Bonds and the interest thereon (to the extent set forth in the Indenture) are payable solely from Revenues (as that term is defined in the Indenture) pledged as provided in the Indenture. Subject only to the provisions of the Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth therein, said Revenues are pledged under the Indenture to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of the Indenture and the payment of Credit Agreement Payments and Parity Payment Agreement Payments in accordance with their terms.

The Series 2023A Bonds are subject to redemption on any date prior to their respective stated maturities, as a whole, or in part so that the reduction in Annual Debt Service for the Series 2023A Bonds for each Bond Year after such redemption shall be as nearly proportional as practicable, from and to the extent of proceeds received by the Authority due to a governmental taking of the System or portions thereof by eminent domain proceedings, if such amounts are not used for additions, improvements or extensions to the System, under the circumstances and upon the conditions and terms set forth in the Indenture, at the greater of par or Amortized Value, plus accrued interest to the date fixed for redemption, without premium. "Amortized Value" means on any interest payment date, the then current value of the bond amortizing the original issue premium over the period ending on the first call date using the constant yield method.

The Series 2023A Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, on July 1 of each year from Mandatory Sinking Account Payments, commencing July 1, 20[], at a redemption price equal to the Mandatory Sinking Account Payment amount for such date set forth in the Indenture, plus accrued interest thereon to the date fixed for redemption, without premium.

Notice of any redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by the Registrar not less than 30 nor more than 60 days before the date fixed for redemption by first class mail to each of the registered owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Registrar on the date the Bonds to be redeemed are selected. Receipt of such notice by such registered owners shall not be a condition precedent to such redemption.

If this Bond is called for redemption and payment is duly provided herefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Series 2023A Bonds are issuable only in fully registered form in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, this Bond may be exchanged, at the Principal Office of the Registrar, in Los Angeles, California, or such other office as the Registrar shall designate, for a new fully registered Bond or

Bonds, of the same Series, maturity and tenor and of any authorized denomination or denominations and for the aggregate principal amount of this Bond then remaining outstanding.

This Bond is transferable by the registered owner hereof, in person or by its attorney duly authorized in writing, at said office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds, of the same Series and maturity and of any authorized denomination or denominations and for the same aggregate principal amount of this Bond then remaining outstanding, will be issued to the transferee in exchange therefor. The Registrar shall not be required to register the transfer of this Bond during the period established by the Trustee for the selection of Bonds for redemption or at any time after selection of this Bond for redemption.

The Authority, the Trustee, the Paying Agent and the Registrar may treat the registered owner hereof as the absolute owner hereof for all purposes, and neither the Authority, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Authority, the registered owners of the Bonds, the Trustee, the Registrar and other fiduciaries may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, provided that no such modification or amendment shall (a) extend the fixed maturities of the Bonds, or extend the time for making any Mandatory Sinking Account Payments, or reduce the rate of interest thereon, or extend the time of payment of interest, or reduce the amount of principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Owner of each Bond so affected, (b) reduce the aforesaid percentage of Owners of Bonds whose consent is required for the execution of any amendment or modification of this Indenture or permit the creation of any lien on the Revenues prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Bonds of the lien created by this Indenture upon such Revenues, without in each case the consent of the Owners of all of the Bonds then Outstanding.

The Bonds are limited obligations of the Authority, payable solely from and secured by a pledge of the Revenues as provided in the Indenture. The Bonds are not a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues pledged to the payment thereof as provided in the Indenture.

Neither the Government of Guam nor any political subdivision thereof is obligated to pay the principal of, Redemption Price, if applicable, or interest on the Bonds, except from Revenues, and neither the Authority, the Government of Guam nor any political subdivision thereof has pledged its faith or credit to the payment of the principal of, redemption price, if applicable, or interest on the Bonds.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Registrar.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by the laws of the United States of America and the government of Guam, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by such laws, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER

OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

IN WITNESS WHEREOF, the GUAM WATERWORKS AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chairman of the Consolidated Commission on Utilities and the Chief Financial Officer of the Authority, all as of the dated date first set forth above.

GUAM WATERWORKS AUTHORITY

By _____
Chairman of the Board of Directors

By _____
Chief Financial Officer

[FORM OF] CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Indenture, which has been registered as of _____.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Registrar

By _____
Authorized Officer

[FORM OF] ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the books of the Registrar with full power of substitution in the premises.

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee:

Notice: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Note: Transfer fees must be paid to the Registrar in order to transfer or exchange this bond as provided in the within-mentioned Indenture.

EXHIBIT B

BONDS TO BE REFUNDED

B-1

4135-0998-0746.2

EXHIBIT A-25

EXHIBIT B

OHS Draft: 9/21/2023

GUAM WATERWORKS AUTHORITY

and

BANK OF GUAM,
as Trustee,

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Co-Trustee

TENTH SUPPLEMENTAL INDENTURE

Dated as of [November 1], 2023

Relating to

\$_[]

Guam Waterworks Authority
Water and Wastewater System Revenue Refunding Bonds
Series 2024A (Forward Delivery)

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THIS TENTH SUPPLEMENTAL INDENTURE, made and entered into and dated as of [November 1], 2023, by and among the GUAM WATERWORKS AUTHORITY, a duly organized public corporation of the government of Guam (the "Authority"), BANK OF GUAM, a domestic banking corporation duly organized and existing under and by virtue of the laws of Guam, having a corporate trust office in Guam, and being qualified to accept and administer the trusts hereby created and to do business within Guam, as trustee (the "Trustee"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America and qualified to accept and administer the trusts hereby created, as co-trustee (the "Co-Trustee"),

WITNESSETH:

WHEREAS, pursuant to Article 2, Chapter 14 of Title 12 of the Guam Code Annotated (the "Act"), the Authority is authorized to issue and sell revenue bonds to raise funds for the purpose of acquiring, constructing, improving, equipping, maintaining, repairing, renewing, replacing, reconstructing or insuring the System (as defined in the Indenture), or any part thereof, or for the purpose of refunding any such bonds or any other prior obligations of the Authority, or for any combination of such purposes;

WHEREAS, the Authority has determined to issue revenue bonds for such purposes and to that end has duly entered into that certain Indenture, dated as of December 1, 2005 (the "Indenture"), between the Authority and the Trustee, to secure the payment of the principal thereof and the interest and premium, if any, thereon, and the observance of the covenants and conditions therein contained;

WHEREAS, revenue bonds may be issued pursuant to the Indenture and one or more indentures supplemental thereto ("Supplemental Indentures"), from time to time, in an aggregate principal amount not limited except as therein provided, and said revenue bonds are to be designated as the "Guam Waterworks Authority Water and Wastewater System Revenue Bonds" (the "Bonds");

WHEREAS, the Authority, the Trustee and the Co-Trustee have heretofore entered into a Supplemental Indenture dated as of December 1, 2005 pursuant to which \$101,175,000 aggregate principal amount of Bonds further designated as "Series 2005 Bonds" were issued, a Supplemental Indenture dated as of November 1, 2010, pursuant to which \$118,825,000 of Bonds further designated as "Series 2010 Bonds" were issued, a Third Supplemental Indenture dated as of December 1, 2013, pursuant to which \$172,630,000 of Bonds further designated as "Series 2013 Bonds" were issued, a Fourth Supplemental Indenture, dated as of August 1, 2014, pursuant to which \$85,600,000 aggregate principal amount of Bonds further designated as "Series 2014 Bonds" were issued, and a Fifth Supplemental Indenture, dated as of February 1, 2016, pursuant to which \$143,310,000 aggregate principal amount of Bonds further designated as "Series 2016 Bonds" were issued, a Sixth Supplemental Indenture, dated as of December 1, 2017 pursuant to which \$107,660,000 aggregate principal amount of Bonds further designated as "Series 2017 Bonds" were issued, a Seventh Supplemental Indenture, dated as of June 1, 2020, pursuant to which \$134,000,000 aggregate principal amount of Bonds further designated as "Series 2020A Bonds" were issued, an Eighth Supplemental Indenture, dated as of August 1, 2020, pursuant to which \$166,075,000 aggregate principal amount of Bonds further designated as "Series 2020B Bonds" were issued, and a Ninth Supplemental Indenture, dated as of [_____] 1, 2023], pursuant to which \$[_____] aggregate principal amount of Bonds further designated as "Series 2023A Bonds" were issued;

WHEREAS, it is now desirable and necessary and in the best interests of the Authority to authorize the issuance of \$[_____] aggregate principal amount of Bonds further designated as "Refunding Bonds, Series 2024A" (the "Series 2024A Bonds") to raise funds for the purpose of refunding [a portion][all] of the remaining Outstanding [Series 2014A Bonds] (as more particularly identified in Exhibit B, for purposes of this Supplemental Indenture, the "Prior Bonds") and paying Costs of Issuance of such refunding;

WHEREAS, pursuant to and subject to the terms and conditions set forth in Public Law No. 28-71, as amended by Public Law Nos. 30-145 and 32-069, the Legislature of Guam, as required by the GEDA Law (as defined herein) approved the terms and conditions of the issuance of said Series 2024A Bonds, so long as the Series 2024A Bonds meet the requirements set forth in the Act;

WHEREAS, the Guam Economic Development Authority has approved the issuance and sale of said Series 2024A Bonds as required by the GEDA Law;

WHEREAS, all acts, conditions and things required by the laws of the United States of America and the laws of Guam to exist, to have happened and to have been performed precedent to and in connection with the issuance of said Series 2024A Bonds exist, have happened, and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to issue said Bonds for the purpose, in the manner and upon the terms herein provided;

WHEREAS, no Event of Default (as defined in the Indenture) has occurred or is now occurring;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2024A Bonds by the owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee and the Co-Trustee as follows:

ARTICLE XLV

DEFINITIONS

SECTION 45.01 Definitions. Unless the context otherwise requires, the terms defined in the Indenture shall, for all purposes of this Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings specified in the Indenture.

