The Virgin Islands Consortium

WAPA Board Approves $13 Million Loan To Fund Automated Metering, Smart Grid Projects

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ST. THOMAS -- Meeting here Thursday, the Governing Board of the Virgin Islands Water and Power Authority approved a low-cost financing loan contract with Rural Utilities Service (RUS) that will fund the $13 million [Automated Metering Infrastructure (AMI) project] on a reimbursement basis, a press release WAPA issued late Thursday has made known.

“The project will advance and modernize smart grid technology, tools and techniques within WAPA’s distribution network, providing the utility with more flexibility, functionality, interoperability, cyber security, operational efficiency and situational awareness,” according to WAPA Executive Director Hugo V. Hodge, Jr. who added that the projected financing costs are approximately three percent.

The board also authorized two lease agreements which would allow the Authority to lease spaces on St. Croix for the AMI Base stations. One lease, between WAPA and the Department of Property and Procurement, seeks to lease space at Estate Recovery Hill. The second lease, with Tropical Tower Company, Ltd, seeks to lease space at Estate Hermitage. Hodge said the base station at Recovery Hill will provide wireless coverage for all of the smart meters and collectors on the entire eastern end of St. Croix while the base station at Blue Mountain will serve as WAPA's key data collection site as the majority of the areas with high meter density in St. Croix are mid-island.

"Both base stations will also house field area network equipment to provide a redundant communications path between critical sites and allow for the flow of data should accessibility to the fiber optic network be unavailable," Hodge said. With the board authorization, these lease agreements are now forwarded to the Authority's Contracts Division for further vetting.

The governing board authorized the sale of surplus transmission and distribution equipment, and for WAPA to utilize the proceeds to pay down on a supply debt to the Federal Emergency Management Agency (FEMA). The surplus equipment was provided to WAPA by FEMA in the aftermath of Hurricane Hugo in 1989 to assist in the recovery of the electrical system. The surplus equipment is no longer usable by the Authority's electrical generation or distribution systems and FEMA has authorized the disposal of the equipment.

Also authorized by the board was the change to an existing contract for paving around the Estate Richmond Pump Station on St. Croix. The change, to extend the contract deadline at no additional cost, allows for varied changes to the scope of work. The contract completion date is now set for October 30, 2015.

In other action, Hodge was authorized by the governing board to enter into an agreement with First Bank Puerto Rico for an additional $5 million on an overdraft credit facility for a total of $15 million dollars. The line of credit facility will provide additional liquidity, will improve the Authority's credit history with vendors, and will assist the Authority in remaining current with vendors.

The board also rendered its approval for the renewal of a consignment contract, with Electric Supply of Tampa, for various material and equipment. "The materials such as cable, poles, transformers and other power transmission equipment is stored in both districts and is available to the Authority to facilitate a speedy recovery from any natural disaster we may experience," Hodge said. Under terms of the consignment contract, the Authority is not billed for the inventory until the equipment is used.

Hodge was also authorized to begin a search to lease, build or purchase a building to house all of WAPA's facilities on St. Thomas. Hodge noted that the Authority is currently renting commercial space to house its various departments. Each space requires WAPA to conduct maintenance to the facilities at a higher cost when compared to the cost of maintaining one location. Additionally, multiple locations create challenges of managing both operations and employees.

Board members present at the meeting included: Chairman Gerald Groner, Esquire; Vice Chair Juanita Young and Noel Loftus, Commissioners Devon Carrington and Gustav James and Director Marvin Pickering. Members Elizabeth Armstrong and Cheryl Boynes Jackson were excused.

Feature Image: Example of a pay as you go machine.