



THE VIRGIN ISLANDS WATER & POWER AUTHORITY  
CORPORATE COMMUNICATIONS  
**NEWS RELEASE**

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**RESULTS OF THE WAPA GOVERNING BOARD'S JUNE REGULAR MEETING**

The Virgin Islands Water and Power Authority's Governing Board met today and acted on several matters pertaining to the operation of the Authority. The Governing Board voted to approve each measure on the agenda as follows:

- **Extension of a 60 day no cost time extension for contract SC-16-20 with Haugland Energy**

The Governing Board approved a 60-day, no cost contract extension with Haugland Energy for the procurement and commissioning of pad mounted switchgear. The new project completion date is August 31, 2022.

The town of Cruz Bay is the primary business and shopping district for the island of St. John. It provides most of the basic services and emergency response units for the community. Replacing the overhead infrastructure with underground decreases the impact of windstorm events to the electrical system and will vastly reduce restoration time during such events.

- **Adoption of the Authority's Thirteenth Supplemental Bond Resolution**

The Governing Board approved the adoption of the Authority's Thirteenth Supplemental Bond Resolution which authorized the issuance of up to an aggregate \$42 million Bond Anticipation Notes (the "Series 2022A BANs" that will be tax-exempt and the "Series 2022B BANs" that will be Federally Taxable) to refinance the 2020A BANs and to also provide certain terms and conditions with respect to such Series 2022A BANs.

The Chairperson, Vice Chairperson or Executive Director and any member of the Governing Board of the Authority were authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits, and other documents, and to do and cause be done any and all things necessary, desirable, convenient, or proper for carrying out the Thirteenth Supplemental Bond Resolution.

- **Approve the Release of the Fiscal Year 2020 Audited Financial Statements for the Electric and Water Systems**

The Governing Board authorized the CFO to release the Authority's Fiscal Year 2020 Audited Financial Statements for the Electric and Water systems.

Pursuant to Section 611 of the Water and Power Authority's Senior and Subordinated Bond Resolutions, the Authority is required to file its audited financial statements within 120 days after the end of the fiscal year. The release of the Authority's Fiscal Year 2020 audit brings the authority closer to being current with the release of its audited financial statements.

- **Approval of the Authority's Fiscal Year 2023 Electric System budget.**

The Governing Board approved the budget as required by the Authority's bylaws and covenant requirements. Having an approved budget in place is crucial to effective management of the Authority's financial position and the ability to execute strategic initiatives.

- **Approval of the Authority's Fiscal Year 2023 Water System budget.**

The Governing Board approved the budget as required by the Authority's bylaws. Having an approved budget in place is crucial to effective management of the Authority's financial position and ability to execute on strategic initiatives.

- **Approval for Additional Funding in the amount of \$400,000 to Arcadis MSA for air compliance consulting and engineering services.**

The Governing Board approved additional funding in the amount of \$400,000.00 to SC-11-22 for Arcadis MSA contract to provide additional environmental services.

The Authority is currently under an Air Consent Decree for both the St. Croix and St. Thomas districts. Arcadis U.S., Inc. provides Air Compliance Consulting and Engineering Services to the Authority as it relates to the two Air Consent Decrees (CD). The Authority had completed the requirements under the St. Croix Consent Decree and was in the process of petitioning for the termination of the St. Croix CD.

However, upon review the Stack Test Results for the Aggreko units, there was a violation of the limits issued in the local regulator permit. While the violation was not an EPA violation and the Aggreko units are not covered under the St. Croix CD, EPA would like the issues that caused the violations resolved and new stack testing completed showing compliance of the local regulator limits before considering termination of the St. Croix CD. The delay in termination required additional services from Arcadis to comply with EPA and the CDs.

The Authority is mandated in its Air Operating permits to comply with the National Air Quality Standards. This MSA would provide third party assistance to maintain compliance with the CD.

- **Approval of Teledyne Contract Cost Increase and Time Extension**

The Governing Board approved a contract cost increase not to exceed \$622,896.00 for the two-year extension to the Teledyne contract and a contract time extension for an additional two years of service to end June 30, 2024.