In addition, unless the context otherwise requires, the terms defined in this Section shall for all purposes of the Indenture and this Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Bond Year” means, with respect to the Series 2024A Bonds, the period of twelve consecutive months ending on [Closing Month/Day] of each year if Series 2024A Bonds are or will be Outstanding in such twelve-month period; provided that the first Bond Year shall commence on the date of delivery of the Series 2024A Bonds and end on [Closing Month/Day], 2024.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Agent” means, with respect to the Prior Bonds and for purposes of this Supplemental Indenture, the Co-Trustee in its capacity as Escrow Agent under the [Prior Bonds] Escrow Agreement.

“Forward Delivery Bond Purchase Agreement” means, in respect of the Series 2024A Bonds and for purposes of this Supplemental Indenture, that certain [Forward Delivery Bond Purchase

Agreement], dated [BPA DATE], between the Authority, Guam Economic Development Authority and the underwriters named therein, relating to the purchase and sale of the Series 2024A Bonds.

“GEDA Law” means Section 50103(k) of Title 12, Guam Code Annotated, as in effect as of the dated date hereof and as may be amended from time to time.

“[Prior Bonds] Escrow Fund” means the fund by such name established pursuant to the [Prior Bonds] Escrow Agreement.

“[Prior Bonds] Escrow Agreement” means, with respect to the Series 2024A Bonds, that certain Escrow Agreement, dated as of [November 1], 2023, executed by the Authority and the Co-Trustee, as escrow agent thereunder, relating to the refunding of the Prior Bonds to be refunded.

“Series 2024A Bonds” means the \$[_____] aggregate principal amount of Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2024A (Forward Delivery).

“Series 2024A Serial Bonds” means the Series 2024A Bonds designated as Serial Bonds by Section 46.02, and for which no Mandatory Sinking Account Payments are provided.

“Series 2024A Term Bonds” means the Series 2024A Bonds designated as Term Bonds by Section 46.02, and for which Mandatory Sinking Account Payments are provided.

[Remainder of page intentionally blank]

ARTICLE XLIX

AUTHORIZATION AND TERMS OF THE SERIES 2024A BONDS

SECTION 49.01 Authorization of Series 2024A Bonds. One Series of Bonds is hereby authorized and created under the Act to raise funds for the purpose of refunding the Prior Bonds remaining outstanding and to pay related Costs of Issuance. Such Series of Bonds is further designated as the “Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2024A (Forward Delivery).” The aggregate principal amount of Series 2024A Bonds which may be issued and Outstanding under this Supplemental Indenture shall not exceed \$[_____].

The Series 2024A Bonds shall be treated as a single Series under the Indenture.

SECTION 49.02 Terms of Series 2024A Bonds; Appointments; Designations.

(a) The Series 2024A Bonds shall be issued as fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. The Series 2024A Bonds shall be dated their date of delivery, and interest thereon (based on a 360-day year of twelve thirty-day months) shall be payable on January 1 and July 1 of each year, commencing [July 1, 2024] (each, an “Interest Payment Date” for the Series 2024A Bonds).

(b) The Series 2024A Bonds shall mature on the dates and in the amounts and shall bear interest at the rates per annum specified in the following table:

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
---	-----------------------------------	--------------------------------

(c) [The Series 2024A Bonds maturing on July 1, 20[___] are Term Bonds.]

(d) The Principal Payment Period for the Series 2024A Bonds shall be the twelve calendar months next preceding each maturity date or Mandatory Sinking Account Payment date for such Bonds.

(e) The Record Date for all scheduled payments of principal of and interest on the Series 2024A Bonds shall be the 15th day of the calendar month next preceding the date each such payment is due, whether or not such 15th day is a Business Day.

(f) The Co-Trustee is hereby appointed Paying Agent for the Series 2024A Bonds and Registrar for the Series 2024A Bonds, and the Co-Trustee's corporate trust office in Los Angeles, California, is hereby designated as the Principal Office of the Co-Trustee. The Trustee is hereby appointed Depository for the Series 2024A Costs of Issuance Account.

(g) The principal of and premium, if any, on each Series 2024A Bond shall be payable in lawful money of the United States of America to the Owner of such Bond, upon the surrender of such Bond at the Principal Office of any Paying Agent for such Bond. The interest on each Series 2024A Bond shall be payable in like lawful money to the person whose name appears on the bond registration books of the Registrar for such Bond as the Owner of such Bond as of the close of business on the Record Date for such Bond preceding the Interest Payment Date, whether or not such Record Date is a Business Day, such interest to be paid by check or mailed by first class mail to such Owner at such address as appears on such registration books or at such address as such Owner may have filed with the Registrar for that purpose. Upon the written request of a registered owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Series 2024A Bonds, payment of interest on and principal (including Redemption Price) of such Bonds shall be made by wire transfer from the Paying Agent to the registered owner of such Bonds. Any such principal payment by wire transfer shall nevertheless be subject to prior surrender of the Series 2024A Bonds with respect to which such payment is made. Each payment of interest or principal on Series 2024A Bonds, whether by check, draft or wire transfer, shall be accompanied by information specifying for each maturity of such Bonds with respect to which such payment is being made, the amount and the CUSIP number (if available).

(h) Each Series 2024A Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the Record Date preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before June 15, 2018, in which event it shall bear interest from its date of delivery; provided, however, that if, at the time of authentication of any Series 2024A Bond, interest is in default on Outstanding Bonds of such Series, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds of such Series.

(i) The Series 2024A Bonds shall be subject to redemption as provided in Section 46.03.

(j) The Registrar for the Series 2024A Bonds shall assign each Series 2024A Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof which shall be available to the Authority for inspection.

(k) The Series 2024A Bonds, the Registrar's certificate of authentication and registration and the form of assignment to appear thereon shall be in substantially the forms set forth in Exhibit A hereto, with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture.

SECTION 49.03 Terms of Redemption of the Series 2024A Bonds.

(a) Extraordinary Optional Redemption. The Series 2024A Bonds are subject to redemption on any date prior to their respective stated maturities, as a whole, or in part so that the reduction in Annual Debt Service for the Series 2024A Bonds for each Bond Year after such redemption shall be as nearly proportional as practicable, from and to the extent of proceeds received by the Authority due to a governmental taking of the System or portions thereof by eminent domain proceedings, if such amounts are not used for additions, improvements or extensions to the System, under the circumstances and upon the conditions and terms set forth in the Indenture, at the greater of par or Amortized Value, plus accrued interest to the date fixed for redemption, without premium. "Amortized Value" means on any interest payment date, the then current value of the bond amortizing the original issue premium over the period ending on the first call date using the constant yield method.

(b) Optional Redemption. The Series 2024A Bonds maturing on or after July 1, 20[] are subject to redemption prior to their respective stated maturities, at the option of the Authority, from any source of available moneys, on any date on or after July 1, 20[], as a whole, or in part by such maturities or portions of maturities as shall be determined by the Authority (or by lot within a maturity in the absence of such a determination), at a redemption price equal to the principal amount of each Series 2024A Bond called for redemption plus interest accrued to the date fixed for redemption, without premium.

(c) Mandatory Sinking Account Redemption. The Series 2024A Term Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, on July 1 of each year from Mandatory Sinking Account Payments, commencing July 1, 20[], at a redemption price equal to their principal amount, plus accrued interest thereon to the date fixed for redemption, without premium, in the years and in the amounts, as set forth below:

<u>Year</u>	<u>Amount</u>
20[]	\$[]
20[]	[]
20[]†	[]

† Final maturity.

SECTION 49.04 Special Covenants as to Book-Entry Only System for Series 2024A Bonds. Except as otherwise provided in subsections (b) and (c) of this Section 46.04, all of the Series 2024A Bonds initially issued shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Series 2024A Bond registered in the name of Cede & Co. shall be made on each interest payment date for such Series 2024A Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(a) The Series 2024A Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of each portion of each series of Series 2024A Bonds, representing the aggregate principal amount of the Series 2024A Bonds of such portion, series and maturity. Upon initial issuance, the ownership of all such Series 2024A Bonds shall be registered in the registration records maintained by the Registrar pursuant to Section 2.05 hereof in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Co-Trustee, the Registrar, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2024A Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such

Series 2024A Bonds, selecting the Series 2024A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondowners hereunder, registering the transfer of Series 2024A Bonds, obtaining any consent or other action to be taken by Bondowners of the Series 2024A Bonds and for all other purposes whatsoever; and the Trustee, the Co-Trustee, the Registrar, the Authority and any paying agent shall not be affected by any notice to the contrary. Neither the Trustee, the Co-Trustee, the Authority nor any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 46.04, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Series 2024A Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondowner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2024A Bonds, (iii) any notice which is permitted or required to be given to Holders of Series 2024A Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2024A Bonds, or (v) any consent given or other action taken by DTC as Holder of Series 2024A Bonds. The Paying Agent shall pay all principal of and premium, if any, and interest on the Series 2024A Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the principal of and premium, if any, and interest on the Series 2024A Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee and Co-Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Series 2024A Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section 46.04.

(b) In the event that the Authority elects to discontinue the book-entry system for any Series 2024A Bonds, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, such Series 2024A Bonds will be transferable in accordance with subsection (f) of this Section 46.04. DTC may determine to discontinue providing its services with respect to the Series 2024A Bonds at any time by giving written notice of such discontinuance to the Authority or the Trustee and Co-Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Series 2024A Bonds will be transferable in accordance with subsection (f) of this Section 46.04. Whenever DTC requests the Authority, the Trustee and the Co-Trustee to do so, the Trustee, the Co-Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Series 2024A Bonds then Outstanding. In such event, the Series 2024A Bonds will be transferable to such securities depository in accordance with subsection (f) of this Section 46.04, and thereafter, all references in this Supplemental Indenture to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(c) Notwithstanding any other provision of this Supplemental Indenture to the contrary, so long as all Series 2024A Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Series 2024A Bond and all notices with respect to each such Series 2024A Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(d) The Co-Trustee is hereby authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Supplemental Indenture.

