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**TERRITORY OF AMERICAN SAMOA**  
OFFICE OF THE GOVERNOR  
FAGATOGO 96799

A. P. LUTALI  
GOVERNOR  
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LIEUTENANT GOVERNOR

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**EXECUTIVE ORDER NO. 06-1988**

**REORGANIZATION OF THE WATER UTILITY  
AND WASTEWATER DIVISIONS OF THE DEPARTMENT OF PUBLIC WORKS  
UNDER THE AMERICAN SAMOA POWER AUTHORITY**

Section 1. Authority.

This Executive Order is issued under the authority of Section 6 of Article IV of the Revised Constitution of American Samoa and 4.0303(a) ASCA.

Section 2. Intent.

The American Samoa Government desires that the business of production, distribution and sale of potable water, and collection and disposal of wastewater, within the Territory of American Samoa be conducted in accordance with sound business and utility practices, that the rates and charges for those service be just, reasonable and equitable to consumers and not unduly discriminatory, that service be reliable, that water be conserved and water and wastewater facilities and resources be efficiently used, and that the needs of the people of American Samoa for potable water and wastewater disposal be provided for in a timely fashion and in accordance with Federal standards applicable in the Territory.

Section 3. Establishment of the water and utility division of the American Samoa power authority.

There is established a division within the American Samoa power authority of the executive branch of the government known as the water and wastewater utility division.

Section 4. Division functions continued.

The division shall continue to provide for the production, distribution and sale of potable water, and the collection and disposal of wastewater, and the operations and maintenance of the water and wastewater systems within the Territory of American Samoa now conducted by the water utility and wastewater divisions of the department of public works.

Section 5. Operations generally.

Except as may be inconsistent with or inapplicable to the functions of the division, the authority shall operate the division in accordance with 15.0102, 15.0104, 15.0105, 15.0108, 15.0110 and 15.0111 ASCA dealing respectively with the powers and duties of the authority, powers and duties of the board of directors, personnel, independent audit reports, consultants and annual reports, notice to customers and prohibition of penalty fees.

Section 6. Personnel.

Until further directive:

- (1) transfer of any personnel now assigned to the water utility and wastewater divisions of the department of public works, or elsewhere in the department or the government generally, to the water and wastewater utility division of the American Samoa power authority shall be made only upon the Governor's prior written approval; and
- (2) all employees of the water and wastewater utility division of the power authority shall be assigned, transferred, compensated, disciplined and terminated in accordance with the requirements of government personnel laws, 7.0101 ASCA et seq., and rules, 4.0101 ASAC et seq.

Section 7. Accounting and budget.

The power authority shall assume responsibility for the accounting and financial management of the water and wastewater systems, and shall administer or contract with the government for the administration of all accounting systems, including general ledger, fixed assets, accounts receivable, accounts payable, payroll, and cash. It shall establish proper internal accounting controls and procedures, and it shall prepare an annual budget as a part of the Governor's budget process.

Section 8. Transfer of existing systems.

(a) At a date fixed by the Governor and the board of directors of the power authority, the government shall transfer to the authority the right to operate all items of property, including construction in progress, equipment and machinery used in connection with the then-existing water and wastewater operations of the government. Property jointly used for water, wastewater and governmental, non-utility functions shall be equitably allocated between the government and the authority, provided that the allocation assures the continuing efficient functioning of water production and distribution, and wastewater collection and disposal. In the event of dispute, the allocation shall be determined by the Governor.

(b) The property accounts for the authority are valued for ratemaking purposes at the depreciated acquisition cost of the property as of the date of transfer, and shall be included in the rate base of the authority. Future capital contributions to the authority from the government shall be by separate authorization and appropriation.

(c) The Legislature has the exclusive power to provide supplemental funding by appropriation for operations of the water and wastewater systems of the authority. These appropriations may be designated as loans. The appropriations may require repayment to the government at rates of interest specified in the appropriations acts. It is contemplated appropriations made to the authority after the implementation date of this Executive Order for the operation of the water system shall be treated as loans, and for the operation of the wastewater system as subsidies for fiscal years 1989 through 1993 in the amount of \$600,000 annually and thereafter as loans.

Section 9. Transition period.

All rates, charges, and classifications of the water and wastewater systems in effect at the time of the transfer of property and facilities, and management thereof, to the control and jurisdiction of the power authority are considered to be properly adopted and continue in effect until duly changed.

Section 10. Implementation.

This Executive Order shall be implemented as of October 1, 1988.

Section 11. Effective date.

This Executive Order is effective immediately.

Dated: September 16, 19 88

*A. P. Lutali*  
A. P. LUTALI  
Governor of American Samoa