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10 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

11	REQUEST BY THE GUAM) <u>GWA DOCKET 24-03</u>
12	WATERWORKS AUTHORITY FOR)
13	APPROVAL OF THE ISSUANCE OF) PETITION FOR APPROVAL OF THE
14	WATER AND WASTEWATER SYSTEM) ISSUANCE OF GUAM WATERWORKS
15	REVENUE REFUNDING BONDS AND) AUTHORITY WATER & WASTEWATER
16	ASSOCIATED DOCUMENTS) SYSTEM REVENUE REFUNDING
17) BONDS AND ASSOCIATED
18) DOCUMENTS

19 **COMES NOW**, the Guam Waterworks Authority (GWA), by and through its counsel of
20 record, THERESA G. ROJAS, ESQ., and hereby files this Petition for Approval of the Issuance
21 of the Guam Waterworks Authority Water and Wastewater Revenue Refunding Bonds and the
22 Associated Documents.

23 **I. INTRODUCTION**

24
25 On September 27, 2023, GWA received authorization from the CCU via Resolution 49-
26 FY2023 attached hereto as **Attachment A**, to issue one or more series of additional Bonds,
27 pursuant to Article 2, Chapter 14, Title 12 of the Guam Code Annotated (the "Act") and the
28 General Indenture as supplemented by one or more Supplemental Indentures, to be designated
29 as "Revenue Refunding Bonds" (or as otherwise set forth in the related Supplemental
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1 Indenture), in an aggregate principal amount not to exceed an aggregate principal amount
2 sufficient to provide funds for such redemption or retirement of all or a portion of such Prior
3 Bonds, plus related costs of issuance and of such redemption or retirement, including in
4 connection with the tender of such Prior Bonds, and to fund a deposit to the debt service reserve
5 fund, if any. The purpose of the Revenue Refunding Bonds is to realize debt service savings,
6 which is expected to reduce operational expenses and mitigate to some degree future rate relief
7 requirements.
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11 The CCU in Resolution No. 49-FY2023 (Attachment A) also approved the following
12 documents related to the bond issuance, attached hereto as **Exhibits A-G to Attachment A**
13 which include: (1) the form of a ninth supplemental indenture, by and among the Authority, the
14 Trustee and the Co-Trustee (the “Ninth Supplemental Indenture”) in respect of the Revenue
15 Refunding Bonds, currently designated as Series 2023A (Exhibit A to Attachment A); (2) the
16 form of tenth supplemental Indenture by and among the Authority, the Trustee and the Co-
17 Trustee (the “Tenth Supplemental Indenture”) in respect of the Revenue Refunding Bonds
18 (forward delivery) currently designated the Series 2024A Bonds (Exhibit B to Attachment A);
19 (3) the Supplemental Continuing Disclosure Agreement (Exhibit C to Attachment A); (4) the
20 forms of Bond Purchase Agreement (Exhibit D to Attachment A) and Forward Delivery Bond
21 Purchase Agreement (Exhibit E to Attachment A); (5) the form of an Escrow Agreement
22 between the Authority and the Co-Trustee (the “Escrow Agreement”), relating to the refunding
23 of the Prior Bonds (Exhibit F to Attachment A); and (6) the form of the Preliminary Official
24 Statement (Exhibit G to Attachment A) to support the issuance and sale of the Revenue
25 Refunding Bonds.
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1 opportunity when it is most suitable to achieve the targeted debt service savings (well above 2%
2 NPV savings).

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4 **III. CONCLUSION**

5 GWA has filed a detailed and appropriately supported Petition and associated
6 documentation seeking PUC approval to issue revenue refunding bonds to achieve greater than
7 2% NPV savings on debt service and based thereon, GWA respectfully requests approval of this
8 Petition as it reasonable, prudent, and necessary.
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12 Respectfully submitted this 14th day of November 2023.

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16 **THERESA C. ROJAS. ESQ**
17 GWA Legal Counsel
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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.

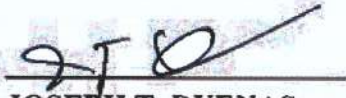
29 Section 8. The Bonds shall not be issued without the approval of the Guam Public
30 Utilities Commission in accordance with the Act and Chapter 12 of Title 12, Guam Code
31 Annotated, and shall be in all respects subject to such approval and to the terms and conditions
32 of the approval of GEDA,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

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

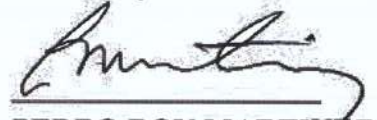
RESOLVED, that the Chairman certifies and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED, this 27th day of September 2023.

Certified by:


JOSEPH T. DUENAS
Chairperson

Attested by:


PEDRO ROY MARTINEZ
Secretary

SECRETARY'S CERTIFICATE

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

The foregoing is a full, true and accurate copy of Resolution No. 49-FY2023 duly adopted at a regular meeting by the members of the Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

AYES:	<u>5</u>
NAYS:	<u>0</u>
ABSENT:	<u>0</u>
ABSTAIN:	<u>0</u>

SO CERTIFIED this 27th day of September, 2023.




PEDRO ROY MARTINEZ
Secretary, Consolidated Commission on Utilities

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

\$[]

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, 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 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.

[Remainder of page intentionally blank]

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:

Maturity Date (July 1)	Principal Amount	Interest Rate
---------------------------	---------------------	------------------

(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 Depositary 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 Depositary 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 Depositary 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

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

INTEREST RATE

MATURITY DATE

DATED DATE

CUSIP

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

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.

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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:

Maturity Date (July 1)	Principal Amount	Interest Rate
---------------------------	---------------------	------------------

(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 Depositary 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 Depositary 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 Depositary 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

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

By _____
Authorized Officer

Tenth Supplemental Indenture – Guam Waterworks Authority

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

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

Tenth Supplemental Indenture – Guam Waterworks Authority

EXHIBIT A

FORM OF BOND

No. R-___

\$ _____

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

INTEREST RATE

MATURITY DATE

DATED DATE

CUSIP

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

2023A SUPPLEMENTAL CONTINUING DISCLOSURE AGREEMENT

This Supplemental Continuing Disclosure Agreement, dated _____, 2023, supplementing and amending the Master Continuing Disclosure Agreement, dated as of December 1, 2005 (as supplemented, the "Disclosure Agreement"), between the GUAM WATERWORKS AUTHORITY (the "Authority") and DIGITAL ASSURANCE CERTIFICATION, L.L.C. (the "Dissemination Agent" or "DAC"), is being executed by the Authority and the Dissemination Agent in connection with the issuance of \$_____ Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2023A (the "2023A Bonds"). The 2023A Bonds are being issued pursuant to the Indenture, dated as of December 1, 2005, as supplemented, including as supplemented by the Ninth Supplemental Indenture, dated as of [_____] 1, 2023 (the "Indenture"), among the Authority, Bank of Guam, as trustee (the "Trustee"), and U.S. Bank National Association, as co-trustee (the "Co-Trustee").

The services provided under this Supplemental Continuing Disclosure Agreement relate solely to the execution of instructions received from the Authority through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). The Dissemination Agent will not provide any advice or recommendation to the Authority or anyone on the Authority's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Supplemental Continuing Disclosure Agreement shall be interpreted to the contrary.

The Authority and the Dissemination Agent covenant and agree as follows:

SECTION 1. Definitions. Unless otherwise defined herein, or the context otherwise requires, capitalized terms used in this Supplemental Continuing Disclosure Agreement shall have the meanings ascribed thereto in the Disclosure Agreement or, if not defined in the Disclosure Agreement, in the Indenture.

SECTION 2. Purpose of the Supplemental Continuing Disclosure Agreement; Designation as Designated Bonds; Application of Disclosure Agreement. This Supplemental Continuing Disclosure Agreement is being executed and delivered by the Authority and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the 2023A Bonds and in order to assist the Participating Underwriters in complying with the Rule. The 2023A Bonds are hereby designated as "Designated Bonds" under the Disclosure Agreement. Except as provided below, all terms and provisions of the Disclosure Agreement are hereby made applicable to the 2023A Bonds described herein.

SECTION 3. Filings with MSRB; Format. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>. Any report or filing with the MSRB pursuant to this Supplemental Continuing Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 4. Provisions Applicable to 2023A Bonds. The following provisions shall apply solely to the 2023A Bonds and shall supersede the provisions of the Disclosure Agreement for purposes of the 2023A Bonds.

(a) Solely with respect to the 2023A Bonds, the following terms shall have the following meanings:

"Annual Filing Date" means the date, set forth in Section 3(a), by which the Annual Report is to be filed with the MSRB.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Listed Event notice, or Failure to File Event notice, as applicable, delivered to the Dissemination Agent is the Annual Report, Listed Event notice or Failure to File Event notice, as applicable, required to be submitted to the MSRB under this Supplemental Continuing Disclosure Agreement. A Certification shall accompany each such document submitted to the Dissemination Agent by

the Authority and include the full name of the 2023A Bonds and the 9-digit CUSIP numbers for all 2023A Bonds to which the document applies.

“Disclosure Representative” means such person as the Authority shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing Information to the Dissemination Agent.

“Failure to File Event” means the Authority’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” means, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Information” means, collectively, the Annual Reports, the Listed Event notices and the Failure to File Event notices.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of the Disclosure Agreement.

“Official Statement” shall mean the Official Statement, dated _____, 2023, relating to the 2023A Bonds.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule.

“Repository” shall mean the MSRB.

(b) With respect to the 2023A Bonds, Section 3 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of each fiscal year of the Authority (presently September 30) (the “Annual Filing Date”), commencing with the report for the fiscal year ending September 30, 2023, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of the Disclosure Agreement; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) The Authority shall provide, annually, an electronic copy of the Annual Report and Certification to the Dissemination Agent, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Dissemination Agent shall provide an Annual Report to the MSRB not later than the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross reference other information as provided in Section 4 of the Disclosure Agreement.

(c) If on the fifteenth (15th) day prior to the Annual Filing Date, the Dissemination Agent has not received a copy of the Annual Report and Certification, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Authority of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Dissemination Agent in writing that the Authority will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit A, accompanied by a cover sheet completed by the Dissemination Agent.

(d) If the Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Authority irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Dissemination Agent.

(e) If the Authority adjusts the Annual Filing Date upon change of its fiscal year, it shall provide written notice of such change and the new Annual Filing Date to the Dissemination Agent, Trustee and the MSRB, provided, however, that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(f) Any Information received by the Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.”

(c) With respect to the 2023A Bonds, references in the Master Continuing Disclosure Agreement to Section 5(a) shall be deemed to refer to Sections 5(a) and (b) of such Section 5, as set forth in Section 4(d) of this Supplemental Continuing Disclosure Agreement.

(d) With respect to the 2023A Bonds, Section 5 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, to the MSRB notice of the occurrence of any of the following events with respect to the 2023A Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes;
- (9) Bankruptcy, insolvency, receivership or similar event of the Authority; or
- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2023A Bonds, if material, to the MSRB in a timely manner not later than ten business days after the occurrence of the event:

- (1) Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the 2023A Bonds or other material events affecting the tax status of the 2023A Bonds;
- (2) Modifications to rights of 2023A Bond holders;
- (3) Optional, unscheduled or contingent 2023A Bond calls;
- (4) Release, substitution, or sale of property securing repayment of the 2023A Bonds;
- (5) Non-payment related defaults;
- (6) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

- (7) Appointment of a successor or additional trustee or the change of name of a trustee; or
- (8) Incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Bond holders.
- (c) Notwithstanding the foregoing, notice of the Listed Events described in subsections (a)(7) and (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected 2023A Bonds pursuant to the Indenture.
- (d) The Trustee and the Co-Trustee shall, within one (1) Business Day (or as soon thereafter as practicable) of obtaining actual knowledge of the occurrence of any of the Listed Events, inform the Disclosure Representative of the event, and request that the Authority promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsections (e) and (f) hereof.
- (e) Whenever the Authority obtains knowledge of the occurrence of a Listed Event under subsection 5(b), whether because of a notice from the Trustee or Co-Trustee pursuant to subsection (d) or otherwise, the Authority shall as soon as practicable determine if such event is material under applicable federal securities laws. If the Authority determines that the occurrence of such Listed Event would be material under applicable federal securities laws, the Authority shall promptly notify the Dissemination Agent in writing of the occurrence of the Listed Event. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection 5(g) hereof and shall be accompanied by a Certification. If in response to a request under subsection 5(d), the Authority determines that such Listed Event would not be material under applicable federal securities laws, the Authority shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence. If in response to a request under subsection 5(d), the Authority determines that such Listed Event is a Listed Event under subsection 5(a), the Authority shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence. Such notice or Certification shall identify the Listed Event that has occurred (which shall be any of the categories set forth in Section 5 (a) or (b) of this Disclosure Agreement), include the text of the disclosure that the Authority desires to make, contain the written authorization of the Authority for the Dissemination Agent to disseminate such information, and identify the date the Authority desires for the Dissemination Agent to disseminate the information.
- (f) The Dissemination Agent is under no obligation to notify the Authority or the Disclosure Representative of an event that may constitute a Listed Event. In the event the Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will promptly instruct the Dissemination Agent that either (i) a Listed Event has not occurred and no filing is to be made or (ii) a Listed Event has occurred and the Dissemination Agent is to report the occurrence pursuant to subsection (g) of this Section 5, which instructions relating to this clause (ii) to be accompanied by a Certification. Such Certification shall identify the Listed Event that has occurred (which shall be any of the categories set forth in Section 5 (a) or (b) of this Disclosure Agreement), include the text of the disclosure that the Authority desires to make, contain the written authorization of the Authority for the Dissemination Agent to disseminate such information, and identify the date the Authority desires for the Dissemination Agent to disseminate the information.
- (g) If the Dissemination Agent has been instructed by the Authority as prescribed in subsection (e) or (f)(ii) of this Section 5 to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB within the time frame set forth in Section 3(f). This notice will be filed with a cover sheet completed by the Dissemination Agent.
- (h) The Authority intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of "Financial Obligation" in Section 2, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further

amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.”

(i) With respect to the 2023A Bonds, Section 7 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 7. Dissemination Agent. The Authority has appointed Digital Assurance Certification, L.L.C. as exclusive Dissemination Agent under this Disclosure Agreement. The Authority may, upon thirty days’ prior written notice to the Dissemination Agent and the Trustee, replace or appoint a successor Dissemination Agent. Upon termination of DAC’s services as Dissemination Agent, whether by notice of the Authority or DAC, the Authority agrees to appoint a successor Dissemination Agent or, alternately, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the holders of the 2023A Bonds. Notwithstanding any replacement or appointment of a successor, the Authority shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent. The Dissemination Agent may resign at any time by providing thirty days’ prior written notice to the Authority.”

(j) With respect to the 2023A Bonds, Section 11 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent’s obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Authority has provided such information to the Dissemination Agent as required by this Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the Holders of the 2023A Bonds or any other party. The Dissemination Agent shall have no responsibility for the Authority’s failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Authority has complied with this Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Authority at all times.

The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the 2023A Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Authority.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB necessary to file such information in accordance with this Disclosure Agreement.”

SECTION 5. Ratification of Disclosure Agreement. As heretofore supplemented and as amended and supplemented hereby, the Disclosure Agreement is in all respects confirmed, except with respect to such provisions which apply expressly to the 2023A Bonds as set forth herein, and the Disclosure Agreement, all agreements supplemental thereto and this Supplemental Continuing Disclosure Agreement shall be read, taken and considered as one instrument.

SECTION 6. Counterparts. This Supplemental Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Supplemental Continuing Disclosure Agreement has been executed on behalf of the Authority and the Dissemination Agent by their duly authorized representatives as of the date first written above.

GUAM WATERWORKS AUTHORITY

By: _____
Authorized Officer

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

By: _____
Authorized Officer

EXHIBIT C-07

**PROPOSED FORM OF
2024A SUPPLEMENTAL CONTINUING DISCLOSURE AGREEMENT**

This Supplemental Continuing Disclosure Agreement, dated _____, 2024, supplementing and amending the Master Continuing Disclosure Agreement, dated as of December 1, 2005 (as supplemented, the "Disclosure Agreement"), between the GUAM WATERWORKS AUTHORITY (the "Authority") and DIGITAL ASSURANCE CERTIFICATION, L.L.C. (the "Dissemination Agent" or "DAC"), is being executed by the Authority and the Dissemination Agent in connection with the issuance of \$_____ Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2024A (the "2024A Bonds"). The 2024A Bonds are being issued pursuant to the Indenture, dated as of December 1, 2005, as supplemented, including as supplemented by the Tenth Supplemental Indenture, dated as of [_____] 1, 2024 (the "Indenture"), among the Authority, Bank of Guam, as trustee (the "Trustee"), and U.S. Bank National Association, as co-trustee (the "Co-Trustee").

The services provided under this Supplemental Continuing Disclosure Agreement relate solely to the execution of instructions received from the Authority through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). The Dissemination Agent will not provide any advice or recommendation to the Authority or anyone on the Authority's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Supplemental Continuing Disclosure Agreement shall be interpreted to the contrary.

The Authority and the Dissemination Agent covenant and agree as follows:

SECTION 7. Definitions. Unless otherwise defined herein, or the context otherwise requires, capitalized terms used in this Supplemental Continuing Disclosure Agreement shall have the meanings ascribed thereto in the Disclosure Agreement or, if not defined in the Disclosure Agreement, in the Indenture.

SECTION 8. Purpose of the Supplemental Continuing Disclosure Agreement; Designation as Designated Bonds; Application of Disclosure Agreement. This Supplemental Continuing Disclosure Agreement is being executed and delivered by the Authority and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the 2024A Bonds and in order to assist the Participating Underwriters in complying with the Rule. The 2024A Bonds are hereby designated as "Designated Bonds" under the Disclosure Agreement. Except as provided below, all terms and provisions of the Disclosure Agreement are hereby made applicable to the 2024A Bonds described herein.

SECTION 9. Filings with MSRB; Format. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>. Any report or filing with the MSRB pursuant to this Supplemental Continuing Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 10. Provisions Applicable to 2024A Bonds. The following provisions shall apply solely to the 2024A Bonds and shall supersede the provisions of the Disclosure Agreement for purposes of the 2024A Bonds.

(e) Solely with respect to the 2024A Bonds, the following terms shall have the following meanings:

"Annual Filing Date" means the date, set forth in Section 3(a), by which the Annual Report is to be filed with the MSRB.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Listed Event notice, or Failure to File Event notice, as applicable, delivered to the Dissemination Agent is the Annual Report, Listed Event notice or Failure to File Event notice, as applicable, required to be submitted to the MSRB under this Supplemental Continuing Disclosure Agreement. A Certification shall accompany each such document submitted to the Dissemination Agent by

the Authority and include the full name of the 2024A Bonds and the 9-digit CUSIP numbers for all 2024A Bonds to which the document applies.

“Disclosure Representative” means such person as the Authority shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing Information to the Dissemination Agent.

“Failure to File Event” means the Authority’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” means, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Information” means, collectively, the Annual Reports, the Listed Event notices and the Failure to File Event notices.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of the Disclosure Agreement.

“Official Statement” shall mean the Official Statement, dated _____, 2023, relating to the 2024A Bonds.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule.

“Repository” shall mean the MSRB.

(f) With respect to the 2024A Bonds, Section 3 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of each fiscal year of the Authority (presently September 30) (the “Annual Filing Date”), commencing with the report for the fiscal year ending September 30, 2023, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of the Disclosure Agreement; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) The Authority shall provide, annually, an electronic copy of the Annual Report and Certification to the Dissemination Agent, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Dissemination Agent shall provide an Annual Report to the MSRB not later than the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross reference other information as provided in Section 4 of the Disclosure Agreement.

(c) If on the fifteenth (15th) day prior to the Annual Filing Date, the Dissemination Agent has not received a copy of the Annual Report and Certification, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Authority of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Dissemination Agent in writing that the Authority will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit A, accompanied by a cover sheet completed by the Dissemination Agent.

(d) If the Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Authority irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Dissemination Agent.

(e) If the Authority adjusts the Annual Filing Date upon change of its fiscal year, it shall provide written notice of such change and the new Annual Filing Date to the Dissemination Agent, Trustee and the MSRB, provided, however, that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(f) Any Information received by the Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.”

(g) With respect to the 2024A Bonds, references in the Master Continuing Disclosure Agreement to Section 5(a) shall be deemed to refer to Sections 5(a) and (b) of such Section 5, as set forth in Section 4(d) of this Supplemental Continuing Disclosure Agreement.

(h) With respect to the 2024A Bonds, Section 5 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 5. Reporting of Significant Events.

(k) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, to the MSRB notice of the occurrence of any of the following events with respect to the 2024A Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (11) Principal and interest payment delinquencies;
- (12) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (13) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (14) Substitution of credit or liquidity providers, or their failure to perform;
- (15) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (16) Tender offers;
- (17) Defeasances;
- (18) Rating changes;
- (19) Bankruptcy, insolvency, receivership or similar event of the Authority; or
- (20) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(l) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2024A Bonds, if material, to the MSRB in a timely manner not later than ten business days after the occurrence of the event:

- (9) Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the 2024A Bonds or other material events affecting the tax status of the 2024A Bonds;
- (10) Modifications to rights of 2024A Bond holders;
- (11) Optional, unscheduled or contingent 2024A Bond calls;
- (12) Release, substitution, or sale of property securing repayment of the 2024A Bonds;
- (13) Non-payment related defaults;
- (14) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(15) Appointment of a successor or additional trustee or the change of name of a trustee; or

(16) Incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Bond holders.

(m) Notwithstanding the foregoing, notice of the Listed Events described in subsections (a)(7) and (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected 2024A Bonds pursuant to the Indenture.

(n) The Trustee and the Co-Trustee shall, within one (1) Business Day (or as soon thereafter as practicable) of obtaining actual knowledge of the occurrence of any of the Listed Events, inform the Disclosure Representative of the event, and request that the Authority promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsections (e) and (f) hereof.

(o) Whenever the Authority obtains knowledge of the occurrence of a Listed Event under subsection 5(b), whether because of a notice from the Trustee or Co-Trustee pursuant to subsection (d) or otherwise, the Authority shall as soon as practicable determine if such event is material under applicable federal securities laws. If the Authority determines that the occurrence of such Listed Event would be material under applicable federal securities laws, the Authority shall promptly notify the Dissemination Agent in writing of the occurrence of the Listed Event. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection 5(g) hereof and shall be accompanied by a Certification. If in response to a request under subsection 5(d), the Authority determines that such Listed Event would not be material under applicable federal securities laws, the Authority shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence. If in response to a request under subsection 5(d), the Authority determines that such Listed Event is a Listed Event under subsection 5(a), the Authority shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence. Such notice or Certification shall identify the Listed Event that has occurred (which shall be any of the categories set forth in Section 5 (a) or (b) of this Disclosure Agreement), include the text of the disclosure that the Authority desires to make, contain the written authorization of the Authority for the Dissemination Agent to disseminate such information, and identify the date the Authority desires for the Dissemination Agent to disseminate the information.

(p) The Dissemination Agent is under no obligation to notify the Authority or the Disclosure Representative of an event that may constitute a Listed Event. In the event the Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will promptly instruct the Dissemination Agent that either (i) a Listed Event has not occurred and no filing is to be made or (ii) a Listed Event has occurred and the Dissemination Agent is to report the occurrence pursuant to subsection (g) of this Section 5, which instructions relating to this clause (ii) to be accompanied by a Certification. Such Certification shall identify the Listed Event that has occurred (which shall be any of the categories set forth in Section 5 (a) or (b) of this Disclosure Agreement), include the text of the disclosure that the Authority desires to make, contain the written authorization of the Authority for the Dissemination Agent to disseminate such information, and identify the date the Authority desires for the Dissemination Agent to disseminate the information.

(q) If the Dissemination Agent has been instructed by the Authority as prescribed in subsection (e) or (f)(ii) of this Section 5 to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB within the time frame set forth in Section 3(f). This notice will be filed with a cover sheet completed by the Dissemination Agent.

(r) The Authority intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of "Financial Obligation" in Section 2, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further

amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.”

(s) With respect to the 2024A Bonds, Section 7 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 7. Dissemination Agent. The Authority has appointed Digital Assurance Certification, L.L.C. as exclusive Dissemination Agent under this Disclosure Agreement. The Authority may, upon thirty days’ prior written notice to the Dissemination Agent and the Trustee, replace or appoint a successor Dissemination Agent. Upon termination of DAC’s services as Dissemination Agent, whether by notice of the Authority or DAC, the Authority agrees to appoint a successor Dissemination Agent or, alternately, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the holders of the 2024A Bonds. Notwithstanding any replacement or appointment of a successor, the Authority shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent. The Dissemination Agent may resign at any time by providing thirty days’ prior written notice to the Authority.”

(t) With respect to the 2024A Bonds, Section 11 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent

(d) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent’s obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Authority has provided such information to the Dissemination Agent as required by this Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the Holders of the 2024A Bonds or any other party. The Dissemination Agent shall have no responsibility for the Authority’s failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Authority has complied with this Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Authority at all times.

The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the 2024A Bonds.

(e) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Authority.

(f) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB necessary to file such information in accordance with this Disclosure Agreement.”

SECTION 11. Ratification of Disclosure Agreement. As heretofore supplemented and as amended and supplemented hereby, the Disclosure Agreement is in all respects confirmed, except with respect to such provisions which apply expressly to the 2024A Bonds as set forth herein, and the Disclosure Agreement, all agreements supplemental thereto and this Supplemental Continuing Disclosure Agreement shall be read, taken and considered as one instrument.

SECTION 12. Counterparts. This Supplemental Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Supplemental Continuing Disclosure Agreement has been executed on behalf of the Authority and the Dissemination Agent by their duly authorized representatives as of the date first written above.

GUAM WATERWORKS AUTHORITY

By: _____
Authorized Officer

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

By: _____
Authorized Officer

\$[]
**Guam Waterworks Authority
Water and Wastewater System
Revenue Refunding Bonds
Series 2023A**

BOND PURCHASE AGREEMENT

[Sale Date], 2023

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

Guam Economic Development Authority
ITC Building
590 South Marine Corps Drive, Suite 511
Tamuning, Guam 96931

Ladies and Gentlemen:

Citigroup Global Markets Inc. (the “Representative”), on behalf of itself and RBC Capital Markets, LLC (together, the “Underwriters”), hereby offers to enter into this Bond Purchase Agreement with the Guam Waterworks Authority (the “Authority”) for the purchase by the Underwriters and the sale by the Authority of its Water and Wastewater System Revenue Refunding Bonds specified below. This offer is made subject to acceptance thereof by the Authority and the Guam Economic Development Authority (“GEDA”) prior to 11:59 p.m., prevailing time in New York, New York, on the date hereof, and, upon such acceptance, evidenced by the signature of a duly authorized officer of the Authority and GEDA in the space provided below, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority and the Underwriters. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Official Statement (as defined herein).

A. Purchase of the 2023 Bonds; Authorization.

1. Upon the terms and conditions and upon the basis of the representations and warranties herein set forth, the Underwriters hereby agree to purchase from the Authority, and the Authority hereby agrees to sell to the Underwriters, all (but not less than all) of the Authority’s Water and Wastewater System Revenue Refunding Bonds, Series 2023 (the “2023 Bonds”). The purchase price for the 2023 Bonds shall be \$[] (the “2023 Purchase Price”), representing the principal amount of the 2023 Bonds of \$[], [plus/less] a net original issue [premium/discount] of \$[], and less an underwriters’

discount of \$[____]. The 2023 Bonds shall be dated the date of original issuance thereof (the "Dated Date"), shall mature on the dates, shall be subject to prior redemption, and shall bear interest (from the Dated Date) at the rates, all as set forth in Appendix A, attached hereto, and shall be payable at the times and in the manner, and shall otherwise have the terms and provisions, set forth in the Ninth Supplemental Indenture.

2. [To update] The issuance, sale and delivery of the 2023 Bonds have been approved by Resolution No. [____] of the Consolidated Commission on Utilities adopted on [____], 2023 (the "CCU Resolution"). The issuance and sale of the 2023 Bonds have been approved by GEDA pursuant to Resolution No. [____] adopted on [____], 2023 (the "GEDA Resolution") and by the Guam Public Utilities Commission pursuant to the Orders in GWA Docket No. [____] dated [____], 2023 (the "PUC Order"). The 2023 Bonds shall be issued pursuant to Chapter 14 of Title 12 of the Guam Code Annotated, as amended (the "Act") and Public Law No. 28-71, adopted by the Guam Legislature (the "Legislature") on October 26, 2005 and signed by the Governor on November 3, 2005, as amended by Public Law No. 30-145, adopted by the Legislature on May 3, 2010 and signed by the Acting Governor on May 17, 2010, and as further amended by Public Law No. 32-069, adopted by the Legislature on November 5, 2013 and signed by the Governor on November 7, 2013 (the "Bond Act"). The 2023 Bonds shall be as described in and shall be issued and secured under and pursuant to an Indenture, dated as of December 1, 2005, as previously supplemented and amended (the "General Indenture"), and as supplemented by a Ninth Supplemental Indenture, dated as of [____], 2023 (the "Ninth Supplemental Indenture" and, together with the General Indenture, the "Indenture"), each by and among the Authority, Bank of Guam, as trustee and depository (the "Trustee") and U.S. Bank Trust Company, National Association, as co-trustee and paying agent and registrar (the "Co-Trustee").
- B. The Closing. The "Closing" shall take place at 11:45 p.m., Guam time on [Closing Date], 2023 (8:45 a.m., New York time, on [Closing Date], 2023), or on such other date or at such other time as shall have been mutually agreed upon by the Authority and the Underwriters as the date on or place at which the Closing shall occur (the "Closing Date"). At 8:45 a.m., New York time (or as soon thereafter as The Depository Trust Company ("DTC") permits), on the Closing Date, the Authority will cause the 2023 Bonds in definitive form, duly executed and authenticated, to be delivered to the principal office of DTC in New York, New York. Simultaneously with such delivery, and provided that all conditions to the obligations of the Underwriters set forth in Section K hereof have been satisfied and the documents referred to therein are in form and substance satisfactory to the Representative, the Representative will cause the 2023 Purchase Price of the 2023 Bonds to be paid in immediately available funds to the order of the Authority. The 2023 Bonds, bearing CUSIP numbers, will be in definitive form and registered in the name of "Cede & Co." as nominee of DTC. There shall be one original 2023 Bond for each maturity of the 2023 Bonds and the 2023 Bonds will be delivered to the Co-Trustee, as FAST agent on behalf of DTC pursuant to DTC's Fast Automated Securities Transfer program, at or before the date and time of the Closing. The failure of the 2023 Bonds to bear correct CUSIP numbers shall not be a basis for failure of the Underwriters to accept delivery of the 2023 Bonds.

C. Establishment of Issue Price of 2023 Bonds.

1. The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the 2023 Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Orrick Herrington & Sutcliffe LLP ("Bond Counsel"), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2023 Bonds.
2. [Except as otherwise set forth in Schedule I attached hereto,] the Authority will treat the first price at which 10% of each maturity of the 2023 Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Representative shall report to the Authority the price or prices at which the Underwriters have sold to the public each maturity of 2023 Bonds. For purposes of this Section, if 2023 Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the 2023 Bonds.
3. [The Representative confirms that the Underwriters have offered the 2023 Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the 2023 Bonds for which the 10% test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agree that (i) the Representative will retain all unsold 2023 Bonds of each maturity for which the 10% test has not been satisfied and not allocate any such 2023 Bonds to any other Underwriter and (ii) the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2023 Bonds, the Representative will neither offer nor sell unsold 2023 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:
 - (1) the close of the fifth (5th) business day after the sale date; or
 - (2) the date on which the Underwriters have sold at least 10% of that maturity of the 2023 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether the Underwriters have sold 10% of that maturity of the 2023 Bonds to the public at a price that is no higher than the initial offering price to the public.]

4. The Representative confirms that:

- (a) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the 2023 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:
 - (i) (A) to report the prices at which it sells to the public the unsold 2023 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2023 Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the 2023 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (B) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires, and
 - (ii) to promptly notify the Representative of any sales of 2023 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the 2023 Bonds to the public (each such term being used as defined below),
 - (iii) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.
 - (b) any agreement among underwriters or selling group agreement relating to the initial sale of the 2023 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2023 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold 2023 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2023 Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the 2023 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.
5. The Authority acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the 2023 Bonds, including, but not limited to,

its agreement to comply with the hold-the-offering-price rule, if applicable to the 2023 Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2023 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2023 Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the 2023 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2023 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2023 Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2023 Bonds.

6. The Underwriters acknowledge that sales of any 2023 Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2023 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:
 - (a) “public” means any person other than an underwriter or a related party,
 - (b) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2023 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2023 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2023 Bonds to the public),
 - (c) a purchaser of any of the 2023 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of

the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (d) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

D. Official Statement.

1. The Authority hereby consents to and confirms the prior use by the Underwriters of the Preliminary Official Statement (in printed or electronic form) dated [], 2023 (the “Preliminary Official Statement”), that has been approved by the Authority, in connection with the public offering of the 2023 Bonds by the Underwriters, and further confirms the authority of the Underwriters to use, and consents to the use of, a final Official Statement (in printed or electronic form) with respect to the 2023 Bonds, to be dated the date hereof (or such other date as may be mutually agreed by the Authority and the Representative), and any amendments or supplements thereto that shall be approved by the Authority (the “Official Statement”), in connection with the public offering and sale of the 2023 Bonds. The Authority hereby represents and warrants that the Preliminary Official Statement, previously furnished to the Underwriters was “deemed final” by the Authority as of its date with respect to the 2023 Bonds for purposes of Rule 15c2-12 (“Rule 15c2-12”), promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), except for the omission of such information as is specified in Rule 15c2-12(b)(1).
2. The Authority shall provide or cause to be provided to the Representative within seven (7) business days after the date of this Bond Purchase Agreement, or three (3) business days prior to the Closing, whichever comes first, copies of a final Official Statement in sufficient quantity to permit the Underwriters to comply with Rule 15c2-12 and other applicable rules of the SEC and the Municipal Securities Rulemaking Board (the “MSRB”).
3. The Authority hereby authorizes the Representative to file, and the Representative hereby agrees to file, the Official Statement with the MSRB through its EMMA system.

- E. Amendments to Official Statement. The Authority covenants with the Underwriters to notify promptly the Representative if, during the “Update Period,” which is defined to mean the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period (as hereinafter defined), any event shall occur, or information comes to the attention of the Authority that would cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Representative such event or information requires the preparation and distribution of a supplement or amendment to the Official Statement, to prepare and furnish to the Representative, at the Authority’s expense, such number of copies

of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the Authority and approved by the Representative, as the Representative may reasonably request and if such notification shall be given subsequent to the Closing Date, such additional legal opinions, certificates, instruments, and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

- F. Public Offering. The Underwriters intend to make an initial public offering of all the 2023 Bonds at prices not in excess of the initial offering price or prices set forth in the Official Statement; provided, however, that the Underwriters may change such initial offering price or prices as they deem necessary, in their sole discretion, in connection with the offering of the 2023 Bonds without any requirement of prior notice, and may offer and sell the 2023 Bonds to certain institutions at prices lower than those stated in the Official Statement.
- G. End of Underwriting Period. For purposes of this Bond Purchase Agreement, the “End of the Underwriting Period” shall mean the earlier of the Closing Date, unless the Authority has been notified to the contrary in writing by the Representative on or prior to the Closing Date, or the date on which the “end of the underwriting period” for the 2023 Bonds has occurred under Rule 15c2-12, but in any event not later than 25 days after the Closing Date.
1. The Underwriters shall provide to the Authority upon request such information as may be reasonably required by the Authority in order to determine whether the “end of the underwriting period” for the 2023 Bonds has occurred under Rule 15c2-12 with respect to the unsold balance of 2023 Bonds that are held by either of the Underwriters for sale to the public within the meaning of Rule 15c2-12.
 2. Within one business day following receipt thereof, the Representative shall deliver the Official Statement and any supplement or amendment thereto to the MSRB through its EMMA system.
- H. Plan of Financing.
1. The 2023 Bonds shall be issued and secured as described in Section A hereof, substantially in the form delivered to the Underwriters, with only such changes therein as shall be mutually agreed upon between the Authority and the Underwriters prior to Closing.
 2. The 2023 Bonds are being issued by the Authority for the following purposes: (a) to refund a portion of the Authority’s [] (collectively, the “Refunded Bonds”), and (b) to pay certain expenses incurred in connection with the issuance of the 2023 Bonds and refunding of the Refunded Bonds. The refunding of the Refunded Bonds will be facilitated by a request by the Authority for a tender of the Refunded Bonds [and either exchange the Bonds for the Refunded Bonds], or use the proceeds of the Bonds to purchase and cancel the Refunded Bonds, as described in the Preliminary Official Statement and the Dealer Manager Agreement (the “Dealer Manager Agreement”) attached hereto as Exhibit C, between the Authority and Citigroup Global Markets Inc., as dealer manager thereunder (in such capacity, the “Dealer Manager”). [] will serve as tender agent and information agent (the “Tender Agent”) in connection therewith pursuant

to a Tender Agent Agreement, by and between the Authority and the Tender Agent (the "Tender Agent Agreement"). A portion of the proceeds of the Bonds will be held in an escrow fund to be established pursuant to the Escrow Agreement (the "Escrow Agreement"), by and between the Authority and U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent"), for the purpose of paying and redeeming or defeasing certain of the Refunded Bonds.

- I. Secondary Market Disclosure. The Authority agrees to comply with any and all rules and regulations currently in effect and which hereafter may be adopted by the SEC or the MSRB which are applicable to the 2023 Bonds relating to secondary market disclosure for the 2023 Bonds, including, but not limited to, Rule 15c2-12. To that end, the Authority will undertake, when required by such rules and regulations, pursuant to the Indenture and the Master Continuing Disclosure Agreement, dated as of December 1, 2005, as amended and supplemented, and as further amended and supplemented by that certain Supplemental Continuing Disclosure Agreement relating to the 2023 Bonds, dated as of the Closing Date (the "Continuing Disclosure Agreement" and together with the Ninth Supplemental Indenture and the Escrow Agreement, collectively the "Legal Documents"), by and between the Authority and Digital Assurance Certification, L.L.C., as dissemination agent (the "Dissemination Agent"), to provide annual reports and notices of certain events as required therein. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Other than as described in the Preliminary Official Statement or the Official Statement, the Authority has not failed within the previous five years to comply in all material respects with any previous undertakings to provide financial information or notices of material events in accordance with the Rule 15c2-12.
- J. Representations, Warranties and Covenants of the Authority. The Authority represents and warrants to, and agrees with, each of the Underwriters that:
1. The Authority is duly organized and validly existing as a Guam public corporation with full legal right, power and authority to issue the 2023 Bonds pursuant to the Act.
 2. The Authority has full legal right, power and authority to: (a) execute and deliver this Bond Purchase Agreement, (b) execute and deliver the Ninth Supplemental Indenture, the Continuing Disclosure Agreement, and the Escrow Agreement on the Closing Date, (c) deliver the Preliminary Official Statement and execute and deliver the Official Statement, (d) issue, sell and deliver the 2023 Bonds to the Underwriters pursuant to the Indenture, as provided herein; (e) pay the purchase price of or refund the Refunded Bonds; (f) perform its obligations under the 2023 Bonds, the General Indenture and the Legal Documents and this Bond Purchase Agreement, and (g) to carry out and consummate all other transactions contemplated thereby and hereby.
 3. By all necessary official action, the Authority has duly authorized and approved the preparation, use, and distribution of the Preliminary Official Statement, the preparation, execution and delivery of the Official Statement, the execution and delivery, use, and distribution of, and the performance of its obligations under the General Indenture, the 2023 Bonds, this Bond Purchase Agreement and the Legal Documents, and the consummation by it of all other transactions contemplated by this Bond Purchase

Agreement, the General Indenture and the Legal Documents. Upon execution and delivery by the Authority (assuming due authorization, execution and delivery by and enforceability against the other parties thereto), the Legal Documents and this Bond Purchase Agreement will be, and the General Indenture is in full force and effect and each will or does constitute the legal, valid and binding agreement or obligation of the Authority, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against the Authority.

4. The 2023 Bonds, when issued, authenticated and delivered in accordance with the Indenture, and sold to the Underwriters as provided herein, will constitute legal, valid and binding obligations of the Authority in conformity with and entitled to the benefit and security of the Indenture, and enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against the Authority.
5. The execution and delivery of the 2023 Bonds and the Legal Documents, and compliance with the provisions on the Authority's part contained in the General Indenture, the 2023 Bonds, and the Legal Documents, will not conflict with or constitute a breach of or default under any applicable law (including any provision of the Organic Act of Guam), administrative regulation, court order or consent decree of the Government of Guam or any department, division, agency or instrumentality thereof or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the Authority is a party or may be otherwise subject.
6. Other than as described in the Preliminary Official Statement and the Official Statement, the Authority is not in any material respect in breach of or default under any applicable law, administrative regulation, court order or consent decree of the Government of Guam or of the United States, or any agency or instrumentality of either of them, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture or this Bond Purchase Agreement) or other instrument to which the Authority is a party which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the General Indenture, the Legal Documents or this Bond Purchase Agreement and aside from those disclosed in the Preliminary Official Statement, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument.
7. All opinions, certifications, approvals, consents or orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, or the obtaining of which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as

applicable, of the CCU Resolution, the GEDA Resolution, the PUC Order, the Legal Documents or this Bond Purchase Agreement, the issuance of the 2023 Bonds or due performance by the Authority of its obligations thereunder, under the General Indenture or hereunder, at this time have been duly obtained.

8. The 2023 Bonds, when issued, will conform to the descriptions thereof contained in the Preliminary Official Statement (except for the exclusion of pricing information or other information permitted to be omitted in accordance with Rule 15c2-12) and in the Official Statement under the captions ["THE 2023 BONDS" and Appendix D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE"]; the proceeds of the 2023 Bonds will be applied generally as described in the Preliminary Official Statement (except for the exclusion of pricing information or other information permitted to be omitted in accordance with Rule 15c2-12) and the Official Statement under the captions ["INTRODUCTION" and "PLAN OF FINANCE"]; and the General Indenture and the Legal Documents conform in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.
9. The Preliminary Official Statement, as of its date and as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12), did not and does not contain any untrue or misleading statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.
10. At the time of the Authority's acceptance hereof and (unless an event occurs of the nature described in Section E hereof) during the Update Period, the Official Statement does not and will not contain any untrue or misleading statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
11. If the Official Statement is supplemented or amended pursuant to Section E hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such section) at all times during the Update Period, the Official Statement, as so supplemented or amended, will not contain any untrue or misleading statement of a material fact or omit to state a material fact or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
12. Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding, inquiry or investigation (with service of process having been received by the Authority or otherwise known to the Authority) at law or in equity, before or by any court, governmental agency, public board or body is pending or, to the knowledge of the Authority, threatened in any way (a) affecting the existence of the Authority or the title of any official of the Authority to such person's office, (b) seeking to restrain or enjoin the issuance, sale or delivery of the 2023 Bonds or the collection of revenues or assets of the Authority pledged or to be pledged to pay the principal of and interest or premium, if any, on the 2023 Bonds or the pledge thereof, (c) contesting or affecting the validity or enforceability of the Act, the CCU Resolution, the GEDA

Resolution, the PUC Order, the General Indenture, the Legal Documents, this Bond Purchase Agreement or the 2023 Bonds, or (d) contesting the completeness or accuracy of the Preliminary Official Statement, the Official Statement or any supplement or amendment thereto, (e) contesting the power or authority of the Authority with respect to the 2023 Bonds, the General Indenture, the Legal Documents, or this Bond Purchase Agreement, or (f) contesting the exclusion of interest on the 2023 Bonds from gross income for federal income tax purposes, nor is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Act, the CCU Resolution, the GEDA Resolution, the PUC Order or the authorization, execution, delivery or performance by the Authority of the 2023 Bonds, the General Indenture, the Legal Documents, or this Bond Purchase Agreement.

13. Except as otherwise provided herein, the Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request: (a) to qualify the 2023 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions as the Representative may designate and (b) to determine the eligibility of the 2023 Bonds for investment under the laws of such states and other jurisdictions, and the Authority agrees to make its best efforts to continue such qualifications in effect so long as required for the distribution of the 2023 Bonds (provided that the Authority shall not be obligated to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, nor be obligated to incur any obligation arising directly or indirectly from compliance with any applicable laws, rules or regulations in any jurisdiction outside of the United States in which the Underwriters qualify, purchase, offer or sell the 2023 Bonds, or seek permission, consent or approval therefor), and will advise the Representative immediately upon receipt by the Authority of any written notification with respect to the suspension of the qualification of the 2023 Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.
14. The Authority will comply with the requirements of the Tax Certificate executed by the Authority in connection with the delivery of the 2023 Bonds.
15. The Authority has the legal authority to apply and will apply, or will cause to be applied, the proceeds from the sale of the 2023 Bonds in accordance with and subject to all of the terms and provisions of the Act, the Bond Act, and the Indenture (including payment or reimbursement of Authority expenses incurred in connection with the issuance, sale and delivery of the 2023 Bonds as set forth in Section M (Payment of Expenses)), and will not take or omit to take any action which action or omission will materially adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2023 Bonds.
16. Unless otherwise expressly stated therein, any certificate signed by any officer of the Authority and delivered to the Underwriters pursuant to the Indenture or this Bond Purchase Agreement or any document contemplated thereby or hereby shall be deemed a

representation and warranty by the Authority to the Underwriters as to the statements made therein and that such officer shall have been duly authorized to execute the same.

17. There is no public vote or referendum pending or, to the best knowledge of the Authority, proposed, the results of which could in any way adversely affect the transactions contemplated by this Bond Purchase Agreement, the Act, the Bond Act, the CCU Resolution, the GEDA Resolution, the PUC Order, the 2023 Bonds, or the Indenture or the validity or enforceability of the 2023 Bonds.
 18. The Indenture creates a valid pledge of and grant of a security interest in the Revenues (as defined in the Indenture) purported to be pledged thereby.
 19. Between the date of this Bond Purchase Agreement and the Closing, the Authority will not, without the prior written consent of the Underwriters, issue any bonds, notes or other obligations for borrowed money payable from the Revenues prior to or on a parity with the 2023 Bonds.
 20. Between the date of this Bond Purchase Agreement and the Closing, the Authority will not take any action within or under its control that will cause any adverse change of a material nature in the enforcement or collection of the Revenues.
 21. The audited financial statements of the Authority contained in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of operation of the Authority as of the dates and for the periods therein set forth. Such audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Preliminary Official Statement and the Official Statement, the historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of such audited financial statements.
 22. The Authority hereby represents that it has not entered into any contract or agreement that would limit or restrict the Authority's ability to purchase the tendered Refunded Bonds or to refund the Refunded Bonds.
- K. Conditions to Closing. The Representative has entered into this Bond Purchase Agreement on behalf of the Underwriters in reliance upon the representations and warranties of the Authority contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority of its obligations hereunder at or prior to the Closing Date. Accordingly, the Underwriters' obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the 2023 Bonds are subject to the performance by the Authority of its obligations to be performed hereunder and under such aforesaid documents and instruments at or prior to the Closing, and are also subject to the following conditions:
1. The representations and warranties of the Authority contained herein will be true and correct on the date hereof, and on and as of the Closing Date with the same effect as if made on the Closing Date.

2. At the time of the Closing, the Act, the Bond Act, the GEDA Resolution, the CCU Resolution, the PUC Order, the General Indenture and the Legal Documents will be in full force and effect and will not have been amended, modified or supplemented, and the Official Statement will not have been amended, modified or supplemented, except as may have been agreed to by the Authority and the Representative.
3. At the time of the Closing, all necessary action of the Authority relating to the issuance of the 2023 Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented.
4. At or prior to the Closing, the Representative will have received each of the following documents:
 - (a) The Official Statement executed by an authorized official of the Authority.
 - (b) An executed copy of the Ninth Supplemental Indenture delivered by the Authority, the Trustee and the Co-Trustee, together with a true and correct copy of the General Indenture.
 - (c) An executed copy of the Continuing Disclosure Agreement delivered by the Authority and Digital Assurance Certification, L.L.C. (the "Dissemination Agent").
 - (d) The approving opinion, dated the Closing Date and addressed to the Authority, of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("Bond Counsel"), in substantially the form attached to the Official Statement as Appendix [] and pursuant to Section 3.05(B)(1)(a) of the General Indenture.
 - (e) The supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriters and the Dealer Manager, which includes a reliance statement to the effect that the approving opinion addressed to the Authority may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them, in the form attached as Exhibit B hereto.
 - (f) The opinion of counsel to the Trustee, dated the Closing Date and addressed to the Underwriters and the Authority, to the effect that: (i) the Trustee has been duly organized and is validly existing and in good standing under the laws of Guam with full corporate power to undertake the trusts of the Indenture; (ii) the Trustee has duly authorized, executed and delivered the Indenture and by all proper corporate action has authorized the acceptance of the trusts of the Indenture; (iii) assuming the corporate power and legal authority of, and the due authorization, execution and delivery of the Ninth Supplemental Indenture by, the Authority and the Co-Trustee, the Indenture constitutes a valid and binding agreement of the Trustee enforceable against the Trustee in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally; (iv) no authorization, approval, consent or other order of any governmental agency or, to such counsel's knowledge after due investigation,

any other person or corporation is required for the valid authorization, execution and delivery of the Ninth Supplemental Indenture by the Trustee (except that such counsel need express no view as to federal or state securities laws); and (v) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body known to counsel to the Trustee to be pending or threatened against or affecting the Trustee to restrain or enjoin the Trustee's participation in, or in any way contesting the powers of the Trustee with respect to, the transactions contemplated by the 2023 Bonds, the Indenture or any other agreement, document, or certificate related to such transactions.

- (g) The opinion of counsel to the Co-Trustee, dated the Closing Date and addressed to the Underwriters and the Authority, to the effect that: (i) the Co-Trustee has been duly organized as a national banking association and is validly existing and in good standing under the laws of the United States of America with all requisite corporate power to undertake the trusts of the Indenture; (ii) the Co-Trustee has duly authorized, executed and delivered the Ninth Supplemental Indenture and the Escrow Agreement and has taken all necessary corporate action to authorize the execution and delivery of the Ninth Supplemental Indenture and the Escrow Agreement and the performance of its obligations thereunder and under the Indenture; (iii) assuming the corporate power and legal authority of, and the due authorization, execution and delivery of, the Indenture by the Authority and the Trustee, and the Escrow Agreement by the Authority, the Indenture and the Escrow Agreement constitute valid and binding agreements of the Co-Trustee enforceable against the Co-Trustee in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally; (iv) the 2023 Bonds have been validly authenticated by the Co-Trustee in its capacity as Registrar under the Indenture; (v) to the best knowledge of such counsel, no authorization, approval, consent or other order of any governmental agency or any other person or corporation is required for the valid authorization, execution and delivery of the Ninth Supplemental Indenture and the Escrow Agreement by the Co-Trustee or the authentication of the 2023 Bonds (except that such counsel need express no view as to federal or state securities laws); and (vi) there is no litigation pending against the Co-Trustee or to the best knowledge of such counsel, threatened against or affecting the Co-Trustee to restrain or enjoin the Co-Trustee's participation in, or in any way contesting the powers of the Co-Trustee with respect to, the transactions contemplated by the 2023 Bonds, the Indenture, the Escrow Agreement, or any other agreement, document, or certificate related to such transactions.
- (h) An opinion of counsel to the Authority, dated the Closing Date and addressed to the Underwriters singularly or together, to the effect that: (i) the Authority is on the Closing Date a Guam public corporation and pursuant to the Act, the Bond Act, the CCU Resolution, the GEDA Resolution and the PUC Order, has full legal right, power and authority to enter into the Bond Purchase Agreement, the Dealer Manager Agreement, and the Continuing Disclosure Agreement, and perform its obligations under the Bond Purchase Agreement, the Dealer Manager Agreement,

the General Indenture and the Legal Documents, to authorize, issue and sell the 2023 Bonds, to collect and enforce the collection of Revenues and to carry out and consummate all transactions required of it as contemplated by this Bond Purchase Agreement, the Dealer Manager Agreement, the General Indenture and the Legal Documents; (ii) the CCU Resolution was duly adopted at a [regular meeting] of the Consolidated Commission on Utilities duly called for such purpose and has not been amended or repealed; (iii) the Bond Purchase Agreement, the Dealer Manager Agreement, the Indenture, the Escrow Agreement, and the Continuing Disclosure Agreement have each been duly authorized, executed and delivered by, and, assuming due execution and delivery by and validity against the other parties to such agreements, each constitutes a valid and legal obligation of, the Authority, except that the rights and obligations thereunder may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases, and except that no opinion need be expressed with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), choice of law, choice of forum, choice of venue, waiver or severability provisions contained in such agreements, (iv) the execution and delivery of the Legal Documents, the Dealer Manager Agreement, and the Bond Purchase Agreement, and the consummation of the transactions contemplated thereby, by the General Indenture and hereby, and the compliance with the provisions thereof and hereof, will not conflict with or constitute on the part of the Authority a breach of or a default under any existing law, administrative regulation, court order or consent decree of the Government of Guam or any department, division, agency or instrumentality of the United States to which the Authority is subject, or any agreement, resolution or instrument to which the Authority is a party or may otherwise be subject; (v) all approvals, consents or orders of any governmental authority, board, agency or commission having jurisdiction the obtaining of which would constitute a condition precedent to the performance by the Authority of its obligations under this Bond Purchase Agreement, the Dealer Manager Agreement, the General Indenture, the Legal Documents or the 2023 Bonds and which can reasonably be obtained by the time of Closing have been obtained; (vi) other than as disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation or proceeding, pending (with service of process having been received by the Authority or otherwise known to such counsel) or, to the knowledge of such counsel, threatened (either in local or Federal courts on Guam), (a) to restrain or enjoin the execution or delivery of the 2023 Bonds or the general collection of Revenues, (b) in any way contesting or affecting the existence of the Authority or the title of any official of the Authority to such person's office, (c) seeking to restrain or to enjoin the issuance, sale or delivery of the 2023 Bonds, or the collection of Revenues of the Authority pledged or to be pledged to pay the principal of and interest or premium, if any, on the 2023 Bonds, or the pledge thereof, or (d) in any way contesting or affecting the validity or enforceability of the 2023 Bonds, the General Indenture, the Legal Documents, the Dealer Manager Agreement, or this Bond Purchase

Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the Authority or its authority with respect to the 2023 Bonds, the General Indenture, the Legal Documents, the Dealer Manager Agreement, or this Bond Purchase Agreement; (vii) as of the date of the Official Statement and as of the Closing Date, the statements contained in the Official Statement under the caption ["LITIGATION"] are accurate in all material respects; and (viii) without passing upon or assuming any responsibility for the accuracy (except as and to the extent stated in section (vii) above), completeness and fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement or any other offering material relating to the 2023 Bonds, and making no representation that it has independently verified the accuracy, completeness or fairness of any such statements, counsel to the Authority has no reason to believe that either the Preliminary Official Statement, as of its date and as of the date hereof, or the Official Statement, as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for the financial statements and other financial and statistical data included in the Preliminary Official Statement and the Official Statement and the Appendices thereto, as to which no view need be expressed).

- (i) An opinion of counsel to GEDA, dated the Closing Date and addressed to the Underwriters and the Authority, to the effect that: (i) the GEDA Resolution was duly adopted at a regular meeting of GEDA duly called and has not been amended or repealed; and (ii) there is no litigation or proceeding pending (with service of process having been received by GEDA or otherwise known to such counsel) or, to the knowledge of such counsel, threatened (in local or Federal courts on Guam) against GEDA in any way affecting the existence of GEDA, the title of any official of GEDA to such person's office, or seeking to restrain or to enjoin the issuance, sale or delivery of the 2023 Bonds or in any way contesting or affecting the validity or enforceability of the 2023 Bonds or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of GEDA or its authority with respect to the 2023 Bonds.
- (j) A certification of counsel to the PUC, dated the Closing Date, to the effect that: (i) the PUC Order was duly adopted at a regular meeting of the PUC duly called and has not been amended or repealed; and (ii) there is no litigation or proceeding pending (with service of process having been received by PUC or otherwise known to such counsel) or, to the knowledge of such counsel, threatened (in local or Federal courts on Guam) against the PUC in any way affecting the existence of the PUC, the title of any official of PUC to such person's office, or seeking to restrain or to enjoin the issuance, sale or delivery of the 2023 Bonds or in any way contesting or affecting the validity or enforceability of the 2023 Bonds or contesting in any way the completeness or accuracy of the Preliminary Official

Statement or the Official Statement, or contesting the power of the PUC or its authority with respect to the 2023 Bonds.

