The Virgin Islands Consortium

WAPA Faces $24 Million Revenue Shortfall Due to Government Unpaid Bills; Bryan Calls on Legislature For Support

Amidst owed government debt, WAPA CEO Andrew Smith emphasizes the commitment to keeping hospitals connected, despite financial challenges

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WAPA's Richmond, St. Croix powerplant. By. V.I. CONSORTIUM

At last week's board meeting of the V.I. Water and Power Authority, directors of the utility were informed that various agencies and entities of the government of the Virgin Island owe a combined $24 million in unpaid electricity bills.

“That’s approximately one month of the authority’s entire revenue,” said WAPA CEO Andrew Smith, attempting to contextualize the quantum of money outstanding. “It’s not an insignificant amount of money.”

Mr. Smith noted that as of two weeks ago, WAPA received a payment of just over $2 million, with another million dollars scheduled to have come in after that. “The GVI does continue to work with us to try to address our past due amounts,” Mr. Smith assured board members during the meeting on December 21.

On December 22, Governor Albert Bryan Jr. noted the past due amounts during a meeting of the V.I. Housing Finance Authority board. He said that WAPA’s main complaint was “the $14 million that is owed by the two hospitals and waste management up to the weekend.”

The governor said that during a recent meeting with members of the Legislature, he highlighted the issue and urged them to consider appropriating the money needed to clear the hospital’s past due utility bills, as well as that of the Waste Management Authority who, according to the governor, "say they’re not in any position to pay that at this time.”

As Mr. Smith noted, however, the overdue payments aren’t going to affect service delivery, at least to the territory’s critical healthcare facilities. “I just want everybody to understand that we cannot disconnect the hospitals, that’s just not an acceptable outcome,” he said, noting that there has been “some anger” in the community about the high past due amounts being carried by governmental agencies.

The issue highlights the pernicious cash flow problem currently being experienced by the central government, and the ripple effect that can have. Just days ago at the most recent board meeting of the Virgin Islands Port Authority, directors were reminded that WAPA owes VIPA approximately $200,000 in unpaid rental bills, a debt that has been accumulating for years.

However, with WAPA itself carrying millions of dollars in its own past-due accounts receivable ledger, it seems unlikely to be able to settle its own bills to other government or semi-autonomous agencies.