

The Virgin Islands Consortium

WAPA Board Extends Contract For Tree Trimming Services, Authorizes Negotiations With Local Contractors To Aid With Emergency Storm-Related Restoration

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The governing board of the Virgin Islands Water and Power Authority approved a four-month contract extension with Asplundh Tree Expert Company for tree trimming services, WAPA announced Thursday.

“Additional manpower and other resources are required to supplement the existing Line Department personnel with routine tree trimming services to protect the integrity and reliability of WAPA’s transmission and distribution systems,” WAPA Executive Director

Julio A. Rhymer, Sr. explained. The contract extension is needed while WAPA develops a joint tree trimming contract with Viya and the Asplundh company. The territory-wide cost of the contract extension is \$935,874.

Mr. Rhymer also received authorization to negotiate and enter into agreement with two local electrical contractors: Bryan's Electric and Bonneville Group. The companies would assist WAPA with restoration services in the aftermath of a hurricane or other wind storm.

According to the WAPA release, board approved two change orders in the Authority's contract with Wartsila North America. The first, for just under \$370,000, is for an extension of a new operations control room at the Harley power plant on St. Thomas, which will facilitate the enlargement of an operations control room to accommodate both WAPA and Wartsila personnel and equipment. The second change order, in the amount of \$1.6 million, facilitates the extension of the powerhouse and auxiliary areas to allow for the installation of a seventh Wartsila generating engine at the Harley power plant in the future.

Mr. Rhymer told the board that accommodations are already made for three optional units in the future.

"Environmental and physical constraints make adding another unit in the proposed Wartsila engine hall the best feasible generation option," he said. The benefits of this latest modification would include increased plant reliability with dual fuel applications and overall improved efficiency through lower heat rates resulting in significant reduced fuel costs.

Board members welcomed the projected cost savings analysis with the board chairwoman expressing confidence in the path WAPA is on with new generation. In addition, Rhymer said, the changes are in line with WAPA's Integrated Resource Plan, which recommends replacing the existing aging generators with new, more efficient, smaller units. The approved change orders bring the contract total with Wartsila North America to \$37,037,913.

In other action, the board ratified:

- A time-only contract extension for the installation of five water booster stations on St. Croix. Delays were encountered in the fabrication of skids for the project. No cost increases are expected to result from the time extension. The new contract end date is November 15, 2017.
- A sixty-day contract extension for a vendor to provide performance air quality testing at the Estate Richmond power plant facilities. Stack testing, a requirement of the U.S. Environmental Protection Agency, could not be carried out until the power plant was burning LPG to produce electricity.
- A three-year contract with a SoftwareONE to provide continued access to Microsoft Office 365 corporate email services and Microsoft software license subscriptions. The contract is in the amount of \$873,008.16.

The board also authorized the executive director to negotiate terms of an agreement with Advance Power, LLC to develop, finance, design, construct, test, operate and maintain a ten megawatt wind energy farm on St. Thomas, according to the release. Under terms of

the power purchase agreement, Advance Power would sell wind generated power to WAPA reducing the amount of electricity produced by the burning of fossil fuels. The negotiations with Advance Power will among other things, aim to secure a purchase price at or below WAPA's avoided cost over the 18-year life of the power purchase agreement. The agreement will be subject to board approval once negotiations are completed.

All votes cast by the board on Thursday were unanimous.

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