



THE VIRGIN ISLANDS WATER & POWER AUTHORITY CORPORATE COMMUNICATIONS NEWS RELEASE

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WAPA GOVERNING BOARD APPROVES MODIFICATIONS AND COST INCREASES FOR ELECTRICAL UNDERGROUND PROJECTS ON ST. CROIX & ST. JOHN

The governing board of the Virgin Islands Water & Power Authority on Thursday approved contract modifications associated with electrical underground projects in both districts.

On St. Croix, the project at the "Container Port" will see an increase of \$1.8 million to incorporate changes to the scope of work and increased labor and material costs that were incurred between the time bids were submitted and notices to proceed were issued. Also increasing the overall cost of the project are some changes to secondary service requirements of some customers. These changes required additional equipment such as transformers and duct bank runs.

On St. John, the electrical underground project, from Mongoose Junction through Cruz Bay towards Frank Bay, required a 240-day extension and a \$448,910 cost increase associated with a new project schedule. Board members were told that several circumstances have had a profound effect on the project including archaeological discoveries, additional civil work, and a delay in receiving easements and other clearances required for the project to proceed. The contract was further amended to include a change in the scope of work as it relates to the roadway restoration and resurfacing along portions of the project path. The additional changes require a thirty-day contract extension and a cost increase of \$1.8 million. FEMA, which is funding 90% of the project cost, has authorized the work scope changes and increased costs.

These projects involve the replacement of overhead electrical equipment with underground facilities making them less prone to the effects of weather-related events. The underground equipment also provides for a more timely and efficient restoration of service following hurricanes or less severe windstorms.

In other action, the board approved:

- A contract to establish a master service agreement for air pollution consulting and engineering services. The pact with Arcadis extends over a two-year period, through December 2023, at a cost of \$200,000.
- Modifications to an existing contract with American Wire Group to allow for more flexibility in the acquisition of materials and equipment.
- A change in work scope and the implementation of an updated rate sheet on an existing contract with Haugland Energy for the removal and disposal of transformer oil.

- Authorization for the interim executive director to negotiate and execute contracts with On Site Environmental Inc. and Grace Civil, LLC for various stages of the demolition of existing and construction of a new firewater pump house at the Randolph Harley Power Plant on St. Thomas. A replacement firewater pump house facility is required to facilitate installation of the newly purchased 36-megawatt power generating plant.
- Authorization for the interim executive director to extend an existing contract with Sustainable Capital Advisors, LLC through February 28, 2022. The three-month \$60,000 extension increases the overall contract total to \$920,000 plus reasonable expenses and transaction fees.

In an abbreviated meeting on October 28, the board authorized five-year bond anticipation notes (BANs) to cover the remaining acquisition costs, including maintenance and accrued interest of the Wartsila propane fired generators at the Randolph Harley Power Plant. The units have been in operation powering the St. Thomas - St. John district since June 2019. The funding will also address installation costs related to leased Aggreko units at the Estate Richmond Power Plant on St. Croix. The board was told that by the end of five years, the notes can be refunded as the Authority obtains long-term financing. BAN proceeds will also fund a debt service reserve and cover issuance costs of the 2021 electric system revenue notes. The bond anticipation notes will be secured by fuel tax revenue.

The board also approved the extension of credit lines with First Bank and Popular. The lines, and other credit facilities, which expired on October 31, were extended to January 31, 2022. They total \$18 million with First Bank and \$21 million with Popular.

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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.