

The Virgin Islands Consortium

After Roasting WAPA Officials Publicly, What's Senators' Next Move? Legislation To Strengthen PSC, Reform WAPA Board, Lawmakers Say

VIC News / **Published On October 07, 2019 10:49 AM /**

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Virgin Islands Water and Power Authority executives were publicly roasted by senators during a Tuesday Committee of the Whole hearing, with lawmakers slamming the top tier officials on everything from wasteful spending, unaccountability, shielding vital information, and a blatant disregard to Virgin Islanders paying high utility rates and receiving subpar service. The constant power interruptions have subsided, but for much of the summer, WAPA struggled to keep power generation consistent, resulting, at its peak, in daily power outages in the St. Thomas-St. John District, with St. Croix suffering a similar fate though to a lesser extent.

"I don't want no damn excuses from people making six figures; we need answers. And to sit here and say that the only solution is to raise the rates is a damn slap in the face. Maybe everyone of you need to go home from top to bottom. That is the restructuring that we need at the authority," Senator Kenneth Gittens blasted during the Tuesday hearing.

But with the dramatic hearing over, the question remains, will change actually come to WAPA? The Consortium sought answers from Senate President Novelle Francis, but Mr. Francis did not return a call placed to him on Sunday.

Senator Kurt Violet said there were legislation being discussed that aim to strengthen the Public Services Commission regulatory authority, while also reshaping the structures of both the PSC and WAPA boards.

"There are a couple pieces of legislation that I know we had conversations about in changing the composition of the board, and I am looking at that to make sure that we have a more qualified board in reference to power generation and having individuals on the board that include engineers who actually work in power generation," Mr. Violet said. "I am thinking that we need to open it up to not only have local individuals on the board; there are a number of Virgin Islanders who are off-island working for GE and other big companies that could really contribute in making those types of technical decisions. So the position is to try to get those types of individuals on the board and also to give the PSC a bit more regulatory powers, but to also make sure that the composition of the PSC has the needed knowledge."

Something has to be done. And what we've unraveled really is that it's a matter of mismanagement. There's no ifs, ands or buts about that. That hearing clearly showed waste, fraud and abuse going on within the authority. And it's either we're going to police ourselves or somebody is going to have to do it for us. - Sen. Kenneth Gittens

Mr. Violet said he was not in support of another base rate increase for the utility. "We have given them increases before and they have not used the monies where they were supposed to."

He added, "WAPA needs to show that all of the decisions that they are making are fiscally prudent. You can't make a decision and then abandon it after. I need to see how they have changed their internal mechanism to ensure that there are safeguards in place. For example, the same project manager that had all the overruns, he is still a project manager."

Senator Kenneth Gittens, who revealed that senators were set to tour the WAPA plants this week, the first being on St. Croix today, said he spoke with Mr. Francis on facilitating a meeting to discuss next steps. "I have contacted the Senate president and I've asked him for us to come together as a body and to see what's next to see what plan we can come up with holistically, and then have a conversation with the executive branch and the congresswoman to have a direction that we will go in to bring an ease to the people of the Virgin Islands paying this outrageous rate," Mr. Gittens said.

He added, "Something has to be done. And what we've unraveled really is that it's a matter of mismanagement. There's no ifs, ands or buts about that. That hearing clearly showed waste, fraud and abuse going on within the authority. And it's either we're going to police ourselves or somebody is going to have to do it for us."

Legislation [being introduced](#) by Senators Janelle Sarauw and Donna Frett-Gregory seeks to give the PSC the authority to temporarily appoint an independent management entity with fiduciary oversight to bring WAPA up to appropriate regulatory and operational standards. 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.