- (k) A certification by the Guam Compiler of Laws attaching a full, true and correct copy of the Act and the Bond Act and including a statement to the effect that the Act and the Bond Act have not been amended or repealed and are in full force and effect.
- (l) The opinion of Hawkins Delafield & Wood LLP, counsel to the Underwriters and the Dealer Manager, dated the Closing Date, to the effect that: (i) the 2023 Bonds are exempt from registration under the Securities Act and the Indenture is exempt from qualification under the Trust Indenture Act; (ii) without having undertaken to determine independently or to assume responsibility for the accuracy, completeness or fairness thereof, and based solely on such counsel's participation in telephone conferences at which representatives of the Authority, GEDA, Bond Counsel, counsel to the Authority, and the Representative were at various times present, as a matter of fact and not opinion, nothing has come to such counsel's attention that would lead it to believe that the information and statements (except for (A) any information relating to CUSIP numbers, any financial, accounting, statistical economic or demographic data or forecasts, projections, estimates, assumptions or expressions of opinion, the financial statements, the information relating to DTC and its book-entry system, ratings, and statements contained under the caption "TAX MATTERS" included in the Preliminary Official Statement and the Official Statement and (B) the Appendices to each, as to which no view need be expressed) in the Preliminary Official Statement, as of its date and as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12), or the Official Statement, as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (iii) the form of Continuing Disclosure Agreement meets the requirements of Rule 15c2-12 as to form.
- (m) A certificate of the Trustee dated the Closing Date and signed by a duly authorized officer of the Trustee, in form and substance satisfactory to the Representative, to the effect that no litigation is pending or, to the best of such officer's knowledge, threatened (in territorial, state or federal courts) to restrain or enjoin the authentication or delivery of the 2023 Bonds or to restrain or enjoin the Trustee from performing its obligations under the General Indenture and the Legal Documents.
- (n) A certificate of the Co-Trustee (in its capacities as Co-Trustee and Escrow Agent) dated the Closing Date and signed by a duly authorized officer of the Co-Trustee, in form and substance satisfactory to the Underwriters, to the effect that no litigation is pending or, to the best of such officer's knowledge, threatened (in Guam, state or Federal courts) to restrain or enjoin the authentication or delivery of

the 2023 Bonds or to restrain or enjoin the Co-Trustee from performing its obligations under the Indenture or the Escrow Agreement.

- (o) A certificate dated the Closing Date and signed by an authorized official of the Authority to the effect that: (i) the representations, warranties and covenants of the Authority contained herein and in the Dealer Manager Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) no event materially adversely affecting the Authority has occurred since the date of the Official Statement; (iii) the Preliminary Official Statement, as of its date and as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12), and the Official Statement, as of its date and as of the Closing Date, did not and does not contain any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iv) the Authority has complied with this Bond Purchase Agreement and the Dealer Manager Agreement and has satisfied all the conditions on its part herein and therein to be performed or satisfied at or prior to the Closing; and (v) there is no litigation or proceeding pending or, to the knowledge of the Authority, threatened and having merit (in Guam, state, or Federal courts) (A) to restrain or enjoin the execution or delivery of the 2023 Bonds or the general collection of Revenues, or (B) in any way contesting or affecting the existence of the Authority or the title of any official of the Authority to such person's office, or seeking to restrain or to enjoin the issuance, sale or delivery of the 2023 Bonds, or the pledge of Revenues, or in any way contesting or affecting the validity or enforceability of the 2023 Bonds, the Legal Documents, the General Indenture, the Dealer Manager Agreement, or this Bond Purchase Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the Authority or its authority with respect to the 2023 Bonds, the General Indenture, the Legal Documents or this Bond Purchase Agreement.
- (p) A certificate dated the Closing Date and signed by an authorized official of the Government of Guam to the effect that Appendix B to the Preliminary Official Statement, as of its date and as of the date hereof, and Appendix B to the Official Statement, as of its date and as of the Closing Date, did not and does not contain any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (q) Certified copies of the CCU Resolution, the GEDA Resolution and the PUC Order.
- (r) A Tax Certificate for the 2023 Bonds in form satisfactory to Bond Counsel.
- (s) Evidence that the 2023 Bonds have been assigned ratings of at least "[A-]" by S&P Global Ratings and at least "[Baa2]" by Moody's Investor's Service, Inc.
- (t) A copy of the Escrow Agreement executed by the Authority and the Escrow Agent.

- (u) A written report prepared by Causey Demgen & Moore P.C. (the “Verification Agent”), (i) verifying the mathematical accuracy of the mathematical computations relating to the sufficiency of the cash, if any, and maturing principal of and interest on the escrow investments to pay the principal of and interest on the Refunded Bonds through and including their redemption dates and (ii) satisfying the requirements of Section 3.05(B)(1)(d)(i) of the General Indenture, including a statement to the effect that the Aggregate Annual Debt Service (as defined in the General Indenture) in each Fiscal Year (as defined in the General Indenture) will be less than or equal to the Aggregate Annual Debt Service in each Fiscal Year in the absence of the refunding of the Refunded Bonds by the 2023 Bonds.
- (v) A defeasance opinion of Bond Counsel, dated the Closing Date.
- (w) A letter addressed to the Authority from Ernst & Young LLP, independent certified public accountants, in form and substance satisfactory to the Underwriters and their counsel and dated the date on or before the Closing to the effect that, as of the date of such letter, (i) they are independent certified public accountants within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants; and (ii) they consent to the inclusion of their report to the Authority dated [] (the “Financial Statements”) as Appendix [] to the Preliminary Official Statement and the Official Statement for the 2023 Bonds and to all references to such firm and such Financial Statements in the Preliminary Official Statement and the Official Statement.
- (x) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations, warranties and covenants of the Authority contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Authority.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement will be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Representative. The opinion of Bond Counsel that is first referred to in Section J.4(d) shall be deemed satisfactory if it is substantially in the form of Appendix [] to the Official Statement.

If the Authority is unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the 2023 Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the 2023 Bonds are terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement will terminate and neither the Underwriters nor the Authority will be under further obligation hereunder, except that the respective obligations of the Authority and the Underwriters set forth in Section M and the representations, warranties and covenants of the Authority contained in Section I shall continue in full force and effect,

provided that such representations and warranties shall be understood to have been made as of the date of this Bond Purchase Agreement.

L. Termination. The Underwriters shall have the right to cancel their obligation to purchase the 2023 Bonds if between the date hereof and the Closing:

1. legislation shall have been newly enacted or introduced by the Congress of the United States or the legislature of the Government of Guam or shall have been reported out of committee of either body or be newly pending in committee of either body, or a decision shall have been rendered by a court of the United States or the Government of Guam or the Tax Court of the United States, or a ruling, resolution, regulation, or temporary regulation, release, or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority, with respect to federal or state taxation upon revenues or other income of the general character of that to be derived by the Authority from its operations, or upon interest received on obligations of the general character of the 2023 Bonds that, in the Representative's reasonable judgment, materially adversely affects the marketability, or the market price of the 2023 Bonds, or the ability of the Underwriters to enforce contracts for sale of the 2023 Bonds; or
2. there shall exist any event or circumstance that in the Representative's reasonable judgment makes either untrue or incorrect in any material respect any statement or information in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make any statement of material fact therein in the light of the circumstances under which they were made not misleading in any material respect; or
3. there shall have occurred: (A) any new material outbreak or escalation of hostilities (including, without limitation, an act of terrorism) involving the United States or the declaration by the United States of a national emergency or war occurs; or (B) the occurrence of any other calamity or crisis or any change in the financial, political or economic conditions in the United States or elsewhere (including, but not limited to, an escalation of hostilities or any calamity or crisis that existed prior to the date hereof), if the effect of any such event specified in clause (A) or (B), in the reasonable judgment of the Representative, materially adversely affects the marketability or the market price of the 2023 Bonds or the ability of the Underwriters to enforce contracts for the sale of the 2023 Bonds; or
4. there shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of determination by that Exchange or by order of the SEC or any other governmental authority having jurisdiction that, in the Representative's reasonable judgment, materially adversely affects the marketability or the market price of the 2023 Bonds or the ability of the Underwriters to enforce contracts for the sale of the 2023 Bonds; or

5. a general banking moratorium shall have been declared by federal or state authorities having jurisdiction and be in force that, in the Representative's reasonable judgment, materially adversely affects the marketability or the market price of the 2023 Bonds or the ability of the Underwriters to enforce contracts for the sale of the 2023 Bonds; or
6. legislation shall be enacted or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation, or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the 2023 Bonds or any comparable securities of the Authority, any obligations of the general character of the 2023 Bonds, or the Legal Documents are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or would be in violation of any provision of the federal securities laws applicable to the 2023 Bonds; or
7. there shall have been since the date hereof any material adverse change in the affairs or financial condition (except for changes that the Official Statement discloses are expected to occur) of the Authority that in the Representative's reasonable judgment will materially adversely affect the marketability or the market price of the 2023 Bonds or the ability of the Underwriters to enforce contracts for the sale of the 2023 Bonds; or
8. there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, underwriters established by the New York Stock Exchange, the SEC, any other federal or Government of Guam agency or the Congress of the United States, or by Executive Order; or
9. a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the 2023 Bonds, including all the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the 2023 Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act; or
10. there shall have occurred after the signing hereof either a financial crisis or a default with respect to the debt obligations of the Authority or any political subdivision of the Government of Guam thereof or proceedings under the bankruptcy laws of the United States or of the Authority shall have been instituted by the Authority or any agency or political subdivision of the Government of Guam, in either case the effect of which, in the reasonable judgment of the Representative, is such as to materially and adversely affect the market price or the marketability of the 2023 Bonds or the ability of the Underwriters to enforce contracts for the sale of the 2023 Bonds; or
11. there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Bond Purchase Agreement has published a rating (or has been asked to furnish a rating) on the 2023

Bonds, which action reflects a change or possible change, in the ratings accorded any debt security of the Authority, including the 2023 Bonds; or

12. a material disruption in securities settlement, payment or clearance services shall have occurred and be continuing; or
13. any material change other than the inclusion of information permitted to be excluded by Rule 15c2-12 shall have been made between the Preliminary Official Statement and the Official Statement, except any change that has been accepted by the Representative.

M. Payment of Expenses.

1. The Underwriters shall be under no obligation to pay, and the Authority shall pay from available funds or direct the Trustee under the Indenture to pay from the proceeds of the 2023 Bonds (to the extent permitted under applicable law) or from other funds of the Authority, certain expenses set forth in this Section that are incidental to the performance of the Authority's obligations hereunder, including but not limited to, all expenses in connection with the printing of the Preliminary Official Statement, the Official Statement, and any amendment or supplement to either thereof; all expenses in connection with the printing, issuance, and delivery of the 2023 Bonds; the fees and disbursement of Bond Counsel, GWA Counsel, GEDA Counsel and any auditors and accountants; the fees and disbursements of the Escrow Agent and Verification Agent, and their respective counsel, if any; the fees and disbursements of the Trustee and the Co-Trustee and their respective counsel; all expenses in connection with obtaining a rating or ratings for the 2023 Bonds; all expenses of the Authority in connection with the preparation, printing, execution, and delivery, and any recording or filing required by Bond Counsel, of the Legal Documents, the Dealer Manager Agreement, this Bond Purchase Agreement, the fees of Digital Assurance Certification, L.L.C. related to the continuing disclosure undertaking compliance review; transportation, lodging and meals incurred by or on behalf of the Authority, GEDA and representatives thereof in connection with the sale, issuance and delivery of the 2023 Bonds; the Authority's administrative fees; GEDA's fees established by Guam law or rule; fees for preparation of a blue sky memorandum relating to the 2023 Bonds; and all other expenses and costs of the Authority incident to its obligations in connection with the authorization, issuance, sale, and distribution of the 2023 Bonds. In the event that the Underwriters incur or advance the cost of any expense for which the Authority is responsible hereunder, the Authority shall reimburse the Underwriters at or prior to Closing; if at Closing, reimbursement may be included in the expense component of the Underwriters' spread. The Authority acknowledges that a portion of the Underwriters' discount represents reimbursement of the Underwriters for reasonable expenses incurred by the Underwriters on behalf of the Authority and its employees which are directly related to the offering of the Bonds, including but not limited to, meals, transportation, lodging, closing dinner and related events for such employees.
2. The Underwriters shall pay, from the expense component of the Underwriters' discount, the costs of qualifying the 2023 Bonds for sale in various states or other jurisdictions chosen by the Underwriters, all advertising expenses in connection with the public offering of the 2023 Bonds, and all other expenses incurred by it or the other Underwriters in

connection with the public offering and distribution of the 2023 Bonds, including the fees and disbursements of their counsel.

N. Indemnification.

1. To the fullest extent permitted by applicable law, the Authority agrees to indemnify and hold harmless the Underwriters and each person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Underwriters and their directors, officers, agents, and employees against any and all losses, claims, damages, liabilities, and expenses arising out of a breach of any of the Authority's material representations included in this Bond Purchase Agreement (including a breach the result of which would require in connection with a public offering of the 2023 Bonds any security to be registered under the Securities Act or any indenture to be qualified under the Trust Indenture Act), or a breach of the Continuing Disclosure Agreement, or any statement or information in the Preliminary Official Statement or in the Official Statement (excluding therefrom the information under the heading "UNDERWRITING"; and the information about the ratings, rating agencies, and DTC and its book-entry system and such information in the appendices to the Preliminary Official Statement and the Official Statement that is or is alleged to be untrue or incorrect in any material respect, or any material omission or alleged material omission of any statement or information in the Preliminary Official Statement or the Official Statement which is necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading. The foregoing indemnity agreement shall be in addition to any liability that the Authority may otherwise have.

The Underwriters will indemnify and hold harmless the Authority, each of its members, directors, officers, and employees, and each person who controls the Authority within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Authority to the Underwriters, but only with reference to written information relating to the Underwriters furnished by them specifically for inclusion in the Preliminary Official Statement or the Official Statement. This indemnity agreement will be in addition to any liability which the Underwriters may otherwise have. The Authority acknowledges that the statements under the caption "UNDERWRITING" in the Preliminary Official Statement and the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriters for inclusion in the Preliminary Official Statement and the Official Statement.

2. In case any claim shall be made or action brought against an indemnified party for which indemnity may be sought against any indemnifying party, as provided above, the indemnified party shall promptly notify the indemnifying party in writing setting forth the particulars of such claim or action and the indemnifying party shall assume the defense thereof, including the retaining of counsel acceptable to such indemnified party and the payment of all expenses and shall have the right to negotiate and consent to settlement. An indemnified party shall have the right to retain separate counsel in any such action and to participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of such indemnified party unless the employment of such counsel has been specifically authorized by the indemnifying party or the indemnifying party shall not have

employed counsel reasonably acceptable to the indemnified party to have charge of the defense of such action or proceeding or the indemnified party shall have reasonably concluded that there may be defenses available to it which are different from or additional to those available to the indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such action or proceeding on behalf of the indemnified party), in any of which events, such legal or other expenses shall be borne by the indemnifying party. No party shall be liable for any settlement of any action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any action with or without written consent of the indemnifying party, the indemnifying party agrees to indemnify and hold harmless the indemnified parties to the extent of the indemnities set forth above from and against any loss or liability by reason of such settlement or judgment.

If the indemnification provided for in Section N.1 is unenforceable or is unavailable to an indemnifying party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) of the type subject to indemnification herein, then the indemnifying party shall, in lieu of indemnifying such person, contribute to the amount paid or payable by such person as a result of such losses, claims, damages or liabilities (or actions in respect thereof). In the case of the Authority and the Underwriters, contribution shall be in such proportion as is appropriate to reflect the relative benefits received by the Authority, on the one hand, and the Underwriters, on the other, from the sale of the 2023 Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law then the indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Authority, on the one hand, and the Underwriters, on the other, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or action in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Authority, on the one hand, and the Underwriters, on the other, shall be deemed to be in the same proportion as the total proceeds of the sale of the 2023 Bonds paid to the Authority pursuant to Section A.1 hereof (before deducting expenses) bear to the underwriting discount received by the Underwriters (the difference between the initial public offering price for the 2023 Bonds appearing on the cover page of the Official Statement and the price to be paid therefor by the Underwriters as set forth therein under the caption "UNDERWRITING"). The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Authority or the Underwriters and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such untrue statement or omission. The Authority and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection. The amount paid or payable by any person as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such action or claim. Notwithstanding the

provisions of this paragraph, however, the Underwriters shall not be required to contribute an amount in excess of the Underwriter's discount received by them pursuant to this Bond Purchase Agreement. No person guilty of fraudulent misrepresentation (within the meaning of Section 10(b) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

- O. No Advisory or Fiduciary Role. The Authority acknowledges and agrees that: (i) the purchase and sale of the 2023 Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Authority and the Underwriters, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation thereof, each Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the Authority, (iii) neither Underwriter has assumed an advisory or fiduciary responsibility in favor of the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether an Underwriter has provided other services or is currently providing other services to the Authority on other matters) and the Underwriters have no obligation to the Authority with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, and, (iv) the Authority has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.
- P. Notices. All notices provided for in this Bond Purchase Agreement shall be made in writing either by actual delivery of the notice into the hands of the parties entitled thereto, by confirmed facsimile transmission, or by sending the notice by air courier or mailing by certified or registered mail, return receipt requested, in the United States mail to the address as stated below (or at such other address as may have been designated by written notice) of the party entitled thereto. The notice shall be deemed to be received in case of actual delivery on the date of its actual receipt by the party entitled thereto, in case of delivery by facsimile, on the date receipt is confirmed, in case of delivery by air courier on the date of delivery, and in case of mailing, on the date of receipt by United States mail, postage prepaid.

All communications hereunder, except as herein otherwise specifically provided, shall be in writing and mailed or delivered to the Authority at the address set forth above and to the Representative at the following addresses:

Citigroup Global Markets Inc.
[300 South Grand Avenue, Suite 3110
Los Angeles, CA 90071]
Attention: Stephen Field

- Q. Governing Law. The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the state of New York, except that the authorization, execution and delivery by the Authority of this Bond Purchase Agreement and the Authority's obligations hereunder shall be governed by the laws of Guam.
- R. Miscellaneous. This Bond Purchase Agreement is made solely for the benefit of the signatories hereto (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. The term "successor"

shall not include any holder of any 2023 Bonds merely by virtue of such holding. All representations, warranties, agreements, and indemnities contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of delivery of and payment for the 2023 Bonds, and any termination of this Bond Purchase Agreement.

- S. Counterparts. This Bond Purchase Agreement for the 2023 Bonds may be executed in counterparts with the same force and effect as if all signatures appeared on a single instrument.
- T. Entire Agreement. This Bond Purchase Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.

[Signature Page Follows]

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.,
as Representative, on behalf of itself
and RBC Capital Markets, LLC

By: _____
Stephen Field, Director

ACCEPTED:

GUAM WATERWORKS AUTHORITY

By: _____
Miguel C. Bordallo, P.E.
General Manager

GUAM ECONOMIC DEVELOPMENT
AUTHORITY

By: _____
Melanie Mendiola
Chief Executive Officer/Administrator

APPENDIX A

MATURITY SCHEDULE

\$(Principal)
Guam Waterworks Authority
Water and Wastewater System Revenue Refunding Bonds
Series 2023A

Maturity (July 1)	Principal Amount (\$)	Interest Rate	Yield
------------------------------	----------------------------------	--------------------------	--------------

* Term bonds subject to mandatory sinking fund redemption.

** Yield computed to first optional redemption date of [] at 100%.

[(1) Yields represent prices at which the first 10% of each maturity was sold to public.]

REDEMPTION PROVISIONS

[TO BE UPDATED]

Exhibit A

EXHIBIT D-29

3831669.2 047063 AGMT

EXHIBIT A

CERTIFICATE OF THE REPRESENTATIVE REGARDING INITIAL REOFFERING PRICES

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

The undersigned Citigroup Global Markets Inc., as representative (the "Representative"), on behalf of itself and RBC Capital Markets, LLC (together, the "Underwriting Group") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds"):

1. ***Sale of the 10% Test Maturities.*** As of the date of this certificate, for each Maturity of the Bonds listed as a "10% Test Maturity" in Schedule A attached hereto, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A attached hereto.

2. ***Initial Offering Price of the Hold-the-Price Maturities.***

(a) The Underwriting Group offered the "Hold-the-Price Maturities" (as listed in Schedule A attached hereto) to the Public for purchase at the respective initial offering prices listed in Schedule A attached hereto (the "Initial Offering Prices") on or before the Sale Date.

(b) With respect to the Hold-the-Price Maturities, as set forth in the Bond Purchase Agreement, dated _____, 2023, between the Representative and the Guam Waterworks Authority (the "Authority"), the Representative, on behalf of the Underwriting Group, has agreed in writing that (i) unsold Bonds of the Hold-the-Price Maturities would be retained by the Representative and not allocated to any other Underwriter, (ii) for each Hold-the-Price Maturity, the Representative would neither offer nor sell unsold Bonds of any Maturity of the Hold-the-Price Maturities to any person at a price that is higher than the Initial Offering Price for such Maturity (the "hold-the-price rule"), and (iii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-price rule.

(c) Neither the Representative, nor any broker-dealer who is a party to a retail distribution agreement with the Representative (if any), has offered or sold any unsold bonds of any Maturity of the Hold-the-Price Maturities to any person at a price that is higher than or a yield lower than the respective Initial Offering Prices for that Maturity of the Hold-the-Price Maturities during the Holding Period.

3. ***Pricing Wire or Equivalent Communication.*** A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

4. ***Defined Terms.***

(a) *10% Test Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "10% Test Maturities."

Exhibit A

3831669.2 047063 AGMT

EXHIBIT D-30

(b) *Hold-the-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Hold-the-Price Maturity was sold to the Public at prices that are no higher than or yields that are no lower than the Initial Offering Price for such Hold-the-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(f) *Related Party*—a purchaser of any Bond is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other)..

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2023.

(i) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority with respect to certain of the representations set forth in the Tax Certificate, dated [____], 2023, executed and delivered by the Authority with respect to the Bonds, and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the Authority, in connection with rendering their opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that Bond Counsel may give to the Authority from time to time relating to the Bonds.

Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

[____], 2023

CITIGROUP GLOBAL MARKETS INC., as
Representative on behalf of itself and RBC
CAPITAL MARKETS, LLC

By _____
Authorized Representative

Exhibit A

3831669.2 047063 AGMT

EXHIBIT D-32

SCHEDULE A
SALE PRICES OF THE 10% TEST MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-PRICE MATURITIES
(Attached)

Exhibit A

3831669.2 047063 AGMT

EXHIBIT D-33

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

Exhibit A

EXHIBIT D-34

3831669.2 047063 AGMT

EXHIBIT B

[Form of Supplemental Bond Counsel Opinion]

Exhibit B

EXHIBIT D-35

3831669.2 047063 AGMT

EXHIBIT C**DEALER MANAGER AGREEMENT**

[____], 2023

Citigroup Global Markets Inc.
as Dealer Manager,
300 South Grande Avenue, Suite 3110
Los Angeles, CA 90071

Ladies and Gentlemen:

The Guam Waterworks Authority (the "Authority") plans to submit an invitation of an offer to sell those outstanding bonds listed on Schedule A attached hereto (the "Invited Bonds") (such invitation, the "Tender Offer"), upon the terms and subject to the conditions set forth in the Tender Offer and the accompanying material (the "Offer Material") which GWA has caused to be prepared and furnished to you on or prior to the date hereof for use in connection with the Tender Offer, including (a) the Preliminary Official Statement dated [____], 2023 (the "Preliminary Official Statement"), and (b) the form of Pricing Notice (as defined in the Tender Offer). Any other offering materials and information relating to the Tender Offer that GWA may prepare or approve shall be called "Additional Material."

I. Appointment of Dealer Manager

GWA hereby appoints Citigroup Global Markets Inc. ("Citi") as the exclusive dealer manager in connection with the Tender Offer (the "Dealer Manager") and authorizes you to act on our behalf in accordance with this agreement and the terms of the Offer Material and any Additional Material. GWA has approved the Offer Material and authorizes you to use the Offer Material and any Additional Material in connection with the solicitation of tenders. You agree to furnish no written material to holders of Invited Bonds in connection with the Tender Offer other than the Offer Material and any Additional Material. It is understood that nothing in this agreement nor the nature of the Dealer Manager's services shall be deemed to create a fiduciary or agency relationship between you and GWA.

II. Availability of Offer Material and Additional Material

GWA shall cause to be delivered or otherwise made available by [____] as Information Agent and Tender Agent (the "Information Agent and Tender Agent") to each registered holder of any Invited Bonds, to each participant in the Depository Trust Company ("DTC") appearing in the most recent DTC securities position listing obtained by the Information Agent and Tender Agent as a holder of Invited Bonds (each such registered holder or participant, a "Registered or Beneficial Owner"), as soon as practicable, by electronic means and other means, including (i) by posting on the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org>, using the CUSIP numbers for the Invited Bonds; (ii) to DTC; and (iii) by posting electronically on the website of the Information Agent and Tender Agent at [____], copies of the Offer Material and any Additional Material, all as set forth in the Tender Offer. Thereafter, to the extent practicable until the expiration of the Tender Offer, GWA authorizes the Dealer Manager and the

Exhibit C - 1-

3831669.2 047063 AGMT

Information Agent and Tender Agent to cause copies of the Offer Material and any Additional Material to be delivered or otherwise made available to each person and/or entity who becomes a Registered or Beneficial Owner of Invited Bonds.

III. Solicitation of Tender Offers

- (a) The Dealer Manager agrees to use its best efforts to solicit offers to sell the Invited Bonds on behalf of GWA in connection with the Tender Offer in accordance with instructions from GWA and in a manner consistent with the performance of such services as are customarily performed by investment banking concerns in connection with invitations of like nature to the Tender Offer. The Dealer Manager nor its affiliates, nor any of its partners, directors, officers, agents, employees or controlling persons (if any) shall have any liability in tort, contract or otherwise to any other party hereunder except for its own breach of contract, gross negligence, willful misconduct or bad faith.
- (b) GWA agrees to furnish to the Dealer Manager as many copies as it may reasonably request of the Offer Material and any Additional Material in final form for use by it in connection with the Tender Offer. GWA shall not amend or supplement the Offer Material, or prepare or approve any Additional Material for use in connection with the Tender Offer, without the Dealer Manager's prior written consent, which consent shall not be unreasonably withheld.
- (c) GWA agrees to advise the Dealer Manager promptly of (i) the occurrence of any event which could cause GWA to withdraw, rescind, terminate or modify the Tender Offer, (ii) any proposal or requirement of GWA to amend or supplement the Offer Material or Additional Material or (iii) any other information relating to the Tender Offer which the Dealer Manager may from time to time reasonably request.
- (d) GWA will not use or publish any Additional Material in connection with the Tender Offer, or refer to the Dealer Manager in any such Additional Material, without the Dealer Manager's written consent, which consent shall not be unreasonably withheld. GWA will promptly inform the Dealer Manager of any litigation or administrative action or claim with respect to the Tender Offer.
- (e) At GWA's request and direction, the Dealer Manager obtained or was provided by the Information Agent and Tender Agent the names and addresses of, and principal amount of Invited Bonds held by, the Registered or Beneficial Owners of Invited Bonds as of a recent date. GWA agrees to use its best efforts to assist and cooperate with the Dealer Manager during the period of the Tender Offer to determine the identity of the Registered or Beneficial Owners of Invited Bonds. The Dealer Manager agrees to use such information only in connection with the Tender Offer and not to furnish such information to any other person except in connection with the Tender Offer.
- (f) GWA shall arrange, or cause the Information Agent and Tender Agent to arrange with DTC, to inform you during each business day prior to the expiration of the Tender Offer as to the principal amount of Invited Bonds which have been tendered pursuant to the Tender Offer during the interval since its previous daily report to you under this provision.

IV. Compensation and Expenses

- (a) GWA shall pay to Citi, for the accounts of the Dealer Manager, as compensation for its services as Dealer Manager, a fee of \$[] for each \$1,000 principal amount of Invited Bonds tendered and purchased pursuant to the Tender Offer. Such fee shall be payable concurrently with the payment for Invited Bonds under the Tender Offer or other termination of the Tender Offer.
- (b) Whether or not any Invited Bonds are tendered pursuant to the Tender Offer, GWA shall pay all expenses of the preparation, printing, mailing and publishing of the Offer Material and any Additional Material and all of the Dealer Manager's reasonable out-of-pocket expenses (including reasonable fees of counsel) incurred in connection with its serving as Dealer Manager hereunder.
- (c) The Information Agent and Tender Agent has been engaged to provide those services as described in the Tender Offer on behalf of GWA. Whether or not any Invited Bonds are tendered pursuant to the Tender Offer, GWA shall pay to the Information Agent and Tender Agent as part of its expenses in connection with making and consummation of the Tender Offer, payment for any services rendered, as agreed by GWA and the Information Agent and Tender Agent.

V. Representations and Warranties by GWA.

GWA represents and warrants to, and agrees with, the Dealer Manager that:

- (a) GWA has all requisite legal right, power and authority to make and commence the Tender Offer and perform its obligations with respect thereto; to execute, deliver and perform the actions contemplated by the Offer Material and any Additional Material with respect to GWA; to deliver the Offer Material and to deliver the Additional Material; and to engage in the transactions to which it is or is to be a party as contemplated hereby and by the Offer Material and the Additional Material. The delivery of the Offer Material, the delivery of the Additional Material and the use by the Dealer Manager of the Offer Material and the Additional Material has been duly authorized by all necessary action on the part of GWA.
- (b) The information contained in the Offer Material and any Additional Material (as amended or supplemented, if amended or supplemented) is and will be true and complete in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading in any material respect and if such misstatement or omission exists, GWA shall make reasonable efforts to correct such statement or omission (at the expense of GWA).
- (c) The making and consummation of the Tender Offer (including any related borrowings or other provisions for the payment for Invited Bonds by GWA), the execution, delivery and performance by GWA of this agreement and the consummation of the transactions contemplated hereby do not and will not (i) conflict with, or result in the acceleration of any obligation under or in a breach of, or constitute a default under, any of the provisions of any resolution, agreement or undertaking to which GWA is a party or by which it is bound or to which any of its property or assets is subject, or (ii) in any material respect conflict with or result in a violation by GWA of the Constitution of the United States or the laws of Guam (the "State"), as amended, or any other

- law, ordinance, regulation, order, decree, judgment or ruling by or to which it or its revenues, properties, assets or operations are bound or subject.
- (d) All approvals, consents and other actions by, and all filings or registrations with or notices to, any governmental or administrative authority or agency having jurisdiction in the matter required as a condition precedent to the performance by GWA of its obligations under the Offer Materials and the Additional Material have been obtained and are in full force and effect (or, in the case of Additional Materials, will be obtained and in full force and effect).
 - (e) Except as described in the Offer Material or the Additional Material, no litigation or other proceeding before or by any court or agency or other administrative body (either State or Federal) is pending against GWA or, to the knowledge of GWA, threatened against it, in any way restraining or enjoining, or threatening or seeking to restrain or enjoin, the making and consummation of the Tender Offer or in any way questioning or affecting: (i) the proceedings under which the Tender Offer is to be made and consummated; (ii) the accuracy, completeness or fairness of the Offer Material or the Additional Material; (iii) the legal existence of GWA or its right to conduct its operations as presently conducted or (iv) the title of its members or officers to their respective offices in such manner as to adversely affect the ability of GWA to authorize the making and consummation of the Tender Offer or to consummate any of the transactions to which it is or is to be a party as contemplated by the Offer Materials or the Additional Material.
 - (f) Except as described in Offer Material or the Additional Material, there is no litigation or other proceeding pending or, to the knowledge of GWA, threatened before or by any court, agency or other administrative body (either State or Federal), nor any other event or circumstance, which, if decided adversely to GWA, would have a material adverse effect on the power or ability of GWA to perform its obligations hereunder or with respect to the Tender Offer or to consummate the transactions to which it is or is to be a party as contemplated by the Offer Materials or the Additional Material.
 - (g) Any certificates signed by any officer of GWA authorized to execute and deliver such certificates and other documents on behalf of GWA (each, an "Authorized GWA Officer") and delivered to the Dealer Manager pursuant to this agreement shall be deemed a representation and warranty by GWA to the Dealer Manager as to the statements made therein with the same effect as if such representation and warranty were set forth herein.
 - (h) Subject to the consummation of GWA's offering of its Water and Wastewater System Revenue Refunding Bonds, Series 2023A (the "Bonds"), GWA has or will have available funds, and is authorized to use such funds under applicable law, to pay the full purchase price of the Invited Bonds that it may become committed to purchase pursuant to the Tender Offer and all related fees and expenses, as applicable.
 - (i) Subject to the consummation of GWA's offering of the Bonds and the other conditions set forth in the Tender Offer, GWA agrees to pay promptly, in accordance with the terms and subject to the conditions of the Offer Material and any Additional Material, such full purchase price and all related fees and expenses, as applicable.

- (j) GWA has made or will cause the Information Agent and Tender Agent to make appropriate arrangements with DTC to allow for the book-entry movement of tendered Invited Bonds.

VI. Conditions of Obligation

The obligation to act as Dealer Manager hereunder shall at all times be subject, in Dealer Manager's discretion, to the conditions that:

- (a) All representations, warranties and other statements of GWA contained herein and in the Offer Materials and any Additional Material are now, and at all times during the duration of the Tender Offer will be, true and correct.
- (b) GWA at all times during the duration of the Tender Offer shall have performed all of its obligations hereunder theretofore required to have been performed.
- (c) Orrick, Herrington & Suttcliffe LLP, as bond counsel to GWA, shall have furnished to the Dealer Manager, concurrently with the execution of this agreement, their opinion, dated the date of the commencement of the Tender Offer, in the form set forth in Exhibit 1 hereto.
- (d) The Dealer Manager shall have received on the date of the consummation of the Tender Offer a certificate from an Authorized GWA Officer confirming each of the representations and warranties of the respective party set forth in Section V hereof are true and correct as of such date.

VII. Survival of Certain Provisions

The agreements contained in Section IV and the representations and warranties of GWA set forth in Section V hereof shall survive any termination or cancellation of this agreement, any completion of the engagement provided by this agreement, any investigation made by or on behalf of the Dealer Manager, any of its officers or partners or any person controlling the Dealer Manager, any termination or expiration of the Tender Offer and any acquisition of Invited Bonds, whether pursuant to the Tender Offer or otherwise.

VIII. Miscellaneous

- (a) This agreement is made solely for the benefit of the Dealer Manager and GWA, and no other person shall acquire or have any right under or by virtue of this agreement.
- (b) In the event that any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision hereof, which shall remain in full force and effect. Except as otherwise expressly provided in this agreement, whenever notice is required by the provisions of this agreement to be given to (i) GWA, such notice shall be in writing addressed to Guam Waterworks Authority, at Gloria B. Nelson Public Service Building, 688 Route 15, Mangilao, Guam 96913, Attention: [], and (iii) Dealer Manager, such notice shall be in writing addressed to Citigroup Global Markets Inc., at [300 South Grand Avenue, Suite 3110, Los Angeles, California 90071], Attention: Stephen Field.

- (c) This agreement contains the entire understanding of the parties with respect to the Dealer Manager's acting as Dealer Manager for the Tender Offer, superseding any prior agreements with respect thereto and may not be modified or amended except in writing executed by the parties hereto. This agreement may be executed in any number of separate counterparts, each of which shall be an original, but all such counterparts shall together constitute one and the same agreement.
- (d) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. Any right to trial by jury with respect to any action or proceeding arising in connection with or as a result of either the engagement of the Dealer Manager or any matter referred to in this agreement is hereby waived by the parties hereto. GWA agrees that any suit or proceeding arising in respect of this agreement or our engagement will be tried exclusively in the U.S. District Court for the State of New York or, if that court does not have subject matter jurisdiction, in any state court located in New York, New York, and GWA agrees to submit to the jurisdiction of, and to venue in, such courts.
- (e) GWA acknowledges and agrees that: (i) the primary role of the Dealer Manager, as dealer, is to solicit tenders, in an arm's-length commercial transaction, and that the Dealer Manager has financial and other interests that differ from those of GWA; (ii) the Dealer Manager is not acting as a municipal advisor, financial advisor, or fiduciary to GWA and has not assumed any advisory or fiduciary responsibility to GWA with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto or in connection with the issuance of the Bonds (irrespective of whether the Dealer Manager has provided other services or is currently providing other services to GWA on other matters); (iii) the only obligations the Dealer Manager has to GWA with respect to the transaction contemplated hereby expressly are set forth in this agreement; and (iv) GWA has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate in connection with the transactions contemplated hereby and the issuance of the Bonds.
- (f) The Dealer Manager does not provide accounting, tax or legal advice. GWA is authorized, subject to applicable law, to disclose any and all aspects of this potential transaction that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transaction.
- (g) The Dealer Manager agrees to comply with all applicable rules of the Municipal Securities Rulemaking Board in connection with the Tender Offer and with respect to its obligations hereunder to GWA.

Please sign and return to us a duplicate of this letter, whereupon it will become a binding agreement.

[SIGNATURES ON FOLLOWING PAGES]

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.

By: _____
Stephen Field
Director

(Signature Page of Citigroup Global Markets Inc. to Dealer Manager Agreement/
GWA Water and Wastewater System Revenue Refunding Bonds, Series 2023A)

Accepted and agreed to as
of the date first above written:

GUAM WATERWORKS AUTHORITY

By: _____
Miguel C. Bordallo, P.E.
General Manager

(Signature Page of the Guam Waterworks Authority to Dealer Manager Agreement/
GWA Water and Wastewater System Revenue Refunding Bonds, Series 2023A)

Schedule A
INVITED BONDS

* Copyright 2023, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. Neither GWA, the Dealer Manager, the Information Agent and the Tender Agent nor their respective agents or counsel assume responsibility for the accuracy of such numbers.

Exhibit 1

FORM OF BOND COUNSEL OPINION

Exhibit C

3831669.2 047063 AGMT

EXHIBIT D-45

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

FORWARD DELIVERY BOND PURCHASE AGREEMENT

[Sale Date], 2023

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

Guam Economic Development Authority
ITC Building
590 South Marine Corps Drive, Suite 511
Tamuning, Guam 96931

Ladies and Gentlemen:

The undersigned, Citigroup Global Markets Inc., acting on behalf of itself and as representative (the "Representative") of RBC Capital Markets, LLC (together, the "Underwriters"), hereby offers to enter into this Forward Delivery Bond Purchase Agreement (this "Forward Delivery Agreement") with the Guam Waterworks Authority (the "Authority") for the purchase by the Underwriters and sale by the Authority of its Water and Wastewater System Revenue Refunding Bonds specified below. This offer is made subject to the acceptance thereof by the Authority and the Guam Economic Development Authority ("GEDA") prior to 11:59 p.m., prevailing time in New York, New York, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. Upon acceptance hereof, evidenced by the signatures of the respective duly authorized officers of the Authority and GEDA in the space provided below, this Forward Delivery Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority, GEDA, and the Underwriters.

Any authority, discretion or other power conferred upon the Underwriters by this Forward Delivery Agreement may be exercised by the Representative alone.

Capitalized terms used in this Forward Delivery Agreement and not otherwise defined herein shall have the meanings given to such terms in the Official Statement (defined below).

Section 1. DEFINITIONS. As used in this Forward Delivery Agreement, the following terms shall have the indicated meanings:

“Bonds” shall mean the Guam Waterworks Authority, Water and Wastewater System Revenue Refunding Bonds, Series 2024A (Forward Delivery) authorized to be issued in the aggregate principal amount of \$[_____].

“Change in Law” shall mean any of the following, which occur at any time after the Preliminary Closing Date and on or prior to the Settlement: (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has a proposed effective date which is on or before the Settlement Date), (iii) any law, rule or regulation proposed or enacted by any governmental body, department or agency (if such enacted law, rule or regulation has a proposed effective date which is on or before the Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which with respect to the foregoing clauses (i) through (iv) would, (A) as to the Underwriters, legally prohibit (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) the Underwriters from (1) accepting delivery of and paying for the Bonds in accordance with the provisions of this Forward Delivery Agreement or (2) selling the Bonds or beneficial ownership interests therein to the bona fide purchasers or, (B) as to the Authority or GEDA, make illegal the issuance, sale or delivery of the Bonds (or have the retroactive effect of making illegal such issuance, sale or delivery, if enacted, adopted, passed or finalized); (C) eliminate the exclusion from gross income of interest on the Bonds (or have the retroactive effect of eliminating such exclusion if enacted, adopted, passed, or finalized); or (D) require the Bonds to be registered under the 1933 Act or under the 1934 Act, or require the Indenture to be qualified under the 1939 Act (or have the retroactive effect of requiring such registration or qualification if enacted, adopted, passed or finalized); or (v) a stop order, ruling, regulation, or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, is, or would be, in violation of any applicable provision of the 1933 Act, the 1934 Act or the 1939 Act. A Change of Law shall not include any enactment, proposal or recommendation having the effect of diminishing (rather than eliminating) the exclusion from gross income for federal income tax purposes of interest payable on state or local bonds.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate, dated the Settlement Date, the form of which is included as [Appendix ____] to the Official Statement.

“Depository” or “DTC” means The Depository Trust Company, New York, New York, or any successor thereto, which maintains a book-entry only system for the Bonds.

“Escrow Agent” means U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”).

“Escrow Agreement” means the Escrow Agreement dated as of [____], 2023 between the Authority and the Escrow Agent.

“Legal Documents” means, collectively, the Tenth Supplemental Indenture, the Continuing Disclosure Certificate, and the Escrow Agreement.

“1933 Act” shall mean the federal Securities Act of 1933, as amended or supplemented.

“1934 Act” shall mean the federal Securities Exchange Act of 1934, as amended or supplemented.

“1939 Act” shall mean the federal Trust Indenture Act of 1939, as amended or supplemented.

“Rule 15c2-12” shall mean Rule 15c2-12 (17 CFR 240.15c2-12) promulgated by the SEC pursuant to the 1934 Act, as amended or supplemented.

“SEC” shall mean the United States Securities and Exchange Commission.

Section 2. AUTHORIZATION. [To update] The issuance, sale and delivery of the Bonds have been approved by Resolution No. [] of the Consolidated Commission on Utilities adopted on [], 2023 (the “CCU Resolution”). The issuance and sale of the Bonds have been approved by GEDA pursuant to Resolution No. [] adopted on [], 2023 (the “GEDA Resolution”) and by the Guam Public Utilities Commission pursuant to the Orders in GWA Docket No. [] dated [], 2023 (the “PUC Order”). The Bonds shall be issued pursuant to Chapter 14 of Title 12 of the Guam Code Annotated, as amended (the “Act”) and Public Law No. 28-71, adopted by the Guam Legislature (the “Legislature”) on October 26, 2005 and signed by the Governor on November 3, 2005, as amended by Public Law No. 30-145, adopted by the Legislature on May 3, 2010 and signed by the Acting Governor on May 17, 2010, and as further amended by Public Law No. 32-069, adopted by the Legislature on November 5, 2013 and signed by the Governor on November 7, 2013 (the “Bond Act”). The Bonds shall be as described in and shall be issued and secured under and pursuant to an Indenture, dated as of December 1, 2005, as previously supplemented and amended (the “General Indenture”), and as supplemented by a Tenth Supplemental Indenture, dated as of [], 2023 (the “Tenth Supplemental Indenture” and, together with the General Indenture, the “Indenture”), each by and among the Authority, Bank of Guam, as trustee and depository (the “Trustee”) and U.S. Bank National Trust Company, Association, as co-trustee and paying agent and registrar (the “Co-Trustee”).

Section 3. PLAN OF FINANCING.

(a) The Bonds shall be issued and secured as described in Section 2 hereof, substantially in the form set forth in the Tenth Supplemental Indenture, with only such changes therein as shall be mutually agreed upon between the Authority and the Underwriters prior to the Settlement Date.

(b) The Bonds are being issued by the Authority for the following purposes: (a) to defease and refund all of the Authority’s [] (the “Refunded Bonds”), and (b) to pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of such Refunded Bonds.

Section 4. PURCHASE AND SALE OF BONDS; OFFERING.

(a) Upon and subject to the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriters hereby agree to

purchase from the Authority, and the Authority hereby agrees to sell and deliver to or on behalf of the Underwriters, in the manner provided herein, an aggregate of \$[] principal amount of the Bonds upon the issuance thereof. The Bonds shall be dated the Settlement Date (as defined in Section 8(a)), and shall have the maturities and bear interest at the rates per annum and have the initial offering yields or be sold at the initial offering prices, all as set forth in Schedule I hereto.

(b) The purchase price for the Bonds shall be \$[] (representing the principal amount of the Bonds, [plus/less] a net original issue [premium/discount] of \$[]), less an underwriters' discount of \$[] (the "Underwriters' Discount") (collectively, the "Purchase Price").

(c) It shall be a condition to the Authority's obligation to sell and deliver the Bonds to the Underwriters that the entire principal amount of the Bonds shall be purchased, accepted and paid for by the Underwriters at the Settlement. It shall be a condition to the Underwriters' obligation to purchase, to accept delivery of and to pay for the Bonds that the entire principal amount of the Bonds shall be issued, sold and delivered by the Authority at the Settlement.

(d) The Bonds will be offered and sold by the Underwriters with settlement to be made through the Depository's book-entry only system without physical delivery of the Bonds to bondholders.

(e) The Underwriters agree to make a public offering of all of the Bonds at not in excess of the initial public offering prices or less than the yields as set forth on the inside cover page of the Official Statement (in each case, without accrued interest). If such public offering does not result in the sale of all of the Bonds, the Underwriters reserve the right to change such initial public offering prices or yields as the Underwriters deem necessary in connection with the marketing of the Bonds (subject to Section 23).

Section 5. PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT, AND UPDATED OFFICIAL STATEMENT; AMENDMENTS AND SUPPLEMENTS THERETO.

(a) The Authority hereby confirms that it has "deemed final" as of its date the Preliminary Official Statement dated [], 2023 relating to the Bonds (the "Preliminary Official Statement") for purposes of Rule 15c2-12, except for the omission of only such information as is permitted by paragraph (b)(1) of such Rule.

(b) The Authority agrees to provide, or cause to be provided, to the Representative, within seven (7) business days after the execution of this Forward Delivery Agreement by the Authority or three (3) business days prior to the Preliminary Closing Date (as defined in Section 7 hereof), whichever comes first, an electronic copy of a final Official Statement (defined below) to permit the Underwriters to comply with the Underwriters' requirements under Rule 15c2-12 and other applicable rules of the SEC and the Municipal Securities Rulemaking Board ("MSRB"). The Authority will provide an electronic copy of the Official Statement to the Underwriters in the currently required designated electronic format stated in Municipal Securities Rulemaking Board ("MSRB") Rule G-32 and the "EMMA Dataport Manual" (meaning, the document(s) designated as such published by the MSRB from time to time setting forth the processes and procedures with

respect to submissions to be made to the primary market disclosure service of the MSRB's Electronic Municipal Market Access system, or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information ("EMMA") by underwriters under Rule G-32(b)), provided, however, that it shall be the sole responsibility of the Underwriters to confirm such electronic copy satisfies the designated electronic format requirements.

(c) Notwithstanding any prior amendment or supplements to the Official Statement made pursuant to subsection (d) of this Section, the Authority, in cooperation with the Underwriters, shall prepare an updated Official Statement dated a date not more than 25 days nor less than ten days prior to Settlement Date relating to the Bonds (the "Updated Official Statement") which, as of such date, will be accurate in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Promptly following its preparation, the Authority shall furnish to the Representative an electronic copy of the Updated Official Statement and an electronic copy of one (1) manually signed Updated Official Statement to permit the Underwriters (as the Authority shall be informed by the Underwriters) to comply with the Underwriters' requirements under Rule 15c2-12 and other applicable rules of the SEC and the MSRB as described in subsection (b) of this Section.

(d) Until the earlier of (i) ninety (90) days after the End of the Underwriting Period (as hereinafter defined) or (ii) the time when the Official Statement or Updated Official Statement, as applicable, is available to any person on EMMA, but in no case less than 25 days following the End of the Underwriting Period, each party hereto agrees that it will notify the other parties hereto if such party discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case which might cause the Official Statement as of its date (as the same may have been theretofore supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Authority or the Underwriters, the preparation and publication of a supplement or amendment to the Official Statement is, as a result of such fact or event (or any other event which becomes known to the Authority or any Underwriter during such period), necessary so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority will, at its expense, supplement or amend the Official Statement in such a manner so that the Official Statement, as so supplemented or amended, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and furnish an electronic copy of such supplement or amendment to the Underwriters. The Authority and the Underwriters agree that they will cooperate in the preparation of any such amendment or supplement.

(e) For purposes of this Forward Delivery Agreement, the "End of the Underwriting Period" shall mean the day of the Settlement, or, if the Authority has been notified in writing by the Underwriters, on or prior to the date of the Settlement, that the "End of the Underwriting Period" within the meaning of Rule 15c2-12 will not occur on the date of the Settlement, such later date on which the "End of the Underwriting Period" within such meaning has in fact occurred. In

the event that the Authority has been given notice pursuant to the preceding sentence that the "End of the Underwriting Period" will not occur on the date of the Settlement, the Underwriters agree to notify the Authority in writing of the date it does occur as soon as practicable following the "end of the underwriting period" for all purposes of Rule 15c2-12; provided, however, that if the Underwriters have not otherwise so notified the Authority of the "End of the Underwriting Period" by the 30th day after the Settlement, then the "End of the Underwriting Period" shall be deemed to occur on such 30th day unless otherwise agreed to by the Authority.

(f) If a change referenced in subsection (d) of this Section occurs subsequent to the Preliminary Closing Date, the Authority agrees to deliver to the Underwriters as soon as practicable thereafter, such customary legal opinions, certificates, instruments and documents as the Representative may reasonably request to evidence the truth and accuracy of any corrected information.

Section 6. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE AUTHORITY. The Authority hereby represents and warrants to, and agrees with, each of the Underwriters that:

(a) The Authority is the duly organized and validly existing as a Guam public corporation, with full legal right, power, and authority to issue the Bonds pursuant to the Act.

(b) The Authority has full legal right, power and authority (i) to enter into this Forward Delivery Agreement, the Tenth Supplemental Indenture, the Continuing Disclosure Certificate (it being understood notwithstanding anything to the contrary herein that the Continuing Disclosure Agreement will be executed and delivered at the Settlement Date) and the Escrow Agreement, (ii) to issue, sell and deliver the Bonds to the Underwriters pursuant to the Indenture, as provided herein, and (iii) to perform its obligations under this Forward Delivery Agreement, the General Indenture, the Bonds, the Legal Documents, and the Official Statement; and (iv) to carry out and consummate all other transaction contemplated thereby and hereby. The execution and delivery of such documents and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any applicable statute or other law (including any provision of the Organic Act of Guam), administrative regulation, court order or consent decree of the Government of Guam or any department, division, agency or instrumentality thereof or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the Authority is a party or may be otherwise subject. Other than as described in the Official Statement, the Authority is not in any material respect in breach of or default under any applicable statute or other law, administrative regulation, court order or consent decree of the Government of Guam or of the United States, or any agency or instrumentality of either of them, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement (including without limitation, the Indenture or this Forward Delivery Agreement) or other instrument to which the Authority is a party which breach or default has or may have an adverse effect on the ability of the Authority to perform its obligations under the the General Indenture, the Bonds, the Legal Documents, or this Forward Delivery Agreement, and no event has occurred and is continuing which with the passage of time or the giving

of notice, or both, would constitute such a default or event of default under any such instrument.

(b) The Authority has duly authorized and approved the Preliminary Official Statement and the Official Statement, and has duly authorized and approved the execution and delivery of and the performance by the Authority of its obligations pursuant to the terms of the Bonds, this Forward Delivery Agreement, the General Indenture, the Legal Documents, and the consummation of all other transactions contemplated thereby and by the Official Statement related to the issuance of the Bonds and the refunding of the Refunded Bonds.

(d) Upon execution and delivery by the Authority (assuming due authorization, execution, and delivery by and enforceability against the other parties thereto), this Forward Delivery Agreement and the Legal Documents will be, and the General Indenture is, in full force and effect and each will or does constitute the legal, valid and binding agreement or obligation of the Authority, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to creditors' rights generally.

(e) All opinions, certifications, approvals, consents or orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, or the obtaining of which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the CCU Resolution, the GEDA Resolution, the PUC Order, the Legal Documents or this Forward Delivery Agreement, the issuance of the Bonds or due performance by the Authority of its obligations thereunder, under the General Indenture or hereunder, at this time have been duly obtained.

(f) The Bonds, the General Indenture, and the Legal Documents conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement; and the Bonds, when issued, authenticated and delivered in accordance with the Indenture, will be validly issued and outstanding limited obligations of the Authority.

(g) The financial statements of the Authority in the Preliminary Official Statement and in the Official Statement fairly present the financial positions and results of operation of such fund as of the dates and for the periods therein set forth, and the Authority has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles.

(h) The Preliminary Official Statement, as of the date thereof and as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12), did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) At the time of the Authority's acceptance hereof, the information in the Preliminary Official Statement did not, and as of its date and the Preliminary Closing Date,

the Official Statement will not, and as of its date and the Settlement Date, the Updated Official Statement will not, contain any untrue statement of a material fact or omit to state, a material fact necessary to make the statements therein, in the light of the circumstances under which they were or are, as the case may be, made, not misleading (excluding therefrom information relating to DTC, the book-entry system, as to which no representation is made); and the Authority will cooperate with the Underwriters in the preparation of any amendment or supplement to the Official Statement or the Updated Official Statement, as the case may be, in accordance with Section 5(d) hereof, so that the Official Statement, as the same may be supplemented or amended to the date of the Updated Official Statement pursuant to the provisions of this Forward Delivery Agreement, and the Updated Official Statement as the same may be supplemented or amended pursuant to the provisions of this Forward Delivery Agreement, will not, in either case except for brief periods between changes in any relevant circumstances and the timely amendment or supplement of the Official Statement or Updated Official Statement (as the case may be) to reflect such change, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (excluding therefrom information relating to DTC, the book-entry system, as to which no representation is made);

(k) Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding, inquiry or investigation (with service of process having been received by the Authority or otherwise known to the Authority) at law or in equity, before or by any court, governmental agency, public board or body is pending or, to the knowledge of the Authority, threatened in any way (a) affecting the existence of the Authority or the title of any official of the Authority to such person's office, (b) seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the collection of revenues or assets of the Authority pledged or to be pledged to pay the principal of and interest or premium, if any, on the Bonds or the pledge thereof, (c) in any way contesting or affecting the validity or enforceability of the Act, the CCU Resolution, the GEDA Resolution, the PUC Order, the General Indenture, the Legal Documents, this Forward Delivery Agreement or the Bonds, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement, the Official Statement, or any supplement or amendment thereto, or (e) contesting the power of the Authority or its authority with respect to the Bonds, the General Indenture, the Legal Documents or this Forward Delivery Agreement, nor is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Act, the CCU Resolution, the GEDA Resolution, or the PUC Order, or the authorization, execution, delivery or performance by the Authority of the Bonds, the General Indenture, Legal Documents, or this Forward Delivery Agreement.

(l) Except as otherwise provided herein, the Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions as the Representative may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such States and other jurisdictions, and the

Authority agrees to make its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds (provided that the Authority shall not be obligated to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction nor be obligated to incur any obligation arising directly or indirectly from compliance with any applicable laws, rules or regulations in any jurisdiction outside of the United States in which the Underwriters qualify, purchase, offer or sell the Bonds, or seek permission, consent or approval therefor), and will advise the Representative immediately upon receipt by the Authority of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(n) The Authority will apply the proceeds of the Bonds as described in the Preliminary Official Statement and the Official Statement, and in accordance with the Legal Documents and the General Indenture. The Authority has the legal authority to apply and will apply, or will cause to be applied, the proceeds from the sale of the Bonds in accordance with and subject to all of the terms and provisions of the Act, the Bond Act, and the Indenture (including payment or reimbursement of Authority expenses incurred in connection with the issuance, sale and delivery of the Bonds as set forth in Section 14 (Expenses)).

(o) Unless expressly otherwise provided therein, any certificate signed by any officer of the Authority and delivered to the Underwriters pursuant to the General Indenture, the Legal Documents, or this Forward Delivery Agreement or any document contemplated thereby shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein and that such officer shall have been duly authorized to execute the same.

(p) There is no public vote or referendum pending or, to the knowledge of the Authority, formally proposed, the results of which could in any way adversely affect the transactions contemplated by this Forward Delivery Agreement, the Act, the Bond Act, the CCU Resolution, the GEDA Resolution, the PUC Order, the Bonds, or the Indenture or the validity or enforceability of the Bonds.

(q) The Indenture creates a valid pledge of and grant of a security interest in the Revenues (as defined in the Indenture) purported to be pledged thereby.

(r) Between the date of this Forward Delivery Agreement and the Settlement Date, the Authority will not, without the prior written consent of the Underwriters, issue any bonds, notes or other obligations for borrowed money payable from the Revenues prior to or on a parity with the Bonds, other than the Authority's Water and Wastewater System Revenue Refunding Bonds, Series 2023A, which are expected to be issued on [], 2023 (the "2023A Bonds").

(s) The Authority will not, between the date of execution of this Forward Delivery Agreement and the Settlement Date, enter into any indebtedness that is secured by a pledge of or security interest in the Revenues, other than the 2023A Bonds.

(t) Between the date of this Forward Delivery Agreement and the Settlement Date, the Authority will not take any action within or under its control that will cause any adverse change of a material nature in the enforcement or collection of the Revenues.

(u) Other than as described in the Preliminary Official Statement or the Official Statement, the Authority has not failed within the previous five years to comply in all material respects with any previous undertakings to provide financial information or notices of material events in accordance with the Rule 15c2-12.

(v) The Authority hereby authorizes and consent to the use by the Underwriters of the Preliminary Official Statement, the Official Statement, the Updated Official Statement (including all supplements or amendments to any of the foregoing), the Legal Documents, and the information therein contained, in connection with the offering and sale of the Bonds.

(w) The Authority will promptly notify the Representative as soon as it becomes aware of any fact which, in its reasonable judgement, casts doubt on or questions the ability of the Authority to issue, sell and deliver the Bonds as provided for by this Forward Delivery Agreement.

