



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority • Guam Waterworks Authority
P.O. BOX 2977 • Agaña, Guam 96932

GUAM CONSOLIDATED COMMISSION ON UTILITIES

RESOLUTION NO. 2016-30

RELATIVE TO THE AUTHORIZATION TO PETITION THE PUBLIC UTILITIES COMMISSION FOR AUTHORIZATION TO BEGIN PROCUREMENT FOR PROPERTY INSURANCE FOR THE GUAM POWER AUTHORITY

WHEREAS, the Consolidated Commission on Utilities has determined that it is a prudent and reasonable business practice to maintain insurance coverage on GPA's assets to the extent practical; and

WHEREAS, the Guam Power Authority's bond indenture agreement requires GPA to "secure and maintain property insurance on all facilities constituting the System against risks of loss or damage...to the extent that such insurance is obtainable at reasonable cost"; and

WHEREAS, the indenture further requires GPA to carry insurance "of a scope and nature as that usually carried in the industry"; and

WHEREAS, GPA's current property insurance policy including boiler and machinery coverage and terrorism coverage is expiring on November 1, 2016 and a re-bidding of the policies is required under Guam procurement regulations; and

WHEREAS, the contract review protocol established by the Public Utilities Commission requires that all contracts in excess of \$1.5 million be authorized by the PUC in advance of the procurement;

WHEREAS, GPA's current property insurance costs exceed \$6.6 million and this procurement will undoubtedly exceed the PUC contract review threshold; and

1 **WHEREAS**, GPA desires to issue its insurance bid as soon as possible in order to
2 allow sufficient time for insurance vendors to prepare their bids; and
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4 **NOW THEREFORE, BE IT RESOLVED** by the Consolidated Commission on
5 Utilities, as the governing body of the Guam Power Authority, as follows:
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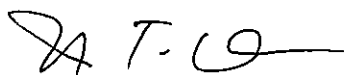
- 7 1. The GPA General Manager is authorized to submit the draft Invitation for Bids for
8 property insurance coverage to include boiler and machinery coverage and terrorism
9 coverage to the Public Utilities Commission for their approval in accordance with the
10 contract review protocol.
- 11 2. The GPA General Manager is authorized to make minor modifications to the bid
12 documents in order to finalize the document for procurement, however, any material
13 modification to the bid documents will require additional approval from the CCU.
- 14 3. Final approval from the Consolidated Commission on Utilities and the Public
15 Utilities Commission is required before a property insurance contract is authorized.
16

17 **RESOLVED**, that the Chairman certifies and the Secretary attests to the adoption of this
18 Resolution.
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20 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 24th DAY OF**
21 **MAY 2016.**
22

23 Certified by:

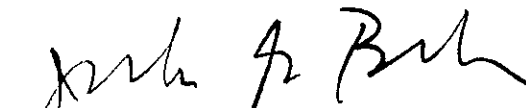
Attested by:

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27 **JOSEPH T. DUENAS**

28 Chairperson

29 Consolidated Commission on Utilities
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J. GEORGE BAMBA

Secretary

Consolidated Commission on Utilities

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3 **SECRETARY'S CERTIFICATE**

4 **I, J. George Bamba**, Secretary for the CCU do hereby certify that the foregoing is
5 a full, true, and correct copy of the resolution duly adopted at a regular meeting of the
6 members of Guam's CCU, duly and legally held at the meeting place thereof on May 26,
7 2016 at which meeting of all said members had due notice and at which at least a majority
8 thereof were present, and

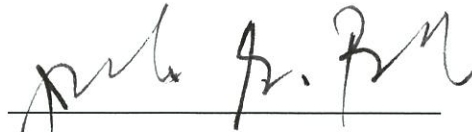
9 At said meeting said resolution was adopted by the following vote:

10
11 Ayes: 4
12 Nays: 0
13 Absent: 1
14 Abstain: 0

15
16 As of the date of this certification, said original resolution has not been amended,
17 modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

18
19 **SO CERTIFIED** this 24th day of May, 2016



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23 **J. GEORGE BAMBA**

24 Secretary

25 Consolidated Commission on Utilities