(e) In the event that any transfer or exchange of Series 2024A Bonds is authorized under subsection (b) or (c) of this Section 46.04, such transfer or exchange shall be accomplished upon receipt by the Registrar from the registered owner thereof of the Series 2024A Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.03 and 2.04 of the Indenture. In the event Series 2024A Bond certificates are issued to Holders other than Cede & Co., its successor as nominee for DTC as holder of all the Series 2024A Bonds, another securities depository as holder of all the Series 2024A Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.03 and 2.04 of the Indenture shall also apply to, among other things, the registration, exchange and transfer of the Series 2024A Bonds and the method of payment of principal of, premium, if any, and interest on the Series 2024A Bonds.

SECTION 49.05 Waiver of Brokerage Confirmations. The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or another applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Co-Trustee shall furnish the Authority and the Trustee periodic cash transaction statements which shall include detail for all investment transactions made by the Co-Trustee.

ARTICLE L

ISSUANCE OF SERIES 2024A BONDS; APPLICATION OF PROCEEDS; FUNDS AND ACCOUNTS

SECTION 50.01 Issuance of Series 2024A Bonds. At any time after the execution and delivery of this Tenth Supplemental Indenture, the Authority may sell and execute and the Registrar for the Series 2024A Bonds shall authenticate and, upon the Order of the Authority, deliver the Series 2024A Bonds in an aggregate principal amount not to exceed \$[_____].

SECTION 50.02 Application of Proceeds of Series 2024A Bonds and Other Moneys. The net proceeds received by the Authority from the sale of the Series 2024A Bonds in the amount of \$[_____] (being the purchase price for the Series 2024A Bonds, constituting the aggregate principal amount of the Series 2024A Bonds in the amount of \$[_____], [plus/minus original issue premium/discount] of \$[_____], less underwriter's discount of \$[_____]), together with \$[_____], attributable to the Prior Bonds to be refunded, to be withdrawn by the Co-Trustee from the Debt Service Fund for the purpose of being applied to the refunding of the Prior Bonds, and \$[_____] released from the Bond Reserve Fund as a result of a reduction in the Bond Reserve Fund Requirement as a result of the refunding of the Prior Bonds to be refunded, shall be deposited with the Co-Trustee, who shall forthwith apply such proceeds in the following manner, as directed by a Request of the Authority:

(a) the Co-Trustee shall transfer to the Trustee, for deposit in the Series 2024A Costs of Issuance Account, the amount of \$[_____]; and

(b) the Co-Trustee, as Escrow Agent, shall deposit \$[_____] in the [Prior Bonds] Escrow Fund established pursuant to the [Prior Bonds] Escrow Agreement for the purpose of refunding the Prior Bonds to be refunded, as described in the [Prior Bonds] Escrow Agreement.

Following such transfers, the amount on deposit in the Bond Reserve Fund shall be at least \$[_____], which amount is equal to the Bond Reserve Fund Requirement as of the date of issuance of the Series 2024A Bonds.

SECTION 50.03 Establishment of Funds and Accounts.

(a) To ensure the proper application of such portion of proceeds from the sale of the Series 2024A Bonds, including to pay Costs of Issuance of the Series 2024A Bonds, there is hereby established within the Construction Fund the “Series 2024A Costs of Issuance Account”, which shall be held by the Trustee, as Depository therefor. Any of such funds that remain on deposit in the Series 2024A Costs of Issuance Account 180 days after the Closing Date shall be transferred and deposited in the Revenue Fund and the Series 2024A Costs of Issuance Account shall be closed.

ARTICLE LI

TAX COVENANTS

SECTION 51.01 2024A Rebate Account.

(A) The Trustee, as Depository for the Revenue Fund, shall establish and maintain within the Rebate Fund a separate subaccount designated as the “2024A Rebate Account.” There shall be deposited in the 2024A Rebate Account from amounts in the Operation and Maintenance Fund or other lawfully available moneys such amounts as are required to be deposited therein pursuant to the Tax Certificate delivered by the Authority in connection with the issuance of the Series 2024A Bonds. All money at any time deposited in the 2024A Rebate Account shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement for the Series 2024A Bonds (as defined in such Tax Certificate), for payment to the United States of America, and the United States of America is hereby granted a first lien on such money until such payment. All amounts required to be deposited into or on deposit in the 2024A Rebate Account shall be governed exclusively by this Section and by such Tax Certificate (which is incorporated herein by reference).

In the event that the amount in the 2024A Rebate Account exceeds the Rebate Requirement for the Series 2024A Bonds, upon the Request of the Authority, the Trustee shall transfer the excess from the 2024A Rebate Account to the Revenue Fund.

(B) Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on any Series of Bonds, the Trustee and the Authority may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article IX of the Indenture, the covenants hereunder shall be deemed to be modified to that extent.

SECTION 51.02 Tax Covenants for Series 2024A Bonds. (A) The Authority intends that interest on the Series 2024A Bonds be excluded from gross income for federal income tax purposes, that the Series 2024A Bonds and the interest thereon be exempt from taxation by any state or political subdivision or the District of Columbia and that interest on the Series 2024A Bonds not be treated as a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. The Authority reserves the right to determine the desired tax status of any additional Series of Bonds.

(B) The Authority shall not use or permit the use of any proceeds of the Series 2024A Bonds or any other funds of the Authority, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Authority in any manner, and shall not take or permit to be taken any other action or actions, which would cause any such Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(C) The Authority shall at all times do and perform all acts and things permitted by law and this Indenture which are necessary or desirable in order to assure that interest paid on the Series 2024A Bonds (or on any of them) shall be excluded from gross income for federal income tax purposes and that interest paid on the Series 2024A Bonds shall not be treated as a specific preference item for purposes of the federal individual and corporate alternative minimum taxes.

SECTION 51.03 Continuing Disclosure. The Authority hereby covenants and agrees to comply with the Series 2024A Continuing Disclosure Agreement, by and between the Authority and the Co-Trustee (the “Series 2024A Continuing Disclosure Agreement”), as it may from time to time hereafter be amended or supplemented. Notwithstanding any other provision of the Indenture, failure of the Authority to comply with the requirements of the Series 2024A Continuing Disclosure Agreement shall not be considered an Event of Default and the Co-Trustee shall have no right to accelerate amounts due under the Indenture as a result thereof; provided, however, that the Trustee and the Owners of not less than 25% in principal amount of the Outstanding Series 2024A Bonds may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations in this Section with respect to the Series 2024A Continuing Disclosure Agreement.

IN WITNESS WHEREOF, the GUAM WATERWORKS AUTHORITY has caused this Tenth Supplemental Indenture to be signed in its name by its duly authorized officers; and BANK OF GUAM and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, in token of their acceptance of the respective trusts created hereunder, and being hereby appointed by the GUAM WATERWORKS AUTHORITY to such trusts, have caused this Tenth Supplemental Indenture to be signed in their respective corporate names by one of their authorized officers, all as of the day and year first above written.

GUAM WATERWORKS AUTHORITY

By _____
Chairperson of the Board

By _____
General Manager

Tenth Supplemental Indenture – Guam Waterworks Authority

BANK OF GUAM, as Trustee

By _____
Authorized Officer

Tenth Supplemental Indenture – Guam Waterworks Authority

4150-3790-6762.1

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Co-Trustee

By _____
Authorized Officer

Tenth Supplemental Indenture – Guam Waterworks Authority

4150-3790-6762.1

The undersigned U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, hereby accepts and agrees to perform the duties and obligations of Registrar and Paying Agent under this Tenth Supplemental Indenture.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Registrar and Paying Agent

By _____
Authorized Officer

Tenth Supplemental Indenture – Guam Waterworks Authority

4150-3790-6762.1

EXHIBIT B-16

The undersigned BANK OF GUAM, hereby accepts and agrees to perform the duties and obligations of Depositary for the Series 2024A Costs of Issuance Account under this Tenth Supplemental Indenture.

BANK OF GUAM, as Depositary

By _____
Authorized Officer

EXHIBIT A
FORM OF BOND

No. R- _____ \$ _____

GUAM WATERWORKS AUTHORITY
WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BOND
SERIES 2024A (FORWARD DELIVERY)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
	July 1, 20__	[Settlement Date]	

Registered Owner: CEDE AND CO.

Principal Sum: _____ Dollars

The GUAM WATERWORKS AUTHORITY, a duly organized public corporation of the government of Guam (herein called the "Authority"), for value received, hereby promises to pay (but only out of the Revenues pledged therefor as hereinafter mentioned) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned), the principal sum specified above in lawful money of the United States of America; and to pay interest thereon, in like lawful money and solely from said Revenues, from the Interest Payment Date next preceding the date of authentication of this Bond unless this Bond is authenticated as of a day during the period from the Record Date preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before June 15, 2024, in which event it shall bear interest from its date of delivery, until payment of such principal sum shall be discharged as provided in the indenture hereinafter mentioned, at the interest rate specified above per annum, payable on January 1 and July 1 in each year, commencing [July 1, 2024]; provided, however, that if, at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment. The principal (or redemption price) hereof is payable upon surrender hereof at the Principal Office of U.S. Bank Trust Company, National Association (herein called the "Paying Agent") in Los Angeles, California (or such other office as may be subsequently designated), and the interest hereon is payable by check or draft mailed by first class mail to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month immediately preceding an interest payment date, at such person's address as it appears on the bond registration books of U.S. Bank Trust Company, National Association (herein called the "Registrar"). Upon the written request of a registered owner of \$1,000,000 or more in aggregate principal amount of Series 2024A Bonds, payment of interest on and principal (including redemption price) of such Bonds will be made by wire transfer as provided in the Indenture; provided that any such principal payment shall nevertheless be subject to prior surrender of the Series 2024A Bonds with respect to which such payment is made.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Guam Waterworks Authority Water and Wastewater System Revenue Bonds" (herein called the "Bonds"), unlimited in aggregate principal amount, except as otherwise provided in the laws of the United States of America and the government of Guam and in the Indenture hereinafter mentioned, which issue of Bonds consists or may consist of one or more Series of varying dates, maturities, interest rates, and redemption and other provisions, all issued or to be issued pursuant to Article 2, Chapter 14 of Title 12 of the Guam Code Annotated, as amended, and that certain Indenture, dated as of December 1, 2005 (as heretofore and hereafter supplemented and amended, the "Indenture"), by and between the Authority, Bank of Guam, as

trustee (herein called the "Trustee") and U.S. Bank Trust Company, National Association, as co-trustee (herein called the "Co-Trustee"). This Bond is also one of a duly authorized series of Bonds additionally designated "Series 2024A (Forward Delivery)" (herein called the "Series 2024A Bonds"), in the aggregate principal amount of [WRITTEN AMOUNT] Dollars (\$[____]), all issued under the provisions of the Indenture and the Tenth Supplemental Indenture, dated as of [November 1], 2023, by and among the Authority, the Trustee and the Co-Trustee. Reference is hereby made to the Indenture (a copy of which is on file at said office of the Trustee), including all indentures supplemental thereto, for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security and provisions for payment of the Bonds, of the rights, duties and immunities of the Trustee and other fiduciaries and of the rights and obligations of the Authority thereunder, to all the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees. Any capitalized term used but not separately defined in this Bond shall have the meaning given such term in the Indenture.