Section 7. PRELIMINARY CLOSING. At 11:45 p.m., Guam time on [], 2023 (9:45 a.m., New York time, on [], 2023), (the "Preliminary Closing Date"), or such other date and time as shall have been mutually agreed upon by the Authority and the Underwriters, the certificates, opinions and other documents required by Section 10 below shall be executed and delivered (all of the foregoing actions are herein referred to collectively as the "Preliminary Closing"). The Preliminary Closing shall take place electronically through the offices of Orrick Herrington & Sutcliffe LLP ("Bond Counsel"), or at such other location as shall be mutually agreed upon by the Authority and the Underwriters. Assuming the Preliminary Closing is completed in accordance with the provisions of this Forward Delivery Agreement then, subject to the provisions of this Forward Delivery Agreement, the Underwriters shall be obligated to purchase the Bonds and pay the Purchase Price therefor (and the Authority shall be obligated to issue and deliver such Bonds) at the Settlement.

Section 8. SETTLEMENT.

(a) At 11:45 p.m., Guam time on [], 2024 (9:45 a.m., New York time, on [], 2024), (the "Settlement Date"), (i) the Authority will, subject to the terms and conditions hereof, deliver the Bonds to DTC on behalf of the Underwriters in the form of one or more bonds for each maturity of the Bonds registered in the name of Cede & Co., duly executed and authenticated, and deliver or cause to be delivered to the Representative the other documents required by Section 12 hereof and (ii) the Underwriters will, subject to the terms and conditions hereof, accept such delivery and pay or cause to be paid the Purchase Price of the Bonds as set forth in Section 4 hereof by wire transfer in immediately available funds to the order of the Authority (all of the foregoing described transactions are herein called the "Settlement"). Delivery and payment as aforesaid shall be made through the offices of Bond Counsel.

(b) The Authority will have no obligation to issue, sell and deliver the Bonds if, because of a Change in Law, such issuance, sale and delivery would be illegal as to the Authority.

Section 9. CERTAIN CONDITIONS TO THE UNDERWRITERS' OBLIGATIONS. The Underwriters have entered into this Forward Delivery Agreement in reliance upon the representations and warranties of the Authority contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Preliminary Closing and the Settlement, and upon the performance by the Authority of its respective obligations hereunder, as of the date hereof, as of the Preliminary Closing Date and as of the Settlement Date. Accordingly, the Underwriters' obligations under this Forward Delivery Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Authority of its obligations to be performed hereunder and the delivery of the documents and instruments required to be delivered hereby at or prior to the Preliminary Closing and the Settlement, and shall also be subject to the following additional conditions:

(a) The representations and warranties of the Authority contained herein shall be true and correct on the date hereof, at Preliminary Closing Date and at the Settlement Date;

(b) Both at the time of the Preliminary Closing and the Settlement, this Forward Delivery Agreement, the Act, the Bond Act, the GEDA Resolution, the PUC Order, and the General Indenture and, at the time of the Settlement only, the Legal Documents, shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any manner which will adversely affect (i) the ability of the Authority to issue the Bonds or perform its obligations thereunder or under this Forward Delivery Agreement, or (ii) the security for the Bonds;

(c) At the time of the Preliminary Closing, the Official Statement shall not have been supplemented or amended except pursuant to the provisions of this Forward Delivery Agreement; and at the time of the Settlement, the Updated Official Statement shall not have been supplemented or amended except pursuant to the provisions of this Forward Delivery Agreement; and

(d) Both at the time of the Preliminary Closing and the Settlement, all official action of the Authority and of the other parties thereto required to be taken at such times relating to this Forward Delivery Agreement, the Bonds, the General Indenture, and the Legal Documents shall have been taken and shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material adverse respect.

Section 10. PRELIMINARY CLOSING CONDITIONS.

(a) The Underwriters' obligations under this Forward Delivery Agreement shall be conditioned upon the performance by the Authority of its obligations to be performed hereunder, and the applicable conditions of Section 9 hereof having been satisfied, and the tender by the Authority of its performance at the Preliminary Closing as described in Section 7 hereof, which Preliminary Closing shall not be completed unless the Underwriters shall receive at the time of the Preliminary Closing the following:

(1) The Official Statement executed by an authorized official of the Authority;

(2) A certification by the Guam Compiler of Laws attaching a full, true and correct copy of the Act and the Bond Act and including a statement to the effect that the Act and the Bond Act have not been amended and repealed and is in full force and effect;

(3) A letter, dated the Preliminary Closing Date and addressed to the Underwriters, of Bond Counsel, in substantially the form attached hereto as Exhibit A;

(4) A supplemental opinion, dated the Preliminary Closing Date and addressed to the Underwriters, of Bond Counsel in the form attached as Exhibit B;

(5) An opinion of counsel to the Authority, dated the Preliminary Closing Date and addressed to the Underwriters singularly or together, to the effect that: (i) the Authority is on the Preliminary Closing Date a Guam public corporation and pursuant to the Act, the Bond Act, the CCU Resolution, the GEDA Resolution and the PUC Order, has full legal right, power and authority to enter into the Forward Delivery Agreement, the Indenture, and the Continuing Disclosure Certificate (it being understood that the Continuing Disclosure Certificate is to be executed and delivered on the Settlement Date), to authorize, issue and sell the Bonds, to collect and enforce the collection of the Revenues, and to carry out and consummate all transactions required of it as contemplated by this Forward Delivery Agreement, the Indenture and the Continuing Disclosure Certificate; (ii) the CCU Resolution was duly adopted at a [regular] meeting of the Consolidated Commission on Utilities duly called for such purpose, has not been amended or repealed, and is in full force and effect on the Preliminary Closing Date; (iii) the Forward Delivery Agreement, the Indenture, the Continuing Disclosure Agreement, and the Escrow Agreement have each been duly authorized, executed and delivered, and, assuming due execution and delivery by and validity against the other parties to such agreements, each constitutes a valid and legal obligation of, the Authority, except that the rights and obligations thereunder may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases, and except that no opinion need be expressed with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), choice of law, choice of forum, choice of venue, waiver or severability provisions contained in such agreements, (iv) the execution and delivery of the Indenture, the Continuing Disclosure Agreement, and this Forward Delivery Agreement, and the consummation of the transactions contemplated thereby, by the General Indenture, and hereby, and the compliance with the provisions thereof and hereof, will not conflict with or constitute on the part of the Authority a breach of or a default under any existing law, administrative regulation, court order or consent decree of the Government of Guam or any department, division, agency or instrumentality of the United States to which the Authority is subject, or any agreement, resolution or instrument to which the Authority is a party or may otherwise be subject; (v) the pledge of the Revenues pursuant to the Act, as amended, and the Indenture creates a valid first priority lien for the benefit of the Bondholders; (vi) all approvals, consents or orders of any governmental authority, board, agency or commission having jurisdiction the obtaining of which would constitute a condition precedent to the performance by the Authority of its obligations under this Forward Delivery Agreement, the General Indenture, the Legal Documents, or the Bonds and which can reasonably be

obtained by the time of Preliminary Closing have been obtained; (vii) other than as disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation or proceeding, pending (with service of process having been received by the Authority or otherwise known to such counsel) or, to the knowledge of such counsel, threatened (either in local or Federal courts on Guam), (a) to restrain or enjoin the execution or delivery of the Bonds or the general collection of Revenues, (b) in any way contesting or affecting the existence of the Authority or the title of any official of the Authority to such person's office, (c) seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of Revenues of the Authority pledged or to be pledged to pay the principal of and interest or premium, if any, on the Bonds, or the pledge thereof, or (d) in any way contesting or affecting the validity or enforceability of the Bonds, the General Indenture, the Legal Documents or this Forward Delivery Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the Authority or its authority with respect to the Bonds, the General Indenture, the Legal Documents or this Forward Delivery Agreement; (viii) as of the date of the Official Statement and as of the Preliminary Closing Date, the statements contained in the Official Statement under the captions ["LITIGATION" and "INTRODUCTION – Authorization"] are accurate in all material respects; and (ix) without passing upon or assuming any responsibility for the accuracy (except as and to the extent stated in section (viii) above), completeness and fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement or any other offering material relating to the Bonds, and making no representation that it has independently verified the accuracy, completeness or fairness of any such statements, counsel to the Authority has no reason to believe that either the Preliminary Official Statement, as of its date and as of the date hereof, or the Official Statement, as of its date and as of the Preliminary Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for information regarding DTC or its book-entry system, the financial statements and other financial and statistical data included in the Preliminary Official Statement and the Official Statement and the Appendices thereto, as to which no view need be expressed);

(6) An opinion of counsel to GEDA, dated the Preliminary Closing Date and addressed to the Underwriters and the Authority, to the effect that: (i) the GEDA Resolution was duly adopted at a regular meeting of GEDA duly called and has not been amended or repealed; and (ii) there is no litigation or proceeding pending (with service of process having been received by GEDA or otherwise known to such counsel) or, to the knowledge of such counsel, threatened (in local or Federal courts on Guam) against GEDA in any way affecting the existence of GEDA, the title of any official of GEDA to such person's office, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of GEDA or its authority with respect to the Bonds;

(7) An opinion of Underwriters' Counsel, dated the Preliminary Closing Date and addressed to the Underwriters, attached hereto as Exhibit C;

(8) A certificate of the Trustee dated the Preliminary Closing Date and signed by a duly authorized officer of the Trustee, in form and substance satisfactory to the Representative, to the effect that no litigation is pending or, to the best of such officer's knowledge, threatened (in territorial, state or federal courts) to restrain or enjoin the authentication or delivery of the Bonds or to restrain or enjoin the Trustee from performing its obligations under the General Indenture or the Legal Documents;

(9) The opinion of counsel to the Trustee, dated the Preliminary Closing Date and addressed to the Underwriters and the Authority, to the effect that: (i) the Trustee has been duly organized and is validly existing and in good standing under the laws of Guam with full corporate power to undertake the trusts of the Indenture; (ii) the Trustee has duly authorized, executed and delivered the Indenture and by all proper corporate action has authorized the acceptance of the trusts of the Indenture; (iii) assuming the corporate power and legal authority of, and the due authorization, execution and delivery of the Tenth Supplemental Indenture by, the Authority and the Co-Trustee, the Indenture constitutes a valid and binding agreement of the Trustee enforceable against the Trustee in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally; (iv) no authorization, approval, consent or other order of any governmental agency or, to such counsel's knowledge after due investigation, any other person or corporation is required for the valid authorization, execution and delivery of the Tenth Supplemental Indenture by the Trustee (except that such counsel need express no view as to federal or state securities laws); and (v) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body known to counsel to the Trustee to be pending or threatened against or affecting the Trustee to restrain or enjoin the Trustee's participation in, or in any way contesting the powers of the Trustee with respect to, the transactions contemplated by the Bonds, the Indenture or any other agreement, document, or certificate related to such transactions;

(10) A certificate of the Co-Trustee (in its capacities as Co-Trustee and Escrow Agent) dated the Closing Date and signed by a duly authorized officer of the Co-Trustee, in form and substance satisfactory to the Underwriters, to the effect that no litigation is pending or, to the best of such officer's knowledge, threatened (in Guam, state or Federal courts) to restrain or enjoin the authentication or delivery of the Bonds or to restrain or enjoin the Co-Trustee from performing its obligations under the Indenture or the Escrow Agreement;

(11) The opinion of counsel to the Co-Trustee, dated the Preliminary Closing Date and addressed to the Underwriters and the Authority, to the effect that: (i) the Co-Trustee has been duly organized as a national banking association and is validly existing and in good standing under the laws of the United States of America with all requisite corporate power to undertake the trusts of the Indenture; (ii) the Co-Trustee has duly authorized, executed and delivered the Tenth Supplemental Indenture and the Escrow Agreement and has taken all necessary corporate action to authorize the execution and delivery of the Tenth Supplemental Indenture and the Escrow Agreement and the performance of its obligations thereunder and under the Indenture; (iii) assuming the corporate power and legal authority of, and the due authorization, execution and delivery

of, the Indenture by the Authority and the Trustee, and the Escrow Agreement by the Authority, the Indenture and the Escrow Agreement constitute valid and binding agreements of the Co-Trustee enforceable against the Co-Trustee in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally; (iv) the Bonds have been validly authenticated by the Co-Trustee in its capacity as Registrar under the Indenture; (v) to the best knowledge of such counsel, no authorization, approval, consent or other order of any governmental agency or any other person or corporation is required for the valid authorization, execution and delivery of the Tenth Supplemental Indenture and the Escrow Agreement by the Co-Trustee or the authentication of the Bonds (except that such counsel need express no view as to federal or state securities laws); and (vi) there is no litigation pending against the Co-Trustee or to the best knowledge of such counsel, threatened against or affecting the Co-Trustee to restrain or enjoin the Co-Trustee's participation in, or in any way contesting the powers of the Co-Trustee with respect to, the transactions contemplated by the Bonds, the Indenture, the Escrow Agreement, or any other agreement, document, or certificate related to such transactions;

(12) A certification of counsel to the PUC, dated the Preliminary Closing Date, to the effect that: (i) the PUC Order was duly adopted at a regular meeting of the PUC duly called and has not been amended or repealed; and (ii) there is no litigation or proceeding pending (with service of process having been received by PUC or otherwise known to such counsel) or, to the knowledge of such counsel, threatened (in local or Federal courts on Guam) against the PUC in any way affecting the existence of the PUC, the title of any official of PUC to such person's office, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the PUC or its authority with respect to the Bonds;

(13) Evidence satisfactory to the Underwriters that Bonds are rated, at the time of the Preliminary Closing, at least "[A-]" by S&P Global Ratings and at least "[Baa2]" by Moody's and evidence that such rating is in full force and effect as of the Preliminary Closing Date;

(14) A certificate dated the Preliminary Closing Date and signed by an authorized official of the Authority to the effect that: (i) the representations, warranties and covenants of the Authority contained herein are true and correct in all material respects on and as of the Preliminary Closing Date with the same effect as if made on the Preliminary Closing Date; (ii) no event materially adversely affecting the Authority has occurred since the date of the Official Statement; (iii) the Preliminary Official Statement, as of its date and as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12), and the Official Statement, as of its date and as of the Preliminary Closing Date, did not and do not contain any untrue statement of a material fact or omitted or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iv) the Authority has complied with this Forward Delivery Agreement and has satisfied all the

conditions on its part herein to be performed or satisfied at or prior to the Preliminary Closing; and (v) there is no litigation or proceeding pending or, to the knowledge of the Authority, threatened and having merit (in Guam, state, or Federal courts) (A) to restrain or enjoin the execution or delivery of the Bonds or the general collection of Revenues, or (B) in any way contesting or affecting the existence of the Authority or the title of any official of the Authority to such person's office, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the pledge of Revenues, or in any way contesting or affecting the validity or enforceability of the Bonds, the General Indenture, the Legal Documents, or this Forward Delivery Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the Authority or its authority with respect to the Bonds, the General Indenture, the Legal Documents, or this Forward Delivery Agreement;

(15) A certificate dated the Preliminary Closing Date and signed by an authorized official of the GEDA to the effect that Appendix A to the Preliminary Official Statement, as of its date and as of the date hereof, and Appendix A to the Official Statement, as of its date and as of the Preliminary Closing Date, did not and does not contain any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(16) A letter addressed to the Authority from Ernst & Young LLP, independent certified public accountants, in form and substance satisfactory to the Underwriters and their counsel and dated the date on or before the Closing to the effect that, as of the date of such letter, (i) they are independent certified public accountants within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants; and (ii) they consent to the inclusion of their report to the Authority dated [] (the "Financial Statements") as [Appendix] to the Preliminary Official Statement and the Official Statement for the Bonds and to all references to such firm and such Financial Statements in the Preliminary Official Statement and the Official Statement;

(17) Certified copies of the CCU Resolution, the GEDA Resolution and the PUC Order;

(18) A written report (the "Verification Report") prepared by Causey Demgen & Moore P.C. (the "Verification Agent"), (i) verifying the mathematical accuracy of the mathematical computations relating to the sufficiency of the cash, and maturing principal of and interest on the escrow investments, if any, to pay the principal of and interest on the Refunded Bonds through and including their redemption dates and (ii) satisfying the requirements of Section 3.05(B)(1)(d)(i) of the General Indenture, including a statement to the effect that the Aggregate Annual Debt Service (as defined in the General Indenture) in each Fiscal Year (as defined in the General Indenture) will be less than or equal to the Aggregate Annual Debt Service in each Fiscal Year in the absence of the refunding of the Refunded Bonds by the Bonds;

(19) An executed copy of the Tenth Supplemental Indenture delivered by the Authority, the Trustee and the Co-Trustee, together with a true and correct copy of the General Indenture;

(20) An executed copy of the Escrow Agreement executed by the Authority and the Escrow Agent; and

(21) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Preliminary Closing, of the Authority's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority on or prior to the date of the Preliminary Closing of all the agreements then to be performed and conditions then to be satisfied by it.

(b) The Authority's obligations under this Forward Delivery Agreement shall be conditioned upon the performance by the Underwriters of their obligations to be performed hereunder, including furnishing the Authority at the Settlement, a certificate of the Underwriters as to the issue price for the Bonds in accordance with Section 23 hereof.

(c) The parties hereto agree that any opinion to be delivered pursuant to this Forward Delivery Agreement may be modified to comply with the requirements of Internal Revenue Service Circular 230 (31 C.F.R. Part 10), and any such modification shall be subject to Section 15(e) hereof.

Section 11. RIGHTS OF TERMINATION PRIOR TO PRELIMINARY CLOSING. The Representative, on behalf of the Underwriters, may terminate this Forward Delivery Agreement, without liability therefor, by notification to the Authority if at any time on or after the acceptance by the Authority of this Forward Delivery Agreement and on or prior to the Preliminary Closing any of the following events shall occur in the sole and reasonable judgment of the Representative:

(a) legislation shall have been newly enacted or introduced by the Government of Guam or shall have been reported out of committee of either body or be newly pending in committee of either body, or a decision shall have been rendered by a court of the Government of Guam, or a ruling, resolution, regulation, or temporary regulation, release, or announcement shall have been made or shall have been proposed to be made by a state authority with respect to state taxation upon revenues or other income of the general character of that to be derived by the Authority from its operations, or upon interest received on obligations of the general character of the Bonds that, in the Representative's reasonable judgment, materially adversely affects the marketability, or the market price of the Bonds, or the ability of the Underwriters to enforce contracts for sale of the Bonds; or

(b) there shall exist any event or circumstance that in the Representative's reasonable judgment makes either untrue or incorrect in any material respect any statement or information in the Official Statement or is not reflected in the Official Statement but should be reflected therein

in order to make any statement of material fact therein in the light of the circumstances under which they were made not misleading in any material respect; or

(c) there shall have occurred: (A) any new material outbreak or escalation of hostilities (including, without limitation, an act of terrorism) involving the United States or the declaration by the United States of a national emergency or war occurs; or (B) the occurrence of any other calamity or crisis or any change in the financial, political or economic conditions in the United States or elsewhere (including, but not limited to, an escalation of hostilities or any calamity or crisis that existed prior to the date hereof), if the effect of any such event specified in clause (A) or (B), in the reasonable judgment of the Representative, materially adversely affects the marketability or the market price of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(d) there shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of determination by that Exchange or by order of the SEC or any other governmental authority having jurisdiction that, in the Representative's reasonable judgment, materially adversely affects the marketability or the market price of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(e) a general banking moratorium shall have been declared by federal or state authorities having jurisdiction and be in force that, in the Representative's reasonable judgment, materially adversely affects the marketability or the market price of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(f) legislation shall be enacted or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation, or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the Bonds or any comparable securities of the Authority, any obligations of the general character of the Bonds, or the Indenture are not exempt from the registration, qualification or other requirements of the 1933 Act, 1934 Act, or 1939 Act, or would be in violation of any provision of the federal securities laws applicable to the Bonds; or

(g) there shall have been since the date hereof any material adverse change in the affairs or financial condition (except for changes that the Official Statement discloses are expected to occur) of the Authority that in the Representative's reasonable judgment will materially adversely affect the marketability or the market price of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(h) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, underwriters established by the New York Stock Exchange, the SEC, any other federal or Government of Guam agency or the Congress of the United States, or by Executive Order; or

(i) a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the Bonds, including all the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Preliminary Closing Date, including the 1933 Act, the 1934 Act, or the 1939 Act; or

(j) there shall have occurred after the signing hereof either a financial crisis or a default with respect to the debt obligations of the Authority or any political subdivision of the Government of Guam thereof or proceedings under the bankruptcy laws of the United States or of the Authority shall have been instituted by the Authority or any agency or political subdivision of the Government of Guam, in either case the effect of which, in the reasonable judgment of the Representative, is such as to materially and adversely affect the market price or the marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(k) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Forward Delivery Agreement has published a rating (or has been asked to furnish a rating) on the Bonds, which action reflects a change or possible change, in the ratings accorded any debt security of the Authority, including the Bonds; or

(l) a material disruption in securities settlement, payment or clearance services shall have occurred and be continuing; or

(m) any material change other than the inclusion of information permitted to be omitted by Rule 15c2-12 shall have been made between the Preliminary Official Statement and the Official Statement, except any change that has been accepted by the Representative.

Section 12. SETTLEMENT CONDITIONS.

(a) The Underwriters' obligations under this Forward Delivery Agreement to purchase, to accept delivery of and to pay for the Bonds at the Settlement shall be conditioned upon the performance by the Authority of its obligations to be performed hereunder, including, without limitation, the Preliminary Closing having been completed, and the Authority having tendered performance of its obligations under Section 10 and Section 11 hereof with respect to the Settlement, which Settlement shall not be completed unless the Underwriters shall receive at the time of the Settlement the following:

(1) An electronic copy of the Updated Official Statement and each supplement or amendment thereto, executed on behalf of the Authority by an authorized officer of the Authority;

(2) A certification by the Guam Compiler of Laws attaching a full, true and correct copy of the Act and the Bond Act and including a statement to the effect that the Act and the Bond Act have not been amended and repealed and is in full force and effect;

(3) A certificate of the Verification Agent pursuant to Sections 3.05(B)(1)(d)(i) of the General Indenture related to the issuance of Additional Bonds (as defined in the Indenture);

(4) An executed copy of the Continuing Disclosure Certificate delivered by the Authority;

(5) Certificates, dated the Settlement Date, of duly authorized officers of the Authority to the effect that the Legal Documents are in full force and effect in the form existing as of the date of this Forward Delivery Agreement and have not been amended, modified or supplemented since the Preliminary Closing Date, or if the same have been so amended, modified or supplemented, with certified copies of all such amendments, modifications and supplements and a certification that none of such amendments, modifications or supplements has a material adverse effect on the security for or source of payment of the Bonds or on the transactions contemplated by this Forward Delivery Agreement;

(6) The approving opinion, dated the Settlement Date and addressed to the Authority, of Bond Counsel, in substantially the form attached to the Official Statement as [Appendix _] and pursuant to Section 3.05(B)(1)(a) of the General Indenture;

(7) An opinion of counsel to GEDA, dated the Settlement Date and addressed to the Underwriters and the Authority, to the effect that: (i) the GEDA Resolution was duly adopted at a regular meeting of GEDA duly called and has not been amended or repealed; and (ii) there is no litigation or proceeding pending (with service of process having been received by GEDA or otherwise known to such counsel) or, to the knowledge of such counsel, threatened (in local or Federal courts on Guam) against GEDA in any way affecting the existence of GEDA, the title of any official of GEDA to such person's office, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of GEDA or its authority with respect to the Bonds;

(8) A supplemental opinion, dated the Settlement Date and addressed to the Underwriters of Bond Counsel, attached hereto as Exhibit D;

(9) An opinion of counsel to the Authority, dated the Settlement Date and addressed to the Underwriters singularly or together, to the effect that: (i) the Authority is on the Settlement Date a Guam public corporation and pursuant to the Act, the Bond Act, the CCU Resolution, the GEDA Resolution and the PUC Order, has full legal right, power and authority to enter into the Continuing Disclosure Certificate, to authorize, issue and sell the Bonds, to collect and enforce the collection of the Revenues, and to carry out and consummate all transactions required of it as contemplated by this Forward Delivery Agreement, the Indenture and the Continuing Disclosure Certificate; (ii) the CCU Resolution was duly adopted at a [regular] meeting of the Consolidated Commission on Utilities duly called for such purpose, has not been amended or repealed, and is in full force and effect on the Settlement Date; (iii) the Forward Delivery Agreement, the Indenture, the

Continuing Disclosure Agreement, and the Escrow Agreement have each been duly authorized, executed and delivered, and, assuming due execution and delivery by and validity against the other parties to such agreements, each constitutes a valid and legal obligation of, the Authority, except that the rights and obligations thereunder may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases, and except that no opinion need be expressed with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), choice of law, choice of forum, choice of venue, waiver or severability provisions contained in such agreements, (iv) the execution and delivery of the Indenture, the Continuing Disclosure Agreement, and this Forward Delivery Agreement, and the consummation of the transactions contemplated thereby, by the General Indenture, and hereby, and the compliance with the provisions thereof and hereof, will not conflict with or constitute on the part of the Authority a breach of or a default under any existing law, administrative regulation, court order or consent decree of the Government of Guam or any department, division, agency or instrumentality of the United States to which the Authority is subject, or any agreement, resolution or instrument to which the Authority is a party or may otherwise be subject; (v) the pledge of the Revenues pursuant to the Act, as amended, and the Indenture creates a valid first priority lien for the benefit of the Bondholders; (vi) all approvals, consents or orders of any governmental authority, board, agency or commission having jurisdiction, the obtaining of which would constitute a condition precedent to the performance by the Authority of its obligations under this Forward Delivery Agreement, the General Indenture, the Legal Documents, or the Bonds, have been obtained; (vii) other than as disclosed in the Official Statement and the Updated Official Statement, there is no litigation or proceeding, pending (with service of process having been received by the Authority or otherwise known to such counsel) or, to the knowledge of such counsel, threatened (either in local or Federal courts on Guam), (a) to restrain or enjoin the execution or delivery of the Bonds or the general collection of Revenues, (b) in any way contesting or affecting the existence of the Authority or the title of any official of the Authority to such person's office, (c) seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of Revenues of the Authority pledged or to be pledged to pay the principal of and interest or premium, if any, on the Bonds, or the pledge thereof, or (d) in any way contesting or affecting the validity or enforceability of the Bonds, the General Indenture, the Legal Documents or this Forward Delivery Agreement, or contesting in any way the completeness or accuracy of the Official Statement or the Updated Official Statement, or contesting the power of the Authority or its authority with respect to the Bonds, the General Indenture, the Legal Documents or this Forward Delivery Agreement; (viii) as of the date of the Updated Official Statement and as of the Settlement Date, the statements contained in the Official Statement, as may be updated by the Updated Official Statement, under the captions ["LITIGATION" and "INTRODUCTION – Authorization"] are accurate in all material respects; and (ix) without passing upon or assuming any responsibility for the accuracy (except as and to the extent stated in section (viii) above), completeness and fairness of any of the statements contained in the Official Statement or the Updated Official Statement or any other offering material relating to the Bonds, and making no representation that it has independently verified the accuracy, completeness or

fairness of any such statements, counsel to the Authority has no reason to believe that either the Updated Official Statement, as of its date and as of the Settlement Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for information regarding DTC or its book-entry system, the financial statements and other financial and statistical data included in the Updated Official Statement and any appendices thereto, as to which no view need be expressed);

(10) Certified copies of the CCU Resolution, the GEDA Resolution and the PUC Order;

(11) If escrow investments are purchased in connection with the refunding of the Refunded Bonds, a supplement to the Verification Report dated the Settlement Date, verifying the mathematical accuracy of the mathematical computations relating to the sufficiency of the cash and maturing principal of and interest on the escrow investments to pay the principal of and interest on the Refunded Bonds through and including their redemption dates;

(12) A certificate dated the Settlement Date and signed by an authorized official of the Authority to the effect that: (i) the representations, warranties and covenants of the Authority contained herein are true and correct in all material respects on and as of the Settlement Date with the same effect as if made on the Settlement Date; (ii) no event materially adversely affecting the Authority has occurred since the date of the Updated Official Statement; (iii) the Updated Official Statement, as of its date and as of the Settlement Date, did not and does not contain any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iv) the Authority has satisfied all the conditions on its part herein to be performed or satisfied at or prior to the Settlement Closing (unless otherwise expressly waived by the Underwriters); and (v) there is no litigation or proceeding pending or, to the knowledge of the Authority, threatened and having merit (in Guam, state, or Federal courts) (A) to restrain or enjoin the execution or delivery of the Bonds or the general collection of Revenues, or (B) in any way contesting or affecting the existence of the Authority or the title of any official of the Authority to such person's office, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the pledge of Revenues or in any way contesting or affecting the validity or enforceability of the Bonds, the Legal Documents, the General Indenture, or this Forward Delivery Agreement, or contesting in any way the completeness or accuracy of the Updated Official Statement, or contesting the power of the Authority or its authority with respect to the Bonds, the Legal Documents, the General Indenture, or this Forward Delivery Agreement;

(13) A certificate dated the Settlement Date and signed by an authorized official of the GEDA to the effect that Appendix A to the Updated Official Statement, as of its date and as of the Settlement Date, did not and does not contain any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(14) An opinion of Underwriters' Counsel, dated the Settlement Date, and addressed to the Underwriters, attached hereto as Exhibit E;

(15) The Letter of Representations or evidence of other appropriate arrangements with DTC;

(16) A tax certificate by the Authority in form and substance acceptable to Bond Counsel and the Underwriters;

(17) A defeasance opinion of Bond Counsel, dated the Closing Date;

(18) A letter addressed to the Authority from Ernst & Young LLP, independent certified public accountants, in form and substance satisfactory to the Underwriters and their counsel and dated the date on or before the Settlement to the effect that, as of the date of such letter, (i) they are independent certified public accountants within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants; and (ii) they consent to the inclusion of their report to the Authority dated [] (the "Financial Statements") as [Appendix] to the Updated Official Statement for the Bonds; and

(19) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Settlement, of the Authority's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority on or prior to the date of the Settlement of all the agreements then to be performed and conditions then to be satisfied by it.

Section 13. RIGHTS OF TERMINATION AFTER PRELIMINARY CLOSING, BUT PRIOR TO SETTLEMENT.

(a) The Underwriters may terminate this Forward Delivery Agreement without liability therefor by notification to the Authority if at any time on or after Preliminary Closing and prior to Settlement: an event shall occur which makes untrue or incorrect in any material respect, as of its date, any statement or information contained in the Official Statement or Updated Official Statement or which is not reflected in the Official Statement or Updated Official Statement but should be reflected therein in order to make the statements contained therein in light of the circumstances under which they were made, not misleading in any material respect and, in either such event, (i) the Authority refuses to permit the Official Statement or Updated Official Statement, as the case may be, to be supplemented to supply such statement or information in a manner satisfactory to the Underwriters or (ii) the effect of the Official Statement or Updated Official Statement, as so supplemented is, in the judgment of the Representative, to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(b) as a result of any Change in Law, Bond Counsel notifies the Authority that it does not expect to be able to issue an opinion on the Settlement Date either (i) substantially in the form and to the effect set forth in Appendix [] to the Official Statement or (ii) notwithstanding a

Change in Law that prevents Bond Counsel from issuing an opinion substantially in the form and to the effect set forth in Appendix [] to the Official Statement, substantially to the effect that interest on the Bonds is not subject to any then currently imposed federal income tax or personal income taxes imposed by the Authority and is not included as a specific preference item for purposes of the federal alternative minimum tax;

(c) for any reason other than set forth in (b) above, Bond Counsel does not expect to be able to issue an opinion substantially in the form and to the effect set forth in Appendix [] to the Official Statement;

(d) for any reason, including a Change in Law, the issuance, offering, or sale of the Bonds as contemplated by this Forward Delivery Agreement or by the Official Statement, is or would be in violation of any provision of the federal securities laws, including the 1933 Act, the 1934 Act, or the 1939 Act;

(e) an Event of Default has occurred and is continuing under the Indenture; or

(f) as of the Settlement Date, the Bonds are not rated (or any rating is suspended or withdrawn which results in the Bonds having no rating) by Moody's and S&P Global Ratings.

Section 14. EXPENSES.

(a) The Underwriters shall be under no obligation to pay, and the Authority shall pay from available funds or direct the Trustee under the Indenture to pay from the proceeds of the Bonds (to the extent permitted under applicable law) or from other funds of the Authority, certain expenses set forth in this Section that are incidental to the performance of the Authority's obligations hereunder, including but not limited to, all expenses in connection with the printing of the Preliminary Official Statement, the Official Statement, and any amendment or supplement to either thereof; all expenses in connection with the printing, issuance, and delivery of the Bonds; the fees and disbursement of Bond Counsel, Authority Counsel, GEDA Counsel and any auditors and accountants; the fees and disbursements of the Escrow Agent and Verification Agent, and their respective counsel, if any; the fees and disbursements of the Trustee and the Co-Trustee and their respective counsel; all expenses in connection with obtaining a rating or ratings for the Bonds; all expenses of the Authority in connection with the preparation, printing, execution, and delivery, and any recording or filing required by Bond Counsel, of the Indenture, this Forward Delivery Agreement, the fees of Digital Assurance Certification, L.L.C. related to the continuing disclosure undertaking compliance review; transportation, lodging and meals incurred by or on behalf of the Authority, GEDA and representatives thereof in connection with the sale, issuance and delivery of the Bonds; the Authority's administrative fees; GEDA's fees established by Guam law or rule; fees for preparation of a blue sky memorandum relating to the Bonds; and all other expenses and costs of the Authority incident to its obligations in connection with the authorization, issuance, sale, and distribution of the Bonds. In the event that the Underwriters incur or advance the cost of any expense for which the Authority is responsible hereunder, the Authority shall reimburse the Underwriters at or prior to Settlement; if at Settlement, reimbursement may be included in the expense component of the Underwriters' spread. The Authority acknowledges that a portion of the Underwriters' discount represents reimbursement of the Underwriters for reasonable expenses incurred by the Underwriters on behalf of the Authority and its employees which are directly

related to the offering of the Bonds, including but not limited to, meals, transportation, lodging, closing dinner and related events for such employees;

(b) The Underwriters shall pay, from the expense component of the Underwriters' discount, the costs of qualifying the Bonds for sale in various states chosen by the Underwriters, all advertising expenses in connection with the public offering of the Bonds, and all other expenses incurred by it or the other Underwriters in connection with the public offering and distribution of the Bonds, including the fees and disbursements of their counsel.

Section 15. NOTICES. Any notice or other communication to be given to the Authority under this Forward Delivery Agreement may be given by delivering the same in writing to the Authority's address set forth above; and any notice or other communication to be given to the Underwriters under this Forward Delivery Agreement may be given by delivering the same in writing to Citigroup Global Markets Inc., [300 South Grand Avenue, Suite 3110, Los Angeles, CA, 90071], Attention: Stephen Field; or, in each case, to such different address for a party as such party shall have notified the other party as aforesaid.

Section 16. INDEMNIFICATION.

(a) To the fullest extent permitted by applicable law, the Authority agrees to indemnify and hold harmless the Underwriters and each person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Underwriters and their directors, officers, agents, and employees against any and all losses, claims, damages, liabilities, and expenses arising out of a breach of any of the Authority's material representations included in this Forward Delivery Agreement (including a breach the result of which would require in connection with a public offering of the Bonds any security to be registered under the 1933 Act, the 1934 Act or the 1939 Act), or a breach of the Continuing Disclosure Certificate, or any statement or information in the Preliminary Official Statement or in the Official Statement (excluding therefrom the information under the heading "UNDERWRITING"; and the information about the ratings, rating agencies, and DTC and its book-entry system and such information in the appendices to the Preliminary Official Statement and the Official Statement) that is or is alleged to be untrue or incorrect in any material respect, or any material omission or alleged material omission of any statement or information in the Preliminary Official Statement or the Official Statement which is necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading. The foregoing indemnity agreement shall be in addition to any liability that the Authority may otherwise have.

The Underwriters will indemnify and hold harmless the Authority, each of its members, directors, officers, and employees, and each person who controls the Authority within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Authority to the Underwriters, but only with reference to written information relating to the Underwriters furnished by them specifically for inclusion in the Preliminary Official Statement or the Official Statement. This indemnity agreement will be in addition to any liability which the Underwriters may otherwise have. The Authority acknowledges that the statements under the caption "UNDERWRITING" in the Preliminary Official Statement and the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriters for inclusion in the Preliminary Official Statement and the Official Statement

(b) In case any claim shall be made or action brought against an indemnified party for which indemnity may be sought against any indemnifying party, as provided above, the indemnified party shall promptly notify the indemnifying party in writing setting forth the particulars of such claim or action and the indemnifying party shall assume the defense thereof, including the retaining of counsel acceptable to such indemnified party and the payment of all expenses and shall have the right to negotiate and consent to settlement. An indemnified party shall have the right to retain separate counsel in any such action and to participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of such indemnified party unless the employment of such counsel has been specifically authorized by the indemnifying party or the indemnifying party shall not have employed counsel reasonably acceptable to the indemnified party to have charge of the defense of such action or proceeding or the indemnified party shall have reasonably concluded that there may be defenses available to it which are different from or additional to those available to the indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such action or proceeding on behalf of the indemnified party), in any of which events, such legal or other expenses shall be borne by the indemnifying party. No party shall be liable for any settlement of any action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any action with or without written consent of the indemnifying party, the indemnifying party agrees to indemnify and hold harmless the indemnified parties to the extent of the indemnities set forth above from and against any loss or liability by reason of such settlement or judgment.

If the indemnification provided for in Section 16(a) is unenforceable or is unavailable to an indemnifying party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) of the type subject to indemnification herein, then the indemnifying party shall, in lieu of indemnifying such person, contribute to the amount paid or payable by such person as a result of such losses, claims, damages or liabilities (or actions in respect thereof). In the case of the Authority and the Underwriters, contribution shall be in such proportion as is appropriate to reflect the relative benefits received by the Authority, on the one hand, and the Underwriters, on the other, from the sale of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law then the indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Authority, on the one hand, and the Underwriters, on the other, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or action in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Authority, on the one hand, and the Underwriters, on the other, shall be deemed to be in the same proportion as the total proceeds of the sale of the Bonds paid to the Authority pursuant to Section 4 hereof (before deducting expenses) bear to the underwriting discount received by the Underwriters (the difference between the initial public offering price for the Bonds appearing on the cover page of the Official Statement and the price to be paid therefor by the Underwriters as set forth therein under the caption "UNDERWRITING"). The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Authority or the Underwriters and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such untrue statement or omission. The Authority and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection were determined

by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection. The amount paid or payable by any person as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this paragraph, however, the Underwriters shall not be required to contribute an amount in excess of the Underwriter's discount received by them pursuant to this Forward Delivery Agreement. No person guilty of fraudulent misrepresentation (within the meaning of Section 10(b) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

Section 17. TERMINATION AND ITS EFFECT.

(a) In the event the Authority is unable, after using its best efforts, to satisfy the conditions herein to the completion of the Preliminary Closing (unless waived by the Underwriters) by the time such completion is required or if the Underwriters shall terminate this Forward Delivery Agreement prior to the completion of the Preliminary Closing in accordance with Section 11 hereof, then this Forward Delivery Agreement shall terminate, and neither the Authority, nor the Underwriters shall have any further obligation or liability to, or any rights against, the others.

(b) If the Preliminary Closing shall have occurred, in the event the Authority is unable, after using their best efforts, to satisfy the conditions herein to the completion of the Settlement (unless waived by the Underwriters) by the time such completion is required, or is otherwise unable, after using its best efforts, to satisfy the conditions to the obligation of the Underwriters to purchase, accept delivery of and pay for the Bonds as set forth in this Forward Delivery Agreement (unless waived by the Underwriters) by the time such completion is required, then this Forward Delivery Agreement shall terminate, and neither the Authority nor the Underwriters shall have any further obligation or liability to, or any rights against, the other except as otherwise provided in this Forward Delivery Agreement.

(c) In the event the Underwriters do not purchase, accept delivery of and pay for the Bonds as provided herein for a reason permitted hereunder, then this Forward Delivery Agreement shall terminate, and neither the Underwriters nor the Authority shall have any further obligation or liability to, or rights against, the other except as otherwise provided in this Forward Delivery Agreement.

(d) In the event the Underwriters terminate this Forward Delivery Agreement as permitted in Section 11 or Section 13 hereof, then this Forward Delivery Agreement shall terminate, and neither the Underwriters nor the Authority shall have any further obligation or liability to, or rights against, the other.

(e) Notwithstanding the foregoing, the provisions of Section 14, Section 16, Section 17, and Section 20 hereof shall survive any termination of this Forward Delivery Agreement.

Section 18. PARTIES IN INTEREST; SURVIVABILITY OF REPRESENTATIONS, WARRANTIES AND AGREEMENTS. This Forward Delivery Agreement is made solely for the

benefit of the Authority and the Underwriters and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Authority's representations, warranties and agreements contained in this Forward Delivery Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Forward Delivery Agreement; and (iii) any termination of this Forward Delivery Agreement.

Section 19. **EFFECTIVENESS; ENTIRE AGREEMENT.** This Forward Delivery Agreement shall become effective upon the execution of the acceptance hereof by the duly authorized officers of the Authority and shall be valid and enforceable at the time of such acceptance. This Forward Delivery Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.

Section 20. **GOVERNING LAW.** This Forward Delivery Agreement will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine, except that the capacity, power or authority of the Authority to enter into this Agreement and any issue relating to the interpretation of the Indenture or to the payment of any of the Authority's obligations under this Forward Delivery Agreement or the issuance of the Bonds shall be governed by and construed in accordance with the laws of Guam.

Section 21. **HEADINGS.** The headings of the Sections of this Forward Delivery Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

Section 22. **NO ADVISORY OR FIDUCIARY ROLE.** The Authority acknowledges and agree that (i) the purchase and sale of the Bonds pursuant to this Forward Delivery Agreement is an arm's-length commercial transaction among the Authority and the Underwriters, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and not as agents, municipal advisors, or fiduciaries of the Authority, (iii) the Underwriters have not assumed an agency, municipal advisory or fiduciary responsibility in favor of the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority on other matters) and the Underwriters have no obligation to the Authority with respect to the offering contemplated hereby except the obligations expressly set forth in this Forward Delivery Agreement and (iv) the Authority has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

Section 23. **ESTABLISHMENT OF ISSUE PRICE.**

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Settlement an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit F, with such modifications as may be appropriate or necessary, in the reasonable judgment of the

Representative, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) [Except as otherwise set forth in Schedule I attached hereto,] the Authority will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Forward Delivery Agreement, the Representative shall report to the Authority the price or prices at which the Underwriters have sold to the public each maturity of the Bonds. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) [The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Forward Delivery Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agree that (i) the Representative will retain all unsold Bonds of each maturity for which the 10% test has not been satisfied and not allocate any such Bonds to any other Underwriter and (ii) the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Representative will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether the Underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.]

(d) The Representative confirms that:

(1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Settlement Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by

the Representative that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Settlement Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(2) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Settlement Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Settlement Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its

failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party,

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) “sale date” means the date of execution of this Forward Delivery Agreement by all parties.

Very truly yours,

By: CITIGROUP GLOBAL MARKETS INC.,
as Representative, on behalf of itself and
Barclays Capital Inc.

By: _____
Stephen Field, Director

APPROVED:

GUAM WATERWORKS AUTHORITY

By: _____
Miguel C. Bordallo, P.E.
General Manager

GUAM ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Melanie Mendiola,
Chief Executive Officer/Administrator

SCHEDULE I

MATURITY SCHEDULE

\$(Principal)
Guam Waterworks Authority
Water and Wastewater System Revenue Refunding Bonds
Series 2024A

Maturity (July 1)	Principal Amount (\$)	Interest Rate	Yield
------------------------------	----------------------------------	--------------------------	--------------

[(1) Yields represent prices at which the first 10% of each maturity was sold to the public.]

* Term bonds subject to mandatory sinking fund redemption.

** Yield computed to first optional redemption date of [] at 100%.

REDEMPTION PROVISIONS

[TO BE UPDATED]

Schedule I-2

3832454.4 047063 AGMT

EXHIBIT E-34

EXHIBIT A

Form of Letter of Bond Counsel (Preliminary Closing)

[TO FOLLOW]

Exhibit A-1

3832454.4 047063 AGMT

EXHIBIT E-35

EXHIBIT B

Form of Supplemental Opinion of Bond Counsel (Preliminary Closing)

[TO FOLLOW]

Exhibit B-1

3832454.4 047063 AGMT

EXHIBIT E-36

EXHIBIT C

Form of Opinion of Underwriters' Counsel (Preliminary Closing)

[TO FOLLOW]

Exhibit C-1

3832454.4 047063 AGMT

EXHIBIT E-37

EXHIBIT D

Form of Supplemental Opinion of Bond Counsel (Settlement)

[TO FOLLOW]

EXHIBIT E

Form of Opinion of Underwriters' Counsel (Settlement)

[TO FOLLOW]

Exhibit E-1

3832454.4 047063 AGMT

EXHIBIT E-39

EXHIBIT F

CERTIFICATE OF THE REPRESENTATIVE REGARDING INITIAL REOFFERING PRICES

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

The undersigned Citigroup Global Markets Inc., as representative (the “Representative”), on behalf of itself and RBC Capital Markets, LLC (together, the “Underwriting Group”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”):

1. ***Sale of the 10% Test Maturities.*** As of the date of this certificate, for each Maturity of the Bonds listed as a “10% Test Maturity” in Schedule A attached hereto, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A attached hereto.

2. ***Initial Offering Price of the Hold-the-Price Maturities.***

(a) The Underwriting Group offered the “Hold-the-Price Maturities” (as listed in Schedule A attached hereto) to the Public for purchase at the respective initial offering prices listed in Schedule A attached hereto (the “Initial Offering Prices”) on or before the Sale Date.

(b) With respect to the Hold-the-Price Maturities, as set forth in the Bond Purchase Agreement, dated _____, 2024, between the Representative and the Guam Waterworks Authority (the “Authority”), the Representative, on behalf of the Underwriting Group, has agreed in writing that (i) unsold Bonds of the Hold-the-Price Maturities would be retained by the Representative and not allocated to any other Underwriter, (ii) for each Hold-the-Price Maturity, the Representative would neither offer nor sell unsold Bonds of any Maturity of the Hold-the-Price Maturities to any person at a price that is higher than the Initial Offering Price for such Maturity (the “hold-the-price rule”), and (iii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-price rule.

(c) Neither the Representative, nor any broker-dealer who is a party to a retail distribution agreement with the Representative (if any), has offered or sold any unsold bonds of any Maturity of the Hold-the-Price Maturities to any person at a price that is higher than or a yield lower than the respective Initial Offering Prices for that Maturity of the Hold-the-Price Maturities during the Holding Period.

3. ***Pricing Wire or Equivalent Communication.*** A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

4. ***Defined Terms.***

(a) *10% Test Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “10% Test Maturities.”

Exhibit F

3832454.4 047063 AGMT

EXHIBIT E-40

(b) *Hold-the-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Hold-the-Price Maturity was sold to the Public at prices that are no higher than or yields that are no lower than the Initial Offering Price for such Hold-the-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(f) *Related Party*—a purchaser of any Bond is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other)..

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ____, 2024.

(i) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority with respect to certain of the representations set forth in the Tax Certificate, dated [____], 2024, executed and delivered by the Authority with respect to the Bonds, and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the Authority, in connection with rendering their opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that Bond Counsel may give to the Authority from time to time relating to the Bonds.

Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

[____], 2024

CITIGROUP GLOBAL MARKETS INC., as
Representative on behalf of itself and RBC
CAPITAL MARKETS, LLC

By _____
Authorized Representative

Exhibit F

3832454.4 047063 AGMT

EXHIBIT E-42

SCHEDULE A
SALE PRICES OF THE 10% TEST MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-PRICE MATURITIES
(Attached)

Exhibit F

3832454.4 047063 AGMT

EXHIBIT E-43

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

Exhibit F

3832454.4 047063 AGMT

EXHIBIT E-44

ESCROW AGREEMENT

By and Between

GUAM WATERWORKS AUTHORITY

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Co-Trustee and Escrow Agent**

Relating to

**GUAM WATERWORKS AUTHORITY
Water and Wastewater System Revenue [Refunding] Bonds, Series [20__]**

Dated as of [_____] 1, 20__]

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ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of [_____] 1, 20__ (this "Escrow Agreement"), is by and between GUAM WATERWORKS AUTHORITY (the "Authority"), a public corporation of the Government of Guam, duly organized and validly existing under and by virtue of the laws of Guam, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as co-trustee under the Indenture hereinafter identified (the "Co-Trustee"), and acting as escrow agent hereunder (in such capacity, the "Escrow Agent").

WITNESSETH:

WHEREAS, the Authority has heretofore issued its Water and Wastewater System Revenue [Refunding] Bonds, Series [20__] (the "Series [20__] Bonds") pursuant to an Indenture, dated as of December 1, 2005, among the Authority, the Bank of Guam, as trustee (the "Trustee") and the Co-Trustee, as heretofore supplemented and amended (the "General Indenture"); and

WHEREAS, the Authority has determined that it is now desirable to refund a portion of the remaining outstanding principal amount of the Series [20__] Bonds (the "Refunded Bonds"); and

WHEREAS, the Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series [2023A/2024A] (the "Series [2023A/2024A] Bonds") are being issued pursuant to the General Indenture, as previously amended and supplemented, and as further supplemented by the [Ninth/Tenth] Supplemental Indenture, dated as of [_____] 1, 20__, (as so amended and supplemented, the "Indenture") among the Authority, the Trustee and the Co-Trustee, among other things, to refund the Refunded Bonds; and

WHEREAS, to accomplish the defeasance of the Refunded Bonds in accordance with Article X of the Indenture, the Authority will deposit, or cause to be deposited, a portion of the proceeds of the Series [2023A/2024A] Bonds with the Escrow Agent and certain other available funds in accordance with this Escrow Agreement; and

WHEREAS, the Authority has approved the issuance, sale and delivery of the Series [2023A/2024A] Bonds and the deposit and use of the proceeds thereof in accordance with this Escrow Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1. Creation of [Series/Year] Bond Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated as the "Guam Waterworks Authority Water and Wastewater System Revenue Bond Series [20__] Partial Refunding Escrow Fund" (the "[Series/Year] Bond Escrow Fund") to be held in the custody of the Escrow Agent under this Escrow Agreement for the benefit of the owners of the Refunded Bonds. All securities, investments and moneys in the [Series/Year] Bond Escrow

Fund are hereby irrevocably pledged, and the Escrow Agent is hereby irrevocably instructed to apply such securities, investments and moneys, to meet the payment requirements set forth in SCHEDULE I attached hereto and made a part hereof, subject to the provisions of Sections 5 and 7 hereof.

SECTION 2. Deposits to the [Series/Year] Bond Escrow Fund. Concurrently with the effectiveness of this Escrow Agreement on [Closing Date] (the “Closing Date”), the Authority shall deposit, or cause to be deposited, irrevocably, \$[____], with the Escrow Agent (constituting proceeds of the Series [2023A/2024A] Bonds, together with amounts released from the Debt Service Fund and the Bond Reserve Fund in respect of the Refunded Bonds). The Escrow Agent shall, on the same date, apply \$[____] of such amount to purchase certain noncallable and non-prepayable securities and investments, all as set forth in SCHEDULE II attached hereto and made a part hereof, which securities the Authority represents are Federal Securities (as defined in the Indenture), maturing on the dates and in the amounts necessary (with any other moneys then to the credit of the [Series/Year] Bond Escrow Fund) to make the payments described in Section 5, and shall retain in the [Series/Year] Bond Escrow Fund \$[____] in cash, uninvested, which Federal Securities and cash shall be held in escrow, in or to the credit of the [Series/Year] Bond Escrow Fund.

For purposes of this Escrow Agreement, the term “Escrowed Securities” means the securities listed in SCHEDULE II hereto.

SECTION 3. Investment of [Series/Year] Bond Escrow Fund. The Escrow Agent will purchase the Escrowed Securities in its name as provided in Section 2 and will hold such Escrowed Securities and any earnings received thereon in the related Escrow Fund as set forth herein and disburse such amounts as provided herein. The Escrow Agent shall collect amounts due and shall apply such amounts as needed to make the payments and transfers required by this Escrow Agreement and may substitute, upon the written direction of the Authority, Federal Securities subject to the terms and limitations of Section 7, but otherwise shall have no power or duty to sell, transfer or otherwise dispose of the Escrowed Securities or cash held under the terms of this Escrow Agreement.

In the event that at any time the Authority is of the opinion that for purposes of Section 13 it is necessary to restrict or limit the yield on the investment of any moneys held by the Escrow Agent pursuant to this Escrow Agreement, the Authority shall instruct the Escrow Agent in writing, and the Escrow Agent shall take such action as may be directed in accordance with such instructions; but no such action shall impair the ability of the Escrow Agent to apply necessary amounts in the [Series/Year] Bond Escrow Fund for the purposes set forth in Section 5 below.

SECTION 4. Creation of Lien on [Series/Year] Bond Escrow Fund. The [Series/Year] Bond Escrow Fund created hereby shall be and hereby declared by the Authority to be and is irrevocable, and the Escrow Agent is hereby appointed to act for the benefit of the holders of the Refunded Bonds, which holders are hereby granted an exclusive lien on the [Series/Year] Bond Escrow Fund and all moneys and investments from time to time held therein for the payment of amounts described in Section 5(a) below. The Escrow Agent shall hold such

moneys and investments for the sole benefit of the holders of the Refunded Bonds separate and apart from, and not commingled with, any other moneys or investments.

SECTION 5. Use of Escrow Fund. (a) The Escrow Agent, in its capacity as Co-Trustee, is hereby irrevocably instructed by the Authority to, and shall, apply amounts in the [Series/Year] Bond Escrow Fund at such times and in such amounts as is necessary to redeem the Refunded Bonds and pay all interest due thereon, on the dates set forth in SCHEDULE I attached hereto.

(b) As soon as practicable following the application of amounts in the [Series/Year] Bond Escrow Fund in accordance with SCHEDULE I, but in any event not later than [day of week], [date following redemption], the Escrow Agent shall transfer any remaining balance of moneys in the [Series/Year] Bond Escrow Fund to the Trustee. The Trustee is hereby directed by the Authority to deposit such amounts in the Revenue Fund for application in accordance with the Indenture. The Escrow Agent shall apply any remaining balance of moneys in the [Series/Year] Bond Escrow Fund in accordance with Section 10.03 of the Indenture.

SECTION 6. Notices of Redemption. The Authority hereby irrevocably instructs the Escrow Agent, in its capacity as Co-Trustee, to give notice of redemption of the Refunded Bonds, in the manner required by Section 4.03 of the Indenture. Notice of optional redemption shall be in substantially the form set forth in Appendix A attached hereto and made a part hereof.

SECTION 7. Reinvestment; Substitution; Transfer of Excess Funds.

(a) Interest income and other amounts received by the Escrow Agent as payments on the Escrowed Securities shall be held as part of the [Series/Year] Bond Escrow Fund to be used for the purposes set forth in Section 5 of this Escrow Agreement and shall be held uninvested, except as set forth in Section 2 of this Escrow Agreement.

(b) At the written request of the Authority, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell or otherwise dispose of all or a portion of the cash or Escrowed Securities held in the [Series/Year] Bond Escrow Fund hereunder and substitute therefor other Federal Securities (the "Substituted Investments"). The Escrow Agent shall purchase such Substituted Investments with the proceeds derived from the sale, other disposition or redemption of such investments. The substitution of investments described above may be effected only if: (i) the Authority delivers to the Escrow Agent a certificate from a firm of independent certified public accountants (an "Accountant"), verifying that the maturing principal amount of the proposed Substituted Investments, and the interest to be earned thereon, together with the money and other Escrowed Securities held by such Escrow Agent, if any, will be sufficient without regard to subsequent reinvestments to pay the principal of and premium, if any, and interest on the Refunded Bonds to their redemption date upon completion of such substitution (the "Accountant Certificate"); (ii) the Authority shall furnish the Escrow Agent with an opinion of nationally recognized bond counsel to the effect that the substitution is then permitted by law and will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of interest on any Refunded Bonds (the "No Adverse Effect

Opinion”) and (iii) if applicable, the Authority shall furnish to the Escrow Agent the written consent of any Credit Provider (as defined in the Indenture) for the Refunded Bonds to the substitution.

(c) In addition to the transfer set forth in Section 5(b), if the Escrow Agent receives a report of an Accountant acceptable to the Authority to the effect that the money and investments in the [Series/Year] Bond Escrow Fund, including earnings thereon, will be in excess of the amount necessary to pay all of the obligations, when due, for which such [Series/Year] Bond Escrow Fund shall have been established, and a No Adverse Effect Opinion to its satisfaction, then the Escrow Agent shall transfer the amount of any excess to the Trustee. The Trustee is hereby directed by the Authority to deposit such amounts in the Revenue Fund for application in accordance with the Indenture.

SECTION 8. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to this Escrow Agreement in compliance with the provisions hereof. The Escrow Agent shall have no lien whatsoever on the [Series/Year] Bond Escrow Fund or moneys on deposit therein for the payment of fees and expenses for services rendered by the Escrow Agent under this Escrow Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of any moneys deposited into the [Series/Year] Bond Escrow Fund or Escrowed Securities purchased at the direction of the Authority to pay the principal of and premium, if any, and interest on the Refunded Bonds.

