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HUD Demands WAPA Reduces Bill Guesstimating to Under 2 Percent, Withholds \$19 Million Until Criteria is Met; Sarauw Calls for Shakeup of Top Tier

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The U.S. Dept. of Housing and Urban Development is withholding millions in funding to WAPA until the authority can meet multiple criteria, including lowering the percentage of billing estimation to under 2 percent, which in July 2020 stood at 11 percent of all WAPA customers, and includes the authority's employees guesstimating the utility consumption of its customers instead of actually reading meters.

The HUD action was brought to the fore during a Committee on Disaster Recovery and Infrastructure hearing Tuesday. Daryl Griffith, the V.I. Housing Finance Authority executive director, said during testimony that WAPA had yet to meet the requirements set forth by HUD to receive federal funding. HUD has obligated \$88.3 million to WAPA, all of which stand in limbo

until WAPA meet the criteria.

Aside from the criteria of reducing the billing estimation percentage to below 2 percent, WAPA has also failed to submit its 2019 audit in the time HUD requested. The authority has since asked HUD for an extension to end March 22. The HUD criteria also calls on WAPA to issue bills to customers at the end of each 30-day billing cycle within five days of meter-reading, and to complete the monthly 30-day billing cycle on time.

WAPA CEO Lawrence Kupfer told senators that one of the most important criteria for HUD was making sure that bills get out on time, which he said the authority has been consistent with since July 2020. Mr. Kupfer admitted that the billing estimation percentage is high, "but customers are still getting a bill," he said. WAPA managed to reduce the bill estimation from 11 percent to 7.4 percent, according to Mr. Kupfer. Asked by Senator Samuel Carrion what was the authority's plan to get below 2 percent, Mr. Kupfer stated, "Short-term we are going to have to hire more meter readers."

Multiple senators disputed WAPA's claim that it had accomplished the 30-day billing cycle criteria. "Each of the senators before you today are saying we have a billing problem," said Senator Janelle Sarauw, chairwoman of the committee. Senators have also been fielding questions from constituents about WAPA billing issues.

Senator Franklin Johnson said, "As late as last month customers have been receiving bills with charges past 30 days, so I can't understand how you are saying you are in compliance."

Senator Kurt Vialet stated, "I don't really understand how you guys are getting so much complaints about this and you are always beating around the bush. Individuals are receiving bills in excess of \$1,000."

Ms. Sarauw was not pleased with the manner in which WAPA was responding to lawmakers' queries. "Just the tone, the lack of empathy of explaining that you have a billing problem, sends us to the brink of insanity," she said. "The culture of WAPA has to change, that top-tier level management has to be shaken up and things must change."