RESOLUTION NO. 2018-06

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

WHEREAS, the Consolidated Commission on Utilities has determined that is a prudent
and reasonable business practices 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 property insurance policy including boiler and machinery coverage
is expiring on November 1, 2018 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 $6.4 million and this
procurement will exceed the PUC contract review threshold; and

WHEREAS, GPA desires to issue its insurance bid as soon as possible in order to allow
sufficient time for insurance vendors to prepare their bids; and

WHEREAS, GPA has submitted its draft invitation for bids to the Consolidated
Commission on Utilities for review and authorization to forward to the PUC; and
NOW THEREFORE, BE IT RESOLVED BY THE CONSOLIDATED COMMISSION ON UTILITIES, AS THE GOVERNING BODY OF THE GUAM POWER AUTHORITY, AS FOLLOWS:

1. After careful review and scrutiny of the GPA draft Invitation for Bids for property insurance coverage to include boiler and machinery coverage, the Consolidated Commission on Utilities has determined that property insurance costs are a prudent expense and the GPA General Manager is authorized to submit the bid document to the Public Utilities Commission for their approval in accordance with the contract review protocol.

2. Final approval from the Consolidated Commission on Utilities is required before a property insurance contract is executed.

RESOLVED, that the Chairman certifies and the Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED AND APPROVED THIS 27TH DAY OF MARCH, 2018.

Certified by:  

JOSEPH T. DUENAS  
Chairperson  
Consolidated Commission on Utilities

Attested by:  

J. GEORGE BAMBA  
Secretary  
Consolidated Commission on Utilities
SECRETARY'S CERTIFICATE

I, J. George Bamba, Board Secretary of the Consolidated Commission on Utilities (CCU), as evidenced by my signature above, do hereby certify as follows:

The foregoing is a full, true and correct copy of the resolution duly adopted at a regular meeting by the members of the Guam CCU, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

AYES: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0