The Virgin Islands Consortium

WAPA's Monthly Revenues Go From $26.5 Million To $2 Million Following Hurricanes Irma And Maria

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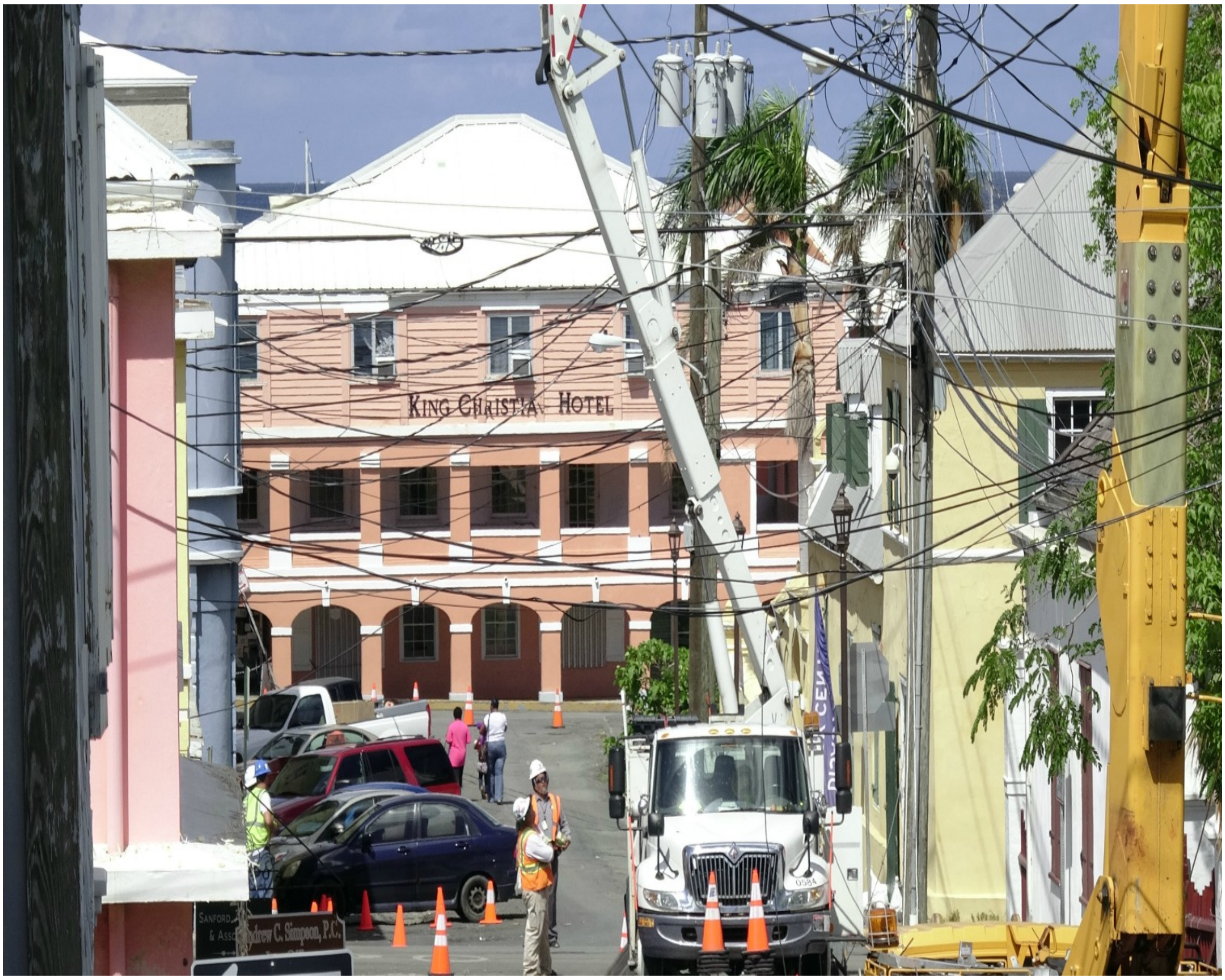

The Virgin Islands Water and Power Authority, in financial hardship long before Hurricanes Irma and Maria struck the USVI at Cat 5 strength, told Congress on Thursday that the utility, which generated monthly revenues of $26.5 million before the storms, had diminished to $2 million, placing WAPA in a precarious position and in desperate need of continued federal funding -- it has already received $24 million from FEMA -- as it continues to restore the territory, with aid from over 500 linemen from across the U.S. mainland.