(c) In the event of the Escrow Agent’s failure to account for the [Series/Year] Bond Escrow Fund or moneys received by it, the [Series/Year] Bond Escrow Fund or said moneys shall, nevertheless, be and remain in escrow for the holders of the Refunded Bonds, or portions thereof, as herein provided.

(d) The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent.

(e) The Escrow Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, and shall be protected as stated in this Escrow Agreement, in acting, or refraining from acting, upon written notice, instruction, request, certificate, document, report or opinion furnished to the Escrow Agent and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate, document, report or opinion.

(f) The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. The Escrow Agent is not required to resolve conflicting demands to money or property in its possession under this Escrow Agreement.

(g) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the Authority) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(h) The Escrow Agent shall not be responsible for the correctness of any of the recitals or representations contained herein, in the Indenture, or in the Series [2023A/2024A] Bonds.

(i) The Escrow Agent may become the owner of, or acquire any interest in, any of the Series [2023A/2024A] Bonds and the Refunded Bonds with the same rights that it would have if it were not the Escrow Agent and may engage or be interested in any financial or other transaction with the Authority.

(j) The Escrow Agent shall be afforded the same rights and protections afforded the Co-Trustee under the Indenture.

(k) The Escrow Agent shall not be liable for any action or omission of the Authority under this Escrow Agreement, the Indenture, or otherwise.

(l) No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder or in the exercise of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 9. Records and Reports. The Escrow Agent shall keep books of record and account in which accurate and correct entries shall be made of all transactions made by it relating to the receipts, disbursements, allocations and application of the money and Escrow Securities deposited to the [Series/Year] Bond Escrow Fund and all proceeds thereof. With respect to each investment of the proceeds of Escrow Securities, the Escrow Agent shall record, to the extent applicable, the purchase price of such investment, its fair market value, its coupon rate, its yield to maturity, the frequency of its interest payment, its disposition price, the accrued interest due on its disposition date and its disposition date. Such books shall be available for inspection at reasonable hours and under reasonable conditions upon reasonable prior notice by the Authority and the owners of the Refunded Bonds.

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 Escrow Agent shall furnish the Authority and the Trustee periodic cash transaction statements which shall include detail for all investment transactions made by the Escrow Agent.

SECTION 10. Successor Escrow Agent. Any corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated,

or any corporation or association resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business (so long as such company meets the requirements set forth below), shall be the successor Escrow Agent under this Escrow Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

The Escrow Agent may resign by notifying the Authority at least 45 days before the effective date of such resignation. The Authority may remove the Escrow Agent and appoint a successor by notifying the Escrow Agent. No such resignation or removal shall be effective until a successor Escrow Agent meeting the requirements set forth in the next paragraph has delivered an acceptance to the Authority and the Escrow Agent of (a) its appointment and (b) the cash and securities held under the terms of this Escrow Agreement. If the Authority does not appoint a successor, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent.

Each Escrow Agent appointed under the provisions of this Section 10 in succession to the initial Escrow Agent shall be a trust company or bank having the powers of a trust company which either (i) has a combined capital and surplus of at least fifty million dollars (\$50,000,000), and is subject to supervision or examination by federal or state authority or (ii) is a wholly owned subsidiary of a bank, trust company or bank holding company meeting, on an aggregate basis, the tests in clause (i). If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this paragraph the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Escrow Agent shall cease to be eligible in accordance with the provisions of this paragraph, the Escrow Agent shall resign immediately in the manner and with the effect specified in this Section 10.

SECTION 11. **Termination.** This Escrow Agreement shall terminate when all payments and transfers required to be made by the Escrow Agent under the provisions of Section 5 hereof shall have been made and any moneys and investments remaining in the [Series/Year] Bond Escrow Fund at the time of such termination shall have been transferred as required by subsection 5(b), and the Escrow Agent has provided a final account statement to the Authority.

SECTION 12. **Tax Status of Interest on Refunded Bonds.** The Authority covenants and agrees for the benefit of the holders of the Refunded Bonds that it will not perform or permit to be performed any thing or act in such manner as would cause interest on the Refunded Bonds to be included in the gross income of the recipients thereof for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code").

SECTION 13. **Severability.** If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

SECTION 14. **Successors and Assigns.** All of the covenants and agreements in this Escrow Agreement contained to be performed by or on behalf of the Authority or the Escrow Agent shall bind and inure to the benefit of their respective successors and permitted assigns, whether or not so expressed.

SECTION 15. **Compensation of Escrow Agent.** The Escrow Agent shall be entitled to payment of fees for its services and reimbursement of reasonable disbursements and advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Escrow Agent in connection with its services under this Escrow Agreement in accordance with the Escrow Agent's fee schedule as agreed to with the Authority; provided, however, that such amount shall never be deducted or payable from, or constitute a lien or charge against or upon the [Series/Year] Bond Escrow Fund.

SECTION 16. **Governing Law.** This Escrow Agreement shall be governed by the applicable laws of Guam.

SECTION 17. **Business Day.** Whenever under the terms of this Escrow Agreement the performance date of any act to be done hereunder shall fall on a day which is a Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, the performance thereof on the next succeeding day which is not a Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close shall be deemed to be in full compliance with this Escrow Agreement.

SECTION 18. **Headings.** Any headings preceding the text of the several Sections hereof, and any table of contents appended to copies hereof, are for convenience of reference only and shall not constitute a part of this Escrow Agreement, nor shall they affect its meaning, construction or effect.

SECTION 19. **Counterparts.** This Escrow Agreement may be executed in any number of counterparts, each of which for all purposes shall be deemed to be one original and all of which shall together constitute but one and the same instrument.

SECTION 20. **Amendment.** The parties hereto may, without the consent of or notice to the holders of the Refunded Bonds, enter into such amendments to this Escrow Agreement as shall not adversely affect the rights of such holders hereunder and shall not be inconsistent with the terms and provisions of this Escrow Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Escrow Agreement;

(b) to grant to, or confer upon the Escrow Agent, for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon the Escrow Agent;

(c) to subject to this Escrow Agreement additional funds, revenues, securities or properties;

(d) to conform this Escrow Agreement to the provisions of any law or regulation governing the exclusion from gross income of interest on the Refunded Bonds for federal income tax purposes to maintain their such exclusion; and

(e) to make any other change determined by the Authority to be not materially adverse to the holders of the unpaid Refunded Bonds. In making such determination, the Authority and the Escrow Agent may rely on the opinion of legal counsel.

IN WITNESS WHEREOF, GUAM WATERWORKS AUTHORITY and U.S.
BANK TRUST COMPANY, NATIONAL ASSOCIATION have caused this Escrow Agreement
to be executed by their duly authorized officers as of the date first above written.

GUAM WATERWORKS AUTHORITY

By _____
Authorized Officer

[Signature page – Escrow Agreement for Series [20__] Bonds – GWA [2023A/2024A]]

U. S. BANK NATIONAL ASSOCIATION, as
Co-Trustee and Escrow Agent

By _____
Authorized Officer

[Signature page – Escrow Agreement for Series [20__] Bonds – GWA [2023A/2024A]]

*Accepted and Agreed to, Solely as to the
Directions in Sections 5(b) and 7(c):*

BANK OF GUAM, as Trustee and Depositary

By _____
Authorized Officer

[Acceptance page – Escrow Agreement for Series [20__] Bonds – GWA [2023A/2024A]]

SCHEDULE I—Required Payments for Refunded Bonds

Guam Waterworks Authority
Water and Wastewater System Revenue Bonds, Series [20__]

(See Exhibit B of Verification Report attached as Exhibit B)

SCHEDULE I-1

4158-2689-4666.1

EXHIBIT F-14

SCHEDULE II—Investments and Securities Relating to the Refunded Bonds

(See Exhibit A-1 of Verification Report attached as Exhibit B)

SCHEDULE II-1

4158-2689-4666.1

EXHIBIT F-15

Appendix A
Form of Redemption Notice for Refunded Bonds

4158-2689-4666.1

EXHIBIT F-16

[FORM OF]

**NOTICE OF OPTIONAL REDEMPTION
GUAM WATERWORKS AUTHORITY
Water and Wastewater System Revenue Bonds, Series [20__]**

NOTICE is hereby given to the owners of the Guam Waterworks Authority Water and Wastewater System Revenue [Refunding] Bonds, Series [20__], maturing on the dates and in the amounts identified below, and to the other parties listed on Exhibit A hereto, that the Guam Waterworks Authority (the "Authority") has duly called for redemption and on [Redemption Date] (the "Redemption Date"), prior to the stated maturity, will redeem:

\$[_____] aggregate principal amount of Guam Waterworks Authority Water and Wastewater System Revenue [Refunding] Bonds, Series [20__], dated [____], and maturing on or after July 1, 20[___] (the "Redeemed [Series/Year] Bonds"), at a redemption price equal to 100% of the principal amount redeemed, plus accrued and unpaid interest to the Redemption Date, without premium.

The Redeemed [Series/Year] Bonds to be redeemed mature on the dates, are in the amounts, bear interest at the rates, and have the CUSIP numbers, as set forth below:

<u>Maturity Dates</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>CUSIP Numbers*</u> <u>(Base: 40065F)</u>
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All of the above-designated Redeemed [Series/Year] Bonds are to be redeemed on the Redemption Date, at the redemption price, plus accrued interest, without premium, as set forth above, from moneys irrevocably deposited in trust with U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent"), pursuant to an Escrow Agreement, dated as of [____] 1, 20[___], by and between the Authority and the Escrow Agent. From and after the Redemption Date interest shall cease to accrue, and the Redeemed [Series/Year] Bonds shall thereupon be surrendered.

From and after the Redemption Date, interest on such Redeemed [Series/Year] Bonds will cease to accrue. Upon presentation and surrender of such Redeemed [Series/Year] Bonds, on and after the Redemption Date, payment of the aforesaid redemption price, will be made, at the option of the holder thereof, at the office of U.S. Bank Trust Company, National Association, to holders upon such presentation and surrender at the following addresses:

If by Mail (Registered Bonds):

U.S. Bank Trust Company, National Association
Corporate Trust Services
P.O. Box 64111

If by Hand or Overnight Mail:

U.S. Bank Trust Company, National Association
Corporate Trust Services
111 Fillmore Avenue E

St. Paul, MN 55154-0111

St. Paul, MN 55107

Bondholders presenting their Redeemed [Series/Year] Bonds in person for same day payment must surrender their Redeemed [Series/Year] Bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Redeemed [Series/Year] Bond, you are not required to endorse the Redeemed [Series/Year] Bond to collect the Redemption Price.

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, 28% will be withheld if tax identification number is not properly certified.

*CUSIP numbers are provided for convenience only, and neither the Authority nor the Co-Trustee bears any responsibility for the accuracy thereof.

Dated this ____ day of _____ 202_.

Guam Waterworks Authority
By U.S. Bank Trust Company, National
Association
as Co-Trustee

Exhibit A

Other Notice Parties – Series [20__] Bonds

The Depository Trust Company
711 Stewart Avenue
Garden City, NY 11530

Standard & Poor's
55 Water Street
New York, New York 10041

Moody's Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
New York, New York 10007

Fitch Ratings
One State Street Plaza
New York, NY 10004
Attention: Public Finance Surveillance

[At least two "Information Services" as defined in the
Indenture]

Appendix B
Verification Report

[Attach final Verification Report]

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the 2023A Bonds or the 2024A Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER [] 2023

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: (See “RATINGS” herein)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2023A/2024A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the 2023A/2024A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the 2023A/2024A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that, under 48 U.S.C. Section 1423a, interest on the 2023A/2024A Bonds is exempt from taxation by the Government of Guam, or by any state or territory of the United States or any political subdivision thereof, or by the District of Columbia. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2023A/2024A Bonds. See “TAX MATTERS.” Delivery of the 2024A Bonds, and delivery of Bond Counsel’s opinion with respect to the 2024A Bonds, is subject to the satisfaction of certain terms and conditions provided in the Forward Delivery Agreement as described under the heading “DELAYED DELIVERY OF THE 2024A BONDS.”

[GWA Logo]

GUAM WATERWORKS AUTHORITY WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS

**\$[2023A Par]*
Series 2023A**

**\$[2024A Par]*
Series 2024A (Forward Delivery)**

Dated: Date of Delivery

Due: As shown on inside front cover

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. Capitalized terms not defined on this cover page are defined inside.

The Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2023A (the “**2023A Bonds**”), and the Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2024A (the “**2024A Bonds**” and together with the 2023A Bonds, the “**2023A/2024A Bonds**”) mature on the dates and in the amounts and will bear interest at the rates per annum listed below. Interest on the 2023A/2024A Bonds will be payable on January 1 and July 1 of each year, commencing [January/July 1, 2024] for the 2023A Bonds and commencing [July/January 1, 2024/2025] for the 2024A Bonds.

The 2023A/2024A Bonds are subject to mandatory, optional and extraordinary optional redemption prior to maturity.

The 2023A/2024A Bonds are authorized to be issued pursuant to Chapter 14 of Title 12 of the Guam Code Annotated, as amended (the “**Act**”). The 2023A Bonds will be issued pursuant to a Ninth Supplemental Indenture, to be dated as of [] 1, 2023 (the “**Ninth Supplemental Indenture**”), by and among the Guam Waterworks Authority (the “**Authority**”), Bank of Guam as Trustee and as Depositary (the “**Trustee**”), and U.S. Bank National Association, as Co-Trustee and Paying Agent (the “**Co-Trustee**”). The 2024A Bonds will be issued pursuant to a Tenth Supplemental Indenture, to be dated as of [] 1, 2024 (the “**Tenth Supplemental Indenture**”), by and among the Authority, the Trustee and the Co-Trustee. The Ninth Supplemental Indenture and the Tenth Supplemental Indenture supplement the General Indenture, dated as of December 1, 2005 (as amended and supplemented, the “**Indenture**”), by and among the Authority, the Trustee and the Co-Trustee. The issuance, sale and delivery of the 2023A/2024A Bonds have been approved by the Board of Directors of the Guam Economic Development Authority (“**GEDA**”) and by the Consolidated Commission on Utilities, the governing board of the Guam Waterworks Authority (the “**Authority**”). [The issuance, terms and conditions of the 2023A/2024A Bonds are authorized pursuant to Public Law No. 28-71, as amended by Public Law Nos. 30-145 and 32-069, which the Legislature of Guam passed on November 5, 2013.] The terms of the Indenture and the amounts and terms of the 2023A/2024A Bonds have been approved by the Guam Public Utilities Commission.

The Authority is issuing the 2023A Bonds to [(i) refund all or a portion of the Authority’s outstanding Water and Wastewater System Revenue Bonds Series 2013 for debt service savings, (ii) pay the purchase price of certain of the Authority’s outstanding Bonds tendered for cash pursuant to the Invitation (as defined herein) and (iii) pay costs incurred in connection with the issuance of the 2023A Bonds and of such refunding]. The Authority is issuing the 2024A Bonds to [(i) refund all or a portion of the Authority’s outstanding Water and Wastewater System Revenue Refunding Bonds Series 2014A for debt service savings and (ii) pay costs incurred in connection with the issuance of the 2024A Bonds and of such refunding].

The Bonds (as herein defined, including but not limited to the 2023A/2024A Bonds) are limited obligations of the Authority payable solely from and secured by a pledge of Revenues (as defined in the Indenture and more particularly described herein) consisting primarily of all gross income and revenue received by the Authority from the ownership or operation of the System, all as more fully described herein, subject to the provisions of the Indenture permitting the application of Revenues for the purposes (including payment of Operation and Maintenance Expenses), and exclusive of certain surcharges, described herein.

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 (the “Government”) nor any political subdivision thereof is obligated to pay the principal of, redemption price, if applicable, or

* Preliminary, subject to change.

interest on the Bonds, except from such Revenues, and none of the Authority, the Government or 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 2023A/2024A Bonds.

The 2023A/2024A Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2023A/2024A Bonds. Individual purchases of the 2023A/2024A Bonds will be made in book-entry form only. The 2023A/2024A Bonds will be issued only in denominations of \$5,000 or any integral multiple thereof. Payments of principal of, redemption price, if applicable, and interest on the 2023A/2024A Bonds are to be made to purchasers by DTC through DTC participants. See APPENDIX F – "DTC AND ITS BOOK-ENTRY ONLY SYSTEM." Purchasers will not receive physical delivery of 2023A/2024A Bonds.

Investment in the 2023A/2024A Bonds involves risks which may not be appropriate for certain investors. See the section in this Official Statement entitled "CERTAIN INVESTMENT CONSIDERATIONS" for a discussion of certain factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the 2023A/2024A Bonds.

The 2023A/2024A Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by Theresa G. Rojas, Esq., counsel for the Authority, and for the Underwriters by their counsel, Hawkins Delafield & Wood LLP. Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP as disclosure counsel to the Authority. It is expected that the 2023A Bonds in book-entry form will be available for delivery through the DTC book-entry system on or about [____], 2023, and the 2024A Bonds in book-entry form will be available for delivery through the DTC book-entry system on or about [____], 2024. See **"DELAYED DELIVERY OF THE 2024A BONDS"** for a discussion regarding the delayed delivery of the 2024A Bonds, certain conditions to the obligation of the Underwriters to purchase the 2024A Bonds and certain risks to registered owners of the 2024A Bonds resulting from the delayed delivery thereof.

Citigroup

RBC Capital Markets

_____, 2023

MATURITY SCHEDULES*

\$[2023A Par]*
Guam Waterworks Authority
Water and Wastewater System Revenue Refunding Bonds
Series 2023A

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No. 40065F†</u>
---	-------------------------	----------------------	--------------	--------------------------

\$ _____ * _____ % Term Bonds due July 1, 20____, Price/Yield _____ %, CUSIP No. 40065F _____ †
\$ _____ * _____ % Term Bonds due July 1, 20____, Price/Yield _____ %, CUSIP No. 40065F _____ †

\$[2024A Par]*
Guam Waterworks Authority
Water and Wastewater System Revenue Refunding Bonds
Series 2024A (Forward Delivery)

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No. 40065F†</u>
---	-------------------------	----------------------	--------------	--------------------------

\$ _____ * _____ % Term Bonds due July 1, 20____, Price/Yield _____ %, CUSIP No. 40065F _____ †
\$ _____ * _____ % Term Bonds due July 1, 20____, Price/Yield _____ %, CUSIP No. 40065F _____ †

* Preliminary, subject to change.

† [CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS data base. CUSIP numbers have been assigned by an independent company not affiliated with either the Authority or GEDA and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity or maturities are subject to change after the issuance of the 2023A/2024A Bonds. None of the Authority, GEDA or the Underwriters takes responsibility for the accuracy of the CUSIP numbers, and no representation is made as to their correctness on the applicable 2023A/2024A Bond certificates or in this Official Statement.]

CONSOLIDATED COMMISSION ON UTILITIES

Joseph T. Duenas
Chairman

Francis E. Santos
Vice Chairman and Chairman of Finance and Budget Committee

Pedro Roy Martinez
Secretary

Michael Limtiaco
Commissioner

Simon A. Sanchez II
Commissioner

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Chief Financial Officer

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U.S. Bank National Association
Los Angeles, California

Independent Auditors
Ernst & Young LLP

Verification Agent
[Verification Agent]

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2023A/2024A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the 2023A/2024A Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

Certain statements contained or incorporated by reference in this Official Statement are not intended to reflect historical facts but are estimates and "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the expectations or forecasts described herein. In this respect, the words "estimate," "project," "forecast," "anticipate," "expect," "assume," "intend," "believe" and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions, expressions of opinion, estimates and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. The Authority does not plan to issue any updates or revisions to such forward-looking statements whether or not its expectations, or any events, conditions or circumstances on which such statements are based, do or do not occur.

The information set forth in this Official Statement has been furnished by the Authority and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters. The information and expressions of opinion stated herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information or opinions stated herein or in the affairs of the Authority since the date hereof.

The 2023A/2024A Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such act. The 2023A/2024A Bonds have not been registered or qualified under the securities laws of any state.

In connection with this offering the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the 2023A/2024A Bonds offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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**GUAM WATERWORKS AUTHORITY
WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS**

**§[2023A Par]*
Series 2023A**

**§[2024A Par]*
Series 2024A (Forward Delivery)**

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page, table of contents and appendices hereto (collectively, the “**Official Statement**”), is to provide information in connection with the offering by the Guam Waterworks Authority (the “**Authority**”) of the §[2023A Par]* Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2023A (the “**2023A Bonds**”), and the §[2024A Par]* Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2024A (Forward Delivery) (the “**2024A Bonds**” and together with the 2023A Bonds, the “**2023A/2024A Bonds**”).

This Introduction is not a summary of this Official Statement, but is only a brief description of, and is qualified by, more complete and detailed information contained in this Official Statement. This Introduction should not be relied upon to provide all of the information necessary to make an informed decision about purchasing the 2023A/2024A Bonds. A full review should be made of the entire Official Statement. The offering of 2023A/2024A Bonds to potential investors is made only by means of the entire Official Statement.

Capitalized terms used herein that are not otherwise defined shall have the meanings set forth in APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

The 2023A/2024A Bonds

The Authority is issuing the 2023A Bonds to [(i) refund all or a portion of the Authority’s outstanding Water and Wastewater System Revenue Bonds Series 2013 (the “**2013 Bonds**”) for debt service savings, (ii) pay the purchase price of certain of the Authority’s outstanding Bonds tendered for cash pursuant to the Invitation (as defined herein) and (iii) pay costs incurred in connection with the issuance of the 2023A Bonds and of such refunding. The Authority is issuing the 2024A Bonds to (i) refund all or a portion of the Authority’s outstanding Water and Wastewater System Revenue Refunding Bonds Series 2014A (the “**2014A Bonds**”) for debt service savings and (ii) pay costs incurred in connection with the issuance of the 2024A Bonds and of such refunding.] See “PLAN OF REFUNDING.”

The 2023A/2024A Bonds are authorized to be issued pursuant to the Act. The 2023A Bonds will be issued pursuant to a Ninth Supplemental Indenture, to be dated as of [] 1, 2023 (the “**Ninth Supplemental Indenture**”). The 2024A Bonds will be issued pursuant to a Tenth Supplemental Indenture, to be dated as of [] 1, 2024 (the “**Tenth Supplemental Indenture**”). The Ninth Supplemental Indenture and the Tenth Supplemental Indenture supplement the General Indenture, dated as of December 1, 2005 (the “**General Indenture**” and, as amended and supplemented, including as supplemented by prior supplemental indentures, the Ninth Supplemental Indenture and the Tenth Supplemental Indenture, the “**Indenture**”), by and among the Authority, Bank of Guam, as trustee (the “**Trustee**”) and depository (the “**Depository**”) for the Revenue Fund, and U.S. Bank National Association, as co-trustee (the “**Co-Trustee**”). The bonds previously issued by the Authority pursuant to the Indenture are referred to collectively herein as the “**Prior Bonds**,” which as of August 31, 2023, are outstanding in the aggregate principal amount of \$[]. The Prior Bonds and the 2023A/2024A Bonds, together with any additional bonds that may be issued pursuant to, and outstanding at any given time under, the Indenture, are herein referred to as “**Bonds**.” After giving effect to the issuance of the 2023A/2024A Bonds and the defeasance of the [Refunded Bonds (as defined herein)], the Bonds will be outstanding in the aggregate principal amount of \$[]. See “PLAN OF REFUNDING.”

* Preliminary, subject to change.

The issuance, terms and conditions of the 2023A/2024A Bonds are authorized pursuant to Public Law No. 28-71, as amended by Public Law Nos. 30-145 and 32-069, which the Legislature of Guam passed on November 5, 2013. The Consolidated Commission on Utilities (the “CCU”) has approved the issuance, sale and delivery of the 2023A/2024A Bonds pursuant to Resolution No. 49-FY2023, adopted on September 27, 2023. The Board of Directors of the Guam Economic Development Authority (“GEDA”) has approved the issuance and sale of the 2023A/2024A Bonds pursuant to Resolution No. [____], adopted on [____], 2023. The terms of the Indenture and the aggregate principal amount and terms of the 2023A/2024A Bonds have been approved by the Guam Public Utilities Commission (the “PUC”) pursuant to Docket No. [____], adopted on [____], 2023.

Security and Sources of Payment for the 2023A/2024A Bonds

The Bonds, including the 2023A/2024A Bonds, are limited obligations of the Authority payable solely from and secured solely by a pledge of Revenues (as defined in the Indenture and described herein) consisting primarily of all gross income and revenue received by the Authority from the ownership or operation of the Authority’s water and wastewater systems (collectively, the “System”), subject to the provisions of the Indenture permitting the application of Revenues for or to the purposes (including payment of Operation and Maintenance Expenses) and on the terms and conditions set forth 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 in the Indenture.

The Indenture prohibits the issuance of any bonds or obligations payable from Revenues or secured by a pledge, lien or charge upon Revenues superior to the Bonds, and permits issuance of obligations on a parity with the Bonds only in accordance with the Indenture. The Indenture does not prohibit the incurrence of indebtedness secured by subordinate liens on Revenues.

Neither the Government of Guam (the “Government”) nor any political subdivision thereof is obligated to pay the principal of, redemption price, if applicable, or interest on the Bonds, except from such Revenues, and neither the Authority nor the Government or 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.

See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Pledge of Revenues” and “– Allocation of Revenues” and “REGULATORY ENVIRONMENT – Regulation of Ratemaking.”

Forward Delivery of the 2024A Bonds

The 2024A Bonds will not be delivered until on or about [April 4], 2024*, or such later date as may be mutually agreed by the Authority and the Underwriters (the “Delayed Delivery Date”). The delay in the issuance and delivery of the 2024A Bonds may have consequences to the purchasers of the 2024A Bonds. The market values of the 2024A Bonds on the Delayed Delivery Date are likely to be greater or less than the respective initial offering prices thereof, and the difference may be substantial. Several factors may adversely affect the market price of the 2024A Bonds, including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, proposed or adopted changes in federal tax laws affecting the relative benefits of owning tax-exempt securities instead of other types of investments, such as fully taxable obligations, or adverse developments with respect to the Authority or with respect to the security for the 2024A Bonds. See “DELAYED DELIVERY OF THE 2024A BONDS.”

BY PLACING AN ORDER WITH THE UNDERWRITERS FOR THE PURCHASE OF THE 2024A BONDS, EACH INVESTOR ACKNOWLEDGES AND AGREES THAT THE 2024A BONDS ARE BEING SOLD ON A DELAYED DELIVERY BASIS AND THAT THE INVESTOR IS OBLIGATED TO ACCEPT DELIVERY AND PAY FOR THE 2024A BONDS ON THE DELAYED DELIVERY DATE SUBJECT ONLY TO THE CONDITIONS IN THE FORWARD DELIVERY AGREEMENT. SEE “DELAYED DELIVERY OF THE 2024A BONDS.”

* Preliminary, subject to change.

The Authority and the System

In 2002, pursuant to Public Law 26-76, the Authority was converted from a government agency to a Guam public corporation organized and existing under Chapter 14 of Title 12 of the Guam Code Annotated, as amended (the “Act”). The Authority is authorized to operate and maintain the System for the island of Guam.

The Authority is governed by the CCU, which acts as the governing board of the Authority and the Guam Power Authority (“GPA”). The CCU was created in 2002 and consists of five elected members. The CCU makes decisions regarding policies, management, budgeting and financing of the Authority’s operations. Certain actions, however, such as issuing bonds for financing utility capital projects, also require the approval of the Guam Legislature and the PUC. In addition, ratemaking by the CCU is subject to the approval of the PUC, as the regulatory ratemaking body. The Authority may not enter into any contractual agreements or obligations which could increase rates and charges without the prior written approval of the PUC.

The Authority’s goals are directed towards providing more efficient and reliable service to its customers and operating as a self-supporting utility while meeting regulatory requirements. The Authority is subject to federal and Guam regulations governing water supply and wastewater treatment. The drinking water standards promulgated in the federal Safe Drinking Water Act, as amended (the “SDWA”), are the primary requirements for water supply. Wastewater treatment and disposal must comply with the water quality standards in the federal Clean Water Act, as amended (the “CWA”).

The Authority had difficulty complying with SDWA and CWA regulations prior to 2010. The Authority’s previous failure to meet all of the SDWA and CWA standards resulted in the U.S. Environmental Protection Agency (the “US EPA”) bringing suit against the Authority in the U.S. District Court of Guam (the “Guam District Court”). On June 5, 2003, the Authority and the US EPA entered into a Stipulated Order for Preliminary Relief, which was subsequently amended (as amended, the “**2003 Stipulated Order**”), that required the Authority to make specified improvements to the System and to undertake certain planning measures by specific dates. In 2010, the US EPA requested that the Guam District Court order the Authority to address the then-remaining items in the 2003 Stipulated Order and certain additional actions or improvements. On November 10, 2011, the Guam District Court issued an Order for Preliminary Relief (the “**2011 Court Order**”) establishing new deadlines for the unfinished projects. The 2011 Court Order superseded the 2003 Stipulated Order and all prior orders. Compliance with the 2011 Court Order has been a top priority for the Authority. The Authority has completed 85 of the 86 projects under the 2011 Court Order and is in compliance with the two notice requirements and five ongoing reporting requirements under the 2011 Court Order. The one remaining project under the 2011 Court Order is completion of the replacement, rehabilitation or reconstruction of 17 storage tanks in accordance with the hydraulic assessment submitted to US EPA. There are 12 storage tanks under contract for construction/repair and five storage tanks that are pending contract issuance for construction/repair. In June 2023, the Authority filed a Motion to Extend Time and the Guam District Court granted an extension for completion of the last project until December 31, 2025. The Authority expects to complete the remaining work on the 17 tanks by the end of 2025. See “REGULATORY ENVIRONMENT – Environmental Regulations – 2003 Stipulated Order and 2011 Court Order.”

The Authority has developed a capital improvement program for Fiscal Years 2020 through 2025 (the “**2020 CIP**”) focused on the rehabilitation and upgrade of the System. The 2020 CIP includes the last project required under the 2011 Court Order. The estimated cost of necessary capital improvements for the 2020 CIP is approximately \$391.7 million.

The Authority is in the process of finalizing an interim update to its 20-year Water Resources Master Plan Update (2018-2037) (the “**2018 WRMP Update**”), which will assess the progress of the existing 2020 CIP and drive the development of the Authority’s next five-year capital improvement program and financial plan. The Authority anticipates that the interim update to the 2018 WRMP Update (the “**2024 WRMP Update**”) will be submitted to the CCU and the Guam PUC in early 2024. See “FUTURE SYSTEM CAPITAL REQUIREMENTS – Capital Improvement Program.”

Investment Considerations

There are important investment considerations and risks associated with the purchase of the 2023A Bonds and the 2024A Bonds, which will not be delivered until the Delayed Delivery Date. See "CERTAIN INVESTMENT CONSIDERATIONS" and "DELAYED DELIVERY OF THE 2024A BONDS" for a discussion of some of these considerations and risks. Any one or more of the considerations and risks discussed, and others, could lead to a decrease in the market value and/or the ability to sell the 2023A/2024A Bonds in the secondary market. Potential purchasers of the 2023A/2024A Bonds are advised to review this entire Official Statement carefully.

Continuing Disclosure

As a condition to the issuance and sale of the 2023A/2024A Bonds, the Authority will covenant for the benefit of the holders and beneficial owners of the 2023A/2024A Bonds to provide annually certain financial information and operating data and to provide notice of the occurrence of certain enumerated events to assist the Underwriters in complying with the Securities and Exchange Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"). See "CONTINUING DISCLOSURE" and the proposed forms of Continuing Disclosure Agreement included herein as APPENDIX E.

Forward-Looking Statements

Certain statements contained or incorporated by reference in this Official Statement are not intended to reflect historical facts but are estimates and "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the expectations or forecasts described herein. In this respect, the words "estimate," "project," "forecast," "anticipate," "expect," "assume," "intend," "believe" and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions, expressions of opinion, estimates and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. The Authority does not plan to issue any updates or revisions to such forward-looking statements whether or not its expectations, or any events, conditions or circumstances on which such statements are based, do or do not occur.

Miscellaneous

Brief descriptions of the 2023A/2024A Bonds, the Authority and Guam are provided below. Such descriptions do not purport to be comprehensive or definitive. All references to the 2023A/2024A Bonds and the Indenture are qualified in their entirety by reference to the forms thereof.

The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made with respect hereto shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the System since the date hereof.

This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of any of the 2023A/2024A Bonds.

PLAN OF REFUNDING*

General

2023A Bonds. Proceeds of the 2023A Bonds will be applied to (i) refund all or a portion of the Authority's outstanding 2013 Bonds for debt service savings, (ii) [refund by means of tender, purchase and cancellation or by means of a defeasance all or a portion of the Target Bonds (as further described below) and (iii) pay costs incurred in connection with the issuance of the 2023A Bonds and of such refunding.

On [____], 2023, the Authority, with the assistance of Citigroup Global Markets Inc. (the "**Dealer Manager**"), released an [Invitation to Tender Bonds for Purchase] (the "**Invitation**") inviting beneficial owners of certain maturities (the "**Target Bonds**") of the Authority's outstanding [Water and Wastewater System Revenue Bonds Series 2016 (the "**2016 Bonds**"), Water and Wastewater System Revenue Refunding Bonds Series 2017 (the "**2017 Bonds**"), Water and Wastewater System Revenue Bonds Series 2020A (the "**2020A Bonds**") and Water and Wastewater System Revenue Refunding Bonds Series 2020B (Federally Taxable) (the "**2020B Bonds**") to tender such Bonds for purchase pursuant to the terms of the Invitation. The preliminary list of Target Bonds is set forth under "– Refunded Bonds – *Target Bonds*" below. Beneficial owners of the Target Bonds must review the Invitation for further information regarding the Authority's offer. The Invitation provides that all tenders for purchase must be made on or before [____], 2023. On [____], 2023, the Authority will determine whether to accept any Target Bonds tendered for purchase subject to the conditions set forth in the Invitation. Target Bonds validly tendered and accepted for purchase (collectively, the "**Purchased Bonds**") will be purchased on _____, 2023, subject to the conditions set forth in the Invitation, and cancelled.

2024A Bonds. Proceeds of the 2024A Bonds will be applied to (i) refund all or a portion of the Authority's outstanding 2014A Bonds for debt service savings and (ii) pay costs incurred in connection with the issuance of the 2024A Bonds and of such refunding.

See "ESTIMATED SOURCES AND USES OF FUNDS."

Refunded Bonds

The following tables detail the outstanding 2013 Bonds, the outstanding 2014A Bonds and the Target Bonds. The 2013 Bonds to be refunded with proceeds of the 2023A Bonds, the 2014A Bonds to be refunded with proceeds of the 2024A Bonds, and the Purchased Bonds are collectively referred to herein as the "**Refunded Bonds**." The Refunded Bonds will only be determined by the Authority at the time that the Authority and the Underwriters execute a bond purchase contract for the 2023A/2024A Bonds and as set forth in the Invitation. Until such time, the series, maturity dates and principal amounts of the Refunded Bonds remain subject to change by the Authority in its sole discretion.

2013 Bonds

Series	Maturity Date	Outstanding Principal Amount	Coupon	Redemption Date	Redemption Price	CUSIP*
2013 Bonds	7/1/2024		5.25%	[____]/2023]	100%	40065FBB9
2013 Bonds	7/1/2025		5.25	[____]/2023]	100	40065FBC7
2013 Bonds	7/1/2028		5.00	[____]/2023]	100	40065FAY0

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services data base. The Authority, GEDA and the Underwriters do not take any responsibility for the accuracy of the CUSIP data.

2014A Bonds

Series	Maturity Date	Outstanding Principal Amount	Coupon	Redemption Date	Redemption Price	CUSIP*
2014A Bonds	7/1/2024	\$ 4,205,000	5.00%	[7/1/2024]	100%	40065FBN3
2014A Bonds	7/1/2025	4,410,000	5.00	[7/1/2024]	100	40065FBP8
2014A Bonds	7/1/2029	19,970,000	5.00	[7/1/2024]	100	40065FBQ6
2014A Bonds	7/1/2035	31,465,000	5.00	[7/1/2024]	100	40065FBR4

Target Bonds

Series	Maturity Date	Outstanding Principal Amount	Coupon	Maximum Principal Amount that may be Accepted for Purchase if Tendered [†]	CUSIP*
2016 Bonds	7/1/2024	\$ 875,000	5.00%		40065FBY9
2016 Bonds	7/1/2025	925,000	5.00		40065FBZ6
2016 Bonds	7/1/2026	965,000	5.00		40065FCA0
2016 Bonds	7/1/2027	1,015,000	5.00		40065FCB8
2016 Bonds	7/1/2028	1,065,000	5.00		40065FCC6
2016 Bonds	7/1/2029	1,120,000	5.00		40065FCD4
2016 Bonds	7/1/2030	1,180,000	5.00		40065FCE2
2016 Bonds	7/1/2031	1,240,000	5.00		40065FCF9
2016 Bonds	7/1/2036	14,360,000	5.00		40065FCG7
2016 Bonds	1/1/2046	111,395,000	5.00		40065FCH5
2017 Bonds	7/1/2024	2,365,000	5.00		40065FCQ5
2017 Bonds	7/1/2025	2,485,000	5.00		40065FCR3
2017 Bonds	7/1/2026	2,610,000	5.00		40065FCS1
2017 Bonds	7/1/2027	2,740,000	5.00		40065FCT9
2017 Bonds	7/1/2028	2,875,000	5.00		40065FCU6
2017 Bonds	7/1/2029	3,015,000	5.00		40065FCV4
2017 Bonds	7/1/2030	3,170,000	5.00		40065FCW2
2017 Bonds	7/1/2031	3,325,000	5.00		40065FCX0
2017 Bonds	7/1/2032	3,495,000	5.00		40065FCY8
2017 Bonds	7/1/2033	3,665,000	5.00		40065FCZ5
2017 Bonds	7/1/2034	3,850,000	5.00		40065FDA9
2017 Bonds	7/1/2035	4,040,000	5.00		40065FDB7
2017 Bonds	7/1/2036	11,455,000	5.00		40065FDC5
2017 Bonds	7/1/2037	12,025,000	5.00		40065FDD3
2017 Bonds	7/1/2040	39,815,000	5.00		40065FDE1
2020A Bonds	1/1/2050	134,000,000	5.00		40065FDF8
2020B Bonds	7/1/2030	13,775,000	2.75		40065FDG6
2020B Bonds	7/1/2034	27,355,000	3.25		40065FDH4
2020B Bonds	7/1/2043	124,945,000	3.70		40065FDJ0

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[†] The final Official Statement will identify the principal amount of Target Bonds validly tendered and accepted for purchase, if any.

Escrow Funds

2023A Escrow Fund. [A portion of the proceeds of the 2023A Bonds, together with other available funds of the Authority, are to be deposited in an escrow fund (the “**2023A Escrow Fund**”) to be created and established by the Co-Trustee, in its capacity as Paying Agent for the [Refunded Bonds] and as escrow agent (the “**2023A Escrow Agent**”), pursuant to an escrow agreement (the “**2023A Escrow Agreement**”). The amounts so deposited in the 2023A Escrow Fund will either be held as cash, uninvested, in an amount sufficient, or be used to purchase certain securities (the “**2023A Escrow Securities**”) in accordance with the requirements of the Indenture, the principal of and interest on which (together with any initial cash deposit), will be sufficient, to pay when due the scheduled principal and redemption price of the [Refunded Bonds] and interest thereon to become due on or prior to the date fixed for redemption, including retirement in part by mandatory sinking fund installment, if applicable. Upon such deposit in the 2023A Escrow Fund in accordance with the provisions of the 2023A Escrow Agreement and satisfaction of certain other conditions, all liability of the Authority in respect of the [Refunded Bonds] will cease, terminate and be completely discharged and the owners thereof shall thereafter be entitled only to payment out of the 2023A Escrow Fund.

The mathematical accuracy of certain computations relating to the adequacy of the cash and/or Escrow Securities and the interest thereon together with other available moneys to pay the scheduled principal, redemption price and interest on the [Refunded Bonds] on and prior to the Redemption Date thereof will be verified at the time of delivery of the 2023A Bonds by [Verification Agent]. See “VERIFICATION OF ESCROW – 2023A Bonds.”]

2024A Escrow Fund. [A portion of the proceeds of the 2024A Bonds, together with other available funds of the Authority, are to be deposited in an escrow fund (the “**2024A Escrow Fund**”) to be created and established by the Co-Trustee, in its capacity as Paying Agent for the [Refunded Bonds] and as escrow agent (the “**2024A Escrow Agent**”), pursuant to an escrow agreement (the “**2024A Escrow Agreement**”). The amounts so deposited in the 2024A Escrow Fund will either be held as cash, uninvested, in an amount sufficient, or be used to purchase certain securities (the “**2024A Escrow Securities**”) in accordance with the requirements of the Indenture, the principal of and interest on which (together with any initial cash deposit), will be sufficient, to pay when due the scheduled principal and redemption price of the [Refunded Bonds] and interest thereon to become due on or prior to the date fixed for redemption, including retirement in part by mandatory sinking fund installment, if applicable. Upon such deposit in the 2024A Escrow Fund in accordance with the provisions of the 2024A Escrow Agreement and satisfaction of certain other conditions, all liability of the Authority in respect of the [Refunded Bonds] will cease, terminate and be completely discharged and the owners thereof shall thereafter be entitled only to payment out of the 2024A Escrow Fund.

The mathematical accuracy of certain computations relating to the adequacy of the cash and/or Escrow Securities and the interest thereon together with other available moneys to pay the scheduled principal, redemption price and interest on the [Refunded Bonds] on and prior to the Redemption Date thereof will be verified at the Preliminary Closing Date (as defined herein) and again at the Delayed Delivery Date by [Verification Agent]. See “VERIFICATION OF ESCROW – 2024A Bonds.”]

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the 2023A/2024A Bonds are expected to be applied as shown below:

	2023A Bonds	2024A Bonds	Total
Sources:			
Principal Amount	\$	\$	\$
[Funds Released from Debt Service Fund]			
[Funds Released from Bond Reserve Fund]			
Total Sources	\$	\$	\$
Uses:			
Deposit to Escrow Fund	\$	\$	\$
[Deposit to Purchased Bonds Fund]			
Costs of Issuance ⁽¹⁾			
Total Uses	\$	\$	\$

⁽¹⁾ Includes Underwriters' discount, Trustee and Co-Trustee fees, Escrow Agent fees, verification agent fees, legal fees and expenses, rating agency fees, printing costs and other miscellaneous costs of issuance.

THE 2023A/2024A BONDS

General

When issued, the 2023A/2024A Bonds will be dated their date of delivery and will bear interest at the rates per annum and mature, subject to prior redemption, on the dates and in the principal amounts set forth on the cover page of this Official Statement. Interest on the 2023A/2024A Bonds will be payable on January 1 and July 1 of each year (each an **"Interest Payment Date"**), commencing [January/July 1, 2024] for the 2023A Bonds and [July/January 1, 2024/2025] for the 2024A Bonds.

Interest will accrue on the 2023A/2024A Bonds on the basis of a 360-day year of twelve 30-day months. Each 2023A/2024A Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, except that: (1) 2023A/2024A Bonds authenticated during the period from the Record Date immediately preceding an Interest Payment Date to such Interest Payment Date, inclusive, will bear interest from such Interest Payment Date; and (2) 2023A/2024A Bonds authenticated on or prior to the Record Date for the first Interest Payment Date for the 2023A/2024A Bonds will bear interest from their date of delivery; provided, however, that if interest on the 2023A/2024A Bonds then Outstanding shall be in default at the time of authentication of any 2023A/2024A Bond, such 2023A/2024A Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the 2023A/2024A Bonds then Outstanding. The 2023A/2024A Bonds will be issued in denominations of \$5,000 and integral multiples thereof.

The 2023A/2024A Bonds when issued will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (**"DTC"**). DTC will act as securities depository for the 2023A/2024A Bonds. Individual purchases may be made only in book-entry form, and purchasers will not receive certificates representing their interest in the 2023A/2024A Bonds purchased. Except as described below under **"TAX MATTERS,"** so long as Cede & Co. is the registered owner of the 2023A/2024A Bonds, as nominee of DTC, references herein to **"Bondholders"** or to **"registered owners"** of the 2023A/2024A Bonds mean Cede & Co. and not the Beneficial Owners of the 2023A/2024A Bonds. In this Official Statement, the term **"Beneficial Owner"** means the person for whom a DTC participant acquires an interest in the 2023A/2024A Bonds.

So long as DTC, or its nominee Cede & Co. (or such other nominee as an authorized officer of DTC may request), is the registered owner of all 2023A/2024A Bonds, all payments of principal of, redemption price, if applicable, and interest on the 2023A/2024A Bonds are to be made directly to DTC, which, in turn, is to remit such amounts to the Direct and Indirect Participants for subsequent distribution to the Beneficial Owners of the 2023A/2024A Bonds. See APPENDIX F – **"DTC AND ITS BOOK-ENTRY ONLY SYSTEM."**

Redemption of the 2023A/2024A Bonds

2023A Bonds

Extraordinary Optional Redemption of the 2023A Bonds. The 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 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 2023A Bonds, amortizing the original issue premium over the period ending on the first call date using the constant yield method.

Optional Redemption of 2023A Bonds. The 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 pro rata within a maturity in the absence of such a determination), at a redemption price equal to the principal amount of each 2023A Bond called for redemption, plus interest accrued to the date fixed for redemption, without premium.

Mandatory Sinking Account Redemption of 2023A Bonds. The 2023A Bonds maturing on July 1, 20__ are subject to redemption prior to their stated maturity in part, pro rata, 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:

20__ Term Bond	
Date (July 1)	Amount
_____	_____

† Maturity

The 2023A Bonds maturing on July 1, 20__ are subject to redemption prior to their stated maturity in part, pro rata, 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:

20__ Term Bond

Date (July 1)	Amount
_____	_____

† Maturity

2024A Bonds

Extraordinary Optional Redemption of the 2024A Bonds. The 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 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 2024A Bond, amortizing the original issue premium over the period ending on the first call date using the constant yield method.

Optional Redemption of 2024A Bonds. The 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 pro rata within a maturity in the absence of such a determination), at a redemption price equal to the principal amount of each 2024A Bond called for redemption, plus interest accrued to the date fixed for redemption, without premium.

Mandatory Sinking Account Redemption of 2024A Bonds. The 2024A Bonds maturing on July 1, 20__ are subject to redemption prior to their stated maturity in part, pro rata, 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:

20__ Term Bond

Date (July 1)	Amount
_____	_____

† Maturity

The 2024A Bonds maturing on July 1, 20__ are subject to redemption prior to their stated maturity in part, pro rata, 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:

20__ Term Bond

Date (July 1)	Amount

† Maturity

Selection of 2023A/2024A Bonds for Redemption. In the event that less than all of the 2023A/2024A Bonds of any maturity are to be redeemed pursuant to the Make-Whole Optional Redemption provisions above, such 2023A/2024A Bonds (or portions thereof) to be redeemed will be selected by the Authority or by the Registrar on a pro rata basis from such maturity or mandatory sinking fund payment within such maturity.

Application of DTC Procedures to Selection of 2023A/2024A Bonds for Redemption. The particular 2023A/2024A Bonds to be redeemed pro rata will be designated for redemption on a “Pro-Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, subject to the operational arrangements of DTC then in effect. If at the time of any such redemption DTC’s prevailing operational arrangements do not allow for allocation of a redemption on a pro rata pass-through distribution of principal basis for any reason, the portion of the 2023A/2024A Bonds to be redeemed on such dates will be selected in accordance with DTC’s then-existing rules and procedures, and may be by lot. Any failure of DTC or its participants or any other intermediary to make such selection or proportional allocation, for whatever reason, will not affect the sufficiency or the validity of the redemption of the 2023A/2024A Bonds, and none of the Authority, the Trustee or the Co-Trustee shall have any responsibility therefor.

Notice of Redemption. Notice of redemption (except as otherwise provided in the Indenture) is required to be given, 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 2023A/2024A Bonds designated for redemption at their addresses appearing on the Bond registration books of the Registrar on the date the 2023A/2024A Bonds to be redeemed are selected. Each notice of redemption is required to state the redemption date, the place or places of redemption, the Series and maturities to be redeemed, and, if less than all of any such maturity, the numbers of the 2023A/2024A Bonds of such maturity to be redeemed and, in the case of 2023A/2024A Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, and is required also to state that on said date there will become due and payable on each of said 2023A/2024A Bonds the redemption price thereof or of said specified portion of the principal thereof in the case of a 2023A/2024A Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and is also to require that such 2023A/2024A Bonds be then surrendered, with a written instrument of transfer duly executed by the registered owner thereof or by such registered owner’s attorney duly authorized in writing. No defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of such 2023A/2024A Bonds. Each notice of redemption shall also state the CUSIP number, date of issue and interest rate on each 2023A/2024A Bond, or portion thereof, to be redeemed, and shall include the redemption agent name and address; provided, however, that failure to include any of such information in any redemption notice, or any inaccuracy in any such information, shall not affect the sufficiency of the proceedings for redemption of any 2023A/2024A Bonds.

The Authority may, at its option, prior to the date fixed for redemption in any notice of redemption, rescind and cancel such notice of redemption.

Trustee, Co-Trustee, Registrar and Paying Agent

The Bank of Guam has been appointed to act as the Trustee for the Bonds, including the 2023A/2024A Bonds, and U.S. Bank National Association has been appointed to act as Co-Trustee, registrar (the “**Registrar**”) and paying agent (the “**Paying Agent**”) for the 2023A/2024A Bonds.

Book-Entry System

The 2023A/2024A Bonds will be delivered in fully registered form only, and when delivered will be registered in the name of Cede & Co., as nominee of DTC. DTC acts as securities depository for the 2023A/2024A Bonds. Ownership interests in the 2023A/2024A Bonds may be purchased in book-entry only form, in the denominations set forth above. The Indenture provides that, so long as DTC acts as securities depository for the 2023A/2024A Bonds, the Authority, the Trustee, the Co-Trustee, the Registrar and the Paying Agent may treat DTC as the absolute owner of such 2023A/2024A Bonds for all purposes and that none of the Authority, the Trustee, the Co-Trustee, the Registrar and the Paying Agent shall have any liability with respect to (i) the accuracy of the records of DTC or any Participant with respect to any beneficial ownership interest in the 2023A/2024A Bonds, (ii) the delivery to any Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the 2023A/2024A Bonds, (iii) the payment to any Participant, any Beneficial Owner or any other person, other than DTC, of any amount with respect to principal or redemption price of or interest on the 2023A/2024A Bonds, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the 2023A/2024A Bonds or (v) any consent given or other action taken by DTC as Holder of the 2023A/2024A Bonds. See APPENDIX F – “DTC AND ITS BOOK-ENTRY ONLY SYSTEM.”

DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the Prior Bonds and the 2023A/2024A Bonds.

Table 1
Debt Service Schedule

Fiscal Year Ending September 30,	Prior Bonds ⁽¹⁾⁽²⁾	2023A Bonds Principal	2023A Bonds Interest	2024A Bonds Principal	2024A Bonds Interest	Total Debt Service
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
2047						
2048						
2049						
2050						
2051						
2052						
2053						
Total ⁽³⁾						

⁽¹⁾ [Comprised of the 2013 Bonds, the 2014A Bonds, the 2016 Bonds, the 2017 Bonds, the 2020A Bonds and the 2020B Bonds.] See "PLAN OF REFUNDING."

⁽²⁾ Net of capitalized interest payments.

⁽³⁾ Totals reflect rounding.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Pledge of Revenues

The Bonds are limited obligations of the Authority and are payable solely from, and secured solely by a lien on and pledge of, the Revenues. Pursuant to the Indenture, the Authority has pledged all of the Revenues, 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 in 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 Indenture provides that such pledge constitutes a lien on and security interest in the Revenues and will attach, be perfected and be valid and binding from and after delivery of the first Series of Bonds issued under the General Indenture, without any physical delivery of such Revenues or further act.

As defined in the Indenture, "**Revenues**" include all gross income and other amounts received or receivable by the Authority as revenues of any kind from the ownership or operation of any part of the System, including all rates, fees and charges (including ground water, surface water and treated water charges and all wastewater service charges) received by the Authority for providing water and wastewater services (but excluding development charges and assessments and hook-up fees and other special charges such as penalties and fines), all Payment Agreement Receipts, and all proceeds of insurance or grants covering business interruption loss (and related losses and expenses) relating to the System, and all other income and revenue howsoever derived by the Authority from the ownership or operation of, or arising from, the System, together with all interest, profits or other income derived from the investment of amounts in the Revenue Fund, but not including: (1) amounts received as insurance proceeds (except as described above) or from the sale, transfer or other disposition of, or upon the taking by or under the threat of eminent domain of, all or any part of the System (which moneys shall be received and disposed of pursuant to the provisions of the Indenture); (2) proceeds from any securities issued by the Authority or proceeds from loans obtained by the Authority; (3) the proceeds of any court or arbitration award or settlement in lieu thereof received by the Authority; (4) amounts received by the Authority as gifts or as grants (except as described above), whether restricted or unrestricted; and (5) other amounts (except as described above), the use of which is restricted by the donor or grantor.

The Authority has covenanted in the Indenture that, so long as any Bonds are Outstanding, the Authority will not issue any bonds or obligations payable from Revenues or secured by a pledge, lien or charge upon Revenues prior to or on a parity with the Bonds, any Parity Agreement Payments and any Credit Agreement Payments (other than Additional Bonds, Parity Agreement Payments and Credit Agreement Payments).

The ability of the Authority to pay principal of and interest on the Bonds will depend upon the receipt by the Authority of sufficient Revenues. If Revenues and amounts available in the funds and accounts under the Indenture are insufficient to pay the principal of and interest on the Bonds, no other source of repayment exists. The Authority has no taxing power. See "CERTAIN INVESTMENT CONSIDERATIONS – Limitations on Remedies."

Allocation of Revenues

The Indenture requires the Authority to deposit all Revenues upon receipt in the Revenue Fund held by the Depository. The Indenture provides that on or before the fifth day of each calendar month, the Depository is required to transfer from the Revenue Fund (to the Trustee as necessary) for deposit into one or more of the following respective separate funds, the following amounts in the following order of priority, the requirements of each such fund or account (including the making up of any deficiencies in any such fund or account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any transfer is made to any fund subordinate in priority:

- (A) into the Operation and Maintenance Fund, an amount equal to the amount of Operation and Maintenance Expenses budgeted by the Authority, pursuant to the budget, as revised, filed in accordance with the Indenture, to be paid from Revenues during the next succeeding calendar month (including any amount to be held as a reserve for transfer to the Rebate Fund) plus the amount of any Other

Credit Agreement Payments then due and payable or to become due and payable during such month not otherwise included in such amount;

(B) into the Debt Service Fund held by the Co-Trustee, an amount equal to the amount necessary to increase the amount in the Debt Service Fund to the aggregate amount for all Outstanding Bonds of all unpaid interest, principal and Mandatory Sinking Account Payments and for all Outstanding Parity Payment Agreements of all Parity Payment Agreement Payments with respect thereto and for all Outstanding Credit Agreements of all Credit Agreement Reimbursement Payments due and payable to the extent not otherwise included in such amount which shall be required to have been transferred to the Debt Service Fund on the basis of the following transfer requirement rules (after taking into account amounts transferred and to be transferred from any Construction Account to pay Capitalized Interest):

(1) an amount equal to the amount of interest payable on each Bond on a current uncompounded basis on any Interest Payment Date shall be transferred in equal monthly amounts over the Interest Accrual Period for such Bond ending on such Interest Payment Date (or in the case of Variable Rate Bonds 110% of the amount of interest accrued during the next preceding calendar month less any excess deposited for the next preceding calendar month); provided that to the extent that a Qualified Counterparty is obligated to make payments to the Authority on or prior to such Interest Payment Date pursuant to an Outstanding Payment Agreement Related to any Bonds, an amount equal to the amount of any such payment obligation shall be transferred from the Revenue Fund to the Debt Service Fund on the date such payment is due and the amount of each monthly transfer with respect to such Bonds as described in this subparagraph (1) during the Interest Accrual Period (or portion thereof) over which such payment obligation accrues shall be reduced by an amount equal to the amount of such Qualified Counterparty's payment obligation accruing during the next preceding calendar month;

(2) the amount of interest payable on each Bond on a deferred compounded basis on any Interest Payment Date shall be transferred in substantially equal monthly amounts over the period during which such interest accrues on such basis;

(3) the amount of the principal of each Bond shall be transferred in equal monthly amounts over the Principal Payment Period for such Bond ending on the maturity date for such Bond;

(4) the amount of each Mandatory Sinking Account Payment for Bonds shall be transferred in equal monthly amounts over the Principal Payment Period for such Bonds ending on the date such Mandatory Sinking Account Payment is due;

(5) the amount of any Parity Payment Agreement Payment payable on any Payment Agreement Payment Date shall be transferred (a) in the case of such payments calculated based on a fixed rate, in equal monthly installments over the Payment Agreement Payment Accrual Period for such Payment Agreement Payment ending on such Payment Agreement Payment Date and (b) in the case of such payments calculated based on a variable rate, in monthly installments equal to 110% of the amount of such obligation accrued during the next preceding calendar month less any excess deposited for the next preceding calendar month; and

(6) to the extent not otherwise included in amounts described in subparagraphs (1) through (5) above, the amount of any Credit Agreement Reimbursement Payment due and payable is to be transferred;

(C) into the Bond Reserve Fund held by the Co-Trustee, the amount, if any, needed to increase the amount in the Bond Reserve Fund to the Bond Reserve Fund Requirement (equal to the Maximum Annual Debt Service for the then current or any future Fiscal Year on all Outstanding Bonds) as of the date of such transfer;

(D) into the Subordinate Securities Fund (and any accounts therein), the amount, if any, needed to increase the amount in such Fund and each such account to its requirement (including any requirements for reasonable debt service reserves and requirements related to Payment Agreements that constitute Subordinate Securities (including Termination Payments)) established by each resolution, indenture or other instrument pursuant to which Subordinate Securities are issued and outstanding;

(E) into the Operation, Maintenance, Renewal and Replacement Reserve Fund, the amount, if any, needed to increase the amount in the Operation, Maintenance, Renewal and Replacement Reserve Fund to an amount equal to one-fourth (1/4) of the sum of the amounts of Operation and Maintenance Expenses and Renewal and Replacement Costs budgeted by the Authority, pursuant to the budget, as revised, filed in accordance with the Indenture, for the then current Fiscal Year;

(F) into the Rate Stabilization Fund, the amount specified for such month in a Certificate of the Authority which also certifies that such amount is consistent with the annual budget established by the Authority pursuant to the Indenture; and

(G) into the Capital Improvement Fund, the balance remaining in the Revenue Fund after the deposits described above.

