The Virgin Islands Consortium

WAPA Governing Board Takes Action To Support Continued Hardening Of Territory's Power Infrastructure

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The ongoing efforts of the Virgin Islands Water and Power Authority to revamp its power production capabilities while continuing to rebuild a more resilient electric grid were at the center of action taken by the utility's governing board during its monthly meeting on St. Croix Thursday, WAPA said via release Saturday.

Board members approved a contract addendum with CDR Maguire in the amount of $151,888 for additional engineering and design services on the Cruz Bay underground project. The additional work is consistent with WAPA's overall objective of ensuring that

50% of its customers will be provided electrical service fed through buried facilities and up to the customer's meter base. "The engineering services will map out the replacement of all primary lines and overhead equipment in Cruz Bay with underground equipment including the main trunk to Feeder 9E, up to the Westin Resort," said Lawrence J. Kupfer, WAPA executive director / CEO.

According to the release, the board also approved additional funding for the purchase of specialized composite poles needed on both St. John and Water Island. The initial purchase of composite poles were made based on projections. However, given the space limitations for pole supports on both islands, WAPA sought out larger, more expensive composite poles that matched engineering specifications while minimizing required pole support hardware. To support the purchase, board members approved an additional $12.2 million for the St. John composite poles and $971,803 for the Water Island composite poles. Both purchases are reimbursable by FEMA on a 90/10 cost share. Also, under an identical cost share, is a contract approved for Haugland Energy Group to provide construction services for the restoration and expansion of the WAPA East End Substation on St. Thomas at a cost of $1.9 million. This is also a FEMA approved mitigation project.

"New structures are designed to withstand future effects of major windstorm events and this project is a major part of our restoring the electrical distribution system to its pre-storm condition," Mr. Kupfer said.

The board authorized Kupfer to enter into negotiations with Wartsila to add 36 megawatts of generation capacity at the Randolph Harley Power Plant. Board members were told Wartsila was the most responsive bidder to a request for proposals. The negotiations will focus around Wartsila providing four 9-megawatt engine blocks that will burn either oil or propane to generate electricity. "This will bode well for meeting future power supply needs of the island," Mr. Kupfer noted.

In addition, he projected that these engines will reduce energy consumption by 35% versus current consumption in the St. Thomas – St. John district. In the first phase of this project, the board's approval facilitates the reservation of a production slot with Wartsila for four engines, and requires the company to provide a detailed engineering for full project implementation. The total reservation fees and engineering costs amount to $2 million. The project will be HUD funded resulting in no financing costs to be borne by WAPA's customers.

Also approved were addenda to existing contracts with Haugland Energy Group and BBC Electrical Services. Both contractors will be authorized to tap alternate means of obtaining materials for the ongoing permanent repairs to the electric system if WAPA is unable to provide materials due to logistics or other factors. "This will ensure a constant supply of materials to prevent workflow interruption and makes certain that the project remains on track". All work performed under both contracts is reimbursable by FEMA under a 90/10 cost share.

The board also approved extensions to WAPA's lines of credit and overdraft facilities with First Bank Virgin Islands and Banco Popular. The proceeds of the overdraft facility are slated for working capital needs, specifically, fuel invoices and accounts payable. The lines of credit will be used for working capital and capital projects.

All approvals were unanimous.

In his monthly report to the board, Kupfer spoke of total electric system generation for the month was 68 megawatts. The figure is a one megawatt decrease from December, and 11.2% lower than January 2017. Fuel prices remained fairly steady on the world markets which bodes well for WAPA. Water production numbers are also fairly steady. Inventories at storage facilities on St. Croix are a little below target, but this has not caused any supply problems to potable water customers. Steady progress is being noted by the Automated Metering Infrastructure (AMI) system. Approximately 86% of all installed smart meters are being read electronically. More of those meters are coming on line as approximately 6,000 meters damaged in the 2017 hurricanes are being replaced. Kupfer also told board members that there has been positive feedback from WAPA employees to a health fair that was held on St. Croix and St. Thomas in mid-February.

Board members in attendance included Chairwoman Elizabeth Armstrong, Vice Chairman Hubert Turnbull, Secretary Juanita Young, Gerald T. Groner, Noel Loftus, and Cheryl Boynes Jackson.

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