

Debate grows over GWA's System Development Charge

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by [Mindy Aquon](#)

Guam - There is growing debate in the community about the System Development Charge and whether it should only apply to certain individuals, whether there should be a moratorium or whether it should be repealed altogether.

Martin Benavente told KUAM News, "People see us as one government and what we've done also with the Affordable Housing Task Force, we've looked at where we can help people on the positive side." As the Guam Housing Corporation's administrator and as a member of the Affordable Housing Task Force, he says along the way he's also seen what has hindered people from building their own homes. Benavente is talking about the Guam Waterworks Authority's System Development Charge, which he is hoping will be repealed all together. It's something the governor agrees with.

After seeing people living in the boonies in substandard homes, under canopies and leanto's, Benavente is hoping the government will do its part in removing the obstacles for low-income families. Even with the First Time Homeowners Assistance Program, Benavente says it's not enough. He added, "But on the other hand, you have Guam Waterworks - that takes away that \$8,000 on an average and says that, 'Now that your house is built we need \$8,000 from you to hook up your water.'"

The Coordinating Council adopted a resolution and has been circulating a petition to repeal the SDC. "We're trying to achieve this affordable home down to the lowest level income of this community," he explained. "And if a person can only afford \$30,000 and you hit them with an \$8,000 SDC, it doesn't take a rocket scientist to figure it out it's not going to happen. So we keep suppressing these people and we allow them to fall through the cracks and we leave them there."

Benavente questions whether the SDC actually goes to pay for anything.

Consolidated Commission on Utilities chairperson Simon Sanchez argues otherwise, saying the \$3 million collected so far will go to pay for the drilling of new water wells for new customers and improving wastewater systems. Sanchez says GWA and the CCU understand that everyone is struggling these days but he maintains growth should pay for growth and existing customers shouldn't have to be required to pay more because new customers are building apartments, a new commercial facility or homes.

"It's sort of like if you and I were neighbors and I was building a new house next to you and I said to you, 'Will you help me finish part of my house? Would you help me pay for part of my house?' Most of us would say, 'You're a good neighbor, but I paid for my own house. You need to pay for your own house,'" he theorized.

Sanchez stressed that the water system is completely maxed out in terms of the number of wells that provide water and as the island continues to grow GWA is going to have to add wells. "For every 1,000 customers we have to add a new well," he stated. "To say that new customers get a free ride into the

system and existing customers, we have to come up with the \$5 million for the next 1,000 new customers joining the system - is that fair to existing customers?"

Senator Tina Muna Barnes also recently introduced Bill 93, which would not require a user or developer of an affordable home project to have to pay the SDC. Additionally, the legislation allows for all residents, not just low- or moderate-income residents, to be eligible for the Amortized System Development Charge with an initial payment of 20% of the total charge, rather than the current \$1,000. Sanchez said, "If low-income customers don't contribute to the system, then everyone else has to. And it's not like everyone else has \$5 million lying around to give to GWA, so new customers can have water and waste water services."

The debate will definitely spill over in the coming weeks when lawmakers hold a public hearing on the bill.