

The Virgin Islands Consortium

WAPA Board Approves Contract Extensions For Continued Work On Waterline Projects

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ST. CROIX -- The governing board of the Virgin Islands Water and Power Authority on Thursday approved contract changes to facilitate continued work on major waterline projects in both island districts, WAPA announced via press release Thursday.

Meeting here at its monthly meeting, the board voted to correct language in a previously approved change order for the Contant Midtown Waterline Rehabilitation Project which extends from the Harwood Highway through the Estate Contant neighborhood on St. Thomas. Additionally, the board voted to extend the contract deadline to September 30, 2016 to allow the contractor to complete work that was initially to be completed by June 20th.

The board also approved an increase by \$22,420, to a contract with Rotating Equipment Corporation to cover costs associated with unanticipated rock removal encountered during the waterline project on St. Croix's west end. The board voted to extend the contract to August 31, 2016. The ongoing project seeks to alleviate discolored water complaints by residents and business owners in the area of the Frederiksted cruise ship dock.

Also approved was the purchase of a new bucket truck for the Line Department on St. John. The truck is necessary to carry out overhead line work in a safe manner on St. John. The vehicle purchase will equip St. John with a truck of its own. Presently, the truck on St. John is also shared with St. Thomas.

The governing board on Thursday authorized the extension of WAPA's Liability Insurance Policy for a one-year period at a cost of \$1.1 million. The Property Insurance Policy was also extended for a one year period at a cost of \$1.5 million. In addition, amendments were authorized to the Authority's existing Alcohol, Drug and Unauthorized Substances Policy.

Executive Director/CEO Julio A. Rhymer, Sr., in his report to the board, said WAPA's management has begun the new fiscal year with an outlook to implement a series of changes to solve the challenges, setbacks and increased inherent risk experienced in the prior fiscal year.

"The challenges which continue to plaque the Authority are liquidity, reliability and customer dissatisfaction. Due to the continued high outstanding accounts receivable, the Authority continues to experience hardships with cash flow. The lack of liquidity has also affected the reliability of the electric system," he said.

Rhymer said as a result, WAPA has begun to lobby the Legislature and have discussions with the Administration to begin reducing the risk of large accounts receivables. Also, he said WAPA has discussed with the Mapp administration the funding for the territorial hospitals to allow them to make current payments, while discussing how to liquidate the arrearages through possible usage of the property taxes or another funding source. He noted the government is set to begin the "Single Payer Utility Fund", a payment option passed by the 31st Legislature which seeks to address the immediate payment to WAPA for government entities who receive allotments for utility payments.

Mr. Rhymer also reported that while WAPA continues to review all aspects of the two LPG conversion projects, he expects both to be completed in October. He also said the implementation of Automated Metering Infrastructure in both districts should be completed by December 2016.

"The AMI project has resulted in significant savings for the Authority as expected through reductions in line loss (theft), overtime, and workforce reduction," he said.

In his presentation, Mr. Rhymer also said the authority has begun the process of reducing risk by implementing a right-sizing plan, completing its strategic plan, and seeking additional rates from the Public Service Commission, while improving its efficiencies. This, he said, will begin the process of regaining our bond rating by showing better financial results.

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

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