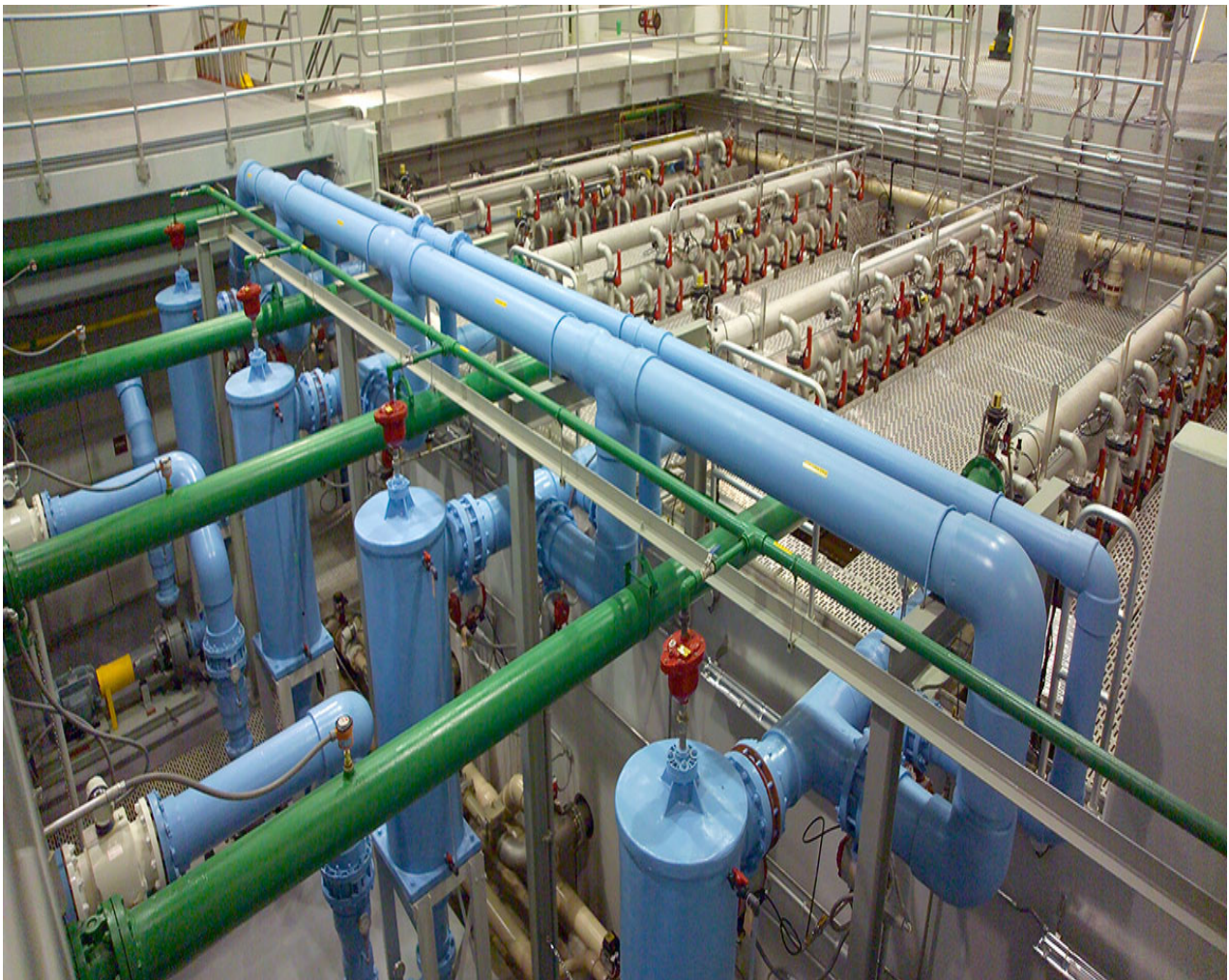


The Virgin Islands Consortium

Company That Maintains VI's Wastewater Treatment Facilities Again Threatens To Leave Because Of Nonpayment

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ST. CROIX -- Veolia Water North America – Caribbean, LLC, the firm that built and services the territory's wastewater treatment facilities, once again threatened to stop maintaining the USVI's wastewater plants because, it said, the Government of the Virgin Islands has failed to make payments for years of work performed.

In March, [The Consortium reported](#) that Veolia had declared the (G.V.I.) in default for failure to pay funds owed to the company as required under the service contracts, according to a letter from Veolia obtained by The Consortium.

In the letter, Veolia said the G.V.I., under the Mapp administration, had not made payments for 18 months — totaling \$4.6 million. The firm also alleged that the government had disregarded numerous attempts it's made to create a payment plan, and had adopted a strategy of completely avoiding Veolia's phone calls, emails and letters.

"As you know, prior to Veolia's arrival in 2004, the Government of the United States Virgin Islands was plagued by a poorly performing lagoon system that created detrimental environmental harms, resulting in litigation and eventually a United States EPA consent decree," read the letter. "The United States EPA consent decree required GVI to have a qualified third party design, build and operate wastewater treatment plants on St. Croix and St. Thomas. GVI engaged Veolia to provide those vital services."

Following the publication of our story, Attorney General Claude Walker said all efforts should be made to ensure that the territory's wastewater facilities are maintained, not least because the U.S. Virgin Islands remains under a wastewater federal consent decree.

"Certainly the services that are provided are critical to the territory, and are part of an EPA consent decree that we have every intention of complying with," Mr. Walker said, adding that the Department of Justice was heavily involved in the matter. "So if these monies are owed, every effort should be made to try and pay the monies that are owed either in full, or seek to workout a payment plan."

The attorney general said he was not sure how much money is owed, but because Veolia reached out to him directly, "that's the extent I need to notify at least Waste Management of what I've received and stress to them the importance of complying with the consent decree, because we are very much involved in that aspect of the matter."

But on Thursday, Veolia said the government had not made any meaningful payment that would cause the company to continue performing the work. And Veolia even offered up a new, long-term payment plan to motivate the government, but it had yet to receive a response.

In its first letter to the local government (addressed to Waste Management, the Department of Justice, Public Works and others), the company said it delivered two state-of-the-art treatment plants on time and on budget, pursuant to the 2004 contract. It said the two plants serve the wastewater treatment needs of all the islands' residents and have achieved 100 percent compliance and effluent quality that Veolia says exceeds regulatory requirements.

"The new wastewater treatment facilities provided, and continue to provide, the prominent standard of care for some of the most pristine water in the world," Veolia said.

Veolia said it recognized the burden that Hurricanes Irma and Maria have placed on the territory's resources, however the funds now owed to it has reached an untenable amount.

"GVI is the equivalent of 1.6 years behind in payments, has not made a meaningful payment to Veolia in approximately 18 months, and there has been limited communication from GVI regarding the more than four million six hundred sixty nine thousand dollars outstanding balance," the company said in the letter.

The halting of maintenance could have negative consequences for the territory. Wastewater is a big health issue, as it carries and transports a myriad of diseases and illnesses. It is believed that about 2.2 million people die each year (globally) from diarrhoeal disease, according to the World Health Organization (W.H.O.). At least 1.8 million children under five years die every year due to water related disease, or one every 20 seconds, according to W.H.O. 2008 data.

In 2004, Veolia was awarded the contract to design, construct and operate two new 4-million-gallon-per-day wastewater treatment facilities in the territory. One facility, the Anguilla wastewater treatment plant, is located on St. Croix, while the second facility, the St. Thomas Red Point wastewater treatment plant, includes the decommissioning of existing lagoons on that site, according to Veolia.