

The Virgin Islands Consortium

PSC Would Appoint Independent Management Entity With Fiduciary Oversight Over WAPA In New Bill By Senators Sarauw And Frett-Gregory

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In what amounts to a bold move by a freshman Democrat and a second-term Independent with the potential to upend the status quo, Senators Donna Frett-Gregory and Janelle Sarauw are set to introduce legislation aimed at resolving the monumental problem that is the Virgin Islands Water and Power Authority.

The legislation seeks to give the Public Services Commission (PSC) the authority to temporarily appoint an independent management entity with fiduciary oversight to bring WAPA up to appropriate regulatory and operational standards, according to a joint

release the senators issued Thursday. The lawmakers said the overarching goal of the measure is to provide for improvement of services by WAPA, address the high cost of use, and loosen the ball-and-chain of resulting debt through effective oversight, coordination and planning.

"As we make strides in our recovery with aims to bolster economic development, we must provide the basic necessities and infrastructure for economic stability to occur. Stabilizing WAPA should be at the top of the agenda," said Mrs. Frett-Gregory.

"It is time that we treat WAPA with the urgency of the emergency that it is. Our residents deserve the reliability of their utilities in the 21st century," stated Ms. Sarauw.

According to a draft copy of the bill examined by the Consortium, the PSC must review a minimum of three competitive bids for restructuring the authority; and it must utilize industry standards for procuring professional services. Once a bid has been selected, it must be ratified by the Legislature.

The management company chosen would have powers and duties necessary to ensure the continued operation of the utility and the provision of continuous and adequate services to customers, including the power and duty to read meters, bill for utility services, collect revenues, disburse funds, and request rate increases if needed, among other functions.

According to the draft measure, the Legislature would appropriate funds for the initial cost of the management company, and the measure would take effect upon the signature of the governor.

The impending bill from the two senators comes as WAPA continues to falter and an infuriated, frustrated and fed up community has been calling for action. Just today, five schools on St. Croix [had to be dismissed early](#) because WAPA had taken power. And both districts have seen almost daily power outages -- most times for hours, at times all day -- in recent weeks with WAPA failing to give a clear explanation as to the cause of the outages.

Delegate to Congress Stacey Plaskett late Wednesday issued a release calling for the Senate president and Governor Albert Bryan to declare a state of emergency at WAPA, stating that based on her in-depth conversations with WAPA officials and outside experts, "I believe that the Virgin Islands is suffering an energy crisis." She said the regular power outages plaguing the islands are symptoms " ... of more insidious problems facing the authority."

In her four-page letter addressed to Mr. Bryan and Senate President Novelle Francis, the delegate outlined a host of concerns -- some widely known problems and some lesser publicized issues -- that suggest an emergency declaration and attendant federal assistance are needed.

"WAPA must take radical, extraordinary steps for our people to receive efficient and reliable service in a financially sound utility system," Ms. Plaskett wrote. "Indeed, WAPA may need to seek federal court intervention as the authority's operations are under duress by several of its vendor/creditors, creating an unfair advantage and negotiation toward other creditors and the people of the Virgin Islands."

