

The Virgin Islands Consortium

WAPA Board Adopts \$356.5 Million 2018 Budget

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Meeting on St. Croix Thursday, the governing board of the Virgin Islands Water and Power Authority approved both capital and operating budgets for the utility's electric and water systems. The budgets cover WAPA's fiscal year, which runs from July 1, 2017 – June 30, 2018, WAPA made known at a board meeting on Thursday.

The board approved the following budgets:

- Electric System Operating: \$238 million
- Electric System Capital: \$74 million
- Water System Operating: \$27 million
- Water System Capital: \$17.5 million

In other action, the board approved:

A change order to WAPA's contract with Wartsila to allow the company to demolish and excavate existing concrete footings at the Randolph Harley power plant at the site where three new generating units will be installed. WAPA negotiated with Wartsila to perform the civil work since WAPA does not have the heavy equipment necessary to perform the work and would be required to hire a different contractor to perform the necessary demolition and excavation. The change order increases the existing contract by \$617,987.

Modification to a detail design, engineering and construction management contract for upgrades of fire protection systems at the power plants. The change order extends the contract end date by five months at no additional cost.

The formation of an internal committee to begin negotiations with Puma Energy, the selected bidder for the supply of Number 2 fuel oil and to lease the company's fuel storage tanks, docks and piping systems at both power plants. The negotiated contract will be subject to final approval prior by the governing board. Number 2 fuel oil is one of two fuel sources utilized by WAPA in the generation of electricity.

All approvals were unanimous.

In his monthly report to the governing board, Executive Director/CEO Julio A. Rhymer, Sr. spoke of the ongoing effort to procure new generation for the Randolph Harley power plant. New generating units manufactured by Finnish power producer Wartsila are expected on island by the end of the year to stabilize generation capacity at the power plant. A WAPA team is at the Wartsila factory witnessing the new generating unit's acceptance tests. Rhymer reported that all units are exceeding expected performance requirements.

He also spoke of the exceptional efficiency and performance of the new units and plans to expand new generation at both power plants through 2022. Rhymer also updated the board on the ongoing installation of new energy efficient LED street lights in both districts and on efforts to secure financing for a number of capital projects at the Authority.

Board members present included: Vice Chairman Noel Loftus, Commissioners Devin Carrington and Gustav James, Director Marvin Pickering, Gerald T. Groner, Esq., Hubert Turnbull and Cheryl Boynes-Jackson. Chairperson Elizabeth Armstrong and Secretary Juanita Young were excused.