

Roadmap to a Section 30 Backed Revenue Bond Issue

Activity Name	Responsible Party	Due Date	Current Status		Additional Notes
Identification of Projects to be Funded	GBB / SWMD		In Progress	Complete	
– Conduct Feasibility Study			<input type="checkbox"/>	<input type="checkbox"/>	
– Consent Decree Requirements			<input type="checkbox"/>	<input type="checkbox"/>	
– Future capacity			<input type="checkbox"/>	<input type="checkbox"/>	
Consultants Needed	GBB / SWMD				
– Engineering Firm			<input type="checkbox"/>	<input type="checkbox"/>	
– Rate Consultant			<input type="checkbox"/>	<input checked="" type="checkbox"/>	GBB obtained
Financial Assessment	GBB / SWMD / FA	8/1-31/08			
–Operating revenues & expenditures trends & forecasts			<input type="checkbox"/>	<input type="checkbox"/>	
–Review Best Practices for and compare to benchmarks to establish targets			<input type="checkbox"/>	<input type="checkbox"/>	
–Identify revenue streams to fund projects (should be as diverse as possible)			<input type="checkbox"/>	<input type="checkbox"/>	
–Review of additional alternative revenue sources			<input type="checkbox"/>	<input type="checkbox"/>	
Identification of Financing Options	GBB / PFM	9/1-30/08			
–Determine cost of construction & improvements			<input type="checkbox"/>	<input type="checkbox"/>	
–Credit Supported Revenue Bond Financing			<input type="checkbox"/>	<input type="checkbox"/>	
• Explore Legal Authorization of Section 30 Intercept			<input type="checkbox"/>	<input type="checkbox"/>	
• Prepare Tri-Party Interlocal (?) Agreement between Federal Government, Issuer and Guam	Bond Counsel		<input type="checkbox"/>	<input type="checkbox"/>	
• Additional pledge by credit enhancer, if needed			<input type="checkbox"/>	<input type="checkbox"/>	
–Subordinate loan by Federal Finance Bank			<input type="checkbox"/>	<input type="checkbox"/>	
–Prepare Cashflow Diagram	PFM		<input type="checkbox"/>	<input type="checkbox"/>	
Selection of Various Financing Team Members	GEDCA / FA	10/1-31/08			
–e.g. Bond Counsel, Disclosure Counsel, Underwriters, Trustee, Registrar/Paying Agent, Post-Issuance Team Members (e.g. Investment services, Arbitrage Rebate compliance services), etc.			<input type="checkbox"/>	<input type="checkbox"/>	
–Discussions to determine selection criteria for RFP			<input type="checkbox"/>	<input type="checkbox"/>	
–Draft and distribute request for proposals			<input type="checkbox"/>	<input type="checkbox"/>	
–Review proposals and submit recommendations to selection committee			<input type="checkbox"/>	<input type="checkbox"/>	
–Select and notify winning firms			<input type="checkbox"/>	<input type="checkbox"/>	
–Obtain Memorandum of Understanding (MOU)			<input type="checkbox"/>	<input type="checkbox"/>	
Structure, Size and Timing of Financing	GEDCA / FA / GBB / Bond & Disclosure Counsels	Begin on 10/1/08			
–Identify the size and timing of project needs			<input type="checkbox"/>	<input type="checkbox"/>	
–Create bond sizing and debt structure models			<input type="checkbox"/>	<input type="checkbox"/>	
–Draft and distribute financing schedule			<input type="checkbox"/>	<input type="checkbox"/>	