The Bonds and the interest thereon (to the extent set forth in the Indenture) are payable solely from Revenues (as that term is defined in the Indenture) pledged as provided in the Indenture. Subject only to the provisions of the Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth therein, said Revenues are pledged under the Indenture to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of the Indenture and the payment of Credit Agreement Payments and Parity Payment Agreement Payments in accordance with their terms.

The Series 2024A Bonds are subject to redemption on any date prior to their respective stated maturities, as a whole, or in part so that the reduction in Annual Debt Service for the Series 2024A Bonds for each Bond Year after such redemption shall be as nearly proportional as practicable, from and to the extent of proceeds received by the Authority due to a governmental taking of the System or portions thereof by eminent domain proceedings, if such amounts are not used for additions, improvements or extensions to the System, under the circumstances and upon the conditions and terms set forth in the Indenture, at the greater of par or Amortized Value, plus accrued interest to the date fixed for redemption, without premium. "Amortized Value" means on any interest payment date, the then current value of the bond amortizing the original issue premium over the period ending on the first call date using the constant yield method.

The Series 2024A Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, on July 1 of each year from Mandatory Sinking Account Payments, commencing July 1, 20[], at a redemption price equal to the Mandatory Sinking Account Payment amount for such date set forth in the Indenture, plus accrued interest thereon to the date fixed for redemption, without premium.

Notice of any redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by the Registrar not less than 30 nor more than 60 days before the date fixed for redemption by first class mail to each of the registered owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Registrar on the date the Bonds to be redeemed are selected. Receipt of such notice by such registered owners shall not be a condition precedent to such redemption.

If this Bond is called for redemption and payment is duly provided herefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Series 2024A Bonds are issuable only in fully registered form in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, this Bond may be exchanged, at the Principal Office of the Registrar, in Los Angeles, California, or such other office as the Registrar shall designate, for a new fully registered Bond or

Bonds, of the same Series, maturity and tenor and of any authorized denomination or denominations and for the aggregate principal amount of this Bond then remaining outstanding.

This Bond is transferable by the registered owner hereof, in person or by its attorney duly authorized in writing, at said office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds, of the same Series and maturity and of any authorized denomination or denominations and for the same aggregate principal amount of this Bond then remaining outstanding, will be issued to the transferee in exchange therefor. The Registrar shall not be required to register the transfer of this Bond during the period established by the Trustee for the selection of Bonds for redemption or at any time after selection of this Bond for redemption.

The Authority, the Trustee, the Paying Agent and the Registrar may treat the registered owner hereof as the absolute owner hereof for all purposes, and neither the Authority, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Authority, the registered owners of the Bonds, the Trustee, the Registrar and other fiduciaries may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, provided that no such modification or amendment shall (a) extend the fixed maturities of the Bonds, or extend the time for making any Mandatory Sinking Account Payments, or reduce the rate of interest thereon, or extend the time of payment of interest, or reduce the amount of principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Owner of each Bond so affected, (b) reduce the aforesaid percentage of Owners of Bonds whose consent is required for the execution of any amendment or modification of this Indenture or permit the creation of any lien on the Revenues prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Bonds of the lien created by this Indenture upon such Revenues, without in each case the consent of the Owners of all of the Bonds then Outstanding.

The Bonds are limited obligations of the Authority, payable solely from and secured by a pledge of the Revenues as provided in the Indenture. The Bonds are not a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues pledged to the payment thereof as provided in the Indenture.

Neither the Government of Guam nor any political subdivision thereof is obligated to pay the principal of, Redemption Price, if applicable, or interest on the Bonds, except from Revenues, and neither the Authority, the Government of Guam nor any political subdivision thereof has pledged its faith or credit to the payment of the principal of, redemption price, if applicable, or interest on the Bonds.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Registrar.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by the laws of the United States of America and the government of Guam, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by such laws, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER

OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

IN WITNESS WHEREOF, the GUAM WATERWORKS AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chairman of the Consolidated Commission on Utilities and the Chief Financial Officer of the Authority, all as of the dated date first set forth above.

GUAM WATERWORKS AUTHORITY

By _____
Chairman of the Board of Directors

By _____
Chief Financial Officer

[FORM OF] CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Indenture, which has been registered as of _____.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Registrar

By _____
Authorized Officer

[FORM OF] ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the books of the Registrar with full power of substitution in the premises.

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee:

Notice: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Note: Transfer fees must be paid to the Registrar in order to transfer or exchange this bond as provided in the within-mentioned Indenture.

EXHIBIT B

BONDS TO BE REFUNDED

B-1

4150-3790-6762.1

EXHIBIT B-25

APPENDIX 2

BOARD OF DIRECTORS OF THE
GUAM ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 24-002

RESOLUTION APPROVING THE ISSUANCE AND SALE OF GUAM WATERWORKS
AUTHORITY REVENUE REFUNDING BONDS AND APPROVING AND AUTHORIZING
THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS

WHEREAS, Article 2, Chapter 14, Title 12 of the Guam Code Annotated (the "Act") authorizes Guam Waterworks Authority ("GWA") to issue revenue bonds to raise funds for the purpose of acquiring, constructing, improving, equipping, maintaining, repairing, renewing, replacing, reconstructing or insuring the System (as that term is defined in the Act), or any part thereof, or for the purpose of refunding any such bonds or any other prior obligations of GWA, or for any combination of such purposes, in accordance with and subject to the requirements and limitations set forth in the Act;

WHEREAS, pursuant to Section 14226 of the Act, GWA may provide for the issuance and sale of refunding bonds for the purpose of refunding, redeeming or retiring any bonds issued under the Act;

WHEREAS, the Guam Waterworks Authority Water and Wastewater System Revenue Bonds, Series 2013, Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2014A, Guam Waterworks Authority Water and Wastewater System Revenue Bonds, Series 2016, Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2017, Guam Waterworks Authority Water and Wastewater System Revenue Bonds, Series 2020A, and Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2020B (Federally Taxable) (collectively, the "Prior Bonds") are currently outstanding;

WHEREAS, GWA has informed GEDA that an opportunity has arisen to refund, redeem or retire all or a portion of the Prior Bonds for savings, which is expected to result in savings to ratepayers, and therefore GWA has determined it is necessary and desirable to issue one or more series of Guam Waterworks Authority Water and Wastewater Revenue Refunding Bonds, expected to be further designated Series 2024A (the "Series 2024A Bonds") (or having such other series or other descriptive designation as set forth in the within-mentioned Ninth Supplemental Indenture, as finally executed), and to issue one or more series of Guam Waterworks Authority Water and Wastewater Refunding Bonds, Series 2024B (or having such other series or other descriptive designation as set forth in the within-mentioned Tenth Supplemental Indenture, as finally executed) (the "Series 2024B Bonds" and, together with the Series 2024A Bonds, the "Bonds"), which Bonds may be issued and delivered on a current, forward or delayed delivery basis, or a combination thereof, in each case to refund, redeem or retire all or any portion of the Prior Bonds, and all or a portion of such maturities of the Prior Bonds which may be tendered for purchase and cancellation following an invitation to tender such Prior Bonds;

WHEREAS, GWA has requested that GEDA approve the issuance and sale of the Bonds;

WHEREAS, the Consolidated Commission on Utilities (“CCU”) has approved the issuance of the Bonds pursuant to the Act, and the issuance of the Bonds will be subject to the approval of the Public Utilities Commission of Guam (“PUC”);

WHEREAS, pursuant to §50103(k), Title 12, Guam Code Annotated, public corporations of the Government of Guam shall issue bonds and other obligations only by means of and through the agency of GEDA;

WHEREAS, as required by Section 14203 of the Act and said Section 50103(k), the authorization provided by this resolution to sell and issue the Bonds has been approved by the Legislature of Guam (the “Legislature”) pursuant to the terms and conditions set forth in Public Law No. 28-71, as amended by Public Law Nos. 30-145 and 32-069 (collectively, the “Legislation”);

WHEREAS, this Board of Directors has determined that it is in the public interest for GWA to sell the Bonds for the purpose of redeeming or retiring all or a portion of the Prior Bonds;

WHEREAS, GWA has previously executed and delivered an Indenture, dated as of December 1, 2005, pursuant to which bonds in one or more series (including the Bonds) may be issued, and such indenture, as previously supplemented and amended, is now in effect;

WHEREAS, there has been presented to this Board of Directors the proposed substantially final form of a Preliminary Official Statement relating to the Bonds;

WHEREAS, there have been presented to this Board of Directors proposed substantially final forms of a Ninth Supplemental Indenture and Tenth Supplemental Indenture, pursuant to which the Bonds are proposed to be issued by GWA (individually or collectively referred to herein as the “Supplemental Indenture”), an escrow agreement in respect of the refunding of the Prior Bonds (the “Escrow Agreement”), forms of a continuing disclosure certificate or agreement (the “Disclosure Agreements”), the bond purchase agreements pursuant to which the Series 2024A Bonds and the Series 2024B Bonds will be sold (each a “Bond Purchase Agreement” and, together with the Supplemental Indenture, the Disclosure Agreements and the Escrow Agreement, the “Bond Documents”);

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors (this “Board”) of the Guam Economic Development Authority as follows:

Section 1. The issuance and sale of the Bonds in an aggregate principal amount not to exceed an aggregate principal amount sufficient to provide funds for such redemption or retirement of all or a portion of such Prior Bonds, plus the related costs of issuance and of such redemption or retirement, and to make a deposit to the Bond Reserve Fund, if necessary, are hereby approved in accordance with Section 50103(k), subject to the terms and conditions set forth in the Legislation and as approved by the CCU, and further subject to approval by the PUC.

