



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

RESOLUTION NO: 2021-08

AUTHORIZING THE APPROVAL OF A BOND ISSUANCE TO REFUND THE OUTSTANDING REVENUE BONDS

WHEREAS, the Consolidated Commission on Utilities is a body corporate a politic, organized and existing under the laws of the Government of Guam; and

WHEREAS, the Consolidated Commission on Utilities is the governing body of the Guam Power Authority (“GPA”); and

WHEREAS, GPA has been pursuing strategies for reducing debt service payments, which would be a significant assistance in paying for capacity payment of the new power plant as noted previously; and

WHEREAS, one strategy that has emerged as a result of historically low interest rates has been the concept of refunding GPA’s 2012 Series A revenue bonds for interest rate savings; and

WHEREAS, GPA expects that opportunities will arise from time to time to refund all or a portion of its other than outstanding revenue bonds for debt service savings, which is expected to result in potential savings to ratepayers; and

WHEREAS, the current scenario of low interest rate warrants action from the CCU; and

WHEREAS, after reviewing this strategy with Barclays, GPA Bond Counsel, and GEDA, GPA believes this strategy has potential for providing significant benefit for GPA ratepayers; and

1 **WHEREAS**, this transaction will still need the approval of the Guam Legislature, GEDA,
2 the PUC, and the Governor; and

3
4 **WHEREAS**, the CCU desires to pursue this plan for refund GPA's debt service costs in
5 order to provide a net present value savings to ratepayers; and

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7 **WHEREAS**, the present value of debt service on the refunding bonds shall be at least two
8 percent (2%) less than the present value of debt service on the prior bonds, using the yield on the
9 refunding bonds as the discount rate; and

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12 **NOW BE IT RESOLVED**, the Consolidated Commission on Utilities does hereby
13 approve and authorize the following:

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15 1. The General Manager and the CCU Chairman are authorized to proceed forward with the
16 refund of outstanding revenue bonds.
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18 2. The General Manager and CCU Chairman are authorized to petition the Public Utilities
19 Commission for authorization to complete the bond refunding initiative.
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21 3. The General Manager and CCU Chairman are authorized to submit the proposed bond
22 refunding legislation to the Guam Legislature for their approval.
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24 4. The General Manager and CCU are authorized to seek approval from the Governor and
25 GEDA to proceed with the proposed bond refunding.
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27 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption
28 of this Resolution.
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2 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 27TH DAY OF**
3 **APRIL 2021.**
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6 Certified by:

Attested by:

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10 **JOSEPH T. DUENAS**

MICHAEL T. LIMTIACO

11 Chairperson

Secretary

12 Consolidated Commission on Utilities

Consolidated Commission on Utilities

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14 **SECRETARY'S CERTIFICATE**

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16 I, **Michael T. Limtiaco**, Board Secretary of the Consolidated Commission on
17 Utilities (CCU), as evidenced by my signature above, do hereby certify as follows:
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19 The foregoing is a full, true and correct copy of the resolution duly adopted at a
20 regular meeting by the members of the Guam CCU, duly and legally held at a place properly
21 noticed and advertised at which meeting a quorum was present and the members who were
22 present voted as follows:
23

24 Ayes: 5
25 Nays: 0
26 Absent: 0
27 Abstain: 0