The Indenture provides that, in the event that the amount in any Fund or Account is insufficient for the purposes for which such Fund or Account was established, the Trustee, the Co-Trustee or the Depositary upon the direction of the Trustee, is required to transfer to such Fund or Account the amount of such deficiency by withdrawing said amount from subordinate Funds and Accounts in reverse order of the priority described above and prior to any other claims upon such Funds and Accounts, subject only to the limitation that amounts in the Bond Reserve Fund shall only be used as provided in the Indenture.

See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – DEFINITIONS” for definitions of the capitalized terms used above and descriptions of certain of the Funds and Accounts referenced above.

Rate Covenant

The Authority has covenanted in the Indenture to at all times fix, prescribe and collect rates, fees and charges in connection with the services furnished by the System which will be sufficient to yield the sum of Net Revenues during each Fiscal Year equal to at least 1.25 times the Aggregate Annual Debt Service for such Fiscal Year and to yield Revenues during each Fiscal Year equal to at least the aggregate amount of all transfers required to be made pursuant to the provisions of the Indenture described above in (A) through (E) under “– Allocation of Revenues” (collectively, the “**Rate Covenant**”).

“**Net Revenues**” is defined in the Indenture to mean, for any particular period, (a) the sum of (i) all of the Revenues (other than Payment Agreement Receipts) received during such period plus (ii) the aggregate amount of all transfers from the Rate Stabilization Fund to the Revenue Fund during such period, less (b) the sum of (x) all Operation and Maintenance Expenses incurred during such period plus (y) the amount of all transfers from the Revenue Fund to the Rate Stabilization Fund during such period.

The Indenture provides that if, at the end of a Fiscal Year, (i) the sum of Net Revenues for such Fiscal Year were less than 1.25 times Aggregate Annual Debt Service for such Fiscal Year, or (ii) Revenues were less than the aggregate amount of all required transfers described above in (A) through (E) under “– Allocation of Revenues” for such Fiscal Year, the Authority is required to promptly employ a Consulting Engineer to make recommendations as to a revision of rates, fees and charges or the methods of operation of the System, and promptly upon its receipt of such recommendations, to revise such rates, fees and charges or methods of operation and to take such other actions as will be in conformity with such recommendations, subject to applicable requirements or restrictions imposed by law, including approval of any rate increases by the PUC, and subject to a good faith determination of the CCU that such recommendations, in whole or in part, are in the best interests of the Authority, the Owners and each Credit Provider, if any. The Indenture provides that if the Authority complies in all material respects with the reasonable

recommendations of the Consulting Engineer with respect to said rates, fees, charges and methods of operation or collection, or makes a good faith determination that such recommendations are not in the best interests of the Authority, the Authority will be deemed to have complied with the Rate Covenant for such Fiscal Year; provided, that Net Revenues are in no event less than Aggregate Annual Debt Service for such Fiscal Year.

See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – DEFINITIONS” for definitions of the capitalized terms used above and “– CERTAIN COVENANTS – Rate Covenant.”

For discussions of additional requirements relating to rate-setting, see “REGULATORY ENVIRONMENT – Regulation of Ratemaking.”

Bond Reserve Fund

The Indenture establishes the Bond Reserve Fund to be used and withdrawn by the Co-Trustee solely for the purpose of paying debt service on the Bonds (including Payment Agreement Payments to the extent provided in any Supplemental Indenture) in the event of a deficiency in the Debt Service Fund, in the manner and to the extent set forth in the Indenture. So long as the Authority is not in default under the Indenture, any amount in the Bond Reserve Fund in excess of its Bond Reserve Fund Requirement is to be transferred to the Revenue Fund.

“**Bond Reserve Fund Requirement**” is defined in the Indenture to mean, as of any particular date of calculation, an amount equal to the Maximum Annual Debt Service for the then current or any future Fiscal Year on all Outstanding Bonds; provided, however, that if upon issuance of a Series of Bonds, such amount would require moneys to be credited to the Bond Reserve Fund from such Bond proceeds in an amount in excess of the maximum amount permitted from tax-exempt bond proceeds under the Code, the Bond Reserve Fund Requirement shall mean an amount equal to the sum of the Bond Reserve Fund Requirement immediately preceding issuance of such Bonds plus the maximum amount permitted under the Code to be deposited therein from the proceeds of such Bonds, as specified by Certificate of the Authority.

[Upon the issuance of the [2023A/2024A Bonds] and the refunding of the [Refunded Bonds], the Bond Reserve Fund Requirement is \$_____ and \$_____ will be released from the Bond Reserve Fund and deposited into the Escrow Fund. See “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF FUNDS.”

If and to the extent provided by a Supplemental Indenture, the Bond Reserve Fund Requirement may be wholly or partially satisfied by a Credit Facility. Notwithstanding anything to the contrary contained in the Indenture, such Supplemental Indenture may provide that a draw on such Credit Facility is to be made only after all cash in the Bond Reserve Fund been withdrawn and that if a drawing or other claim on such Credit Facility is honored, amounts available for deposit pursuant to the provisions of the Indenture relating to allocation of Revenues to the Bond Reserve Fund will be applied by the Co-Trustee to reimburse, as soon as practicable, the amount of each payment honoring such drawing or other claim.

See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – REVENUES AND FUNDS – Application of Bond Reserve Fund.”

Additional Bonds

The General Indenture permits the Authority to issue Additional Bonds secured on a parity with the Outstanding Bonds, including the 2023A/2024A Bonds, upon the satisfaction of the requirements set forth in the Indenture, including, among other things, the filing of the documents described below, as applicable, with the Trustee.

If and to the extent that a Series of Additional Bonds is being issued to provide moneys for deposit in a Construction Account, the following certificates and reports are to be filed:

(A) a certificate of a Consulting Engineer setting forth (I) the projected Date of Completion for the Project or Projects for which such Series of Additional Bonds is being issued and for any other uncompleted Projects, and (II) an estimate of the cost of construction of such Projects;

(B) a written report of a Consulting Engineer setting forth for each Fiscal Year from the then current Fiscal Year through the later of (I) the first Fiscal Year commencing at least five years after the date of original issuance of such additional Series, or (II) the first Fiscal Year commencing at least three years after the Date of Completion projected by the Consulting Engineer in the certificate described in (A) above, estimates of Revenues, Operation and Maintenance Expenses and Net Revenues; and

(C) a certificate of the Authority (I) setting forth (a) the estimates of Revenues, Operation and Maintenance Expenses, and Net Revenues, as set forth in the written report of a Consulting Engineer described in subparagraph (B) above, for each of the Fiscal Years covered by such report, and (b) the Aggregate Annual Debt Service and Capitalized Interest for each of such Fiscal Years, including Annual Debt Service and Capitalized Interest on all future Series of Bonds, if any, which such Certificate of the Authority shall estimate (based on the estimate of the Consulting Engineer of the cost of construction of such Projects) are required to complete payment of the cost of construction of such Projects, and (II) demonstrating that for each of such Fiscal Years (a) Revenues are projected to be at least equal to the aggregate amount of all transfers required to be made pursuant to the provisions of the Indenture described above in (A) through (E) under "– Allocation of Revenues," and, to the extent applicable, otherwise required to provide for the payment of all obligations of the Authority to be paid from Revenues, and (b) Net Revenues are projected to be at least equal to 1.25 times Aggregate Annual Debt Service.

(D) In lieu of the certificates and reports required by the provisions of the Indenture summarized in subparagraphs (A), (B) and (C) above, the Authority may deliver to the Trustee a Certificate of the Authority to the effect that for the last complete Fiscal Year or any period of 12 consecutive calendar months out of the 18 calendar months next preceding the original issuance of such Additional Bonds, Net Revenues for such Fiscal Year or 12-month period equaled at least 1.25 times the Maximum Annual Debt Service on all Bonds then Outstanding plus the Series of Additional Bonds being issued.

In addition, a Series of Bonds may be issued for the sole purpose of depositing in a Construction Account the amounts necessary to complete any one or more Projects without filing with the Trustee the certificates and reports required by the provisions of the Indenture summarized in subparagraphs (B) and (C), if such certificates and reports demonstrating compliance with such provisions of the Indenture were filed in connection with the issuance of the prior Series of Bonds for each of such Projects and if the principal amount of such Additional Bonds to be issued for completion purposes does not exceed 10% of the principal amount of Bonds previously issued for and allocable to such Projects.

The General Indenture also provides that if and to the extent that a Series of Additional Bonds is being issued for the purpose of refunding Bonds, the Authority is required to file with the Trustee either (i) a certificate of an Independent Certified Public Accountant that Aggregate Annual Debt Service for each Fiscal Year thereafter will be less than or equal to Aggregate Annual Debt Service for each such Fiscal Year in the absence of such refunding, or (ii) the certificates and reports described in subparagraphs (A) (if any one or more of the Projects for which the Bonds being refunded is not then completed), (B) and (C) above; provided that in lieu of the certificates and reports described in subparagraphs (A), (B) and (C), the Authority may deliver to the Trustee the certificate described in subparagraph (D) above.

See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – ISSUANCE OF BONDS; ISSUANCE OF A SERIES OF BONDS; PARITY PAYMENT AGREEMENTS – Issuance of Additional Series of Bonds" and "– Proceedings for the Issuance of a Series of Bonds; Parity Payment Agreements."

Parity Payment Agreements

The Authority is permitted under the General Indenture to enter into one or more Parity Payment Agreements, the Authority payments of which are secured by a lien upon and pledge of Revenues equal to and on a parity with the lien and pledge securing the Bonds, provided the Authority complies with certain provisions of the

Indenture. The Authority is not currently a party to any Parity Payment Agreements, nor does the Authority have any current plans to enter into any Parity Payment Agreements.

See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – ISSUANCE OF BONDS; ISSUANCE OF A SERIES OF BONDS; PARITY PAYMENT AGREEMENTS – Additional Parity Payment Agreements” and “– Proceedings for the Issuance of a Series of Bonds; Parity Payment Agreements.”

Subordinate Obligations

The Indenture does not prevent the Authority from issuing or incurring any indebtedness secured by a lien or charge on Revenues that is junior and subordinate to the lien and charge of the Bonds. The Authority does not have any subordinate obligations outstanding. As part of the ongoing capital program, the Authority may establish a commercial paper program as subordinate obligations for funding but would do so only if such a program were economically and financially feasible. Any such program would require necessary approvals from the CCU, the PUC and the Guam Legislature. The Authority does not expect to commence such a program, if at all, prior to Fiscal Year 2024.

Events of Default and Remedies; No Acceleration

The Indenture specifies Events of Default and related remedies. The remedies granted to the Trustee and the Bondowners under the Indenture do not include any right to accelerate the payment of the Bonds, including the 2023A/2024A Bonds. The Trustee is authorized to take certain actions upon the occurrence of an Event of Default, including proceedings to enforce the rights of the Bondowners. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS” for descriptions of the Events of Default and remedies under the Indenture.

Depositories for Funds and Accounts

The Co-Trustee has been appointed to act as Depositary for the Debt Service Fund and the Bond Reserve Fund. The Trustee has been appointed as Depositary for the Revenue Fund, the Operation and Maintenance Fund, the Subordinate Securities Fund, the Operation, Maintenance, Renewal and Replacement Reserve Fund, the Capital Improvement Fund, the Rate Stabilization Fund and the Rebate Fund. The Authority may enter into a Supplemental Indenture from time to time to provide for a different or additional Depositary for any fund or account established under the Indenture.

THE AUTHORITY

General

In 1950, the Guam Legislature enacted Public Law 1-12 assigning responsibility for the public water supply to the Guam Department of Public Works. Shortly thereafter, in 1952, the Guam Legislature enacted Public Law 1-88 creating the Public Utility Agency of Guam (the “PUAG”), which consisted of telephone, power, water and wastewater utilities. The PUAG remained responsible for the Guam’s water and wastewater systems for the following 44 years. In 1996, the Authority was established as a new semiautonomous, self-supporting agency responsible for the Guam’s water and wastewater utilities, and began operations on February 1, 1997. In 2002, by virtue of the passage of Public Law 26-76, the Authority converted to its current status as a public corporation, organized and existing as a Guam public corporation under Chapter 14 of Title 12 of the Guam Code Annotated, and authorized to operate and maintain the System for Guam.

The Authority’s System provides water to the entire civilian population of Guam and provides sewer service to a large percentage of the civilian population, Andersen Air Force Base and several smaller United States Navy (the “Navy”) facilities. There is, however, a significant civilian population that does not have sewer service, particularly in the northern area of the island. In addition, there are currently two major military installations, Andersen Air Force Base and Naval Base Guam, which occupy large areas on the island. Andersen Air Force Base has its own water and wastewater collection system; however, it does not have a separate wastewater treatment plant

and, therefore, the wastewater collected from Andersen Air Force Base is discharged into the Authority's System and treated at the Northern District wastewater treatment plant (the "**Northern District WWTP**"), which was upgraded to secondary treatment in summer 2022. Naval Base Guam has its own water and wastewater collection system, as well as its own separate wastewater treatment plant. A third military installation, to be known as Marine Corps Base Camp Blaz ("**Camp Blaz**"), is currently being constructed. The Authority has constructed the service connection and expects that wastewater collected from Camp Blaz, once it is completed, will be discharged into the Authority's System and treated at the Northern District WWTP. The Authority purchases some of its water supply from the Navy and, until 2010, the Authority purchased a very small portion of its water supply from the United States Air Force (the "**Air Force**"). See "THE SYSTEM." [During Fiscal Year 2022, the Authority served an average of 43,242 water customers and an average of 30,489 wastewater customers.]

The Authority's goals are directed towards providing more efficient and reliable service to its customers and operating as a self-sufficient utility while meeting all US EPA and Guam Environmental Protection Agency ("**Guam EPA**") requirements.

The Authority currently has four Operations and Maintenance divisions: (i) Water Production and Treatment Operation and Maintenance, (ii) Water Distribution Operation and Maintenance, (iii) Wastewater Collection Operation and Maintenance, and (iv) Wastewater Treatment Operation and Maintenance. See "THE SYSTEM – The Water System" and "– The Wastewater System."

Consolidated Commission on Utilities

The Authority is governed by the CCU, a five-member board elected in a general election to four-year terms that is also charged with oversight of GPA. The CCU makes decisions regarding policies, management, budgeting and financing of the Authority's operations. Certain actions, however, such as issuing bonds for financing utility capital projects, also require the approval of the Guam Legislature and the PUC. In addition, ratemaking by the CCU is subject to the approval of the PUC, as the regulatory ratemaking body. The Authority may not enter into any contractual agreements or obligations which could increase rates and charges without the prior written approval of the PUC. See "REGULATORY ENVIRONMENT – Regulation of Ratemaking."

The current members of the CCU are:

Joseph T. Duenas, Chairman. Mr. Duenas was elected as Chairman of the CCU in January 2015. Elected to the CCU and member since January 2009, Mr. Duenas's government and community service has included serving as Finance Officer for the Archdiocese of Hagåtña, Director of the Guam Department of Revenue & Taxation, President of the Guam Housing Corporation, Vice Chairman of the Guam Election Commission, PUC Chairman, Board of Directors Chairman for the American Red Cross, Vice Chairman of the Board of Trustees for Guam Community College, and former President of the Rotary Club of Guam. Mr. Duenas has a B.A. in Business Management from the Chaminade University of Honolulu.

Francis E. Santos, Vice Chairman. Mr. Santos is serving his third term as an elected CCU Commissioner. He has over 25 years of experience in the private and public sectors, specializing in healthcare and business management. Mr. Santos currently serves as the Corporate Business Development Director for Tan Holdings and TakeCare Insurance. His extensive healthcare experience includes positions as Senior Vice President for Strategic Planning and Business Development for Guam Regional Medical City, Guam's only private accredited hospital, Plan Administrator for StayWell Health Plan, President/Chief Executive Officer of Island Home Insurance Company, and member/director of Global Health Systems, which specializes in wound care and hyperbaric medicine. His public sector service included an acting appointment as Superintendent of Guam's Department of Education and chairman of the Guam Education Policy Board. Mr. Santos also served as chairman of the board of iLearn Academy Charter School, Guam's second public charter school. Mr. Santos served three terms as a Senator in the Guam Legislature. Mr. Santos' educational background includes an M.B.A. in Health Care Administration from Loma Linda University and a Bachelor's Degree in Business Management from Seattle University. He is a graduate of Father Duenas Memorial School.

Pedro Roy Martinez, Secretary. Mr. Martinez was sworn into the CCU in March 2021. He currently holds the Secretary position on the board. Mr. Martinez has a 27-year tenure in the government of Guam including roles as

the Deputy Executive Manager of the A. B. Won Pat International Airport Authority and the Director of Development and Alumni Affairs at the University of Guam. Prior to his government service, Mr. Martinez gained entrepreneurship experience through his family-owned business, Pedro's, which encompassed an ice plant, cold storage, building rentals, and a retail and wholesale business. Mr. Martinez has also served as Chairman and Treasurer of the Guam Telephone Authority Board of Directors. Beyond his professional endeavors, he currently holds positions as Vice Chairman on the Board of Directors at Coast360 Federal Credit Union, member of the Father Duenas Memorial School Alumni Association, and, at St. Jude Thaddeus Catholic Church, President of the Parish Council and member of the Finance Council and Knights of Columbus. Mr. Martinez has a Master of Public Administration and a B.B.A. in Management from the University of Guam.

Michael Limtiaco, Commissioner. Mr. Limtiaco was elected to the CCU in 2019. He is currently the Executive Vice President of Pacific Unlimited Inc., and has 25 years of experience in strategic planning, business development, contract administration and operations. Mr. Limtiaco was elected as a Senator and served in the 32nd Guam Legislature. He served as a director on the Guam Memorial Hospital Board and as a transition team member for incoming Executive branch leadership. Mr. Limtiaco holds a B.A. in Business Administration and Business Economics from the University of San Diego.

Simon A. Sanchez II, Commissioner. Mr. Sanchez has served on the CCU since its inception in January 2003, including as chairman from January 2003 until January 2015. He is a former Senator and former Vice Chairman, Public Utilities Commission 1988-1994. Mr. Sanchez has served as Vice President/General Manager of Guam Dry Cleaners since 1988. He has served on numerous government and civic organization boards including the Guam Chamber of Commerce, the Guam Visitors Bureau, the Guam Hotel and Restaurant Association and the Guam Memorial Hospital. Mr. Sanchez graduated from Harvard University in 1980 with an M.A. in City and Regional Planning and Stanford University in 1978 with a B.A. in history.

Key Management Personnel

Following are brief résumés of key management personnel of the Authority.

Miguel C. Bordallo, P.E., General Manager. Mr. Bordallo joined the Authority as General Manager in January 2016. Mr. Bordallo has over 30 years of experience in environmental/mechanical engineering, and construction in California, Guam and Micronesia. Prior to joining the Authority, Mr. Bordallo was a consulting engineer providing design and design-build services for water and wastewater infrastructure projects and was also vice president of a large construction company on Guam, where he oversaw the construction of John F. Kennedy High School. Mr. Bordallo was previously a partner at the local engineering firm Duenas, Bordallo and Associates, before moving on as Principal and founder of Bordallo Consulting Engineers. Since joining the Authority, Mr. Bordallo has continued the Authority's intensive capital improvement program, built capacity in the management team and reduced reliance on contracted program management, and is focused on improving the Authority's performance in regulatory compliance, comprehensive water loss reduction, asset management, and resource protection. Mr. Bordallo holds a B.S. in Mechanical Engineering with honors from Marquette University in Milwaukee, Wisconsin, and is a licensed professional engineer in Guam.

Taling M. Taitano, CPA, CGFM, CGMA, Chief Financial Officer. Ms. Taitano became Chief Financial Officer of the Authority in September 2019. During the ten years prior to joining the Authority, Ms. Taitano served as Deputy Superintendent of Finance and Administrative Services for the Guam Department of Education and was appointed by the Education Board as the Interim Superintendent of Education from July 2011 through June 2012. She was also a Partner at Deloitte & Touche LLP and the Chief Financial Officer for a major local health insurance company and a banking institution. Ms. Taitano has held leadership positions in various boards and professional organizations including the Guam Board of Accountancy, Guam Society of Certified Public Accountants and the Association of Government Accountants. She holds a Bachelor of Business Administration degree from the University of Hawaii, Manoa, and is a Certified Public Accountant, Certified Government Financial Manager, and Chartered Global Management Accountant.

Thomas F. Cruz, P.E., Assistant General Manager, Operations. Mr. Cruz first joined the Authority in 2006 as a senior engineer supervisor and has subsequently held various other positions before becoming the Chief Engineer in August 2011. In January 2021, Mr. Cruz became the Assistant General Manager for Operations where

his current objectives are to ensure all water and wastewater system operations are conducted efficiently, meeting regulatory compliance requirements and in line with the Authority's plan for improved levels of service for its ratepayers. Mr. Cruz is a licensed Civil Engineer on Guam and has over 20 years of engineering experience in projects ranging from roadway design and construction, water distribution and wastewater collection design as well as construction management. Mr. Cruz holds a Bachelor of Science (Civil Engineering) from Kansas State University and an MBA from the University of Phoenix. Mr. Cruz served as Interim General Manager from August 2014 until March 2015.

Jeanet B. Owens, P.E., Assistant General Manager, Engineering. Ms. Owens has over 25 years in both public and private sectors in managing all aspects of civil infrastructure from planning, design, and construction, especially in water, wastewater, transportation. She joined the Authority in July 2023. She is a licensed Civil Engineer for the State of California and currently working on Comity license for Guam. She began her career in environmental engineering with Foster Wheeler Inc. and then worked in Hydraulic & Water Conservation and Water Resources in the County of Los Angeles Department of Public Works. She has continued to work all aspects of civil infrastructure including water and wastewater as Vice President in Thomas Properties Group where she worked on the commercial mixed-used development including the Wilshire Grand Hotel in Los Angeles, California where she resumed her work on the Wilshire Grand Hotel as Senior Vice President for Martin Project Management. Ms. Owens also served as Senior Executive Officer for the Regional Rail Program Los Angeles County Metropolitan Transportation Authority managing transportation projects including aspects of hydrology, stormwater management and water sustainability. Ms. Owens holds a Bachelor and Master of Science in Civil Engineering from California State University and Construction Management Certificate Extension Program from the University of California, Los Angeles. As Assistant General Manager of Engineering, Ms. Owens is responsible for delivering engineering services in Planning, Grant Management, Geographic Information System, Capital improvements and Permits/Inspections for the Authority.

Paul J. Kemp, Assistant General Manager, Compliance and Safety. Mr. Kemp has over 63 years of experience managing and teaching water quality chemistry for natural (ground and surface) waters, drinking water, water for industrial applications (e.g., manufacturing, food and dairy processing), ultra-high purity water, wastewater treatment, water recovery for reuse, and environmental and safety compliance and training. Mr. Kemp has been Assistant General Manager of Compliance at the Authority since 2003. Prior to joining the Authority, he held engineering and management positions in private laboratory, research, and manufacturing companies as well as teaching and research positions in higher education. Mr. Kemp is currently a member of the Joint Editorial Board of "*Standard Methods for the Examination of Water and Wastewater*," the Hawaii Water Environment Association, Technical Director of the Sunset Terrace Homeowners Association (upgrading its wastewater treatment system) and Hawaii Section of the American Waterworks Association (Lifetime) Member and Past Chair of Advisory Committee and Fuller Award Committee, the American Chemical Society, the Society of the Sigma Xi (Chemists Honorary Society), and the International Union of Pure and Applied Chemists and has published a number of technical articles in various journals. Mr. Kemp was trained as an analytical chemist specializing in spectroscopic methods and water analysis and received a B.S. in chemistry from Iowa State University and an M.S. in Analytical Chemistry from Oregon State University. He also undertook postgraduate studies at the University of Hawaii.

Christopher M. Budasi, Assistant General Manager of Administration and Support. Mr. Budasi joined Guam Waterworks Authority in October 2018. Prior to joining the Authority, he served more than 15 years in executive-level positions successfully leading teams in finance, human resources, purchasing and supply management, and information technology. Mr. Budasi was the Finance Administrator for the Judiciary of Guam for five years and before that, he served as the Guam Legislature's Director of the Office of Finance and Budget for four years. Mr. Budasi also has 17 years of experience in the health insurance industry; of those 17 years, he spent six years as a Senior Executive responsible for all underwriting and information technology functions. Mr. Budasi received a B.A. in Government and a B.A. in Economics and Management from Beloit College in Beloit, Wisconsin.

Theresa G. Rojas, Esq., General Counsel. Ms. Rojas became the General Counsel for the Authority in September 2021. Prior to joining the Authority, she was employed with both government and private sector firms. In private practice Ms. Rojas was a member of the legal team who successfully defended Guam's port agency against an invalid and unlawful multi-million-dollar arbitration award. Ms. Rojas has successfully argued and won both civil and criminal appeals in the Supreme Court of Guam and previously served as in-house counsel to Guam's largest finance company. Ms. Rojas received her B.A. in Political Science and Economics from Gonzaga University in

2003 and her J.D., *cum laude*, from Thomas M. Cooley Law School, Western Michigan University in 2012. Prior to law school Ms. Rojas was a government auditor holding a Certified Government Financial Manager designation; now inactive.

The 2020 Order - Five Year Financial Plan and Rate Application – Fiscal Years 2020-2024

The Authority completed a rate application in April 2019 to increase base, lifeline and non-lifeline water and wastewater rates for Fiscal Years 2020-2024. The rate application also included a proposed five-year financial plan for such Fiscal Years. The CCU approved the rate application on June 5, 2019, and the Authority subsequently petitioned the PUC for approval of the rate application on July 6, 2019. The PUC engaged a technical consultant, Georgetown Consulting Group, Inc. (the “**Technical Consultant**”), to review the rate application, and the Authority and the Technical Consultant prepared a joint stipulation, including a revised rate plan and a revised five-year financial plan (the “**2020 Five-Year Financial Plan**”). The 2020 Five-Year Financial Plan assumed that the proposed rate increase for Fiscal Year 2020 would be in place for the full Fiscal Year. The PUC approved and incorporated the joint stipulation into its order on February 27, 2020 (the “**2020 Order**”); however, the PUC only approved a partial-year implementation of the proposed rate increase for Fiscal Year 2020.

Pursuant to the 2020 Order, the Authority increased the base rate and non-lifeline rate for water and wastewater by 5.0% in Fiscal Year 2020 (effective March 1, 2020) and by 5.0% in Fiscal Year 2021 (effective October 1, 2020). The lifeline rate did not change for Fiscal Year 2020 and Fiscal Year 2021. In addition, the Fiscal Year 2021 rates were not subject to an annual true-up analysis by the PUC to adjust the rate increase based on actual financial performance. See also “THE SYSTEM – Rates and Charges.”

[Although the Authority and the Technical Consultant agreed to pro forma base rate, lifeline rate and non-lifeline rate increases for Fiscal Years 2022, 2023 and 2024, such rate increases were not final at that time. The PUC ordered the completion of a comprehensive review and update of the 2020 Five-Year Financial Plan for Fiscal Years 2022, 2023, and 2024 (the “**Comprehensive Review and Update**”) by May 1, 2021, which required the completion of the following analytical studies by March 31, 2021: (i) a comprehensive econometric forecast of water sales volumes by customer class; (ii) study regarding the advancement and expansion of water loss reduction measures, including documentation of water loss reductions achieved and a comprehensive five year water loss reduction plan for Fiscal Years 2022 through 2026; (iii) a water and wastewater cost of service and rate design study that independently examines the allocation of costs to all customer classes of both the water and wastewater systems; (iv) a household water affordability evaluation; (v) investigation of the availability and relative costs of alternative debt instruments (e.g., letters-of-credit or surety bonds) to fund debt service reserves and commercial paper or lines of credit to finance the Authority’s ongoing capital construction program; (vi) a review of the Authority’s current capitalized labor expense protocol; and (vii) a septic tank/cesspool review and analysis. The Authority completed the required Comprehensive Review and Update and the required analytical studies to the PUC on time. See also “THE SYSTEM – Rates and Charges.”]

Pursuant to the 2020 Order, the CCU adopted a policy in March 2020 that provided for a new target minimum debt service coverage ratio of 1.40x for Fiscal Years 2020 and 2021, and 1.50x beginning in Fiscal Year 2022, calculated in a manner consistent with the Indenture, which does not supplement Net Revenues with reserves or other available funds (the “**CCU DSCR Policy**”). In addition, the PUC adopted a policy in March 2020 that also provides for a new target minimum debt service coverage ratio of 1.40x, calculated in a manner consistent with the Indenture, which does not supplement Net Revenues with reserves or other available funds (the “**PUC DSCR Policy**” and, together with the CCU DSCR Policy, the “**DSCR Policies**”). These new policies replaced the CCU’s and the PUC’s prior policies that provided for a target minimum debt service coverage ratio of 1.75x; however, it should be noted that the prior policies allowed for reserves and other available funds to supplement Net Revenues. The DSCR Policies did not amend the existing Rate Covenant in any way. See also “THE SYSTEM – Debt Service Coverage” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Rate Covenant.”

Furthermore, as noted in the 2020 Order, upon completion of negotiations with the US EPA, the Authority will provide a briefing to the PUC outlining potential spending commitments that will impact future rate revenue requirements. See “REGULATORY ENVIRONMENT – Consent Decree” and “CERTAIN INVESTMENT CONSIDERATIONS – Consent Decree with US EPA.”

[The PUC approved the Comprehensive Review and Update in September 2022. Given the timing of such action, no rate increase was approved for Fiscal Year 2022. The PUC approved an increase to the base rate and non-lifeline rate for water and wastewater by 5.5% in Fiscal Year 2023 (effective October 1, 2022) and 5.5% in Fiscal Year 2024 (effective October 1, 2023). The rates for Fiscal Year 2024 were subject to a true-up analysis by the PUC; the Authority provided the PUC a true-up projection for Fiscal Year 2024 on June 1, 2023, requesting a 27% rate increase.]

[As a result of the change in the CCU DSCR Policy as described above, the Working Capital Reserves for Debt Services Fund was dissolved and the fund balance transferred into the Rate Stabilization Fund (the “RSF”), totaling \$11.4 million. Governor Leon Guerrero, Governor of Guam (the “Governor”) provided \$12.4 million in American Rescue Plan Act funds (the “ARPA” funds) to mitigate needed rate increases for Fiscal Year 2023. Transfers from the RSF and the ARPA funds were used to augment revenues in Fiscal Years 2022 and 2023.] [The Authority’s requested 27% rate increase will, in part, begin to restore reserves and result in a 1.35x DSCR.]

Typhoon Mawar

On May 24, 2023, Typhoon Mawar struck Guam with winds exceeding 150 miles per hour. The Authority began pre-storm preparations on May 19, 2023, and continued operations throughout the storm. The Authority estimates that approximately 20% of customers maintained water service throughout the storm and during the immediate post-storm recovery period. The Authority’s water production rate was never below 50% of normal, and by June 4, 2023 (Day 11) production was at 75% of normal with service restored to 62% of customers by June 6, 2023 (Day 13). By June 17, 2023 (Day 24) production rates were at 100% of normal with service restored to over 92% of customers. On June 23, 2023, the Authority announced full water service restoration to all 19 municipalities.

[Portions of the System experienced reduced pressure which can sometimes cause bacterial contamination. As a precautionary measure, the Authority issued a Precautionary Boil Water Notice on May 25, 2023, recommending customers boil water before drinking while the Authority worked to bring all production facilities back into service and replenish water tank levels to increase pressure in the System. The Authority conducted multiple rounds of sampling from GEPA-designated sampling points within all portions of the Authority’s distribution system that have water service and laboratory analysis of such samples confirmed the water was safe to drink. [As of June 23, 2023, the Precautionary Boil Water Notice was lifted for all areas with stable water service.]

[In July 2023, an *Intergovernmental Support Agreement for Water and Wastewater Goods and Support Services* was executed, documenting mutual assistance provided in the aftermath of Typhoon Mawar which struck Guam on May 24, 2023.]

COVID-19 Pandemic

General. The World Health Organization declared the COVID-19 outbreak to be a pandemic on March 11, 2020. Subsequently, former President Trump declared a national state of emergency on March 13, 2020, and the Governor declared a public health emergency under the laws of Guam on March 14, 2020. The resulting impacts to travel and commerce greatly affected the economy on Guam. While construction activity related to the military build-up on Guam remained robust, the availability of construction labor and the global supply chain issues resulting from the pandemic continued to affect Guam’s recovery. As a result of Guam’s high vaccination rate and low number of new COVID-19 cases, the Governor ended the COVID-19-related public health emergency in January 2023. Travel related protocols have been lifted or relaxed, making it easier for tourists to travel to Guam. For additional information regarding the impact of COVID-19 on Guam, see APPENDIX A – “GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – COVID-19 Pandemic.”

Impact on the Authority. [The COVID-19 impact to the Authority was evident in the decline in revenues in Fiscal Year 2020 through Fiscal Year 2021 despite rate increases applied for part of Fiscal Year 2020, and for the full Fiscal Year 2021. Cost containment strategies were put into place early on to address the reduction in revenues. While residential consumption increased, providing an increase in water revenues in that class, due to the structure of the lifeline wastewater tariff, there was no impact to wastewater revenues in this class. The loss of revenue from commercial and hotel sector accounts were not sufficiently offset, resulting in overall revenue declines for the Authority in those Fiscal Years. The Authority’s establishment and use of the RSF allowed it to maintain DSCR

during this period of declining revenues. Fiscal Year 2022 saw modest gains in consumption in non-residential accounts, and, coupled with continued use of RSF and ARPA funds, resulted in an increase in revenues over Fiscal Year 2021 despite inflationary pressures. In Fiscal Year 2023, the pace of economic recovery of Guam's tourism sector will affect the Authority's sales and revenues within related rate classes. Residential consumption has decreased as schools and businesses open. However, increases in hotel and commercial consumption have yet to offset the reduction in residential consumption. Accordingly, the Authority continues its strategy to contain costs, reduce production and improve water loss control while monitoring the effect of the economic rebound on its revenues.]

Federal Assistance. [Beginning in January 2022 and continuing through Fiscal Year 2023, the Government provided rate payer assistance funded through the [Coronavirus Response and Relief Supplemental Appropriations Act, 2021; payments to the Authority on behalf of qualified residential customers totaled approximately \$1.27 million in Fiscal Year 2022. Payments to the Authority pursuant to the Low-Income Household Water Assistance Program, which was also implemented in Fiscal Year 2022, totaled approximately \$75,000 in Fiscal Year 2022. The Authority received \$87,000 in reimbursements for COVID-19 related expenses through the FEMA Public Assistance Program. In addition to the rate mitigation funds, the Governor also provided \$8.6 million of ARPA funds for water and wastewater upgrades to enhance utility services to undeserved areas impacted by COVID-19 pandemic.]

[For additional information regarding the impact of COVID-19 on Guam generally, including a description of Government actions taken, see APPENDIX A – “GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – COVID-19 Pandemic.”]

THE SYSTEM

The System is comprised of the Authority's water and wastewater systems, each of which is further described herein. The following table presents selected statistics regarding Authority operations for Fiscal Year 2022. See also “HISTORICAL AND PROJECTED OPERATING RESULTS.”

Table 2
Selected Statistics
Fiscal Year 2022

Average Number of Water Customers	43,242
Average Number of Wastewater Customers	30,489
Annual Water Sales (million gallons)	5,280
Annual Wastewater Collection (million gallons)	3,830
Operating Revenues ⁽¹⁾	\$101,925,137
Gross Investment in Utility Plant	\$1,208,664,795
Net Utility Plant Investment	\$813,964,616
Total Equity	\$322,228,734
Net Current Assets	\$92,114,024

⁽¹⁾ Excludes revenues from System Development Charges. See “– System Development Charges.”
Source: Guam Waterworks Authority.

The Water System

The Authority's water supply system consists of: (i) 120 wells ([92] of which were operating as of August 31, 2023; (ii) one active production spring (the “**Santa Rita Spring**”), as further as described below; (iii) one surface water treatment plant, the Ugum Water Treatment Plant (the “**Ugum WTP**”); (iv) one “**Maui**” well (the “**Tumon Maui Well**”), as further described below; (v) 28 booster pump stations, all of which were in service as of August 31, 2023; (vi) 25 active reservoirs/tanks in service having a total active volume of 29.2 million gallons (“**mg**”); (vii) eight additional reservoirs under repair/rehabilitation with expected total active volume of 10 mg; (viii) approximately [586] miles, including some 2-inch distribution lines, of water distribution pipelines; and (ix) approximately [3,800] fire hydrants. In addition, the Authority has contracts in process for the construction of three

additional reservoirs with expected total active volume of 7.0 mg. The Authority's water system does not include any lead pipes.

Water Supply. Water sources on Guam include groundwater, surface water and springs, all of which are replenished by rainfall on Guam. Trade winds blow over Guam throughout the year and are responsible for significant rainfall and a relatively constant temperature near [80] degrees throughout all seasons. Annual rainfall averages [80] inches in the western coastal area to [110] inches in the highest mountain locations in the south. Three-quarters of the total annual rainfall occurs between the months of June and December. Rain is the only source of fresh water for the island.

Topographic features divide Guam into northern and southern areas. Because of the island's topography, potable water comes from groundwater in the northern portion of the island and primarily surface water in the southern portion of the island.

Groundwater. The Authority's groundwater wells provide approximately [90]% of the Authority's water supply. In the north, a limestone plateau, bordered by steep cliffs, slopes southwesterly from an elevation of 600 feet to less than 100 feet at the midsection of the island. The plateau surface is generally flat and is interrupted by three hills: Barrigada Hill (elevation 665 feet), composed of a limestone dome, and Mount Santa Rosa (elevation 858 feet) and Mataguac Hill (elevation 630 feet), both composed of volcanic rock. There are no perennial streams within the northern area due to the permeability of the limestone. The main groundwater source is located under the plateau. The rainfall percolates through the limestone and forms a freshwater "lens" that floats at approximately sea level above deeper, higher density brackish and saltwater. Previous studies of the Guam aquifers have concluded that the freshwater lens under the northern part of the island can provide a sustainable water supply of up to [80] million gallons per day ("mgd"). For Fiscal Year 2022, the Authority pumped an average of approximately 37.7 mgd of groundwater, or about 47.1% of the sustainable yield, and the Navy and the Air Force collectively pumped approximately [3.9] mgd of groundwater, indicating total groundwater extraction of approximately [41.0] mgd, or [51.0]% of the sustainable yield. Through June 2023, the Authority has decreased average daily production from the aquifer by about 1.2 million gallons to 36.5 mgd or 45.6% of sustainable yield.]

Pursuant to the 2018 WRMP Update, it is estimated that the Authority's groundwater requirements will increase to approximately 39.1 mgd for 2025. In addition, the Department of Defense (the "DOD") projected an additional need for 1.7 mgd to support the U.S. military realignment above the 3.4 mgd used currently. This would bring the total groundwater demand to 44.2 mgd, or 55.3% of the 80 mgd sustainable yield in 2025, assuming there are no improvements in water loss from current non-revenue water loss. The Authority is in the process of finalizing an interim update to the 2018 WRMP Update and anticipates that the 2024 WRMP Update will be submitted to the CCU and Guam PUC in early 2024.

In December 2013, the United States Geological Survey (the "USGS") completed a study of Guam's groundwater resources to determine the impacts of climate scenarios and recharge on the sustainable yield, and also to assess the impacts of increased pumping to accommodate the proposed military realignment. The results indicated that the groundwater resources can be used to meet the anticipated future needs; however, the groundwater resources will need to be managed during an extended drought to maintain acceptable salinity levels. [As a result of the [Environmental Impact Assessment and Record of Decision] for the military realignment, the DOD and the Authority partnered in the rehabilitation of 13 existing and installation of seven new observation wells for the Northern Guam Lens Aquifer (the "NGLA") for the purpose of improving data collection from the aquifer and management of the groundwater resources.]

Upon completion of the NGLA observation well project, the DOD and the Authority signed a *Memorandum of Agreement to Address the Co-Management and Protection of the Northern Guam Lens Aquifer* on October 21, 2022, with the stated objective of sustaining and improving the NGLA observation well system to protect Guam's sole source aquifer, which serves both the DOD's and the Authority's water systems.

Wells are used to extract the groundwater for use. The Authority owns 120 wells, and well capacity varies from less than 100 gallons per minute ("gpm") to over 500 gpm. The number of wells in service varies from day to day to meet system needs. As of August 31, 2023, of the 120 wells, [91] wells were operating to meet system demands, one well was in standby mode, two wells were secured (pending the addition of treatment for

perfluorooctanesulfonic acid ("PFOS") and perfluorooctanoic acid ("PFOA") contamination), 18 wells were inactive, and eight wells were out of commission. Inactive wells are out of service due to pump or pump motor failure, and out-of-commission wells are out of service due to various reasons, including screen failure, casing failure, air production, etc. The inactive and out-of-commission wells are not considered necessary to meet the Authority's daily water needs, and constitute [10.5]% of the Authority's [40.1] mgd of permitted well capacity. Most of the Authority's wells are drilled to below sea level to "tap" the basal aquifer, a freshwater lens that extends below sea level. The capacity of individual basal aquifer wells averages approximately [230] gpm which is designed to avoid localized over-pumping of the aquifer. The 2018 WRMP Update included an updated assessment of well conditions, building on previous assessments conducted in 2013 and 2014. The 2018 WRMP Update identified several recommended capital improvement projects, including an on-going well rehabilitation program, well equipment overhaul program, capacity enhancement program for new well development and a well repair program to address pump upgrades, safety equipment upgrades, pump pedestal upgrades, replacement discharge piping, new chlorination equipment, electrical improvements and site work. The Authority also determined that many of the production flow meters measuring output at the wells were not functioning properly. The Authority is in the process of replacing all 120 production flow meters with the first phase of replacing 65 production meters already under contract and in progress. The Authority recently rehabilitated five wells, and has completed the design to rehabilitate four additional wells, however, the Authority has placed this project on hold due to limited construction contractor availability.

As part of the One-Guam Initiative (as further described herein), the Authority operates the Navy-owned Tumon Maui well. A "Maui" well is a horizontal tunnel excavated at the groundwater surface for the collection of fresh potable water. The Tumon Maui well has a design flow rate of 1.3 mgd and typically supplies on average 1.0 mgd, approximately [2.5]% of the Authority's total annual water supply. The Authority also operates the Navy-owned Agafa Gumas well, which has a design flow rate of [0.36] mgd and typically supplies on average [0.25] mgd, approximately [0.6]% of the Authority's total annual water supply. See also "THE SYSTEM – One-Guam Initiative."

The Authority also operates the water system for A.B. Won Pat International Airport Authority, Guam ("GIAA"). GIAA has three wells with two currently operational and a 1.5 mg storage tank. The wells are turned on and off as needed to keep the storage tank within the required levels since the well pumping capacity exceeds the airport demand. GIAA wells all have some level of contamination and include carbon filter treatment before water is pumped into the storage tanks. The average demand of the GIAA system is approximately 0.25 mgd.

Springs. The Authority owns five springs located in the southern and central areas of the island. Only one spring, the Santa Rita Spring, has been consistently used, producing approximately 0.47 mgd, or approximately [0.2]% of the Authority's total water supply. In addition, the Authority has a project planned to rehabilitate the currently inactive Asan Springs, which was built in 1929. The design phase has been completed and in order to move the project into construction, the Authority has undertaken additional environmental studies required in order to obtain construction and utility easements from the United States Department of the Interior, National Park Service, which owns land on which part of the reservoir is located. Based on historical data, Asan Springs should produce approximately 0.4 mgd.

Surface Water. Surface water sources comprise approximately 9% of the Authority's total water supply. Generally, surface water resources are available in the southern portion of Guam. The southern portion of Guam is of volcanic origin and mountainous. A nearly continuous mountain ridge parallels the coastline from Piti (mid-island on the west side) to Guam's southern tip. Several peaks in the ridge exceed 1,000 feet, with Mount Lamlam being the highest at 1,332 feet. The southern portion has more than 40 streams draining into the sea. The only large surface impoundment on the island for potable water, known as the Fena Valley Lake Reservoir, is located approximately 2.5 miles southeast of Santa Rita.

The Authority currently operates the Ugum WTP, which treats surface water collected from the Ugum River in southern Guam and supplies approximately [5.3]% of the Authority's total water supply. The design flow rate of the Ugum WTP is 4.0 mgd; however, the Ugum WTP cannot always operate at full capacity when flows in the Ugum River are low or there is high turbidity in the Ugum River due to heavy rainfall. The current production rate is approximately 2.0 mgd. Although the Authority has upgraded some of the systems at the Ugum WTP, additional upgrades are needed. The Authority is in the process of issuing a construction contract for a capital

improvement project which includes construction of an additional reinforced concrete finished water storage tank and repair of the existing steel tank. In addition, an additional construction contract for rehabilitation and upgrades to the Ugum WTP major processes, river intake and pump station is pending authorization from the PUC.

To help supply its customers on the southern part of Guam, the Authority also purchases water from the Navy pursuant to the terms of a 1982 Memorandum of Agreement under which the Authority is permitted to purchase up to 4.39 mgd of water. After 2009, however, the Navy requested that the Authority work to reduce the total purchases to a maximum of 3.5 mgd. Although the Memorandum of Agreement has expired, the Authority and the Navy continue to operate in accordance with its provisions, while both parties undertake the development of a new utility service agreement. The Navy collects surface water in the Fena Valley Lake Reservoir and also obtains spring water from the Almagosa and Bona Springs. The surface water and spring water is then treated at the Fena Water Treatment Plant (the “Fena WTP”), which is owned by the Navy and operated by a private contractor.

In Fiscal Year 2022, the Authority purchased approximately [552][569] mg of water from the Navy, or approximately [3.7]% of the Authority’s total demand, which is approximately [63.6]% and [27.1]% less than the amount of water the Authority purchased from the Navy in Fiscal Year [2010] and Fiscal Year [2015], respectively. The Authority intends to continue reducing the use of Navy water by repairing leaks and addressing flow and pressure issues within the System. The Authority estimates it will purchase a total of 533 mg of water from the Navy in Fiscal Year 2023, and projects it will [increase/reduce] that amount to [] mg in Fiscal Year 2027. See Table 3 below.

[Prior to Fiscal Year 2020, the Navy used to set water rates for a full fiscal year and such rates were subject to periodic adjustment. In Fiscal Year 2019, the Navy decreased its rate for purchased water by approximately 10% over the rate in Fiscal Year 2018, while the amount of water the Authority purchased from the Navy decreased by 23% over the amount in Fiscal Year 2018. In Fiscal Year 2020, the Navy [increased/decreased] its rate for purchased water by approximately []%, while the amount of water the Authority purchased from the Navy [increased/decreased] by []%. In Fiscal Year 2021, the Navy [increased/decreased] its rate for purchased water by approximately []%, while the amount of water the Authority purchased from the Navy [increased/decreased] by []%. In Fiscal Year 2022, the Navy [increased/decreased] its rate for purchased water by approximately []%, while the amount of water the Authority purchased from the Navy [increased/decreased] by []%. [Despite these fluctuations, the total annual cost of water purchased from the Navy has remained relatively flat over the last five years.]

Starting in Fiscal Year 2020, the Navy no longer sets water rates for a full fiscal year. Customers, including the Authority, are now required to prepay based on rates initially set by the Navy that may be adjusted on a quarterly basis. Although the Authority has initiated discussions with the Navy to implement “raw water” or “bulk” water rates for the Authority’s water purchases, no formal decision has been made. If the Navy were to significantly increase rates, the Authority would expect to reflect those increased rates in its annual rate review by the PUC; however, no assurance can be given that the PUC would increase rates sufficient to address all increased purchased water costs. See “REGULATORY ENVIRONMENT – Regulation of Ratemaking.”]

Water Requirements. The actual average supply requirement for the Authority’s System during Fiscal Years 2018 through 2022 was approximately [14,247] mg; however, actual water billed in the System during the same period, based on the Authority’s average water sales, was approximately [5,590] mg, meaning average annual unaccounted for (or non-revenue) water in the System during this time period was approximately [61]% of the water delivered to the System. The difference between supply and consumption is due to leakage, malfunctioning production and/or customer meters, and water used for line flushing, hydrant tests and maintenance, fighting fires, and similar activities. See also “– Water Loss Control Program – Non-Revenue Water.”

The following table shows by sources and uses the Authority’s historical water requirements for Fiscal Years 2018 through 2022 based on audited billing information, and projected water requirements for Fiscal Years 2023 through 2027 based on billing data available through [June 30, 2023]. [Projected data reflect, among other things, the following: (i) with respect to Authority production and Navy water purchases, assumptions of annual and compounding water loss reductions of 2.0% in Fiscal Year 2020 (adjusted for partial-year implementation of the Fiscal Year 2020 rate increase), 2.75% in Fiscal Year 2021, 5% for Fiscal Years 2022 through 2024, and no further reduction in Fiscal Year 2025, and initial COVID-19 pandemic-induced changes in water demand patterns based on

billing data available through March 2020, ongoing non-revenue water management efforts and prospective military realignment requirements; and (ii) with respect to billed water, conservative assumptions from the Five-Year Financial Plan, including 5.2% reduction in billed water use for Fiscal Year 2020 relative to Fiscal Year 2019, and 0.6% reduction in billed water use for Fiscal Year 2021 relative to Fiscal Year 2019.]

Table 3
Historical and Projected Water Requirements
Fiscal Years 2018 through 2027
(gallons in millions)

	Historical					Projections				
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Sources										
Authority Production ⁽¹⁾	14,219	14,418	14,393	14,030	14,175					
Purchases from Navy ⁽²⁾	753	582	554	578	476					
Total Sources⁽³⁾	14,972	15,000	14,947	14,608	14,651					
Uses										
Billed Water ⁽³⁾	5,759	5,855	5,758	5,340	5,280					
Non-Revenue Water	9,213	9,145	9,189	9,268	9,171					
Total Uses⁽⁴⁾	14,972	15,000	14,947	14,608	14,651					

⁽¹⁾ [Historical values for Fiscal Years 2018 through 2022 based on the Authority's water system production reports; Projections for Fiscal Years 2023 through 2027 reflect stipulated assumptions of annual and compounding water loss reductions of 2.0% in Fiscal Year 2020 (adjusted for partial-year (7/12) implementation of stipulated measures), 2.75% in Fiscal Year 2021, 5% for Fiscal Years 2022, 2023 and 2024, and no further reduction in 2025. Prospective productions requirements will be impacted by billed water use reductions due to the COVID-19 pandemic-induced changes in water demand patterns, the Authority's ongoing non-revenue water management efforts, requirements associated with prospective military realignment, and other uncertain factors.]

⁽²⁾ [Navy water purchase is based on actual purchases through the reported historical period. Projections for Fiscal Years 2023 through 2027 assume purchases will be impacted by stipulated assumptions of annual and compounding water loss reductions of 2.0% in Fiscal Year 2020 (adjusted for partial-year (7/12) implementation of stipulated measures), 2.75% in Fiscal Year 2021, 5% for Fiscal Years 2022, 2023 and 2024, and no further reduction in Fiscal Year 2025.]

⁽³⁾ [Historical values for Fiscal Years 2018 through 2022 based on audited billing data; Projections for Fiscal Years 2023 through 2027 of constant billed volumes reflect conservative assumptions used from Five-Year Financial Plan and 2020 Order. General and COVID-19 pandemic-induced changes to water demand patterns include a projected 5.2% reduction in billed water use for Fiscal Year 2020 relative to Fiscal Year 2019 levels. Fiscal Year 2021 billed water usage is projected to be 0.6% lower than Fiscal Year 2019 levels. Water usage is projected to remain just over Fiscal Year 2019 levels, by 0.6%, for the remainder of the forecast. See "THE AUTHORITY – COVID-19 Pandemic" and "HISTORICAL AND PROJECTED OPERATING RESULTS – Initial Projected Operating Results – COVID-19 Assumptions." These projections do not incorporate anticipated yet still uncertain increases in billed water volumes associated with prospective military realignment.]

⁽⁴⁾ Totals may reflect rounding.

Source: Guam Waterworks Authority.

[The Authority estimates water production volumes will be [] mg and billed water usage will be [] mg for Fiscal Year 2023. See "HISTORICAL AND PROJECTED OPERATING RESULTS – Projected Operating Results."]

Water Distribution System. The Authority's water distribution system includes an extensive network of transmission and distribution pipelines, booster pump stations, reservoirs/tanks and approximately [3,800] fire hydrants.

Pipelines. The existing piping network comprises approximately 586 miles of ductile iron, polyvinyl chloride ("PVC"), cast iron, asbestos cement, and galvanized steel pipe. Approximately 80 miles of piping is documented to have been installed prior to 1980, approximately 246 miles of piping was installed between 1980 and 2011, and approximately 260 miles of piping has no documented installation date but a significant portion is expected to be older piping installed during the Navy period of control. Up to 15 miles of piping is constructed of 2-inch diameter or smaller pipe, up to 7.5 miles of which may be constructed of galvanized steel, which is believed to be a significant source of System leaks due to the poor corrosion resistance of buried steel pipe and poor construction practices.

Booster Pump Stations. The Authority has 28 booster pump stations, all of which are currently in service. Twenty of the active booster pump stations are equipped with working emergency generators and eight are served by portable generators to ensure continued operation during power failures. The booster pump stations include 65 pumps, 92% of which were operational as of August 31, 2023.

The Authority assessed all water booster pump stations in 2013 and again as part of the 2018 WRMP Update (excluding pump stations that have been rehabilitated since 2013) and developed recommendations for prioritized upgrades to all systems. Since the 2013 assessment, 11 booster pump stations have been upgraded, and one pump station upgrade is currently in progress. Some of the upgrades have been completed as part of the Authority's on-going capital improvement of water reservoirs. Rehabilitation of other pump stations is still required. The scope of the recommended improvements includes pump and mechanical upgrades, site improvements and structural and electrical upgrades. The CIP includes projects for continued upgrades to the existing booster pump stations, which will nearly complete the recommended improvements. Improvements at the booster pump stations are intended to improve reliability and increase efficiencies.

Reservoirs. The Authority currently has 33 reservoirs, 25 of which are currently in active use having a total capacity of 29.2 mg and eight of which are currently off-line pending repair, rehabilitation or replacement having a total capacity of 10 mg. The Authority's reservoirs are predominantly ground-level reservoirs. New reservoirs are made from concrete while older reservoirs are made from steel. There are no steel-elevated reservoirs still in service. In addition, the Authority has contracts in process for the construction of three additional reservoirs with expected total capacity of 7 mg. Once the three additional reservoirs are completed and repairs are made to the off-line reservoirs, the Authority expects to have a total of 36 reservoirs having a total capacity of 46.2 mg.

The 2011 Court Order required a hydraulic analysis to assess the adequacy and guide the repair, rehabilitation, or replacement of some of the Authority's then-existing water storage reservoirs. The hydraulic analysis determined that some of the then-existing reservoirs should be demolished and replaced with new storage reservoirs, and that some of the then-existing reservoirs should be repaired or rehabilitated, which requires storage reservoirs to be taken offline and the use of pumped bypasses or temporary storage reservoirs to facilitate repairs. Since then, 19 storage reservoirs have been repaired or replaced with new storage reservoirs, and 12 storage reservoirs are currently under contract for construction/repair and five storage reservoirs are pending contract issuance for construction/repair. Due to impacts of the on-going military realignment on the construction market on Guam, the Authority has requested and the Guam District Court has approved an extension to complete the 17 storage reservoirs by 2025. See "REGULATORY ENVIRONMENT – Environmental Regulations – 2003 Stipulated Order and 2011 Court Order."]

The Wastewater System

General. The Authority provides wastewater services for a portion of Guam's general population, the Andersen Air Force Base, and some U.S. Naval facilities in the northern end of the island. The main U.S. Naval base located in southern Guam is served by its own wastewater collection and treatment system. For planning purposes, Guam is divided into seven wastewater districts based on population distribution and the topography of the island: Northern District, Hagåtña, Agat-Santa Rita, Umatac-Merizo, Inarajan, Baza Gardens and Pago Socio. The Authority's wastewater system includes six wastewater treatment plants and an extensive collection system.