Section 2. The forms of Bond Purchase Agreement presented to this meeting, relating to the Bonds, are hereby approved for execution and delivery by GWA and GEDA in

substantially such forms, with such additions, changes and modifications as (i) the CCU, acting as Board of Directors of GWA, may approve or may authorize the Chairman or Vice-Chairman of the CCU or the General Manager of GWA (collectively, the "Designated Officers of GWA") to approve upon consultation with the Chief Executive Officer/Administrator of GEDA (the "CEO/Administrator") and legal counsel, such approval to be conclusively evidenced by the adoption of one or more bond resolutions by said Board and by execution and delivery of the Bond Purchase Agreement by the Designated Officers of GWA, and (ii) are approved by the CEO/Administrator upon consultation with legal counsel, such approval to be conclusively evidenced by the execution and delivery of such Bond Purchase Agreement by the CEO/Administrator of GEDA or the Public Finance Division Manager of GEDA, or their duly authorized designees as designated in writing (individually or collectively, the "GEDA Authorized Signers"), who are hereby authorized to execute and deliver the Bond Purchase Agreements on behalf of GEDA.

Section 3. The forms of Bond Documents presented to this meeting are hereby approved for execution and delivery by GWA in substantially such form, with such additions, changes and modifications as the CCU may approve or may authorize the Designated Officers of GWA to approve upon consultation with the CEO/Administrator and legal counsel, such approval to be conclusively evidenced by the adoption of one or more bond resolutions by said Board and by execution and delivery of such Bond Documents on behalf of GWA by one or more Designated Officers of GWA.

Section 4. The Preliminary Official Statement in the form presented to this meeting is hereby approved, and the distribution of the Preliminary Official Statement in connection with the offering and sale of the Bonds, with such changes, omissions and insertions as shall be approved by the Designated Officers of GWA, is hereby authorized and approved. GEDA hereby approves and acknowledges the review of the Preliminary Official Statement by the Designated Officers of GWA and their certification on behalf of GWA upon appropriate authorization and delegation by the CCU, that the Preliminary Official Statement is "deemed final" as of its date, except for the omission of certain terms and pricing information permitted to be omitted therefrom pursuant to Securities and Exchange Commission Rule 15c2-12.

GEDA further hereby approves and acknowledges the preparation of a final version of the Official Statement by the Designated Officers of GWA (such final version of the Official Statement, in the form of the Preliminary Official Statement, with such changes, insertions and omissions as shall be approved by the Designated Officers of GWA, upon consultation with the CEO/Administrator and legal counsel, being hereinafter referred to as the "Official Statement") upon appropriate authorization and delegation by the CCU, and their execution of the Official Statement and any amendment or supplement thereto, in the name of and on behalf of GWA, and their causing the Official Statement and any such amendment or supplement to be delivered to the purchasers and distributed in connection with the sale of the Bonds.

GEDA hereby further approves the preparation of one or more updates to the Official Statement, if appropriate or required, containing updates to information presented in the Official Statement as may be necessary or desirable, which may include a description of such terms and conditions as are applicable to such Bonds issued on a forward or delayed delivery basis, as and to the extent applicable (such document being hereinafter referred to as the

“Updated Disclosure Document”), by the Designated Officers of GWA, upon appropriate authorization and delegation by the CCU and upon consultation with the CEO/Administrator and legal counsel, and the execution of such Updated Disclosure Document, in the name of and on behalf of GWA, and delivery of such Updated Disclosure Document to purchasers in connection with the settlement of the Bonds.

Section 5. The Designated Officers of GWA, upon appropriate authorization and delegation by the CCU, and the CEO/Administrator are hereby authorized and directed to determine, consistent with the Act, the aggregate principal amount of Bonds to be issued (subject to Section 1 hereof), the number of series of such Bonds, the maturity or maturities, the interest rates (not exceeding any limitation established by the Legislature), interest payment dates, denominations, forms, registration privileges, terms and place or places of payment, terms of redemption and other terms of each series of the Bonds.

Said Designated Officers of GWA, upon appropriate authorization and delegation by the CCU, and the CEO/Administrator are hereby also expressly authorized to arrange for such bond insurance, reserve fund surety bond or other supplemental security arrangements for all or such portion of the Bonds as they may deem in the public interest, and to enter into any other agreements deemed by them to be necessary or appropriate in connection therewith.

Notwithstanding any other provision of this resolution, the Bonds and any obligations of GWA under any reimbursement or other similar agreement shall be limited obligations of GWA payable solely from the revenues and other assets of GWA pledged for such purpose and shall not be a debt or liability of the Government of Guam.

Section 6. The CEO/Administrator and the Designated Officers of GWA, upon appropriate authorization and delegation by the CCU, are hereby authorized and directed to do any and all things and to execute and deliver any and all notices, documents, certificates and other instruments, including tax certificates, which they may deem necessary or advisable in order to consummate the sale of the Bonds, the refunding, redemption or retirement of the Prior Bonds and otherwise to effectuate the purposes of this resolution. Such actions may include, but are not limited to, preparation of certain economic, demographic and other information relating to Guam for inclusion in the Preliminary Official Statement and the Official Statement or any updates thereto, participation in the pricing of the Bonds, the publication of any notices and consummation of any proceedings necessary to comply with the requirements of the Internal Revenue Code or other applicable law, the distribution of other information and material relating to the Bonds or the Prior Bonds, the holding of any appropriate information meetings concerning the Bonds, or in connection with any invitation to tender the Prior Bonds or any proceedings associated with such tender. Any action authorized by this resolution to be taken by the CEO/Administrator and the Designated Officers of GWA may be taken by a person officially acting in such position and, with respect to the CEO/Administrator, may be taken by another one of the GEDA Authorized Signers during any period in which the CEO/Administrator is absent or the office of the CEO/Administrator is vacant.

Section 7. All actions heretofore taken by the officers, representatives or agents of GEDA in connection with the issuance and sale of the Bonds are hereby ratified, confirmed and approved.

Section 8. The Bonds shall not be issued without the approval of the PUC in accordance with the Act and Chapter 12 of Title 12, Guam Code Annotated, and shall be in all respects subject to such approvals, and to the Legislation.

Section 9. This resolution shall take effect from and after its adoption.

CERTIFICATE

I, Siska S. Hutapea, Secretary of the Board of Directors of the Guam Economic Development Authority, do hereby certify as follows:

The foregoing is a full, true, and correct copy of Resolution 24-002 duly adopted at a regular meeting of the members of the Board of Directors of said Authority duly and legally held at the regular meeting place thereof on January 18, 2024, of which meeting all of said members had due notice and at which at least a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

Ayes: Ernesto Espaldon, Jr., Siska Hutapea, Andrew Park, Doreen Crisostomo-Munira

Nays: 0

Absent: David John

Said original resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

DATED: January 18, 2024.


Secretary, Board of Directors

APPENDIX 3

Guam Waterworks Authority

Series 2024A&B Financing Update

January 16, 2024

STRICTLY PRIVATE AND CONFIDENTIAL



Capital
Markets

Tax-Exempt Current Refunding Results: Series 2013 & Series 2014A

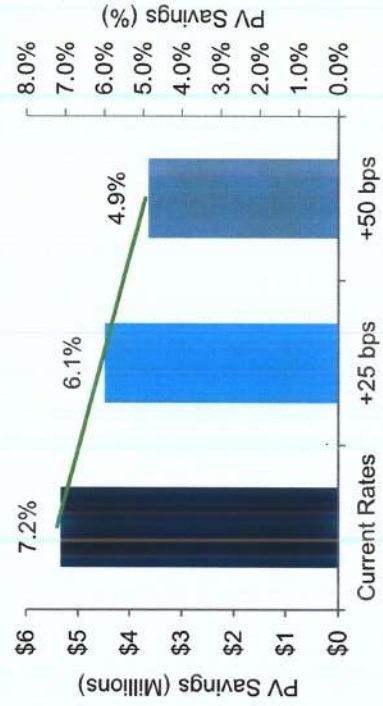
A tax-exempt current refunding assuming current market rates generates 7.2% savings or \$5.4 million in PV savings

Combined Current Refunding Summary

Refunded Bonds		Series 2013 & Series 2014A
Call Dates		2013: 7/1/2023 2014A: 7/1/2024
Refunded Maturities		2013: 2024-2028 2014A: 2025-2035
Refunded Par		\$74,210,000
Refunding Bonds		
Refunding Par		\$69,305,000
Delivery Date		04/02/2024
Arbitrage Yield		3.083%
Average Life		5.2 yrs
All-in TIC		3.389%
Gross D/S Savings		\$6,203,797
Net PV Savings (\$)		\$5,355,022
Net PV Savings (%)		7.216%

- A refunding of the 2013 and 2014A Bonds with a proportional savings provides:
 - Net present value savings of \$5.4 million (7.2% of refunded par)
 - Total cash flow savings is \$6,203,797
 - Average annual Cash Flow Savings of \$516,983

