

The Virgin Islands Consortium

WAPA Seeks \$75 Million Community Disaster Loan From FEMA

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The governing board of the Virgin Islands Water and Power Authority has authorized Executive Director Julio Rhymer Sr. to apply for a FEMA Community Disaster Loan in the amount of \$75 million, WAPA announced late Wednesday. The action came at an emergency meeting on Wednesday evening.

“The loan represents our projected revenue loss on existing essential functions of WAPA’s operations. Should we receive approval for this loan, the funding will be drawn down from the date of approval until July 2018, as conditions require,” Mr. Rhymer told board members before the unanimous vote. The term of the loan is for 16 years and repayment would begin on October 1, 2018. The interest rate will be equivalent to the

current market yields on similar obligations of the U.S. government as determined by the secretary of the Treasury. An interest rate will be determined separately for each drawdown, WAPA said.

Eligible uses of funds from the loan include operations and essential services such as: payroll and benefits, facility maintenance costs that are not capital projects or infrastructure improvements, non-reimbursed disaster related expenses, and normal operational material, supplies, vendor and service payments.

Mr. Rhymer told board members that not only did the pair of hurricanes decimate WAPA's electrical transmission and distribution systems, which are at the heart of the ongoing restoration effort, but the hurricanes also [wreaked havoc on WAPA's finances.](#) The effect of the storms has left the authority unable to bill the majority of its customers for the two months since Hurricane Irma on September 6. "We have seen monthly billing of more than \$26 million trickle down to under \$2 million," he said.

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