Unlike the Authority's water system, which serves essentially the entire civilian population of Guam, there is a significant percentage of the population that is not served by the Authority's wastewater system. This is particularly true in the northern area of Guam, where many homes rely on individual septic tanks or other on-site disposal systems. Based on a comparison of the average number of water customers and wastewater customers for Fiscal Year 2022, there are approximately 12,753 customers, or approximately 29% of water system customers, that do not have sewer service.

Wastewater Collection Systems

General. The Authority's wastewater collection systems consist of approximately 316 miles of gravity sewer pipes and force main pipes that collect sewage and transport it to the six wastewater treatment plants. There are 84 wastewater pump stations (all of which were active as of August 31, 2023) with 187 individual pumps (83%

of which were operational as of August 31, 2023) and 7,310 manholes. The older portions of the wastewater collection system date back to the 1940s. Although the majority of the piping material is PVC and asbestos cement, the system also includes concrete, iron, clay, and polyethylene plastic.

System Condition. The overall condition of the wastewater collection system is fair. Approximately 30% of the piping is constructed of asbestos cement, which has experienced accelerated rates of corrosion in certain sections of the system. Because of the poor condition of such piping, repair or replacement will be necessary for most of the asbestos cement piping in the future. The Authority has completed five projects over the past five years to address the asbestos cement piping issues by repairing or replacing approximately [11]% of the asbestos cement pipe in the system, and more projects are planned.

The Authority completed infiltration and inflow analyses and sewer system evaluation surveys (“SSES”) for northern, central, and southern wastewater collection service areas, and subsequently initiated repairs of identified acute defects and correction of areas of infiltration and inflow. The Authority completed cleaning and CCTV inspections of the system in accordance with the requirements of the 2011 Court Order but maintains an ongoing cleaning and CCTV program for maintenance of the wastewater collection system. A “hot spots” program was established to address areas identified with the SSES and CCTV work as requiring frequent cleaning, such as sags in the line. Intensive maintenance of these “hot spots” will continue until permanent repairs to the lines can be completed. The Authority utilized the information from these surveys, CCTV, and maintenance programs to inform capital improvements needed as part of the 2018 WRMP Update. The CIP includes significant emphasis on wastewater collection system repair and rehabilitation. As an example, the Authority recently completed a construction contract for the first phase of “hot spot” repairs and has also completed the \$30 million cured-in-place-pipe (“CIPP”) rehabilitation of nine miles of the Northern District sewer interceptor. Additionally, the Authority completed all construction for the two-phases of CIPP rehabilitation of gravity sewer mains from Asan to Hagatna in June 2022.

The 2020 CIP includes projects to rehabilitate or replace collection system elements to reduce the inflow into the sewer system and lower the flow rates in the collection system and into the wastewater treatment plants. The 2020 CIP also includes projects to rehabilitate wastewater pump stations and includes an ongoing supervisory control and data acquisition (“SCADA”) master plan project to provide centralized monitoring and reporting of the pump stations. See “FUTURE SYSTEM CAPITAL REQUIREMENTS – Capital Improvement Program.”

Wastewater Treatment Plants. The Authority owns and operates six wastewater treatment plants. Previously, the Authority had a seventh wastewater treatment plant, the Baza Gardens Wastewater Treatment Plant (the “**Baza Gardens WWTP**”); however, Baza Gardens WWTP was converted to a pump station and was decommissioned in December 2018. The following section describes the remaining wastewater treatment plants.

Northern District WWTP. The Northern District WWTP is one of the Authority’s two largest wastewater treatment plants and serves the northern area of Guam. The facility has an ocean outfall, constructed in 2009, consisting of a large diameter pipe extending approximately 1,958 feet away from shore to discharge the treated effluent into the Philippine Sea at a depth of approximately 140 feet. The Northern District WWTP was originally designed for a capacity of 12.0 mgd; however, the 2011 Court Order currently limits the average daily flow to 9.0 mgd, and the Northern District WWTP is currently treating approximately 4.87 mgd, or approximately 42% of Guam’s treatment capacity.

The 2011 Court Order mandated that the Northern District WWTP comply with its then-existing National Pollutant Discharge Elimination System (“NPDES”) permit. Accordingly, the Authority completed an upgrade of the plant to provide chemically enhanced primary treatment by December 2012 and began to meet its then-existing NPDES permit in January 2013. The Authority was in compliance with the 2011 Court Order with respect to the Northern District WWTP using chemically enhanced primary treatment. However, the US EPA subsequently issued an NPDES permit for the plant that became effective on June 1, 2013 (the “**2013 NDWWTP Permit**”), which includes secondary treatment standards that the existing facility was unable to meet until a secondary treatment process was implemented. The 2013 NDWWTP Permit expired on May 31, 2018, and the US EPA issued a new NPDES permit also requiring secondary treatment standards on January 1, 2020.

Construction of a project to upgrade the Northern District WWTP to secondary treatment was completed in August 2022. Project construction cost of approximately \$128 million and was primarily funded by the DOD through grants issued by the Office of Local Defense Community Cooperation (the “**OLDCC**”), formerly known as the Office of Economic Adjustment. The Authority has received approximately \$138.9 million (approximately 95% of the total funding required for the project (inclusive of design, construction, and program/construction management) from the DOD, through the OLDCC, for the Northern District WWTP secondary treatment upgrade project. Now that the secondary treatment upgrade is completed, the Northern District WWTP has a capacity of 9.0 mgd.

In connection with the U.S. military realignment on Guam, it is expected that a new DOD wastewater collection system will be constructed on property owned by the DOD and tied into the Authority’s wastewater collection system. The wastewater will then be conveyed to the Northern District WWTP for treatment and disposal. The U.S. military realignment is expected to increase wastewater flows by 1.2 mgd, which would have a significant indirect but manageable impact on the Northern District WWTP. See also “**FUTURE SYSTEM CAPITAL REQUIREMENTS – U.S. Military Realignment.**”

Hagåtña WWTP. The Hagåtña wastewater treatment plant (the “**Hagåtña WWTP**”) is one of the Authority’s two largest wastewater treatment plants and serves the central area of Guam. The facility has an ocean outfall, constructed in 2008, consisting of a large diameter pipe extending approximately 2,120 feet away from shore to discharge the treated effluent into the Philippine Sea at a depth of approximately 275 feet. The Hagåtña WWTP is designed for a capacity of 12.0 mgd, and is currently treating approximately 4.5 mgd, or approximately 39% of Guam’s treatment capacity.

The 2011 Court Order mandated that the Hagåtña WWTP comply with its then-existing NPDES permit. Accordingly, the Authority completed interim treatment improvements in 2013 and an upgrade of the plant to provide chemically enhanced primary treatment in 2014. The Authority is currently in compliance with the 2011 Court Order with respect to the Hagåtña WWTP. However, the US EPA subsequently issued an NPDES permit for the plant that became effective on June 1, 2013 (the “**2013 Hagåtña Permit**”), which includes secondary treatment standards that the existing facility is unable to meet until a secondary treatment process is implemented. The 2013 Hagåtña Permit expired on May 31, 2018, and the US EPA issued a new NPDES permit also requiring secondary treatment standards on January 1, 2020 (the “**2020 Hagåtña Permit**”). The Authority and the US EPA have negotiated but not yet formalized a partial secondary treatment compliance schedule for the Hagåtña WWTP. The 2020 CIP and forthcoming five-year capital improvement program for Fiscal Years 2025 through 2029 (the “**2025 CIP**”) will not include the secondary treatment upgrade project at Hagåtña WWTP as the Authority expects to obtain a [full] compliance schedule that will permit it to delay implementation of the secondary treatment requirements until after the provisions and capital requirements of the 2011 Court Order have been satisfied. See also “**REGULATORY ENVIRONMENT – Consent Decree.**” The Authority estimates that the design and construction necessary to satisfy the secondary treatment requirements will take approximately five years, and the cost of upgrading the Hagåtña WWTP will be approximately \$208 million (in 2017 dollars).

Agat-Santa Rita WWTP. The construction of a new Agat-Santa Rita wastewater treatment plant (the “**Agat-Santa Rita WWTP**”) was completed in 2018. The Agat-Santa Rita WWTP has a design flow rate of 1.6 mgd during dry weather and 9.3 mgd during wet weather. The current average daily flow through Fiscal Year 2023 is 1.62 mgd. The effluent from the plant is sent through a combined outfall shared with the U.S. Navy’s Apra Harbor wastewater treatment plant and discharged to the ocean through the Tipalao Bay outfall. The outfall terminates at a diffuser located approximately 1,600 feet from shore at a depth of 125 feet. Flow from the recently closed Baza Gardens WWTP is treated at the Agat-Santa Rita WWTP. The US EPA issued a new NPDES permit for the Agat-Santa Rita WWTP in November 2017, which included secondary treatment standards, and the Authority has been in full compliance with the permit since May 2017.

Umatac-Merizo WWTP. The Umatac-Merizo wastewater treatment plant (the “**Umatac-Merizo WWTP**”) is located between the villages of Umatac and Merizo. An upgrade to the Umatac-Merizo WWTP was completed in January 2020 and included improvements to the aeration basin and overland percolation fields, as well as new pump station, upgrades to the existing pump station, a new effluent storage tank and disinfection facility. The plant has a permitted capacity of 0.6 mgd and a current average daily flow through Fiscal Year 2023 of 0.53 mgd. Treated effluent is discharged to the Toguan River. In November 2019, the US EPA issued a new NPDES permit that

requires reduction of phosphorous in the plant's discharge. However, the Authority does not expect to meet the permit limits for phosphorous at certain times of the year. The Authority expects to conduct studies of plant effluent constituents, phosphorous levels in the effluent at different times of the year and phosphorous removal rates now that the upgrade has been completed. Actual phosphorous removal capabilities of the upgraded plant, and potential additional removal methods and associated facilities will be ascertained following observation and testing of treatment plant performance in the years ahead.

Inarajan WWTP. The Inarajan wastewater treatment plant (the "**Inarajan WWTP**") is located north of the village of Inarajan. The Inarajan WWTP has a design capacity of 0.19 mgd, less than 1% of the Authority's wastewater treatment capacity, and the current daily flow is 0.11 mgd. Treated effluent is discharged to percolation basins. The Inarajan WWTP is not subject to a NPDES permit because the facility does not discharge to surface waters and is currently in compliance with applicable discharge requirements.

Pago Socio WWTP. The Pago Socio wastewater treatment plant (the "**Pago Socio WWTP**") is the smallest wastewater treatment plant owned and operated by the Authority, providing less than 1% of the Authority's wastewater treatment capacity. The Pago Socio WWTP does not discharge to surface water; influent is treated in a centralized septic tank and effluent is disposed via leach fields. The Pago Socio WWTP is not subject to an NPDES permit because the facility does not discharge to surface waters and is currently in compliance with applicable discharge requirements. The Authority plans to convert the Pago Socio WWTP to a pump station, abandon the plant and transfer the influent wastewater to the Hagåtña WWTP. The project is part of the CIP and is expected to be completed in 2025.

See also "REGULATORY ENVIRONMENT – Environmental Regulations – Compliance with the CWA – Wastewater System" and "FUTURE SYSTEM CAPITAL REQUIREMENTS."

One-Guam Initiative

In 2016, the Authority, the CCU, Naval Facilities Engineering Command Marianas and Joint Region Marianas executed a memorandum of understanding (the "**2016 MOU**") to explore mutually beneficial opportunities for partnering and integration of the water and wastewater utility systems (the "**One-Guam Initiative**"). The 2016 MOU establishes objectives relating to the implementation of water and wastewater utility service solutions devised to address the projected additional requirements and/or recapitalization efforts needed.

As a proof-of-concept for the One-Guam Initiative, the Navy granted a license to the Authority to operate the Navy-owned Tumon Maui Well in 2016, and the Authority agreed to provide a service connection for the planned Marine Corps base from the Authority's northern water distribution system. The Authority has been successfully operating the well and passing all quarterly inspections for operations and maintenance to the Navy standards, and the Navy has renewed the license annually since 2017. See "– The Water System – Water Supply."

In 2019, the Navy granted another license to the Authority to operate the Navy-owned Agafa Gumas well. The license is expected to last five years.

The One-Guam Initiative continues to be a vehicle through which the Navy and the Authority achieve coordinated cooperation for utility operations, training, and capital improvements. The Authority and the Navy are currently discussing reservoir interconnections at key locations, joint drought response and management efforts, and a combined hydraulic model as the next integration and inter-operability initiatives. There have also been several shared training sessions amongst the respective staff of each entity, and a commitment to further pursue such activity going forward. Most recently, the Authority and the Navy executed a *Memorandum of Agreement to Address the Co-Management and Protection of the Northern Guam Lens Aquifer* on October 21, 2022 with the stated objective of sustaining and improving the NGLA observation well system to protect Guam's sole source aquifer, which serves both DOD and GWA water systems. In July 2023, an *Intergovernmental Support Agreement for Water and Wastewater Goods and Support Services* was executed, documenting mutual assistance provided in the aftermath of Typhoon Mawar which struck Guam on May 24, 2023. The Navy and the Authority continue to work on the development of an updated utility services agreement which is expected to be finalized in mid-2024.

Largest Customers

The following two tables show the Authority's 10 largest water customers and wastewater customers, respectively, by revenue for Fiscal Year 2022.

Table 4
Ten Largest Water Customers
for Fiscal Year 2022

Customer Name	Annual Revenue	Percent of Annual Gross Revenue
1. DEPARTMENT OF EDUCATION ⁽¹⁾	\$ 3,025,016	4.47%
2. GUAM POWER AUTHORITY	1,367,507	2.02
3. ONWARD BEACH RESORT GUAM INC	926,352	1.37
4. HOTELS OF THE MARIANAS INC	698,265	1.03
5. PACIFIC ISLANDS CLUB	692,049	1.02
6. HYATT REGENCY GUAM	587,923	0.87
7. MDI GUAM CORPORATION	575,015	0.85
8. THE WESTIN RESORT GUAM	570,665	0.84
9. UNIVERSITY OF GUAM	567,192	0.84
10. TANOTA DEVELOPMENT LLC	564,338	0.83
Total ⁽²⁾ :	\$ 9,574,322	14.16%

⁽¹⁾ Includes all 41 public schools and administrative and support facilities.

⁽²⁾ Total may reflect rounding.

Source: Guam Waterworks Authority.

Table 5
Ten Largest Wastewater Customers
for Fiscal Year 2022

Customer Name	Annual Revenue	Percent of Annual Gross Revenue
1. AIR FORCE DOD	\$ 4,872,082	14.40%
2. NAVY DOD	1,406,283	4.16
3. DEPARTMENT OF EDUCATION ⁽¹⁾	1,818,678	5.37
4. GERSHMAN, BRICKNER & BRATTON, INC. (GBB)	1,012,634	2.99
5. GUAM POWER AUTHORITY	827,803	2.45
6. HOTELS OF THE MARIANAS INC	742,859	2.20
7. HYATT REGENCY GUAM	627,598	1.85
8. THE WESTIN RESORT GUAM	607,455	1.79
9. TANOTA DEVELOPMENT LLC	603,869	1.78
10. ONWARD BEACH RESORT GUAM INC	580,981	1.72
Total ⁽²⁾ :	\$ 13,100,241	38.71%

⁽¹⁾ Includes all 41 public schools and administrative and support facilities.

⁽²⁾ Total may reflect rounding.

Source: Guam Waterworks Authority.

New Water and Sewer Installations

The following two tables summarize the new water installations and new sewer installations, respectively, for the Fiscal Years 2018 through 2022.

Table 6
New Water Installations
Fiscal Years 2018-2022

Customer Type	2018	2019	2020	2021	2022
Residential	288	252	223	310	330
Irrigation	0	0	0	0	0
Hotel	0	0	0	0	0
Government	2	2	1	0	1
Federal	0	0	0	0	0
Commercial	23	24	5	7	9
Golf Course	0	0	0	0	0
Agricultural	2	4	0	3	6
Total	315	282	229	320	346

Source: Guam Waterworks Authority.

Table 7
New Sewer Installations
Fiscal Years 2018-2022

Customer Type	2018	2019	2020	2021	2022
Residential	75	73	63	65	60
Hotel	0	0	0	0	0
Government	0	0	0	0	2
Federal	0	0	0	0	0
Commercial	6	8	2	4	3
Total	81	81	65	69	65

Source: Guam Waterworks Authority.

System Development Charges

Public Law 26-164, enacted in 2003, required the Authority to develop and implement Water and Sewer System Development Charges (“**System Development Charges**” or the “**SDCs**”). After approval by the CCU and the PUC, the SDCs were implemented in March 2010. SDCs are one-time fees assessed on each user connecting property to the Authority’s water or wastewater systems, as applicable, for the first time or on each builder if the density of development on an existing connection is increased. SDCs are payable at the time of construction permitting; however, certain qualified residential customers are allowed to amortize SDCs over a specified time period. Although SDCs may vary depending on water meter size, a typical combined water and wastewater SDC for a new residential connection is \$5,600, and a typical combined water and wastewater SDC for a new commercial connection is \$14,002 for a 1-inch meter size.

Revenues generated by SDCs are not included in the Revenues pledged under the Indenture but are to be applied to the costs associated with the construction, expansion, upgrading and repair of water and wastewater facilities resulting from such connections or to pay the principal of, interest on and other financing costs related to, debt obligations incurred by or on behalf of the Authority.

The following table sets forth SDC revenues billed by the Authority for the Fiscal Years 2018 through 2022.

Table 8
Water and Sewer System Development Charges
Fiscal Years 2018-2022

2018	2019	2020	2021	2022
\$ 1,070,985	\$ 885,513	\$ 756,338	\$ 1,596,459	\$ 1,245,361

Source: Guam Waterworks Authority.

The Authority expects to pay for a portion of the CIP with revenues generated from the SDC. See “FUTURE SYSTEM CAPITAL REQUIREMENTS – Capital Improvement Program” and APPENDIX B – “FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022,” Note [].

Water Loss Control Program

Non-Revenue Water. One of the Authority’s continuing challenges is reducing the level of the System’s non-revenue water. Non-revenue water is defined by the American Water Works Association as “unbilled authorized consumption (e.g., water for firefighting and flushing), plus apparent losses (e.g., customer meter inaccuracies, unauthorized consumption and systematic data handling errors), plus real losses (e.g., system leakage and storage tank overflows).” In other words, non-revenue water is the difference between the amount of water put into the distribution system and the amount of water billed to customers.

[The Authority’s level of non-revenue water for Fiscal Year 2022 was approximately 61%, with 59% being attributable to real losses.] The Authority was concerned that faulty customer meters have resulted in under-reporting of actual water sales and faulty production meters have resulted in over-reporting of actual water production. Replacement of the specific model of failing customer meters was completed in July 2021. Reducing the level of non-revenue water is a priority for the Authority and, as set forth in the 2018 WRMP Update, the Authority has established a short-term goal of reducing non-revenue water to [40]% by [2024] and a long-term goal of reducing non-revenue water to [20]% by [2037].

One component of properly assessing the Authority’s non-revenue water is appropriate data collection and handling. Prior to 2012, the Authority relied primarily on financial data (production and sales) to determine water loss. In 2012, the Authority began using the water audit methodology outlined by the American Water Works Association, known as the M36 Water Audits and Loss Control Programs. Use of the M36 water audit process has enabled the Authority to properly collect and record financial and operational data necessary to determine accurate water loss. While the overall non-revenue water percentage has not decreased significantly, the Authority has used the refined data to identify other issues affecting non-revenue water (such as authorized but unbilled consumption) and to better understand the amount of real losses. The Authority intends to use this data to drive the components of its water loss control program, as further described below.

Components of Water Loss Control Program. With the goal of reducing the level of the System’s non-revenue water, the Authority initially focused on a project-based approach, completing leak detection projects and training personnel to sustain an ongoing leak detection program. Although significant improvements were made, the age and condition of the System continued to impact the level of non-revenue water. The Authority has now shifted its focus from a project-based approach to a process-based approach through its water loss control program (the “**Water Loss Control Program**”). The Water Loss Control Program includes efforts to reduce leak repair times, enhance and sustain a leak detection program, install master meters and create district metered areas, realign pressure zones, and enhance its ongoing line replacement program, each of which are further described below.

Leak Repair. One of the main sources of non-revenue water (water loss) is water leaks in the System. Leak repair has been a priority for the Authority. The Authority has added personnel to deploy more leak repair crews, and increased available equipment resources, including contracted equipment services, to improve response and repair times. In the past five years, the Authority has reduced its daily leak repair work order backlog by more

than [95]%, from [over 330] open work orders per day in 2018 to fewer than [15] open work orders per day in 2023 through June 30, 2023.

Leak Detection Program. In 2019, the Authority augmented a leak detection program that was originally implemented in 2012 to find and repair leaks in the distribution system. Additional staff, updated and additional equipment, and training were allocated to the program in 2019. In addition, the Authority expanded its tools through the use of remote (satellite) leak detection, in a year-long pilot test, to evaluate the efficacy of this [new] technology to detect leaks in portions of the distribution system for which the Authority may not have documentation for existing water lines (e.g., former military installations). Continued development of the leak detection capabilities, used in conjunction with other components of the Water Loss Control Program, such as district metered areas, have enhanced the Authority's ability to conduct water loss reduction campaigns. The Authority currently has two full-time leak detection teams with additional equipment and training, and expects to have a third full-time leak detection team in Fiscal Year 2024.

Master Meters and District Metered Areas. In 2014, the Authority initiated a program to install master meters in the distribution system to help identify water use and water loss. By 2016, the Authority had only installed approximately seven master meters, or approximately 10% of the planned amount. The Authority experienced many challenges with completing the master meter installations as originally planned and subsequently redirected its efforts. The planned master meter installations are now part of the Pressure Zone Realignment Plan, as further described herein. See “– Pressure Zone Realignment” below.

In 2019, the Authority initiated a pilot test to reduce water losses using master meters at discrete areas to track supply and consumption and to identify significant differences between them. The Authority used master meters at three distinct and easily isolated areas (each, a “**District Metered Area**”). Using the master meters that had been installed in each District Metered Area, the Authority compared water supply data and customer consumption to identify leaks and focus its leak detection efforts. The results of the pilot test indicated that in these three District Metered Areas, reduction in water loss ranged from 30% to 61% with an average of 45% across all three District Metered Areas. In March 2021 the Authority completed a Water Loss Control Analytical Study which recommended full implementation of 36 District Metered Areas throughout the Authority's distribution system with a comprehensive permanent leak detection program. In July 2021, the Authority engaged a contractor for the island-wide implementation of District Metered Areas [and technical assistance with standing up the recommended leak detection campaigns and loss control program]. The Authority is currently at the end of the second year of the implementation program and has completed 21 of 36 District Metered Areas with plans to complete the remaining 15 District Metered Areas by 2025. The Authority is monitoring flows and conducting leak detection surveys in all but one of the established District Metered Areas. The additional District Metered Areas will be established as work on the installation of metering equipment proceeds under the Pressure Zone Realignment program. See “– Pressure Zone Realignment” below.

Pressure Zone Realignment. In 2015, the Authority developed a Pressure Zone Realignment Plan (the “**Pressure Zone Realignment Plan**”) focused on enhancing the distribution system and improving service delivery by aligning service areas to the appropriate service pressures through the creation and/or adjustment of pressure zones within the distribution system. Pressure zone realignment is expected to improve service pressures throughout the island, which would contribute to reduced water loss by minimizing background leaks caused by overpressure in certain water service areas. The design of improvements to implement the Pressure Zone Realignment Plan, including the integration of master meter installations where appropriate, was completed in 2019. A construction bid was issued in 2019 and the construction contract for the first phase of the improvements was awarded in March 2020. As of July 2023, construction of the first phase is 77% complete. Phase 2 design work is 100% complete and the construction bid package is currently being prepared. Phase 3 design work is 50% complete.

Line Replacement Program. The Authority initiated a line replacement program in 2012. To date, the Authority has replaced approximately [21] miles of line in [four] phases. [A fifth phase, which will replace approximately 7.25 miles of line, is pending.] In addition to this line replacement program, the 2020 CIP includes approximately \$20 million for replacing asbestos cement pipes and 2-inch galvanized pipes. The Authority has two multi-year, task-order-based design contracts for these water line replacement programs currently pending finalization. One additional design contract will be awarded pending approval by the PUC.

Production Meters. Production meters record the volume of groundwater pumped into the System. However, faulty production meters have resulted in under- and over-reporting of water production, which impacts non-revenue water calculations. In 2017, the Authority initiated a project to verify production meter performance and to develop plans to replace failed and underperforming meters at the Authority's groundwater well sites. [The Authority issued a contract in April 2020 to replace production meters and above-ground piping at 30 of 60 wells identified as needing meter replacements. The project was completed in 2023. Contracts have not yet been awarded for the remaining 30 wells.

2020 and 2022 Orders. In February 2020, the PUC issued a rate decision and order in the Authority's 2020 Five-Year Financial Plan, identifying several efforts the Authority needed to make to address water loss. The 2020 Order identified specific targets and objectives regarding water loss reduction for the next five years, including: (i) accelerating planned water line replacements, implementation of district metering areas and other high priority measures; (ii) continuing to work with water loss experts to identify implementable loss reduction measures and appropriate reduction targets; (iii) providing annual reports to the PUC on the Water Loss Control Program results achieved; and (iv) documenting water loss expectations of 2% of Fiscal Year 2019 production in Fiscal Year 2020 (adjusted for partial year implementation) and 2.75% in Fiscal Year 2021. The Authority has complied with items (i) through (iii), including the completion of a Water Loss Control Analytical Study in March 2021, which was submitted as part of the Comprehensive Review and Update filing that was also required by the 2020 Order. See "THE AUTHORITY – The 2020 Order - Five Year Financial Plan and Rate Application – Fiscal Years 2020-2024."

In September 2022, the PUC issued a superseding order which required the Authority to proceed with the projects identified in the Water Loss Control Analytical Study, and provide semi-annual reports on the status of implementation of the District Metered Areas and water loss control initiatives, essentially superseding items in the 2020 Order listed as (iii) and (iv) above.

Customer Meters Replacement Program

While production meters record the amount of water put into the distribution system, customer meters record the amount of water billed to customers. Properly functioning and reliable customer meters are critical to collecting correct revenues and assessing non-revenue water levels. [In the past, the][The] Authority has experienced challenges with its customer meters, which have impacted its revenues and non-revenue water levels.

Prior to 2005, the Authority used manual read meters and experienced problems with consistently collecting revenues without reliably read meters. In 2005, the Authority began replacing its manual read meters with Metron-Farnier radio read meters, which could be read remotely based on a signal sent from the transmitter attached to each meter. Shortly after the initial replacements, the Authority experienced large-scale failure of its Metron-Farnier meters, which impacted the Authority's billing and revenue collection. The Authority began replacing the Metron-Farnier meters with various models of Badger Meter radio read meters in 2012. Between 2012 and 2015, the Authority replaced approximately 35,000 meters (the "**2012 Replacement Program**"). The 2012 Replacement Program resulted in more accurate and timelier meter reads for monthly billing, and for Fiscal Years 2013, 2014 and 2015, the Authority was able to consistently meet projected sales and revenues.

In 2016, a small percentage of customer accounts showed low to no water consumption as compared to previous usage. The Authority conducted a random sampling of accounts and determined that the irregular consumption patterns were due primarily to a recurring defect in an internal part of one particular model of the Badger Meter meters (the "**Model LP**"). The Authority established a targeted replacement program and began replacing the Model LP meters in 2017. The Authority completed the replacement of over 30,000 Model LP meters in July 2020. The meters currently used by the Authority, no longer include the Model LP meters. Meters in service now have been tested in accordance with American Water Works Association performance standards, and are currently meeting such performance standards.

The Authority has implemented business processes to better identify and respond to problematic meters. The Authority has a meter test facility where it can, among other things, conduct regular quality control tests of the Authority's meter inventory prior to field deployment, verify proper meter operation, validate billing disputes, and provide verification to substantiate warranty claims on meters that may have prematurely failed during the warranty period, which may result in the replacement of such meters by the manufacturer at no additional cost to the ratepayer.

Rates and Charges

General. The Authority and the CCU establish water and wastewater rates and charges and present them to the PUC for regulatory review and approval. Generally, PUC approval of a proposed rate plan includes an annual true-up analysis to evaluate the necessary level of rate adjustment based on actual financial performance; therefore, while the PUC may approve a rate plan, annual rate adjustments are typically subject to the results of the true-up analysis. In connection with the 2020-2024 rate plan, the PUC made an exception to this process by not requiring a true-up analysis with respect to the rate adjustment for Fiscal Year 2021, however, a true-up analysis was ordered for Fiscal Year 2024. A hearing to review the Fiscal Year 2024 rate request is scheduled for September 2023.

The Authority is in the process of preparing the five-year financial plan for Fiscal Years 2025 through 2029 (the “**2025 Five-Year Financial Plan**”). Information from the 2018 WRMP Update will be used to develop the 2025 CIP that will be an integral part of the 2025 Five-Year Financial Plan. The Authority anticipates that proposals to update the rate design and to implement a customer assistance program will likely be included in the 2025 Five-Year Financial Plan.

See “**HISTORICAL AND PROJECTED OPERATING RESULTS – Projected Operating Results – 2020-2024 Rate Plan.**”

Water Rates. The Authority’s water rates consist of a base monthly water charge (the “**base rate**”) that varies according to meter size and a volumetric charge based on water consumption. Residential customer volumetric rates consist of a “lifeline rate” for monthly usage of up to 5,000 gallons, and a “non-lifeline rate” for monthly usage above 5,000 gallons. Approximately 52% of the Authority’s residential customers use less than 5,000 gallons per month and only pay the lifeline rate. Water rates for commercial/government and agriculture/irrigation have the same rate structure for basic monthly water charges. Volumetric charges consist of a uniform rate per 1,000 gallons for commercial/government customers and another uniform rate per 1,000 gallons for agriculture/irrigation customers. Adjustments to the lifeline rate are only allowed when the Authority’s cost of service increases by 20% following the year of the most recent adjustment to the lifeline rate.

Wastewater Rates. The Authority’s wastewater rates consist of a flat monthly rate for residential customers and a volume-based rate for commercial, government and federal customers. The volume charged is 80% of water consumption.

Legislative Surcharge. A “legislative surcharge” or “retirement benefits surcharge” is assessed on the portion of water and wastewater bills subject to the non-lifeline rate. Revenues from the legislative surcharge are used to pay retiree benefits. The legislative surcharge is subject to an annual true-up that adjusts the charge to match the actual retiree benefit cost. The current legislative surcharge is 3.6% and revenues from such surcharge in Fiscal Year 2022 were approximately \$3.01 million.

Historical Rate Plans. Between April 2004 and October 2017, the Authority adjusted its basic and non-lifeline water and wastewater rates 14 times. Since 2009, the Authority has successfully filed two rate petitions, the 2009-2013 rate plan and the 2014-2018 rate plan, both of which were approved by the CCU and the PUC. The 2009-2013 rate plan included proposed scheduled rate increases for base, lifeline and non-lifeline water and wastewater rates for Fiscal Years 2009 through 2013. The 2009-2013 rate plan had a compounded rate increase through Fiscal Year 2013 of 47.5%. The PUC approved and implemented all proposed scheduled rate increases for Fiscal Years 2009 through 2013. The 2014-2018 rate plan included proposed scheduled rate increases for base, lifeline and non-lifeline water and wastewater rates for Fiscal Years 2014 through 2018. The 2014-2018 rate plan had a compounded rate increase through Fiscal Year 2018 of 65.1%. The PUC approved and implemented the proposed scheduled rate increases for Fiscal Years 2014, 2015, 2016 and 2018, and approved and implemented a lower rate increase than the proposed amount in Fiscal Year 2017.

2020-2024 Rate Plan. Pursuant to the 2020 Order, the Authority increased the base rate and non-lifeline rate for water and wastewater by 5.0% in Fiscal Year 2020 (effective March 1, 2020) and by 5.0% in Fiscal Year 2021 (effective October 1, 2020). The lifeline rate did not change for Fiscal Year 2020 and Fiscal Year 2021. The Fiscal Year 2021 rates were not subject to a true-up analysis. Pro forma base rate, lifeline rate and non-lifeline rate increases for water and wastewater for Fiscal Years 2022, 2023 and 2024 were subject to the PUC’s Comprehensive

Review and Update. The Authority timely submitted the required analytical studies on March 31, 2021 and the Comprehensive Review and Update and updated financial model on May 1, 2021, as ordered by the PUC. As the PUC did not act until September 22, 2022, rate increases did not occur in Fiscal Year 2021. [The PUC approved a 5.5% non-lifeline rate increase for Fiscal Year 2023 and Fiscal Year 2024; the Fiscal Year 2024 rate adjustment was subject to a true-up analysis. The Fiscal Year 2024 true-up projection was submitted on June 1, 2023 and the PUC hearing is scheduled for September 26, 2023.] See “THE AUTHORITY – The 2020 Order.” For a discussion of projected future rate increases, see “HISTORICAL AND PROJECTED OPERATING RESULTS –Projected Operating Results – 2020-2024 Rate Plan.”

The Authority expects to use revenues generated by the rate adjustments pursuant to the 2020-2024 rate plan to finance CIP projects, to ensure compliance with the Rate Covenant and the DSCR Policies, and to allow for more gradual increases in the Authority’s rates in the future, thereby minimizing sudden rate increases for the Authority’s ratepayers to the extent possible.

Rate Adjustments. The following table sets forth the Authority’s rate adjustments, their effective dates, and principal reasons for such adjustments since April 2004.

Table 9
Summary of Rate Adjustments Approved Since April 2004⁽¹⁾

Effective Date	Rate Adjustment		Principal Reason for Adjustment
	Water	Wastewater	
April 1, 2004	7.50%	7.50%	Base rate increase for funding 2003 Stipulated Order projects.
October 14, 2004	6.50%	6.50%	Rate increase by PUC for funding 2003 Stipulated Order projects.
February 1, 2006	3.00%	3.00%	Future financial and legal obligations.
September 1, 2007	14.24%	14.24%	Debt service for the 2005 Bonds.
April 1, 2009	6.60%	6.60%	Base rate increase because of increases in power and water purchases costs.
August 1, 2009 ⁽²⁾	14.00%	14.00%	Base rate increase to enable sufficient net revenues in order to meet relevant debt service coverage policies and Indenture requirements.
October 1, 2010	8.00%	8.00%	Base rate increase to cover employees' health insurance, cost of living allowance and property insurance.
October 1, 2011	12.77%	12.77%	Base rate increase to enable sufficient net revenues in order to meet relevant debt service coverage policies and Indenture requirements.
February 1, 2013 ⁽²⁾	6.10%	6.10%	Base rate increase to enable sufficient net revenues in order to meet relevant debt service coverage policies and Indenture requirements.
November 1, 2013	15.00%	15.00%	Base rate increase to finance projects required under 2011 Court Order and to enable sufficient net revenues in order to meet relevant debt service coverage policies and Indenture requirements.
December 1, 2014	14.50%	14.50%	Base rate increase to enable sufficient net revenues in order to meet relevant debt service coverage policies and Indenture requirements.
October 1, 2015	16.50%	16.50%	Base rate increase to enable sufficient net revenues in order to meet relevant debt service coverage policies and Indenture requirements.
October 1, 2016 ⁽²⁾	3.50%	3.50%	Base rate increase to enable sufficient net revenues in order to meet relevant debt service coverage policies and Indenture requirements. The PUC approved a 7% increase, but the Authority reduced the increase to 3.5% after true-up.
October 1, 2017	4.00%	4.00%	Base rate increase to enable sufficient net revenues in order to meet relevant debt service coverage policies and Indenture requirements.
March 1, 2020	5.00%	5.00%	Base rate increase for funding remaining 2011 Court Order projects and planned CIP, and to meet relevant debt service coverage policies and Indenture requirements.
October 1, 2020	5.00%	5.00%	Base rate increase for funding planned CIP, and to meet relevant debt service coverage policies and Indenture requirements.
October 1, 2022	5.50%	5.50%	Base rate increase for funding planned CIP, and to meet relevant debt service coverage policies and Indenture requirements.

⁽¹⁾ Covers base and non-lifeline rate water and wastewater rate adjustments only.

⁽²⁾ In August 2009, February 2013 and October 2016, the lifeline rate was also increased. Adjustments to the lifeline rate are only allowed when the Authority's cost of service increases by at least 20% following the year of the most recent adjustment to the lifeline rate. See " – Water Rates."

Source: Guam Waterworks Authority.

Billing, Collections and Enforcements

The following three tables show a comparison of the Authority's typical monthly water, wastewater and combined water and wastewater bills, respectively, for selected residential, commercial and large commercial usage levels to bills charged by other water and wastewater utilities [based on available data from March 2020 and prior to the impacts of the COVID-19 pandemic]. Based on this available data, on average, approximately [53]% of residential customers use 5,000 gallons or less each month and qualify for the lifeline rate.

Table 10
Typical Monthly Water Bills⁽¹⁾

Utility	5,000 gal/mo. Residential (3/4" meter) ⁽¹⁾	7,500 gal/mo. Residential (3/4" meter) ⁽²⁾	35,000 gal/mo. Commercial (1" meter)	1,200,000 gal/mo. Large Commercial (4" meter)
Guam Waterworks Authority	\$ 40.82	\$ 78.98	\$ 563.81	\$ 18,450.14
American Samoa Power Authority	34.61	44.31	159.06	4,947.21
City and County of Honolulu Board of Water Supply	29.37	43.43	185.77	6,022.42
Commonwealth Utilities Commission – Saipan ⁽³⁾	35.10	48.75	224.06	9,853.09
County of Hawaii Department of Water Supply ⁽⁴⁾	34.60	44.53	176.50	5,135.55
County of Kauai Department of Water	46.90	59.03	203.10	6,093.25
County of Maui Department of Water Supply	30.05	39.80	213.75	7,413.50
Palau Public Utilities Corporation	7.95	24.18	227.15	7,788.00

⁽¹⁾ [Based on available data from [Month Year].] The Authority's data based on Fiscal Year 2022 rates.

⁽²⁾ [County of Hawaii and County of Maui are based on use 5/8-inch meters (the predominant meter size for single-family residences).]

⁽³⁾ [Includes a water electric charge.]

⁽⁴⁾ [Includes a power cost charge that increased from \$1.85 in 2015 to \$1.96 in June 2019.]

Source: Guam Waterworks Authority.

Table 11
Typical Monthly Wastewater Bills⁽¹⁾

Utility	Residential 5,000 gal/mo. ⁽²⁾	Residential 7,500 gal/mo. ⁽²⁾	Commercial 35,000 gal/mo. ⁽²⁾	Large Commercial 1,200,000 gal/mo. ⁽²⁾
Guam Waterworks Authority⁽³⁾	\$ 27.54	\$ 27.54	\$ 235.25	\$ 19,662.45
American Samoa Power Authority ⁽⁴⁾	24.97	24.97	124.37	3,432.97
City and County of Honolulu Dept. of Environmental Services ⁽⁵⁾	96.07	105.33	463.24	14,784.80
Commonwealth Utilities Commission – Saipan ⁽⁶⁾	24.29	34.79	185.21	6,056.46
County of Hawaii Department of Environmental Management	35.00	35.00	162.25	5,696.00
County of Kauai Department of Public Works ⁽⁷⁾	60.09	60.09	127.95	13,366.70
County of Maui Department of Environmental Management ⁽⁸⁾	55.00	66.25	256.50	12,856.10
Palau Public Utilities Corporation	1.95	16.80	207.90	7,128.00

⁽¹⁾ [Based on available data from [Month Year].] The Authority's data based on Fiscal Year 2022 rates.

⁽²⁾ [Value shown is metered water consumption. The Authority and City and County of Honolulu base sewer bills on 80% of metered water consumption.]

⁽³⁾ [Assumes use of commercial 1 rate for Commercial Customer and commercial 2 rates for the Large Commercial customer.]

⁽⁴⁾ [Includes the American Samoa Power Authority groundwater protection fee.]

⁽⁵⁾ [Assumes total suspended solids of 600 mg/L for the Large Commercial (hotel with restaurant).]

⁽⁶⁾ [Includes a wastewater electric charge.]

⁽⁷⁾ [Assumes use of group I commercial rate for the Commercial Customers and hotel with restaurant rate for Large Commercial customers.]

⁽⁸⁾ [Assumes a single meter Commercial/Government/Religious rate for Commercial and single meter hotel rate for Large Commercial customers.]

Source: Guam Waterworks Authority.

Table 12
Typical Monthly Water and Wastewater Bills⁽¹⁾

Utility	Residential 5,000 gal/mo.	Residential 7,500 gal/mo.	Commercial 35,000 gal/mo.	Large Commercial 1,200,000 gal/mo.
Guam Waterworks Authority	\$ 68.36	\$ 106.52	\$ 799.06	\$ 38,112.59
American Samoa	59.58	69.28	283.43	8,380.18
City and County of Honolulu	125.44	148.76	649.01	20,807.22
Commonwealth Utilities Commission – Saipan	59.39	83.54	409.27	15,909.55
County of Hawaii	69.60	79.53	338.75	10,831.55
County of Kauai	106.99	119.12	331.05	19,459.95
County of Maui	85.05	106.05	470.25	20,269.60
Palau Public Utilities Corporation	9.90	40.98	435.05	14,916.00

⁽¹⁾ [Based on available data from [Month Year].] The Authority's data based on Fiscal Year 2022 rates.
Source: *Guam Waterworks Authority*.

In 2010, the Authority implemented an online and telephone payment system which provides its customers with the option of paying their bills using a credit card. As of September 30, 2022, there had been over 281,400 transactions totaling almost \$40.5 million in online, pay by phone and mobile app payments. The Authority has also implemented a late payment collection program. Under the program, all bills are due 15 days after the billing date, which has helped the Authority maintain a collection ratio of 98% or above since 2015. See Table 13 for collection data for Fiscal Years 2018 through 2022. The Authority may discontinue service for non-payment upon providing advance written notice at least 10 days prior to the termination date. The program requires the Authority to make all reasonable efforts to collect all past due bills, including employing a collection agency. The Authority's online payment system was modernized on June 1, 2020. Customers are able to transact most requests online that were previously only completed in the Authority's physical customer service centers.]

As of August 31, 2023, Accounts Receivable, including inactive accounts, were approximately \$21.1 million, of which approximately \$7.8 million, or about 37%, are over 120 days.

The following table sets forth the collection data for the Authority for Fiscal Years 2018 through 2022. See also APPENDIX B – "FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022," Notes [] and [].

Table 13
Collection Data
Fiscal Years 2018 through 2022

	2018	2019	2020	2021	2022
Cash Received from Customers (Amount Collected)	\$ 106,626,761	\$ 112,334,357	\$ 105,523,684	\$ 98,274,136	\$ 99,541,497
Total Revenues (Amount Billed)	\$ 108,667,006	\$ 111,871,429	\$ 104,539,205	\$ 100,067,436	\$ 101,925,137
Collection Ratio	98%	100%	101%	98%	98%

Source: Guam Waterworks Authority.

Uniform Disconnection Policy

In 2003, the CCU mandated that a disconnection practice be established on a regular and ongoing basis and that all customers, including Government accounts, be subject to the same disconnection policy. The Authority's disconnection target is to schedule disconnection when a customer becomes 30 days delinquent and to ensure all such customers are disconnected before they become 45 days delinquent. Customers with verifiable health- and/or age-related issues may qualify for an exception to this disconnection mandate.

[In response to the COVID-19 pandemic, the Authority prepared and implemented its Continuity of Operations Plan that called for, among other things, suspension of disconnections and reconnection of previously disconnected customers to ensure access to basic water and wastewater services for all residents through June 30, 2020. Although disconnections resumed on July 1, 2020, under COVID-19 Relief Program, the Authority is now offering up to 12-month payment plans for unpaid bills for residential and business customers experiencing economic hardship caused by the COVID-19 pandemic.] See "THE AUTHORITY – COVID-19 Pandemic."

Debt Service Coverage

The Authority has covenanted in the Indenture to at all times fix, prescribe and collect rates, fees and charges in connection with the services furnished by the System which will be sufficient to yield the sum of Net Revenues during each Fiscal Year equal to at least 1.25x the Aggregate Annual Debt Service for such Fiscal Year (the "**Debt Service Coverage Ratio**"). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Rate Covenant" and "HISTORICAL AND PROJECTED OPERATING RESULTS."

Indenture Required Reserves

The Authority covenants under the Indenture to maintain two funds: (i) the Operation and Maintenance Fund, available for working capital purposes, and (ii) the Operation, Maintenance, Renewal and Replacement Reserve Fund, available for emergency renewals, replacements and other contingency items. The General Indenture requires monthly deposits into the Operation and Maintenance Fund if necessary to increase the amount in such fund to the amount of Operation and Maintenance Expenses (as such term is defined in the Indenture) budgeted by the Authority, pursuant to such budget, to be paid from Revenues during the next succeeding calendar month (including any amount to be held as a reserve for transfer to the Rebate Fund) plus the amount of any Other Credit Agreement Payments Expenses (as such term is defined in the Indenture) then due and payable or to become due and payable during such month and not otherwise included in such amount. As of June 30, 2023, the required balance of \$[9.6] million was on deposit in such fund. The General Indenture requires monthly deposits into the Operation, Maintenance, Renewal and Replacement Reserve Fund if necessary to increase the amount in such fund to one-fourth of the sum of amounts of Operation and Maintenance Expenses and Renewal and Replacement Costs (as such terms are defined in the Indenture) budgeted by the Authority for the then-current Fiscal Year. The Authority assumes such requirement to equal 90 days of Operation and Maintenance Expenses. For Fiscal Year 2023, the requirement is \$[17.4] million, and such amount is currently on deposit in such fund. For the last five years, the Authority has maintained these funds at the required levels.

Additional Operating Reserves

The General Indenture establishes the Capital Improvement Fund and provides that the Authority may direct the creation of accounts within the Capital Improvement Fund for appropriate purposes, and may restrict the purposes for which amounts in any such account may be used or withdrawn. Pursuant to the CCU's policies, originally adopted in 2014 and revised in 2020 (the "**Working Capital Reserve Policy**"), the Authority established a Working Capital Reserve for Operations and Maintenance account within the Capital Improvement Fund to provide additional liquidity to assist the Authority in addressing unforeseen obligations and unexpected, short-term cash flow demands. Amounts on deposit in the Working Capital for Operations and Maintenance Reserve account are available to pay Operation and Maintenance Expenses if the Authority's then-current cash flow is insufficient to pay such expenses. The Chief Financial Officer is authorized to withdraw up to \$500,000, subject to the prior approval of the General Manager; prior CCU approval is required for any withdrawal greater than \$500,000. Pursuant to the policy, the amount required to be on deposit in the Working Capital Reserve for Operations and Maintenance account is equal to 120 days of the Operation and Maintenance Costs for the then-current Fiscal Year, less depreciation expense. The Working Capital Reserve for Operations and Maintenance account requirement is subject to annual review and adjustment during the regular budgeting and rate-setting process. As of August 31, 2023, the account is fully funded with approximately \$14.4 million on deposit.

Pursuant to the CCU policy originally adopted in 2014, the Authority had also established a Working Capital Debt Service Reserve account within the Capital Improvement Fund to assist the Authority in complying with a previous minimum debt service coverage ratio target of 1.75x (calculated to include amounts from various reserve funds). In 2020, the CCU adopted a policy that revised the minimum debt service coverage ratio target to 1.40x for Fiscal Years 2020 and 2021, and 1.50x for Fiscal Year 2022, but no longer allowing amounts from various reserve funds as part of the calculation (consistent with the calculation under the Indenture). The revised policy also eliminated the Working Capital Debt Service Reserve account and directed cash balances from such account be transferred to the Working Capital Reserve for Operations and Maintenance account. [Subsequently, in February 2021, the CCU established a Rate Stabilization Fund and authorized the transfer of \$11.4 million from the Working Capital Reserve for Operations and Maintenance account into the Rate Stabilization Fund.]

The foregoing policies may be further modified from time to time by the CCU. The modification or termination of such policies, or any failure of the Authority to achieve the targets set forth under such policies, does not affect the requirements of the Indenture in respect of the issuance of additional Bonds such as the 2023A/2024A Bonds or otherwise, nor does any such failure constitute an Event of Default under the Indenture.

Security Measures

In 2004, the Authority completed a vulnerability assessment on all of its public water systems and developed its own emergency response plan (the "**Authority Emergency Response Plan**"), which has since been incorporated into the Government's emergency response plan (the "**Guam Emergency Response Plan**"). The Authority works closely with the Guam Homeland Security/Office of Civil Defense on emergency response planning coordination efforts and updates to the Guam Emergency Response Plan.

In accordance with the America's Water Infrastructure Act of 2018, the Authority completed a risk and resiliency assessment in 2020, which included risks to the Authority's system from malevolent acts and natural disasters, resilience of the Authority's water and wastewater infrastructure, monitoring and operation of the systems and the Authority's financial infrastructure. [As a result, the Authority expects to update the Authority Emergency Response Plan in September 2020.]

In 2018, the Authority also completed a network security and vulnerability assessment, which included information technology general controls, operational technology network, site physical security, network architecture security, and penetration and vulnerability. The Authority has updated and expanded its cybersecurity standard operating procedures, and is implementing critical redundancy solutions for its information technology network. In addition, the Authority has implemented a formal cyber security policy, has designated a cyber security coordinator for the utility and has completed cyber security training for all employees. See "CERTAIN INVESTMENT CONSIDERATIONS – Cybersecurity."

Labor and Employee Relations

As of August 31, 2023, the Authority had 359 employees. Most of the Authority's employees are classified as employees of the Government and within the Guam Civil Service System. Certain management positions and key skilled supervisory personnel hold unclassified positions.

The Guam Federation of Teachers ("**GFT**") regularly recruits non-management employees of the Authority. As of August 31, 2023, 48 employees, or approximately 13% of the Authority's employees, have joined the union. The CCU ratified a collective bargaining agreement between the GFT and the Authority in September 2020 for a period of five years. The GFT does not have the ability under Guam law to negotiate for wage and benefit adjustments and may engage in a strike only under very limited circumstances. The Authority's management believes that relations with its employees are positive.

Retirement Fund and Other Post-Employment Benefits

General. The Government of Guam Retirement Fund (the "**GGRF**") provides retirement annuities and other payments to retired Government employees and their dependents, including Authority employees and their dependents. Employees hired on or before September 30, 1995, are members of the Government of Guam Employees Retirement System (the "**DB Plan**"). Employees hired after September 30, 1995, became members of the Defined Contribution Retirement System (the "**DC Plan**"); however, members of the DC Plan could voluntarily elect to become members of the Defined Benefit 1.75 Retirement System (the "**DB 1.75 Plan**") or the Guam Retirement Security Plan (the "**GRSP**") from April 1, 2017 to December 31, 2017, and from June 1, 2023 to December 31, 2023. Effective January 1, 2024, new employees may elect to join the DB 1.75 Plan.

DB Plan. The DB Plan is a single-employer defined benefit pension plan administered by the GGRF to which the Authority contributes based upon a fixed percentage of the payroll for those employees of the DB Plan. A single actuarial valuation is performed annually covering all DB Plan members, and the same contribution rate applies to each employer, including the Authority. Members of the DB Plan are required to contribute a certain percentage of their annual covered salary, which is currently 9.5%. The DB Plan member and employer contribution requirements are established by statute. According to the GGRF actuarial valuation as of September 30, 2022 (the "**2022 GGRF Valuation Report**"), the most recent valuation report as of the date of this Official Statement, there were a total of 1,070 active members, 7,283 retired members and 3,087 inactive members with account balances under the DB Plan as of September 30, 2022. Included in the DB Plan active member totals were 15 Authority employees as of September 30, 2022.

DC Plan. The DC Plan is a single-employer defined contribution pension plan administered by the GGRF. Contributions to the DC Plan by members are based on an automatic deduction of 6.2% of the member's regular base pay starting on January 1, 2018. Contributions are deposited into each individual employees' 401(a) account with the DC Plan. As described above, eligible members of the DC Plan could elect to become members of the DB 1.75 Plan or the GRSP by December 31, 2017, and as of that date, according to the GGRF audited financial statements as of September 30, 2019 (the "**GGRF 2019 Audited Financial Statements**"), approximately 3,379 of the 8,947 DC Plan members elected to transfer to the DB 1.75 Plan which resulted in approximately \$229 million in assets being transferred from the DC Plan into the DB 1.75 Plan. The GRSP was a governmental defined benefit plan that was intended to be the primary retirement plan for new employees beginning January 1, 2018. However, very few DC Plan members elected to transfer to the GRSP and as such the Board of Trustees of the GGRF adopted Resolution No. 2019-01 on April 26, 2019, to recommend to the Guam Legislature that the GRSP be repealed retroactively to its inception date and submit draft legislation for introduction to the Guam Legislature to that effect. Upon repeal of the GRSP, the default plan for all new Government employees, including Authority employees, is the DC Plan. According to the 2022 GGRF Valuation, as of September 30, 2022, there were a total of 7,571 active members in the DC Plan, including 257 Authority employees.

DB 1.75 Plan. The DB 1.75 Plan is a governmental defined benefit pension plan administered by the GGRF with an effective date of January 1, 2018. The DB 1.75 Plan members are required to contribute 9.5% of their base salary to the DB 1.75 Plan and 1% of their base salary to a Government deferred compensation plan. As described above, certain existing employees and members of the DC Plan were provided two opportunities to participate in the DB 1.75 Plan. [The DB 1.75 Plan had two enrollment periods, one in 2017 and one in 2023.]

According to the 2022 GGRF Valuation Report, as of September 30, 2022, there were a total of 2,906 active members and 249 retirees in the DB 1.75 Plan, including 149 Authority employees.

DB Plan and DB 1.75 Plan Annual Valuation Results. The DB Plan's unfunded actuarial accrued liability ("UAAL") and funded ratio for the past five Fiscal Years is shown in the following table. The UAAL and funded ratio includes the DB 1.75 Plan.

Table 14
Unfunded Actuarial Accrued Liability and Funded Ratio of Defined Benefit Plans⁽¹⁾
Fiscal Years 2018 through 2022
(in millions)

Fiscal Year	Accrued Liability	Actuarial Assets	Unfunded Actuarial Accrued Liability	Funded Ratio
2018 ⁽²⁾	\$ 3,197.1	\$ 2,021.9	\$ 1,175.2	63.24%
2019 ⁽²⁾	3,221.3	2,066.0	1,155.4	64.13%
2020	3,228.1	2,053.9	1,174.2	63.62%
2021	3,267.5	2,125.3	1,142.2	65.04%
2022	3,236.6	2,063.6	1,173.0	63.76%

⁽¹⁾ Does not include Cost-of-Living Allowance and Supplemental Annuity Liability.

⁽²⁾ Reflects inclusion of the DB 1.75 plan.

Source: Government of Guam Retirement Fund Actuarial Valuation as of September 30, 2022.

Significant actuarial assumptions and methods used in the 2022 GGRF Valuation included: (a) the interest rate used to discount future benefit payments to the present and long term expected rate of return on plan assets of 7.0% (b) the Entry Age Normal method; (c) total payroll growth of 2.50% per year; (d) 3-year phase-in of gains/losses relative to interest rate assumption; (e) amortization of UAAL to an end date of May 1, 2033 effective January 1, 2018 (previous end date of May 1, 2031). According to the 2022 GGRF Valuation Report, and based on the GGRF 2022 Audited Financial Statements, the GGRF actuary calculated an investment return on the total market value of assets of -17.7% for the fiscal year ending September 30, 2022. The average annual return on the market value of assets has been 2.1% for the last five fiscal years. The investment return on the actuarial value of assets (recognizing investment gains and losses over a 3-year period) was 1.6% for the Fiscal Year ended September 30, 2022.

The GGRF is subject to GASB Statement No. 67; each participating employer, including the Authority, and the Authority, is subject to GASB Statement No. 68 ("GASB 68"). GASB 68 was incorporated into the Authority's financial statements beginning in Fiscal Year 2015. For the Authority's proportionate share of the GGRF's net pension liability and pension expense for the Fiscal Year 2022, see APPENDIX B – "FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022," Note [].

Contribution Rates. Under Title 4, Chapter 8, Section 8137 of the Guam Code Annotated, as amended, the Government is required to completely fund the unfunded actuarial accrued liability by May 1, 2033. The actuarial employer contributions rates set forth in the annual valuations apply to the Fiscal Year beginning one year after the valuation date. Components of the actuarial employer contribution rates include percentages towards (1) the UAAL of the DB Plan and DB 1.75 Plan, (2) normal cost of the DB Plan and DB 1.75 Plan, and (3) contributions and expenses for the DC Plan.

Although the actuarial contributions rates are provided to the Guam Legislature by the GGRF in advance of each Fiscal Year and used for budget preparation, the Guam Legislature is not required to adopt such rates but has done so in recent years. The Government applies the same employer statutory contribution rate to all employees (i.e., DB Plan members, DC Plan members, etc.). Of the amounts contributed by the employers under the DC Plan, an amount equal to 6.2% of the DC Plan member's regular base pay starting on January 1, 2018, is deposited into the member's individual annuity account; the remaining amount in excess of 6.2% starting on January 1, 2018, of

the DC Plan member's regular base pay is contributed towards the UAAL of the DB Plan. The following table sets forth the actuarial employer contribution rates and the statutory employer contribution rates for Fiscal Years 2018 through 2022:

Table 15
Employer Contribution Rates – Actuarial and Statutory⁽¹⁾
Fiscal Years 2018 through 2022

Fiscal Year	Actuarial Rate	Statutory Rate
2018	26.28%	27.83%
2019	26.97	26.56
2020	28.32	26.28
2021	28.43	26.97
2022	29.43	28.32

⁽¹⁾ [The actuarial employer contributions rates set forth in the annual valuations apply to the Fiscal Year beginning one year after the valuation date. For example, the actuarial contribution rate determined in the valuation report as of September 30, 2014 (Fiscal Year 2014) is applied for the Fiscal Year beginning October 1, 2016 (Fiscal Year 2016).]