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<ul style="list-style-type: none"> –Prepare a list of required financing & disclosure documents –Begin drafting of financing & disclosure documents <ul style="list-style-type: none"> • e.g. Preliminary Official Statement (POS), Bond Purchase Agreement (BPA), etc. 			<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Legal Requirements	GEDCA / FA / GBB / Bond & Disclosure Counsels	Begin on 10/1/08	In Progress Complete	
<ul style="list-style-type: none"> –Draft Indenture (or Supplemental) which should include: <ul style="list-style-type: none"> • Creation of Various Funds (e.g. Construction Fund, Bond Fund, Debt Service Fund, Debt Service Reserve Fund, Surplus Fund, Rebate Fund, Stabilization Fund, etc.) • Detailed Flow of Funds including application of revenues and order of use • Bondholder covenants (e.g. coverage requirements, rate covenants, additional bonds test, etc.) – Draft Trustee Indenture – Draft Master Resolution (or amend) as required by local / territorial statute – Draft third party/private partner contractual agreements as required – Evaluate additional legal, political, and other regulatory constraints 			<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Develop a Rating Strategy	GEDCA / FA / GBB / PFM	12/1-12/08		
<ul style="list-style-type: none"> – Draft rating presentation with emphasis on: <ul style="list-style-type: none"> • Management & organization <ul style="list-style-type: none"> ▣ include mission statement, info on the management team, etc. • Economic overview <ul style="list-style-type: none"> ▣ include mission statement, info on the management team, etc. • Overview of the System (e.g. regulatory environment, operations, system facilities, etc.) <ul style="list-style-type: none"> ▣ collection, disposal, transfer & landfill responsibilities and operations ▣ contracts & agreements ▣ facilities and operations • Financial review including historical trends, pro forma projections, and the proposed bond issue <ul style="list-style-type: none"> ▣ demonstration of or plan for expenditure control ▣ demonstration of ability to operate without interruption ▣ capital improvement plan – Presentation to rating agencies <ul style="list-style-type: none"> • Receive ratings 		Week of 12/15/08 1/5/2009	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Pre-marketing of Bonds	GEDCA / FA / GBB / PFM	Week of 12/1/08		
<ul style="list-style-type: none"> –Perhaps a "roadshow" by teleconference or video conference for potential investors 			<input type="checkbox"/> <input type="checkbox"/>	
Bond Sale	GBB / SWMD / FA / UW			
<ul style="list-style-type: none"> –Final sizing of bond issue –Finalize POS & BPA –POS posted on i-Deal & emailed to prospective buyers –Pre-Pricing calls for initial scale discussions 		12/29/2008 1/5/2009 1/6/2009 1/9/09 & 1/12/09	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

Activity Name	Responsible Party	Due Date	Current Status		Additional Notes
–Retail & Institutional Order periods		1/13-14/09	<input type="checkbox"/>	<input type="checkbox"/>	
–Execute BPA		1/14/2009	<input type="checkbox"/>	<input type="checkbox"/>	
–Revise POS into Final Official Statement (OS)		1/14-16/09	<input type="checkbox"/>	<input type="checkbox"/>	
–Final OS distributed to working group and investors by selected printer		1/21/2009	<input type="checkbox"/>	<input type="checkbox"/>	
Bond Closing			In Progress Complete		
–Prepare a list of closing documents and responsibility	Bond Counsel	1/20/2009	<input type="checkbox"/>	<input type="checkbox"/>	
–Prepare bond closing wire instructions	FA	1/22/2009	<input type="checkbox"/>	<input type="checkbox"/>	
–Closing documents delivered for execution	Bond Counsel	1/26/2009	<input type="checkbox"/>	<input type="checkbox"/>	
–Return all executed closing documents to Bond Counsel	Working Group	2/2/2009	<input type="checkbox"/>	<input type="checkbox"/>	
– Pre-Closing	Working Group	2/3/2009	<input type="checkbox"/>	<input type="checkbox"/>	
–Bond Closing	Working Group	2/4/2009	<input type="checkbox"/>	<input type="checkbox"/>	
Post-Closing					
–Investment of Bond Proceeds	GBB / SWMD / FA	12/29/08-2/4/09	<input type="checkbox"/>	<input type="checkbox"/>	
• Develop cash flow analysis of construction fund and reserve funds needs			<input type="checkbox"/>	<input type="checkbox"/>	
• Determine legal restrictions on various funds to be invested			<input type="checkbox"/>	<input type="checkbox"/>	
• Prepare an analysis of investment alternatives for each fund and present recommendations to appropriate officials			<input type="checkbox"/>	<input type="checkbox"/>	
• Prepare the bid specifications for open market investments or GIC's			<input type="checkbox"/>	<input type="checkbox"/>	
• Coordinate closing of investment transaction			<input type="checkbox"/>	<input type="checkbox"/>	
–Prepare and distribute to the working group a financing transcript		3/31/2009	<input type="checkbox"/>	<input type="checkbox"/>	
–Arbitrage Rebate compliance		on-going	<input type="checkbox"/>	<input type="checkbox"/>	
Working Group					
GEDCA: Guam Economic Development & Commerce Authority					
GBB: Gershman, Brickner & Bratton, Inc.					
SWMD: Solid Waste Management Division					
FA: Financial Advisor / Banc of America Securities					
Bond Counsel: Orrick, Herrington & Sutcliffe LLP					
PFM: Public Financial Management					
UW: Underwriter					