Refunding Sensitivity Analysis

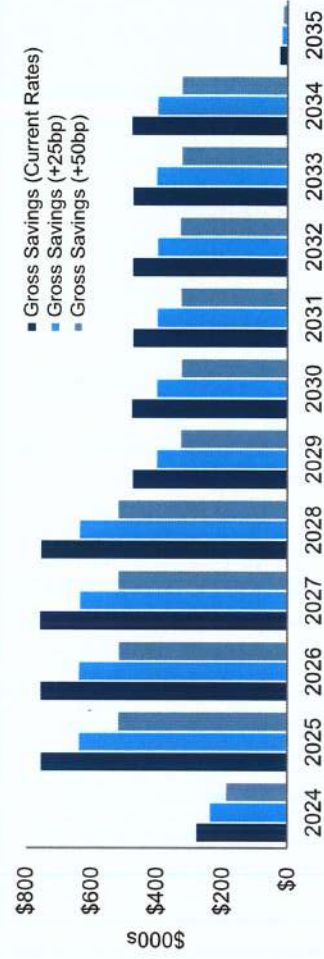


Combined Annual Savings (Fiscal Year 9/30)

Date	Refunded Debt Service*	Refunding Debt Service	Gross Savings
2024	\$4,236,521	\$3,956,687	\$279,834
2025	11,448,463	10,690,250	758,213
2026	11,450,000	10,691,250	758,750
2027	11,450,000	10,688,750	761,250
2028	11,454,250	10,697,000	757,250
2029	7,206,500	6,729,500	477,000
2030	7,203,250	6,724,000	479,250
2031	7,206,750	6,731,250	475,500
2032	7,201,000	6,725,000	476,000
2033	7,205,750	6,730,250	475,500
2034	7,204,750	6,725,750	479,000
2035	367,500	341,250	26,250
Total	\$93,634,733	\$87,430,937	\$6,203,797

*Note: 2024 Refunded Debt Service shown net of accrued interest

Annual Debt Service Savings (Fiscal Year 9/30)



Note: Preliminary analysis / subject to change. SLGS & Interest Rates as of January 11, 2024. Assumes 1.5% COI. Assumes Tax Exempt Rates with 5% Coupons. Savings discounted at arb yield.

Illustrative Aggregate GWA Tender Economics

Assumes Tender Universe Comprised of All GWA Bonds Currently Generating Positive Savings Through Tender (excl. 2013 & 2014A)

Series	Type	Sinking Fund Date	Existing Par (\$)	Refunded Coupon	Refunding Coupon	Refunding Yield	Tender Premium/Spread	Tender Price	PV Savings (\$)	PV Savings (%)
2016	2016 Serial Bonds	7/1/2028	\$1,065,000	5.00%	5.00%	2.91%	1.50%	105.31	\$17,827	1.67%
		7/1/2029	1,120,000	5.00%	5.00%	2.85%	1.50%	105.47	39,817	3.56%
		7/1/2030	1,180,000	5.00%	5.00%	2.88%	1.50%	105.48	59,822	5.07%
		7/1/2031	1,240,000	5.00%	5.00%	2.93%	1.50%	105.49	78,805	6.36%
	2016 Term Bond (2036)	7/1/2032	1,300,000	5.00%	5.00%	2.98%	1.50%	104.73	107,124	8.24%
		7/1/2033	1,365,000	5.00%	5.00%	3.03%	1.50%	104.73	126,258	9.25%
2017	2017 Serial Bonds	7/1/2034	1,435,000	5.00%	5.00%	3.10%	1.50%	104.73	143,275	9.98%
		7/1/2035	8,340,000	5.00%	5.00%	3.19%	1.50%	104.73	774,757	9.29%
		7/1/2036	1,920,000	5.00%	5.00%	3.30%	1.50%	104.73	161,438	8.41%
		7/1/2029	3,015,000	5.00%	5.00%	2.85%	2.00%	107.54	46,875	1.55%
	2017 Term Bond (2040)	7/1/2030	3,170,000	5.00%	5.00%	2.88%	2.00%	107.55	97,896	3.09%
		7/1/2031	3,325,000	5.00%	5.00%	2.93%	2.00%	107.56	145,409	4.37%
2020B	2020B Term Bond (2030)	7/1/2032	3,495,000	5.00%	5.00%	2.98%	2.00%	107.53	194,168	5.56%
		7/1/2033	3,665,000	5.00%	5.00%	3.03%	2.00%	107.49	242,913	6.63%
		7/1/2034	3,850,000	5.00%	5.00%	3.10%	2.00%	107.23	293,075	7.61%
		7/1/2035	4,040,000	5.00%	5.00%	3.19%	2.00%	106.84	293,068	7.25%
	2020B Term Bond (2040)	7/1/2036	11,455,000	5.00%	5.00%	3.30%	2.00%	106.35	781,544	6.82%
		7/1/2037	12,025,000	5.00%	5.00%	3.42%	2.00%	105.86	757,071	6.30%
2020B (Taxable)	2020B Term Bond (2030)	7/1/2038	12,630,000	5.00%	5.00%	3.60%	2.00%	105.07	698,852	5.53%
		7/1/2039	13,260,000	5.00%	5.00%	3.70%	2.00%	105.07	619,099	4.67%
		7/1/2040	13,925,000	5.00%	5.00%	3.81%	2.00%	105.07	514,613	3.70%
		7/1/2028	1,260,000	2.75%	5.00%	2.91%	+100 bp	89.17	106,393	8.44%
	2020B Term Bond (2034)	7/1/2029	6,175,000	2.75%	5.00%	2.85%	+100 bp	89.17	521,837	8.45%
		7/1/2030	6,340,000	2.75%	5.00%	2.88%	+100 bp	89.17	513,894	8.11%
2020B Term Bond (2043)	2020B Term Bond (2034)	7/1/2031	6,515,000	3.25%	5.00%	2.93%	+140 bp	83.52	1,054,533	16.19%
		7/1/2032	6,725,000	3.25%	5.00%	2.98%	+140 bp	83.52	1,075,037	15.99%
		7/1/2033	6,945,000	3.25%	5.00%	3.03%	+140 bp	83.52	1,092,393	15.73%
		7/1/2034	7,170,000	3.25%	5.00%	3.10%	+140 bp	83.52	1,095,879	15.28%
	2020B Term Bond (2043)	7/1/2035	7,410,000	3.70%	5.00%	3.19%	+140 bp	79.37	1,618,217	21.84%
		7/1/2036	7,680,000	3.70%	5.00%	3.30%	+140 bp	79.37	1,576,182	20.52%
Total for 100% Tender Success	Total for 40% Tender Success (High End Est.)	7/1/2037	7,960,000	3.70%	5.00%	3.42%	+140 bp	79.37	1,524,547	19.15%
		7/1/2038	8,260,000	3.70%	5.00%	3.60%	+140 bp	79.37	1,436,129	17.39%
		7/1/2039	8,565,000	3.70%	5.00%	3.70%	+140 bp	79.37	1,383,964	16.16%
		7/1/2040	8,880,000	3.70%	5.00%	3.81%	+140 bp	79.37	1,320,550	14.87%
	Total for 20% Tender Success (Low End Est.)	7/1/2041	24,480,000	3.70%	5.00%	3.87%	+140 bp	79.37	3,412,119	13.94%
		7/1/2042	25,385,000	3.70%	5.00%	3.93%	+140 bp	79.37	3,306,148	13.02%
Total for 100% Tender Success		7/1/2043	26,325,000	3.70%	5.00%	3.98%	+140 bp	79.37	3,207,710	12.19%
Total for 40% Tender Success (High End Est.)			\$272,895,000						\$30,438,238	11.15%
Total for 20% Tender Success (Low End Est.)			\$109,158,000						\$12,175,295	11.15%
Total for 20% Tender Success (Low End Est.)			\$54,579,000						\$6,087,648	11.15%

Note: Preliminary analysis / subject to change. Interest Rates as of January 11, 2024. Assumes 1.6% COI. Assumes Tax Exempt Rates with 5% Coupons.

Tender / Refunding Results: Series 2016, 2017 & 2020B (40% Tender Success)

A tender & tax-exempt current refunding assuming current market rates generates 11.2% savings or \$12.3 million in PV savings

Tender / Refunding Summary

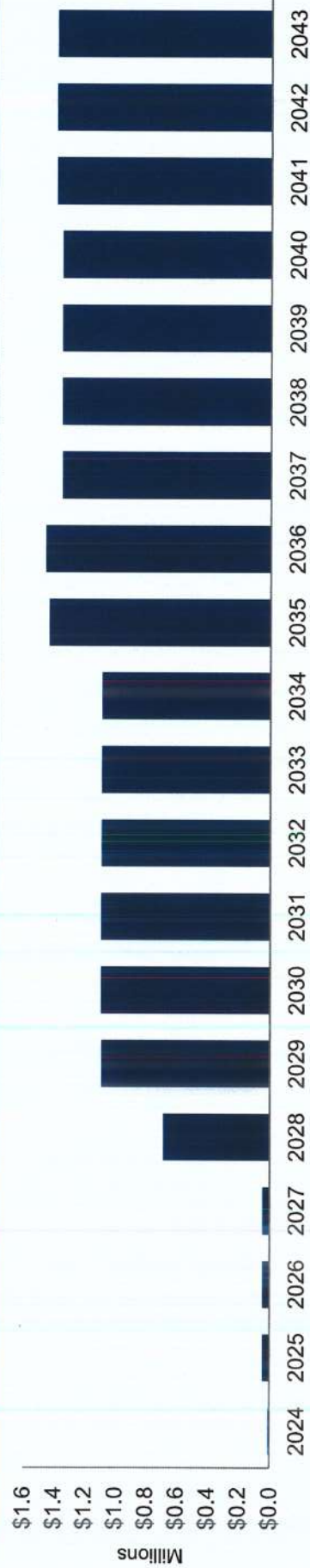
Tendered Bonds		Series 2016, 2017 & 2020B
Call Dates		2016: 7/1/2026 2017: 7/1/2027 2020B: 7/1/2020
Tendered Maturities		2016: 2028-2036 2017: 2029-2040 2020B: 2028-2043
Tendered Par		\$109,158,000
Refunding Bonds		
Refunding Par		\$88,805,000
Delivery Date		3/13/2024
Arbitrage Yield		3.530%
Average Life		13.8 yrs
All-in TIC		3.994%
Gross D/S Savings		\$20,016,906
Net PV Savings (\$)		\$12,267,086
Net PV Savings (%)		11.237%

