Roadmap to a Section 30 Backed Revenue Bond Issue

Activity Name	Responsible Party	Due Date	Current Status		Additional Notes
			In Progress	Complete	
Identification of Projects to be Funded	GBB / SWMD				
— Conduct Feasibility Study			☐	☐	
— Consent Decree Requirements			☐	☐	
— Future capacity			☐	☐	
Consultants Needed	GBB / SWMD				
— Engineering Firm			☐	☐	
— Rate Consultant			☐	☒	GBB obtained
Financial Assessment	GBB / SWMD / FA	8/1-31/08			
—Operating revenues & expenditures trends & forecasts			☐	☐	
—Review Best Practices for and compare to benchmarks to establish targets			☐	☐	
—Identify revenue streams to fund projects (should be as diverse as possible)			☐	☐	
—Review of additional alternative revenue sources			☐	☐	
Indentification of Financing Options	GBB / PFM	9/1-30/08			
—Determine cost of construction & improvements			☐	☐	
—Credit Supported Revenue Bond Financing					
• Explore Legal Authorization of Section 30 Intercept			☐	☐	
• Prepare Tri-Party Interlocal (?) Agreement between Federal Governme	Bond Counsel		☐	☐	
Issuer and Guam					
• Additional pledge by credit enhancer, if needed			☐	☐	
—Subordinate loan by Federal Finance Bank			☐	☐	
—Prepare Cashflow Diagram	PFM		☐	☐	
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.					
—Discussions to determine selection criteria for RFP			☐	☐	
—Draft and distribute request for proposals			☐	☐	
—Review proposals and submit recommendations to selection committee			☐	☐	
—Select and notify winning firms			☐	☐	
—Obtain Memorandum of Understanding (MOU)			☐	☐	
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			☐	☐	
—Create bond sizing and debt structure models			☐	☐	
—Draft and distribute financing schedule			☐	☐	

Activity Name	Responsible Party	Due Date	Current Status	Additional Notes
–Prepare a list of required financing & disclosure documents			☐ ☐	
–Begin drafting of financing & disclosure documents			☐ ☐	
• e.g. Preliminary Official Statement (POS), Bond Purchase Agreement (BPA), etc.				
Legal Requirements	GEDCA / FA / GBB / Bond &		In Progress Complete	
–Draft Indenture (or Supplemental) which should include:	Disclosure Counsels	Begin on 10/1/08		
• 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 convenants (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 parneter contractual agreements as required			☐ ☐	
– Evalute additional legal, political, and other regulatory contraints			☐ ☐	
Develop a Rating Strategy	GEDCA / FA / GBB / PFM	12/1-12/08		
– Draft rating presentation with emphasis on:			☐ ☐	
• Management & organization			☐ ☐	
include mission statement, info on the management team, etc.				
• Economic overview			☐ ☐	
include mission statement, info on the management team, etc.				
• Overview of the System (e.g. regulatory environment, operations, system facilities, etc.)			☐ ☐	
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			☐ ☐	
demonstration of or plan for expenditure control				
demonstration of ability to operate without interruption				
capital improvement plan				
– Presentation to rating agencies		Week of 12/15/08		
• Receive ratings		1/5/2009		
Pre-marketing of Bonds	GEDCA / FA / GBB / PFM			
–Perhaps a "roadshow" by teleconference or video conference for potential investors		Week of 12/1/08	☐ ☐	
Bond Sale	GBB / SWMD / FA / UW			
–Final sizing of bond issue		12/29/2008	☐ ☐	
–Finalize POS & BPA		1/5/2009	☐ ☐	
–POS posted on i-Deal & emailed to prospective buyers		1/6/2009	☐ ☐	
–Pre-Pricing calls for intial scale discussions		1/9/09 & 1/12/09	☐ ☐	

Activity Name	Responsible Party	Due Date	Current Status		Additional Notes
—Retail & Institutional Order periods		1/13-14/09	☐	☐	
—Execute BPA		1/14/2009	☐	☐	
—Revise POS into Final Official Statement (OS)		1/14-16/09	☐	☐	
—Final OS distributed to working group and investors by selected printer		1/21/2009	☐	☐	
Bond Closing			In Progress	Complete	
—Prepare a list of closing documents and responsibility	Bond Counsel	1/20/2009	☐	☐	
—Prepare bond closing wire instructions	FA	1/22/2009	☐	☐	
—Closing documents delivered for execution	Bond Counsel	1/26/2009	☐	☐	
—Return all executed closing documents to Bond Counsel	Working Group	2/2/2009	☐	☐	
— Pre-Closing	Working Group	2/3/2009	☐	☐	
—Bond Closing	Working Group	2/4/2009	☐	☐	
Post-Closing	GBB / SWMD / FA				
—Investment of Bond Proceeds		12/29/08-2/4/09	☐	☐	
• Develop cash flow analysis of construction fund and reserve funds needs			☐	☐	
• Determine legal restrictions on various funds to be invested			☐	☐	
• Prepare an analysis of investment alternatives for each fund and present recommendations to appropriate officials			☐	☐	
• Prepare the bid specifications for open market investments or GIC's			☐	☐	
• Coordinate closing of investment transaction			☐	☐	
—Prepare and distribute to the working group a financing transcript		3/31/2009	☐	☐	
—Arbitrage Rebate compliance		on-going	☐	☐	

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