

The Virgin Islands Consortium

WAPA Board Approves Demolition Of Old Water Desalination Units To Make Way For New Power Generating Units

WAPA / Published On January 28, 2017 11:32 AM /

Staff January 28, 2017



ST. THOMAS -- The governing board of the Virgin Islands Water and Power Authority has granted the go ahead for the demolition of four decommissioned water desalination plants at the Authority's power plant sites in Krum Bay and Estate Richmond. The approval came during the regularly scheduled monthly meeting of the board held on St. Thomas Thursday, according to a WAPA release recently issued.

"The demolition of these units will provide the space desperately needed for the installation of the new generating units at the Randolph Harley power plant, the first of

which are expected on island at the end of this year,” said WAPA Executive Director Julio A. Rhymer, Sr.

In their heyday, the IDE units were the primary producers of potable water in the Virgin Islands. The units converted seawater into potable water for customers of the Authority. With changing technology, WAPA moved away from desalination a few years ago and entered into a long-term agreement with a company to generate potable water through seawater reverse osmosis. Each island district presently has a state-of-the art water facility to accommodate the production of potable water.

The board also approved WAPA entering into a contract with CDR Maguire to complete the design of a 10-inch waterline rehabilitation project along St. Thomas’ Veterans Drive. The project calls for the replacement of ductile pipe with PVC piping which will reduce the discoloration of potable water in the downtown district. Both water pressure and water quality are expected to see an improvement once the project is completed. The design contract totals \$219,500.00.

The Water Distribution Division also received the approval of the board to enter into contract with Island Roads Corporation for paving services. The \$276,400 contract, which spans the calendar year, will allow for more timely repairs and restoration of roads once excavation to make repairs or new installations is complete.

A contract extension for a one-year period was approved to facilitate completion of work on protection systems of St. Croix generating units 16 and 20. The extension is required as a number of obstacles hindered the work from being completed, to include: delayed payments to the contractor and work involving the conversion of units to burn LPG. The extension, which brings the completion date to the end of 2017, carries a price tag of \$727,986.55.

In other action, the board approved:

- WAPA entering into negotiations with MEC/RG Engineering to provide services for the design of a new office and operations facility at Estate Slob on St. Croix. The facility will consolidate all of WAPA’s operational and administrative offices into one central location and reduce the amount of money spent on rental space each year.
- Ratification and amendment of the Voluntary Employee Beneficiary Association Trust. The trust had been approved in July 2016 but the banks working with WAPA on the trust required some technical changes to the resolution documents.
- A \$201,000 contract with Southern Air Solutions Corporation to conduct stack testing at the Richmond Power Plant as is required by the EPA’s consent decree with WAPA.
- A strategic plan for the Authority which was recommended by a management audit conducted recently. The plan will provide a guide for management to improve efficiencies, promote growth, correct deficiencies and allow for implementation activities to be reviewed.
- An Integrated Resource Plan -- a road map to determine future generation purchases for the Authority.

In his Executive Director’s report, Rhymer updated the board on the continued work to finalize the conversion of the two power plants from oil to propane as the primary fuel

source. "On St. Croix, the island is completely powered by propane while St. Thomas is powered to about 65% of the peak power demand." He explained that once a dual-fuel leased generating unit arrives in February and is brought on line, the entire district will be powered by propane. While WAPA leases the unit, the largest generator, Unit 23, will undergo a major overhaul and conversion to LPG.

Rhymer also addressed the most recent downgrade of WAPA's senior electric system's revenue bond rating to Caa1 from B1 and the electric system's subordinated revenue bond rating to Caa2 from B2 with an outlook of negative. The latest downgrade by Moody's Investor Services came on Wednesday.

He spoke of changes taking place at both power plants where all aspects of operations not relating to the plant's functionality will be relocated and that the Authority was moving forward with fulfilling provisions of the Integrated Resource Plan.

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