Source: *Government of Guam Retirement Fund Actuarial Valuation as of September 30, 2022.*

The following table sets forth the actual contributions made by the Authority to the DB Plan during Fiscal Years 2018 through 2022. Such amounts were equal to the required contributions for those years.

Table 16
Authority's Contributions to DB Plan
Fiscal Years 2018 through 2022

Fiscal Year	Amount
2018 ⁽¹⁾	\$ 1,745,130
2019 ⁽¹⁾	2,007,437
2020	2,113,893
2021	2,001,837
2022	5,180,477

⁽¹⁾ The DB 1.75 Plan was established in January 2018 with increased contribution rates resulting in the large increases in contributions for Fiscal Year 2018 and Fiscal Year 2019 numbers.

Source: *Guam Waterworks Authority.*

The following table sets forth the actual contributions made by the Authority to the DC Plan, as well as the portion of such contributions that are applied to the unfunded liability of the DB Plan during Fiscal Years 2018 through 2022. Such amounts were equal to the required contributions for those years.

Table 17
Authority's Contributions to DC Plan and DB Plan toward Unfunded Liability
Fiscal Years 2018 through 2022

Fiscal Year	DC Plan Amount	Portion of DC Plan Amount to DB Plan
2018	\$ 2,795,312	\$ 2,214,238
2019	3,214,699	2,618,445
2020	3,495,839	2,837,095
2021	3,619,321	2,950,859
2022	3,953,604	2,531,814

Source: Guam Waterworks Authority.

COLA and Supplemental Annuity Payments. Public Law 25-72, passed in 1999, requires the payment of supplemental annuity and cost-of-living-allowance ("COLA") benefits to retirees and specifies that these payments are to be vested, limited-duration benefits to be provided by the GGFR. Public Law 36-107 increased ad hoc COLA payments of \$2,000 per year to \$2,200 per year to retired DB Plan and DC Plan members and spouse survivors. In addition, supplemental annuity payments of \$4,238 (subject to an aggregate limitation of \$40,000 per year when combined with the member's regular retirement annuity) have been provided to retired DB Plan members and survivors whose benefits commenced prior to October 1, 1995. These payments have been made outside of the GGFR trusts through annual allocations, and are anticipated to continue in future years. Effective Fiscal Year 2017 and pursuant to GASB Statement No. 73, the resultant actuarial liability relating to these payments have been included in the government-wide financial statements.

Other Post-Employment Benefits. The Government makes annual expenditures for certain postretirement healthcare benefits ("OPEB") to retirees who are members of the GGFR. The Government provides medical, dental, and life insurance coverage. Prior to Fiscal Year 2020, the retiree medical and dental plans were fully-insured products provided through insurance companies. Starting in Fiscal Year 2020, the Government began to phase in policy self-insurance: dental in Fiscal Year 2020, pharmaceuticals in Fiscal Year 2022 and medical in Fiscal Year 2024. Benefits under the dental plan are capped at \$1,000 per subscriber. The Government shares in the cost of these plans, with its contribution amount set each year at renewal. Current statutes prohibit active and retired employees from contributing different amounts for the same coverage. As such, the Government contributes substantially more to the cost of retiree healthcare than to active healthcare. For the life insurance plan, the Government provides retirees with \$10,000 of life insurance coverage through an insurance company. Retirees do not contribute to the cost of this coverage. The OPEB unfunded actuarial accrued liability for the Government, including fiduciary funds and component units such as the Authority, was approximately \$2.77 billion for Fiscal Year 2022, \$2.60 billion for Fiscal Year 2021, and \$2.52 billion for Fiscal Year 2020. The OPEB unfunded actuarial accrued liability allocated to the Authority was approximately \$116.2 million for Fiscal Year 2022, \$109.3 million for Fiscal Year 2021, and \$106.4 million for Fiscal Year 2020.

The OPEB plan is financed on a substantially "pay-as-you-go" basis whereby contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due. The Authority is then required to reimburse the General Fund for the OPEB costs of the Authority's retirees. The Authority applies revenues generated by the Legislative Surcharge to pay these costs. See "REGULATORY ENVIRONMENT – Regulation of Ratemaking."

The following table sets forth the Government's contributions from the General Fund for OPEB for Fiscal Years 2018 through 2022, as well as the Authority's contributions to reimburse the Government for the OPEB costs of the Authority's retirees.

Table 18
Government Contributions from General Fund for OPEB and
Authority's Contribution to Reimburse OPEB and Other Retirement Costs
Fiscal Years 2018 through 2022

Fiscal Year	Government Contributions⁽¹⁾	Authority's Contribution to Reimburse OPEB and Other Retirement Costs⁽⁴⁾
2018 ⁽²⁾	\$ 40,931,316	\$ 3,447,544
2019	45,959,706 ⁽³⁾	3,457,157
2020	[]	3,161,350
2021	[]	3,130,955
2022	[]	3,216,922

⁽¹⁾ Comprised of retiree healthcare premiums and Medicare reimbursement.

⁽²⁾ Government's share of contributions for healthcare premiums and Medicare reimbursement shows an increasing trend due to the rising cost of policy premiums, reflecting medical costs generally and higher Government share of retiree costs. Medical cost trends have been incorporated into the OPEB valuation. In Fiscal Year 2019, additional costs are attributable to retiree enrollment with the greatest cash impact on the General Fund.

⁽³⁾ Unaudited.

⁽⁴⁾ Includes retiree healthcare, COLA, supplemental annuity and medical/dental/life for DC retirees reimbursed to the Government.

Sources: Extracted from the Audited Financial Statements, Government of Guam for Fiscal Years 2018 through 2022, Government of Guam and Guam Waterworks Authority.

See APPENDIX B – "FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022," Note [].

Liquidity

As of August 31, 2023, the Authority had approximately 376 days of cash on hand, or \$69.3 million, which includes funds in the Operation, Maintenance, Renewal and Replacement Reserve Fund, Operation and Maintenance Fund, and Working Capital Reserve for Operations and Maintenance account, as well as unrestricted funds on hand.

REGULATORY ENVIRONMENT

Environmental Regulations

General. The Authority is subject to federal and Guam regulations governing water supply and wastewater treatment. The drinking water standards promulgated in the SDWA are the primary requirements for water supply. Wastewater treatment and disposal must comply with the water quality standards in the CWA. Guam EPA is the local agency responsible for monitoring Authority operations for compliance. Generally, Guam EPA regulations are the same as the federal standards, although the agency can implement more stringent requirements if Guam EPA determines it is necessary. Guam EPA and the US EPA jointly enforce environmental regulations on Guam, except that Guam EPA has primacy for establishing and enforcing water quality standards under the SDWA, while the US EPA has retained NPDES permit authority under the CWA.

The Authority had difficulty complying with SDWA and CWA regulations prior to 2010. In 2002, the US EPA filed a complaint against the Authority in the Guam District Court seeking to appoint a receiver to address the Authority's inability to comply with the CWA and the SDWA. In part in response to concerns over continued non-compliance by the Authority, the Guam Legislature created the CCU as the governing body of both the Authority and GPA, thereby removing the Authority, as well as GPA, from the direct control of the Government of Guam.

2003 Stipulated Order and 2011 Court Order. In November 2002, members of the CCU met with the U.S. Attorney General and representatives from the US EPA to discuss the CCU's role in the rehabilitation of the Authority. The US EPA and the Authority agreed to enter into the 2003 Stipulated Order, pursuant to which the Authority was given the opportunity to comply with federal water and wastewater regulations under the governance of the CCU. The 2003 Stipulated Order required the Authority to make specified improvements to the System and to

undertake certain planning measures by specific dates. The Authority began implementing the specified projects, including, among other things, the completion of the 2006 WRMP to serve as the basis for the Authority's long-term planning. The 2006 WRMP set forth an assessment of the Authority's System and outlined improvements over a 20-year period necessary for regulatory compliance and System growth. The CCU and the US EPA approved the 2006 WRMP. However, the Authority did not meet all of the deadlines in the 2003 Stipulated Order, and the US EPA required it to pay fines in the aggregate amount of \$413,750 from 2004 through 2010.

In 2010, the US EPA requested that the Guam District Court order the Authority to address the then-remaining incomplete items in the 2003 Stipulated Order, as well as certain additional actions or improvements, some of which were identified by the Authority in the 2006 WRMP. In 2011, the Guam District Court issued the 2011 Court Order, which established deadlines for such projects and superseded the 2003 Stipulated Order and all prior orders. The 2011 Court Order contains 86 projects, two notice requirements and five ongoing reporting requirements relating to management, operations, financial administration, facilities construction and rehabilitation and training requirements to be implemented in accordance with strict schedules. The 2011 Court Order is being administered directly by the US EPA through its Region 9 office in San Francisco, California. The Authority must submit all 2011 Court Order deliverables to the US EPA for review, and where noted, comment and approval. The Authority is required to provide quarterly progress reports to the US EPA and to the Guam District Court covering all items stipulated in the 2011 Court Order. The Authority has, by and large, complied with the timelines set forth in the 2011 Court Order, and the US EPA has not fined the Authority for any missed compliance dates since the issuance of the 2011 Court Order.

Compliance with the 2011 Court Order has been a top priority for the Authority. The Authority has completed 85 of the 86 projects under the 2011 Court Order and is in compliance with the two notice requirements and five ongoing reporting requirements under the 2011 Court Order. The one remaining project under the 2011 Court Order is the completion of the replacement, rehabilitation or reconstruction of 17 storage tanks in accordance with the hydraulic assessment submitted to US EPA. There are 12 storage tanks under contract for construction/repair and five storage tanks that are pending contract issuance for construction/repair. In June 2023, the Authority filed a Motion to Extend Time and the Guam District Court granted an extension for completion of the last project until December 31, 2025. The Authority expects to complete the remaining work on the 17 tanks by the end of 2025.

Compliance with the SDWA – Water System. Treatment of groundwater obtained by the Authority from wells and the Santa Rita Spring and drinking water from the Ugum WTP and the Fena WTP complies with SDWA requirements.

Although the Authority's drinking water is in compliance with regulatory requirements, PFOS and PFOA contamination, which is not currently regulated but has become a nationwide issue, has been detected in Guam's aquifer at isolated locations. The Authority has proactively addressed regulatory guidelines by shutting down impacted wells and providing additional treatment for the emerging PFOS and PFOA issues in cooperation with the Guam EPA and the US EPA. Currently, two wells are shut down for PFOS and PFOA contamination pending the installation of a granular activated carbon treatment system. Design of this project is complete and construction bid packet issuance is pending. The Authority, with assistance from the DOD, is evaluating the potential source of the PFOS and PFOA contamination. In anticipation of promulgation of final federal rules regulating per- and polyfluoroalkyl substances compounds, the Authority is currently in the planning stages for additional treatment systems that might be required, and evaluating various treatment technologies for suitability given Guam's unique conditions.

Compliance with the CWA – Wastewater System. The Authority has completed or has projects in progress to meet the 2011 Court Order requirements and to meet the changes to NPDES permits requiring increased levels of wastewater treatment. No formal notices of violation have been issued to the authority for NPDES violations.

Hagåtña WWTP. Until June 2013, the Hagåtña WWTP operated under a secondary treatment variance issued by the US EPA under the CWA, which permitted the Authority to discharge primary effluent into the Philippine Sea. Effective as of June 1, 2013, however, the NPDES permit includes secondary treatment requirements that the existing Hagåtña WWTP is unable to meet until a secondary treatment process is implemented. The Authority and the US EPA have negotiated but not yet formalized a partial secondary treatment compliance

schedule for the Hagåtña WWTP. The Authority expects to obtain a [full] compliance schedule that will permit it to delay implementation of the secondary treatment requirements until after the provisions and capital requirements of the 2011 Court Order have been satisfied. Pursuant to the 2018 WRMP Update, secondary effluent upgrade design is currently planned to start in 2037. See “THE SYSTEM – The Wastewater System – Wastewater Treatment Plants – Hagåtña WWTP.”

Northern District WWTP. Upgrades to the Northern District WWTP were completed in August 2022, bringing the plant into compliance with secondary treatment requirements under a NPDES permit issued in [Month Year.] Although the project was substantially completed in August 2022, secondary treatment of wastewater flows began in March 2022, and the plant has been in full compliance with NPDES permit requirements since that time.

Agat-Santa Rita WWTP. The US EPA issued a NPDES permit for the Agat-Santa Rita WWTP in November 2017, which included secondary treatment standards, and the Authority has been in full compliance since May 2017. The Authority has conducted infiltration and inflow analyses and SSESs, which have shown reported instances of excessive infiltration and inflow enter into the sewer collection system. [Some repairs have been completed and other repair and rehabilitation projects are under way in Agat and Santa Rita.]

Umatac-Merizo WWTP. An upgrade to the Umatac-Merizo WWTP was completed in January 2020. In November 2019, the US EPA issued a new NPDES permit that requires reduction of phosphorous in the plant's discharge. However, the Authority does not expect to meet the permit limits for phosphorous at certain times of the year. The Authority expects to conduct studies of plant effluent constituents, phosphorous levels in the effluent at different times of the year and phosphorous removal rates now that the upgrade has been completed. [Although the Authority has completed a design for phosphorous control improvements, construction of such improvements is pending the completion of the studies described above.]

Inarajan WWTP. The Inarajan WWTP is not subject to an NPDES permits because it does not discharge to surface waters. The plant is currently in compliance with applicable discharge requirements.

Pago Socio WWTP. The Pago-Socio WWTP is not subject to an NPDES permits because it does not discharge to surface waters. The plant is currently in compliance with applicable discharge requirements.

Other Environmental Regulations

In addition to the water and wastewater regulations discussed above, the Authority must also comply with other applicable environmental requirements, including, but not limited to, air emission standards for standby diesel generators, regulations related to above-ground and underground petroleum storage tanks, regulations under the Clean Air Act and various health and safety regulations regarding work performed by the Authority's employees (including voluntary compliance with the Occupational Health and Safety Act).

Consent Decree

The Authority and the US EPA are currently in negotiations about setting priorities for future improvements to the System, particularly with respect to the wastewater collection system, including pipelines, pump stations and secondary wastewater treatment. After a pause in the negotiations due to the COVID-19 pandemic and to allow action by the PUC on the Authority's 2020 Five-Year Financial Plan, negotiations resumed in summer 2022 on a reduced scope of compliance items which can be completed within a 10-year timeframe. The Authority has finalized negotiations and expects that the partial consent decree (the “**Partial Consent Decree**”) to be signed by the end of October 2023, which will be subject to approval by the Guam District Court. The Authority anticipates that the Partial Consent Decree will cover a period of 10 years and cover wastewater collection system projects also identified in the 2018 WRMP Update except for the secondary treatment upgrade project at Hagåtña WWTP. See “THE SYSTEM – The Wastewater System – Wastewater Treatment Plants – Hagåtña WWTP” and “FUTURE SYSTEM CAPITAL REQUIREMENTS – 2018 Water Resources Master Plan Update.”

Regulation of Ratemaking

The Authority's ratemaking is regulated by the PUC. The Authority and the CCU establish water and wastewater rates and charges and present them to the PUC for regulatory review and approval. Guam law requires that the PUC set rates that are just and fair and are adequate to provide revenues sufficient to pay for all prudent acts of owning, properly maintaining and operating the System. Generally, PUC approval of a proposed rate plan includes an annual true-up analysis to evaluate the necessary level of rate adjustment based on actual financial performance; therefore, while the PUC may approve a rate plan, annual rate adjustments are typically subject to the results of the true-up analysis. [In connection with the 2020-2024 rate plan, the PUC made an exception to this process by not requiring a true-up analysis with respect to the rate adjustment for Fiscal Year 2021.] See "HISTORICAL AND PROJECTED OPERATING RESULTS – Projected Operating Results – 2020-2024 Rate Plan."

Pursuant to the Act and the Indenture, the Authority has pledged to the holders of all Bonds while any Bonds remain outstanding and not fully performed or discharged, to, among other things, maintain the rights, powers and duties of the CCU and the PUC to fulfill the terms of the Bonds and the Indenture, and maintain the rights and remedies of bondholders provided in the Act and the Indenture.

FUTURE SYSTEM CAPITAL REQUIREMENTS

2018 Water Resources Master Plan Update

In 2006, the Authority completed the Water Resources Master Plan (2004-2007) (the "2006 WRMP"), a planning document that set forth an assessment of the Authority's System and outlined capital improvements over a 20-year period. In 2018, the Authority completed the 2018 WRMP Update, an update to the 2006 WRMP, which the CCU adopted in 2018. The 2018 WRMP Update provided a comprehensive assessment of the Authority's progress toward achieving the recommendations set forth in the 2006 WRMP and further developed a capital improvement program and financial plan to achieve the Authority's goals and objectives to meet acceptable levels of service and system improvement for the next 20 years, through 2037. The long-term planning effort also addressed programmatic elements of the Authority's operations to sustain the utility and maintain compliance with drinking water standards and clean water regulations. The 2018 WRMP Update calls for approximately \$1.61 billion of capital spending (\$1.26 billion in 2017 dollars) over the 2018-2037 forecast period. The 2018 WRMP Update provides the basis for many of the capital improvements included in the current capital improvement program, which is further described herein. See "– Capital Improvement Program."

The Authority is in the process of finalizing an interim update to the 2018 WRMP Update and anticipates that the 2024 WRMP Update will be submitted to the CCU and the Guam PUC in early 2024.

Capital Improvement Program

General. In June 2019, the CCU approved the Authority's capital improvement program for Fiscal Years 2020 through 2024. For planning purposes, the Authority has included Fiscal Year 2025 in its 2020 CIP; however, the CCU has not yet approved the capital improvement program for Fiscal Year 2025. The Authority's 2020 CIP is described below.

[The Authority estimates the capital cost of implementing the 2020 CIP to be approximately \$391.7 million. The Authority expects to finance the 2020CIP with a combination of proceeds of previously issued bonds and Additional Bonds expected to be issued in [Fiscal Year 2023], as well as operating revenues, revenues from System Development Charges, US EPA State Revolving Fund grants and other grants. See "CERTAIN INVESTMENT CONSIDERATIONS – Implementation of the Capital Improvement Program."]

[The following table sets forth the allocation of projected 2020 CIP project costs among (i) water production, treatment, distribution and storage, (ii) wastewater collection and treatment, (iii) electrical, including monitoring and control, and (iv) general plant and miscellaneous, as well as the projected sources of funding for such projects by Fiscal Year.

[The 2020 CIP includes the Authority's expectations regarding the capital program requirements that will be mandated under the Consent Decree. However, because negotiations with the US EPA are currently ongoing and confidential, there is no guarantee regarding the capital program requirements that will ultimately be imposed under the Consent Decree. See "REGULATORY ENVIRONMENT – Consent Decree."]

[The COVID-19 pandemic and resulting COVID-19 Executive Orders have caused some delays to the issuance of construction permits to certain 2020 CIP projects, including projects related to the Tamuning Hot Spots Sewer Line, the Sinifa, Santa Rosa, Santa Rita reservoirs, the Piti reservoir, the Yigo and Astumbo reservoirs, and the Northern and Southern reservoirs. Construction permitting activities have resumed and only minor delays to these projects and other 2020 CIP projects in the early stages of construction have resulted.]

[The following table reflects adjustments made by the Authority to the 2020 CIP in response to the COVID-19 pandemic, as well as the issuance of the 2020A Bonds in 2020.]

Table 19
2020 CIP and Sources of Funds
Fiscal Years 2020 through 2025⁽¹⁾
(\$000)

	2023	2024	2025	2026	2027 ⁽²⁾	Total
Capital Improvement Program						
Water Production, Treatment, Distribution and Storage	10,638,315					
Wastewater Collection and Treatment	6,792,333					
Electrical, including Monitoring and Control	0					
General Plant and Miscellaneous	602,924					
Total:	18,033,572					
Percent for 2011 Court Order Projects						
Percent for Other Projects						
Sources of Funds						
Proceeds from 2016 Bonds	5,116,574					
Proceeds from 2020A Bonds	6,858,967					
Proceeds from Additional Debt	358,704					
State Revolving Fund and OEA Grants ⁽³⁾	3,753,444					
System Development Charge	1,651,092					
Internally Funded CIP (PAY GO)	294,790					
Total:	18,033,572					

⁽¹⁾ [The amounts included for Fiscal Years 2020 through 2025 are based on budgeted amounts as of July 31, 2020.]

⁽²⁾ [In June 2019, the CCU approved the Authority's capital improvement program for Fiscal Years 2020 through 2024. For planning purposes, the Authority has included Fiscal Year 2025 in its CIP; however, the CCU has not yet approved the capital improvement program for Fiscal Year 2025.]

⁽³⁾ [State Revolving Fund grants are administered by US EPA and are grants in U.S. territories such as Guam. See also "-- Grants" below.]

Source: Guam Waterworks Authority

[Major projects in the "Water Production, Treatment and Distribution and Storage" category of the 2020 CIP include projects to rehabilitate, replace or construct new groundwater wells, water distribution pipelines and booster pump stations, and to complete the remaining reservoirs necessary to comply with the 2011 Court Order and other regulatory requirements. Major projects in the "Wastewater Collection and Treatment" category of the 2020 CIP include projects to rehabilitate or replace collection system pipes and pump stations, and to bring the wastewater treatment plants into regulatory compliance in accordance with the 2011 Court Order and other regulatory actions. The 2020 CIP does not include projects to upgrade the Hagåtña WWTP to achieve secondary treatment standards to comply with the 2020 Hagåtña Permit. See "THE SYSTEM – The Wastewater System – Wastewater Treatment Plants – Hagåtña WWTP." Major projects in the "Electrical" category of the CIP (including

monitoring and control) include electrical and control system upgrade projects at groundwater wells, booster pump stations and wastewater pump stations, as well as development of a SCADA system to increase operational control and efficiency. Major projects in the "General Plant and Miscellaneous" category of the 2020 CIP include information technology improvements, security improvements, mobile fleet replacements and general plant improvements.]

Grants. In the past 10 years, the Authority was awarded approximately \$101.9 million in State Revolving Fund ("SRF") grants from the US EPA, and approximately \$173.2 million in grants from the DOD through the OLDCC for the Wastewater Infrastructure Improvements Program, as further described herein. [Moving forward, the Authority anticipates that approximately 12.6%, or \$49.4 million, of the funds necessary for the CIP will be provided by SRF grants.]

U.S. Military Realignment

[In 2010, the U.S. military planned to move approximately 8,600 military personnel and 9,000 dependents to Guam by 2013. The DOD subsequently altered its plans and completed a Supplementary Environmental Impact Statement ("SEIS") and released a Record of Decision ("**Record of Decision**") for the military realignment in August 2015. The DOD now plans to relocate approximately 5,000 military personnel and 1,300 dependents to Guam over a 12-year period, which is expected to increase the military population on Guam by approximately 50% over current levels. [The expected population increase is estimated to peak at 9,721 people in 2023, including military personnel and dependents, as well as construction and civilian personnel associated with the military realignment. As construction declines and construction personnel leave Guam, the overall long-term population increase is expected to reach a steady state of 7,412 people by 2028.]

The expected peak population at 9,721 people in 2023, a 5.8% increase in population over estimated 2019 levels, poses significant implications for Guam's infrastructure, including the Authority's System. Pursuant to the SEIS, the DOD estimates that the military realignment will result in increased wastewater generation of approximately 1.2 mgd and increased potable water demand of approximately 1.7 mgd. Such increases would result in a significant indirect impact on the aquifer lens and in a significant indirect impact on the Northern District wastewater system, respectively. To address the increased demands on the System, the DOD and the Authority have initiated several projects.

Three projects have been deemed critical to the military realignment: (i) upgrading the Northern District WWTP to secondary treatment and installing the related outfall diffuser[, which was completed in summer 2022 (see "THE SYSTEM – The Wastewater System – Wastewater Treatment Plants – Northern District WWTP)"]; (ii) refurbishing the interceptor sewer that runs from the Andersen Air Force Base to the Northern District WWTP; and (iii) expanding and rehabilitating the Northern Guam Lens Aquifer in the northwest field area of the Andersen Air Force Base (together, the "**Water and Wastewater Infrastructure Improvements Program**"). The Authority has received approximately \$173.2 million in grants from the DOD, through the OLDCC, for the Water and Wastewater Infrastructure Improvements Program, and expects to contribute an additional \$7.6 million to the program from proceeds of the 2020A Bonds and SDCs.

Except as described above, the Authority does not currently expect the U.S. military build up to materially affect the Authority's future capital requirements and has not included any capital improvements relating to the U.S. military build-up in the CIP. Based on the memorandum of understanding entered into in 2010 and updated in 2016 by the Authority and the DOD, the Authority expects that the DOD will provide appropriate and adequate funding sources for all direct and indirect impacts to the Authority's infrastructure resulting from any build-up in order to avoid rate pressure on the Authority's civilian customers. Although the 2016 MOU does not bind either party to any financial commitments, the 2016 MOU does reflect that, among other things, the parties will evaluate and fairly distribute agreed-upon costs associated with meeting DOD requirements.

For additional information about the military realignment, see APPENDIX A – "GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Military Activity."]

HISTORICAL AND PROJECTED OPERATING RESULTS

Historical Operating Results

The following table sets forth the Authority's historical operating results and debt service coverage for Fiscal Years 2018 through 2022.

Table 20
Historical Operating Results and Debt Service Coverage
Fiscal Years 2018 through 2022⁽¹⁾
(\$000)

	2018	2019	2020	2021	2022
Operating Revenues ⁽¹⁾ :					
Water Sales Revenues	\$ 68,733	\$ 70,369	\$ 68,351	\$ 67,056	\$ 66,735
Wastewater Revenues	39,415	40,823	35,599	32,509	34,726
Other Revenues ⁽²⁾	520	679	589	502	464
Total Operating Revenues ⁽³⁾⁽⁴⁾	\$ 108,668	\$ 111,871	\$ 104,539	\$ 100,067	\$ 101,925
Operating Expenses:					
Water Purchases	\$ 8,685	\$ 6,278	\$ 5,551	\$ 6,616	\$ 5,656
Power Purchases	14,686	16,151	14,118	12,508	18,577
Salaries and Wages	19,920	22,138	23,168	22,800	22,827
Contractual ⁽⁵⁾	5,037	5,945	4,432	4,247	4,493
Retiree and Healthcare ⁽⁶⁾	2,850	2,857	2,557	2,527	2,595
Administrative and General ⁽⁷⁾	11,744	12,062	10,671	10,269	9,985
Total Operating Expenses	\$ 62,922	\$ 65,431	\$ 60,497	\$ 58,967	\$ 64,133
Amounts Available for Debt Service					
Net Operating Revenues	\$ 45,746	\$ 46,440	\$ 44,042	\$ 41,101	\$ 37,792
Investment Income – Other Funds ⁽⁸⁾	548	830	288	71	276
Current Revenues Available for Debt Service	\$ 46,294	\$ 47,270	\$ 44,330	\$ 41,171	\$ 38,068
Indenture Debt Service Coverage Covenant:					
Current Revenues Available for Debt Service	\$ 46,294	\$ 47,270	\$ 44,330	\$ 41,171	\$ 38,068
Debt Service on Outstanding Bonds ⁽⁹⁾	26,739	31,368	34,175	31,437	33,458
Debt Service Coverage (1.25x) ⁽¹⁰⁾	1.73x	1.51x	1.30x	1.31x	1.35x

⁽¹⁾ [Historical Water and Wastewater Revenues are as per the Statement of Operations and Retained Earnings Fiscal Year 2015 through Fiscal Year 2019.]

⁽²⁾ [“Other Revenue” items include revenues from illegal connection, installation fee, reconnection fee, insufficient fund check, meter tampering, direct service, miscellaneous, trouble report water, rent - GTA lease, miscellaneous admin, account analysis, reproduction copies bills, special reading, inspection fee, verification time test, bench test, meter relocation, plan and specs, cash shorts/overs, inspection fee, miscellaneous sewer revenues and honey buckets.]

⁽³⁾ [Water and Wastewater Revenues include Legislative Surcharges, which ranged from \$2.8 million in Fiscal Year 2015 to \$3.6 million in Fiscal Year 2019.]

⁽⁴⁾ [System Development Charge revenues are not included in Operating Revenues. These revenues ranged from \$1.2 million in Fiscal Year 2015 to \$0.9 million in Fiscal Year 2019.]

⁽⁵⁾ [“Contractual” expenses include audit, meter reading and computer maintenance, engineering, legal, testing and other expenses, as well as program management fees, claims, insurance, training, advertising, building rental, equipment rental, regulatory and miscellaneous expenses.]

⁽⁶⁾ [“Retiree and Healthcare” expenses include medical, dental and life insurance costs and supplemental annuities.]

⁽⁷⁾ [“Administrative and General” expenses include sludge removal, chemicals, materials and supplies, transportation expense, telephone, and communication and bad debt expense.]

⁽⁸⁾ [“Other Income” includes interest on bond reserve funds.]

⁽⁹⁾ [Amounts shown are net of capitalized interest.]

⁽¹⁰⁾ [Represents the Authority's covenant to provide rates sufficient to ensure that its debt service coverage ratio equals at least 1.25x the aggregate annual debt service. See “THE SYSTEM – Debt Service Coverage.” Calculated based on Current Revenues Available for Debt Service divided by Debt Service on Outstanding Bonds (net of capitalized interest).]

Source: Guam Waterworks Authority.

Projected Operating Results

General. The Authority does not as a matter of course make public projections as to future sales, earnings or other results. However, the Authority has prepared the prospective financial information as set forth in Table 23 to provide projected water sales and wastewater revenues, cost of services, operating results and debt service coverage. The accompanying prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Authority's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Authority. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information. Neither the Authority's independent auditors nor any other independent accountants have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. The assumptions and estimates underlying the prospective financial information are inherently uncertain and, though considered reasonable by the management of the Authority as of the date of its preparation, are subject to a wide variety of significant business, economic, and risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the Authority or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this Official Statement should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.]

The following Table 21 sets forth updated projected water and wastewater revenues, cost of services, operating results and debt service coverage based on unaudited financial information for Fiscal Year 2023 and projected operating results and debt service coverage for Fiscal Years 2024 through 2027. [Projected operating results for Fiscal Year 2023 are based on the 2020-2024 Rate Plan.]

Table 21
Projected Operating Results and Debt Service Coverage⁽¹⁾
Fiscal Years 2023 through 2027
(\$000)

	2023	2024	2025	2026	2027
Operating Revenues⁽²⁾:					
Water Revenues	\$ 67,071,925	\$ 68,442,403			
Wastewater Revenues	36,597,378	35,273,753			
Legislative Surcharge	3,111,602	3,105,367			
Other Revenues ⁽³⁾	527,660	470,941			
System Development Charges	1,404,467	1,686,867			
Total Operating Revenues	108,713,032	108,979,331			
Operating Expenses:					
Water Purchases	\$ 7,018,398	\$ 6,379,055			
Power Purchases	24,987,297	27,871,109			
Salaries and Wages	24,800,156	23,601,155			
Contractual ⁽⁴⁾	5,563,507	5,901,271			
Retiree and Healthcare ⁽⁵⁾	3,544,309	3,755,617			
Administrative and General ⁽⁶⁾	10,176,175	11,298,024			
Total Operating Expenses	\$ 76,089,842	\$ 78,806,232			
Net Operating Revenues	\$ 32,623,190	\$ 30,173,099			
Investment Income – Other Funds	\$1,445,258	\$1,445,258			
Cost-of-Living Allowance	673,200	673,200			
System Development Charges	(1,404,467)	(1,686,867)			
Rate Stabilization	2,550,000	3,500,000			
ARPA Grant	14,880,000	14,880,000			
Current Revenues Available for Debt Service	\$ 50,767,181	\$ 48,984,690			
Indenture Debt Service Coverage Covenant⁽⁷⁾:					
Current Revenues Available for Debt Service	\$ 50,767,181	\$ 48,984,690			
Senior Lien Debt Service ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	39,036,678	39,042,065			
Indenture Debt Service Coverage (1.25x)	1.30x	1.25x			

⁽¹⁾ Projected revenues and expenses are based on budgeted amounts as of July 31, 2020.

⁽²⁾ Projected revenues for Fiscal Years 2020 through 2025 are based on the 2020 Order. See "THE AUTHORITY – The 2020 Order."

⁽³⁾ "Other Revenue" items include revenues from illegal connection, installation fee, reconnection fee, insufficient fund check, meter tampering, direct service, miscellaneous, trouble report water, rent - GTA lease, miscellaneous admin, account analysis, reproduction copies bills, special reading, inspection fee, verification time test, bench test, meter relocation, plan and specs, cash shorts/overs, inspection fee, miscellaneous sewer revenues and honey buckets.

⁽⁴⁾ "Contractual" expenses include audit, meter reading and computer maintenance, engineering, legal, testing, program management fees, claims, insurance, training, advertising, building rental, equipment rental, regulatory and miscellaneous expenses, and other expenses.

⁽⁵⁾ "Retiree and Healthcare" expenses include medical, dental and life insurance costs, supplemental annuities, and cost of living allowance (COLA).

⁽⁶⁾ "Administrative and General" expenses include sludge removal, chemicals, materials and supplies, transportation expense, telephone, and communication and bad debt expense.

⁽⁷⁾ Represents the Authority's covenant to provide rates sufficient to ensure that its debt service coverage ratio equals to at least 1.25x the aggregate annual debt service. See "THE SYSTEM – Debt Service Coverage." Calculated based on Current Revenues Available for Debt Service divided by Senior Lien Debt Service (net of capitalized interest).

⁽⁸⁾ Additional bonds are assumed to be issued at an interest rate of 5.0 percent with 30-year terms. Additional bonds are assumed to be issued with two-year capitalized interest periods, a 6% bond reserve, and issuance costs of 2% of par value.

⁽⁹⁾ Amounts shown are net of capitalized interest.

⁽¹⁰⁾ [Includes debt service on the 2010 Bonds, the unrefunded 2013 Bonds, the 2014A Bonds, 2016 Bonds, 2017 Bonds and 2020A Bonds, and projected debt service on the 2023A/2024A Bonds. Assumes the 2023A/2024A Bonds generate \$[] million in annual debt service savings from Fiscal Years 2024 through 2027.]

Source: Guam Waterworks Authority.

DELAYED DELIVERY OF THE 2024A BONDS

[The Authority expects to enter into a Forward Delivery Bond Purchase Contract on or about [November 15], 2023* (the "**Forward Delivery Agreement**") for the 2024A Bonds with the Underwriters. Subject to the terms of the Forward Delivery Agreement, the Authority expects to issue and deliver the 2024A Bonds on the Delayed Delivery Date.

The obligation of the Underwriters to purchase the 2024A Bonds from the Authority is subject to the satisfaction of certain conditions, as outlined in the Forward Delivery Agreement, on the preliminary closing date (November 28, 2023*) (the "**Preliminary Closing Date**") and on the Delayed Delivery Date. The conditions to be satisfied during the period from and including the date of the Forward Delivery Agreement to the Preliminary Closing Date are, in general, comparable to those required in connection with bond closings that use a customary period of up to six weeks between sale dates and settlement dates. Because of the longer period between the sale and settlement of the 2024A Bonds, there are certain additional termination rights and settlement conditions that are not generally present in bond sales that do not involve a delayed delivery, and certain of those additional rights and conditions are summarized below. All the conditions and termination rights with respect to the sale and settlement of the 2024A Bonds are set forth in the Forward Delivery Agreement. The following is a description of certain provisions of the Forward Delivery Agreement. The following description is not to be considered a full statement of the terms of the Forward Delivery Agreement and accordingly is qualified by reference thereto and is subject to the full text thereof, a copy of which is available from the Authority and the Underwriters.

BY PLACING AN ORDER WITH THE UNDERWRITERS FOR THE PURCHASE OF THE 2024A BONDS, EACH PURCHASER ACKNOWLEDGES AND AGREES THAT THE 2024A BONDS ARE BEING SOLD ON A DELAYED DELIVERY BASIS, THAT THE PURCHASER IS OBLIGATED TO ACCEPT DELIVERY OF AND PAY FOR THE 2024A BONDS ON THE DELAYED DELIVERY DATE SUBJECT TO THE CONDITIONS IN THE FORWARD DELIVERY AGREEMENT, AND THAT EACH PURCHASER WILL SIGN, AND DELIVER TO THE UNDERWRITERS, A FORWARD DELIVERY AGREEMENT OF PURCHASER IN THE FORM ATTACHED AS APPENDIX G (A "PURCHASER FORWARD DELIVERY AGREEMENT"). AS A CONDITION TO ANY 2024A BONDS BEING ALLOCATED TO SUCH PURCHASER, EACH PURCHASER ACKNOWLEDGES AND AGREES THAT IT WILL REMAIN OBLIGATED TO PURCHASE SUCH 2024A BONDS IN ACCORDANCE WITH THE TERMS OF THE FORWARD DELIVERY AGREEMENT, EVEN IF THE PURCHASER DECIDES TO SELL SUCH 2024A BONDS FOLLOWING THE DATE OF PURCHASE, UNLESS THE PURCHASER SELLS SUCH 2024A BONDS TO ANOTHER INSTITUTION WITH THE PRIOR WRITTEN CONSENT OF CITIGROUP GLOBAL MARKETS INC. ("THE REPRESENTATIVE"), AS THE REPRESENTATIVE OF THE UNDERWRITERS, AND SUCH INSTITUTION PROVIDES A WRITTEN ACKNOWLEDGEMENT OF CONFIRMATION OF PURCHASE ORDER AND A FORWARD DELIVERY AGREEMENT IN THE SAME RESPECTIVE FORM AS THAT EXECUTED BY THE PURCHASER.

Delayed Delivery Date

The issuance of the 2024A Bonds and the Underwriters' obligations under the Forward Delivery Agreement to purchase, accept delivery of and pay for the 2024A Bonds on the Delayed Delivery Date are conditioned upon the performance by the Authority of its obligations thereunder, the delivery of certain certificates and legal opinions, including, without limitation, the delivery of an opinion of Bond Counsel with respect to the 2024A Bonds dated the Delayed Delivery Date, substantially in the form and to the effect as set forth in APPENDIX D-2 to this Official Statement (the "**Bond Counsel Opinion**"), and the satisfaction of other conditions as of the Delayed Delivery Date. At any time subsequent to the Preliminary Closing Date and on or prior to the Delayed Delivery Date (the "**Delayed Delivery Period**"), the Underwriters have the right, without liability, to terminate their obligations under the Forward Delivery Agreement, by notifying the Authority of their election to do so, if:

(a) an event shall occur which makes untrue or incorrect in any material respect, as of its date, any statement or information contained in the Official Statement or in the supplemented Official Statement required by

* Preliminary, subject to change.

the Forward Delivery Agreement (the “**Official Statement Supplement**”) or which is not reflected in the Official Statement or Official Statement Supplement but should be reflected therein in order to make the statements contained therein in the light of the circumstances under which they were made, not misleading in any material respect and, in either such event, (i) the Authority refuses to permit the Official Statement or Official Statement Supplement, as the case may be, to be supplemented to supply such statement or information in a manner satisfactory to the Underwriters or (ii) the effect of the Official Statement or Official Statement Supplement, as so supplemented is, in the judgment of the Representative, to materially adversely affect the market price or marketability of the 2024A Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the 2024A Bonds;

(b) Bond Counsel notifies the Authority that as a result of any Change in Law or otherwise, it does not expect to be able to issue an opinion on the Delayed Delivery Date substantially in the form and to the effect set forth in APPENDIX D-2 to the Official Statement;

(c) for any reason, including a Change in Law, the issuance, offering, or sale of the 2024A Bonds as contemplated by the Forward Delivery Agreement or by the Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended or supplemented (the “**1933 Act**”), the Securities Exchange Act of 1934, as amended or supplemented (the “**1934 Act**”), or the Trust Indenture Act of 1939, as amended or supplemented (the “**1939 Act**”);

(d) an Event of Default has occurred and is continuing, under the Indenture; or

(e) as of the Delayed Delivery Date, the 2024A Bonds are not rated (or any rating is suspended or withdrawn which results in the 2024A Bonds having no rating) by Moody’s.

During the Delayed Delivery Period, certain information contained in this Official Statement could change in a material respect. The Authority has agreed in the Forward Delivery Agreement to deliver the Official Statement Supplement not more than 25 days nor less than 10 days prior to the Delayed Delivery Date.

If, on the Delayed Delivery Date, the Authority is unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the 2024A Bonds as set forth in the Forward Delivery Agreement or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the 2024A Bonds are terminated for any reason permitted by items (a) through (e) above, the Forward Delivery Agreement will terminate and neither the Underwriters nor the Authority will be under any further obligation under the Forward Delivery Agreement.

“**Change in Law**” shall mean any of the following, which occur at any time after the Preliminary Closing Date and prior to the Delayed Delivery Date: (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has a proposed effective date which is on or before the Delayed Delivery Date), (iii) any law, rule or regulation proposed or enacted by any governmental body, department or agency (if such enacted law, rule or regulation has a proposed effective date which is on or before the Delayed Delivery Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which with respect to the foregoing clauses (i) through (iv) would, (A) as to the Underwriters, legally prohibit (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) the Underwriters from (1) accepting delivery of and paying for the 2024A Bonds in accordance with the provisions of the Forward Delivery Agreement or (2) selling the 2024A Bonds or beneficial ownership interests therein to the bona fide purchasers or, (B) as to the Authority, make illegal the issuance, sale or delivery of the 2024A Bonds (or have the retroactive effect of making illegal such issuance, sale or delivery, if enacted, adopted, passed or finalized); (C) eliminate the exclusion from gross income of interest on the 2024A Bonds (or have the retroactive effect of eliminating such exclusion if enacted, adopted, passed, or finalized); or (D) require the 2024A Bonds to be registered under the 1933 Act or under the 1934 Act, or require the Indenture to be qualified under the 1939 Act (or have the retroactive effect of requiring such registration or qualification if enacted, adopted, passed or finalized); or (v) a stop order, ruling, regulation, or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the 2024A Bonds, is, or would be, in

violation of any applicable provision of the 1933 Act, the 1934 Act or the 1939 Act. A Change in Law shall not include any enactment, proposal or recommendation having the effect of diminishing (rather than eliminating) the exclusion from gross income for federal income tax purposes of interest payable on state or local bonds.

If the Change in Law involves the enactment of legislation which only diminishes the value of, as opposed to eliminating the exclusion from gross income for federal income tax purposes of, interest payable on "state or local bonds," the Authority may, nonetheless, be able to satisfy the requirements of the delivery of the 2024A Bonds. In such event, the Underwriters would be obligated to purchase the 2024A Bonds from the Authority at the offering prices and based on the terms established in the Forward Delivery Agreement, and the purchasers would be required to accept delivery of the 2024A Bonds from the Underwriters.

The Underwriters have advised the Authority that the 2024A Bonds will be sold only to purchasers who execute a Purchaser Forward Delivery Agreement. The Authority will not be a party to the Purchaser Forward Delivery Agreements, and the Authority is not in any way responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the Forward Delivery Agreement are not conditioned or dependent upon the performance of any Purchaser Forward Delivery Agreement. See APPENDIX I—FORM OF FORWARD DELIVERY AGREEMENT OF PURCHASER.

THE UNDERWRITERS (AND, IN TURN, THE PURCHASERS OF THE 2024A BONDS FROM THE UNDERWRITERS) MAY NOT REFUSE TO PURCHASE THE 2024A BONDS BY REASON OF "GENERAL MARKET OR CREDIT CHANGES" INCLUDING, BUT NOT LIMITED TO CHANGES IN THE RATINGS ANTICIPATED TO BE ASSIGNED TO THE 2024A BONDS, CHANGES IN THE FINANCIAL CONDITION, OPERATIONS, PERFORMANCE, PROPERTIES OR PROSPECTS OF THE AUTHORITY PRIOR TO THE DELAYED DELIVERY DATE, CHANGES IN THE GENERAL LEVEL OF INTEREST RATES OR CHANGES IN VALUE OF THE 2024A BONDS FOR ANY REASON OTHER THAN A FULL ELIMINATION OF TAX EXEMPTION OR FOR ANY REASON OTHER THAN DESCRIBED BY ITEMS (A) THROUGH (E) ABOVE.

Additional Risks Related to the Delayed Delivery Period

During the Delayed Delivery Period, certain information contained in this Official Statement could change in a material respect. Changes in such information will not permit the Underwriters to terminate the Forward Delivery Agreement unless the change reflects an event described above in items (a) through (e) under "Delayed Delivery Date," or release the purchasers of their obligation to purchase the 2024A Bonds except as expressly described in the Purchaser Forward Delivery Agreement.

In addition to the risks set forth above, purchasers of the 2024A Bonds are subject to certain additional risks, some of which are described below and which will not constitute grounds for purchasers to refuse to accept delivery of and pay for the 2024A Bonds.

Prospective purchasers should consult their investment advisors before making any decision as to the purchase of the 2024A Bonds. The following discussion, while not setting forth all of the factors that should be considered, contains some of the factors which should be considered, in addition to the other information in this Official Statement, prior to purchasing the 2024A Bonds. This section is not meant to be comprehensive or definitive, and there may be other risk factors which will become material in the future.

Opinion of Bond Counsel: Tax Law Risk. Subject to the additional conditions of settlement described under "Delayed Delivery Date" above, the Forward Delivery Agreement obligates the Authority to deliver and the Underwriters to acquire the 2024A Bonds if the Authority delivers the Bond Counsel Opinion. During the Delayed Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, promulgated or interpreted that might prevent Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion. Notwithstanding that the enactment of new legislation, new court decisions or the promulgation of new regulations or rulings might diminish the value of, or otherwise affect, the exclusion of interest on the 2024A Bonds for purposes of federal income taxation payable on "state or local bonds," the Authority might be able to satisfy the requirements for the delivery of the 2024A Bonds. In such event, the Underwriters would be required to accept delivery of the 2024A Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

Rating Risk. A rating has been assigned to the 2024A Bonds as described under “RATING.” No assurances can be given that the rating assigned to the 2024A Bonds on the Delayed Delivery Date will not be different from the rating currently assigned to the 2024A Bonds. Issuance of the 2024A Bonds and the Underwriters’ obligations under the Forward Delivery Agreement are not conditioned upon the assignment of any particular rating for the 2024A Bonds or the maintenance of the initial rating of the 2024A Bonds.

Market Value Risk. The market value of the 2024A Bonds as of the Delayed Delivery Date may be affected by a variety of factors including, without limitation, general market conditions, the rating then assigned to the 2024A Bonds, the financial condition and operations of the Authority, and federal and State income tax and other laws. The market value of the 2024A Bonds as of the Delayed Delivery Date could therefore be higher or lower than the price to be paid by the initial purchasers of the 2024A Bonds and that difference could be substantial. The Underwriters will nevertheless be obligated to take delivery of and pay for the 2024A Bonds if the conditions in the Forward Delivery Agreement are satisfied on the Delayed Delivery Date. NEITHER THE AUTHORITY NOR THE UNDERWRITERS MAKE ANY REPRESENTATION AS TO THE EXPECTED MARKET PRICE OF 2024A BONDS AS OF THE DELAYED DELIVERY DATE. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market price for the 2024A Bonds as of the Delayed Delivery Date or thereafter or not have a materially adverse impact on any secondary market for the 2024A Bonds.

Termination of Purchase Agreement. The Underwriters may terminate the Forward Delivery Agreement by notification to the Authority prior to the Delayed Delivery Date if any of the events described above in items (a) through (e) under “Delayed Delivery Date” occurs. Although the Authority is not aware, as of the date of this Official Statement, of any information that would lead it to believe that it will be unable to satisfy its obligations under the Forward Delivery Agreement on the Delayed Delivery Date, no assurances can be made that, as of the Delayed Delivery Date: (i) there will have been no Change in Law; (ii) the facts and circumstances that are material to one or more of the required legal opinions will not differ from the facts and circumstances as of the Preliminary Closing Date, or (iii) that all necessary certifications and representations can or will be delivered and made in connection with the proposed issuance and delivery of the 2024A Bonds. As a consequence of any of the foregoing, one or more of the foregoing legal opinions may not be rendered or one or more of the Delayed Delivery Date conditions in the Forward Delivery Agreement may not be met, with the possible result that the delivery of the 2024A Bonds will not occur.

Secondary Market Risk. The Underwriters are not obligated to make a secondary market in the 2024A Bonds, and no assurances can be given that a secondary market will exist for the 2024A Bonds during the Delayed Delivery Period. Purchasers of the 2024A Bonds should assume that the 2024A Bonds will be illiquid throughout the Delayed Delivery Period.

Official Statement Supplement

[The Official Statement Supplement will include the Authority’s audited financial statements for Fiscal Year 2023, an updated Appendix A describing general information regarding the Territory of Guam, and a section describing any material recent developments.]

CERTAIN INVESTMENT CONSIDERATIONS

The following discussion of considerations is not meant to be an exhaustive list of the risks associated with the purchase of the 2023A/2024A Bonds and does not necessarily reflect the relative importance of the various risks. Potential purchasers of the 2023A/2024A Bonds are advised to consider the following factors, among others, and to review all other information in this Official Statement in evaluating whether to purchase the 2023A/2024A Bonds. Any one or more of the risks discussed, and others, could lead to a decrease in the market value and/or in the ability to sell the 2023A/2024A Bonds in the secondary market. No assurance can be given that other risk factors will not become material in the future. The 2023A/2024A Bonds may not be suitable investments for all persons. Prospective purchasers should be able to evaluate the risks and merits of an investment in the 2023A/2024A Bonds and should confer with their own legal and financial advisors before considering a purchase of the 2023A/2024A Bonds.

General

The principal of and interest on the Bonds, including the 2023A/2024A Bonds, is payable pursuant to the Indenture solely from the Revenues. The ability to pay debt service on the Bonds, including the 2023A/2024A Bonds, will depend on the receipt of sufficient Revenues, pledged as payment for the Bonds. The Authority's ability to generate Revenues is dependent on several factors. To the extent the Authority is unable to make up for Revenue shortfalls, the Authority's ability to pay debt service on the Bonds, including the 2023A/2024A Bonds, may be adversely affected.

Limitations on Remedies

The 2023A/2024A Bonds are not subject to acceleration under any circumstances or for any reason, including without limitation on the occurrence or continuance of an Event of Default. Upon the occurrence or continuation of an Event of Default, a Bondowner would only be entitled to principal and interest payments on the 2023A/2024A Bonds as they come due. Under certain circumstances, Holders of the 2023A/2024A Bonds may not be able to pursue certain remedies or enforce covenants contained in the Indenture. The remedies available to the Holders of the 2023A/2024A Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing law, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2023A/2024A Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by insolvency or other laws affecting the rights of creditors generally.

The federal Bankruptcy Code dictates which entities are eligible to seek relief as debtors under each chapter of that federal law. Neither the Government nor the Authority are legally able to seek bankruptcy relief under current federal law. No proposed debt restructuring legislation has been introduced in the Guam Legislature, nor to the Authority's knowledge is any such legislation being contemplated or discussed. The Authority can neither predict nor provide any assurances regarding any future changes in law or legislative proposals.

Uncertainties of Projections and Assumptions

This Official Statement contains certain assumptions, estimates, projections and other forward-looking statements. Demonstration of compliance by the Authority with certain of the covenants contained in the Indenture also may be based upon assumptions, estimates and projections. Actual results, however, may differ, perhaps materially, from those projected. In addition, certain assumptions with respect to future business and financing decisions, including the decision to undertake, or to postpone or cancel, future capital improvements of the System may not occur and are subject to change. No representation is made or intended, nor should any representation be inferred, with respect to the existence of any future set of facts or circumstances, and prospective purchasers of the 2023A/2024A Bonds are cautioned not to place undue reliance upon any forecasts, estimates, plans or projections or requirements for forecasts or projections. If actual results are less favorable than the results projected or if the assumptions used in preparing projections prove to be incorrect, the ability of the Authority to make timely payment of the principal of and interest on the Bonds, including the 2023A/2024A Bonds, may be materially and adversely affected.

Guam Economy; Impact of Tourism and Military Presence

General. The Authority's ability to generate Revenues depends in large measure on the local economy, which is heavily dependent on tourism and the U.S. military presence, both of which are dependent on world economic, social and political events.

Tourism. Tourism represents a significant share of the economic activity on Guam. Historically, the tourism industry, both worldwide and on Guam, has correlated closely with the state of the world's economies and levels of real disposable income. A weak economy, war, epidemic outbreaks, natural disasters or the threat of terrorist activity, among other influences that are beyond the Authority's control, can adversely affect the tourism industry. The outbreak of COVID-19 has had a material impact on the tourism industry. [See APPENDIX A –

“GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – COVID-19 Pandemic” and “– GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Guam Tourism Industry.”] Also, currency exchange rates, trade balances, political relationships, and conflicts within and between countries are increasingly important influences on tourism.

Economic, social and political conditions in Japan, South Korea and throughout the Pacific Rim, and the resulting effect on overseas travel from these countries, are a major determinant of tourism on Guam. Tourism, particularly from South Korea and Japan, where approximately 85% of visitors originated over the past several fiscal years through Fiscal Year 2020 (prior to the outbreak of the COVID-19 pandemic), represents a significant share of the economic activity on Guam. In response to the COVID-19 pandemic, many countries, including South Korea and Japan, issued shelter-in-place orders and travel restrictions and warnings. As a result of the COVID-19 pandemic, Fiscal Year 2020 and Fiscal Year 2021 total visitor arrivals from South Korea and Japan to Guam fell by 53.6% and 99.6%, respectively, from Fiscal Year 2019. Any continued or future significant downturn in tourism, including a downturn related to South Korean or Japanese economic conditions or social policies, may result in reduced collection of Revenues. While the GVB expects visitor arrivals to rebound once the pandemic subsides, no assurance can be given that Guam will not experience continued reductions in the number of visitors from South Korea, Japan and other visitor markets because of the COVID-19 pandemic or other economic, social or political conditions. [See “– Worldwide Health Concerns” below and APPENDIX A – “GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Guam Tourism Industry.”] In addition, lower levels of employment tend to reduce the revenue available to the Authority. To the extent the Authority is unable to make up for revenue shortfalls, the ability to pay debt service on the Bonds may be adversely affected.

U.S. Military Presence. Guam’s economy and the Authority’s level of Revenues are also affected by the U.S. military presence on Guam. The U.S. military presence affects economic activity on Guam in various ways, such as through individuals’ demand for commercial, construction and other services. Expansions in the U.S. military presence, such as the expansions expected to occur over the next several years, can also have a direct, positive impact on the Guam economy and the Authority’s level of Revenues by spurring new economic activity and attracting visitors to Guam. However, economic, geopolitical, and other influences that are beyond the Government and the Authority’s control might result in a decision by the U.S. government to reduce the existing presence of the U.S. military on Guam or forego some or all of the planned enhancements to its presence on Guam.

Approximately 5,000 marines and 1,300 dependents from Okinawa, Japan and other locations are expected to be relocated to Guam by Fiscal Year 2028, with the first 2,500 marines moving to Marine Corps Base Camp Blaz, a new Marine Corps base to be built on existing federal land in Finegayan, Dededo (near Andersen Air Force Base in the northern part of Guam) in Fiscal Year 2025. If the U.S. military changes its current plans with respect to staffing and other strategic improvements on Guam, expected benefits may not be realized and the economy and the Authority’s level of Revenues could be adversely affected. If the U.S. military elects to reduce or eliminate its presence on Guam, the economy and the Authority’s level of Revenues could decline.

H-2B Visas. The anticipated relocation of U.S. Marines from Okinawa, Japan and other economic projects has generated a significant amount of additional construction activity on Guam. The construction industry is heavily dependent on skilled foreign workers that require H-2B visas to work on Guam. As of [May 26], 2023, there were approximately 4,530 individuals with H-2B visas on Guam. From time to time, the U.S. Citizenship and Immigration Service (“USCIS”) has changed, amended or modified its policies with respect to approval of H-2B visas. Future approval of new H-2B visas or extensions of existing H-2B visas is uncertain and could impact future military construction, public infrastructure and private sector projects on Guam. The NDAA for federal fiscal year 2021 included a new provision that specifically allows Guam to bring in H-2B workers for civilian projects, which had not been allowed in previous years. For more information regarding the status of H-2B visas, see “APPENDIX A – GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – DEMOGRAPHIC AND ECONOMIC INFORMATION – H-2B Visas.”

[The Authority has had success in working with the DOD to secure H-2B visas for contractors working on U.S. military realignment projects under the National Defense Authorization Act. However, the denial of future H-2B visas and the decline of available skilled construction workers may negatively impact the Authority’s ability to construct its other capital projects by increasing construction timeframes and driving up costs. In an effort to solve

for this potential problem, the Authority is finding ways to use less labor-intensive methods, such as using manufactured, pre-cast concrete structural elements instead of cast-in-place concrete construction.]

Worldwide Health Concerns

A pandemic, epidemic or outbreak of an infectious disease can have significant adverse health and financial impacts on global and local economies, including Guam. For example, the COVID-19 pandemic has significantly impacted Guam's economic activity, the System and the Authority's financial and operating conditions. [See "THE AUTHORITY – COVID-19 Pandemic" and APPENDIX A – "GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM – COVID-19 Pandemic" and "– GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC INFORMATION – Guam Tourism Industry."]