The information was relayed to members of Congress in the Committee on Energy and Commerce by WAPA chief executive Julio Rhymer. Mr. Rhymer briefly spoke of the

USVI's history with hurricanes, stating that "a hurricane passes near the U.S. Virgin Islands, on average, every three years, and makes a direct hit on the islands, on average, every eight years."

But he honed in on WAPA's most immediately need, funding, and conveyed effectively that without the continued assistance of the federal government through FEMA, and at least until WAPA is able to restore the entire territory, the semiautonomous company would collapse.

"The V. I. Water and Power Authority has recurring expenses such as payroll, insurance, operation and maintenance of the plants, debt service, previously executed contracts, as well as financing agreements we must pay. To address these expenses, the authority through the Government of the U.S. Virgin Islands, has sought a Community Disaster Loan. Any support or assistance that you can offer in this regard is appreciated," Mr. Rhymer said.

Mr. Rhymer gave the committee a brief history of how the utility operates, then spoke of the storms' impact on WAPA, revealing that Hurricane Irma on September 6, destroyed 80 percent of WAPA's transmission and distribution systems in St. Thomas, and 90 percent of the same in St. John. Hurricane Irma caused only minimal interruptions on St. Croix, but with Maria's passage two weeks later, St. Croix's transmission and distribution systems suffered 60 percent damage.

Mr. Rhymer said the utility is concentrating on 5 critical areas as it rebuilds the islands' electrical system. They include: equipment, materials and supplies, funding for operations, emergency restoration crews and housing for crews. "There are presently in excess of 520 off-island linemen in the Virgin Islands restoring our T&D systems, beginning with the primary circuits. Their work will end when every residential area of our territory has been energized," Mr. Rhymer told the committee.

The crews generally consist of six individuals, Mr. Rhymer said, and are being provided by utility companies Haugland Energy Group, LLC, BBC Electrical Services, and utilities from the North East Public Power Association. Many of the off-island workers are being housed in a cruise ship, since most of the territory's hotels have been closed for repairs after sustaining damage from the storms.

Mr. Rhymer also spoke of the equipment and materials needed to restore the territory, and the difficulty in shipping them to a region surrounded by water. "Because of our unique geographical location, surrounded by water, V. I. WAPA cannot truck materials and supplies to the islands, and air travel cannot readily supply the large quantities of the items needed. Almost all needed vehicles, equipment and supplies that cannot be sourced on–island are shipped in via cargo shipping, which, as you can imagine, competes for space with all other government agencies, businesses, and individuals that are shipping cargo with relief materials to the Virgin Islands," Mr. Rhymer said.

But the utility's most pressing need, Mr. Rhymer stressed, is continued funding for WAPA's day-to-day operations and the hardening of the system in the advent of another storm.

"The hurricanes, it goes without saying, have decimated the finances of WAPA. It is a significant hardship for the utility to operate and pay for day to day expenses, much less these extraordinary expenses that accompanies the restoration efforts," Mr. Rhymer said.

He said the utility's goal was not to simply rebuild the transmission and distribution systems, but also to make them more resilient to future storms. To that end, WAPA is looking at composite utility poles, which Mr. Rhymer said have proven to better withstand the battering of winds compared to woodeen poles, which are currently being used in the territory. "The total number of composite poles that would be needed to replace wood poles on the main distribution feeders in the St. Thomas-St. John district is 4,290, and 5,854 for the St. Croix District," Mr. Rhymer said.

The cost of materials and supplies needed to restore the territory is $30 million, Mr. Rhymer revealed.

The executive also spoke of constructing a series of micro grids on each island, with the first project set to be installed at the Henry E. Rohlsen Airport on St. Croix.

"Each micro grid would be a localized grouping of electricity sources that would operate in tandem with WAPA’s generating facilities. Each could be disconnected and function autonomously as physical and/or economic conditions dictates. For example, In the event of an electrical service interruption, the micro grid would function as a small facility generating on its own power," Mr. Rhymer said.

Feature Image: Linemen work to restore power in Christiansted on Thursday. (Ernice Gilbert, VIC)