The Virgin Islands Consortium

WAPA Secures Additional $20 Million In Loan From FEMA. It Had Previously Received $75 Million In Loans From The Federal Agency.

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In an emergency meeting Wednesday, the governing board of the Virgin Islands Water and Power Authority authorized borrowing of up to $20 million dollars in an additional FEMA community disaster loan (CDL), WAPA has announced. According to the release, the loan proceeds will be used to offset the continued loss of revenues. Previously, WAPA received a $75 million CDL to address critical operating expenses in the wake of hurricane related damages.

The news comes one day following WAPA's budget hearing at the Capitol Building in St. Thomas, where the authority's officials said WAPA budget shortfall could top $45 million. There, WAPA Executive Director Lawrence Kupfer admitted that the authority had been overcharging its customers in the months following the 2017 storms. And he pointed to WAPA’s Fiscal Year 2019 projected budget shortfall as the reason for possible utility rate increases. “The authority is working with FEMA and the Department of Treasury to secure an additional $16 million Community Disaster Loan to bridge the shortfall,” Mr. Kupfer said Tuesday, funds the authority announced were received today. “Fuel, at $107.4 million is still by far the largest budget item, representing 43 percent of the operating expense budget. Labor, at $45.8 million or 18 percent, is the second largest single budget item,” he told senators.

WAPA has been in talks with FEMA and the U.S. Department of Treasury regarding the additional CDL against the backdrop of cash collections which declined significantly in the aftermath of Hurricanes Irma and Maria. Although cash collections have improved as WAPA resumed billing customers for post-storm electrical and potable water service, the authority continues to experience a significant shortfall in revenues, due to a decrease in sales, according to the release.

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