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Senators Confront Governor Over WAPA's Debt Clearance Method

Legislators argue for transparency and accountability as they address the utility's dire financial situation in a scheduled meeting

WAPA / **Published On April 23, 2024 08:23 PM /**

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WAPA's Richmond Power Plant By. ERNICE GILBERT, V.I. CONSORTIUM

The territory's lawmakers have doubled down on the need for accountability from the Water and Power Authority as they prepare to discuss options to bail out the utility provider once more.

The 35th Legislature's press conference on Tuesday afternoon followed Governor Albert Bryan's [declaration of a state of emergency](#), allowing the Government of the Virgin Islands to bypass the legislative process and access central government funds to make arrangements to pay off debts owed by WAPA. On Monday, the governor promised that some \$2.3 million owed to Aggreko by

WAPA would be paid off by today, thus eliminating the looming threat of rotating power outages on St. Croix.

But while lawmakers agree that there is an “immediate need” to keep the lights on across the territory, “any decision to pay WAPA using general funds of the people of the Virgin Islands should be a part of the legislative process,” declared Senator Donna Frett-Gregory, who chairs the Committee on Budget Appropriations and Finance. The committee is scheduled to meet on Wednesday to discuss ongoing WAPA’s financial challenges consistent, Frett-Gregory said, with a long history of legislative support to free WAPA from its frequent financial quagmires.

Frett-Gregory articulated a complaint that had been made by legislators in previous crises, such as the request to approve [a line of credit](#) for the government last April. “It is perplexing that the leaders of the Virgin Islands Water and Power Authority and the executive branch leadership would wait until the 12th hour to take action and approach the Legislature in full crisis mode,” said the lawmaker. She shared that just like everyone else in the territory, the Legislature became aware of WAPA’s decision to institute rolling blackouts when the utility made public announcements on the matter. She also lamented the apparent lack of “deliverables or accountability measures” attached to \$96 million in ARPA funds allocated to WAPA in 2023 to offset rate increases, as well as the \$4 million recently remitted to the authority by the governor to cushion debts.

Blame for WAPA’s current cash crisis has been pinned on debts owed by the Schneider Regional Medical Center, Juan F. Luis Hospital, and V.I. Waste Management Authority, totaling approximately \$11 million. Wednesday’s meeting of the Committee on Budget, Appropriations and Finance will be used to investigate these “vexing issues” and develop mechanisms to prevent such challenges in the future. Governor Bryan is dipping into the territory’s rainy day fund to pay off the debt of the three entities, providing WAPA with some much-needed working capital. However, Senator Frett-Gregory remained unconvinced that this will be the end of these discussions, and wondered if lawmakers would be “standing here again, having this very same conversation” in three months. WAPA, she said, cannot merely list “[keeping] the lights on” as their deliverable.

Already, the quality of information which will be available to lawmakers during tomorrow’s committee hearing is in doubt. Two senior officials of the government’s finance team – Office of Management and Budget Director Jenifer O’Neal, and Finance Commissioner Kevin McCurdy – indicated that they will not attend Wednesday’s committee meeting now that a state of emergency has been declared. Their absence, Senator Frett-Gregory acknowledged, will “significantly impact our ability to make decisions.” Could the absence of these key officials – who had previously [run afoul](#) of the Budget Committee chair in January after it was disclosed that the government had failed to make good on its promise of timely retroactive payments – sway the ultimate decision of lawmakers regarding what to do about WAPA? According to Frett-Gregory, the Legislature is “not inclined to raid the rainy day fund absent a plan to replenish it.”

While Frett-Gregory made a case for prudent financial management, majority leader Senator Kenneth Gittens took aim at the perceived deficiencies of the Bryan administration when it comes to demanding accountability from WAPA. He asserted that the executive has “fought true reform at every turn, and has taken no steps to go after those who are primarily responsible for where we find ourselves today.” The recalcitrance from the executive branch comes, Gittens argued, despite the Legislature’s compliance in “[granting] this administration just about every request it has made regarding the authority,” including what Mr. Gittens called their “insane debt to Vitol.” He wondered why the “Virgin Islands is the only jurisdiction that has not taken these people to task,”

explaining that several others that have worked with Vitol have sued the company. Mr. Gittens's remarks included assertions of "clear collusion between the administration and the Water and Power Authority," citing the governor's vetoes of legislation mandating additional audits into WAPA's operations.

Minority leader Senator Dwayne DeGraff expressed solidarity with the majority caucus. He suggested that they "pump the brakes on the governor and the disrespect that the governor is showing to this branch of government." He shared that the lawmaking arm of the government is not opposed to taking the matter to court if need be.

Wednesday's meeting has been described as a "matter of critical importance" by Senator Donna Frett-Gregory. The Legislature remains unaware of WAPA's monthly fuel costs or its current financial status. Rising fuel costs triggered by the war in the Middle East are among the things that need to be considered, she explained.