

The Virgin Islands Consortium

Dept. Of Finance Confirms Hospitals' \$8.1m Payment To WAPA

Business / **Published On May 08, 2016 10:25 AM /**

Staff **May 08, 2016**



ST. THOMAS -- With the recent Senate approval to appropriate \$8.1 million to pay down the amount owed to the Virgin Islands Water & Power Authority by the Juan F. Luis Hospital and the Schneider Regional Medical Center, Department of Finance Commissioner Valdamier Collens said D.O.F. was committed to executing the payment expeditiously in the best interest of WAPA and the territories' hospitals, and did so on Friday.

"Cognizant that additional financial support is required to address the more than \$20 million owed, we trust that this payment will assist in preserving the liquidity of both the hospitals and WAPA," Mr. Collens said.

Bill No. 31-0347 was requested by Governor Kenneth Mapp and approved by the 31st Legislature to appropriate \$8.1 million from a recent legal settlement to pay down the hospitals' debt to W.A.P.A., contending that the semiautonomous entity was in dire financial straights. And he revealed recently that W.A.P.A. requires a financial operating reserve of \$10 million to \$15 million and 30 days cash on hand, which amounts to \$26 million. However, the struggling semiautonomous entity was nowhere close its required reserve.

"To that end, this proposed bill requires urgent action by the Legislature to aid VI W.A.P.A. so it can have sufficient cash on hand to continuously purchase fuel," wrote the governor in a transmittal letter to Senate President Neville James [last month](#), requesting that the Legislature take immediate action. "This infusion will translate into the VI Water and Power Authority being able to ensure stable and dependable power to the people of the Virgin Islands."

The governor had acknowledged that his proposal was not a wholesale fix of all the hospitals' problems, but "it is one of several steps I will be proposing to the Senate this year," he said. "For the record, additional cash infusion to aid our hospitals is needed, and I will submit a plan for such aid in the near future." Mr. Mapp stressed that the financial aid being offered now to the hospitals should not be cause for the facilities to become comfortable.

"I want to underscore that this aid does not relieve hospitals' management teams from taking the necessary actions to achieve sound financial policies and better business practices," he said.