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**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


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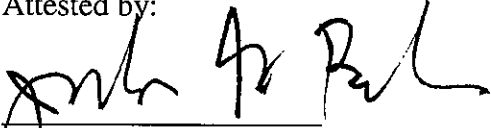
**NOW THEREFORE, BE IT RESOLVED BY THE CONSOLIDATED COMMISSION ON UTILITIES, AS THE GOVERNING BODY OF THE GUAM POWER AUTHORITY, AS FOLLOWS:**

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 27<sup>TH</sup> DAY OF MARCH, 2018.**

Certified by:  
  
**JOSEPH T. DUENAS**  
Chairperson  
Consolidated Commission on Utilities

Attested by:  
  
**J. GEORGE BAMBA**  
Secretary  
Consolidated Commission on Utilities

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**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:        | <u>5</u> |
| NAYS:        | <u>0</u> |
| ABSTENTIONS: | <u>0</u> |
| ABSENT:      | <u>0</u> |