- A tender of 40% of the proposed candidates (pro rata across series) with proportional savings generates:
 - Net PV savings of \$12.3 million (11.2% of refunded par)
 - Total cash flow savings is \$20,016,906
 - Average annual Cash Flow Savings of \$1,000,845

Combined Annual Savings (Fiscal Year 9/30)

Date	Tendered Debt Service	Refunding Debt Service	Gross Savings
2024	\$1,347,818	\$1,332,075	\$15,743
2025	4,492,726	4,440,250	52,476
2026	4,492,726	4,440,250	52,476
2027	4,492,726	4,440,250	52,476
2028	5,422,726	4,730,250	692,476
2029	8,581,566	7,485,750	1,095,816
2030	8,582,941	7,482,750	1,100,191
2031	8,582,201	7,482,250	1,099,951
2032	8,582,206	7,483,750	1,098,456
2033	8,580,881	7,481,750	1,099,131
2034	8,581,996	7,486,000	1,095,996
2035	11,317,086	9,870,750	1,446,336
2036	11,465,818	9,996,500	1,469,318
2037	10,656,654	9,294,750	1,361,904
2038	10,660,346	9,295,750	1,364,596
2039	10,659,498	9,295,250	1,364,248
2040	10,659,536	9,297,500	1,362,036
2041	10,919,612	9,521,500	1,398,112
2042	10,919,308	9,520,250	1,399,058
2043	10,919,610	9,523,500	1,396,110
Total	\$169,917,981	\$149,901,075	\$20,016,906

Annual Debt Service Savings (Fiscal Year 9/30)



Note: Preliminary analysis / subject to change. SLGS & Interest Rates as of January 11, 2024. Assumes 1.6% COI. Assumes Tax Exempt Rates with 5% Coupons. Savings discounted at arb yield.

Tender / Refunding Results: Series 2016, 2017 & 2020B (20% Tender Success)

A tender & tax-exempt current refunding assuming current market rates generates 11.2% savings or \$6.1 million in PV savings

Tender / Refunding Summary

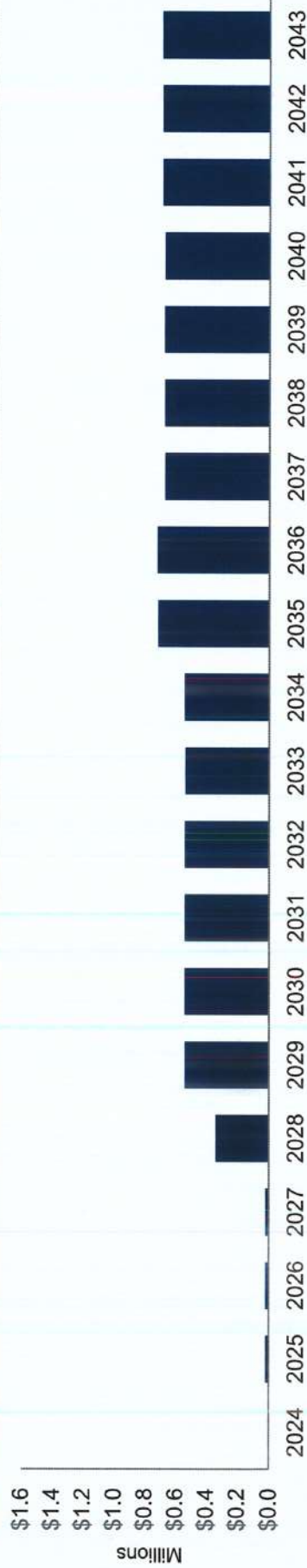
Tendered Bonds		Series 2016, 2017 & 2020B
Call Dates		2016: 7/1/2026 2017: 7/1/2027 2020B: 7/1/2020
Tendered Maturities		2016: 2028-2036 2017: 2029-2040 2020B: 2028-2043
Tendered Par		\$54,579,000
Refunding Bonds		
Refunding Par		\$44,405,000
Delivery Date		3/13/2024
Arbitrage Yield		3.530%
Average Life		13.8 yrs
All-in TIC		3.994%
Gross D/S Savings		\$10,003,415
Net PV Savings (\$)		\$6,133,080
Net PV Savings (%)		11.237%

- A tender of 20% of the proposed candidates (pro rata across series) with proportional savings provides:
 - Net PV savings of \$6.1 million (11.2% of refunded par)
 - Total cash flow savings is \$10,003,415
 - Average annual Cash Flow Savings of \$500,171

Combined Annual Savings (Fiscal Year 9/30)

Date	Tendered Debt Service	Refunding Debt Service	Gross Savings
2024	\$673,909	\$666,075	\$7,834
2025	2,246,363	2,220,250	26,113
2026	2,246,363	2,220,250	26,113
2027	2,246,363	2,220,250	26,113
2028	2,711,363	2,365,250	346,113
2029	4,290,783	3,743,000	547,783
2030	4,291,471	3,741,500	549,971
2031	4,291,101	3,741,250	549,851
2032	4,291,103	3,742,000	549,103
2033	4,290,441	3,743,500	546,941
2034	4,290,998	3,740,500	550,498
2035	5,658,543	4,933,000	725,543
2036	5,732,909	5,001,000	731,909
2037	5,328,327	4,647,500	680,827
2038	5,330,173	4,648,000	682,173
2039	5,329,749	4,645,250	684,499
2040	5,329,768	4,649,000	680,768
2041	5,459,806	4,763,500	696,306
2042	5,459,654	4,762,750	696,904
2043	5,459,805	4,761,750	698,055
Total	\$84,958,990	\$74,955,575	\$10,003,415

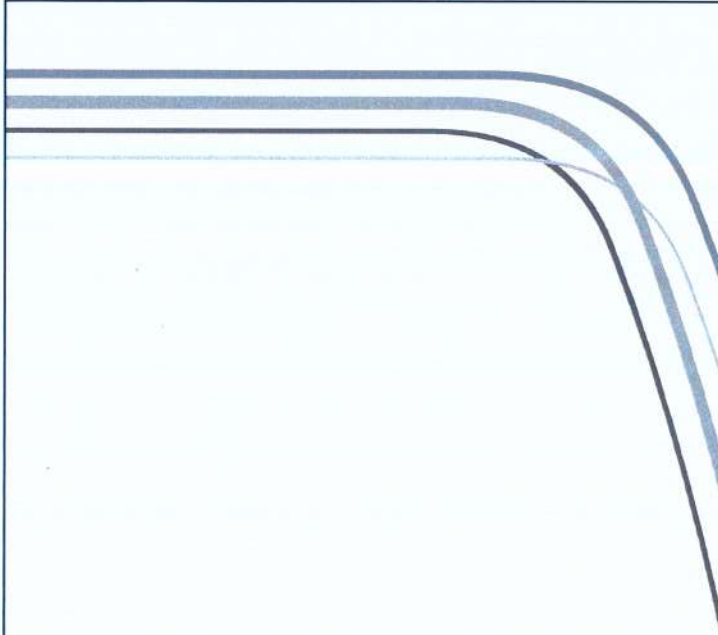
Annual Debt Service Savings (Fiscal Year 9/30)



Note: Preliminary analysis / subject to change. SLGS & Interest Rates as of January 11, 2024. Assumes 1.6% COI. Assumes Tax Exempt Rates with 5% Coupons. Savings discounted at arb yield.

Appendix

Illustrative GWA Tender Economics by Series



Capital
Markets

Illustrative GWA Tender Economics: Series 2016 Bonds

Maturity	Sinking Fund Date	Existing Par (\$)	Refunded Coupon	Refunding Coupon	Refunding Yield	Tender Premium	Tender Price	Savings (\$)	Savings (%)
2016 Serial	7/1/2024	\$875,000	5.00%	5.00%	3.30%	0.75%	101.37	-\$19,934	-2.28%
	7/1/2025	925,000	5.00%	5.00%	3.26%	1.00%	102.95	-19,933	-2.15%
	7/1/2026	965,000	5.00%	5.00%	3.07%	1.50%	104.98	-20,242	-2.10%
	7/1/2027	1,015,000	5.00%	5.00%	2.98%	1.50%	105.17	-2,296	-0.23%
	7/1/2028	1,065,000	5.00%	5.00%	2.91%	1.50%	105.31	17,827	1.67%
	7/1/2029	1,120,000	5.00%	5.00%	2.85%	1.50%	105.47	39,817	3.56%
	7/1/2030	1,180,000	5.00%	5.00%	2.88%	1.50%	105.48	59,822	5.07%
	7/1/2031	1,240,000	5.00%	5.00%	2.93%	1.50%	105.49	78,805	6.36%
	7/1/2032	1,300,000	5.00%	5.00%	2.98%	1.50%	104.73	107,124	8.24%
	7/1/2033	1,365,000	5.00%	5.00%	3.03%	1.50%	104.73	126,258	9.25%
	7/1/2034	1,435,000	5.00%	5.00%	3.10%	1.50%	104.73	143,275	9.98%
2016 Term Bond (2036)	7/1/2035	8,340,000	5.00%	5.00%	3.19%	1.50%	104.73	774,757	9.29%
	7/1/2036	1,920,000	5.00%	5.00%	3.30%	1.50%	104.73	161,438	8.41%
	7/1/2037	2,015,000	5.00%	5.00%	3.42%	1.50%	103.17	180,713	8.97%
	7/1/2038	2,115,000	5.00%	5.00%	3.60%	1.50%	103.17	157,785	7.46%
	7/1/2039	2,215,000	5.00%	5.00%	3.70%	1.50%	103.17	146,688	6.62%
	7/1/2040	2,330,000	5.00%	5.00%	3.81%	1.50%	103.17	132,206	5.67%
	7/1/2041	2,450,000	5.00%	5.00%	3.87%	1.50%	103.17	126,518	5.16%
	7/1/2042	2,570,000	5.00%	5.00%	3.93%	1.50%	103.17	119,132	4.64%
	7/1/2043	2,700,000	5.00%	5.00%	3.98%	1.50%	103.17	113,401	4.20%
	7/1/2044	30,135,000	5.00%	5.25%	4.30%	1.50%	103.17	27,196	0.09%
	7/1/2045	31,640,000	5.00%	5.25%	4.30%	1.50%	103.17	-788	0.00%
1/1/2046	33,225,000	5.00%	5.25%	4.30%	1.50%	103.17	-108,389	-0.33%	
Total		\$134,140,000						\$2,341,181	1.75%
Total w/ Positive Savings		\$130,360,000						\$2,403,586	1.84%
Total w/ Positive Savings (ex. 2046 Term)		\$19,980,000						\$1,506,327	7.54%

Note: Preliminary analysis / subject to change. Interest Rates as of January 11, 2024. Assumes 1.6% COI.

