

The Virgin Islands Consortium

WAPA Enters Loan Agreements With First Bank Totaling \$33 Million For Working Capital And Other Expenses; Approves 2017 Budget

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The governing board of the Virgin Islands Water and Power Authority on Wednesday approved Fiscal Year 2017 capital and operating budgets for the utility's electric and water systems. The approval came Wednesday at an emergency video-conferenced meeting held on St. Thomas and St. Croix.

The budget totals for the fiscal year July 1, 2016 – June 30, 2017 are as follows:

- Electric System Capital Budget: \$17,500,879

- Electric System Operating Budget: \$268,711,076
- Water System Capital Budget: \$14,204,704
- Water System Operating Budget: \$30,935,364

The board on Wednesday also authorized Interim Chief Executive Officer Julio Rhymer, Sr. to enter into an agreement with Firstbank Puerto Rico for the renewal of a \$15 million line of credit for WAPA's working capital needs including fuel invoices and accounts payable. An authorization for Mr. Rhymer to enter into agreement with Firstbank Puerto Rico for a second line of credit totaling \$18 million was also approved by the board.

"These capital lines of credit provide continued funding which allows the authority to acquire capital assets for electric and water production, distribution systems and related facilities," Mr. Rhymer said. He also the working capital lines of credit provide funding that allows WAPA to fund key operating and maintenance expenditures. They also provide additional liquidity for WAPA to address rating agencies' concerns in regards securing a renewal of the lines of credit.

Also approved was an agreement with Banco Popular to extend the maturity date on the \$11.8 million lines of credit for the electric and water systems. The approval was for a one-year renewal at terms similar to current facilities' fees and interest rates.

Board members in attendance included: Chairwoman Elizabeth Armstrong, Vice Chair Noel Loftus, Commissioner Devin Carrington, members Gerald Groner, Esq. and Cheryl Boynes Jackson. Commissioner Gustav James, Director Marvin Pickering and Secretary Juanita Young were excused.