This extension will cover the Continuous Emissions Monitoring System (CEMS) maintenance for the Wartsila and Aggreko units on St. Thomas and St. Croix. St. Croix had completed the requirements under the Air Consent Decree (CD) and we are in the process of the petition for the termination of the CD, Teledyne services are still required to stay in compliance with our operating permits and the Air Consent Decrees. The Authority has negotiated with Teledyne a

30-day notice for the decrease of the services under SC-30-17 once the Estate Richmond Facility is released from its Air Consent Decree

- **Approval of the retention of the services of a qualified and licensed professional engineering/project management firm to provide project management services for the installation of the new RICE units and the Battery Energy Storage System (BESS).**

The Governing Board authorized the Executive Director to enter a contract with West Peak Energy for a Third-Party Project Management Service to provide project management services for the installation of the new RICE units and Battery Energy Storage System (BESS) at the Randolph Harley Power Plant. This service project is 100% Federally funded by the U.S. Department of Housing and Urban Development (HUD) through VI Housing Finance Authority (VIHFA) for a cost of \$4,113,544.00.

The services of the Third-Party Project Management include the development of a Project Management Plan, scheduling, daily/weekly/monthly reports, development and tracking of KPI's, fiscal administration, and assist with engineering / design review of project submittals. Additionally, a safety officer and a Quality Assurance / Quality Control (QA/QC) engineer will be supplied on a part time basis to conduct job audits in safety, quality assurance and quality control measure as required and coordinated by the project manager to ensure full compliance with all codes and regulations. Furthermore, engineering reviews of design and field engineering will be supplied/supported by the Third-Party Project Management as required to review designs in the disciplines of civil engineering, structural engineering, mechanical engineering, electrical engineering, and instrumentation.

- **Approval to amend a contract to include the 1) cemetery remediation scope and 2) other additional archaeological work needed to keep The Cruz Bay Underground Project, Feeder 7E in compliance with FEMA EHP requirements.**

The Governing Board approved amending the cemetery remediation contract's scope and other additional archaeological work needed to keep The Cruz Bay Underground Project (Feeder 7E) in compliance with FEMA EHP requirements. The cost associated with the proposed amendment is \$221,353.00 for the cemetery remediation work and \$20,452.22 for the additional archaeological work. The total cost for the proposed amendment is \$241,805.22. In addition, the proposed amendment intends to add 176 days to the contract to extend it from July 9, 2022, to December 31, 2022.

Several sets of human remains were encountered during excavation in the Gallows Point area. Because of the quantity and circumstance of the remains that were uncovered, an additional scope was required to correctly handle the remains. The cemetery remediation work includes analysis of the remains, removal, and reburial of remains, and town hall meetings. The cost of the cemetery remediation work is up to \$221,353.00.

- **Approval to amend the Haugland Virgin Islands Contract to include the addition of electrical testing services at a cost of \$128,884.00 and to add 137 days to the contract**

The Governing Board voted to approve amending contract SC-23-21. This amendment will include the addition of electrical testing services at a cost of \$128,884.00. This amendment will also include adding 137 days to the contract. SC-23-21 is a contract with Haugland Virgin Islands for the installation of civil work and electrical equipment and materials needed for the Cruz Bay Underground Project, Feeder 7E.

In their bid offering, Haugland Virgin Islands included an optional cost of \$113,093.00 for 3rd party testing services. When the contract between the Authority and Haugland Virgin Islands was executed, 3rd party testing services were not included in the contract scope.

Because the construction work is near completion, and 3rd party testing service companies are experiencing higher costs and extensive scheduling delays, the project team agreed that the most efficient path forward was to have Haugland VI retain the services of a 3rd party testing company to test the cable and switchgear for this project. All tests will be witnessed by the Authority or our Project Management Firm, FX Bonnes.

- **Approve Addendum for SC-08-22 with On-Site Environmental to reflect the new payment terms, new net contract price of \$369,906.25 and to extend the contract term**

The Governing Board approved corrections in language in the contract with On- Site Environmental to reflect the new payment terms, a new net contract price of \$369,906.25 and to extend the contract term to August 15, 2022.

Although the contractor had agreed to and invoiced for the original stated dollar amounts noted in the original payment terms the contract also included references to 10% and 20% of contract amounts being due upon reaching project milestone. The referenced 10% and 20% payments would be higher amounts than what was invoiced and are in conflict with the stated dollar payments included in the original contract. VIHFA indicated that the invoices could not be processed until the payment terms were formally corrected to remove the terms "10%" and "20%" from the contract language. Additionally, prior to the completion of the scope, Wartsila indicated that the backfilling of the area would not be necessary and therefore "Backfill and Compaction" for \$54,000 will be removed from the original scope of the demolition contractor. The sum of these changes and the previously approved amendments\* will result in the new payment terms attached and a net new reduced contract price of \$369,906.25. Additional time must be added to the term already ended to include the amended terms and monies and to remit payment for the work already completed.

At the May 26, 2022 meeting, the Governing Board previously approved additional funds of \$97,706.25 to complete the demolition of concrete on the old IDE foundation at the Randolph Harley Power Plant.

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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.

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