



GWA RESOLUTION NO. 09-FY2022

**RELATIVE TO AUTHORIZING GWA TO ISSUE AN INVITATION FOR BID (IFB) TO
PROCURE PROPERTY, GENERAL LIABILITY, AND OTHER INSURANCE
SERVICES**

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities (“CCU”) has plenary authority over financial, contractual, and policy matters relative to the Guam Waterworks Authority (“GWA”); and

WHEREAS, the Guam Waterworks Authority (“GWA”) is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, Section 6.06 Insurance of the 2005 General Indenture relative to GWA’s Water and Wastewater System Revenue Bonds, requires GWA *to maintain or cause to be maintained insurance on the System with responsible insurers in such amounts and against risks as are usually maintained by prudent operators of systems similar and similarly situated*; and

WHEREAS, *System*, as defined in the Indenture, *means the water and sewer systems, now or hereafter existing, owned and/or operated by the Authority or its contractors, agents, or subcontractors*; and

WHEREAS, GWA currently maintains five (5) year insurance policies for property, general liability, directors & officers liability, automobile, crime, and cyber liability, (See ATTACHMENT “A”) whose term will expire on 12:01 am, May 1, 2022; and

WHEREAS, GWA management desires to procure similar commercial insurance, adjusted for GWA’s current state of condition, upon the expiration of the current policy in force; and

1 **WHEREAS**, GWA procured the services of Bolton Insurance and Risk Management
2 (Bolton), through RFP 2021-04, to perform risk management and insurance consulting services;
3 and
4

5 **WHEREAS**, GWA and Bolton are finalizing the Request for Bid for insurance, GWA
6 IFB No. 2022-09; and
7

8 **WHEREAS**, based on past experience, GWA has found that a three (3) year or five (5)
9 years term for insurance services is efficient, cost effective and beneficial to GWA; and
10

11 **WHEREAS**, based on GWA's best estimate and recent actual insurance premium
12 expenditures, the cost of procured insurance services over the expected contract term will
13 exceed \$1,000,000; and
14

15 **WHEREAS**, under the Guam Public Utilities Commission's (GPUC) Contract Review
16 Protocol for Guam Waterworks Authority, CCU approval of the proposed procurement and
17 permission to petition the GPUC for procurement approval is necessary.
18

19 **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities
20 does hereby approve the following:
21

- 22 1. The recitals set forth above hereby constitute the findings of the CCU.
- 23 2. The CCU finds that the issuance of an IFB for insurance to be necessary and
24 prudent, and in alignment with the requirements of GWA's bond indenture.
- 25 3. The CCU finds and agrees with the plan to solicit new insurance bids for a
26 three (3) to five (5) years term as efficient, cost effective and beneficial to
27 GWA.
- 28 4. The approval authorized in Item 3, is subject to GWA obtaining the
29 approval of the GPUC under the Contract Review Protocol and,
30 accordingly, the CCU further authorizes the General Manager to petition for
31 the PUCs' approval.

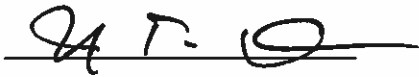
1 5. The CCU hereby further authorizes the General Manager to execute all
2 documents and undertake all reasonable actions necessary to issue an
3 Invitation for Bid to procure commercial insurance.
4

5 **RESOLVED**, that the Chairman certified, and the Board Secretary attests to the adoption
6 of this Resolution.
7

8 **DULY AND REGULARLY ADOPTED**, this 22nd day of February 2022.
9

10 Certified by:

Attested by:

11 

12 

13 **JOSEPH T. DUENAS**

14 **MICHAEL T. LIMTIACO**

15 Chairperson

16 Secretary

17 **SECRETARY'S CERTIFICATE**

18
19 I, Michael T. Limtiaco, Board Secretary of the Consolidated Commission on
20 Utilities as evidenced by my signature above do hereby certify as follows:

21 The foregoing is a full, true, and accurate copy of the resolution duly adopted at a
22 regular meeting by the members of the Guam Consolidated Commission on Utilities,
23 duly and legally held at a place properly noticed and advertised at which meeting a
24 quorum was present and the members who were present voted as follows:
25