Uncertainties Relating to Political and Military Actions

Guam is approximately 3,800 miles west-southwest of Honolulu, Hawaii, the nearest major city of the U.S. The significant U.S. military presence on Guam, its distance from locations in the U.S. and its location in relation to potential sites of political and military conflict in Asia make Guam both a location of great value to the U.S. militarily and a potential site of military conflict. Political events in Asia may create the risk of conflict for the region in general and, in some cases, for Guam. In response to threats in 2013 by North Korea to launch ballistic missile attacks against U.S. military targets, including targets on Guam, the U.S. military deployed a missile defense system to Guam. Threats by North Korea in August 2017 contributed, in part, to the declining number of tourists visiting Guam in Fiscal Year 2018, which was approximately 2.0% below the total number of tourists in Fiscal Year 2017. No assurance can be given that these threats and any future military actions will not have an adverse effect on Guam tourist activity and, as a result, the availability of Revenues sufficient to pay debt service on the Bonds, including the 2023A/2024A Bonds.

2011 Court Order with US EPA

[The 2011 Court Order, which is being administered directly by US EPA through its regional office in San Francisco, California, contains a comprehensive list of requirements, including management, operations, financial administration, facilities construction and rehabilitation and training requirements to be completed in accordance with a strict schedule. Only one project remains under the 2011 Court Order. In June 2023, the Guam District Court granted an extension for completion of the last project until December 31, 2025. See "REGULATORY ENVIRONMENT – Environmental Regulations –2003 Stipulated Order and 2011 Court Order." Failure of the Authority to meet the scheduled requirements in connection with the final project may result in fines being assessed against the Authority. Since the issuance of the 2011 Court Order, the Authority has not been assessed any fines for missed deadlines or received any formal notification regarding any such fines.]

Consent Decree with US EPA

[The Authority and the US EPA are currently in negotiations about setting priorities for future improvements to the System. The terms of the Consent Decree have not yet been finalized; however, failure of the Authority to meet any requirements of such decree may result in fines for missed deadlines in the future. See "REGULATORY ENVIRONMENT – Consent Decree."]

Typhoons and Earthquakes

Because of its location on the southern end of the Marianas Islands chain, Guam is exposed to periodic typhoons, earthquakes and floods. Typhoons and floods have caused significant damage to the Authority's facilities in the past. Damage to the Authority's System from typhoons and flooding has included sewage spills at pump stations and collection piping, collapse of collection piping, and failure of treatment plant equipment. Damage from floods and typhoons have also damaged facilities of GPA, which provide electric power to the Authority's System. To mitigate weather related service outages due to power interruption, back-up generators have been installed at a majority of the Authority's water and wastewater pump stations. Typhoons and other significant storm events and

other natural disasters occur periodically and can cause extensive damage to facilities and infrastructure, including to the Authority's System. The Authority has previously reported property losses resulting from storms damage.

[The most recent typhoon that caused damage to the System was in September 2018 during Typhoon Mangkhut. [See also "THE AUTHORITY – Typhoon Mawar."] Less than 1% of the Authority's customers were without water following this typhoon and all water service was restored within five days. Most damage from this typhoon was minor (e.g., damage to building doors and fences, and water main leaks caused by uprooted trees). The only moderate damage was to the roof of the Santa Rita Spring reservoir, and repair consisted of partial replace of the roof. There was no interruption of service from the facility. Damage to the System was estimated at approximately \$108,000.]

Guam has established building codes that are specifically designed to ensure that structures be able to sustain strong typhoon winds and earthquakes. Existing Authority structures were designed to satisfy the building codes as then in effect; new structures, and existing structures undergoing structural rehabilitation, are designed or upgraded to comply with Guam's current building codes. The Authority's above-ground facilities are generally housed in concrete buildings designed to withstand typhoon conditions and its underground facilities are rarely affected by high winds or intense rain. Earthquakes have caused minimal damage to Authority facilities in the past, but damage to the underground pipe network may go unnoticed.

Although the United States Federal Emergency Management Agency ("FEMA") has historically provided disaster relief assistance after typhoon damage, there can be no assurance that future typhoons and/or earthquakes will not cause significant damage to the System, or that FEMA will provide disaster relief assistance if significant damage is experienced. There can also be no assurance that, even with FEMA assistance, damage that results from future typhoons or earthquakes will not adversely affect the operation of the System for an extended period of time and, as a result, Revenues sufficient to pay debt service on the Bonds, including the 2023A/2024A Bonds.

Climate Change, Risk of Sea-Level Rise and Flooding Damage

Potential impacts of climate change, including rising sea levels, excessive rainfall, stronger tropical storms, drought, ocean acidification, coral bleaching, saltwater intrusion, storm surges, rising temperatures and increased migration, may threaten Guam's security and resources. Pursuant to a July 2019 study released by the University of Guam, one-third of Guam's coral reefs have died between 2013 and 2017 because of rising ocean temperatures caused by increased global carbon dioxide output. The impact of climate change and climate variability may also have detrimental socioeconomic impacts to Guam.

In 2016, the U.S. Department of the Interior granted \$450,000 to Guam for climate change action plan projects that support multi-sector collaboration and long-term planning developed by the Guam Climate Change Task Force established in 2015, pursuant to Executive Order No. 2015-08. Funded projects include (i) a comprehensive report by the University of Guam of long-term climate change impacts on infrastructure and other assets, which is expected to be completed by the end of 2019; (ii) a visual demonstration by the Guam Office of Technology of existing conditions and different climate scenarios; (iii) sustainability planning workshops; (iv) workshops by the University of Guam to build resiliency and strengthen climate change adaptation measures; and (v) updates by the Department of Public Works to the Storm Water Management Plan and Storm Water Manual to account for climate change effects.

Pursuant to Public Law 34-17, the Guam Council on Climate Change Preparedness and Resiliency the "Council") was established in June 2017 to develop local policy recommendations to address the adverse effects of climate change on Guam. Together with GPA, the Authority has been tasked to work with the Council to develop policies relating to utilities and infrastructure on Guam.

In addition, the Authority has taken proactive steps to facilitate responsible management of Guam's water resources through the development of the new NGLA monitoring wells with the DOD and shared maintenance with the U.S. Navy pursuant to the One-Guam Initiative. See "THE SYSTEM – One-Guam Initiative." The Authority's water loss control program are also being undertaken to reduce withdrawal rates from the NGLA and to reduce the likelihood of saltwater intrusion from climate change.

Based on “Water Resources on Guam – Potential Impacts of and Adaptive Response to Climate Change,” a recent report published by the U.S. Geological Survey, climate change could negatively impact Guam’s water supply by 2080 and the Authority will need to begin considering mitigation strategies for the potential reduction in water supply and projected increase in drought conditions.

However, the Authority is unable to predict the level of damage, if any, to the System that may result from sea-level rise or other impacts of climate change. There can be no assurance that any such damage will not adversely affect the operation of the System for an extended period of time and, as a result, Revenues sufficient to pay debt service on the Bonds, including the 2023A/2024A Bonds.

Rates

[The Authority has covenanted in the Indenture to at all times, fix, prescribe and collect rents, fees and charges in connection with the services and facilities funded by the System which will be sufficient to comply with the Rate Covenant. The Indenture provides that if Revenues and Net Revenues in a Fiscal Year are insufficient to satisfy the Rate Covenant for such Fiscal Year, the Authority is required to promptly employ a consulting engineer to make recommendations as to a revision of rates, fees and charges or the methods of operation of the System, and to revise such rates, fees and charges or methods of operation and to take such other actions as will be in conformity with such recommendations, subject to applicable requirements or restrictions imposed by law and subject to a good faith determination of the Board that such recommendations, in whole or in part, are in the best interests of the Authority, the Owners and each Credit Provider, if any. The ability of the Authority to increase rates is subject to limitation, including review and approval by the PUC. Rates for water and wastewater services are regulated by the PUC. The 2020-2024 rate plan approved by the PUC included scheduled rate increases intended to provide sufficient Revenue to operate and maintain the System efficiently, to finance capital improvements necessary to comply with regulatory requirements, to meet the Authority’s financial obligations and to satisfy the Rate Covenant and the DSCR Policies. Pro forma rates for Fiscal Years 2022, 2023 and 2024 were subject to review by the PUC following receipt of certain studies scheduled for completion by March 31, 2021. The PUC is scheduled to review the Fiscal Year 2024 trued up rate on September 26, 2023. See “THE AUTHORITY – The 2020 Order.” Although the PUC has historically approved rate adjustments requested by the Authority, no assurance can be given that the PUC will approve the pro forma rate adjustments pursuant to the 2020-2024 rate plan or any future rate adjustments requested by the Authority. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Rate Covenant,” “THE SYSTEM – Debt Service Coverage” and “– Rates and Charges,” and “REGULATORY ENVIRONMENT – Regulation of Ratemaking.”]

Cybersecurity

[The Authority relies on a complex technology environment to conduct its operations and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other networks and systems (collectively, “**Systems Technology**”). As a recipient and provider of personal, private or sensitive information, the Authority may be the target of cybersecurity incidents that could result in adverse consequences to the Authority’s Systems Technology, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Authority’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

Cybersecurity breaches could damage the Authority’s Systems Technology and cause material disruption to the Authority’s finances and operations. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the Authority to material litigation and other legal risks which could cause the Authority to incur material costs related to such legal claims or proceedings.

To mitigate the risk of business operations impact and damage from cybersecurity incidents or cyber-attacks, the Authority and GPA have jointly initiated cybersecurity policies and protocols and conducted system testing and assessment to identify necessary security improvements. The Authority has developed an interim cybersecurity policy based on the “Framework for Improving Critical Infrastructure” prepared by the National

Institute of Standards and Technology, and a cybersecurity awareness training program. In addition, the Authority has adopted new standard operating procedures on cybersecurity and continues to work to strengthen its capabilities to protect against cybersecurity threats and attacks. However, no assurance can be given by the Authority that such measures will ensure against cybersecurity threats and attacks.

The 2020 CIP allocates approximately \$[6.3] million for information technology improvements and a Security and Resilience Program.

Separate from the Authority, the Government has an in-house cybersecurity team that detects and responds to cybersecurity threats. The Government's cybersecurity team reports to the Guam Homeland Security Advisor (the "**Guam HSA**") and the Mariana Regional Fusion Center Director (the "**MRFC Director**"). The Guam HSA and MRFC Director oversee the management of a chief information security officer's cybersecurity program and initiatives to ensure compliance and protection from cybersecurity threats. In addition, the Government is currently working with the National Governors Association on strategies to enhance cybersecurity.]

Insurance

The Authority maintains property insurance with a blanket coverage of up to \$30 million, including coverage of earthquakes, windstorms, floods, typhoons and tidal waves, business interruption and boiler and explosion and machinery breakdown. The Authority also maintains commercial automobile insurance with liability coverage up to \$2 million, crime insurance with coverage of up to \$1 million, and directors and officer's liability insurance with coverage up to \$2 million. In addition, the Authority maintains general liability insurance with coverage of \$25 million.

Government Regulation

The federal and local governments significantly regulate the operations of the Authority. Regulations and conditions affecting the acquisition, development, ownership and operation of the System could increase the operating expenses of the System or could otherwise have a material adverse effect on the operations and financial condition of the Authority.

Implementation of Capital Improvement Program

The Authority's 2020 CIP is estimated to total approximately \$[391.7] million. See "FUTURE SYSTEM CAPITAL REQUIREMENTS – Capital Improvement Program." Successful and timely implementation of the 2020 CIP will require careful planning and coordination as well as hiring additional experienced construction management and workers, and other staff and consultants, including off-island personnel and vendors. The Authority intends to enter into contracts with qualified construction management firms to manage most of the 2020 CIP projects.

The estimated costs of, and the projected schedules for, the 2020 CIP projects described under "FUTURE SYSTEM CAPITAL REQUIREMENTS" are subject to several uncertainties. The ability of the Authority to complete the 2020 CIP projects may be adversely affected by various factors including: (i) estimating errors, (ii) design and engineering errors, (iii) changes to the scope of the projects, (iv) delays in contract awards, (v) material and/or labor shortages (see also "CERTAIN INVESTMENT CONSIDERATIONS – Guam Economy; Impact of Tourism and Military Presence – H-2B Visas"), (vi) unforeseen site conditions, (vii) adverse weather conditions, earthquakes or other casualty events, (viii) contractor defaults, (ix) labor disputes, (x) unanticipated levels of inflation or significant increases in the costs of materials and (xi) environmental issues. No assurance can be made that the 2020 CIP projects will not cost more than the current budget for these projects. Any schedule delays or cost increases could result in the need to issue Additional Bonds.

Funding for the 2020 CIP is expected from various sources, including proceeds of previously issued bonds, and Additional Bonds expected to be issued in Fiscal Year [2023], as well as Authority operating revenues, revenues from System Development Charges, US EPA State Revolving Fund grants and other grants. In the event one or more of these funding sources is not available to the Authority in the amount or on the schedule described above

under "FUTURE SYSTEM CAPITAL REQUIREMENTS," the implementation of some of the 2020 CIP projects may be delayed.

Secondary Treatment Requirements Under NPDES Permit

[The 2020 Hagåtña Permit issued by the US EPA includes secondary treatment requirements; however, the Hagåtña WWTP is not currently equipped to provide secondary treatment. The Authority estimates that the design and construction necessary to satisfy the secondary treatment requirements will take approximately five years, and the cost of upgrading the Hagåtña WWTP will be approximately \$208 million (in 2017 dollars). The Authority and the US EPA have negotiated but not yet formalized a partial secondary treatment compliance schedule for the Hagåtña WWTP. The Authority expects to obtain a [full] compliance schedule that will permit it to delay implementation of the secondary treatment requirements until after the provisions and capital requirements of the 2011 Court Order have been satisfied. Although other agencies have successfully negotiated extended compliance schedules for implementing secondary treatment, no assurance can be given that the Authority will be able to successfully negotiate an extended schedule. See "THE SYSTEM – The Wastewater System – Wastewater Treatment Plants – Hagåtña WWTP."]

Limitation of Rights upon Insolvency

On June 30, 2016, the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA") became law. Despite its name, PROMESA contains provisions relating to other U.S. territories, besides Puerto Rico. PROMESA defines a "territory" as (A) Puerto Rico, (B) Guam, (C) American Samoa, (D) the Commonwealth of the Northern Mariana Islands, and (E) the U.S. Virgin Islands. PROMESA establishes a financial oversight and management board only for Puerto Rico. The stated purpose of an oversight board is to "provide a method for a covered territory to achieve fiscal responsibility and access to the capital markets." There are provisions of PROMESA that contemplate that oversight boards could be established in the future for other territories, but PROMESA does not set forth a clear mechanism for doing so. It appears that action by Congress and the President would be required before an oversight board could be established for any territory other than Puerto Rico. An earlier version of the Congressional bill that became PROMESA included text providing that, except with respect to Puerto Rico, an oversight board "for a territory is established in accordance with this section only if the Legislature of the territory adopts a resolution signed by the Governor requesting the establishment." That provision is not included in the final version of PROMESA.

An oversight board for a territory has the discretion to designate an instrumentality of the territory as subject to the provisions of PROMESA.

One of the powers that an oversight board can exercise is to file a petition in federal court that commences a case under PROMESA pursuant to which the territory or a designated instrumentality of the territory can adjust its debts. The territory or territorial instrumentality is not authorized to commence a case under PROMESA by itself. Before the oversight board files such a petition, the oversight board must determine that (i) the territory or territorial instrumentality has made good-faith efforts to reach a consensual restructuring with creditors, (ii) the territory or territorial instrumentality has (A) adopted procedures necessary to deliver timely audited financial statements and (B) made public draft financial statements and other information sufficient for any interested person to make an informed decision with respect to a possible restructuring, and (iii) the territory or territorial instrumentality has adopted a fiscal plan that has been certified by the oversight board.

While the provisions of PROMESA regarding adjustment of debts include some of the provisions found in the Bankruptcy Code, the provisions of PROMESA regarding adjustment of debts are not the same as the provisions of the Bankruptcy Code.

PROMESA also establishes an out-of-court process, pursuant to which bondholders and the territory or territorial instrumentality can agree, under the supervision of the oversight board, to modify the terms of bonds issued by the territory or territorial instrumentality. Any such modification must be approved by two-thirds of the principal amount of bonds that vote on the proposal. If the modification is approved by at least a two-thirds vote, the court has the power to enforce the modification against the bondholders who did not vote to approve it.

LITIGATION

No Litigation Relating to the 2023A/2024A Bonds

There is no litigation or proceeding pending or, to the knowledge of the Authority, threatened and having merit (either in Guam, state or Federal courts) seeking to restrain or enjoin the execution, issuance, sale or delivery of the 2023A/2024A Bonds or the collection, pledge or payment of Revenues by the Authority under the Indenture, or in any way contesting or affecting the legal existence of the Authority or the titles of certain relevant officials of the Authority to their offices or the validity or enforceability of the 2023A/2024A Bonds or the Indenture.

Core Tech International Corporation Litigation

In 2018, the Government and the Director of Land Management filed a claim against Core Tech International Corporation ("CTI") in the Superior Court of Guam (the "**Guam Superior Court**") to rescind several certificates of title, including certificates of title for property upon which the Northern District WWTP is located (known as Lots 10193 and 10194), which were erroneously issued by the Deputy Civil Registrar to CTI's predecessor-in-interest in 2014. The Authority intervened and asserted a quiet title action on Lots 10193 and 10194, which have been continuously used and occupied by the Government, the Authority and the PUAG, the Authority's predecessor agency, since 1997, and for which a 2017 map recorded by the Department of Land Management shows title and ownership in the Authority. CTI subsequently filed a crossclaim against the Authority, a counterclaim against the Government and another counterclaim against the Authority, seeking just compensation for inverse condemnation in the amount of \$130 million, as well as damages for trespass and encroachment by the Authority. [As of October 2023, the matter remains pre-trial and several Motions to Reconsider dispositive motions, filed by all parties, remain pending before the court.]

Although the Authority and the Government believe the matters will be resolved in their favor, the Authority and the Government cannot predict the outcome of the case before the Guam Superior Court. In the event that the Guam Superior Court enters a judgment against the Authority and the Government, the resulting liability could have a material and adverse impact on the Authority's financial position. The Authority and the Government intend to vigorously defend themselves against CTI's claims, and the Authority intends to vigorously pursue the quiet title action.

Other Litigation Relating to the Authority and the System

Other than as disclosed elsewhere in this Official Statement, there are no pending claims or actions against the Authority arising from the operation and maintenance of the System that, if determinations or settlements were made adverse to the Authority, would have, in the opinion of the Authority's counsel, a material adverse effect on the Authority's financial position.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("**Bond Counsel**"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2023A/2024A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "**Code**"). Bond Counsel is of the further opinion that interest on the 2023A/2024A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the 2023A/2024A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that, under 48 U.S.C. Section 1423a, interest on the 2023A/2024A Bonds is exempt from taxation by the Government of Guam, or by any state or territory of the United States or any political subdivision thereof, or by the District of Columbia. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the 2023A/2024A Bonds. Complete copies of the proposed forms of opinion of Bond Counsel are set forth in APPENDIX D hereto. Delivery of the 2024A Bonds, and delivery of Bond Counsel's opinion with respect to the

2024A Bonds, is subject to the satisfaction of certain terms and conditions provided in the Forward Delivery Agreement as described under the heading "DELAYED DELIVERY OF THE 2024A BONDS."

To the extent the issue price of any maturity of the 2023A/2024A Bonds is less than the amount to be paid at maturity of such 2023A/2024A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2023A/2024A Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2023A/2024A Bonds which is excluded from gross income for federal income tax purposes and is exempt from taxation by the Government of Guam, or by any state or territory of the United States or any political subdivision thereof, or by the District of Columbia. For this purpose, the issue price of a particular maturity of the 2023A/2024A Bonds is the first price at which a substantial amount of such maturity of the 2023A/2024A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2023A/2024A Bonds accrues daily over the term to maturity of such 2023A/2024A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2023A/2024A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2023A/2024A Bonds. Beneficial Owners of the 2023A/2024A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2023A/2024A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2023A/2024A Bonds in the original offering to the public at the first price at which a substantial amount of such 2023A/2024A Bonds is sold to the public.

2023A/2024A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2023A/2024A Bonds. The Authority has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2023A/2024A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2023A/2024A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2023A/2024A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the 2023A/2024A Bonds may adversely affect the value of, or the tax status of interest on, the 2023A/2024A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2023A/2024A Bonds is excluded from gross income for federal income tax purposes and, under 48 U.S.C. 1423a, is exempt from taxation by the Government of Guam or by any state or territory of the United States or any political subdivision thereof, or by the District of Columbia, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2023A/2024A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2023A/2024A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners

from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2023A/2024A Bonds. Prospective purchasers of the 2023A/2024A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2023A/2024A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2023A/2024A Bonds ends with the issuance of the 2023A/2024A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the Beneficial Owners regarding the tax-exempt status of the 2023A/2024A Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2023A/2024A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2023A/2024A Bonds, and may cause the Authority or the Beneficial Owners to incur significant expense.

Payments on the 2023A/2024A Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of 2023A/2024A Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the 2023A/2024A Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the 2023A/2024A Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

UNDERWRITING

The 2023A/2024A Bonds are to be purchased from the Authority by Citigroup Global Markets Inc. (the "Representative") and RBC Capital Markets, LLC (collectively, the "Underwriters") pursuant to the terms of a Bond Purchase Agreement (the "**Bond Purchase Agreement**") between the Representative and the Authority. The purchase price of the 2023A/2024A Bonds is \$ _____, representing the aggregate principal amount of the 2023A/2024A Bonds (\$ _____) and less Underwriters' discount of \$ _____. The Bond Purchase Agreement provides that the Underwriters will purchase all of the 2023A/2024A Bonds if any are purchased and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, including the approval by counsel of certain legal matters.

The Underwriters reserve the right to join with dealers and other Underwriters in offering the 2023A/2024A Bonds to the public. The Underwriters intend to offer the 2023A/2024A Bonds for sale at the prices or yields set forth on the cover page hereof. Such initial public offering prices or yields may be changed from time to time by the Underwriters without prior notice. The Underwriters may offer and sell the 2023A/2024A Bonds to

certain dealers, unit investment trusts or money market funds at prices lower than or at yields higher than the public offering prices or yields stated on the cover page.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

FINANCIAL STATEMENTS

The financial statements of the Authority for the Fiscal Year 2022 have been audited by Ernst & Young LLP, independent auditors, as stated in their report, appearing in APPENDIX B hereto. Reference should be made to the audited financial statements included in APPENDIX B for the independent auditors' report and a complete understanding of the information provided therein.

VERIFICATION OF ESCROW

2023A Bonds

[Verification Agent] (the "**Verification Agent**") will verify from the information provided to them the mathematical accuracy as of the date of the closing on the 2023A Bonds of the computations contained in the provided schedules to determine that the anticipated receipts from the securities and/or cash deposits listed in the underwriters' schedules, to be held in escrow, will be sufficient to pay, when due, the principal or redemption price of and interest on the [Refunded Bonds] to be refunded with proceeds of the 2023A Bonds. The Verification Agent will express no opinion on the reasonableness of the assumptions provided to them, the likelihood that the redemption price and principal of and interest on such [Refunded Bonds] will be paid as described in the accompanying schedules, nor as to the exemption from taxation of the interest on the 2023A Bonds.

2024A Bonds

[The Verification Agent will verify from the information provided to them by Authority and the Underwriters the mathematical accuracy at the Preliminary Closing Date and again at the Delayed Delivery Date of the computations contained in the provided schedules to determine that the anticipated receipts from the securities and/or cash deposits listed in the underwriters' schedules, to be held in escrow, will be sufficient to pay, when due, the principal or redemption price of and interest on the [Refunded Bonds] to be refunded with proceeds of the 2024A Bonds. The Verification Agent will express no opinion on the reasonableness of the assumptions provided to them, or the likelihood that the redemption price and principal of and interest on such [Refunded Bonds] will be paid as described in the accompanying schedules, nor as to the exemption from taxation of the interest on the 2024A Bonds.]

CERTAIN LEGAL MATTERS

The issuance of the 2023A Bonds and the 2024A Bonds is subject to receipt of the respective approving opinion of Bond Counsel. The proposed forms of opinion of Bond Counsel with respect to the 2023A Bonds and the 2024A Bonds are included in this Official Statement as APPENDIX D-1 and D-2, respectively. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. From time to time Orrick, Herrington & Sutcliffe LLP serves as counsel to the Underwriters on matters that do not relate to the Authority or to the 2023A/2024A Bonds.

Certain legal matters will be passed upon for the Authority by Theresa Rojas, general counsel for the Authority. Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP.

AVAILABLE INFORMATION

During the initial offering period for the 2023A/2024A Bonds, copies of the Authority's audited financial statements are available from the Authority at the Administration Office of the Guam Waterworks Authority, Gloria B. Nelson Public Services Building, 688 Route 15, Mangilao, Guam 96913, during normal business hours, Monday through Friday, excluding holidays. Copies of the Indenture may be obtained, upon written request, from the Underwriters.

RATINGS

Moody's Investors Service, Inc. ("**Moody's**") and S&P Global Ratings ("**S&P**") have assigned their ratings of "[]" and "[]," respectively, to the 2023A/2024A Bonds. The ratings reflect only the view of the rating agencies assigning such ratings at the time such ratings are given, and the Authority makes no representations as to the appropriateness of such ratings. Any explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. Certain information and materials not included in this Official Statement were furnished to the rating agencies concerning the 2023A/2024A Bonds. Generally, rating agencies base their ratings on such information and materials and on investigation, studies and assumptions by the rating agencies. There is no assurance that the ratings mentioned above will remain for any given period of time or that any or all of them might not be lowered or withdrawn entirely by any rating agency if in the judgment of any or all rating agencies, circumstances so warrant. Any such downward change in or withdrawal of such ratings might have an adverse effect on the market price for and marketability of the 2023A/2024A Bonds.

In addition, no assurance can be given that the rating for the 2024A Bonds on the Delayed Delivery Date will not be different than such rating. See "DELAYED DELIVERY OF THE 2024A BONDS" for a discussion regarding the termination of the Forward Delivery Agreement and ratings risk resulting from the delayed delivery thereof.

CONTINUING DISCLOSURE

The Authority will covenant for the benefit of the holders and beneficial owners of the 2023A Bonds and the 2024A Bonds to provide certain financial information and operating data relating to the Authority by not later than 270 days after the end of the Fiscal Year (presently September 30) to which such information pertains, commencing with the report for the Fiscal Year ending September 30, 2023 (each, an "**Annual Report**") and to provide notices of the occurrence of certain enumerated events. Each Annual Report and any notices of enumerated events will be filed with the Municipal Securities Rulemaking Board, through its EMMA system. The specific nature of the information to be contained in each Annual Report or the notices of certain enumerated events is described in APPENDIX E – "PROPOSED FORMS OF CONTINUING DISCLOSURE AGREEMENT" attached hereto. These covenants will be made in order to assist the Underwriters in complying with Rule 15c2-12.

In order to provide certain continuing disclosure with respect to the 2023A Bonds and the 2024A Bonds in accordance with Rule 15c2-12, the Authority has entered into a Master Continuing Disclosure Agreement, as supplemented (the "**Master Continuing Disclosure Agreement**"), including as supplemented by the Supplemental Continuing Disclosure Agreement relating to the 2023A Bonds (together with the Master Continuing Disclosure Agreement, the "**2023A Continuing Disclosure Agreement**"), and including as supplemented by the Supplemental Continuing Disclosure Agreement relating to the 2024A Bonds (together with the Master Continuing Disclosure Agreement, the "**2024A Continuing Disclosure Agreement**" and, together with the 2023A Continuing Disclosure Agreement, the "**Continuing Disclosure Agreements**"), each with Digital Assurance Certification, L.L.C. ("**DAC**") for the benefit of the Holders of the applicable 2023A Bonds or 2024A Bonds under which the Authority has designated DAC as Disclosure Dissemination Agent.

The Disclosure Dissemination Agent has only the duties specifically set forth in the Continuing Disclosure Agreements. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described in the Continuing Disclosure Agreements is limited to the extent the Authority has provided such information to the Disclosure Dissemination Agent as required by the Continuing Disclosure Agreements.

MISCELLANEOUS

The attached Appendices are integral parts of this Official Statement and should be read in their entirety. The Authority has reviewed the information contained herein and has approved all such information for use in this Official Statement.

The execution and delivery of this Official Statement has been duly authorized by the Authority.

GUAM WATERWORKS AUTHORITY

By: _____
Miguel Bordallo, P.E.
General Manager

CONSOLIDATED COMMISSION ON UTILITIES

By: _____
Joseph T. Duenas
Chairman

APPENDIX A

GENERAL INFORMATION REGARDING THE TERRITORY OF GUAM

EXHIBIT G-83

APPENDIX B

FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT G-84

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

EXHIBIT G-85

APPENDIX D

PROPOSED FORMS OF OPINION OF BOND COUNSEL

APPENDIX E

**FORM OF MASTER CONTINUING DISCLOSURE AGREEMENT AND
PROPOSED FORMS OF 2023 CONTINUING DISCLOSURE AGREEMENT AND
2024 CONTINUING DISCLOSURE AGREEMENT**

FORM OF MASTER CONTINUING DISCLOSURE AGREEMENT

The Master Continuing Disclosure Agreement, dated as of December 1, 2005, is executed and delivered by the Guam Waterworks Authority (the "Authority") and Digital Assurance Certification, L.L.C., as dissemination agent (the "Dissemination Agent"), in connection with the issuance of the Guam Waterworks Authority Water and Wastewater System Revenue Bonds (the "Bonds") pursuant to an indenture (the "Indenture"), dated as of December 1, 2005, as it may be supplemented from time to time, among the Authority, Bank of Guam, as trustee, and U.S. Bank National Association, as co-trustee. The Authority and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. The Disclosure Agreement is being executed and delivered by the Authority for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in the Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Business Day" means any day other than a Saturday, Sunday or other day on which Authority offices generally are not open for business.

"Designated Bonds" means any Bonds subject to the Rule and identified as such by a Supplemental Continuing Disclosure Agreement.

"Disclosure Agreement" means the Master Continuing Disclosure Agreement as it may be supplemented from time to time by one or more Supplemental Disclosure Agreements.

"Dissemination Agent" means the Authority, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

"Holder" or "Bondholder" means any registered owner of Bonds as shown on the books of registration kept by the Registrar.

"Listed Events" means any of the events listed in Section 5(a) of the Disclosure Agreement.

"National Repository" means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. A list of the National Repositories approved by the Securities and Exchange Commission is available at <http://www.sec.gov/info/municipal/nrmsir.htm>.

"Participating Underwriter" means any "participating underwriter" of the Bonds within the meaning of the Rule required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private repository or entity designated by the Authority as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of the Agreement, there is no State Repository.

"Supplemental Disclosure Agreement" means any supplemental disclosure agreement entered into between the Authority and the Dissemination Agent, supplementing the Disclosure Agreement.

SECTION 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of each fiscal year of the Authority (presently September 30), commencing with the report for the fiscal year ending September 30, 2005, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of the Disclosure Agreement; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of the Disclosure Agreement. If the Authority's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) Business Days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). If the Authority is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Authority shall send a notice to the Municipal Securities Rulemaking Board and the State Repository, if any, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Authority, file a report with the Authority certifying that the Annual Report has been provided pursuant to the Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Annual Report shall contain or include by reference the following:

(a) the audited financial statements of the Authority for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board; provided that if the Authority's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements for such entity in a format similar to the financial statements contained in the official statement relating to any Designated Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) operating results of the water and wastewater systems (the "System"), debt service coverage ratios, sources and uses of water, largest water and wastewater customers, data on collection of payments from customers of the System, and new water and sewer installations, to the extent that such information is historical and not projected and that similar information is included in any official statement with respect to Designated Bonds.

The Authority has not undertaken in the Disclosure Agreement to provide all information an investor may want to have in making decisions to buy, hold or sell the Bonds, but only to provide the information specified above. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Authority shall clearly identify each such

other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Designated Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) modifications to rights of Bondholders;
- (4) optional, contingent or unscheduled bond calls;
- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions or events affecting the tax-exempt status of any Bonds;
- (8) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (9) unscheduled draws on the credit enhancements reflecting financial difficulties;
- (10) substitution of the credit or liquidity providers or their failure to perform; or
- (11) release, substitution or sale of property securing repayment of the Bonds.

(b) Whenever the Authority obtains knowledge of the occurrence of a Listed Event, the Authority shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Authority determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Authority shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and the State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

SECTION 6. Termination of Reporting Obligation. The Authority's obligations under the Disclosure Agreement with respect to any Designated Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of such Bonds. If such termination occurs with respect to any Designated Bonds prior to the final maturity thereof, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(c). The Authority's obligations under the Disclosure Agreement may also be temporarily suspended with respect to any Series of Designated Bonds under certain conditions as permitted by the Rule.

SECTION 7. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to the Disclosure Agreement. The initial Dissemination Agent shall be the Digital Assurance Certification, L.L.C.

SECTION 8. Amendment; Waiver; Supplemental Disclosure Agreements (a) Notwithstanding any other provision of the Disclosure Agreement, the Authority and the Dissemination Agent may amend the Disclosure Agreement, and any provision of the Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(i) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to one or more Designated Bonds, or the type of business conducted;

(ii) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of any affected Designated Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver either (A) is approved by the Holders of a majority in aggregate principal amount of the affected Designated Bonds, or (B) does not, in the opinion of the Authority, materially impair the interests of the Holders or Beneficial Owners of the Designated Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Agreement, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (A) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (B) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(b) A Supplemental Disclosure Agreement may be entered into by the Authority and the Dissemination Agent at any time from time to time upon the sale or issuance of a Series of Bonds, specifying the Series designation of the Bonds to be included hereunder and confirming other matters related thereto, and shall be fully effective in accordance with the terms hereof upon its execution and delivery by Authorized Officers of the Authority and the Dissemination Agent.

SECTION 9. Additional Information. Nothing in the Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in the Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Disclosure Agreement. If the Authority choose to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Disclosure Agreement, the Authority shall have no obligation under the Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Authority to comply with any provision of the Disclosure Agreement any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under the Disclosure Agreement. A default under the Disclosure Agreement shall not be deemed an event of default under the Indenture, and the sole remedy under the Disclosure Agreement in the event of any failure of the Authority to comply with the Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in the Disclosure Agreement, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. The Disclosure Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

GUAM WATERWORKS AUTHORITY

By: /s/ _____
Authorized Officer

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

By: /s/ _____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Guam Waterworks Authority

Name of Bond Issue: Guam Waterworks Authority Water and Wastewater System Revenue Bonds

Date of Issuance: _____, _____

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report with respect to the above-named Bonds as required by Section _____ of the Indenture providing for the issuance of such Bonds. [The Authority anticipates that the Annual Report will be filed by _____.]

Dated: _____

GUAM WATERWORKS AUTHORITY

By: _____
Title: _____

**PROPOSED FORM OF
2023A SUPPLEMENTAL CONTINUING DISCLOSURE AGREEMENT**

This Supplemental Continuing Disclosure Agreement, dated _____, 2023, supplementing and amending the Master Continuing Disclosure Agreement, dated as of December 1, 2005 (as supplemented, the "Disclosure Agreement"), between the GUAM WATERWORKS AUTHORITY (the "Authority") and DIGITAL ASSURANCE CERTIFICATION, L.L.C. (the "Dissemination Agent" or "DAC"), is being executed by the Authority and the Dissemination Agent in connection with the issuance of \$ _____ Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2023A (the "2023A Bonds"). The 2023A Bonds are being issued pursuant to the Indenture, dated as of December 1, 2005, as supplemented, including as supplemented by the Ninth Supplemental Indenture, dated as of [_____] 1, 2023 (the "Indenture"), among the Authority, Bank of Guam, as trustee (the "Trustee"), and U.S. Bank National Association, as co-trustee (the "Co-Trustee").

The services provided under this Supplemental Continuing Disclosure Agreement relate solely to the execution of instructions received from the Authority through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). The Dissemination Agent will not provide any advice or recommendation to the Authority or anyone on the Authority's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Supplemental Continuing Disclosure Agreement shall be interpreted to the contrary.

The Authority and the Dissemination Agent covenant and agree as follows:

SECTION 1. Definitions. Unless otherwise defined herein, or the context otherwise requires, capitalized terms used in this Supplemental Continuing Disclosure Agreement shall have the meanings ascribed thereto in the Disclosure Agreement or, if not defined in the Disclosure Agreement, in the Indenture.

SECTION 2. Purpose of the Supplemental Continuing Disclosure Agreement; Designation as Designated Bonds; Application of Disclosure Agreement. This Supplemental Continuing Disclosure Agreement is being executed and delivered by the Authority and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the 2023A Bonds and in order to assist the Participating Underwriters in complying with the Rule. The 2023A Bonds are hereby designated as "Designated Bonds" under the Disclosure Agreement. Except as provided below, all terms and provisions of the Disclosure Agreement are hereby made applicable to the 2023A Bonds described herein.

SECTION 3. Filings with MSRB; Format. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>. Any report or filing with the MSRB pursuant to this Supplemental Continuing Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 4. Provisions Applicable to 2023A Bonds. The following provisions shall apply solely to the 2023A Bonds and shall supersede the provisions of the Disclosure Agreement for purposes of the 2023A Bonds.

(a) Solely with respect to the 2023A Bonds, the following terms shall have the following meanings:

"Annual Filing Date" means the date, set forth in Section 3(a), by which the Annual Report is to be filed with the MSRB.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Listed Event notice, or Failure to File Event notice, as applicable, delivered to the Dissemination Agent is the Annual Report, Listed Event notice or Failure to File Event notice, as applicable, required to be submitted to the MSRB under this Supplemental Continuing Disclosure Agreement. A Certification shall accompany each such document submitted to the

Dissemination Agent by the Authority and include the full name of the 2023A Bonds and the 9-digit CUSIP numbers for all 2023A Bonds to which the document applies.

“Disclosure Representative” means such person as the Authority shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing Information to the Dissemination Agent.

“Failure to File Event” means the Authority’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” means, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Information” means, collectively, the Annual Reports, the Listed Event notices and the Failure to File Event notices.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of the Disclosure Agreement.

“Official Statement” shall mean the Official Statement, dated _____, 2023, relating to the 2023A Bonds.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule.

“Repository” shall mean the MSRB.

(b) With respect to the 2023A Bonds, Section 3 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of each fiscal year of the Authority (presently September 30) (the “Annual Filing Date”), commencing with the report for the fiscal year ending September 30, 2023, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of the Disclosure Agreement; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) The Authority shall provide, annually, an electronic copy of the Annual Report and Certification to the Dissemination Agent, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Dissemination Agent shall provide an Annual Report to the MSRB not later than the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross reference other information as provided in Section 4 of the Disclosure Agreement.

(c) If on the fifteenth (15th) day prior to the Annual Filing Date, the Dissemination Agent has not received a copy of the Annual Report and Certification, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Authority of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Dissemination Agent in writing that the Authority will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit A, accompanied by a cover sheet completed by the Dissemination Agent.

(d) If the Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Authority irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Dissemination Agent.

(e) If the Authority adjusts the Annual Filing Date upon change of its fiscal year, it shall provide written notice of such change and the new Annual Filing Date to the Dissemination Agent, Trustee and the MSRB, provided, however, that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(f) Any Information received by the Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Dissemination Agent uses reasonable efforts to make any such filing as soon as possible."

(c) With respect to the 2023A Bonds, references in the Master Continuing Disclosure Agreement to Section 5(a) shall be deemed to refer to Sections 5(a) and (b) of such Section 5, as set forth in Section 4(d) of this Supplemental Continuing Disclosure Agreement.

(d) With respect to the 2023A Bonds, Section 5 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

"SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, to the MSRB notice of the occurrence of any of the following events with respect to the 2023A Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;

- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes;
- (9) Bankruptcy, insolvency, receivership or similar event of the Authority; or
- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2023A Bonds, if material, to the MSRB in a timely manner not later than ten business days after the occurrence of the event:

- (1) Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the 2023A Bonds or other material events affecting the tax status of the 2023A Bonds;
- (2) Modifications to rights of 2023A Bond holders;
- (3) Optional, unscheduled or contingent 2023A Bond calls;
- (4) Release, substitution, or sale of property securing repayment of the 2023A Bonds;
- (5) Non-payment related defaults;
- (6) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

- (7) Appointment of a successor or additional trustee or the change of name of a trustee; or
- (8) Incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Bond holders.

(c) Notwithstanding the foregoing, notice of the Listed Events described in subsections (a)(7) and (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected 2023A Bonds pursuant to the Indenture.

(d) The Trustee and the Co-Trustee shall, within one (1) Business Day (or as soon thereafter as practicable) of obtaining actual knowledge of the occurrence of any of the Listed Events, inform the Disclosure Representative of the event, and request that the Authority promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsections (e) and (f) hereof.

(e) Whenever the Authority obtains knowledge of the occurrence of a Listed Event under subsection 5(b), whether because of a notice from the Trustee or Co-Trustee pursuant to subsection (d) or otherwise, the Authority shall as soon as practicable determine if such event is material under applicable federal securities laws. If the Authority determines that the occurrence of such Listed Event would be material under applicable federal securities laws, the Authority shall promptly notify the Dissemination Agent in writing of the occurrence of the Listed Event. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection 5(g) hereof and shall be accompanied by a Certification. If in response to a request under subsection 5(d), the Authority determines that such Listed Event would not be material under applicable federal securities laws, the Authority shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence. If in response to a request under subsection 5(d), the Authority determines that such Listed Event is a Listed Event under subsection 5(a), the Authority shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence. Such notice or Certification shall identify the Listed Event that has occurred (which shall be any of the categories set forth in Section 5 (a) or (b) of this Disclosure Agreement), include the text of the disclosure that the Authority desires to make, contain the written authorization of the Authority for the Dissemination Agent to disseminate such information, and identify the date the Authority desires for the Dissemination Agent to disseminate the information.

(f) The Dissemination Agent is under no obligation to notify the Authority or the Disclosure Representative of an event that may constitute a Listed Event. In the event the Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will promptly instruct the Dissemination Agent that either (i) a Listed Event has not occurred and no filing is to be made or (ii) a Listed Event has occurred and the Dissemination Agent is to report the occurrence pursuant to subsection (g) of this Section 5, which instructions relating to this clause (ii) to be accompanied by a Certification. Such Certification shall identify the Listed Event that has occurred (which shall be any of the categories set forth in Section 5 (a) or (b) of this Disclosure Agreement), include the text of the disclosure that the Authority desires to make, contain the written authorization of the Authority for the Dissemination Agent to disseminate such information, and identify the date the Authority desires for the Dissemination Agent to disseminate the information.

(g) If the Dissemination Agent has been instructed by the Authority as prescribed in subsection (e) or (f)(ii) of this Section 5 to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB within the time frame set forth in Section 3(f). This notice will be filed with a cover sheet completed by the Dissemination Agent.

(h) The Authority intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of "Financial Obligation" in Section 2, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further

amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect the amendments to the Rule effected by the 2018 Release.”

- (i) With respect to the 2023A Bonds, Section 7 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 7. Dissemination Agent. The Authority has appointed Digital Assurance Certification, L.L.C. as exclusive Dissemination Agent under this Disclosure Agreement. The Authority may, upon thirty days’ prior written notice to the Dissemination Agent and the Trustee, replace or appoint a successor Dissemination Agent. Upon termination of DAC’s services as Dissemination Agent, whether by notice of the Authority or DAC, the Authority agrees to appoint a successor Dissemination Agent or, alternately, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the holders of the 2023A Bonds. Notwithstanding any replacement or appointment of a successor, the Authority shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent. The Dissemination Agent may resign at any time by providing thirty days’ prior written notice to the Authority.”

- (j) With respect to the 2023A Bonds, Section 11 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent’s obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Authority has provided such information to the Dissemination Agent as required by this Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the Holders of the 2023A Bonds or any other party. The Dissemination Agent shall have no responsibility for the Authority’s failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Authority has complied with this Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Authority at all times.

The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the 2023A Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Authority.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB necessary to file such information in accordance with this Disclosure Agreement.”

SECTION 5. Ratification of Disclosure Agreement. As heretofore supplemented and as amended and supplemented hereby, the Disclosure Agreement is in all respects confirmed, except with respect to such provisions which apply expressly to the 2023A Bonds as set forth herein, and the Disclosure Agreement, all agreements supplemental thereto and this Supplemental Continuing Disclosure Agreement shall be read, taken and considered as one instrument.

SECTION 6. Counterparts. This Supplemental Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Supplemental Continuing Disclosure Agreement has been executed on behalf of the Authority and the Dissemination Agent by their duly authorized representatives as of the date first written above.

GUAM WATERWORKS AUTHORITY

By: _____
Authorized Officer

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

By: _____
Authorized Officer

**PROPOSED FORM OF
2024A SUPPLEMENTAL CONTINUING DISCLOSURE AGREEMENT**

This Supplemental Continuing Disclosure Agreement, dated _____, 2024, supplementing and amending the Master Continuing Disclosure Agreement, dated as of December 1, 2005 (as supplemented, the "Disclosure Agreement"), between the GUAM WATERWORKS AUTHORITY (the "Authority") and DIGITAL ASSURANCE CERTIFICATION, L.L.C. (the "Dissemination Agent" or "DAC"), is being executed by the Authority and the Dissemination Agent in connection with the issuance of \$_____ Guam Waterworks Authority Water and Wastewater System Revenue Refunding Bonds, Series 2024A (the "2024A Bonds"). The 2024A Bonds are being issued pursuant to the Indenture, dated as of December 1, 2005, as supplemented, including as supplemented by the Tenth Supplemental Indenture, dated as of [_____] 1, 2024 (the "Indenture"), among the Authority, Bank of Guam, as trustee (the "Trustee"), and U.S. Bank National Association, as co-trustee (the "Co-Trustee").

The services provided under this Supplemental Continuing Disclosure Agreement relate solely to the execution of instructions received from the Authority through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). The Dissemination Agent will not provide any advice or recommendation to the Authority or anyone on the Authority's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Supplemental Continuing Disclosure Agreement shall be interpreted to the contrary.

The Authority and the Dissemination Agent covenant and agree as follows:

SECTION 7. Definitions. Unless otherwise defined herein, or the context otherwise requires, capitalized terms used in this Supplemental Continuing Disclosure Agreement shall have the meanings ascribed thereto in the Disclosure Agreement or, if not defined in the Disclosure Agreement, in the Indenture.

SECTION 8. Purpose of the Supplemental Continuing Disclosure Agreement; Designation as Designated Bonds; Application of Disclosure Agreement. This Supplemental Continuing Disclosure Agreement is being executed and delivered by the Authority and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the 2024A Bonds and in order to assist the Participating Underwriters in complying with the Rule. The 2024A Bonds are hereby designated as "Designated Bonds" under the Disclosure Agreement. Except as provided below, all terms and provisions of the Disclosure Agreement are hereby made applicable to the 2024A Bonds described herein.

SECTION 9. Filings with MSRB; Format. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>. Any report or filing with the MSRB pursuant to this Supplemental Continuing Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 10. Provisions Applicable to 2024A Bonds. The following provisions shall apply solely to the 2024A Bonds and shall supersede the provisions of the Disclosure Agreement for purposes of the 2024A Bonds.

(e) Solely with respect to the 2024A Bonds, the following terms shall have the following meanings:

"Annual Filing Date" means the date, set forth in Section 3(a), by which the Annual Report is to be filed with the MSRB.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Listed Event notice, or Failure to File Event notice, as applicable, delivered to the Dissemination Agent is the Annual Report, Listed Event notice or Failure to File Event notice, as applicable, required to be submitted to the MSRB under this Supplemental Continuing Disclosure Agreement. A Certification shall accompany each such document submitted to the

Dissemination Agent by the Authority and include the full name of the 2024A Bonds and the 9-digit CUSIP numbers for all 2024A Bonds to which the document applies.

“Disclosure Representative” means such person as the Authority shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing Information to the Dissemination Agent.

“Failure to File Event” means the Authority’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” means, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Information” means, collectively, the Annual Reports, the Listed Event notices and the Failure to File Event notices.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of the Disclosure Agreement.

“Official Statement” shall mean the Official Statement, dated _____, 2023, relating to the 2024A Bonds.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule.

“Repository” shall mean the MSRB.

(f) With respect to the 2024A Bonds, Section 3 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of each fiscal year of the Authority (presently September 30) (the “Annual Filing Date”), commencing with the report for the fiscal year ending September 30, 2023, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of the Disclosure Agreement; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) The Authority shall provide, annually, an electronic copy of the Annual Report and Certification to the Dissemination Agent, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Dissemination Agent shall provide an Annual Report to the MSRB not later than the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross reference other information as provided in Section 4 of the Disclosure Agreement.

(c) If on the fifteenth (15th) day prior to the Annual Filing Date, the Dissemination Agent has not received a copy of the Annual Report and Certification, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Authority of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Dissemination Agent in writing that the Authority will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit A, accompanied by a cover sheet completed by the Dissemination Agent.

(d) If the Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Authority irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Dissemination Agent.

(e) If the Authority adjusts the Annual Filing Date upon change of its fiscal year, it shall provide written notice of such change and the new Annual Filing Date to the Dissemination Agent, Trustee and the MSRB, provided, however, that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(f) Any Information received by the Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Dissemination Agent uses reasonable efforts to make any such filing as soon as possible."

(g) With respect to the 2024A Bonds, references in the Master Continuing Disclosure Agreement to Section 5(a) shall be deemed to refer to Sections 5(a) and (b) of such Section 5, as set forth in Section 4(d) of this Supplemental Continuing Disclosure Agreement.

(h) With respect to the 2024A Bonds, Section 5 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

"SECTION 5. Reporting of Significant Events.

(k) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, to the MSRB notice of the occurrence of any of the following events with respect to the 2024A Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (11) Principal and interest payment delinquencies;

- (12) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (13) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (14) Substitution of credit or liquidity providers, or their failure to perform;
- (15) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (16) Tender offers;
- (17) Defeasances;
- (18) Rating changes;
- (19) Bankruptcy, insolvency, receivership or similar event of the Authority; or
- (20) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(l) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2024A Bonds, if material, to the MSRB in a timely manner not later than ten business days after the occurrence of the event:

- (9) Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the 2024A Bonds or other material events affecting the tax status of the 2024A Bonds;
- (10) Modifications to rights of 2024A Bond holders;
- (11) Optional, unscheduled or contingent 2024A Bond calls;
- (12) Release, substitution, or sale of property securing repayment of the 2024A Bonds;
- (13) Non-payment related defaults;
- (14) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

- (15) Appointment of a successor or additional trustee or the change of name of a trustee; or
- (16) Incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Bond holders.
- (m) Notwithstanding the foregoing, notice of the Listed Events described in subsections (a)(7) and (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected 2024A Bonds pursuant to the Indenture.
- (n) The Trustee and the Co-Trustee shall, within one (1) Business Day (or as soon thereafter as practicable) of obtaining actual knowledge of the occurrence of any of the Listed Events, inform the Disclosure Representative of the event, and request that the Authority promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsections (e) and (f) hereof.
- (o) Whenever the Authority obtains knowledge of the occurrence of a Listed Event under subsection 5(b), whether because of a notice from the Trustee or Co-Trustee pursuant to subsection (d) or otherwise, the Authority shall as soon as practicable determine if such event is material under applicable federal securities laws. If the Authority determines that the occurrence of such Listed Event would be material under applicable federal securities laws, the Authority shall promptly notify the Dissemination Agent in writing of the occurrence of the Listed Event. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection 5(g) hereof and shall be accompanied by a Certification. If in response to a request under subsection 5(d), the Authority determines that such Listed Event would not be material under applicable federal securities laws, the Authority shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence. If in response to a request under subsection 5(d), the Authority determines that such Listed Event is a Listed Event under subsection 5(a), the Authority shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence. Such notice or Certification shall identify the Listed Event that has occurred (which shall be any of the categories set forth in Section 5 (a) or (b) of this Disclosure Agreement), include the text of the disclosure that the Authority desires to make, contain the written authorization of the Authority for the Dissemination Agent to disseminate such information, and identify the date the Authority desires for the Dissemination Agent to disseminate the information.
- (p) The Dissemination Agent is under no obligation to notify the Authority or the Disclosure Representative of an event that may constitute a Listed Event. In the event the Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will promptly instruct the Dissemination Agent that either (i) a Listed Event has not occurred and no filing is to be made or (ii) a Listed Event has occurred and the Dissemination Agent is to report the occurrence pursuant to subsection (g) of this Section 5, which instructions relating to this clause (ii) to be accompanied by a Certification. Such Certification shall identify the Listed Event that has occurred (which shall be any of the categories set forth in Section 5 (a) or (b) of this Disclosure Agreement), include the text of the disclosure that the Authority desires to make, contain the written authorization of the Authority for the Dissemination Agent to disseminate such information, and identify the date the Authority desires for the Dissemination Agent to disseminate the information.
- (q) If the Dissemination Agent has been instructed by the Authority as prescribed in subsection (e) or (f)(ii) of this Section 5 to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB within the time frame set forth in Section 3(f). This notice will be filed with a cover sheet completed by the Dissemination Agent.
- (r) The Authority intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of "Financial Obligation" in Section 2, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further

amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.”

- (s) With respect to the 2024A Bonds, Section 7 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 7. Dissemination Agent. The Authority has appointed Digital Assurance Certification, L.L.C. as exclusive Dissemination Agent under this Disclosure Agreement. The Authority may, upon thirty days’ prior written notice to the Dissemination Agent and the Trustee, replace or appoint a successor Dissemination Agent. Upon termination of DAC’s services as Dissemination Agent, whether by notice of the Authority or DAC, the Authority agrees to appoint a successor Dissemination Agent or, alternately, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the holders of the 2024A Bonds. Notwithstanding any replacement or appointment of a successor, the Authority shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent. The Dissemination Agent may resign at any time by providing thirty days’ prior written notice to the Authority.”

- (t) With respect to the 2024A Bonds, Section 11 of the Master Continuing Disclosure Agreement as originally executed shall not apply and shall be deemed to be replaced by the following:

“SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent

(d) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent’s obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Authority has provided such information to the Dissemination Agent as required by this Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the Holders of the 2024A Bonds or any other party. The Dissemination Agent shall have no responsibility for the Authority’s failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Authority has complied with this Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Authority at all times.

The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the 2024A Bonds.

(e) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Authority.

(f) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB necessary to file such information in accordance with this Disclosure Agreement.”

SECTION 11. Ratification of Disclosure Agreement. As heretofore supplemented and as amended and supplemented hereby, the Disclosure Agreement is in all respects confirmed, except with respect to such provisions which apply expressly to the 2024A Bonds as set forth herein, and the Disclosure Agreement, all agreements supplemental thereto and this Supplemental Continuing Disclosure Agreement shall be read, taken and considered as one instrument.

SECTION 12. Counterparts. This Supplemental Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Supplemental Continuing Disclosure Agreement has been executed on behalf of the Authority and the Dissemination Agent by their duly authorized representatives as of the date first written above.

GUAM WATERWORKS AUTHORITY

By: _____
Authorized Officer

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

By: _____
Authorized Officer

APPENDIX F

DTC AND ITS BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2023A/2024A Bonds. The 2023A/2024A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2023A/2024A Bond certificate will be issued for each maturity of each series of the 2023A/2024A Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2023A/2024A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023A/2024A Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2023A/2024A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023A/2024A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2023A/2024A Bonds, except in the event that use of the book-entry system for the 2023A/2024A Bonds is discontinued.

To facilitate subsequent transfers, all 2023A/2024A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2023A/2024A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2023A/2024A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2023A/2024A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2023A/2024A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2023A/2024A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2023A/2024A Bond documents. For example, Beneficial Owners of 2023A/2024A

Bonds may wish to ascertain that the nominee holding the 2023A/2024A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2023A/2024A Bonds within a series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2023A/2024A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2023A/2024A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of, redemption price and interest on the 2023A/2024A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, redemption price or interest on the 2023A/2024A Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such, payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2023A/2024A Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, 2023A/2024A Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, 2023A/2024A Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

The preceding information in this APPENDIX F is supplied by DTC for inclusion herein, and has not been independently verified by the Authority or the Underwriters. No representation is made by the Authority as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Authority cannot and does not give any assurances that DTC will distribute to the Participants, or that the Participants or others will distribute to the Beneficial Owners, payments of debt service on the 2023A/2024A Bonds paid or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The Authority is not responsible or liable for the failure of DTC or any Direct Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the 2023A/2024A Bonds or any error or delay relating thereto.

None of the Authority, the Trustee and the Co-Trustee shall have any responsibility or obligation to any DTC Participant, any beneficial owner or other persons claiming a beneficial ownership interest in the 2023A/2024A Bonds under or through DTC or any DTC Participant, with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant with respect to the beneficial ownership interest in the 2023A/2024A Bonds; (ii) the payment by DTC or any DTC Participant of any amount in respect of the principal of and premium, if any, or interest on the 2023A/2024A Bonds to any beneficial owner or other person for the 2023A/2024A Bonds; or (iii) the delivery to any beneficial owner of the 2023A/2024A Bonds, or any other person of any notice which is permitted or required to be given to owners under the Indenture. None of the Authority, the Trustee and the Co-

Trustee shall have any responsibility with respect to obtaining consents from anyone other than the registered owners.

APPENDIX G

FORM OF FORWARD DELIVERY AGREEMENT OF PURCHASER

[to be added]