Illustrative GWA Tender Economics: Series 2017 Bonds

Maturity	Sinking Fund Date	Existing Par (\$)	Refunded Coupon	Refunding Coupon	Refunding Yield	Tender Premium	Tender Price	Savings (\$)	Savings (%)
2017 Serial	7/1/2024	\$2,365,000	5.00%	5.00%	3.30%	0.75%	101.37	-\$53,890	-2.28%
	7/1/2025	2,485,000	5.00%	5.00%	3.26%	1.00%	102.95	-53,513	-2.15%
	7/1/2026	2,610,000	5.00%	5.00%	3.07%	1.50%	104.98	-54,838	-2.10%
	7/1/2027	2,740,000	5.00%	5.00%	2.98%	2.00%	107.15	-60,493	-2.21%
	7/1/2028	2,875,000	5.00%	5.00%	2.91%	2.00%	107.39	-10,175	-0.35%
	7/1/2029	3,015,000	5.00%	5.00%	2.85%	2.00%	107.54	46,875	1.55%
	7/1/2030	3,170,000	5.00%	5.00%	2.88%	2.00%	107.55	97,896	3.09%
	7/1/2031	3,325,000	5.00%	5.00%	2.93%	2.00%	107.56	145,409	4.37%
	7/1/2032	3,495,000	5.00%	5.00%	2.98%	2.00%	107.53	194,168	5.56%
	7/1/2033	3,665,000	5.00%	5.00%	3.03%	2.00%	107.49	242,913	6.63%
	7/1/2034	3,850,000	5.00%	5.00%	3.10%	2.00%	107.23	293,075	7.61%
	7/1/2035	4,040,000	5.00%	5.00%	3.19%	2.00%	106.84	293,068	7.25%
	7/1/2036	11,455,000	5.00%	5.00%	3.30%	2.00%	106.35	781,544	6.82%
	7/1/2037	12,025,000	5.00%	5.00%	3.42%	2.00%	105.86	757,071	6.30%
2017 Term Bond (2040)	7/1/2038	12,630,000	5.00%	5.00%	3.60%	2.00%	105.07	698,852	5.53%
	7/1/2039	13,260,000	5.00%	5.00%	3.70%	2.00%	105.07	619,099	4.67%
	7/1/2040	13,925,000	5.00%	5.00%	3.81%	2.00%	105.07	514,613	3.70%
Total		\$100,930,000						\$4,451,674	4.41%
Total Candidates w/ Positive Savings		\$87,855,000						\$4,684,583	5.33%

Note: Preliminary analysis / subject to change. Interest Rates as of January 11, 2024. Assumes 1.6% COI.

Illustrative GWA Tender Economics: Series 2020A (Tax-Exempt) & 2020B (Federally Taxable)

Maturity	Sinking Fund Date	Existing Par (\$)	Refunded Coupon	Refunding Coupon	Refunding Yield	Tender Premium	Tender Price	Savings (\$)	Savings (%)
2020A Term Bond (2050)	7/1/2047	\$30,880,000	5.00%	5.25%	4.30%	3.00%	105.89	-\$1,009,959	-3.27%
	7/1/2048	32,420,000	5.00%	5.25%	4.30%	3.00%	105.89	-1,091,801	-3.37%
	7/1/2049	34,040,000	5.00%	5.25%	4.30%	3.00%	105.89	-1,177,445	-3.46%
	7/1/2050	36,660,000	5.00%	5.25%	4.30%	3.00%	105.89	-1,301,015	-3.55%
Total		\$134,000,000						-\$4,580,220	-3.42%

Maturity	Sinking Fund Date	Existing Par (\$)	Refunded Coupon	Refunding Coupon	Refunding Yield	Tender Spread (bps)	Tender Price	Savings (\$)	Savings (%)
2020B Term Bond (2030)	7/1/2028	\$1,260,000	2.75%	5.00%	2.91%	+100	89.17	\$106,393	8.44%
	7/1/2029	6,175,000	2.75%	5.00%	2.85%	+100	89.17	521,837	8.45%
	7/1/2030	6,340,000	2.75%	5.00%	2.88%	+100	89.17	513,894	8.11%
2020B Term Bond (2034)	7/1/2031	6,515,000	3.25%	5.00%	2.93%	+140	83.52	1,054,533	16.19%
	7/1/2032	6,725,000	3.25%	5.00%	2.98%	+140	83.52	1,075,037	15.99%
	7/1/2033	6,945,000	3.25%	5.00%	3.03%	+140	83.52	1,092,393	15.73%
	7/1/2034	7,170,000	3.25%	5.00%	3.10%	+140	83.52	1,095,879	15.28%
2020B Term Bond (2043)	7/1/2035	7,410,000	3.70%	5.00%	3.19%	+140	79.37	1,618,217	21.84%
	7/1/2036	7,680,000	3.70%	5.00%	3.30%	+140	79.37	1,576,182	20.52%
	7/1/2037	7,960,000	3.70%	5.00%	3.42%	+140	79.37	1,524,547	19.15%
	7/1/2038	8,260,000	3.70%	5.00%	3.60%	+140	79.37	1,436,129	17.39%
	7/1/2039	8,565,000	3.70%	5.00%	3.70%	+140	79.37	1,383,964	16.16%
	7/1/2040	8,880,000	3.70%	5.00%	3.81%	+140	79.37	1,320,550	14.87%
	7/1/2041	24,480,000	3.70%	5.00%	3.87%	+140	79.37	3,412,119	13.94%
7/1/2042	25,385,000	3.70%	5.00%	3.93%	+140	79.37	3,305,148	13.02%	
7/1/2043	26,325,000	3.70%	5.00%	3.98%	+140	79.37	3,207,710	12.19%	
Total		\$166,075,000						\$24,244,531	14.60%

Note: Preliminary analysis / subject to change. Interest Rates as of January 11, 2024. Assumes 1.6% COI.

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APPENDIX 4



GUAM WATERWORKS AUTHORITY

"Better Water. Better Lives."

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

January 16, 2024

Joephet R. Alcantara, ESQ.
Administrative Law Judge (ALJ)
Guam Public Utilities Commission
c/o THOMPSON THOMPSON & ALCANTARA, P.C.
238 Archbishop Flores Street, Suite 801
Hagåtña, Guam 96910

Ref: **GWA Docket 24-03 re GWA Sale and Issuance of Revenue Refunding Bonds:
PUC Requests for Information**

Dear ALJ Alcantara,

Attached are GWA's responses in blue to the RFI's sent via email on January 12, 2024. If you require additional information or have any questions regarding the attached, please email or call and we can respond accordingly.

Sincerely,



Theresa C. Rojas
GWA Legal Counsel

Attachment: RFI Requests and GWA Responses

cc: Miguel C. Bordallo P.E., GWA GM
Taling M. Taitano, GWA CFO
Gilda Mafnas, Assistant, GWA CFO

GWA DOCKET 24-03
REQUEST FOR INFORMATION

Received: January 12, 2024
Deadline: January 17, 2024

1. Please identify which Bond Series will be subject to the refunding.

GWA Response: Series 2013 and Series 2014A Bonds will be subject to Refunding.

2. With respect to such Bond Series, please indicate the amount of the refunding par, refunded par, projected interest rate (or rates), and maturity date.

GWA Response: See **Attachment A** page 1 (GWA Series 2024A&B Financing Update) and a summary of the figures requested below. Note: Both Attachment A and the figures below are refunding results from January 11, 2024, Interest Rates.

Refunding Par	= \$69,305,000
Refunded Par	= \$74,210,000
Project Interest Rate (or rate)	= 3.389% (True Interest Cost)
Maturity Date	= 2013: 2024-2028 = 2014A: 2025-2035

3. Please also provide the estimated savings resulting from the refunding.

GWA Response: See **Attachment A** page 1 (GWA Series 2024A&B Financing Update) and a summary of the figures requested below. Note: Both Attachment A and the figures below are refunding results from January 11, 2024, Interest Rates.

<u>Estimated Gross Saving/Total Cash Flow Savings</u>	= \$6,203,797
<u>Net Present Value Savings</u>	= \$5,355,022
<u>Average Annual Cash Flow Savings</u>	= \$516,983.00

4. Please further provide any closing costs and costs of issuance related to such refunding bonds.

GWA Response: Closing costs and costs of issuance will include attorney fees, rating agency fees, trustee fees, DAC (Digital Assurance Certification, LLC) dissemination fees, fees to GEDA, fees to PUC, underwriter discounts, verification agent fees, financial consultant fees as well as reimbursements to GWA for travel costs. On average, Cost of Issuance of the last 6 bond transactions have been 1.6% of the amounts borrowed or an average of \$2 million.

5. Please provide any proposed Orders and opinions from Bond Counsel.

GWA Response: See **Attachment B** with email dated Friday, January 12, 2024, at 1:54PM forwarding: *Updated Document Package for PUC* from Orrick's Bond Counsel with attachments which includes proposed Orders and other Refunding Docs. Opinions from bond counsel will not be available for transmittal until after the deal closes.

6. Please provide any GEDA authorization related to the issuance of the refunding Bonds.

GWA Response: See **Attachment C** with email dated Friday, January 12, 2024, at 2:22PM forwarding GWA Series 2024A&B revised GEDA Resolution with attachments.