



THE VIRGIN ISLANDS WATER & POWER AUTHORITY CORPORATE COMMUNICATIONS NEWS RELEASE

(340) 774-3552 • communications@viwapa.vi / www.viwapa.vi

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WAPA Governing Board Meeting Highlights Ongoing Authority Improvements and Approval of Several Action Items

U.S. VIRGIN ISLANDS – The Virgin Islands Water and Power Authority’s (“WAPA” or “Authority”) Governing Board met today to approve several action items and discuss the progress of multiple ongoing initiatives.

As it relates to the Clifton Hill Water Rehabilitation Project, the Governing Board approved a no-cost time extension until September 1, 2023, which will allow for the completion of the as-builts and the paving in the Clifton Hill neighborhood. The Clifton Hill Water Rehabilitation Project is fully funded through the Territory’s Drinking Water Capital Improvement Grant. Additionally, under Planning and Economic Development, the Board approved CEO/Executive Director Andrew Smith to extend the operation and maintenance agreement with Wärtsilä Caribbean INC., (SC-51-19), for a term of one (1) month, through June 30, 2023. Additional time was requested to complete the review of data provided by Wärtsilä, and assessment of equipment, personnel and monies required. The one-month extension will enable the Authority to present the Board with its final assessment.

Under Finance and Audit Items, the Board approved an amendment to the Randolph Harley Power Plant Firewater Pump House Construction Project, (SC-10-22), to reflect an increase in cost not to exceed \$371,495 and to expand the scope to include installation of a 5-way switch and 13.8kV/480V transformer. The completion of this project is to provide stable and essential fire water service to protect the Wärtsilä units in the event of an emergency. The Firewater Pump House Project is fully funded through a grant from the U.S. Department of Housing and Urban Development.

Among other discussion items, a motion to conduct meetings by May 31, 2023, between the Governing Board and all current parties involved in negotiations with the Authority for battery energy storage was presented by Board Member, Hubert Turnbull. The vote on this motion yielded a tie of 2/2, with Chairman Kyle Fleming and Secretary Juanita Young voting no, and Board Member Hubert Turnbull and Board Member Cheryl Jackson voting yes.

“The Authority is intentional in moving forward in a strategic and creative way with a focus on ensuring contracts are thoroughly negotiated and reviewed,” stated Kyle Fleming, Chairman of the Governing Board of the Virgin Islands Water and Power Authority.

Lastly, CEO/Executive Director Smith provided the Board with the Executive Director’s Report which highlighted several key updates. Among safety items, CEO Smith reported the month of April was entirely accident free and the Authority has now resumed dielectric testing to ensure compliance with safety standards designed to protect our employees. Moving forward, testing will be completed every six

months. In other updates, the Authority will be switching to provider Total for its vehicles' gas and diesel needs, which will result in an approximate \$40,000-50,000 in savings annually on St. Thomas.

As it relates to the improvement of workplace culture, the Authority held two separate All-Hands employee meetings last week on St. Thomas and St. Croix. During each event, leadership responded to a wide range of questions submitted by employees, and team building was encouraged through several activities and a keynote address. Several employees were also recognized for their 10+ years of service at the Authority.

CEO Smith closed by clarifying the payments around the Vitol settlement, noting \$45 million was paid on May 1, 2023, and \$100 million will be released on or before August 14, 2023, which will settle all outstanding obligations. The \$45 million payment made on May 1, 2023, was supported by a Line of Credit established by the Government of the Virgin Islands; however, the Authority also agreed to a Promissory Note, or debt, to the Government of the Virgin Islands that obligates the Authority to repay the monies to the Government of the Virgin Islands. The Authority is currently in conversation with eight (8) different fuel suppliers to replace Vitol.

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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.

(340) 774-3552 (STT/STJ) • (340) 773-2250 (STX) |  Virgin Islands Water and Power Authority |  @VIWAPA