



THE VIRGIN ISLANDS WATER & POWER AUTHORITY CORPORATE COMMUNICATIONS NEWS RELEASE

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Board Approvals Drive Progress on St. Thomas LPG Plant and Key Initiatives

U.S. VIRGIN ISLANDS (August 23, 2024) – The Virgin Islands Water and Power Authority's ("WAPA" or "Authority") Governing Board met yesterday and approved the following action items. Under the Planning and Economic Development Committee, the board approved the Authority to enter an agreement with J. Benton Construction LLC at a cost of \$10,899,325, for the performance of the Underground Electrical Construction Project Queen Mary Highway, Phase 1 (Feeder 9B). The undergrounding of the electrical grid servicing the customers of the Virgin Islands is a strategic move to harden the infrastructure and make it more resilient against natural disasters.

Under Finance and Audit Committee items, the board approved a cost increase to SC-17-23 in an amount not to exceed \$47,990, along with modifications to the scope of work. The cost increase reflects the additional labor, materials, and shipping costs incurred that will lead to ensuring the overall safety of the installation. The Board also approved SC-05-23 Amendment IV West Peak Energy cost increase of \$464,400 and a time extension to February 28, 2025, from the initial completion date of October 12, 2024. West Peak Energy is to provide project management services for the Wärtsilä Phase II project scheduled to be fully commissioned and operational on diesel and LPG by December 2024.

"The completion of the Wärtsilä Phase II project will have a significant impact on operational savings, putting us on a path to recovery, and will greatly enhance energy reliability with the smaller, more efficient units," stated Karl Knight, CEO and Executive Director at the Virgin Islands Water and Power Authority. "The foreseeable future of the Randolph Harley Power Plant primarily running on propane places the Authority in a more economical position. Diesel would become the backup generation, leading to a stronger cash flow and an improved capacity to take care of our vendors."

The action to rescind award for the procurement of Pad Mount Liquid Filled Transformers with PECO Electric, in the amount of \$4,028,152 was approved. The Board also approved a time extension to September 30, 2025, a cost increase amount not to exceed \$12,867,165, and an additional scope of work for SC 07-23 GIS Inventory assessment to include the WAPA Water Department's inventory. Additionally, the board approved extension of the existing diesel supply contract with Borinken Towing and Salvage at the same terms and conditions as the current contract through December 31, 2024, in the amount not to exceed \$29,200,000.

The Executive Director was approved to enter a contract with Evertec Group LLC providing Utility Bill Print and Mail Services to the Authority not to exceed \$70,000. In addition, the Board approved a \$3.75 million

amendment to contract SC-11-24 with Haugland Energy to supply emergency line crews and equipment for storm restoration, including recent efforts after Tropical Storm Ernesto on August 20-21, 2024.

Regarding financial matters, the Board approved a new Term Sheet for conversion of the 2022 BANs to 2024 BANs. This will allow the Authority to finalize reporting requirements and a requirement to complete the financial audits for FY2021, FY2022 and FY2023 during the term and before February 1, 2026. The Board also approved a One-Year Extension of Banco Popular Credit Facilities. The one-year extension will provide additional time for the bank to complete its due diligence that WAPA is in substantial compliance with the financial requirements of the credit facilities.

During the Board meeting, it was announced that FEMA was favorable to the Prudent Replacement Program for the Advanced Metering Infrastructure (AMI). To not delay progress on the AMI, the team also has plans to revisit with FEMA a new metering system for the WAPA Water department. In addition, during Discussion Matters, the Board approved the Executive Director to enter into an agreement with Sargent and Lundy for third party pole attachment analysis and support in an amount not to exceed \$3,320,000. Sargent and Lundy will provide technical support ensuring that the utility poles remain safe, reliable, and structurally sound after new communication attachments are added, thereby preventing pole failures and ensuring compliance with industry/equipment standards.

Lastly, there was discussion for Broadband VI to enter into a license agreement for the use of certain WAPA poles, permitting it to install, maintain, operate and repair permitted attachments.

During the CEO's Report, CEO Knight applauded the teams who have been diligently working on restoration efforts following Tropical Storm Ernesto. Several members of the Authority were recognized, including Marlene Francis, WAPA Customer Service Manager, who demonstrated great enthusiasm and outstanding leadership in overseeing WAPA's Call Center, where 16 volunteers worked to address customer concerns.

All votes taken were unanimously approved by Chairman Turnbull, Secretary Young, Director Boynes-Jackson, and Director Muia. In Executive Session, personnel matters were discussed, but no action was taken.

The Virgin Islands Water and Power Authority Communication's department is committed to reaching, informing, and connecting with the youngest members of the community to the eldest, through meaningful, transparent and effective communication.

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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.