

The Virgin Islands Consortium

Government Pays All Outstanding WAPA Debt, A Feat Not Seen In Years

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Governor Albert Bryan announced Wednesday that all outstanding prior years and current year bills owed to the Virgin Islands Water and Power Authority by central government agencies, have been fully paid as of July 30. According to Government House, the Department of Finance and the Office of Management and Budget worked with the administration to accomplish the feat, which not only brought the government current, but gave the G.V.I. a credit of more than \$2 million with WAPA.

According to Government House, Mr. Bryan told attendees of the recent Comprehensive Economic Development Strategy (CEDS), meeting, which Mr. Bryan organized, that along with paying the outstanding debts of the central government agencies, the

administration has also paid to WAPA the outstanding debt of the territory's two hospitals, and that of the Virgin Islands Waste Management Authority (W.M.A.).

"We all know and feel the challenges confronting WAPA," the governor said. "We want more affordable, efficient and reliable service, and we want lower electric bills. But we will not achieve any of those until we confront the reality facing WAPA, and one of those realities is the government for years has not been paying its bills adding further strain to WAPA and its consumers. We have now paid our bill, and we paid the hospitals' bills too."

Most of the funds owed to WAPA were paid using a Medicaid reimbursement of more than \$34 million from the federal government to the territory's medical families, among them the two hospitals. WAPA had called on the government to provided in full the \$22 million that it said was owed to it by the hospitals. Senators passed a measure to make the funds available; Mr. Bryan subsequently signed the bill into the -- in the nick of time, the Consortium was told -- that prevented WAPA supplier, Vitol, from halting services to the utility.

Act No. 8187 appropriated \$10.5 million to WAPA from Schneider Regional Medical Center, \$11.7 million to WAPA from the Juan F. Luis Hospital, and \$700,000 to WAPA on behalf of the Virgin Islands Waste Management Authority, Government House made known.

According to the release, in addition, the government advanced WAPA more than \$8 million that Mr. Bryan has directed authority to apply to the remaining \$2.3 million owed by both hospitals and W.M.A., and toward the difference applied to bills owed by departments and agencies within the executive branch.

As a result of these payments, the G.V.I. has a credit balance of just over \$2 million that will be applied towards future WAPA services, Government House said.

According to the release, Mr. Bryan said Wednesday he is pleased his administration was able to pay these long outstanding bills. "We have done everything we can to keep the light bills low. The stoppage of the rate increase didn't happen by accident but was an effort to ensure the best possible outcomes for the territory," he said.

During a presentation at the CEDS meeting recently, WAPA Executive Director Lawrence Kupfer acknowledged the payments from the G.V.I. as a welcomed improvement from past practice.

"That's \$26 million that came to WAPA to pay those bills down, and government entities have, for the most part, been staying current because OMB has been directing money to WAPA under the Single-Payer Utility Act and not paying the hospitals then waiting for the hospitals to pay us. They pay us directly," Mr. Kupfer said, according to Government House.