26 AYES:

_____ 4 _____

27 NAYS:

_____ 0 _____

28 ABSENT:

_____ 1 _____

29 ABSTAIN:

_____ 0 _____



30
31 ///

**GUAM WATERWORKS AUTHORITY
2021 SUMMARY OF INSURANCE COVERAGES**

ATTACHMENT A

POLICY TYPE	POLICY DESCRIPTION	CURRENT INSURER	COVERAGE	2021 PREMIUM
PROPERTY	<p>COVERAGE: Blanket Coverage for All-Risk including Earthquake, Windstorm, Flood, Typhoon and Tidal Wave. Property Damage, Loss of Revenue / Business Interruption and Extra Expense; Boiler Explosion and Machinery Breakdown</p> <p>SUBLIMITS (Each & Every Occurrence) Personal Property in Transit Valuable Papers and Records and Computer Automatic Acquisition Boiler Explosion and Machinery Breakdown Personal Property in Transit Denial of Access Suppliers' and Customers' Debris Removal Mold Damage (in the aggregate)</p> <p>RETENTIONS (Each & Every Loss): Earthquake, Windstorm, Flood, Typhoon & Tidal Wave All Other Covered Perils</p>	DB Insurance	\$30,000,000 <i>Each & every occurrence</i> \$250,000 \$1,000,000 \$1,000,000 \$5,000,000 \$250,000 \$1,000,000 \$1,000,000 \$1,000,000 \$250,000 \$1,000,000 \$100,000	\$701,530.00
CYBER LIABILITY	<p>INSURANCE MODULES: Security & Privacy Multimedia & Intellectual Property Physical Damage, Physical Loss & Debris Removal Event Support Expenses Privacy Regulatory Defense & Penalties Network Extortion Electronic Theft, Computer Fraud and Telecommunications Fraud Social Engineering Fraud Reputational Damage PCI DSS Fines and Assessments Coverage Business Income Loss Data Asset Recovery Dependent Business Income Loss and Data Asset Recovery Hardware Replacement Costs Forensic Accounting Costs Invoice Manipulation Fraud</p> <p>DEDUCTIBLE: Each and every claim Waiting Period in respect of Dependent Business Income Loss and Data Asset Recovery</p>	DB Insurance	Total Limit of Liability: \$3M \$3,000,000 \$3,000,000 \$250,000 \$3,000,000 \$3,000,000 \$3,000,000 \$250,000 \$250,000 \$3,000,000 \$3,000,000 \$3,000,000 \$3,000,000 \$250,000 \$250,000 \$250,000 \$15,000 \$250,000 \$250,000 8 Hours	\$37,994.51
GENERAL LIABILITY	<p>LIMIT OF LIABILITY: Section A - Public Liability Section B - Pollution Liability Section C - Products Liability Personal Injury</p> <p>DEDUCTIBLE: Excess each and every loss</p>	DB Insurance	\$25M CSL \$25,000,000 \$15,000,000 \$25,000,000 \$10,000,000 \$300,000	\$169,716.67
DIRECTORS & OFFICERS LIABILITY	<p>LIMIT OF LIABILITY: (aggregate for coverages A&B combined including Defense Cost) A. Non Indemnifiable Loss: B. Company Reimbursement and Indemnifiable Loss: Employment Related Practices:</p> <p>RETENTION (any one claim): Non Indemnifiable Loss: Company Reimbursement and Indemnifiable Loss:</p>	DB Insurance	\$2,000,000 \$2,000,000 \$1,000,000 NIL NIL	\$15,921.18
AUTOMOBILE	<p>LIMIT OF LIABILITY: A. Bodily Injury & Property Damage Liability B. Medical Payments - each person C. Uninsured Motorists - each person/accident D. Collision (to selected vehicles)</p>	DB Insurance	\$2,000,000 \$1,000 \$25,000 / \$50,000 ACV	\$38,363.55* *initial premium (varies throughout the coverage period)
CRIME	<p>DEDUCTIBLE \$50,000 for all sections of coverage except in respects of Loss inside Premises & Loss Outside Premises which will be \$10,000</p> <p>A. Employee Dishonesty Coverage - Form A B. Loss Inside the Premises Coverage C. Loss Outside the Premises Coverage D. Depositors Forgery Coverage E. Money Orders and Counterfeit Paper Currency Coverage F. Check Forgery G. Third Party Computer Fraud H. Costs</p>	DB Insurance	\$1,000,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000	\$5,245.00

TOTAL ANNUAL PREMIUM : \$968,770.91