



THE VIRGIN ISLANDS WATER & POWER AUTHORITY CORPORATE COMMUNICATIONS

CEO EDITORIAL

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U.S. VIRGIN ISLANDS – The New Year ushers in with it an opportunity to reflect on some of the major achievements and progress made by the Virgin Islands Water and Power (“WAPA” or “Authority”). Though the Authority has also seen its share of challenges and adversity, it has consistently demonstrated its resilience. In 2022, the Authority saw the onboarding of many new faces in leadership positions, most notably a new CEO/Executive Director, Andrew Smith. As part of this transition, a Strategic Plan was devised to outline a clear and attainable path forward for the Authority. The Strategic Plan, which can be found on the Authority’s website, addresses the complex challenges at WAPA with solution-oriented recommendations and timelines.

Using the Strategic Plan as a high-level roadmap, WAPA’s leadership team was able to identify areas for improvement within the organization, build on existing progress and introduce many exciting new initiatives. Outlined are some of the significant accomplishments so far:

Cost Savings Accomplishments

- With the support of the Government of the Virgin Islands, the Authority was able to successfully work with the Public Services Commission to maintain the Levelized Energy Adjustment Clause (LEAC) rate and protect its customers from a rate increase when the cost of all other goods and services rose sharply due to high inflation.
- WAPA successfully terminated its lease with General Electric, which allowed it to gain full ownership of Unit 17 and to capture significant long-term savings for the U.S. Virgin Islands.
- An approximate 5% rate reduction was secured for the Authority’s liability property insurance, while maintaining the same level of coverage.
- The Transmission and Distribution Line Department was transitioned to Market Square East, resulting in a \$22,000 per month savings.
- The Authority advanced solar initiatives with multiple vendors to transition St. Croix to 100% renewable energy and is looking to get those over the finish line soon.

Grant Accomplishments

Grant funding is only eligible for specific spending, so the Authority applies for grants to help pay for goods and services that it needs as outlined by the grantor. These procurements improve the reliability and cost of operations and highlight the territory’s on-going transition to green technology providing a unique opportunity for the Authority to diversify its customer base, essential to long-term sustainability.

- In successful grant milestones, the Water Department received a prudent replacement grant of approximately \$1 billion from Federal Emergency Management Agency that will fund the replacement of St. Croix’s dated water infrastructure and upgrade it to best-in-class standards.
- The Authority worked diligently with the Virgin Islands Energy Office to secure funding for the acquisition of eight (8) electric Tesla vehicles, fully paid for through an almost \$2 million grant from the Department of Interior (DOI)

Insular Affairs Division. The same grant was also used towards the purchase of the Authority's new hybrid Versalift bucket truck.

- Through grant funds received and the diligent work of the garage, the Authority has reduced the number of vehicles out of service by 65% since the beginning of 2022.

Employee Training and Development Accomplishments

WAPA employees are one of the most important elements of what makes the Authority a success. The Authority's number one priority is to ensure that each member of the WAPA family goes home at the end of the day the same way they came in at the start. When it comes to safety, shortcuts are NEVER an option. Additionally, prioritizing opportunities for growth and advancement is another aspect of how WAPA continues to advocate for its employees. As part of this commitment, employee training and higher education will remain paramount at WAPA.

- In 2022, 30 employees graduated from the PowerLine Workers Apprenticeship Program to become fully certified Electrical Lineworkers. Funding for employees to participate was provided through two grants from DOI of Insular Affairs.
- On St. Thomas and St. Croix, 184 employees completed a "Worker Fall Protection and Prevention" training. The training was provided by the American Public Power Association and funded through a grant from the federal government's Occupational Safety and Health Administration.
- The Authority worked closely with Baker Tilly, an advisory CPA firm, to launch its succession planning project designed to clearly define career paths for employees interested in further growth within the organization.
- Thirty-three (33) internal promotions were conducted for the calendar year!

Project Accomplishments

Despite supply challenges and unexpected delays throughout last year, significant strides occurred on multiple projects across the territory.

- On St. Thomas, 1,853 composite poles have been installed to date--- 79% completed. The Bovoni Waterline Expansion Project was completed, which introduced 4,720 feet of new PVC water mains and service lines to the neighborhood. The Wartsila project is near completion, with only battery installation remaining. The units are scheduled to be in service Q1 this year.
- On St. John, the Feeder 7E Cruz Bay Underground Project Phase One has been completed and has benefitted approximately 500 customers. 1550 composite poles have also been installed across the island to date--- 79% completed.
- On St. Croix, the Golden Grove Underground Project is 95% complete, the Midland Underground Project is 95% complete, the Container Port Underground Project is 95% complete, and the Clifton Hill Water Project is 87% complete. 2,967 composite poles have been installed to date--- 73% completed.

While this list is not exhaustive, it sheds light on many of the highlights and challenges the Authority has seen over the last year. We look forward to another year of progress in 2023 as we diligently work to serve the U.S. Virgin Islands community.

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About WAPA: The Virgin Islands Water and Power Authority is an autonomous agency of the Virgin Islands Government which produces and distributes electricity and drinking water to residential and commercial customers in the territory. WAPA was created by the Fifth Legislature of the Virgin Islands in 1964 through Act No. 1248. Today, WAPA generates electrical power at production plants on St. Thomas and St. Croix and distributes electrical service through smart grids to customers on St. Thomas, St. Croix, St. John, Hassel Island, and Water Island. Potable water is distributed to almost 13,000 customers through water lines and standpipes. WAPA also has the responsibility of installing and maintaining streetlights.